



جمعية البنوك في الأردن
ASSOCIATION OF BANKS IN JORDAN

Annual Report

Thirty- Nine

2017

Association of Banks in Jordan

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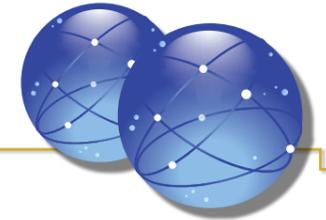
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His Majesty King Abdullah II bin Al Hussein



His Royal Highness Prince Hussein bin Abdullah



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.

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Board of Directors of the Association of Banks in Jordan

The Association's Board of Directors comprised the following dignitaries at the end of 2017:

- ❖ Mr. Musa Shihadeh, Jordan Islamic Bank, Chairman
- ❖ Mr. Kamal Al-Bakri, Cairo Amman Bank, Vice Chairman
- ❖ H.E. Ms. Nadia Al-Saeed, Bank al Etihad, Member
- ❖ Mr. Nemeh Sabbagh, Arab Bank, Member
- ❖ Mr. Ihab Saadi, The Housing Bank for Trade and Finance, Member
- ❖ Mr. Saleh Rajab Hammad, Bank of Jordan, Member
- ❖ Mr. Mohammad Musa, Jordan Ahli Bank, Member
- ❖ Ms. Simona 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 2017 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	ABC Bank	1989	www.bank-abc.com
12	Bank Al-Etihad	1991	www.bankaletihad.com
13	Societe General _ Jordan	1993	www.sgbj.com.jo
14	Capital Bank	1996	www.capitalbank.jo
15	Islamic International Arab Bank	1997	www.iiabank.com.jo
16	Safwa Islamic Bank	2009	www.safwabank.com

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 Bank	2002	www.standardChartered.com
5	Bank Audi	2004	www.audi.com.lb
6	National Bank of Kuwait-Jordan	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 the Board of Directors' Foreword	21
Speech of the Director General	23
Chapter One: Prospects of World and Regional Economy: An Outline of International Developments	25
I. Prospects of World Economy	27
Economic Developments in Jordan during 2017	30
Chapter Two: Economic Developments in Jordan during 2017	33
1. Production, 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 2017	41
1. Developments of Monetary Policy in 2017	43
A) CBJ decisions relevant to interest rates on monetary policy instruments in 2017	43
B) The main instructions and circulars of CBJ in 2017	45
2. Foreign Reserves	45
3. Assets/ Liabilities of Banks working in Jordan	46
A) Foreign assets	46
B) Domestic assets	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	61
C) Housing and real estate loans (for individuals)	64
D) Car loans	68
E) Syndicated Loans	71

Subject	Page
7. Deposits at Licensed Banks	71
8. Gender distribution of individual customers in banks working in Jordan	73
First: Distribution of individuals' deposit accounts according to gender	74
Second: Distribution of individual borrowers according to gender	76
Third: Distribution of individual customers having credit cards according to gender	78
Chapter Four: Development in the number of banks and their branches	83
1. Development in the Number of Branches	85
A) Branches opened in 2017	85
B) Number of Branches	87
C) Geographical distribution of branches inside Jordan	88
2. Development of the number of offices	89
A) Offices opened in 2017	89
B. Number of offices in Jordan and outside	89
C) Geographical distribution of offices inside Jordan	90
3. The development in the number of ATMs	91
A) The number of ATMs and distribution on governorates	91
B) Kinds of ATMs used	93
C) Operating Systems used	93
D) Services Provided by ATMs	93
Chapter Five: Performance of Banks Listed in Amman Stock Exchange in 2017	97
1. Shares Price Index	99
2. Trading Volume	102
3. Non-Jordanian Ownership of Shares in Jordanian Banks	104
Chapter Six: Clearing of Checks	107
1. Historical overview of check clearing	109
2. Development in check clearing	110
Chapter Seven: Structure of Interest Rates	113
1. Development of Interest Rates on Deposits	115
2. Development of Interest Rates on Credit Facilities	117

Subject	Page
3. Interest Rate Margin	120
4. Development of Interest Rates on Monetary Policy Instruments	121
5. Interbank Lending Rates (JODIBOR)	123
Chapter Eight: Analysis of the Comparative Performance of Banks Operating in Jordan during 2017	129
First: Classification of banks according to the Statement of Financial Position	132
A) Classification of Banks according to Total Assets	132
B) Banks' Classification according to direct credit facilities (net)	133
C) Banks' Classification according to total deposits	134
D) Classification of Banks according to Equity Rights	135
C) Banks' Classification according to Capital	136
Second: Banks' Classification according to some items of Income Statement	137
A) Classification of Banks according to Pre-Tax Profit	137
B) Banks' Classification according to after-Tax Profits	138
Third: Classification of Banks according to most important profitability indicators	139
A) Banks' Classification according to Average Return on Assets	139
B) Average Return on Equity in Banks Operating in Jordan	140
Fourth: Classification of Banks according to Bank Branching	141
A) Classification of banks according to the number of branches in Jordan	141
B) Banks' Ranking according to the Number of ATMs inside Jordan	142
Fifth: Human Resources in Banks Operating in Jordan	143
A) Banks' Ranking according to the number of Employees	143
Sixth: An Outline of Most Important Financial Indicators of Banks Operating in Jordan	144
Chapter Nine: New Banking Services	149
Chapter Ten: Human Resources in banks Operating in Jordan	159
1. The Number of Employees	161
2. Distribution of bank employees according to academic qualifications	161
3. Distribution of Bank Employees according to age group	162
4. Social status of employees	163
5. Geographical distribution of bank employees according to governorates	163

Subject	Page
6. Training courses	166
7. Resignations and appointments	167
Chapter Eleven: ABJ's activities in 2017	169
A. Meetings of Committees	171
B. Other Meetings	173
C. Seminars, Lectures, Training Courses	177
D. Other Activities and News	189
E. ABJ Publications in 2017	205
Chapter Twelve: Financial Statements of Association of Banks in Jordan for the year 2017	207

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 (JD Million)	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 2017	52
9	Personal Loans Extended by Banks During 2017	61
10	Terms and Characteristics of Personal Loans Extended by Banks During 2017	62
11	Housing and real estate loans granted by banks to individuals in 2017	64
12	Terms and characteristics of housing and real estate loans granted by Banks to individuals in 2017	65
13	Car Loans Extended by Banks During 2017	68
14	Terms and Characteristics of Car Loans Extended by Banks During 2017	69
15	Syndicated bank loans extended during 2017	71
16	Distribution of Deposits According to its Major Types	72
17	Distribution of Deposits According to Type of Currency	73
18	Development of Number of Banks and Branches in Jordan (2009 – 2017)	85
19	New Branches Opened During 2017	86
20	Number of Branches Inside and Outside Jordan at the End of 2017	87
21	Distribution of Branches Among Governorates at the End of 2017	88
22	Offices Opened During 2017	89
23	Number Offices Inside and Outside Jordan at the End of 2017	90
24	Distribution of Offices Among Governorates at the End of 2017	91
25	Distribution of ATMs Among Governorates at the End of 2017	92
26	Services Provided by Banks' ATMs Until the End of 2017	94
27	Other Services Provided Through ATMs	95

#	Name of table	Page
28	Some Trading Indicators of Banks Listed in Amman Stock Exchange During 2017	99
29	Development of the Share Price Index of Banks Listed in Amman Stock Exchange (2009 – 2017)	100
30	Monthly Development of the Share Price Index of Banks Listed in Amman Stock Exchange during 2017	101
31	Trading Volume of Banks' Shares Listed in Amman Stock Exchange (2009 – 2017)	102
32	Monthly Trading Volume of Banks' Shares Listed in Amman Stock Exchange during 2017	103
33	Non-Jordanian Ownership of Banks' Shares Listed in Amman Stock Exchange (2009-2017)	104
34	Cheques Presented for Clearing and Returned Cheques Through the Electronic Clearing (2016 – 2017)	110
35	Weighted Average Interest Rates on All Types of Deposits (2009-2017)	115
36	Monthly Development of weighted Average Interest Rates on All Types of Deposits in 2017	116
37	Weighted Average Interest Rates on All Types of Credit Facilities (2009-2017)	118
38	Monthly Development of Weighted Average Interest Rates on All Types of Credit Facilities in 2017	119
39	Interest Rates on Monetary Policy Instruments (2009 - 2017)	122
40	Monthly Development of Interest Rates on Monetary Policy Instruments during 2017	122
41	Average Interbank Lending Rates (JODIBOR – Declared Rates) (2006 – 2017)	123
42	Monthly Development of Interbank Lending Rates (JODIBOR – Declared Rates) in 2017	124
43	Volume of Overnight Interbank Market During 2017	125
44	Total Assets of Banks Operating in Jordan at the end of 2016 and 2017	132
45	Direct credit facilities - net Extended By Banks Operating in Jordan at the end of 2016 and 2017	133
46	Total Deposits at Banks Operating in Jordan at the end of 2016 and 2017	134
47	Shareholders' Equity of Banks Operating in Jordan at the end of 2016 and 2017	135
48	Capital of Banks Operating in Jordan at the end of 2016 and 2017	136
49	Pre-Tax Profit of Banks Operating in Jordan at the end of 2016 and 2017	137
50	Net After-Tax Profit of Banks Operating in Jordan at the end of 2016 and 2017	138
51	Average Return on Assets for the Banks Operating in Jordan at the end of 2016 and 2017	139
52	Average Return on Shareholders' Equity for the Banks Operating in Jordan at the end of 2016 and 2017	140
53	The Number of Branches of Banks Operating in Jordan at the end of 2016 and 2017	141
54	The Number of ATMs of Banks Operating in Jordan at the end of 2016 and 2017	142
55	Number of Employees at Banks Operating in Jordan at the end of 2016 and 2017	143

#	Name of table	Page
56	New Banking Services introduced in 2017	151
57	Distribution of Bank Employees by Gender (2009 – 2017)	161
58	Distribution of Banks' Employees according to Education Level (2009 – 2017)	162
59	Distribution of Banks' Employees By Age Group (2009-2017)	162
60	Distribution of Banks' Employees according to Marital Status (2009 -2017)	163
61	Geographical Distribution of Banks' Employees by Governorate at the End of 2017	164
62	Distribution of Banks' Employees by Governorate and Bank at the End of 2017	165
63	Number of Employees who attended training courses in 2017	166
64	Appointments and Resignations (2009 – 2017)	167

List of diagrams

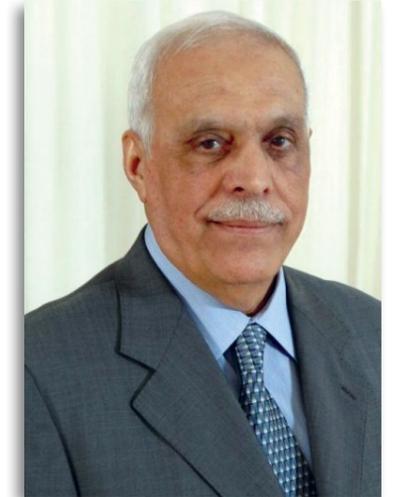
#	Name of diagram	Page
1	Real GDP Growth Rate	29
2	Real GDP Growth Rate for Regional Groups	29
3	Central Bank's Foreign Reserves	46
4	Distribution of Credit Facilities according to Type as the end of 2017	50
5	Distribution of Credit Facilities By Type of Currency at the end of 2017	51
6	Distribution of Credit Facilities by Economic Sector at the end of 2017	52
7	Distribution of Deposits According to its Major Types as the end of 2017	72
8	Distribution of Deposits According to Type of Currency at the end of 2017	73
9	The total number of individuals' deposit accounts according to gender at the end of 2017	74
10	The distribution of individuals' deposit accounts according to gender at the end of 2017	75
11	The total value of individuals' deposit according to gender at the end of 2017	75
12	The distribution of the total value of individuals' deposits according to gender at the end of 2017	76
13	The total number of individual borrowers according to gender at the end of 2017	76
14	The distribution of individual borrowers according to gender at the end of 2017	77
15	The total value of individual loans according to gender at the end of 2017	77
16	The distribution of the total value of individuals' loans according to gender at the end of 2017	78
17	The total number of individual clients having credit cards according to gender at the end of 2017	79
18	The distribution of individual clients having credit cards according to gender at the end of 2017	79
19	The total value of individuals credit cards limits according to gender at the end of 2017	80
20	The distribution of the total value of individuals credit cards limits according to gender at the end of 2017	80
21	Annual Development of the Shares Price Index (2009-2017)	100
22	Monthly Development of the Shares Price Index During 2017	101
23	Annual Development of the Trading Volume (2009-2017)	102
24	Monthly Development of the Trading Volume during 2017	103
25	Non-Jordanian Ownership of Banks' shares (2009-2017)	104
26	Weighted Average Interest Rates on All Types of Deposits (2009-2017)	116

#	Name of diagram	Page
27	Monthly Development of Interest Rates on All Types of Deposits during 2017	117
28	Weighted Average of Interest Rates on All Types of Credit Facilities (2009-2017)	118
29	Monthly Development of Interest Rates on All Types of Credit Facilities during 2017	119
30	Annual Development of Interest Rate Margin (2009-2017)	120
31	Monthly Development of Interest Rate Margin during 2017	121
32	Monthly Development of the Interbank Lending Rate (JODIBOR) During 2017	124
33	Development of the Size of Overnight Interbank Market during 2017	126
34	Development of the Number of Transaction in Overnight Interbank Market during 2017	126
35	Development of Overnight Interbank Lending Rates "JODIBOR" (Declared and Actual) during 2017	127

Chairman of the Board of Directors' Foreword

Dear members of the Association of Banks in Jordan,

It is my pleasure to present you with the 39th annual report on the ABJ's activities and achievements during 2017, its audited financial statements for the year ended on 31 Dec. 2017, and the auditors' report addressed to your esteemed association on the results of their audit of those statements.



Dear members,

Indicators of our national economy registered uneven performance in 2017. The growth rate maintained the same level registered in the year before, which is 2%, thus reflecting the slowdown that the Jordanian economy is passing through. The inflation rate rose to 3.3% in 2017, so did the unemployment rate, which hit 18.3%. Local revenues and foreign assistance rose at a rate higher than government expenditures, thus reducing budget deficit. Yet, total public debt went up in 2017 to reach 95.9% of GDP.

In terms of indicators of the external sector, exports went down and imports increased, thus augmenting the deficit in the trade balance. Workers remittances and foreign direct investment (FDI) in Jordan increased, while foreign reserves decreased by 4.9%, reaching \$12.25 billion by the end of 2017.

Jordanian banking sector maintained its strength and stability; it had been even able to register some tangible growth in 2017. Assets of licensed banks increased by 1.5%, reaching JD49.1 billion by the end of 2017; credit facilities granted by licensed banks registered a high growth of 8.0%, reaching JD24.7 billion and deposits in licensed banks rose by 0.9%, reaching JD33.2 billion.

Honourable members,

Allow me to extend my gratitude to all ABJ members for the efforts they have exerted during the whole year to achieve our association's goals. I further commend the CBJ Governor and all employees of member banks for their continued cooperation with the ABJ to serve the interests of the banking sector and the Jordanian economy as a whole under the rule of His Majesty King Abdullah II.

Musa Shihadeh
Chairman of the Board of Directors

Statement of the General Director

In 2017, the ABJ conducted discussions and follow-ups of the different issues that were submitted to it, especially by member banks. Specialized technical committees thoroughly reviewed those issues, conveying banks' remarks on them to concerned authorities whose response, it should be said, was serious. Official agencies took many ABJ remarks and suggestions into consideration.

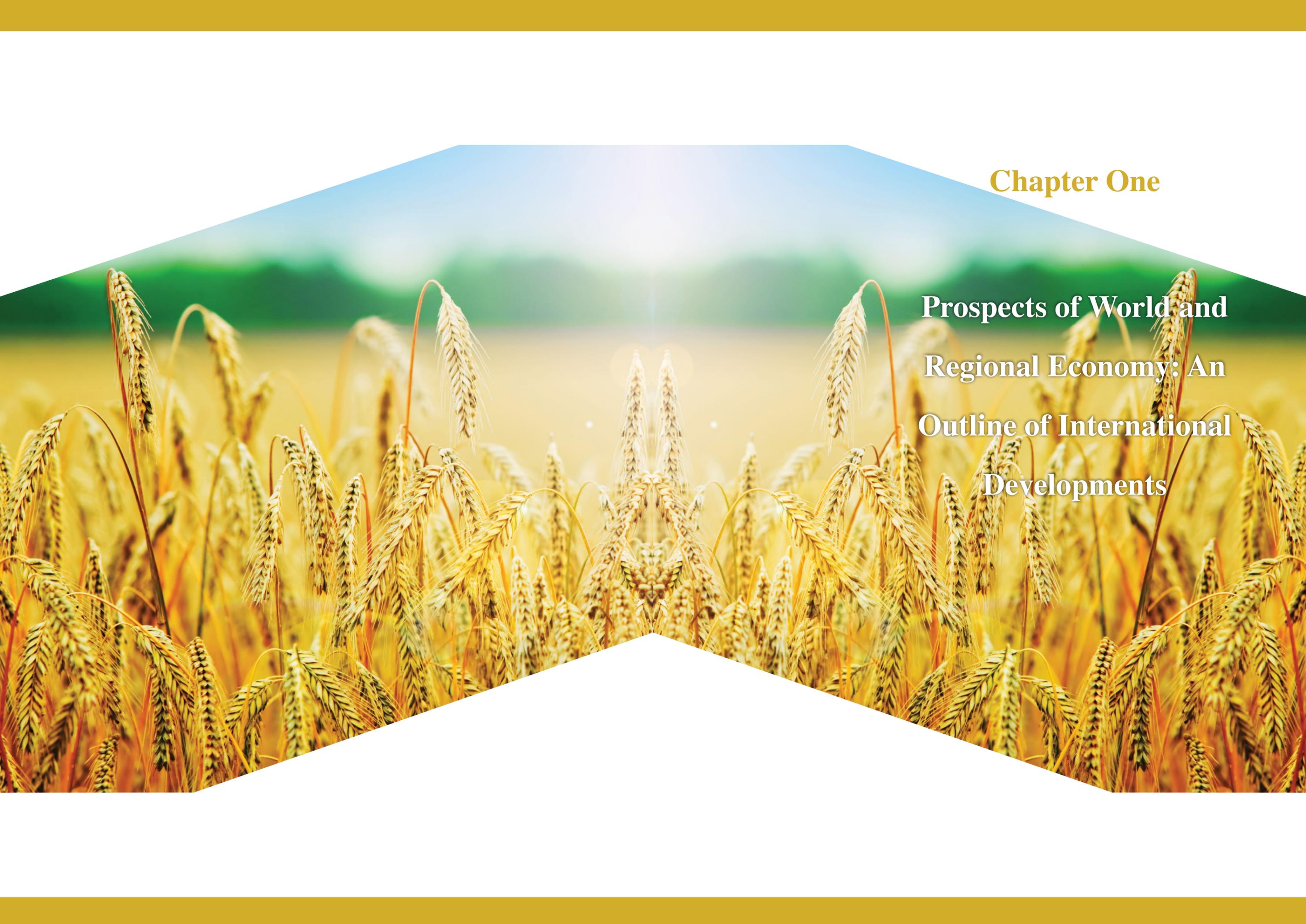


In what regards training, the ABJ organized many seminars, workshops, training courses and lectures on issues of concern to the banking sector. Ten workshops and 15 training courses were held, in addition to organizing an interactive session of Facilitating Entrepreneurial Businesses' Access to Financing, a seminar on the Domestic Systemically Important Banks, and an orientation seminar on the next generation of IT systems. This is in addition to organizing the Fifth Forum on Banks' Corporate Responsibility.

In the field of studies, the ABJ issued in the said year a number of publications, reports and studies relevant to Jordanian banking sector. It issued the 38th annual report of 2016 in Arabic and English, and a booklet on the Comparative Performance of Banks Operating in Jordan in 2015 and 2016.

I seize this opportunity to extend my gratitude and thanks to the chairman and members of ABJ's board of directors who spared no effort to support the association with their insights and distinguished experiences. I further thank all member banks for their fruitful cooperation with the association. Our appreciation also goes for all ABJ staff for their efforts to develop the association's work.

Dr. Adli Kandah
Director General



Chapter One

Prospects of World and Regional Economy: An Outline of International Developments

The chapter reviews the international economic environment and its forecast trends, and the prospects of economy in the MENA region, by discussing the economic developments of oil exporting countries and oil importing countries.

I. Prospects of World Economy

The pace of world economic recovery, which began in mid-2016, accelerated in 2017. The average growth rate of world economy increased to 3.8% in 2017, the highest since 2012.

This progress is the result of improved economic growth rates in developed, emerging and developing countries alike. Growth rate in developed economies rose to 2.3% in 2017, compared with 1.7% in the year before. The growth rate in the USA increased from 1.5% to 2.3%; in the Euro Zone, it went up from 1.8% to 2.3%; the Japanese economy grew tangibly from 0.9% to 1.7% in the same period. As for other developed economies, the growth rates increased from 2.1% to 2.5% in 2017. So was the case with emerging and developing economies which witnessed an improvement in economic growth rates reaching 4.8% in 2017, compared with 4.4% in 2016.

As regards prospects of world economy, economic recovery momentum is expected to continue well into 2018 and reach 3.9% as a result of predicted growth in advanced, emerging and developing economies. However, the same growth rate of world economy is predicted for 2019 because of the expected slowdown in developed economies.

Table (1)
Real GDP Growth Rate

	Actual								Projections	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
World	5.4	4.3	3.5	3.5	3.6	3.5	3.2	3.8	3.9	3.9
Advanced Economies	3.0	1.7	1.2	1.3	2.1	2.3	1.7	2.3	2.5	2.2
United States	2.5	1.6	2.2	1.7	2.6	2.9	1.5	2.3	2.9	2.7
Euro Area	2.1	1.6	-0.9	-0.2	1.3	2.1	1.8	2.3	2.4	2.0
Japan	4.2	-0.1	1.5	2.0	0.4	1.4	0.9	1.7	1.2	0.9
Other Advanced Economies	4.6	2.9	2.0	2.4	3.0	2.1	2.1	2.5	2.4	2.3
Emerging Market and Developing Economies	7.4	6.4	5.4	5.1	4.7	4.3	4.4	4.8	4.9	5.1
Regional Groups										
Emerging and Developing Europe	4.3	6.6	2.5	4.9	3.9	4.7	3.2	5.8	4.3	3.7
Commonwealth of Independent States	4.6	5.3	3.7	2.5	1.0	-2.0	0.4	2.1	2.2	2.1
Emerging and Developing Asia	9.6	7.9	7.0	6.9	6.8	6.8	6.5	6.5	6.5	6.6
Latin America and the Caribbean	6.1	4.6	2.9	2.9	1.3	0.3	-0.6	1.3	2.0	2.8
Middle East, North Africa, Afghanistan, and Pakistan	4.7	4.4	5.0	2.6	2.8	2.5	4.9	2.6	3.4	3.7
Middle East and North Africa	4.9	4.4	5.1	2.5	2.6	2.4	4.9	2.2	3.2	3.6

Source: IMF, WEO, April, 2018.

Figure (1)
Real GDP Growth Rate

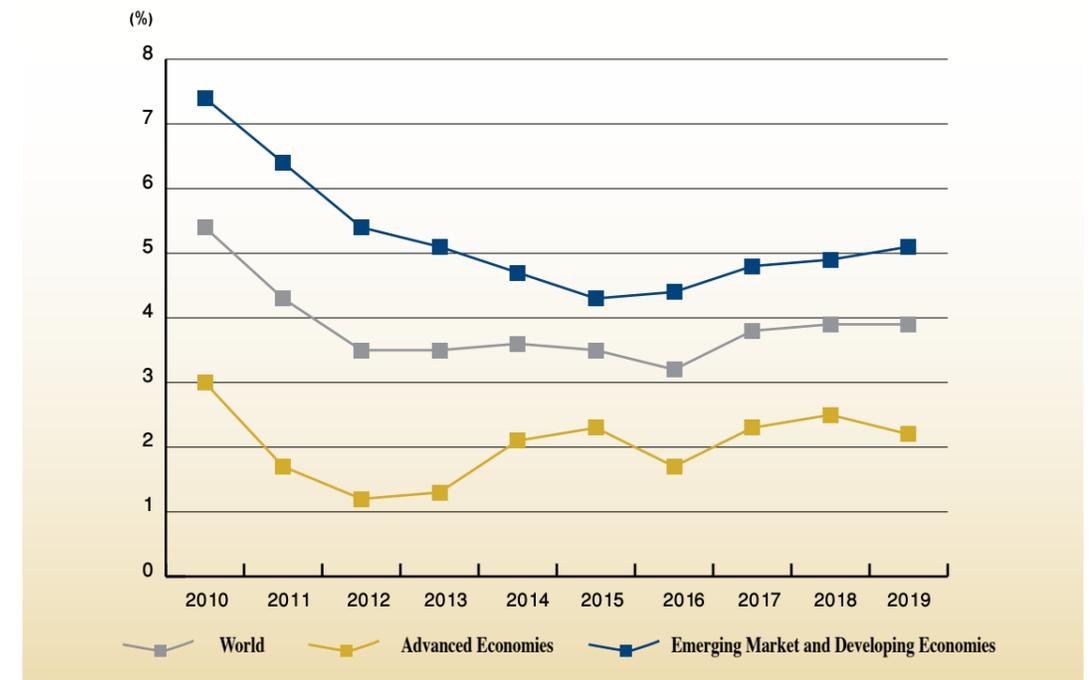
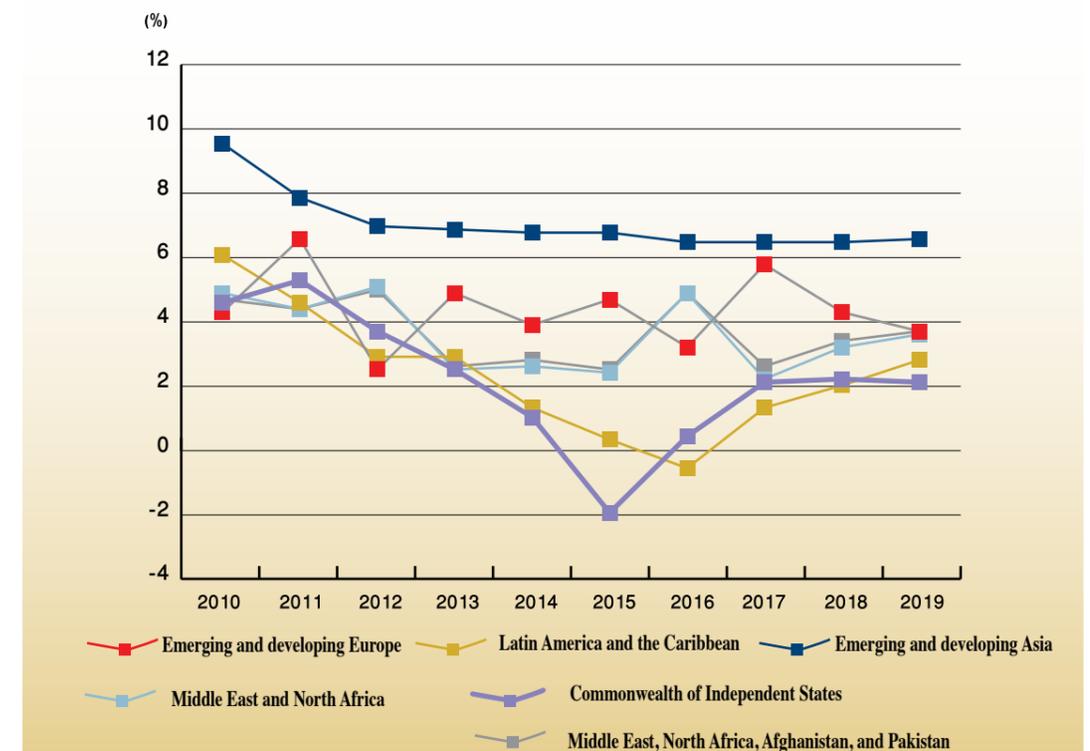


Figure (2)
Real GDP Growth Rate for Regional Groups



2. prospects of Regional Economy

Despite increasing recovery in world economy, there is an apparent slowdown in the growth rates of the Middle East and North Africa (MENA) region, due to measures taken to adapt with the low oil prices and the impact of conflicts plaguing the region. Growth rate hit a new low in 2017, reaching 2.2%, compared with 4.9% in 2016.

However, predictions indicate an improvement in the regional economy of the MENA, as growth rates are expected to go up to 3.2% in 2018 and 3.6% in 2019.

Oil Exporting Countries in the MENA Region

Economic growth rate in the MENA exporting countries fell down, especially in the GCC countries, whose GDP went down by 0.2%. Saudi Arabia experienced its first economic retraction since 2009, affected by the reduced oil production to comply with the OPEC decision. Domestic demand in the UAE and Qatar witnessed a decrease resulting from the weakened confidence of consumers and investors.

However, predictions indicate an accelerated economic growth in 2018 and 2019 resulting from many factors ranging from continued recovery in non-oil sectors, to the alleviation of financial control measures to trigger domestic demand, as some of these countries did. Yet, accelerated growth will still be threatened by many risks, on top of which is the possibility of constraints in world finance conditions, the increase in trade and geopolitical tensions, in addition to the state of uncertainty surrounding prospects of oil prices.

Oil-exporting Countries in the MENA Region

Available data indicate an improvement in the economic performance of MENA region's oil importing countries, due to reforms and efforts to improve levels of confidence and increased external demand.

Economic recovery is expected to be sustained in those countries during 2018 as result of the gains of ongoing reforms, the improved level of confidence in some countries and the steady growth in external demand.

Yet, there is a number of negative factors that might affect the economic growth of those countries. The high unemployment rates, especially among the youth, the ongoing conflicts in the region and the issue of refugees cast shadows on the prospects of growth in the region and increase risks of uncertainty. Those risks require accelerating the pace of structural reforms that would improve business environment and enhance productivity, in addition to the need to continue financial restriction measures.



Chapter Two

**Economic Developments in
Jordan during 2017**

National economic indicators registered uneven performance in 2017. Economic growth rate maintained the same level of the previous year, which is one of the least rates registered in past years, thus reflecting the state of slowdown in Jordanian economy. Furthermore, inflation rates rose in 2017, along with apparent increase in unemployment rates.

As regards public finances, total domestic revenues and external assistance to the kingdom grew at a higher rate than that of government expenditures in 2017, the matter that helped to reduce the budget deficit. Yet, total public debt registered an increase in 2017 that reached 95.9% of GDP.

As regards external sector's indicators, exports went down and imports went up in 2017, which led to a noticeable increase in the trade balance deficit, while the volume of FDI and expatriates' remittances increased.

As for monetary and bank indicators, the foreign reserves balance of the CBJ decreased, while the assets, facilities and deposits of licensed banks grew in 2017. The following is the main economic, financial, monetary and bank indicators in Jordan during 2017.

1. Production, Prices and Companies

■ **Gross Domestic Product (GDP):** Gross Domestic Product at constant prices reached JD11.872 billion by the end of 2017, compared with JD11.643 billion by the end of 2016. Therefore, growth rate reached 2.0% in 2017, the same rate achieved the year before. It is noteworthy in this context that registered growth rates in the last two years are among the lowest that the kingdom registered in the last two decades.

On a sector by sector basis, almost all economic sectors in the kingdom grew in 2017. Construction is the only sector that regressed by 1.1%. The highest growth was registered by the Mining and Quarrying sector, which grew by 12.9%, followed by agriculture, which grew by 4.8%, while other sectors registered positive growth rates in ranges that do not exceed 4.0%.

Financial services, insurance, real estate and business services sector; the manufacturing sector; and transportation and telecommunications sector maintained their status as the most important leverages of GDP, as they accounted for 20.7%, 16.2% and 14.8% of GDP respectively in 2017. This is 51.7% of GDP.

■ **Consumer Price Index:** Consumer Price Index rose in 2017 to reach 119.3 points, compared with 115.5 points in 2016. Therefore, inflation rate significantly increased in 2017 to reach 3.3%, compared with a negative inflation rate of -0.8%.

■ **Producers' Price Index:** Producers' Price Index grew by 3.7% in 2017, compared with a decline of -8.5% in 2016.

■ **Unemployment:** Unemployment rate increased in 2017 to reach 18.3%, compared with 15.3% in 2016 and 13.0% in 2015.

2. Public Finance

- **Domestic Revenues and Foreign Aid:** Total domestic revenues and foreign aid grew by 5% in 2017 to reach JD7.42 billion, compared with JD7.07 billion in the year before. The growth is due to increased domestic revenues by 7.8% and the decline of foreign aid by 15.3%. The percentage of domestic revenues and foreign aid to GDP reached 26.1% in 2017, compared with 25.8% in 2016.
- **Public Expenditures:** Total public expenditures grew by 2.8% in 2017, reaching JD8.17 billion, compared with JD7.95 billion in 2016. This increase is due to increased current expenditures by 2.8% and the increase in capital expenditures by 3%. The percentage of public expenditure to GDP amounted to 28.7% in 2017, compared with 29% in 2016.
- **Budget Deficit:** As the rise of total domestic revenues and foreign aid grew at a greater rate than total public expenditures, deficit after grants was reduced in 2017 budget by 14.9% to reach JD748 million, compared with a deficit of JD879 million in 2016. Budget deficit constitutes 2.6% of GDP in 2017, compared with 3.2% in the year before.

3. Public Debt

- **Net Domestic Public Debt:** The total net domestic public debt of the central government declined from JD15.8 billion in 2016 to JD15.4 billion in 2017, thus registering a decline of 2.5%. Accordingly, the percentage of net domestic public debt to GDP declined from 57.5% in 2016 to 53.9% in 2017.
- **External Public Debt:** The balance of external public debt rose from JD10.3 billion in 2016 to JD11.9 billion in 2017. The rise was by 15.2%. Therefore, the percentage of external public debt to GDP increased from 37.5% in 2016 to 41.7% in 2017.
- **Total Public Debt:** The total public debt grew in 2017 by 4.5%, reaching JD27.3 billion, compared with JD26.1 billion in 2016. Thus, the percentage of total public debt to GDP increased from 95.1% in 2016 to 95.9% in 2017.

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, 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 slightly grew in 2017 by 1.8%, reaching JD4.47 billion, compared with JD4.40 billion in 2017.
- **Re-Exports:** The value of re-exports remarkably fell down in 2017 at a rate of 13.9%, reaching JD829 million, compared with JD963 million in 2016.
- **Total Exports:** The volume of total exports (Domestic exports + re-exports) slightly regressed by 1.1%, registering JD5.30 billion, compared with JD5.36 billion in 2016.
- **Imports:** Imports grew in 2017 by 5.6%, reaching JD14.49 billion, compared with JD13.72 billion in 2017.
- **Trade Balance Deficit:** The trade Balance Deficit grew by 9.9% to reach JD9.19 million in 2017, compared with JD8.36 million in 2016.
- **Workers' Remittances:** Workers' remittances slightly increased by 0.3% in 2017, reaching JD2.372 billion, compared with JD2.366 billion in 2016.
- **Foreign Direct Investment:** The volume of Foreign Direct Investment in Jordan increased by 7.2% in 2017, reaching JD1182 million, compared with JD1103 million in 2016.

5. Monetary and Banking Sector

- **Local Liquidity:** Local Liquidity (M2) went up in 2017 to reach JD32.96 billion. This is a slight rise of 0.2% compared with its level by the end of 2016.
- **Foreign Reserves Balance at the Central bank:** CBJ's foreign reserves fell down by 4.9% in 2017, reaching \$12.25 billion by the end of 2017, compared with \$12.88 billion by the end of 2016. This amount of reserves is enough to cover the kingdom's imports of goods and services for 6.9 months approximately.
- **Licensed Banks' Assets:** Licensed banks' assets registered a rise of 1.5% by the end of 2017, reaching JD49.103 billion, compared with JD48.384 billion by the end of 2016.
- **Credit Facilities:** Credit facilities granted by licensed banks grew by JD1831 million, or 8.0% by the end of 2017, reaching JD24.737 billion, compared with JD22.906 billion by the end of 2016.
- **Deposits:** The balance of total deposits at licensed banks slightly rose by 0.9%, reaching JD33.198 billion at the end of 2017, compared with JD32.900 billion at the end of 2016.
- **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 44 points approximately by the end of 2017, reaching 2127 points. The decline is 2% of its level by the end of 2016.

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 2017

Monetary and banking indicators continued to develop in different fields in 2017. This development reflects the strength and soundness of Jordanian banking sector and its potential to register sustained growth throughout the years. This chapter will handle the most important monetary and banking indicators in 2017, including the developments of monetary policy and those in the indicators of foreign reserves, assets, facilities and deposits at banks Operating in Jordan.

1. Developments of Monetary Policy in 2017

A) CBJ decisions relevant to interest rates on monetary policy instruments in 2017

The CBJ raised the interest rates on monetary policy instruments 4 times, as follows:

- Raising principal interest rates in Feb. 2017

The CBJ decided to raise the principal interest rates on monetary policy instruments by 50 base points as of Wednesday, 22 Feb. 2017. The interest rate structure thus became:

- Raising CBJ Main rate from 2.75% to 3.25%.
- Raising the interest rate of overnight deposit window in Jordanian dinars from 1.75% to 2.25%.
- Raising the interest rate of deposit certificates with a range of 3.00%- 3.25%.
- Raising the interest rate of overnight repurchase agreements from 3.50% to 4.00%.
- Raising the rediscount interest rate from 3.75% to 4.25%.
- Keeping CBJ's interest rates on the CBJ's refinancing program that targets SMEs (mid-term advances program for banks) as is at 1.75% for projects inside the capital and 1% for projects in other governorates.

- Raising Main Interest Rates in March 2017

The CBJ decided to raise the principal interest rates on monetary policy instruments by 25 base points as of Sunday, 19 March 2017. The interest rate structure thus became:

- Raising CBJ Main rate from 3.25% to 3.50%.
- Raising the interest rate of overnight deposit window in Jordanian dinars from 2.25% to 2.50%.
- Raising the interest rate of deposit certificates with a range of 3.25% to 3.50%.
- Raising the interest rate of overnight repurchase agreements from 4.00% to 4.25%.

- Raising the rediscount interest rate from 4.25% to 4.50.

- Keeping CBJ's interest rates on the CBJ's refinancing program that targets SMEs (mid-term advances program for banks) as is at 1.75% for projects inside the capital and 1% for projects in other governorates.

- Raising Main Interest Rates in June 2017

The CBJ decided to raise the principal interest rates on monetary policy instruments by 25 base points as of Sunday, 18 June 2017. The interest rate structure thus became:

- Raising CBJ Main rate from 3.50% to 3.75%.
- Raising the interest rate of overnight deposit window in Jordanian dinars from 2.50% to 2.75%.
- Raising the interest rate of deposit certificates with a range of 3.50% to 3.75%.
- Raising the interest rate of overnight repurchase agreements from 4.25% to 4.50%.
- Raising the rediscount interest rate from 4.50 to 4.75%.
- Keeping CBJ's interest rates on the CBJ's refinancing program that targets SMEs (mid-term advances program for banks) as is at 1.75% for projects inside the capital and 1% for projects in other governorates.

- Raising Main Interest Rates in Dec. 2017

The CBJ decided to raise the principal interest rates on monetary policy instruments by 25 base points as of Sunday, 17 Dec. 2017. The interest rate structure thus became:

- Raising CBJ Main rate from 3.75% to 4.00%.
- Raising the interest rate of overnight deposit window in Jordanian dinars from 2.75% to 3.00%.
- Raising the interest rate of deposit certificates with a range of 3.75% to 4.00%.
- Raising the interest rate of overnight repurchase agreements from 4.50% to 4.75%.
- Raising the rediscount interest rate from 4.75% to 5.00%.
- Keeping CBJ's interest rates on the CBJ's refinancing program that targets SMEs (mid-term advances program for banks) as is at 1.75% for projects inside the capital and 1% for projects in other governorates.

B) The main instructions and circulars of CBJ in 2017

The CBJ undertook a number of measures to develop banking legislative environment in 2017. Measures were issued through instructions and circulars to licensed banks. The following are some of them:

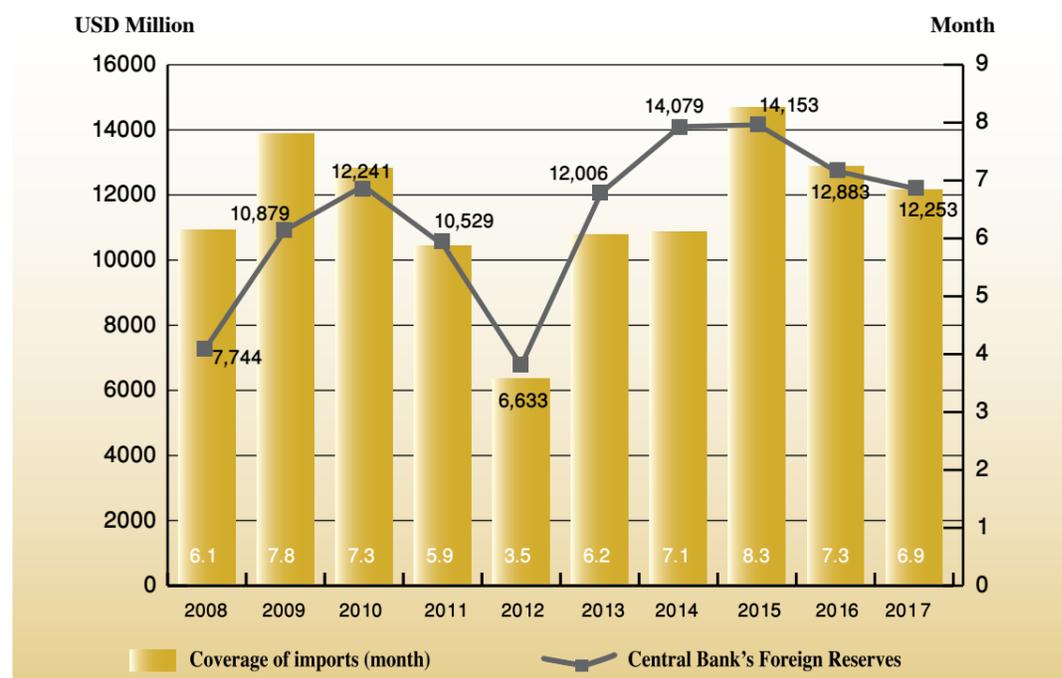
- Instructions on internal measures of handling customers' complaints against banking and financial service providers.
- Instructions # 2/2017 on dealing with domestic systematically important banks.
- Instructions # 69/2017 on external auditing.
- Circular # 10/4/9679 on Guidelines to fight terrorism financing.

2. Foreign Reserves

CBJ's reserves of foreign currencies declined by 4.9% in 2017, reaching the amount of \$12.25 billion by the end of 2017, compared with \$12.88 billion by the end of 2016. This level of reserves is sufficient to cover the kingdom's imports of goods and services for approximately 6.9 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.

Figure (3)
Central Bank's Foreign Reserves



3. Assets/ Liabilities of Banks Operating in Jordan

The balance of assets/ liabilities of banks operating in Jordan increased by 1.5% at the end of 2017, reaching JD49.103 billion, compared with JD48.384 billion by the end of 2016.

A) Foreign assets

Foreign assets of licensed banks rose by JD217.1 million (4.0%) at the end of 2017 compared with its level by the end of 2016. Thus, the foreign assets balance reached JD5.662 billion by the end of 2017, compared with JD5.445 billion by the end of 2016.

The rise in foreign assets in 2017 is the result of rise in all items of foreign assets, except the item of "other assets" which declined by 0.4%. Cash in vaults (foreign currencies) rose by JD27.1 million (15.5%); balances with foreign banks increased by JD129.9 million (3.3%); non-resident portfolio rose by JD40.3 million (5.6%); and, credit facilities to private sector (non-resident) increased by JD20.4 million (4.3%).

B) Domestic assets

Domestic assets of licensed banks rose at the end of 2017 by JD 501.9 million (1.2%), compared with its level at the end of 2016. Therefore, the balance of domestic assets reached JD 43.441 billion by the end of 2017, compared with JD 42.940 billion by the end of 2016.

This rise in domestic assets in 2017 is the result of increase in claims on the private sector (resident) by approximately JD 1936 million, or 9.4%, reaching JD 22.503 billion, the increase in claims on financial institutions by almost JD 120.1 million, or 65.7% and the rise in balances at the central bank (foreign currencies) by about JD 109 million (14.8%). Claims on the public sector decreased by almost JD 793.6 million (7.2%) in 2017, reaching JD 10.293 billion. Other assets also declined by almost JD 682.7 million (15.8%).

Table (2)
Consolidated Balance Sheet of Licensed Banks

JD Million	2016	2017	Change	Percentage Change
Assets				
Foreign Assets	5444.6	5661.7	217.1	4.0%
Cash in Vaults (In Foreign Currencies)	174.5	201.6	27.1	15.5%
Balances with Foreign Banks	3934.9	4064.8	129.9	3.3%
Portfolio (Non-Resident)	716.9	757.2	40.3	5.6%
Credit Facilities to Private Sector (Non-Resident)	479.8	500.2	20.4	4.3%
Other Foreign Assets	138.5	137.9	-0.6	-0.4%
Domestic Assets	42938.9	43440.8	501.9	1.2%
Claims on Public Sector	11086.2	10292.6	-793.6	-7.2%
Claims on Private Sector (Resident)	20567.4	22502.9	1935.5	9.4%
Claims on Financial Institutions	182.8	302.9	120.1	65.7%
Reserves	6036.5	5850.5	-186.0	-3.1%
Deposits with CBJ in Foreign Currencies	731.5	840.1	108.6	14.8%
Unclassified Assets	4334.5	3651.8	-682.7	-15.8%
Total of Assets	48383.5	49102.5	719.0	1.49%
Liabilities				
Demand Deposits	8966.0	8444.5	-521.5	-5.8%
Public Non-Financial Institutions	46.2	30.4	-15.8	-34.2%
Municipalities and Village Councils	24.2	21.6	-2.6	-10.7%
Non-Banking Financial Institutions	67.4	64.2	-3.2	-4.7%
Social Security Corporation	180.5	66.5	-114.0	-63.2%
Private Sector (Resident)	8647.7	8261.8	-385.9	-4.5%
Time and Saving Deposits	19712.3	20161.6	449.3	2.3%
Public Non-Financial Institutions	277.0	220.0	-57.0	-20.6%
Municipalities and Village Councils	38.2	58.2	20.0	52.4%
Non-Banking Financial Institutions	318.1	245.3	-72.8	-22.9%
Social Security Corporation	773.8	983.6	209.8	27.1%
Private Sector (Resident)	18305.2	18654.5	349.3	1.9%
Foreign Liabilities	6430.7	6799.1	368.4	5.7%
Central Government Deposits	1130.2	955.9	-174.3	-15.4%
Credit From CBJ	499.3	527.4	28.1	5.6%
Capital Accounts & Allowances	7261.2	7564.2	303.0	4.2%
Unclassified Liabilities	4383.8	4649.8	266.0	6.1%
Total of Liabilities	48383.5	49102.5	719.0	1.5%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

4. Assets and Liabilities in Foreign Currencies

Assets of licensed banks in foreign currencies increased from JD 9.78 billion in 2016 to JD 10.16 billion in 2017. This is an increase of 4.0% compared with the year before. This rise is basically due to the rise in the item of securities portfolio by JD 360.7 million (23.7%).

Table (3)
Foreign Currency Assets of Licensed Banks

JD Million	2016	2017	Change	Change percentage
Cash in Vaults	174.5	201.6	27.1	15.5%
Balances with CBJ	731.5	840.1	108.6	14.8%
Balances with Banks	4375.4	4454.5	79.1	1.8%
Portfolio	1522.9	1883.6	360.7	23.7%
Credit Facilities	2647.9	2524.5	-123.4	-4.7%
Other	325.1	259.6	-65.5	-20.1%
Foreign Currency Assets	9777.3	10163.9	386.6	4.0%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Liabilities of licensed banks in foreign currencies rose by about JD 604 million to reach JD 10.26 billion in 2017. This is an increase of 6.3% from the year before.

Table (4)
Foreign Currency Liabilities of Licensed Banks

JD Million	2016	2017	Change	Percentage Change
Customers' Deposits	6931.8	7555.5	623.7	9.0%
Central Government	137.4	121.1	-16.3	-11.9%
Public Entities	15.5	21.3	5.8	37.4%
Non-Banking Financial Institutions	22.0	17.0	-5.0	-22.7%
Private Sector	6756.9	7396.1	639.2	9.5%
Cash Margins	421.4	432.5	11.1	2.6%
Deposits of Banks	2022.7	1957.6	-65.1	-3.2%
Other	279.4	313.9	34.5	12.3%
Foreign Currency liabilities	9655.3	10259.5	604.2	6.3%

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

5. Capital, Reserves and Provisions

Capital, reserves and provisions of banks Operating in Jordan grew by 4.2% in 2017, to reach JD 7.564 billion compared with JD 7.261 billion by the end of 2016.

6. Credit Facilities Granted by Licensed Banks

The outstanding balance of the total credit facilities granted by licensed banks rose from JD 22.91 billion by the end of 2016 to JD 24.74 billion by the end of 2017. This is an increase of JD 1831 million, or a percentage of 8.0%.

Credit facilities granted by banks Operating in Jordan were mainly loans and advances, which represent almost 66.2% of total credit facilities. Islamic banks' receivables represented 21.6% of total facilities. Overdrafts represented 10.8%, while discounted bills and bonds represented 0.8%. It is noteworthy that credit cards represented only 0.6% of total granted credit facilities.

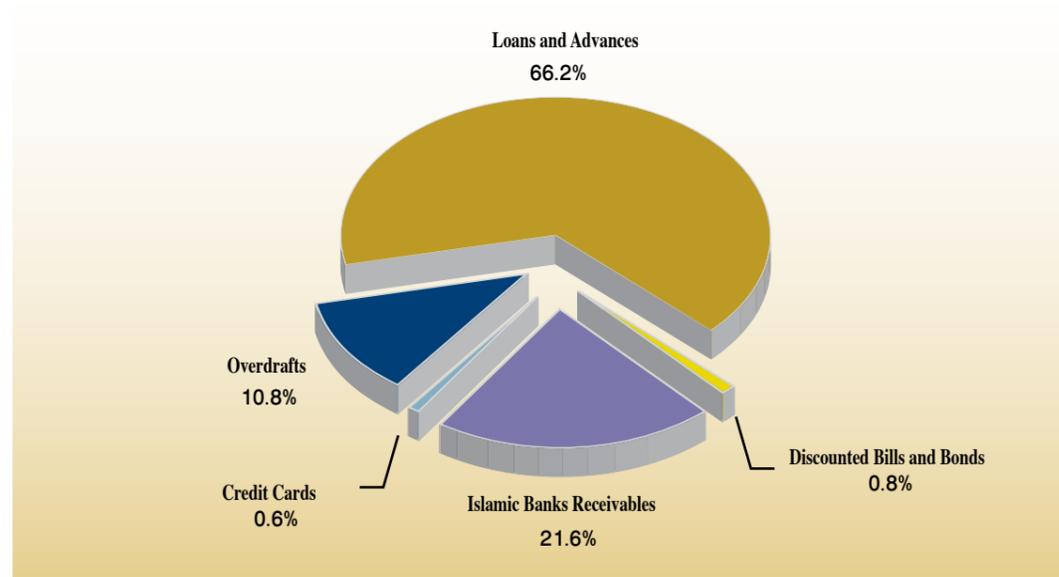
Table (5)
Distribution of Credit Facilities according to Type (JD Million)

Credit Facility Type	2016	2017	% of total Credit Facilities
Overdrafts	2510.0	2672.4	10.8%
Loans and Advances	14957.6	16364.7	66.2%
Discounted Bills & Bonds	241.8	207.2	0.8%
Islamic Banks Receivables	5046.1	5340.1	21.6%
Credit cards	150.3	152.4	0.6%
Total of credit facilities	22905.8	24736.8	100.0%

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Figure (4)

Distribution of Credit Facilities according to Type as the end of 2017



As regards the developments of credit facilities according to the currency used, credit facilities in Jordanian dinar represented 89.5% of total facilities by the end of 2017, compared with 88.1% in 2016. Accordingly, the relative importance of credit facilities in foreign currencies registered 10.5% of total credit facilities in 2017.

Table (6)

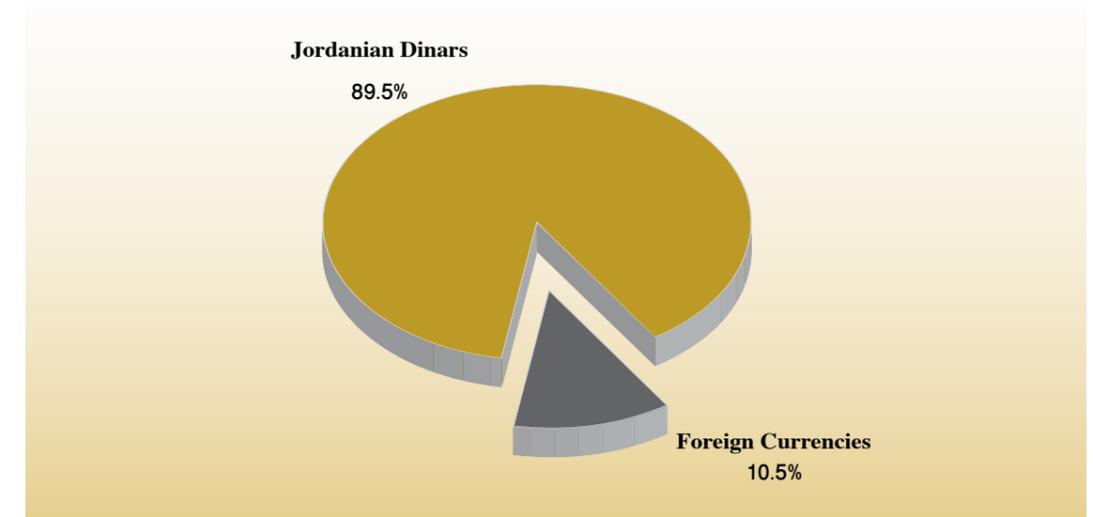
Distribution of Credit Facilities by Type of Currency

Credit Facilities	2016		2017	
	JD million	Relative Importance %	JD million	Relative Importance %
Jordanian dinars	20186.6	88.1%	22141.4	89.5%
Foreign currencies	2719.2	11.9%	2595.4	10.5%
Total	22905.8	100%	24736.8	100%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

Figure (5)

Distribution of Credit Facilities By Type of Currency at the end of 2017



In what concerns the distribution of credit facilities by the kind of economic activity at the end of 2017, the sectors of constructions, general trade, services and utilities account for 58.8% of total facilities granted by banks Operating in Jordan. Constructions sector received the biggest share of increase in facilities, as the balance of credit facilities granted to this sector rose by JD 773 million (13.3%).

Table (7)

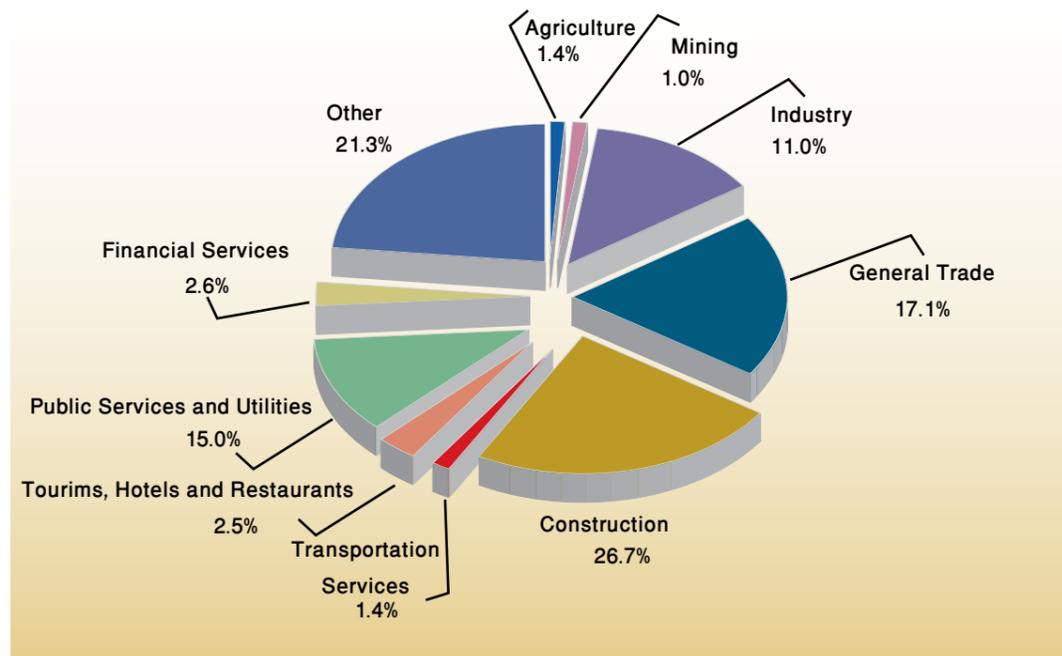
Distribution of Credit Facilities by Economic Sector

Sectors	2016		2017	
	JD million	Percentage %	JD million	Percentage %
Agriculture	304.5	1.3%	337.3	1.4%
Mining	288.4	1.3%	255.2	1.0%
Industry	2203.4	9.6%	2724.2	11.0%
General Trade	4075.5	17.8%	4230.9	17.1%
Construction	5827.7	25.4%	6601.0	26.7%
Transportation Services	355.8	1.6%	354.3	1.4%
Tourism, Hotels and Restaurants	597.7	2.6%	619.7	2.5%
Public Services and Utilities	3296.2	14.4%	3707.2	15.0%
Financial Services	577.2	2.5%	632.5	2.6%
Other	5379.4	23.5%	5274.5	21.3%
Total	22905.8	100.0%	24736.8	100.0%

Source: Central Bank of Jordan/ Monthly Statistical Bulletin.

Figure (6)

Distribution of Credit Facilities by Economic Sector at the end of 2017



A) credit cards

Banks Operating in Jordan issued in 2017 almost 105 thousand credit cards. The cards consist of two main cards: all types of Visa Card and all types of Master Card. The table below provides some information on the market of credit cards granted by banks Operating in Jordan in 2017.

Table (8)
Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Arab Bank	Visa Card	16477	0 - JD100	1.75%	4% with a minimum of JD4	With and without salary transfer	JD400	JD 50-300 Thousand
	Master Card	1699	JD50 - JD100	1.75%	4% with a minimum of JD4	With and without salary transfer	JD400	JD 50-300 Thousand

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Jordan Ahli Bank	MasterCard Classic	2461	Free	1.75%	4%	Conditional	JD200	6 times the salary, with a maximum debt burden of 60%
	Visa Classic	2457	Free	1.75%	4%	Conditional	JD200	6 times the salary, with a maximum debt burden of 60%
	MasterCard Gold	43	Free	1.75%	4%	Conditional	JD500	6 times the salary, with a maximum debt burden of 60%
	Visa Gold	16	Free	1.75%	4%	Conditional	JD500	6 times the salary, with a maximum debt burden of 60%
	MasterCard World	148	Free	1.75%	4%	Conditional	JD1200	6 times the salary, with a maximum debt burden of 60%
	Visa Platinum	38	Free	1.75%	4%	Conditional	JD1200	6 times the salary, with a maximum debt burden of 60%
	MasterCard World Elite	176	JD120	1.75%	4%	Conditional	JD3000	6 times the salary, with a maximum debt burden of 60%
	Visa Infinite	81	JD100	1.75%	4%	Conditional	JD3000	6 times the salary, with a maximum debt burden of 60%
Cairo Amman Bank	Master Card	2300	Free for the first year, otherwise JD 25-75 according to card type	1.75%	4% with a minimum of JD4	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, 2 times the salary for unapproved private sector

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Bank of Jordan	Visa Card	11,028	Free for Silver and Gold, JD 75 for Platinum, and free for bank's packages customers	1.75%	4% with a minimum of JD4	Unconditional	JD 250	Up to 5 times the salary for some customers
The Housing Bank for Trade & Finance	Visa Classic	8,997	JD 30	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 1250	JD200 – JD3000
	Visa Gold	372	JD 60	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 750	JD3001- JD5000
	Visa Platinum	410	JD 60	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 750	JD3001- JD5000
	Visa Signature (with Qatar Airways)	287	JD 80	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 1250	JD5001- JD10000
	Visa Signature	2,006	JD 80	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 1750	JD5001- JD10000
	Visa Infinite	306	JD 120	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 3750	More than JD10000
	MasterCard Classic	4,617	JD 30	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 250	JD200 – JD3000
	MasterCard Gold	233	JD 60	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 750	JD3001- JD5000
	MasterCard Platinum	298	JD 60	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 750	JD3001- JD5000
	MasterCard World Elite	269	JD 120	1.75%	4% with a minimum of JD2	Unconditional in the event of other guarantees	JD 3750	More than JD10000

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max	
Jordan Kuwait Bank	MasterCard Classic	2799	JD 15	1.75%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD250- JD1500	
	MasterCard Titanium	1330	JD 30	1.75%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD1500- JD5000	
	MasterCard Platinum	314	JD 75	1.75%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD5000- JD10000	
	MasterCard World	601	JD 100	1.75%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD10000- JD20000	
	MasterCard World Elite	298	JD 300	1.75%	4% with a minimum of JD4	Conditional		JD 20000 - unlimited	
	Joint Cards with Royal Jordanian								
		Platinum	51	JD 75	2.2%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD3500
		Gold	62	JD 50	2.2%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD1500- JD3500
		Classic	183	JD 25	2.2%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD250- JD1500

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Continued/ Jordan Kuwait Bank	Visa Card							
	Revolving Visa Classic	50	JD 15	1.75%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD250- JD3500
	Revolving Visa Gold	14	JD 30	1.75%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD3500
	Joint Card with COZMO	4	JD 20	2%	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD250
	Visa Gold charge	1	JD 50	-	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD3500
	Visa Classic charge	0	JD 100	-	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD250- JD3500
	Visa Infinite	24	JD 150	-	4% with a minimum of JD4	Conditional	JD 250 for Approved parties, JD 500 for unapproved parties	JD5000
	American Express							
	centurion	3	USD4000	-	4% with a minimum of USD15	-	-	USD50000
	Platinum	21	USD750	-	4% with a minimum of USD15	-	-	USD20000
	Gold	12	USD175	-	4% with a minimum of USD15	-	-	USD5000
	Green	2	USD95	-	4% with a minimum of USD15	-	-	USD3000

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Arab Jordan Investment Bank	MasterCard Credit	678	0-JD100 according to card type	1.75%	4%	- Conditional - Unconditional - Cash margins	JD300	Up to JD 100000
	MasterCard Debit	564	Free			-	-	Based on client's account balance
	Visa Debit	4785	Free	1.75%	4%	- Conditional - Unconditional - Cash margins	JD300	Up to JD 100000
	Visa Credit	1872	Free			-	-	Based on client's account balance
Jordan Commercial Bank	Master Card	3149	Free	1.75%	4% with a minimum of JD4	According to bank policy	JD350	-
Investbank	-	-	-	-	-	-	-	-
ABC Bank	Visa Card: Classic Gold Platinum Infinite	1,067	JD25-JD100	1.75% monthly 21% annually	4%	Unconditional	JD300	JD25000
Bank Al-Etihad	Visa Card	6031	JD0-JD100	1.75%	4% with a minimum of JD3	- Conditional - Unconditional - Cash margins	JD350	5 times the salary
Societe General - Jordan	MasterCard Classic Credit	452	JD35	1.75%	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	MasterCard Titanium Credit	50	JD50	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	MasterCard Classic Charge	33	JD35	1.75%	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	MasterCard Titanium Charge	16	JD50	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Continued/ Societe General - Jordan	MasterCard Charge USD	48	JD60	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	MasterCard Charge Euro	41	JD70	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	MasterCard Platinum charge	1	JD100	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	Visa Classic	18	JD35	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	Visa Gold	14	JD50	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	Visa Infinite	334	JD120	0	2% SGBJ ATM 4% Non - SGBJ ATM	Conditional	JD300 private sector JD200 public sector	According to administrative approvals
	Visa Card	920	0, JD50, JD25, JD75	1.75%	4%	Conditional or cash margins	JD500	JD50000
Capital Bank	Master Card	19	0, JD50, JD25, JD75	1.75%	4%	Conditional or cash margins	JD500	JD50000

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Jordan Islamic Bank	MasterCard Gold	37	JD50	0	According to Class	Unconditional	According to Card limit	according to customer's credit worthiness
	MasterCard World	180	Free					JD2000
	Signature	335	JD70					JD100
	Visa Gold	230	JD50					Up to Card limit
	Visa Silver	1273	JD25					
	Visa local	807	JD15					
Islamic International Arab Bank	Wife Subsidiary card	39	Free	-	-	-	JD200	JD250- JD1000
	Visa installment	14984	JD25					USD50- USD750
	Internet Visa installment	726	JD10					JD1400
Safwa Islamic Bank	Visa Gold	102	JD50	-	2% + 1.96	-	JD300	JD240- JD5000
	Visa Classic	82	JD25	0	4%	Conditional or cash margins	JD2500	JD2000- JD15000
	Visa Gold	33	JD50	0	4%	Conditional or cash margins	JD5000	JD5000- JD50000
Al-Rajhi Bank	Visa Signature	301	JD100	0	4%	Conditional or cash margins	-	JD250- JD1999
	Visa Classic	138	JD30	0	4%	-	-	JD2000- JD4999
	Visa Gold	17	JD50	0	4%	-	-	up to 5000
Egyptian Arab Land Bank	Visa Platinum	15	JD65	0	4%	-	-	JD50000
	Visa Card	864	JD25 Issuance and renewal fees for Silver card JD50 issuance and renewal fees for gold card	1.75%	4% with a minimum of JD4	Unconditional	JD300 for public sector JD400 for private sector JD1000 for professionals and business owners	JD50000
Rafidain Bank	NA							
Citi Bank	NA							

Continued Table (8): Credit Cards Extended by Banks During 2017

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha%	Commission on cash withdrawal	Salary Transfer	Minimum Salary	Card limit Max
Standard Chartered	Visa Card	410	Visa Classic JD25 (free for the first year) Visa Gold JD50 (free for the first year) Visa Platinum JD 75 (free for the first year and for priority customers)	1.75% 1.65% for priority customers	4% with a minimum of JD4	Unconditional	JD500	Visa Classic JD750- JD2999 Visa Gold JD3000- JD6999 Visa Platinum JD from 7000
Bank Audi	Visa Card	249	From JD25	1.75%	4%	Unconditional	JD350	Within DBR
	Master Card	1430	From JD25	1.75%	4%	Unconditional	JD350	Within DBR
National Bank of Kuwait	Visa Card	41	Free for the first year	1.75%	4% with a minimum of JD4	Conditional and unconditional	JD500	JD500 – JD50000
						cash margins	NA	
BLOM Bank	Visa Signature	486	JD100	1.75%	4%	Conditional and unconditional	JD350	JD15000
	Visa Gold	724	JD35	1.75%	4%	Conditional and unconditional	JD350	JD15000
	MasterCard Classic	113	JD35	1.75%	4%	Conditional and unconditional	JD350	JD15000
	MasterCard Titanium	55	JD35	1.75%	4%	Conditional and unconditional	JD350	JD15000
	MasterCard Platinum	13	JD75	1.75%	4%	Conditional and unconditional	JD350	JD15000
First Abu Dhabi bank (National Bank of Abu Dhabi)	Visa Card	29	JD35 for Silver JD65 for Gold Free for Infinite	1.75%	4% with a minimum of JD4	-	JD600	JD50000

-Unavailable.

B) Personal Loans

Banks Operating in Jordan granted more than 164 thousand personal loans in 2017, the value of which reached JD 1.351 billion. Most banks required salary transfer as a pre-condition to grant loans. Interest rates ranged between 8.0% and 13.5% at commercial banks, while the Murabaha rates ranged between (2% with cash collaterals) or 3.5% to 8.0% at Islamic banks. The commission on personal loans ranged between zero% and 1%, with a settlement period that reach 8 years.

**Table (9)
Personal Loans Extended by Banks During 2017**

Bank	Number of personal loans' applications submitted to Banks during 2017	Number of personal loans Extended by Banks during 2017	value of loans Extended by Banks during 2017 (JD)
Arab Bank	30,213	18,823	191,556,260
Jordan Ahli Bank	17,022	10,679	138,103,518
Cairo Amman Bank	31,400	26,907	121,254,000
Bank of Jordan	15,000	12,454	91,321,445
The Housing Bank for Trade & Finance	30,186	28,749	280,996,892
Jordan Kuwait Bank	9,027	6,646	59,200,000
Arab Jordan Investment Bank	4,336	2,527	38,489,744
Jordan Commercial Bank	5,448	4,730	68,656,552
Investbank	-	-	-
ABC Bank	9,720	9,485	64,977,991
Bank Al-Etihad	8,343	6,624	79,309,923
Societe General - Jordan	2,108	1,551	14,851,247
Capital Bank	1,483	876	12,600,685
Jordan Islamic Bank ⁽¹⁾	15,952	15,952	47,900,000
Islamic International Arab Bank ⁽¹⁾	7,538	6,896	11,745,745
Safwa Islamic Bank ⁽¹⁾	2,837	1,738	22,396,286
Al-Rajhi Bank ⁽¹⁾	6,280	4,260	33,979,518
Egyptian Arab Land Bank	1,615	1,346	17,016,475
Rafidain Bank*	5	5	46,000
Citi Bank	0	0	0
Standard Chartered	331	321	4,267,752
Bank Audi	3,601	2,145	33,500,000
National Bank of Kuwait	87	56	1,438,040
BLOM Bank	2,765	1,549	15,045,857
First Abu Dhabi bank (National Bank of Abu Dhabi)	105	79	2,092,375
Total	205,402	164,398	1,350,746,305

-Unavailable

* for the Bank's employees only.

(1) represents individuals' personal finances.

Table (10)

Terms and Characteristics of Personal Loans Extended by Banks During 2017

Bank	Salary transfer	required collaterals	maximum loan amount	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	8.5%-10.5% 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%	-	-
Cairo Amman Bank	Conditional	Salary transfer	JD 100 thousand	9%-13.5% Decreasing interest	1% for the first year	8 years
Bank of Jordan	Conditional	Salary transfer	JD 70 thousand	8% Decreasing interest	1%	Up to 8 years
The Housing Bank for Trade & Finance	Unconditional	Salary transfer, car real estate, cash margins, credit score	Unlimited	9%-10.25% Decreasing interest	1% for one time	8 years
Jordan Kuwait Bank	Conditional	-	JD 50 thousand	9.5%-11.5% Decreasing interest	1%	8 years
Arab Jordan Investment Bank	Conditional	Salary transfer, car pledge, guarantors	Unlimited	Decreasing interest	1% for the first year	8 years
Jordan Commercial Bank	Conditional	Salary transfer, guarantee according to class	JD 125 thousand	From 8.99%	1%	Up to 8 years
Investbank	-	-	-	-	-	-
ABC Bank	Conditional	Salary transfer	JD 70 thousand	8%-11.75% Decreasing interest	1% for one time	8 years
Bank Al-Etihad	Conditional	Salary transfer	JD 55 thousand	8.99% Decreasing interest	1%	8 years
Societe General - Jordan	Conditional	Salary transfer, guarantors, tangible collateral	JD 35 thousand	Decreasing interest) 9.75% for public sector 10.75% for private sector Lower than the declared interest by 0.5% for Makaseb Account clients	1% for one time	Up to 8 years
Capital Bank	Conditional	Guarantor for unapproved companies, Checks for non-employee	JD 100 thousand	From 8.99% Decreasing interest	1%	8 years
Jordan Islamic Bank	Depends on the client's work	Depends on the type and amount of financing	As the monthly installment doesn't exceed 50% of income	5.5% annually	-	Up to 7 years for Murabaha financing

Continued Table (10): Terms and Characteristics of Personal Loans Extended by Banks During 2017

Bank	Salary transfer	required collaterals	maximum loan amount	Interest rate Murabaha (%)	Annual commission (%)	Payment period (year)
Islamic International Arab Bank	Conditional	Salary transfer, other collaterals may be required according to the bank credit policy	As the monthly installment doesn't exceed 50% of income	From 3.5%	0	1-8 years
Safwa Islamic Bank	Conditional	Salary transfer	JD 75 thousand	6.5% - 8%	1% for one time	7 years
Al-Rajhi Bank	Conditional	No collaterals required for personal financing, Mortgage is required for personal real estate financing	JD 70 thousand for personal financing JD 100 thousand for personal real estate financing	5%-7.5% for personal financing, 2% for financing guaranteed by cash margins, 4.5%-7% for personal real estate financing	0	1-8 years
Egyptian Arab Land Bank	Conditional	Salary transfer	JD 88 thousand	10%-11% Decreasing interest	1%	8 years
Rafidain Bank*	Conditional	-	JD 15 thousand	3%	-	5 years
Citi Bank	-	-	-	-	-	-
Standard Chartered	Conditional	Salary transfer	JD 70 thousand	According to customer's monthly income: JD1500 and above = 8.25% decreasing JD1000-JD1499 = 8.5% Less than JD 1000 = 9% decreasing	1% for the first year	8 years
Bank Audi	Conditional	Salary transfer, guarantors	JD 70 thousand	9.99% Decreasing interest	-	8 years
National Bank of Kuwait	Conditional and Unconditional	Salary transfer, guarantors, cash margins	JD 40 thousand	9% Decreasing interest	1% for the first year	5 years
BLOM Bank	Conditional and Unconditional	Salary transfer or other collaterals	JD 40 thousand with a maximum debt burden of 50%	9%	1%	8 years
First Abu Dhabi bank (National Bank of Abu Dhabi)	-	-	JD 50 thousand	10% Decreasing interest	1%	6 years

- Unavailable

* for the Bank's employees only.

C) Housing and real estate loans (for individuals)

Banks Operating in Jordan granted 27655 housing and real estate loans to individuals in 2017, at a total value of JD 738.1 million. Many banks required salary transfer. Banks also required mortgaging the real estate as the main collateral for loans. Most housing and real estate loans for individuals include a life insurance, real estate insurance, or both. Interest rates on those loans ranged from 3.0% to 10.5% at commercial banks, while the Murabaha rates ranged between 5.5% and 9.0% at Islamic banks. Commission ranged between zero and 1%, at a settlement period that could reach 30 years.

Table (11)

Housing and real estate loans granted by banks to individuals in 2017

Bank	No. of housing & real estate loan applications submitted to banks in 2017	No. of housing and real estate loans granted to individuals in 2017	Value of housing and real estate loans granted to individuals in 2017 (JD)
Arab Bank	2,416	1,012	67,085,826
Jordan Ahli Bank	1,528	613	48,128,854
Cairo Amman Bank	1,634	596	21,420,000
Bank of Jordan	1,161	489	35,203,018
The Housing Bank for Trade & Finance	1,900	1,809	91,286,201
Jordan Kuwait Bank	888	341	28,300,000
Arab Jordan Investment Bank	163	131	7,920,742
Jordan Commercial Bank	379	177	16,733,760
Investbank	-	-	-
ABC Bank	323	277	12,210,711
Bank Al-Etihad	1,071	771	51,301,216
Societe General - Jordan	311	196	21,062,062
Capital Bank	409	160	18,494,928
Jordan Islamic Bank ⁽¹⁾	13,507	13,507	105,500,000
Islamic International Arab Bank ⁽¹⁾	6,638	6,097	110,372,253
Safwa Islamic Bank ⁽¹⁾	1,551	727	51,525,278
Al-Rajhi Bank ⁽¹⁾	795	303	18,394,375
Egyptian Arab Land Bank	75	62	2,842,905
Rafidain Bank*	1	1	50,000
Citi Bank	0	0	0
Standard Chartered	39	26	2,637,715
Bank Audi	200	78	7,260,000
National Bank of Kuwait	36	13	903,125
BLOM Bank	483	251	17,228,982
First Abu Dhabi bank (National Bank of Abu Dhabi)	48	18	2,259,702
Total	35,556	27,655	738,121,653

- Unavailable

* for the Bank's employees only.

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

Table (12)

Terms and characteristics of housing and real estate loans granted by Banks to individuals in 2017

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	Mortgage of real estate	Life and real estate insurance	JD 700 thousand	6.5%-7.5%	1%	1 - 30 years
Jordan Ahli Bank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	6.75%	1%	25 years
Cairo Amman Bank	Conditional for public sector and approved companies	Spouse guarantee	Life and real estate insurance	JD 1 million	JODIBOR + 1%-3% margin	1% for the first year	20 - 30 years
Bank of Jordan	Conditional	Mortgage of real estate, Salary transfer	Life and real estate insurance	JD 250 thousand	7%	1%	Up to 25 years
The Housing Bank for Trade & Finance	Unconditional	Mortgage of real estate	Life and real estate insurance	unlimited	7%-9.25%	1% for one time	25 years
Jordan Kuwait Bank	Conditional	Mortgage of real estate	Life and real estate insurance	-	6.25%-7.5% Decreasing	1%	30 years
Arab Jordan Investment Bank	Unconditional	Mortgage of real estate, Salary transfer	Life insurance only	unlimited	Decreasing interest	1% for the first year	Up to 25 years
Jordan Commercial Bank	Conditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	From 6.5%	0	30 years
Investbank	-	-	-	-	-	-	-
ABC Bank	Conditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	7.25%-9.5%	1% for one time	25 years
Bank Al-Etihad	Conditional or unconditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	8% Decreasing interest	1%	25 years

Continued Table (12): Terms and characteristics of housing and real estate loans granted by Banks to individuals in 2017

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
Societe General - Jordan	Unconditional	Mortgage of real estate, Salary transfer, guarantor	Life and real estate insurance	JD 350 thousand	7.25% - 7.75% flat interest for the first year, and variable interest thereafter	1% for one time	Up to 30 years
Capital Bank	Conditional	Mortgage of real estate	Life and real estate insurance	JD 1.5 million	From 6.5% Decreasing interest	1%	Up to 30 years
Jordan Islamic Bank*	Depending on the client's work	Mortgage of real estate	The customer shall participate in the Mutual Insurance Fund	The maximum debt burden is 50%	5.5% annually on average	-	Up to 7 years
Islamic International Arab Bank	Conditional for residents	- Salary transfer for residents - The bank owns the real estate in lease financing - Mortgage of real estate in Murabaha financing	Life and real estate insurance	JD 250 thousand with a maximum debt burden of 50%	From 7.5%	0	1 - 25 years
Safwa Islamic Bank	Unconditional	- Mortgage of real estate in Murabaha financing - The bank owns the real estate in lease financing	Life and real estate insurance	JD 350 thousand	8%-9%	1% for one time	25 years

Continued Table (12): Terms and characteristics of housing and real estate loans granted by Banks to individuals in 2017

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
Al-Rajhi Bank	Conditional	None for lease financing Mortgage of real estate in Murabaha financing	Life and real estate insurance	JD 500 thousand	8% - 8.5% for leasing 5.8%-6.8% for Murabaha	0	1-30 years for lease financing 1-10 years for Murabaha financing
Egyptian Arab Land Bank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 750 thousand	9.5%-10.5%	1%	Up to 30 years for public sector 25 years for private sector
Rafidain Bank**	Conditional	-	Life and real estate insurance	JD 50 thousand	3%	-	20 years
Citi Bank	-	-	-	-	-	-	-
Standard Chartered	Conditional	Mortgage of real estate	Life and real estate insurance	JD 1 million	6.5% Decreasing interest	1% for the first year	30 years
Bank Audi	Conditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	8%	-	25 years
National Bank of Kuwait	Conditional and unconditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand	7% Decreasing interest	1% for the first year	20 years
BLOM Bank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 500 thousand with a maximum debt burden of 50%	7.7%	1%	30 years
First Abu Dhabi bank (National Bank of Abu Dhabi)	-	Mortgage of real estate	Life and real estate insurance	JD 1 million	5.99% Decreasing interest	1%	25 years

- Unavailable

* Murabaha financing.

** For the Bank's employees only.

D) Car loans

Banks Operating in Jordan granted about 48.5 thousand loans to finance buying a car in 2017. The total value reached JD 496.6 million. The average funding reached JD 10240 per loan. Most banks required pledging the car as a collateral, in addition to salary transfer by some banks. Interest rate ranged between 3.99% and 12% at commercial banks, while the Murabaha rate ranged between 3.5% and 7.0% at Islamic banks. Commission ranged between zero% and 1% and the settlement term could reach 10 years.

Table (13)
Car Loans Extended by Banks During 2017

Bank	Number of car loans' submitted to banks during 2017	Number of accepted car loans applications during 2017	Total value of cars loans extended during 2017 (JD)
Arab Bank	463	224	4,724,233
Jordan Ahli Bank	112	48	1,296,794
Cairo Amman Bank	316	102	1,497,000
Bank of Jordan	1,407	875	13,913,149
The Housing Bank for Trade & Finance	1,390	1,324	20,162,995
Jordan Kuwait Bank	660	317	5,500,000
Arab Jordan Investment Bank	12	9	92,900
Jordan Commercial Bank	1,500	1,088	15,952,026
Investbank	-	-	-
ABC Bank	16	9	160,130
Bank Al-Etihad	6,184	2,107	28,034,950
Societe General - Jordan	403	356	4,228,150
Capital Bank	661	589	5,821,340
Jordan Islamic Bank ⁽¹⁾	20,918	20,918	178,100,000
Islamic International Arab Bank ⁽¹⁾	13,397	12,326	115,849,359
Safwa Islamic Bank ⁽¹⁾	3,079	2,289	27,212,299
Al-Rajhi Bank ⁽¹⁾	200	55	745,595
Egyptian Arab Land Bank	30	23	345,498
Rafidain Bank	0	0	0
Citi Bank	0	0	0
Standard Chartered	0	0	0
Bank Audi	564	284	4,580,000
National Bank of Kuwait	1	0	0
BLOM Bank	12,667	5,562	68,396,854
First Abu Dhabi bank (National Bank of Abu Dhabi)	0	0	0
Total	63,980	48,505	496,613,272

- Unavailable

(1) Represents cars' financing.

Table (14)
Terms and Characteristics of Car Loans Extended by Banks During 2017

Bank	Terms of Car loans	financing ratio (New and used car)	Interest rate/ Murabaha (%) (New and used car)	Annual commission (%)	Repayment period (year)
Arab Bank	Car pledge	70%-100% for new cars 65%-90% for used cars	5% for new cars 5.5% for used cars (flat interest)	1% for the first year	1-7 years
Jordan Ahli Bank	Salary transfer or car pledge	With salary transfer: - New cars: 100% Used car: 80% With car pledge: - New cars: 80% - Used cars: 60%	With salary transfer 11% With car pledge 12%	0	With salary transfer 7 years With car pledge 5 years
Cairo Amman Bank	Salary transfer for public sector and approved entities, Salary transfer and comprehensive insurance for unapproved entities	50%-100%	6 month JODIBOR + margin of 1.35%-5.25% (Decreasing)	for the first year	6-8 years
Bank of Jordan	car pledge and salary transfer	100%	5% flat	1%	Up to 8 years
The Housing Bank for Trade & Finance	Proof of income and car pledge	Up to 100%	4.5% - 5.25% flat	1% for one time	8 years
Jordan Kuwait Bank	Car pledge	70%-100%	9%-10.5% Decreasing	1%	8 years
Arab Jordan Investment Bank	Salary transfer car pledge	80%	Decreasing interest	1% for the first year	6 years
Jordan Commercial Bank	Car pledge + Comprehensive insurance	Up to 100%	From 3.99% Flat	0	Up to 8 years
Investbank	-	-	-	-	-
ABC Bank	Car pledge	90% for new cars 80% for used cars	10.5%	1% for one time	7 years for new cars 10 years for used cars
Bank Al-Etihad	Car pledge	100%	4.5% flat	1%	8 years
Societe General - Jordan	Car pledge + Comprehensive insurance + salary transfer or guarantor in some cases	80% for used cars 90% for new cars	10.75% for used cars 9.75% for new cars (Decreasing) 7.25% for credit systems Co. loans (flat interest)	1%	Up to 7 years

Continued Table (14): Terms and Characteristics of Car Loans Extended by Banks During 2017

Bank	Terms of Car loans	financing ratio (New and used car)	Interest rate/ Murabaha (%) (New and used car)	Annual commission (%)	Repayment period (year)
Capital Bank	Car pledge + salary transfer or checks	From 50% -100% according to customer income and work, and the car manufacturing year and model	From 8.5% Decreasing	1%	8 years
Jordan Islamic Bank	Salary transfer, guarantor, car pledge	80%-100%	5.5% annually	-	Up to 5 years
Islamic International Arab Bank	Salary transfer or deduction, and any other collaterals according to the bank credit policy	Up to 100%	From 3.5%	0	1-8 years
Safwa Islamic Bank	Car pledge	90%	5.5%-7%	1% for one time	7 years
Al-Rajhi Bank	Salary transfer Car pledge	70% - 90%	5%-6%	0	1-8 years
Egyptian Arab Land Bank	Salary transfer or car pledge	100% for transferred salaries, Otherwise 90% for new cars and 80% for used cars	7%-7.5% Decreasing	0	8 years for transferred salaries and new cars, 6 years otherwise
Rafidain Bank	-	-	-	-	-
Citi Bank	-	-	-	-	-
Standard Chartered	-	-	-	-	-
Bank Audi	Car pledge	90% for used cars 100% for new cars	5.25% flat	-	7 years
National Bank of Kuwait	Car pledge	85% for new cars 70% for used cars	10% for new cars 11.5% for used cars (Decreasing)	1% for the first year	7 years for new cars 5 years for used cars
BLOM Bank	Car pledge + salary transfer	80% 85%	9.7%	1%	8 years
First Abu Dhabi bank (National Bank of Abu Dhabi)	-	-	-	-	-

- Unavailable

E) Syndicated Loans

Banks Operating in Jordan granted in 2017 syndicated loans with a total value of JD 46 million. Tourism and energy sectors are the beneficiaries of those loans to fund the project of solar energy and building a tourism village.

**Table (15)
Syndicated bank loans extended during 2017 ***

The loan agent	Purpose of the loan	Loan amount		No. of Participating banks
		JD million	USD million	
Arab Bank	Solar energy (financing a 50 megawatt plant)	-	55	2
Capital Bank	Real estate finance (building a tourism village)	7	-	1

* Includes syndicated loans whose agent was one of the banks operating in Jordan.

7. Deposits at Licensed Banks

The balance of total deposits at licensed banks rose at the end of 2017 to reach JD 33.2 billion, with an increase of JD 297.7 million (0.9%) compared with deposits balance of 2016.

The rise in total deposits' balance is the result of the increase in private sector's deposits by JD 431.7 million (1.4%), while public sector's deposits decreased by JD 134 million (5.4%), compared with their levels by the end of 2016.

As regards 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 53.1% of total deposits by the end of 2017, compared with 52.8% in 2016. Demand deposits accounted for 29.6%, savings deposits accounted for 17.3%, of total deposits by the end of 2017.

Table (16)

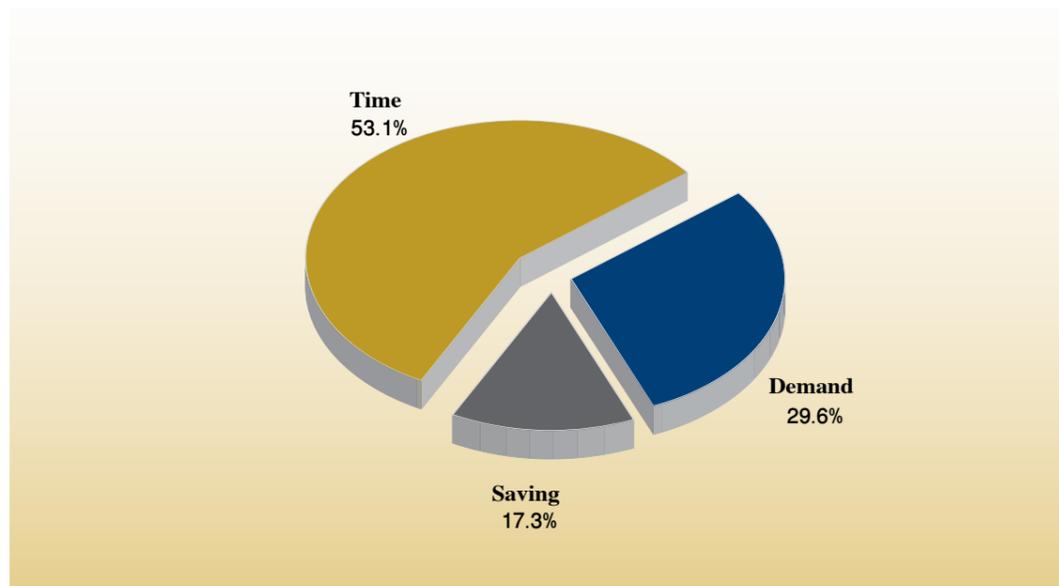
Distribution of Deposits According to its Major Types

Deposit Type	2016		2017		Percentage Change %
	JD million	Relative Importance %	JD million	Relative Importance %	
Demand	10312.6	31.3%	9833.2	29.6%	-4.6%
Saving	5218.1	15.9%	5739.3	17.3%	10.0%
Time	17369.3	52.8%	17625.2	53.1%	1.5%
Total Deposit	32900.0	100%	33197.7	100%	0.9%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Figure (7)

Distribution of Deposits According to its Major Types as the end of 2017



In regards of deposits development in terms of currency types in 2017, the deposits in foreign currencies increased by JD 623.7 million, which is an increase of 9.0% of their value in 2016. Deposits in Jordanian dinar decreased by JD 326 million, or 1.3% of their value by the end of 2016.

Table (17)

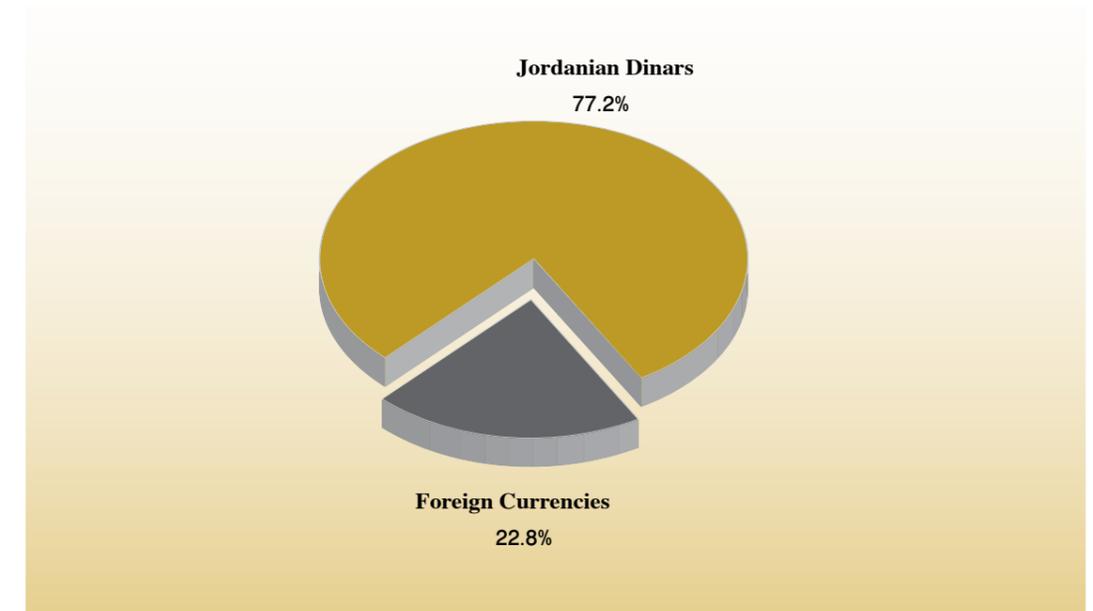
Distribution of Deposits According to Type of Currency

Type of Currency	2016		2017		Percentage Change %
	JD million	Relative Importance %	JD million	Relative Importance %	
Jordanian dinars	25968.2	78.9%	25642.2	77.2%	-1.3%
Foreign currencies	6931.8	21.1%	7555.5	22.8%	9.0%
Total Deposits	32900.0	100%	33197.7	100%	0.9%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Figure (8)

Distribution of Deposits According to Type of Currency at the end of 2017



8. Gender distribution of individual customers in banks Operating in Jordan

The Association of Banks in Jordan (ABJ) sent in 2017 a questionnaire to member banks to have the latest data on individuals' banking according to gender. The following is the main findings of the questionnaire:

First: Distribution of individuals' deposit accounts according to gender

Individuals' deposit accounts are classified in terms of type to three main types: demand, savings, and time deposits. The total number of individuals' deposit accounts at banks Operating in Jordan reached 3217577 depositors; 2152405 of them are male depositors and 1065172 of them are female depositors. The percentage of male depositors is 66.9% of total depositors while female depositors account for 33.1% of total depositors.

Figure (9)

The total number of individuals' deposit accounts according to gender at the end of 2017

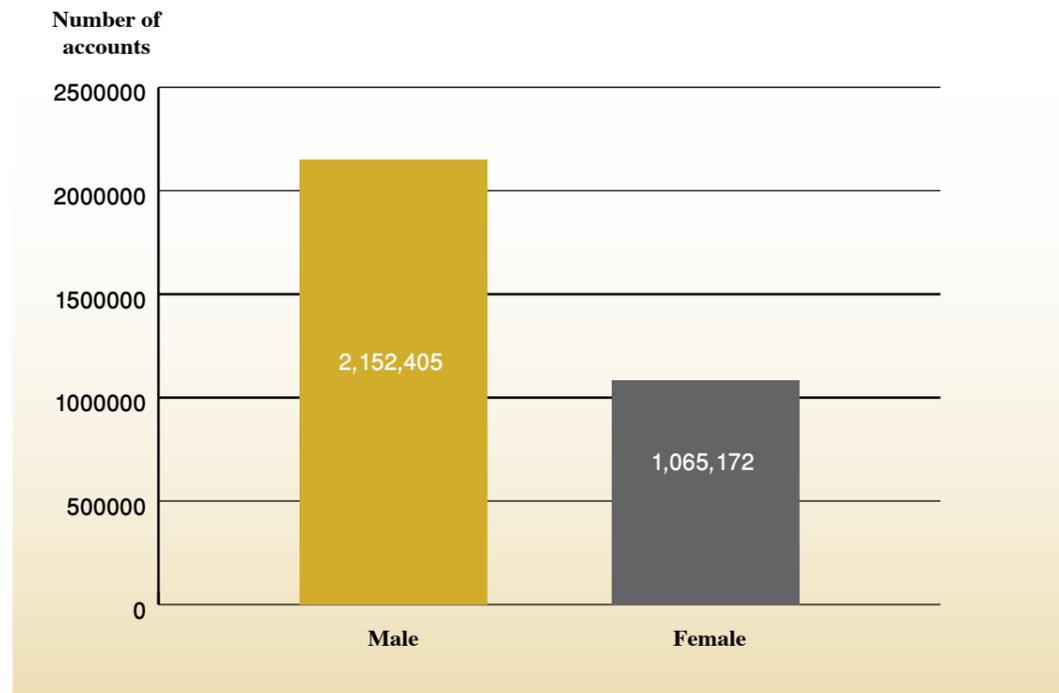
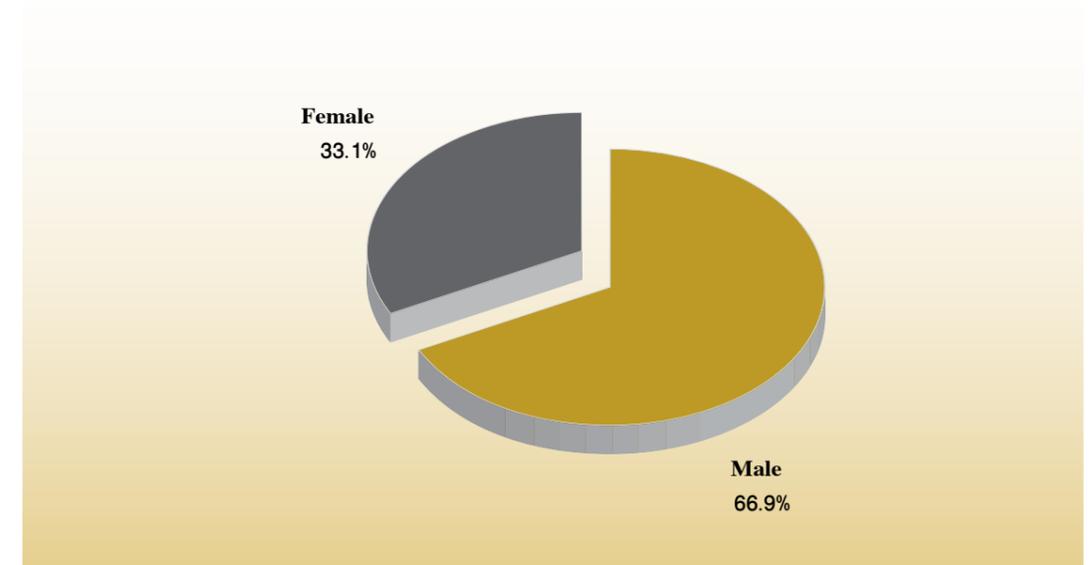


Figure (10)

The distribution of individuals' deposit accounts according to gender at the end of 2017



In terms of the total value of individuals' deposits in Jordanian dinars, it amounted to about JD 23.2 billion, some JD 17.01 billion of them are for male depositors, and JD 6.19 billion are for female depositors. Thus, male depositors account for 73.3% of total individual depositors, while the value of deposits of female depositors reach 26.7%.

Figure (11)

The total value of individuals' deposit according to gender at the end of 2017

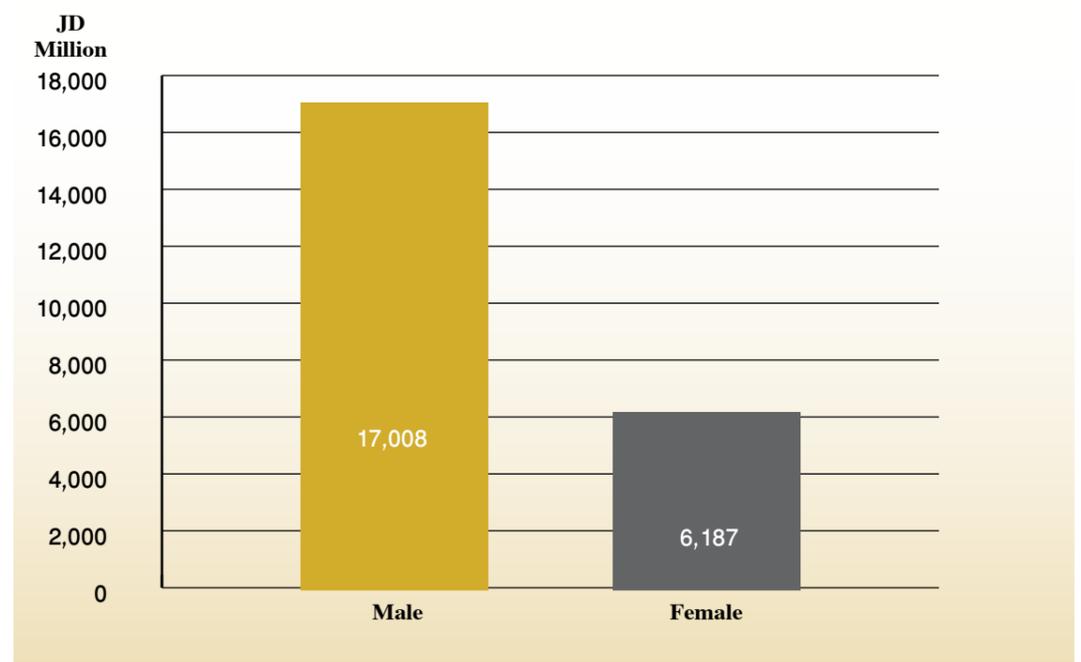
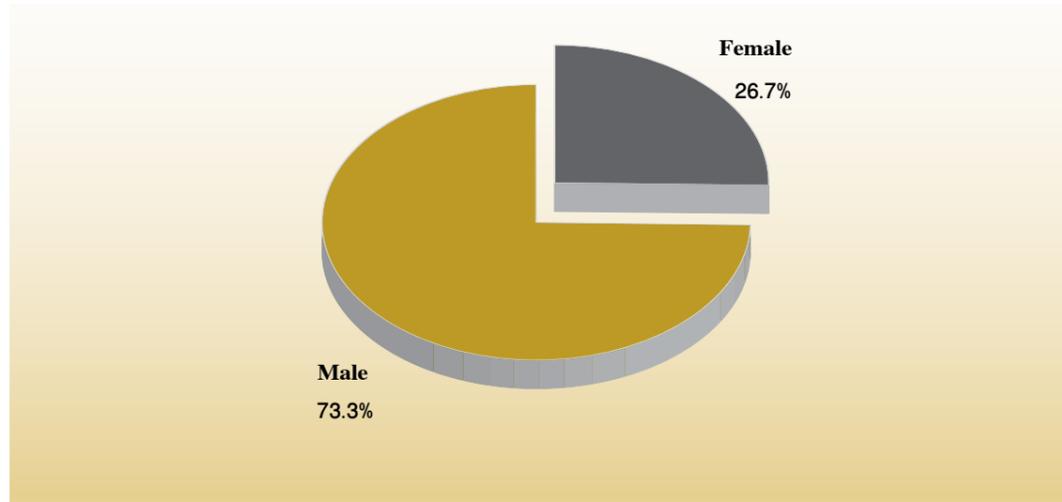


Figure (12)

The distribution of the total value of individuals' deposits according to gender at the end of 2017



Second: Distribution of individual borrowers according to gender

Credit facilities granted by banks Operating in Jordan are classified in terms of type into three main types: overdraft, different types of loans and advances, and bills and bonds.

The total outstanding number of individual borrowers from banks Operating in Jordan amounts to 871753 borrowers, distributed as 695653 male borrowers and 176100 female borrowers. The percentage of male borrowers is 79.8% while the percentage of female borrowers is 20.2% of total borrowers.

Figure (13)

The total number of individual borrowers according to gender at the end of 2017

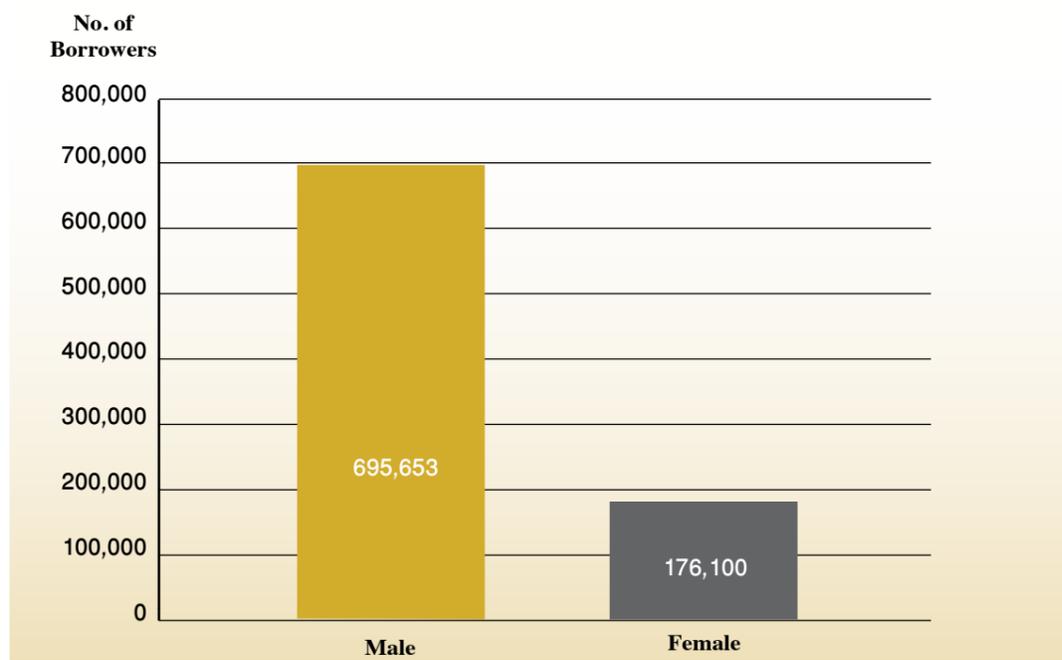
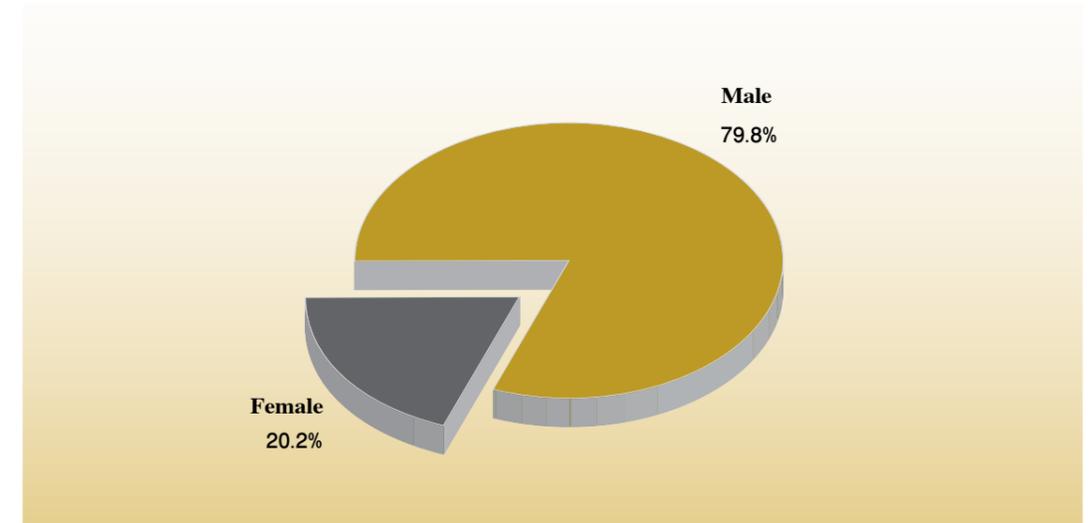


Figure (14)

The distribution of individual borrowers according to gender at the end of 2017



In terms of total value of individuals' loans in dinar, loans amounted to JD 9.61 billion. Some JD 7.94 billion of them is for male borrowers and JD 1.67 of them is for female borrowers. Therefore, loans for males account for 82.6% of total borrowers, while female borrowers account for the remaining 17.4%.

Figure (15)

The total value of individual loans according to gender at the end of 2017

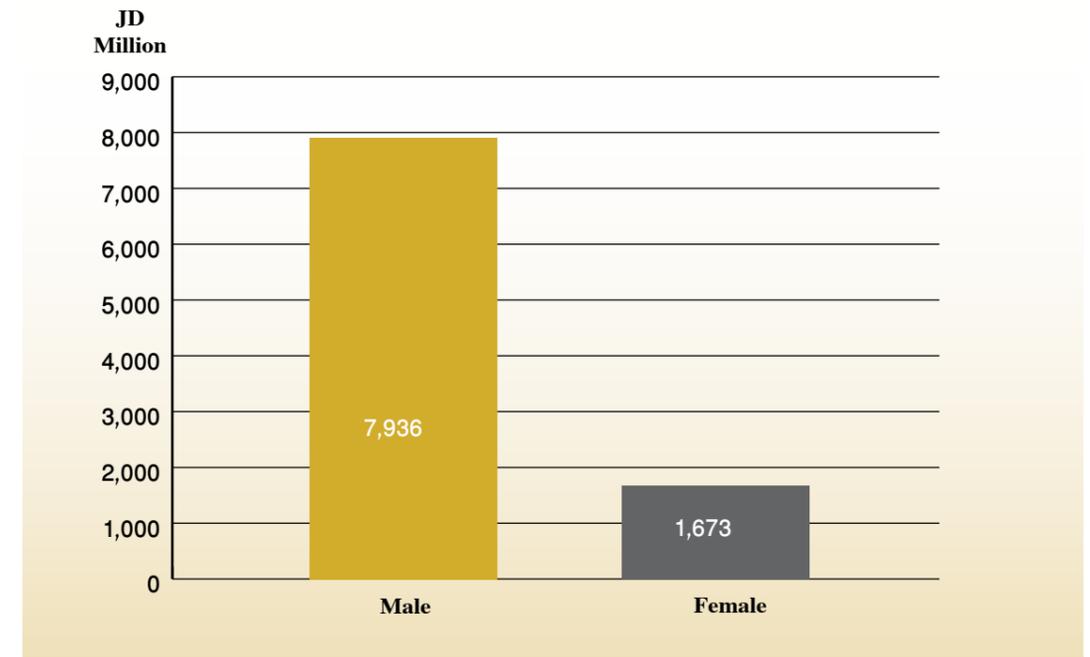
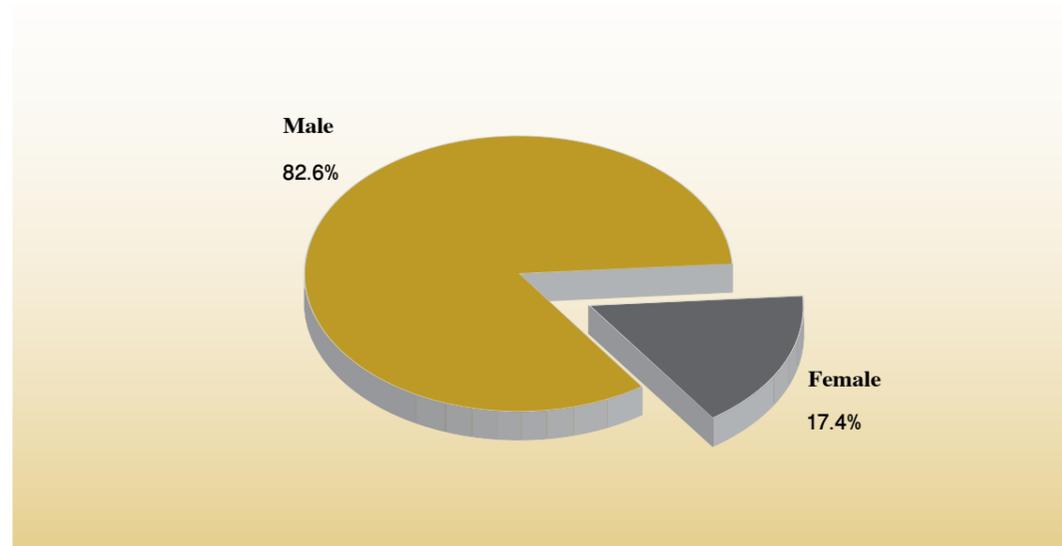


Figure (16)

The distribution of the total value of individuals' loans according to gender at the end of 2017



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

Banks Operating in Jordan issue different types of credit cards to their customers, including Visa Cards, Master Card, American Express with their different categories.

The total number of individual customers having credit cards from banks Operating in Jordan is 314082 customers. Those are distributed as 249607 male customers and 64475 female customers. The percentage of male customers possessing credit cards are 79.5% of total customers having credit cards from banks Operating in Jordan, while female customers with credit cards issued by banks Operating in Jordan account for 20.5%.

Figure (17)

The total number of individual clients having credit cards according to gender at the end of 2017

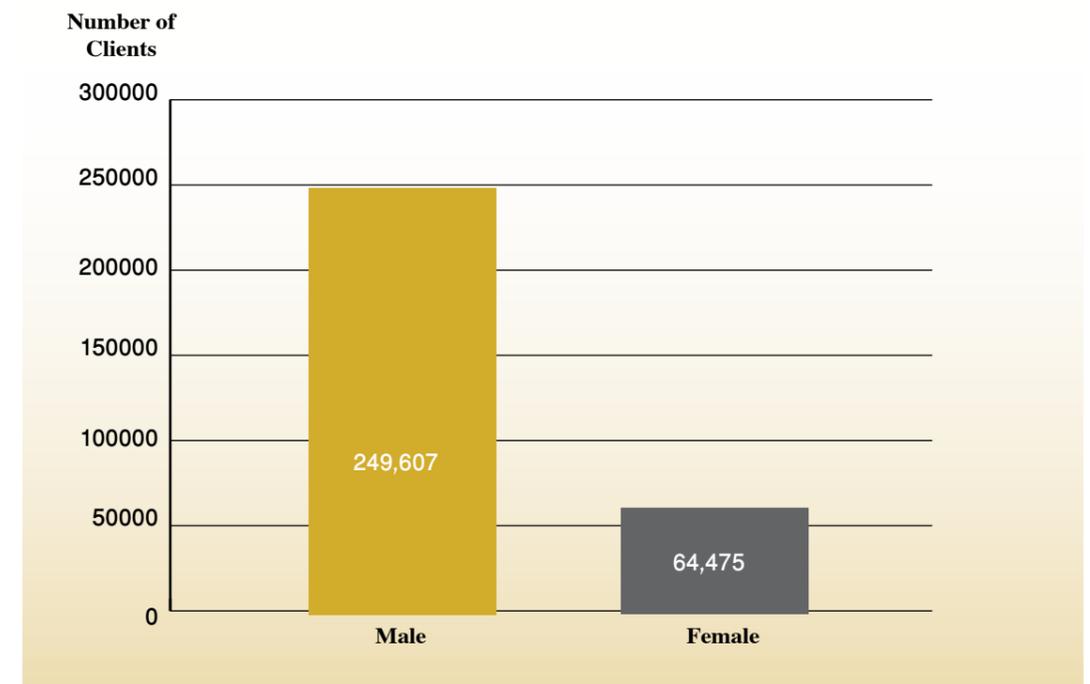
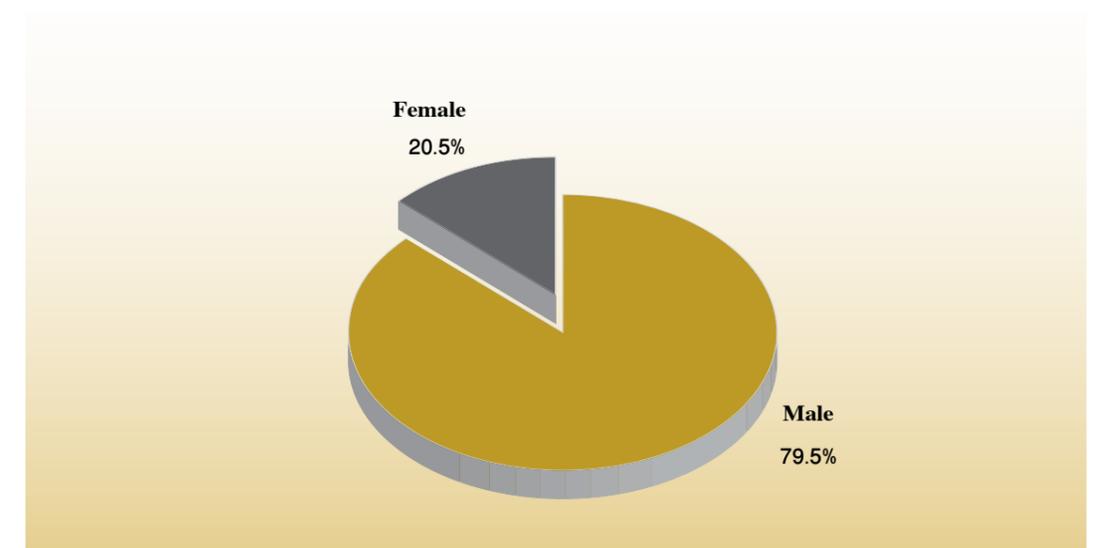


Figure (18)

The distribution of individual clients having credit cards according to gender at the end of 2017



As regards the total value of individuals' credit cards limits granted by banks Operating in Jordan, it almost reached JD 754.92 million, there are JD 618.58 million of them for male customers, and JD 136.34 million of them for female customers. Therefore, the percentage of credit cards limits granted to male customers is 81.9% while the limits granted to female customers constitute 18.1%.

Figure (19)

The total value of individuals credit cards limits according to gender at the end of 2017

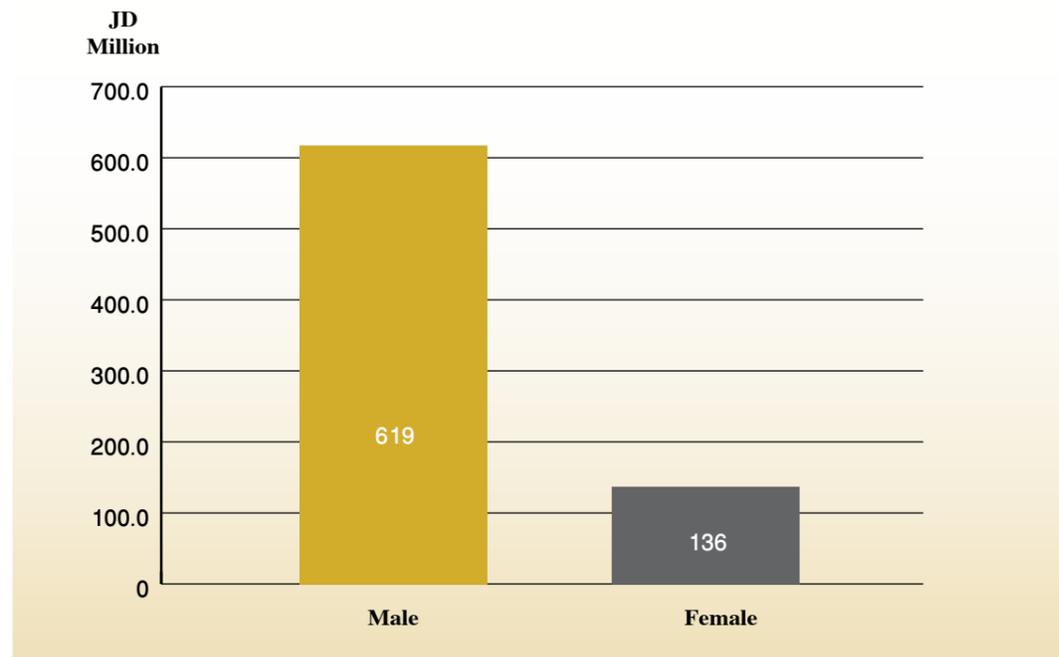
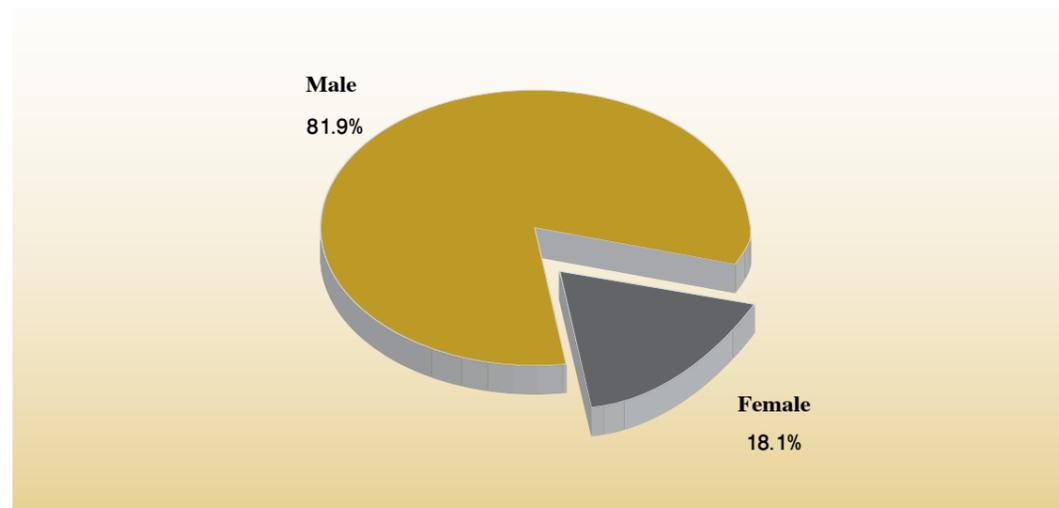


Figure (20)

The distribution of the total value of individuals credit cards limits according to gender at the end of 2017





Chapter Four

Development in the number
of banks and their branches

The number of banks operating in Jordan at the end of 2017 is 16 Jordanian banks (three of them are Islamic banks), and nine foreign banks (one of them is Islamic). Services of these banks cover almost all parts of the kingdom through their 806 branches and 70 offices (according to the data of 24 banks). The banking density indicator (population to the total number of branches of banks operating in Jordan) was about 12473 people per branch by the end of 2017.

Table (18)
Development of Number of Banks and Branches in Jordan (2009 – 2017)

Year	Number of Jordanian Banks		Number of Foreign Banks		Total	Number of Branches
	Commercial Banks	Islamic Banks	Commercial Banks	Islamic Banks		
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
2016	13	3	8	1	25	808
2017	13	3	8	1	25	806*

* except for the data of Investbank

1. Development in the Number of Branches

A) Branches opened in 2017

As an indicator of their keenness to keep in touch with their customers and facilitate their access to the best banking services, banks constantly increase the number of their branches in different parts of Jordan. Nine banks opened new branches in Jordan in 2017, bringing the number of new branches in Jordan to 17, while the number of branches opened outside Jordan in 2017 reached nine new branches for three banks.

Table (19)
New Branches Opened During 2017

Bank	in Jordan			Abroad		
	#	Branch's Name	City	#	Branch's Name	City
Arab Bank	0			4	Nile Branch	Giza/ Egypt
					Mall of Egypt Branch	6th of October / Egypt
					Waterway Branch	Cairo / Egypt
					Al Zahiya Branch	Abu Dhabi / UAE
Jordan Ahli Bank	1	Mu'ta Branch	Karak	3	Beit Sahour Branch	Beit Sahour / Palestine
					Tulkarem Branch	Tulkarem / Palestine
					Al-Masyoon Branch	Al-Masyoon / Palestine
Cairo Amman Bank	1	The Hashemite University Branch	Zarqa	0		
Bank of Jordan	2	Al Hassan Industrial Estate Branch	Irbid	0		
		Um Uthaina Branch	Amman			
The Housing Bank for Trade & Finance	1	Dair Ghbar Branch	Amman	2	Tulkarem Branch	Tulkarem / Palestine
					Rafedia Branch	Nablus / Palestine
Jordan Kuwait Bank	2	Dome of the Rock Branch	Amman	0		
		Jerash Branch	Jerash			
Bank Al-Etihad	5	Moqablain Branch	Amman	0		
		Highway Mall Branch	Amman			
		Salt Branch	Balqa			
		Karak Branch	Karak			
		Yarmouk University St. Branch	Irbid			
Islamic International Arab Bank	1	Qusailah Branch	Irbid	0		
Safwa Islamic Bank	1	Rabiah Branch	Amman	0		
Egyptian Arab Land Bank	3 *	Khalda Branch	Amman	0		
		Marka Branch	Amman			
		Radio & Television Branch	Amman			
Total	17			9		

* Offices have been converted into branches.

- Banks listed in the table are only those which opened new branches in Jordan, during 2017.

B) Number of Branches

The number of branches of licensed banks operating in Jordan is 806 branches all over Jordan and 191 branches outside Jordan by the end of 2017.

Table (20)
Number of Branches Inside and Outside Jordan at the End of 2017

Bank	Number of Branches	
	In Jordan	Abroad
Arab Bank	74	121
Jordan Ahli Bank	56	9
Cairo Amman Bank	74	20
Bank of Jordan	73	14
The Housing Bank for Trade & Finance	117	16
Jordan Kuwait Bank	64	5
Arab Jordan Investment Bank	18	1
Jordan Commercial Bank	27	5
Investbank	-	-
ABC Bank	27	0
Bank Al-Etihad	44	0
Societe General - Jordan	17	0
Capital Bank	12	0
Jordan Islamic Bank	74	0
Islamic International Arab Bank	42	0
Safwa Islamic Bank	25	0
Al-Rajhi Bank	7	0
Egyptian Arab Land Bank	14	0
Rafidain Bank	2	0
Citi Bank	2	0
Standard Chartered Bank	5	0
Bank Audi	14	0
National Bank of Kuwait - Jordan	1	0
BLOM Bank	15	0
First Abu Dhabi Bank (National Bank of Abu Dhabi)	2	0
Total	806	191

- not available

C) Geographical distribution of branches inside Jordan

The 806 branches of banks are spread all over Jordan. Amman has 62.3% of total branches, followed by the Governorate of Irbid with 9.9% of the number of total branches. The Governorate of Zarqa follows with 8.9% of total branches. The remaining 18.9% are spread in the other parts of Jordan.

Table (21)

Distribution of Branches Among Governorates at the End of 2017

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleeh	Mafraq	Total
Arab Bank	50	3	7	5	1	1	1	2	1	1	1	1	74
Jordan Ahli Bank	34	5	4	5	1	2	1	1	1	0	1	1	56
Cairo Amman Bank	37	10	7	6	2	3	2	1	1	1	1	3	74
Bank of Jordan	47	10	7	1	1	1	1	1	1	2	0	1	73
The Housing Bank for Trade & Finance	60	15	14	9	1	4	1	5	1	2	2	1	115+2*
Jordan Kuwait Bank	46	4	5	4	1	1	1	0	1	0	0	1	64
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	-	-	-	-	-	-	-	-	-	-	-	-	-
ABC Bank	19	1	1	1	1	1	1	0	1	0	0	1	27
Bank Al-Etihad	31	5	2	2	1	1	1	0	0	0	0	1	44
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	11	9	5	1	4	1	3	1	2	1	1	74
Islamic International Arab Bank	22	4	5	2	1	2	1	1	1	1	1	1	42
Safwa Islamic Bank	21	2	2	0	0	0	0	0	0	0	0	0	25
Al-Rajhi Bank	5	1	1	0	0	0	0	0	0	0	0	0	7
Egyptian Arab Land Bank	10	1	1	0	1	0	0	0	0	0	0	1	14
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	0	0	0	0	0	0	0	0	5
Bank Audi	12	1	0	0	1	0	0	0	0	0	0	0	14
National Bank of Kuwait - Jordan	1	0	0	0	0	0	0	0	0	0	0	0	1
BLOM Bank	12	1	1	0	1	0	0	0	0	0	0	0	15
First Abu Dhabi Bank (National Bank of Abu Dhabi)	2	0	0	0	0	0	0	0	0	0	0	0	2
Total	502	80	72	44	18	22	13	14	9	9	7	14	804+2*

- not available

* mobile branch

2. Development of the number of offices

A) Offices opened in 2017

Banks open offices in malls, universities and other places to make their services accessible to the greatest number of people. Nine offices of 4 banks were opened inside Jordan in 2017.

Table (22)

Offices Opened During 2017

Bank	in Jordan		
	#	Office Name	City
Bank of Jordan	1	King Hussein Bridge Office	Balqa
The Housing Bank for Trade & Finance	3	Al-abdali Mall Office	Amman
		Al-Rawabi District Office	Amman
		The German -Jordanian University Office	Madaba
Arab Jordan Investment Bank	2	Queen Alia International Airport Office (Entrance)	Amman
		Queen Alia International Airport Office (Passports)	Amman
Jordan Islamic Bank	3	Shafa Badran Office	Amman
		Hasa Office	Tafleeh
		Ain Al-Basha Office	Balqa
Total	9		

- Banks listed in the table are only those which opened new offices in Jordan during 2017.

B. Number of offices in Jordan and outside

The number of offices of licensed banks reached 79 offices, spread on many places in Jordan, in addition to 5 offices outside Jordan by the end of 2017.

Table (23)

Number of Offices Inside and Outside Jordan at the End of 2017

Bank	Number of Offices	
	In Jordan	Abroad
Arab Bank	0	0
Jordan Ahli Bank	0	1
Cairo Amman Bank	15	2
Bank of Jordan	3	1
The Housing Bank for Trade & Finance	13	0
Jordan Kuwait Bank	0	0
Arab Jordan Investment Bank	16	1
Jordan Commercial Bank	2	0
Investbank	-	-
ABC Bank	0	0
Bank Al-Etihad	0	0
Societe General - Jordan	0	0
Capital Bank	0	0
Jordan Islamic Bank	26	0
Islamic International Arab Bank	0	0
Safwa Islamic Bank	0	0
Al-Rajhi Bank	0	0
Egyptian Arab Land Bank	0	0
Rafidain Bank	0	0
Citi Bank	2	0
Standard Chartered Bank	0	0
Bank Audi	1	0
National Bank of Kuwait - Jordan	0	0
BLOM Bank	1	0
First Abu Dhabi Bank (National Bank of Abu Dhabi)	0	0
Total	79	5

- not available

C) Geographical distribution of offices inside Jordan

The 79 offices are spread on all governorates in the kingdom. Amman has 40.5% of total offices, followed by the governorate of Irbid with a percentage of 13.9% of total offices. Aqaba Governorate comes third with a percentage of 10.1%. The remaining percentage is distributed in other governorates.

Table (24)

Distribution of Offices Among Governorates at the End of 2017

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleh	Mafraq	Total
Arab Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Jordan Ahli Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Cairo Amman Bank	3	3	1	1	2	0	0	3	1	1	0	0	15
Bank of Jordan	0	0	0	3	0	0	0	0	0	0	0	0	3
The Housing Bank for Trade & Finance	7	3	0	0	1	0	1	0	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	11	2	1	0	2	0	0	0	0	0	0	0	16
Jordan Commercial Bank	0	1	0	0	1	0	0	0	0	0	0	0	2
Investbank	-	-	-	-	-	-	-	-	-	-	-	-	-
ABC Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Al-Etihad	0	0	0	0	0	0	0	0	0	0	0	0	0
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	8	2	3	2	1	2	2	0	1	1	2	2	26
Islamic International Arab Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Safwa 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	0	0	0	0	0	0	0	0	0	0	0	0	0
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	1	0	0	0	0	0	0	0	0	0	0	0	1
National Bank of Kuwait - Jordan	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOM Bank	0	0	0	0	1	0	0	0	0	0	0	0	1
First Abu Dhabi Bank (National Bank of Abu Dhabi)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	32	11	5	6	8	2	3	3	2	2	2	3	79

- not available

3. The development in the number of ATMs

A) The number of ATMs and distribution on governorates

To keep up with the development in the financial services sector and to absorb the increasing number of ATM users, banks tend to increase the numbers of their ATMs. The number of ATMs reached 1707 machines by the end of 2017, up from 1606 machines by the end of 2016. Those machines are spread all over the kingdom, with varying percentages. The capital, Amman, has the lion's share of those ATMs, 66.1%, followed by Irbid Governorate (10.4%). Zarqa Governorate ranked third (6.7%). The remaining ATMs are in the other governorates.

Table (25)
Distribution of ATMs Among Governorates at the End of 2017

Banks	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafileh	Mafraq	Total	of which in the builds of banks branches
Arab Bank	139	10	10	6	4	1	4	2	1	1	1	1	180	92
Jordan Ahli Bank	83	9	5	11	4	2	2	1	1	0	2	1	121	61
Cairo Amman Bank	83	34	12	8	6	7	4	6	2	1	1	7	171	104
Bank of Jordan	88	15	12	4	4	1	2	1	1	2	0	4	134	83
The Housing Bank for Trade & Finance	127	33	19	11	7	11	4	7	1	3	3	3	229	27
Jordan Kuwait Bank	73	5	5	7	3	2	2	0	1	0	0	1	99	64
Arab Jordan Investment Bank	51	1	5	0	3	0	0	0	0	0	0	0	60	31
Jordan Commercial Bank	33	6	4	3	3	1	2	0	0	0	0	1	53	29
Investbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ABC Bank	40	2	1	2	2	1	1	0	1	0	0	1	51	28
Bank Al-Etihad	72	9	2	1	2	1	2	0	0	0	0	1	90	47
Societe General - Jordan	14	1	1	1	1	1	1	0	0	0	0	0	20	17
Capital Bank	37	4	2	0	2	0	0	0	0	0	0	0	45	15
Jordan Islamic Bank	93	30	23	6	7	9	5	7	6	6	7	6	205	150
Islamic International Arab Bank	48	4	4	2	2	3	1	2	1	1	1	2	71	47
Safwa Islamic Bank	48	4	4	2	0	0	0	0	0	0	0	0	58	25
Al-Rajhi Bank	32	5	3	0	0	0	0	0	0	0	0	1	41	13
Egyptian Arab Land Bank	12	1	1	0	1	0	0	0	0	0	0	1	16	15
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	0	0	0	0	0	0	0	0	7	6
Bank Audi	23	2	0	0	1	0	0	0	0	0	0	0	26	-
National Bank of Kuwait - Jordan	6	0	0	0	0	0	0	0	0	0	0	0	6	3
BLOM Bank	15	1	1	0	2	0	0	0	0	0	0	0	19	16
First Abu Dhabi Bank (National Bank of Abu Dhabi)	5	0	0	0	0	0	0	0	0	0	0	0	5	3
Total	1128	177	114	64	54	40	30	26	15	14	15	30	1707	876

- not available

B) Kinds of ATMs used

Banks operating in Jordan use different brands of ATMs. However, the most used kinds of ATMs are NCR. There are Diebold and Wincor and other brands as well.

C) Operating Systems used

Banks in Jordan work with different operating systems. However, the most used operating system is the Windows.

D) Services Provided by ATMs

ATMs of banks operating in Jordan offer a wide spectrum of banking services 24/7. Customers can have cash withdrawals in Jordanian dinars, inquire about their balance, change the PIN, in addition to other services that are available in most ATMs, which include getting a brief account statement, applying for a check book, and other services shown in the table below.

Table (26)
Services Provided by Banks' ATMs Until the End of 2017

Bank	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 between Customer's accounts within the same bank	Cash transfer between Customers within the same bank	Cash transfer to other banks	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	√			√	√	√	√		√	√			√		√	√		√
Safwa 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	√					√		√							√	√		√
First Abu Dhabi Bank (National Bank of Abu Dhabi)	√			√		√	√		√	√			√		√	√		

- not available

(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

* For bank customers only

** through E-Fawateercom

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

In addition to the previous services, banks offer other services through their ATMs as shown in the table below.

Table (27)
Other Services Provided Through ATMs

Bank	Other services offered via ATMs
Arab Bank	Donations to specific entities
	Changing the customer's phone number
	Subscription in Hala Arabi service (Phone Banking)
Cairo Amman Bank	E-fawateercom
	Paypal
	Western Union
	Jomopay mobile payment
The Housing Bank for Trade & Finance	E-fawateercom
Jordan Kuwait Bank	1. Recharge prepaid cards for JKB customers
	2. ATM Cash Order (ACO) service "Cardless Services"
Bank Al-Etihad	1. Changing the customer's phone number
	2. Customer satisfaction survey
Jordan Islamic Bank	1. E-fawateercom
	2. Ibanking
	3. Mobile Banking.
Islamic International Arab Bank	Depositing orders through envelope
Al-Rajhi Bank	Changing the customer's phone number
Standard Chartered Bank	Voice activated ATM for people with special needs

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



Chapter Five

**Performance of Banks Listed
in Amman Stock Exchange
in 2017**

The number of banks listed in Amman Stock Exchange (ASE) is 15 banks by the end of 2017. The stock closing prices of those banks ranged from JD 0.79 to JD 8.37. The number of bank shares traded in ASE reached 92.1 million shares, while the trading volume of those shares reached 250 million. The following table shows the most important trading indicators of banks listed in the ASE in 2017.

Table (28)
Some Trading Indicators of Banks Listed in Amman Stock Exchange During 2017

Banks	Symbol	Closing price (end of 2016)	Higher price during 2017	Lower price during 2017	Closing price (end of 2017)	Average Price 2017	Value traded (JD)	Shares traded
Arab Bank	ARBK	6.17	6.94	5.16	5.60	5.92	112,191,978	18,957,870
The Housing Bank for Trade & Finance	THBK	9.30	10.73	8.30	8.37	8.87	4,018,258	453,031
Bank of Jordan	BOJX	2.88	3.06	2.50	3.00	2.80	29,075,194	10,377,628
Capital Bank	EXFB	0.83	0.99	0.78	0.79	0.88	14,063,075	15,970,037
Jordan Ahli Bank	AHLI	1.15	1.27	1.09	1.18	1.18	14,146,158	11,978,824
Cairo Amman Bank	CABK	1.85	1.98	1.41	1.50	1.68	20,012,149	11,921,038
Jordan Islamic Bank	JOIB	3.86	4.54	3.47	3.65	3.95	29,215,530	7,403,560
Bank Al-Etihad	UBSI	2.01	2.04	1.57	1.62	1.69	4,550,263	2,688,009
Arab Jordan Investment Bank	AJIB	1.70	1.81	1.60	1.75	1.72	732,227	425,268
Jordan Commercial Bank	JCBK	1.40	1.40	1.14	1.19	1.26	1,785,867	1,416,297
ABC Bank	ABCO	1.32	1.40	1.15	1.17	1.24	1,881,384	1,513,107
Jordan Kuwait Bank	JOKB	3.94	4.05	3.46	3.50	3.82	10,003,452	2,621,204
Investbank	INVB	1.49	1.63	1.35	1.53	1.45	2,153,861	1,481,102
Societe General - Jordan	SGBJ	0.95	1.15	0.95	1.10	1.09	434,950	400,131
Safwa Islamic Bank	SIBK	1.28	1.37	1.21	1.22	1.27	5,718,184	4,489,785

Source: Amman Stock Exchange / Annual bulletin for 2017.

1. Shares Price Index

The price index (weighted by market value) of shares of banks listed in ASE went down by 109 points (1.3%), reaching 8335.2 points by the end of 2017. The price index of the stock exchange in general regressed by 1.5% during 2017 to reach 4009.4 points.

Table (29)

Development of the Share Price Index of Banks Listed in Amman Stock Exchange (2009 – 2017)

year	The weighted shares prices index (points)	
	Banks	General
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
2016	8444.5	4069.7
2017	8335.2	4009.4

Source: Amman Stock Exchange

Figure (21)

Annual Development of the Shares Price Index (2009-2017)



Table (30)

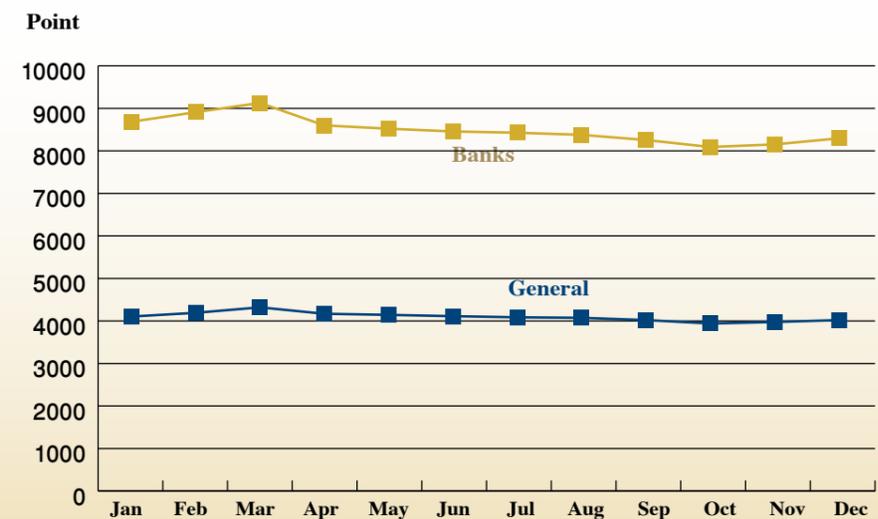
Monthly Development of the Share Price Index of Banks Listed in Amman Stock Exchange during 2017

Month	The weighted Shares Prices Index (points)	
	Banks	General
January	8728.8	4093.88
February	8956.0	4182.58
March	9177.9	4312.50
April	8642.7	4159.84
May	8563.8	4133.97
June	8498.3	4102.81
July	8468.0	4076.11
August	8417.6	4063.78
September	8294.9	4009.75
October	8128.7	3927.89
November	8190.1	3963.81
December	8335.2	4009.44

Source: Amman Stock Exchange.

Figure (22)

Monthly Development of the Shares Price Index During 2017



2. Trading Volume

Trading volume in bank shares listed in ASE declined in 2017 to JD 250 million, down from JD 261 million in 2016. The total trading volume of the ASE declined from JD 1.822 billion in 2016 to JD 1.652 billion in 2017.

Table (31)

Trading Volume of Banks' Shares Listed in Amman Stock Exchange (2009 – 2017)

Year	Value Traded (JD million)		
	Banks	General	Banks/ General (%)
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
2016	261.3	1,821.8	14.3%
2017	249.98	1,651.50	15.1%

Source: Amman Stock Exchange

Figure (23)

Annual Development of the Trading Volume (2009-2017)

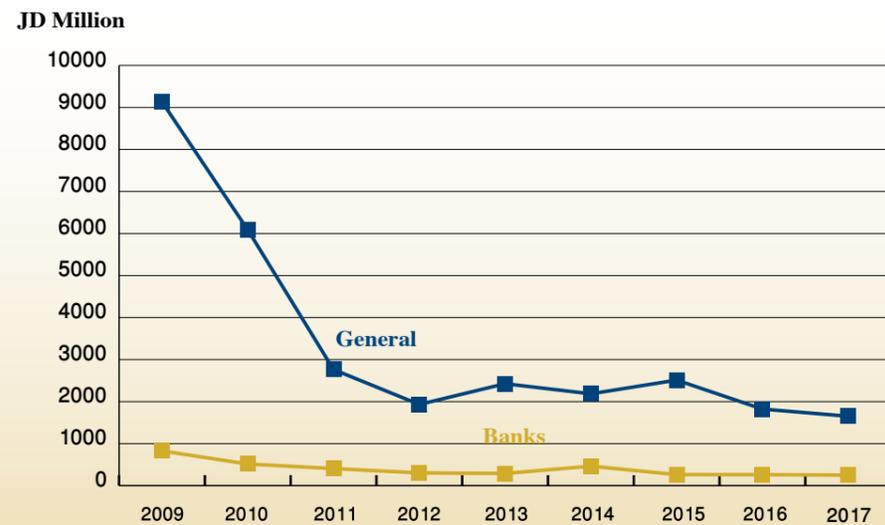


Table (32)

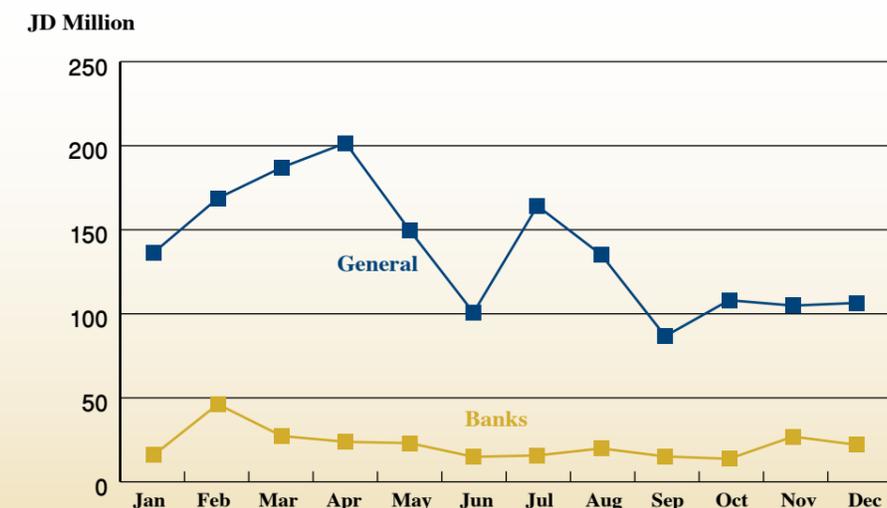
Monthly Trading Volume of Banks' Shares Listed in Amman Stock Exchange during 2017

Month	Value Traded (JD million)		
	Banks	General	Banks/ General (%)
January	14.727	136.649	10.8%
February	45.246	169.252	26.7%
March	26.117	187.809	13.9%
April	22.621	202.505	11.2%
May	21.845	150.058	14.6%
June	13.594	100.386	13.5%
July	14.421	164.667	8.8%
August	18.645	135.210	13.8%
September	13.793	86.225	16.0%
October	12.407	107.876	11.5%
November	25.770	104.627	24.6%
December	20.796	106.240	19.6%
Total	249.983	1,651.504	15.1%

Source: Amman Stock Exchange

Figure (24)

Monthly Development of the Trading Volume during 2017



3. Non-Jordanian Ownership of Shares in Jordanian Banks

The non-Jordanian ownership of shares in Jordanian banks had evidently been stable in the last few years, due to the good financial indicators of the Jordanian banking sector, and its financial strength and soundness. The average of non-Jordanian ownership of bank shares listed in ASE during the period of 2009 to 2017 is 59.6%. The percentage reached 58.3% in 2017.

Table (33)

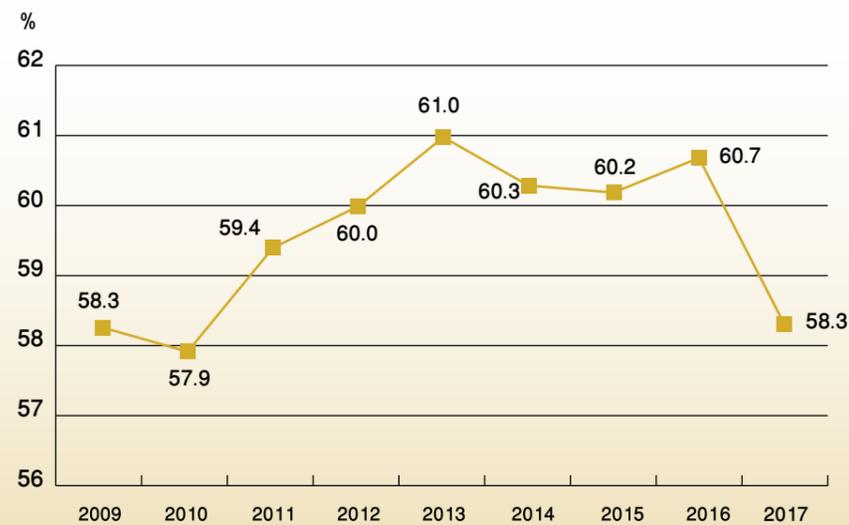
Non-Jordanian Ownership of Banks' Shares Listed in Amman Stock Exchange (2009-2017)

Year	Non-Jordanian Ownership (%)
2009	58.25
2010	57.90
2011	59.40
2012	60.00
2013	61.00
2014	60.30
2015	60.20
2016	60.70
2017	58.30

Source: Amman Stock Exchange

Figure (25)

Non-Jordanian Ownership of Banks' shares (2009-2017)



The image features a close-up, low-angle shot of a golden wheat field. The wheat stalks are in sharp focus in the foreground, with their heads of grain clearly visible. The background is a soft-focus expanse of more wheat, leading to a distant green horizon line. A large, semi-transparent graphic overlay is positioned at the top of the image, consisting of a blue-to-white gradient that tapers to a point at the top center. The text 'Chapter Six' is written in a gold, serif font within the white area of this overlay.

Chapter Six

Clearing of Checks

This part handles the issue of check clearing and sheds light on the most outstanding transitions that it went through in the kingdom. It also highlights changes that checks presented for clearing and returned checks witnessed in 2017.

1. Historical overview of check clearing

The Central Bank of Jordan provides licensed banks with the service of check clearing pursuant to its law # 23 of 1971 and its amendments in Paragraph B of Article 37.

The system of check clearing passed through different stages. It was done manually until July 1997, when the system of automatic clearing was in place until July 2007. A quantitative step happened when electronic clearing was adopted and checks were collected at the same day starting from 4 Nov. 2007.

Electronic clearing is defined as the process of exchanging information (which includes checks' data, images and symbols) electronically via the CBJ's Electronic Clearing Center, as well as defining the net balances resulting from this process in a specific time.

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

- Checks deposited by customers from 8:00 AM until 12:00 noon are collected at the same working day. The customer is allowed to withdraw the check's value the following working day.
- Checks deposited after 12:00 noon are collected the following working day.

The service of check clearing through the electronic clearing system is done under the legal cover of the CBJ Law, the Electronic Transactions Law, and the Principles and Rules of Work and the Electronic Clearing Ad hoc Instructions.

The goal behind the electronic clearing is to move out of the automatic clearing system to the electronic clearing system, to stop circulation of paper checks for the purposes of clearing at the stage of depositing them in banks, and to collect checks at the same due date for all Jordanian governorates, in addition to increasing confidence in checks as an instrument for payment and curbing as much as possible the volume of returned checks.

The electronic clearing system had benefits at two levels: banks and customers. As regards banks, the benefit is knowing beforehand the exact financial position of the bank, the optimal employment of money at banks, getting precise information and statistics on checks and a swift and precise archiving system, the possibility of getting images and data on checks through this system, and limiting the risks of transporting paper checks. The system works around the clock, therefore, there is enough time to send checks whatever their number is.

As regards customers, checks are collected the same day in which they are deposited. They could know if the check is accepted or returned the same day. The check's amount is credited in the beneficiary's account the same day (if it is deposited before noon) or the following working day, in addition to increased confidence in dealing with checks.

2. Development in check clearing

Checks presented for clearing declined in terms of number and value in 2017, compared with 2016. The number declined from 10361.2 thousand checks in 2016 to 10315.5 thousand checks in 2017. The value of presented checks also declined for the same period from JD 46202.4 million to JD 45990.6 million.

Table (34)
Cheques presented For clearing and Returned Cheques Through the Electronic Clearing (2016 – 2017)

Description	2016	2017	Percentage Change %
Circulated Cheques			
Number (thousand)	10361.2	10315.5	-0.44%
Value(JD million)	46202.4	45990.6	-0.46%
Returned Cheques			
Number (thousand)	498.8	482.5	-3.27%
Value(JD million)	1831.8	1590.9	-13.15%
The ratio to the number of Circulated Cheques (%)	4.81%	4.68%	-
The ratio to the value of Circulated Cheques (%)	3.96%	3.46%	-
Returned Cheques for insufficient balance			
Number (thousand)	298.7	302	1.10%
Value(JD million)	976.7	997.6	2.14%
The ratio to the number of Returned Cheques (%)	59.88%	62.59%	-
The ratio to the value of Returned Cheques (%)	53.32%	62.71%	-
Returned Cheques for another reasons			
Number (thousand)	200.1	180.5	-9.80%
Value(JD million)	855	593.4	-30.60%
The ratio to the number of Returned Cheques (%)	40.12%	37.41%	-
The ratio to the value of Returned Cheques (%)	46.68%	37.30%	-

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

The number of returned checks also declined in 2017 compared with 2016 in terms of number and value by 3.27% and 13.15% respectively. As regards the percentage of returned checks to checks presented to clearing, it amounted to 4.68% in 2017. Checks returned for insufficient balance amounted to 62.6% of total returned checks. 37.4% of them were returned for other reasons.

The image features a close-up, low-angle shot of a field of golden wheat. The wheat stalks are in sharp focus in the foreground, with their heads of grain clearly visible. The background is a soft, out-of-focus expanse of more wheat, leading to a distant, hazy horizon. A large, semi-transparent graphic overlay is positioned at the top of the image, consisting of a blue-to-white gradient that tapers to a point at the top center, and a green-to-white gradient that tapers to a point at the bottom center. The text is placed within the white areas of this overlay.

Chapter Seven

Structure of Interest Rates

This chapter reviews developments in the weighted average of interest rates on all types of deposits and credit facilities, in addition to developments in interest rate margins. The chapter further handles development on interest rates on monetary policy instruments and the development of interbank lending rates (JODIBOR).

1. Development of Interest Rates on Deposits

Interest rates on all types of deposits underwent the following changes in 2017:

- Demand deposits: The weighted average of interest rate on demand deposits rose by the end of 2017 by 8 base points compared with its level by the end of 2016, reaching 0.34%.
- Saving deposits: The weighted average of interest rate on saving deposits fell down by the end of 2017 by one base point compared with its level by the end of 2016, reaching 0.55%.
- Time deposits: The weighted average of interest rate on time deposits rose by the end of 2017 by 76 base points compared with its level by the end of 2016, reaching 3.80%.

Table (35)
Weighted Average Interest Rates on All Types of Deposits (2009-2017)

Year	Demand (%)	Saving (%)	Time (%)
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
2016	0.26	0.56	3.04
2017	0.34	0.55	3.80

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Figure (26)

Weighted Average Interest Rates on All Types of Deposits (2009-2017)

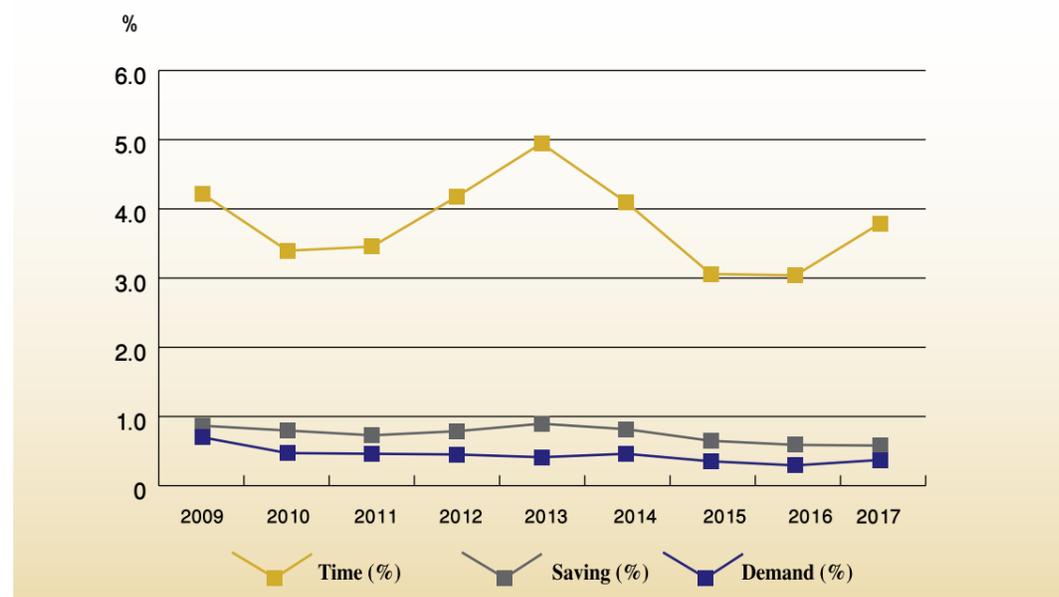


Figure (27)

Monthly Development of Interest Rates on All Types of Deposits during 2017

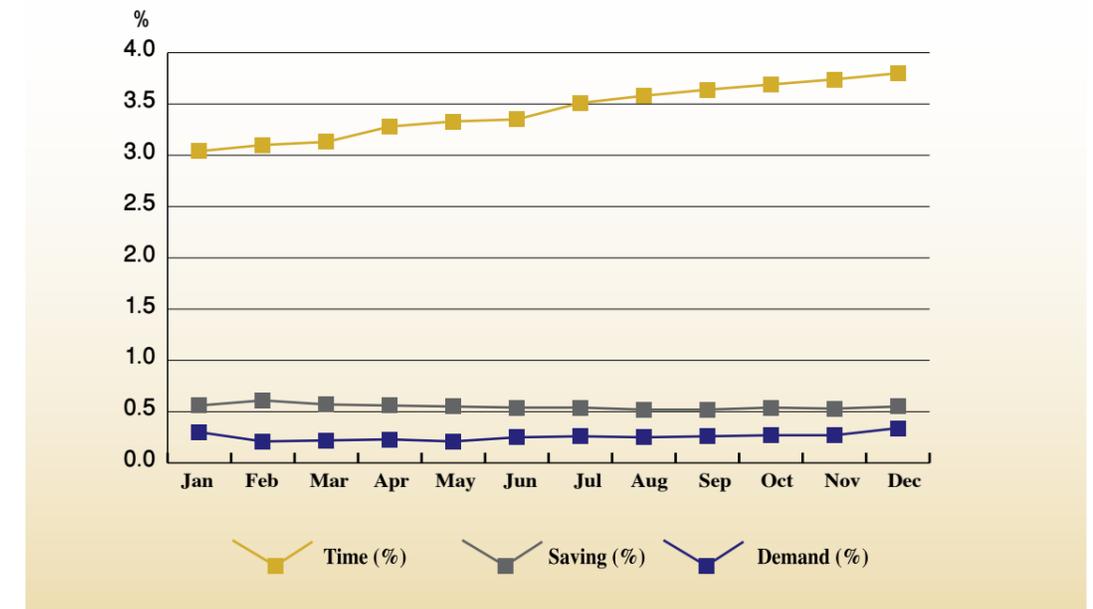


Table (36)

Monthly Development of weighted Average Interest Rates on All Types of Deposits in 2017

Month	Demand (%)	Saving (%)	Time (%)
January	0.30	0.56	3.04
February	0.21	0.61	3.10
March	0.22	0.57	3.13
April	0.23	0.56	3.28
May	0.21	0.55	3.33
June	0.25	0.54	3.35
July	0.26	0.54	3.51
August	0.25	0.52	3.58
September	0.26	0.52	3.64
October	0.27	0.54	3.69
November	0.27	0.53	3.74
December	0.34	0.55	3.80
Average	0.26	0.55	3.43
MAX	0.34	0.61	3.80
MIN	0.21	0.52	3.04

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

2. Development of interest rates on facilities

Interest rates on different types of facilities witnessed the following changes in 2017:

- **Overdrafts:** The weighted average of interest rate on overdrafts rose by the end of 2017 by 117 base points compared with its level by the end of 2016, reaching 8.77%.
- **Loans and advances:** The weighted average of interest rate on loans and advances rose by the end of 2017 by 81 base points compared with its level by the end of 2016, reaching 8.64%.
- **Discounted bills and bonds:** The weighted average of interest rate on discounted bills and bonds declined by the end of 2017 by 19 base points compared with its level of the end of 2016, reaching 10.23%.
- **Prime Lending Rate:** The prime lending rate rose by the end of 2017 by 46 base points of its level by the end of 2016, reaching 8.83%.

Table (37)

Weighted Average Interest Rates on All Types of Credit Facilities (2009-2017)

year	Overdrafts (%)	Loans and Advances (%)	Discounted Bills & Bonds (%)	Prime Lending Rate (%)
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
2016	7.60	7.83	10.42	8.37
2017	8.77	8.64	10.23	8.83

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Figure (28)

Weighted Average of Interest Rates on All Types of Credit Facilities (2009-2017)

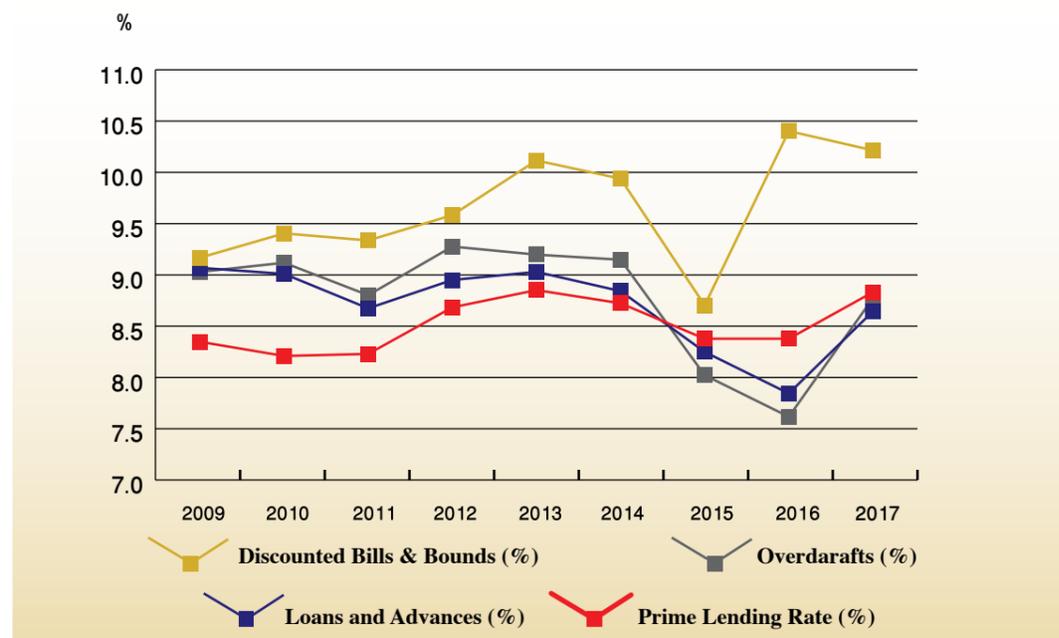


Table (38)

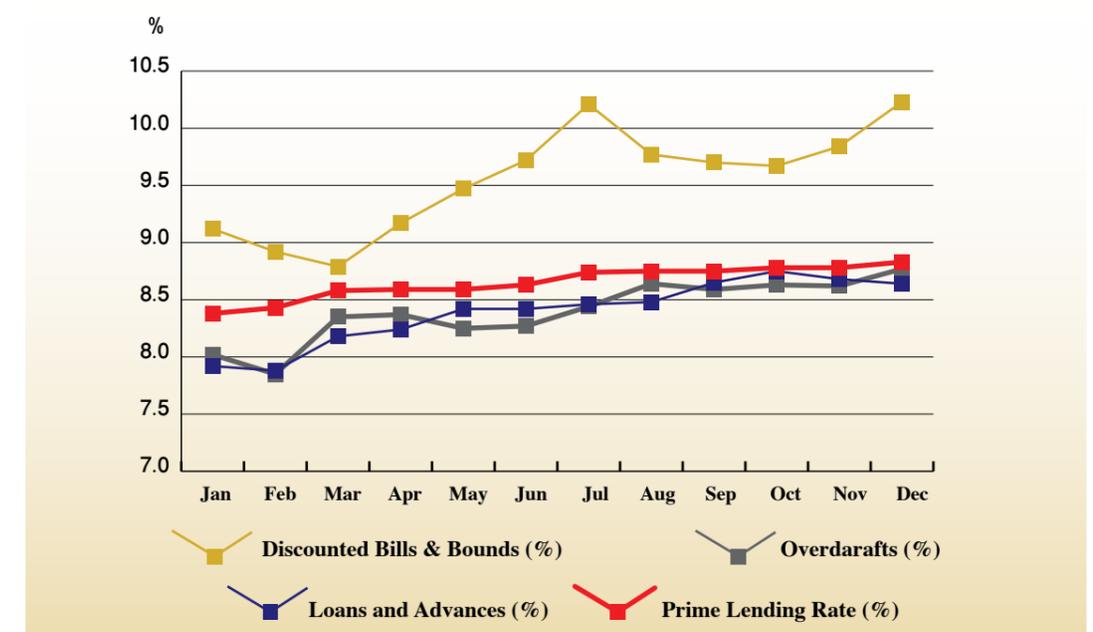
Monthly Development of Weighted Average Interest Rates on All Types of Credit Facilities in 2017

Month	Overdrafts (%)	Loans and Advances (%)	Discounted Bills & Bonds (%)	Prime Lending Rate (%)
January	8.02	7.92	9.12	8.38
February	7.85	7.88	8.92	8.43
March	8.35	8.18	8.79	8.58
April	8.37	8.24	9.17	8.59
May	8.25	8.42	9.47	8.59
June	8.27	8.42	9.72	8.63
July	8.44	8.46	10.21	8.74
August	8.64	8.48	9.77	8.75
September	8.59	8.65	9.70	8.75
October	8.63	8.75	9.67	8.78
November	8.62	8.68	9.84	8.78
December	8.77	8.64	10.23	8.83
Average	8.40	8.39	9.55	8.65
MAX	8.77	8.75	10.23	8.83
MIN	7.85	7.88	8.79	8.38

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Figure (29)

Monthly Development of Interest Rates on All Types of Credit Facilities during 2017



3. Interest Rate Margin

The interest rate margin is 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 slightly grew by 5 base points in 2017 to reach 4.84%, compared with a margin of 4.79% in 2016.

Figure (30)

Annual Development of Interest Rate Margin (2009-2017)

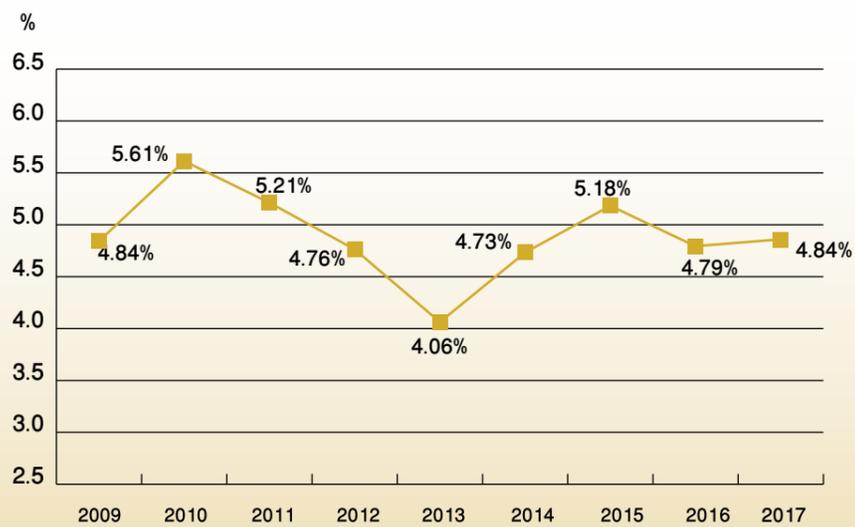


Figure (31)

Monthly Development of Interest Rate Margin during 2017



4. Development of interest rates on monetary policy instruments

The CBJ raised interest rates on monetary policy instruments four times in 2017: February, March, June and December 2017. Developments are as follows:

- Raising the CBJ Main Rate from 2.75% to 4.00%.
- Raising rediscount interest rate from 3.75% to 5.00%.
- Raising overnight repurchase agreements from 3.50% to 4.75%.
- Raising interest rate on Overnight Window Deposit in Jordanian dinar from 1.75% to 3.00%.
- Raising interest rate on Certificates of Deposit to be within the range of 3.50% to 3.75%.

Table (39)**Monthly Rates on Monetary Policy Instruments (2009 - 2017)**

Year	CBJ Main Rate (%)	Rediscount Rate (%)	Repurchase Agreements (%)	Overnight Deposit Window (%)
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	2.50	3.75	3.50	1.50
2016	2.75	3.75	3.50	1.75
2017	4.00	5.00	4.75	3.00

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

Table (40)**Monthly Development of Interest Rates on Monetary Policy Instruments during 2017**

Month	CBJ Main Rate (%)	Rediscount Rate (%)	Repurchase Agreements (%)	Overnight Deposit Window (%)
January	2.75	3.75	3.50	1.75
February	3.25	4.25	4.00	2.25
March	3.50	4.50	4.25	2.50
April	3.50	4.50	4.25	2.50
May	3.50	4.50	4.25	2.50
June	3.75	4.75	4.50	2.75
July	3.75	4.75	4.50	2.75
August	3.75	4.75	4.50	2.75
September	3.75	4.75	4.50	2.75
October	3.75	4.75	4.50	2.75
November	3.75	4.75	4.50	2.75
December	4.00	5.00	4.75	3.00

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

5. Interbank Lending Interest Rate (JODIBOR)

Developments in Interbank Lending Interest Rate (JODIBOR) indicate the following:

- A rise in the average overnight lending interest rates in 2017 by 115 points compared with 2016, reaching 3.186%.
- A rise in the average lending interest rates for one week in 2017 by 84 points compared with 2016, reaching 3.591%.
- A rise in the average lending interest rates for one month in 2017 by 91 points compared with 2016, reaching 4.501%.
- A rise in the average lending interest rates for three months in 2017 by 97 points compared with 2016, reaching 5.338%.
- A rise in the average overnight lending interest rates in 2017 by 115 points compared with 2016, reaching 3.186%.
- A rise in the average lending interest rates for six months in 2017 by 116 points compared with 2016, reaching 6.218%.
- A rise in the average lending interest rates for one year in 2017 by 101 points compared with 2016, reaching 6.659%.

Table (41)**Average Interbank Lending Rate (JODIBOR – Declared Rates) (2006 – 2017)**

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
2016	2.036	2.755	3.587	4.368	5.055	5.650
2017	3.186	3.591	4.501	5.338	6.218	6.659

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

The table below shows the monthly development in the interbank average lending interest rates in 2017, which reveals that the average lending rates for all maturities registered the lowest averages in the first month of the year and the highest averages in the last month of the same year.

Table (42)

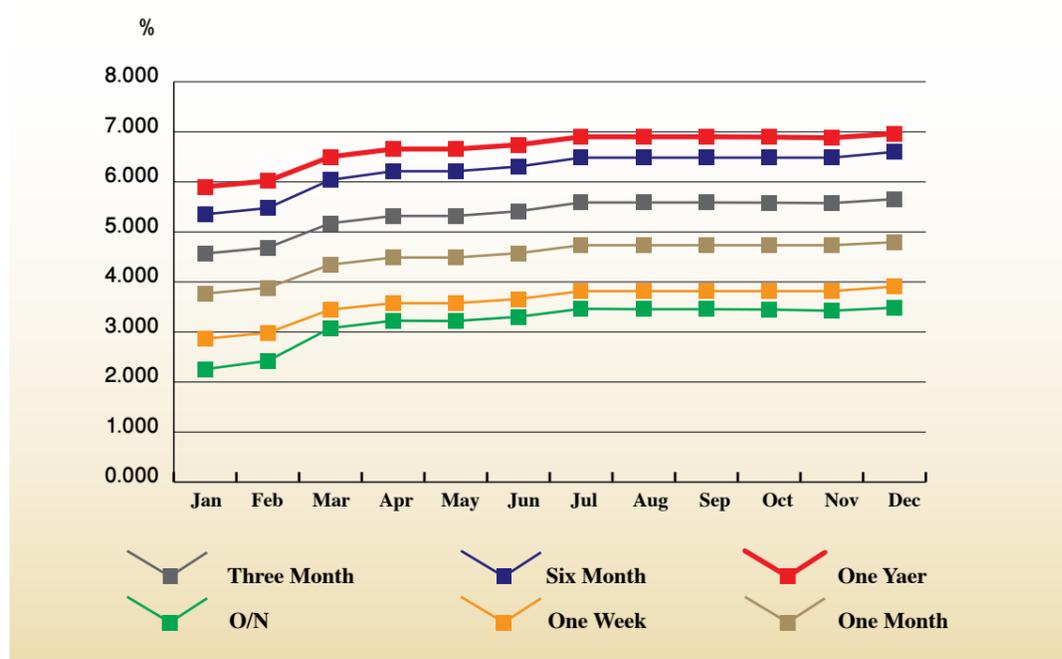
Monthly Development of Interbank Lending Rate (JODIBOR – Declared Rates) in 2017

Month	O/N	One Week	One Month	Three Months	Six Months	One Year
January	2.257	2.865	3.767	4.567	5.352	5.902
February	2.423	2.984	3.883	4.686	5.477	6.018
March	3.077	3.448	4.346	5.173	6.040	6.501
April	3.225	3.575	4.488	5.319	6.213	6.656
May	3.219	3.575	4.488	5.319	6.213	6.656
June	3.303	3.659	4.574	5.413	6.306	6.741
July	3.463	3.816	4.734	5.588	6.484	6.900
August	3.456	3.816	4.734	5.588	6.484	6.900
September	3.456	3.816	4.734	5.588	6.484	6.900
October	3.448	3.816	4.734	5.584	6.484	6.895
November	3.425	3.816	4.734	5.575	6.484	6.881
December	3.485	3.907	4.794	5.656	6.600	6.963
Average	3.186	3.591	4.501	5.338	6.218	6.659
MIN	2.257	2.865	3.767	4.567	5.352	5.902
MAX	3.485	3.907	4.794	5.656	6.600	6.963

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

Figure (32)

Monthly Development of the Interbank Lending Rate (JODIBOR) During 2017



As regards the overnight interbank activity in 2017, it fluctuated in terms of the number of executed transactions and the total credit amounts, in addition to the fluctuating pricing margin (the difference between the actual prices announced by the central bank and the declared price of the association – JODIBOR), which registered the highest margin in November 2017, amounting to 0.338%. The margin was zero in March the same year.

Table (43)

Volume of Overnight Interbank Market During 2017

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	364	2537.4	2.257%	2.395%	0.138%
February	414	2955.6	2.423%	2.581%	0.158%
March	438	3167.0	3.077%	3.077%	0.000%
April	309	26850.	3.225%	3.190%	-0.035%
May	258	2146.5	3.219%	3.154%	-0.065%
June	291	2168.3	3.303%	3.200%	-0.103%
July	295	2446.5	3.463%	3.359%	-0.104%
August	252	2049.9	3.456%	3.284%	-0.172%
September	230	2849.0	3.456%	3.220%	-0.236%
October	237	2715.0	3.448%	3.165%	-0.283%
November	146	1192.0	3.425%	3.087%	-0.338%
December	213	2364.0	3.485%	3.150%	-0.335%

* 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.

Figure (33)

Development of the Size of Overnight Interbank Market during 2017

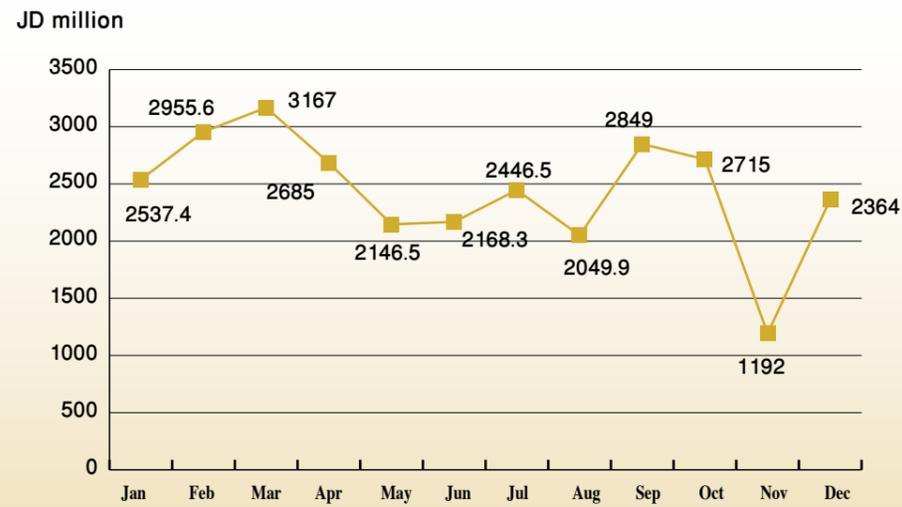


Figure (35)

Development of Overnight Interbank Lending Rates "JODIBOR" (Declared and Actual) during 2017

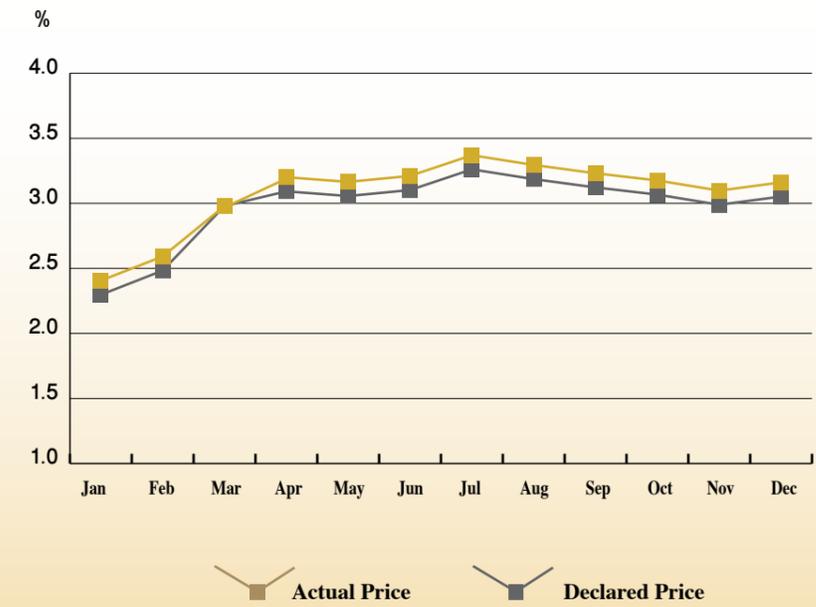
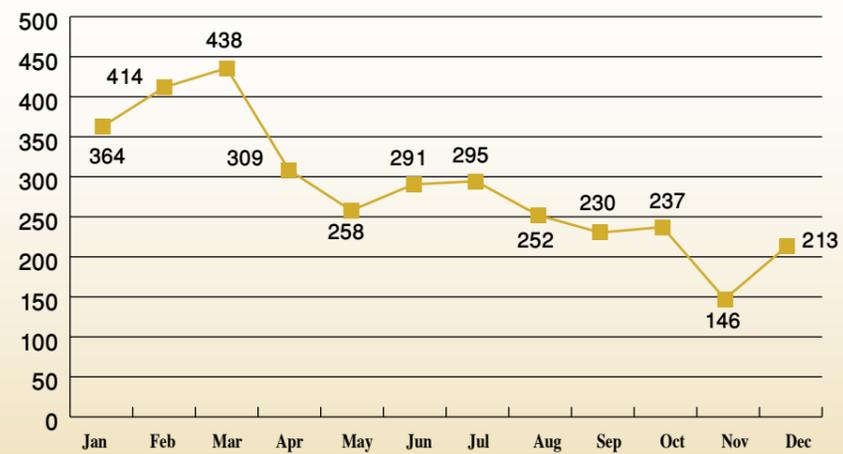


Figure (34)

Development of the Number of Transaction in Overnight Interbank during 2017



Chapter Eight

Analysis of the Comparative Performance of Banks Operating in Jordan during 2017

This chapter includes a detailed outline of the overall developments that banks operating in Jordan went through during 2017. The first section handles developments in the main items in the statement of financial position in terms of total assets, facilities and deposits of banks operating in Jordan, in addition to the shareholders' equity and capital. The second section includes the most important items of the income statement of banks operating in Jordan during 2017, which are pretax profits, and post tax net profits. The third section handles the most important standards of profitability in Jordan which links the statement of financial position with the income statement (which are the average return on assets (ROA) and the average return on equity (ROE), during 2017. The fourth section reviews indicators of bank branching in Jordan, including the number of branches and ATMs. The fifth section reflects the development and distribution of human resources of banks operating in Jordan as by the end of 2017.

It should be noted that the chapter ranks banks in a descending way (from the highest to the lowest) according to each of the previous standards, in addition to calculating the relative weight of each bank to the total working banks. The chapter also took into consideration the division of banks into three main categories that include Jordanian commercial banks, Islamic banks and foreign banks. It is also noteworthy that data in this chapter are exclusively for branches of banks operating in Jordan and do not include subsidiary companies and branches abroad. The following is an explanation of the most important terms used in this chapter:

- Total deposits at commercial banks: This includes deposits at banks, banking institutions, customers' deposits and cash margins.
- Average Return on equity (ROE) in 2017: it is the net after tax profit in 2017 divided by the average shareholders' equity for the years 2016 and 2017.
- Average return on assets (ROA) in 2017: it is the net after tax profit in 2017 divided by the average assets for the years 2016 and 2017.
- Total assets at Islamic banks: It includes total assets only without accounts managed on behalf of others.
- Financial investments of Islamic banks: Investments include all types of loans and financing granted by the bank, including deferred sales and other receivables (net), Ijara ending with Tamleek Assets (net), financing and other financing investments (net). They do not include accounts managed on behalf of others.
- Total Savings Schemes of Islamic banks: This includes savings on accounts of banks and banking institutions, customers' current accounts, cash margins and the total joint investment accounts holders equity, excluding accounts managed on behalf of others.
- Changes or amendments might occur on the year of comparison (the previous year) in case any bank amends or updates its previous data.

First: Classification of banks according to the Statement of Financial Position

A) Classification of Banks according to Total Assets

Total assets of banks operating in Jordan rose by 2.1% the end of 2017 compared with 2016, reaching JD 46.45 billion. This is distributed as JD 35.4 billion at Jordanian commercial banks (76.2% of total assets of banks operating in Jordan), and JD 7.7 billion at Islamic banks (16.6% of total assets), and JD 3.4 billion for foreign commercial banks (7.3% of total assets).

Table (44): Total Assets of Banks Operating in Jordan at the end of 2016 and 2017

Bank	2017			2016			Change percentage (%)
	Ranking 2017	Assets (JD million)	Ratio to Total Assets %	Ranking 2016	Assets (JD million)	Ratio to Total Assets %	
Jordanian Commercial Banks							
Arab Bank	1	8,943.0	19.25%	1	9,267.0	20.37%	-3.50%
The Housing Bank for Trade & Finance	2	6,932.2	14.92%	2	6,750.9	14.84%	2.69%
Jordan Kuwait Bank	3	2,852.0	6.14%	5	2,447.0	5.38%	16.55%
Bank Al-Etihad	4	2,662.3	5.73%	3	2,563.1	5.63%	3.87%
Jordan Ahli Bank	5	2,393.0	5.15%	4	2,505.0	5.51%	-4.47%
Bank of Jordan	6	2,216.5	4.77%	6	2,005.2	4.41%	10.54%
Cairo Amman Bank	7	2,157.0	4.64%	7	1,998.0	4.39%	7.96%
Capital Bank	8	1,788.0	3.85%	8	1,817.9	4.00%	-1.65%
Arab Jordan Investment Bank	9	1,692.5	3.64%	9	1,678.6	3.69%	0.83%
Societe General - Jordan	10	1,352.0	2.91%	10	1,304.0	2.87%	3.68%
Jordan Commercial Bank	11	1,274.1	2.74%	11	1,171.3	2.57%	8.78%
ABC Bank	12	1,111.2	2.39%	12	1,099.3	2.42%	1.08%
Investbank	NA	NA	NA	NA	NA	NA	NA
Total Assets of Jordanian Commercial Banks		35,373.83	76.16%		34,607.26	76.06%	2.22%
Islamic Banks							
Bank	Ranking 2017	Assets (JD million)	Ratio to Total Assets %	Ranking 2016	Assets (JD million)	Ratio to Total Assets %	Change percentage (%)
Jordan Islamic Bank	1	4,212.0	9.07%	1	4,100.0	9.01%	2.73%
Islamic International Arab Bank	2	2,052.1	4.42%	2	1,969.8	4.33%	4.18%
Safwa Islamic Bank	3	959.3	2.07%	3	921.1	2.02%	4.15%
Al-Rajhi Bank *	4	470.7	1.01%	4	413.7	0.91%	13.77%
Total Assets of Islamic Banks		7,694.10	16.56%		7,404.68	16.27%	3.91%
Foreign Commercial Banks							
Bank	Ranking 2017	Assets (JD million)	Ratio to Total Assets %	Ranking 2016	Assets (JD million)	Ratio to Total Assets %	Change percentage (%)
Bank Audi	1	775.0	1.67%	1	832.0	1.83%	-6.85%
BLOM Bank	2	758.0	1.63%	2	786.0	1.73%	-3.56%
Standard Chartered Bank	3	461.1	0.99%	3	395.2	0.87%	16.68%
Egyptian Arab Land Bank	4	336.3	0.72%	6	336.1	0.74%	0.07%
Citi Bank	5	316.9	0.68%	4	375.7	0.83%	-15.64%
First Abu Dhabi Bank (National Bank of Abu Dhabi)	6	308.5	0.66%	5	351.6	0.77%	-12.26%
National Bank of Kuwait - Jordan	7	292.4	0.63%	7	279.9	0.62%	4.48%
Rafidain Bank	8	132.7	0.29%	8	132.6	0.29%	0.05%
Total Assets of Foreign Commercial Banks		3,380.87	7.28%		3,488.98	7.67%	-3.10%
Total Assets of Banks Operating in Jordan		46,448.80	100.0%		45,500.92	100.0%	2.08%

Source: Banks' financial data

* Foreign Bank

B) Banks' Classification according to direct credit facilities (net)

Direct credit facilities granted by banks operating in Jordan grew by the end of 2017 by 8.4% compared with 2016, reaching JD 23.0 billion, distributed as JD 16.5 billion for Jordanian commercial banks (71.7% of total facilities), JD 5.3 billion for Islamic banks (23.2% of total facilities), and JD 1.2 billion for foreign commercial banks (5.1% of total facilities).

Table (45): Direct credit facilities - net Extended By Banks Operating in Jordan at the end of 2016 and 2017

Bank	2017			2016			Change percentage (%)
	Ranking 2017	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	Ranking 2016	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	
Jordanian Commercial Banks							
Arab Bank	1	3,588.0	15.62%	2	2,872.0	13.56%	24.93%
The Housing Bank for Trade & Finance	2	3,273.1	14.25%	1	3,080.6	14.54%	6.25%
Bank Al-Etihad	3	1,408.6	6.13%	3	1,381.9	6.52%	1.93%
Jordan Kuwait Bank	4	1,298.0	5.65%	4	1,188.0	5.61%	9.26%
Bank of Jordan	5	1,218.6	5.31%	7	1,042.5	4.92%	16.89%
Jordan Ahli Bank	6	1,204.0	5.24%	5	1,177.0	5.56%	2.29%
Cairo Amman Bank	7	1,088.0	4.74%	6	1,052.0	4.97%	3.42%
Capital Bank	8	832.4	3.62%	8	898.6	4.24%	-7.36%
Arab Jordan Investment Bank	9	692.0	3.01%	9	681.2	3.22%	1.59%
Societe General - Jordan	10	650.0	2.83%	11	568.0	2.68%	14.44%
Jordan Commercial Bank	11	643.5	2.80%	10	572.2	2.70%	12.46%
ABC Bank	12	572.6	2.49%	12	529.1	2.50%	8.22%
Investbank	NA	NA	NA	NA	NA	NA	NA
Total direct credit facilities - net extended by Jordanian Commercial Banks		16,468.77	71.70%		15,043.09	71.01%	9.48%
Islamic Banks							
Bank	Ranking 2017	Financial investments (JD million)	Ratio to total Direct credit facilities - net %	Ranking 2016	Financial investments (JD million)	Ratio to total Direct credit facilities - net %	Change percentage (%)
Jordan Islamic Bank	1	2,933.0	12.77%	1	2,887.0	13.63%	1.59%
Islamic International Arab Bank	2	1,349.8	5.88%	2	1,201.3	5.67%	12.36%
Safwa Islamic Bank	3	672.4	2.93%	3	602.6	2.84%	11.58%
Al-Rajhi Bank *	4	366.7	1.60%	4	309.9	1.46%	18.33%
Total Financial investments of Islamic Banks		5,321.94	23.17%		5,000.85	23.60%	6.42%
Foreign Commercial Banks							
Bank	Ranking 2017	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	Ranking 2016	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	Change percentage (%)
BLOM Bank	1	370.0	1.61%	1	363.0	1.71%	1.93%
Bank Audi	2	316.0	1.38%	2	325.0	1.53%	-2.77%
Egyptian Arab Land Bank	3	162.9	0.71%	3	150.7	0.71%	8.09%
Standard Chartered Bank	4	148.4	0.65%	4	133.5	0.63%	11.16%
First Abu Dhabi Bank (National Bank of Abu Dhabi)	5	106.5	0.46%	5	99.3	0.47%	7.25%
Citi Bank	6	56.8	0.25%	6	48.5	0.23%	17.06%
National Bank of Kuwait - Jordan	7	16.4	0.07%	7	21.6	0.10%	-23.93%
Rafidain Bank	8	0.14	0.00%	8	0.09	0.00%	47.87%
Total direct credit facilities - net extended by Foreign Commercial Banks		1,177.13	5.13%		1,141.69	5.39%	3.10%
Total direct credit facilities - net extended by Banks Operating in Jordan		22,967.83	100.0%		21,185.62	100.0%	8.41%

Source: Banks' financial data

* Foreign Bank

C) Banks' Classification according to total deposits

Total assets at banks operating in Jordan rose by 0.32% by the end of 2017 compared with 2016, reaching JD 38.2 billion, distributed as follows: JD 28.9 billion at Jordanian commercial banks (75.7% of total deposits), JD 6.7 billion at Islamic banks (17.6% of total deposits), and JD 2.6 billion for foreign commercial banks (6.7% of total deposits.)

Table (46): Total Deposits at Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017			2016			Change percentage (%)
		Ranking 2017	Total Deposits (JD million)	Ratio to Total Deposits %	Ranking 2016	Total Deposits (JD million)	Ratio to Total Deposits %	
Jordanian Commercial Banks	Arab Bank	1	7,547.0	19.77%	1	7,934.0	20.85%	-4.88%
	The Housing Bank for Trade & Finance	2	5,727.2	15.00%	2	5,605.8	14.73%	2.17%
	Bank Al-Etiihad	3	2,167.0	5.68%	3	2,163.2	5.69%	0.17%
	Jordan Kuwait Bank	4	2,019.0	5.29%	5	1,933.0	5.08%	4.45%
	Jordan Ahli Bank	5	1,976.0	5.18%	4	2,133.0	5.61%	-7.36%
	Bank of Jordan	6	1,740.5	4.56%	6	1,573.6	4.14%	10.61%
	Cairo Amman Bank	7	1,695.0	4.44%	7	1,566.0	4.12%	8.24%
	Arab Jordan Investment Bank	8	1,477.4	3.87%	8	1,455.4	3.82%	1.51%
	Capital Bank	9	1,369.6	3.59%	9	1,441.5	3.79%	-4.99%
	Societe General - Jordan	10	1,186.0	3.11%	10	1,135.0	2.98%	4.49%
	Jordan Commercial Bank	11	1,085.8	2.84%	11	995.7	2.62%	9.05%
	ABC Bank	12	896.6	2.35%	12	887.7	2.33%	1.00%
	Investbank	NA	NA	NA	NA	NA	NA	NA
Total Deposits at Jordanian Commercial Banks			28,886.99	75.67%		28,823.95	75.75%	0.22%
Islamic Banks	Bank	Ranking 2017	Total Savings Schemes (JD million)	Ratio to Total Deposits %	Ranking 2016	Total Savings Schemes (JD million)	Ratio to Total Deposits %	Change percentage (%)
	Jordan Islamic Bank	1	3,716.0	9.73%	1	3,646.0	9.58%	1.92%
	Islamic International Arab Bank	2	1,803.6	4.72%	2	1,738.0	4.57%	3.77%
	Safwa Islamic Bank	3	797.8	2.09%	3	767.4	2.02%	3.97%
	Al-Rajhi Bank *	4	396.2	1.04%	4	348.8	0.92%	13.58%
Total Savings Schemes of Islamic banks			6,713.55	17.59%		6,500.17	17.08%	3.28%
Foreign Commercial Banks	Bank	Ranking 2017	Total Deposits (JD million)	Ratio to Total Deposits %	Ranking 2016	Total Deposits (JD million)	Ratio to Total Deposits %	Change percentage (%)
	BLOM Bank	1	629.0	1.65%	2	652.0	1.71%	-3.53%
	Bank Audi	2	623.0	1.63%	1	697.0	1.83%	-10.62%
	Standard Chartered Bank	3	355.9	0.93%	4	285.7	0.75%	24.57%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	4	238.9	0.63%	5	285.6	0.75%	-16.35%
	Citi Bank	5	238.8	0.63%	3	301.2	0.79%	-20.74%
	Egyptian Arab Land Bank	6	229.7	0.60%	6	257.5	0.68%	-10.81%
	National Bank of Kuwait - Jordan	7	201.4	0.53%	7	190.5	0.50%	5.77%
	Rafidain Bank	8	55.4	0.15%	8	57.0	0.15%	-2.76%
	Total Deposits at Foreign Commercial Banks			2,572.06	6.74%		2,726.45	7.17%
Total Deposits at Banks Operating in Jordan			38,172.60	100.0%		38,050.57	100.0%	0.32%

Source: Banks' financial data

* Foreign Bank

D) Classification of Banks according to Equity Rights

Total equity rights in banks operating in Jordan rose by 4% by the end of 2017, compared with 2016, reaching JD 6 billion. This is distributed as follows: JD 4.7 billion for Jordanian commercial banks (77.2% of total equity rights), JD 748.7 million for Islamic banks (12.4% of total equity rights) and JD 628 million for foreign commercial banks (10.4% of total equity rights.)

Table (47) Shareholders' Equity of Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017			2016			Change percentage (%)
		Ranking 2017	Equity Rights (JD million)	Ratio to total Equity Rights %	Ranking 2016	Equity Rights (JD million)	Ratio to total Equity Rights %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	986.900	16.32%	2	951.600	16.37%	3.71%
	Arab Bank	2	970.000	16.04%	1	961.000	16.53%	0.94%
	Jordan Kuwait Bank	3	442.000	7.31%	3	440.000	7.57%	0.45%
	Bank of Jordan	4	420.200	6.95%	4	393.900	6.77%	6.68%
	Bank Al-Etiihad	5	365.653	6.05%	5	306.781	5.28%	19.19%
	Cairo Amman Bank	6	302.000	4.99%	6	293.000	5.04%	3.07%
	Jordan Ahli Bank	7	294.000	4.86%	7	292.000	5.02%	0.68%
	Capital Bank	8	267.782	4.43%	8	257.612	4.43%	3.95%
	Arab Jordan Investment Bank	9	196.500	3.25%	9	196.800	3.38%	-0.15%
	ABC Bank	10	148.204	2.45%	10	146.897	2.53%	0.89%
	Jordan Commercial Bank	11	143.739	2.38%	11	140.551	2.42%	2.27%
	Societe General - Jordan	12	134.000	2.22%	12	133.000	2.29%	0.75%
	Investbank	NA	NA	NA	NA	NA	NA	NA
Shareholders' Equity of Jordanian Commercial Banks			4,670.978	77.24%		4,513.140	77.62%	3.50%
Islamic Banks	Bank	Ranking 2017	Equity Rights (JD million)	Ratio to total Equity Rights %	Ranking 2016	Equity Rights (JD million)	Ratio to total Equity Rights %	Change percentage (%)
	Jordan Islamic Bank	1	375.000	6.20%	1	343.000	5.90%	9.33%
	Islamic International Arab Bank	2	174.583	2.89%	2	155.799	2.68%	12.06%
	Safwa Islamic Bank	3	137.860	2.28%	3	132.231	2.27%	4.26%
	Al-Rajhi Bank *	4	61.278	1.01%	4	55.872	0.96%	9.68%
Shareholders' Equity of Islamic Banks			748.722	12.38%		686.901	11.81%	9.00%
Foreign Commercial Banks	Bank	Ranking 2017	Equity Rights (JD million)	Ratio to total Equity Rights %	Ranking 2016	Equity Rights (JD million)	Ratio to total Equity Rights %	Change percentage (%)
	Bank Audi	1	104.000	1.72%	1	104.000	1.79%	0.00%
	BLOM Bank	2	89.000	1.47%	2	86.000	1.48%	3.49%
	National Bank of Kuwait - Jordan	3	86.902	1.44%	3	85.596	1.47%	1.53%
	Standard Chartered Bank	4	82.200	1.36%	4	83.300	1.43%	-1.32%
	Rafidain Bank	5	71.430	1.18%	5	69.370	1.19%	2.97%
	Citi Bank	6	68.064	1.13%	6	64.615	1.11%	5.34%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	7	65.500	1.08%	7	61.700	1.06%	6.16%
	Egyptian Arab Land Bank	8	60.930	1.01%	8	59.565	1.02%	2.29%
	Shareholders' Equity of Foreign Commercial Banks			628.026	10.38%		614.146	10.56%
Shareholders' Equity of Banks Operating in Jordan			6,047.725	100.0%		5,814.188	100.0%	4.02%

Source: Banks' financial data

* Foreign Bank

E) Banks' Classification according to Capital

Total capital of banks operating in Jordan rose by 4.6% by the end of 2017, compared with 2016, reaching JD 3.3 billion. This is distributed as follows: JD 2.46 billion for Jordanian commercial banks (74.5% of total capital), JD 430 million for Islamic banks (13% of total capital), and JD 411.4 million for foreign commercial banks (12.5% of total capital).

Table (48): Capital of Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017			2016			Change percentage (%)	
		Ranking 2017	Capital (JD million)	Ratio to Total Capital %	Ranking 2016	Capital (JD million)	Ratio to Total Capital %		
Jordanian Commercial Banks	Arab Bank	1	641.0	19.42%	1	641.0	20.30%	0.00%	
	The Housing Bank for Trade & Finance	2	315.0	9.54%	2	252.0	7.98%	25.00%	
	Bank of Jordan	3	200.0	6.06%	3	200.0	6.33%	0.00%	
	Capital Bank	3	200.0	6.06%	3	200.0	6.33%	0.00%	
	Jordan Ahli Bank	5	184.0	5.57%	6	175.0	5.54%	5.14%	
	Cairo Amman Bank	6	180.0	5.45%	5	180.0	5.70%	0.00%	
	Bank Al-Etihad	7	160.0	4.85%	8	125.0	3.96%	28.00%	
	Arab Jordan Investment Bank	8	150.0	4.54%	7	150.0	4.75%	0.00%	
	Jordan Commercial Bank	9	120.0	3.63%	9	112.9	3.58%	6.31%	
	ABC Bank	10	110.0	3.33%	10	110.0	3.48%	0.00%	
	Jordan Kuwait Bank	11	100.0	3.03%	11	100.0	3.17%	0.00%	
	Societe General - Jordan	11	100.0	3.03%	11	100.0	3.17%	0.00%	
	Investbank	NA	NA	NA	NA	NA	NA	NA	
	Capital of Jordanian Commercial Banks			2,460.00	74.51%		2,345.88	74.30%	4.86%
Islamic Banks	Jordan Islamic Bank	1	180.0	5.45%	1	150.0	4.75%	20.00%	
	Islamic International Arab Bank	2	100.0	3.03%	2	100.0	3.17%	0.00%	
	Safwa Islamic Bank	2	100.0	3.03%	2	100.0	3.17%	0.00%	
	Al-Rajhi Bank *	4	50.0	1.51%	4	50.0	1.58%	0.00%	
	Capital of Islamic Banks			430.00	13.02%		400.00	12.67%	7.50%
Foreign Commercial Banks	Standard Chartered Bank	1	61.4	1.86%	1	61.4	1.94%	0.00%	
	Egyptian Arab Land Bank	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	Rafidain Bank	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	Citi Bank	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	Bank Audi	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	National Bank of Kuwait - Jordan	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	BLOM Bank	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	2	50.0	1.51%	2	50.0	1.58%	0.00%	
	Capital of Foreign Commercial Banks			411.40	12.46%		411.40	13.03%	0.00%
	Capital of Banks Operating in Jordan			3,301.40	100.0%		3,157.28	100.0%	4.56%

Source: Banks' financial data

* Foreign Bank

Second: Banks' Classification according to some items of Income Statement

A) Classification of Banks according to Pre-Tax Profit

Total pre-tax profits of banks operating in Jordan rose by 5% by 2017, compared by 2016, to reach JD 805.5 million, distributed as follows: JD 605 million for Jordanian commercial banks (75.1% of total pre-tax profits), JD 141.6 million for Islamic banks (17.6% of total pre-tax profits), and JD 58.9 million for foreign commercial banks (7.3% of total pre-tax profits).

Table (49): Pre-Tax Profit of Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017			2016			Change percentage (%)
		Ranking 2017	pretax profit (JD million)	% of Total pretax profit	Ranking 2016	pretax profit (JD million)	% of Total pretax profit	
Jordanian Commercial Banks	Arab Bank	1	181.000	22.47%	2	152.000	19.82%	19.08%
	The Housing Bank for Trade & Finance	2	156.500	19.43%	1	152.900	19.93%	2.35%
	Bank of Jordan	3	60.800	7.55%	3	50.900	6.64%	19.45%
	Bank Al-Etihad	4	43.392	5.39%	4	41.557	5.42%	4.42%
	Jordan Kuwait Bank	5	33.700	4.18%	6	33.300	4.34%	1.20%
	Cairo Amman Bank	6	33.000	4.10%	5	40.000	5.22%	-17.50%
	Arab Jordan Investment Bank	7	24.200	3.00%	7	31.200	4.07%	-22.44%
	Capital Bank	8	22.950	2.85%	10	13.730	1.79%	67.15%
	ABC Bank	9	17.136	2.13%	8	20.890	2.72%	-17.97%
	Jordan Ahli Bank	10	16.000	1.99%	12	4.000	0.52%	300.00%
	Societe General - Jordan	11	12.000	1.49%	9	17.000	2.22%	-29.41%
	Jordan Commercial Bank	12	4.363	0.54%	11	10.422	1.36%	-58.14%
	Investbank	NA	NA	NA	NA	NA	NA	NA
	Pre-Tax Profit of Jordanian Commercial Banks			605.04	75.11%		567.90	74.04%
Islamic Banks	Jordan Islamic Bank	1	80.900	10.04%	1	83.700	10.91%	-3.35%
	Islamic International Arab Bank	2	43.525	5.40%	2	34.643	4.52%	25.64%
	Safwa Islamic Bank	3	8.673	1.08%	3	8.745	1.14%	-0.83%
	Al-Rajhi Bank *	4	8.491	1.05%	4	7.311	0.95%	16.14%
	Pre-Tax Profit of Islamic Banks			141.59	17.58%		134.40	17.52%
Foreign Commercial Banks	Bank Audi	1	19.000	2.36%	1	22.000	2.87%	-13.64%
	BLOM Bank	2	14.000	1.74%	2	16.000	2.09%	-12.50%
	Citi Bank	3	8.517	1.06%	4	6.615	0.86%	28.75%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	4	6.100	0.76%	5	5.900	0.77%	3.39%
	Standard Chartered Bank	5	4.000	0.50%	3	6.700	0.87%	-40.30%
	National Bank of Kuwait - Jordan	6	2.783	0.35%	6	3.161	0.41%	-11.96%
	Rafidain Bank	7	2.280	0.28%	7	2.270	0.30%	0.44%
	Egyptian Arab Land Bank	8	2.190	0.27%	8	2.050	0.27%	6.82%
Pre-Tax Profit of Foreign Commercial Banks			58.87	7.31%		64.70	8.44%	-9.01%
Pre-Tax Profit of Banks Operating in Jordan			805.50	100.0%		766.99	100.0%	5.02%

Source: Banks' financial data

* Foreign Bank

B) Banks' Classification according to after-Tax Profits

Total after-tax profits of banks operating in Jordan rose at the end of 2017 by 7.2%, compared with 2016, reaching JD 548.5 million. This is distributed as follows: JD 417.1 million for Jordanian commercial banks (76% of total after-tax profits,) JD 93.0 million for Islamic banks (17.1% of total after-tax profits,) and JD 37.5 million for foreign commercial banks (6.8% of total after-tax profits.)

Table (50): Net After-Tax Profit of Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017			2016			Change percentage (%)
		Ranking 2017	Net After Tax Profit (JD million)	Ratio to Total Net After Tax Profit %	Ranking 2016	Net After Tax Profit (JD million)	Ratio to Total Net After Tax Profit %	
Jordanian Commercial Banks	Arab Bank	1	123.000	22.43%	2	103.000	20.13%	19.42%
	The Housing Bank for Trade & Finance	2	111.000	20.24%	1	104.200	20.37%	6.53%
	Bank of Jordan	3	40.400	7.37%	3	33.500	6.55%	20.60%
	Bank Al-EtiHAD	4	29.364	5.35%	4	29.150	5.70%	0.73%
	Cairo Amman Bank	5	22.000	4.01%	5	26.000	5.08%	-15.38%
	Jordan Kuwait Bank	6	21.200	3.87%	6	21.500	4.20%	-1.40%
	Capital Bank	7	20.663	3.77%	11	5.414	1.06%	281.66%
	Arab Jordan Investment Bank	8	15.900	2.90%	7	20.800	4.07%	-23.56%
	Jordan Ahli Bank	9	12.000	2.19%	12	5.000	0.98%	140.00%
	ABC Bank	10	11.138	2.03%	8	13.942	2.72%	-20.11%
	Societe General - Jordan	11	8.000	1.46%	9	11.000	2.15%	-27.27%
	Jordan Commercial Bank	12	2.385	0.43%	10	8.319	1.63%	-71.33%
	Investbank	NA	NA	NA	NA	NA	NA	NA
Net After-Tax Profit of Jordanian Commercial Banks			417.05	76.04%		381.82	74.63%	9.23%
Islamic Banks	Jordan Islamic Bank	1	54.100	9.86%	1	54.000	10.55%	0.19%
	Islamic International Arab Bank	2	28.798	5.25%	2	23.013	4.50%	25.14%
	Arab Bank	3	5.629	1.03%	3	5.606	1.10%	0.41%
	Safwa Islamic Bank	3	5.629	1.03%	3	5.606	1.10%	0.41%
	Al-Rajhi Bank *	4	5.407	0.99%	4	4.691	0.92%	15.25%
Net After-Tax Profit of Islamic Banks			93.93	17.13%		87.31	17.06%	7.59%
Foreign Commercial Banks	Bank Audi	1	12.000	2.19%	1	14.000	2.74%	-14.29%
	BLOM Bank	2	9.000	1.64%	2	11.000	2.15%	-18.18%
	Citi Bank	3	5.601	1.02%	4	3.867	0.76%	44.86%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	4	3.900	0.71%	5	3.800	0.74%	2.63%
	Standard Chartered Bank	5	2.500	0.46%	3	4.600	0.90%	-45.65%
	Rafidain Bank	6	1.540	0.28%	8	1.530	0.30%	0.65%
	National Bank of Kuwait - Jordan	7	1.522	0.28%	7	1.842	0.36%	-17.37%
	Egyptian Arab Land Bank	8	1.429	0.26%	6	1.862	0.36%	-23.29%
	Net After-Tax Profit of Foreign Commercial Banks			37.49	6.84%		42.50	8.31%
Net After-Tax Profit of Banks Operating in Jordan			548.48	100.0%		511.64	100.0%	7.20%

Source: Banks' financial data

* Foreign Bank

Third: Classification of Banks according to most important profitability indicators

A) Banks' Classification according to Average Return on Assets

The average return on assets of banks operating in Jordan registered 1.035% in 2017. The average return on assets of Jordanian commercial banks reached 1.02%, while the average return on assets for Islamic banks and 1.01% for foreign commercial banks.

Table (51): Average Return on Assets for the Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017		2016		Increase (decrease) Compared with last year
		Ranking 2017	Average Return on Assets %	Ranking 2016	Average Return on Assets %	
Jordanian Commercial Banks	Bank of Jordan	1	1.920%	1	1.727%	0.19%
	The Housing Bank for Trade & Finance	2	1.600%	2	1.530%	0.07%
	Arab Bank	3	1.350%	7	1.140%	0.21%
	Capital Bank	4	1.150%	11	0.300%	0.85%
	Bank Al-EtiHAD	5	1.120%	6	1.180%	-0.06%
	Cairo Amman Bank	6	1.080%	5	1.270%	-0.19%
	ABC Bank	7	1.010%	3	1.320%	-0.31%
	Arab Jordan Investment Bank	8	0.940%	4	1.300%	-0.36%
	Jordan Kuwait Bank	9	0.840%	9	0.860%	-0.02%
	Societe General - Jordan	10	0.590%	8	0.870%	-0.28%
	Jordan Ahli Bank	11	0.480%	12	0.200%	0.28%
	Jordan Commercial Bank	12	0.200%	10	0.568%	-0.37%
	Investbank	NA	NA	NA	NA	NA
Average Return on Assets for Jordanian Commercial Banks			1.02%		1.02%	0.00%
Islamic Banks	Jordan Islamic Bank	1	1.400%	2	1.200%	0.20%
	Islamic International Arab Bank	2	1.300%	1	1.370%	-0.07%
	Arab Bank	3	1.220%	3	1.060%	0.16%
	Al-Rajhi Bank *	3	1.220%	3	1.060%	0.16%
	Safwa Islamic Bank	4	0.600%	4	0.660%	-0.06%
Average Return on Assets for Islamic Banks			1.13%		1.07%	0.06%
Foreign Commercial Banks	Citi Bank	1	1.620%	3	1.130%	0.49%
	Bank Audi	2	1.500%	1	1.620%	-0.12%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	3	1.180%	6	1.030%	0.15%
	BLOM Bank	4	1.100%	2	1.330%	-0.23%
	Rafidain Bank	4	1.100%	4	1.100%	0.00%
	Standard Chartered Bank	6	0.590%	5	1.090%	-0.50%
	National Bank of Kuwait - Jordan	7	0.530%	7	0.610%	-0.08%
	Egyptian Arab Land Bank	8	0.420%	8	0.540%	-0.12%
	Average Return on Assets for Foreign Commercial Banks			1.01%		1.06%
Average Return on Assets for the Banks Operating in Jordan			1.035%		1.042%	-0.007%

Source: Banks' financial data

* Foreign Bank

B) Average Return on Equity in Banks Operating in Jordan

The average return on equity for banks operating in Jordan decreased from 8.13% in 2016 to 7.61% in 2017, a decline of 0.53%. The average return on equity for Jordanian commercial banks reached 7.6%, while the average return on equity of Islamic banks reached 11.47% and 5.68% for foreign commercial banks.

Table (52): Average Return on Shareholders' Equity for the Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017		2016		Increase (decrease) Compared with last year
		Ranking 2017	Average Return on Equity %	Ranking 2016	Average Return on Equity %	
Jordanian Commercial Banks	Arab Bank	1	12.740%	3	10.770%	1.97%
	The Housing Bank for Trade & Finance	2	11.500%	2	11.090%	0.41%
	Bank of Jordan	3	9.930%	7	8.902%	1.03%
	Arab Jordan Investment Bank	4	8.800%	4	10.600%	-1.80%
	Bank Al-Etihad	5	8.730%	5	9.770%	-1.04%
	Capital Bank	6	7.870%	11	2.125%	5.75%
	Cairo Amman Bank	7	7.550%	1	14.400%	-6.85%
	ABC Bank	7	7.550%	6	9.630%	-2.08%
	Societe General - Jordan	9	6.000%	8	8.740%	-2.74%
	Jordan Kuwait Bank	10	4.800%	10	4.970%	-0.17%
	Jordan Ahli Bank	11	4.020%	12	1.580%	2.44%
	Jordan Commercial Bank	12	1.680%	9	6.070%	-4.39%
	Investbank	NA	NA	NA	NA	NA
Average Return on Shareholders' Equity for Jordanian Commercial Banks			7.60%		8.22%	-0.62%
Islamic Banks	Bank	Ranking 2017	Average Return on Equity %	Ranking 2016	Average Return on Equity %	Increase (decrease) Compared with last year
	Islamic International Arab Bank	1	17.400%	2	15.600%	1.80%
	Jordan Islamic Bank	2	15.090%	1	16.520%	-1.43%
	Al-Rajhi Bank *	3	9.230%	3	8.410%	0.82%
	Safwa Islamic Bank	4	4.170%	4	4.220%	-0.05%
Average Return on Shareholders' Equity for Islamic Banks			11.47%		11.19%	0.28%
Foreign Commercial Banks	Bank	Ranking 2017	Average Return on Equity %	Ranking 2016	Average Return on Equity %	Increase (decrease) Compared with last year
	Bank Audi	1	11.560%	1	13.700%	-2.14%
	BLOM Bank	2	10.100%	2	12.710%	-2.61%
	Citi Bank	3	8.440%	4	5.990%	2.45%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	4	6.100%	3	6.300%	-0.20%
	Standard Chartered Bank	5	3.030%	5	5.480%	-2.45%
	Egyptian Arab Land Bank	6	2.370%	6	3.220%	-0.85%
	Rafidain Bank	7	2.100%	7	2.200%	-0.10%
	National Bank of Kuwait - Jordan	8	1.770%	8	2.180%	-0.41%
Average Return on Shareholders' Equity for Foreign Commercial Banks			5.68%		6.47%	-0.79%
Average Return on Shareholders' Equity for the Banks Operating in Jordan			7.61%		8.13%	-0.53%

Source: Banks' financial data

* Foreign Bank

Fourth: Classification of Banks according to Bank Branching

A) Classification of banks according to the number of branches in Jordan

The number of branches of banks operating in Jordan went up from 796 branches by the end of 2016 to 806 branches by the end of 2017. This is an increase percentage of 1.26%. The number of branches of Jordanian commercial banks reached 603 branches (74.8% of total branches), the number of Islamic banks' branches reached 148 branches (18.4% of total branches), and the number of foreign commercial banks' branches reached 55 branches (6.8% of total branches).

Table (53) The Number of Branches of Banks Operating in Jordan at the end of 2016 and 2017

	Bank	2017			2016			Change percentage (%)
		Ranking 2017	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2016	Number of Branches In Jordan	Ratio to Total Number of Branches %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	117	14.52%	1	117	14.70%	0.00%
	Arab Bank	2	74	9.18%	2	74	9.30%	0.00%
	Cairo Amman Bank	2	74	9.18%	3	73	9.17%	1.37%
	Bank of Jordan	4	73	9.06%	4	71	8.92%	2.82%
	Jordan Kuwait Bank	5	64	7.94%	5	61	7.66%	4.92%
	Jordan Ahli Bank	6	56	6.95%	6	55	6.91%	1.82%
	Bank Al-Etihad	7	44	5.46%	7	41	5.15%	7.32%
	Jordan Commercial Bank	8	27	3.35%	8	29	3.64%	-6.90%
	ABC Bank	8	27	3.35%	9	27	3.39%	0.00%
	Arab Jordan Investment Bank	10	18	2.23%	10	18	2.26%	0.00%
	Societe General - Jordan	11	17	2.11%	11	17	2.14%	0.00%
	Capital Bank	12	12	1.49%	12	12	1.51%	0.00%
	Investbank	NA	NA	NA	NA	NA	NA	NA
The Number of Branches of Jordanian Commercial Banks			603	74.81%		595	74.75%	1.34%
Islamic Banks	Bank	Ranking 2017	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2016	Number of Branches In Jordan	Ratio to Total Number of Branches %	Change percentage (%)
	Jordan Islamic Bank	1	74	9.18%	1	74	9.30%	0.00%
	Islamic International Arab Bank	2	42	5.21%	2	41	5.15%	2.44%
	Safwa Islamic Bank	3	25	3.10%	3	25	3.14%	0.00%
	Al-Rajhi Bank *	4	7	0.87%	4	7	0.88%	0.00%
The Number of Branches of Islamic Banks			148	18.36%		147	18.47%	0.68%
Foreign Commercial Banks	Bank	Ranking 2017	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2016	Number of Branches In Jordan	Ratio to Total Number of Branches %	Change percentage (%)
	BLOM Bank	1	15	1.86%	1	14	1.76%	7.14%
	Bank Audi	2	14	1.74%	1	14	1.76%	0.00%
	Egyptian Arab Land Bank	2	14	1.74%	3	11	1.38%	27.27%
	Standard Chartered Bank	4	5	0.62%	4	6	0.75%	-16.67%
	Rafidain Bank	5	2	0.25%	6	2	0.25%	0.00%
	Citi Bank	5	2	0.25%	6	2	0.25%	0.00%
	First Abu Dhabi Bank (National Bank of Abu Dhabi)	5	2	0.25%	6	2	0.25%	0.00%
	National Bank of Kuwait - Jordan	8	1	0.12%	5	3	0.38%	-66.67%
	The Number of Branches of Foreign Commercial Banks			55	6.82%		54	6.78%
The Number of Branches of Banks Operating in Jordan			806	100.0%		796	100.0%	1.26%

Source: Banks' financial data

* Foreign Bank

B) Banks' Ranking according to the Number of ATMs inside Jordan

The number of ATMs of banks inside Jordan went up from 1606 machines in 2016 to 1707 machines in 2017, a rise of 6.3%. The number of ATMs belonging to Jordanian commercial banks reached 1253 machines (73.4% of total ATMs), while ATMs of Islamic banks reached 375 (22% of total machines), and the number of ATMs belonging to foreign commercial banks amounted to 79 machines (4.6% of total ATMs.)

Table (54): The Number of ATMs of Banks Operating in Jordan at the end of 2016 and 2017

Bank	2017			2016			Change percentage (%)
	Ranking 2017	Number of ATMs	Ratio to Total Number of ATMs %	Ranking 2016	Number of ATMs	Ratio to Total Number of ATMs %	
Jordanian Commercial Banks							
The Housing Bank for Trade & Finance	1	229	13.42%	1	226	14.07%	1.33%
Arab Bank	2	180	10.54%	3	163	10.15%	10.43%
Cairo Amman Bank	3	171	10.02%	2	164	10.21%	4.27%
Bank of Jordan	4	134	7.85%	4	120	7.47%	11.67%
Jordan Ahli Bank	5	121	7.09%	5	116	7.22%	4.31%
Jordan Kuwait Bank	6	99	5.80%	6	92	5.73%	7.61%
Bank Al-Etihad	7	90	5.27%	7	78	4.86%	15.38%
Arab Jordan Investment Bank	8	60	3.51%	8	58	3.61%	3.45%
Jordan Commercial Bank	9	53	3.10%	10	50	3.11%	6.00%
ABC Bank	10	51	2.99%	9	53	3.30%	-3.77%
Capital Bank	11	45	2.64%	11	47	2.93%	-4.26%
Societe General - Jordan	12	20	1.17%	12	20	1.25%	0.00%
Investbank	NA	NA	NA	NA	NA	NA	NA
The Number of ATMs of Jordanian Commercial Banks		1253	73.40%		1187	73.91%	5.56%
Islamic Banks							
Jordan Islamic Bank	1	205	12.01%	1	190	11.83%	7.89%
Islamic International Arab Bank	2	71	4.16%	2	61	3.80%	16.39%
Safwa Islamic Bank	3	58	3.40%	3	58	3.61%	0.00%
Al-Rajhi Bank *	4	41	2.40%	4	34	2.12%	20.59%
The Number of ATMs of Islamic Banks		375	21.97%		343	21.36%	9.33%
Foreign Commercial Banks							
Bank Audi	1	26	1.52%	1	26	1.62%	0.00%
BLOM Bank	2	19	1.11%	2	16	1.00%	18.75%
Egyptian Arab Land Bank	3	16	0.94%	3	15	0.93%	6.67%
Standard Chartered Bank	4	7	0.41%	4	8	0.50%	-12.50%
National Bank of Kuwait - Jordan	5	6	0.35%	5	6	0.37%	0.00%
First Abu Dhabi Bank (National Bank of Abu Dhabi)	6	5	0.29%	6	5	0.31%	0.00%
Rafidain Bank**		0	0.00%		0	0.00%	0.00%
Citi Bank**		0	0.00%		0	0.00%	0.00%
The Number of ATMs of Foreign Commercial Banks		79	4.63%		76	4.73%	3.95%
The Number of ATMs of Banks Operating in Jordan		1707	100.00%		1606	100.00%	6.29%

Source: Banks' data
* Foreign Bank
** Does not have ATMs

Fifth: Human Resources in Banks Operating in Jordan

A) Banks' Ranking according to the number of Employees

The number of workers in all banks operating in Jordan went up from 20065 male and female employees in 2016 to 20582 male and female employees in 2017, an increase of 2.6%. The number of employees of Jordanian commercial banks reached 15112 male and female employees (73.4% of total employees), while the number of employees in Islamic banks reached 4086 male and female employees (19.9% of total employees), and it reached 1384 male and female employees in foreign commercial banks (6.7% of total employees.)

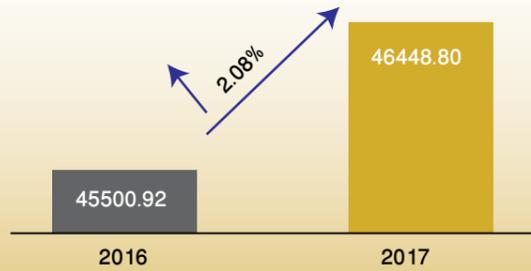
Table (55) Number of Employees at Banks Operating in Jordan at the end of 2016 and 2017

Bank	2017			2016			Change percentage (%)
	Ranking 2017	Number Of Employees	Ratio to Total Employees %	Ranking 2016	Number Of Employees	Ratio to Total Employees %	
Jordanian Commercial Banks							
Arab Bank	1	3075	14.94%	1	2990	14.90%	2.84%
The Housing Bank for Trade & Finance	2	2426	11.79%	2	2393	11.93%	1.38%
Bank of Jordan	3	1675	8.14%	3	1578	7.86%	6.15%
Cairo Amman Bank	4	1612	7.83%	4	1553	7.74%	3.80%
Jordan Ahli Bank	5	1206	5.86%	5	1379	6.87%	-12.55%
Jordan Kuwait Bank	6	1192	5.79%	6	1151	5.74%	3.56%
Bank Al-Etihad	7	1136	5.52%	7	1022	5.09%	11.15%
Arab Jordan Investment Bank	8	732	3.56%	9	706	3.52%	3.68%
Jordan Commercial Bank	9	717	3.48%	8	713	3.55%	0.56%
Capital Bank	10	552	2.68%	10	583	2.91%	-5.32%
ABC Bank	11	512	2.49%	11	492	2.45%	4.07%
Societe General - Jordan	12	277	1.35%	12	264	1.32%	4.92%
Investbank	NA	NA	NA	NA	NA	NA	NA
Number of Employees at Jordanian Commercial Banks		15112	73.42%		14824	73.88%	1.94%
Islamic Banks							
Jordan Islamic Bank	1	2335	11.34%	1	2236	11.14%	4.43%
Islamic International Arab Bank	2	909	4.42%	2	877	4.37%	3.65%
Safwa Islamic Bank	3	570	2.77%	3	478	2.38%	19.25%
Al-Rajhi Bank *	4	272	1.32%	4	250	1.25%	8.80%
Number of Employees at Islamic Banks		4086	19.85%		3841	19.14%	6.38%
Foreign Commercial Banks							
BLOM Bank	1	429	2.08%	1	353	1.76%	21.53%
Egyptian Arab Land Bank	2	316	1.54%	2	324	1.61%	-2.47%
Bank Audi	3	276	1.34%	3	288	1.44%	-4.17%
Standard Chartered Bank	4	175	0.85%	4	188	0.94%	-6.91%
National Bank of Kuwait - Jordan	5	66	0.32%	5	108	0.54%	-38.89%
Citi Bank	6	56	0.27%	6	62	0.31%	-9.68%
First Abu Dhabi Bank (National Bank of Abu Dhabi)	7	45	0.22%	7	53	0.26%	-15.09%
Rafidain Bank	8	21	0.10%	8	24	0.12%	-12.50%
Number of Employees at Foreign Commercial Banks		1384	6.72%		1400	6.98%	-1.14%
Number of Employees at Banks Operating in Jordan		20582	100.00%		20065	100.00%	2.58%

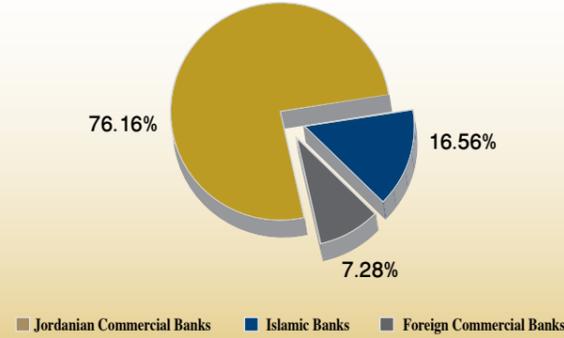
Source: Banks' financial data
* Foreign Bank

Sixth: An Outline of Most Important Financial Indicators of Banks Operating in Jordan

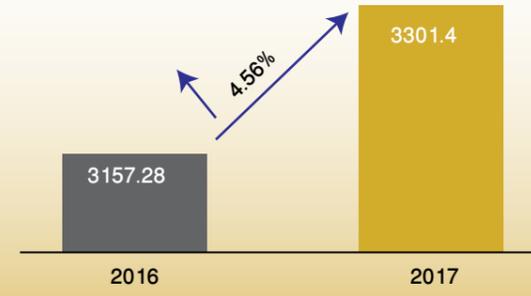
Total Assets of Banks Operating in Jordan (JD Million)



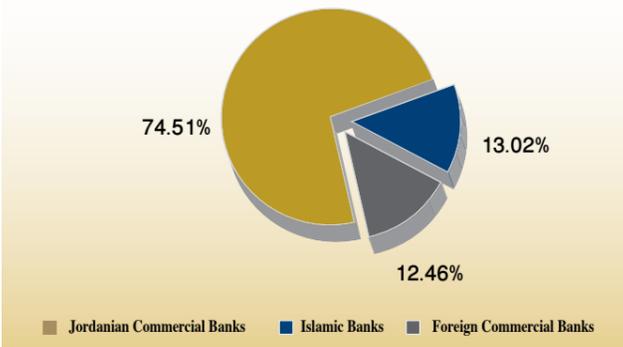
Distribution of Total Assets of Banks Operating in Jordan at the End of 2017



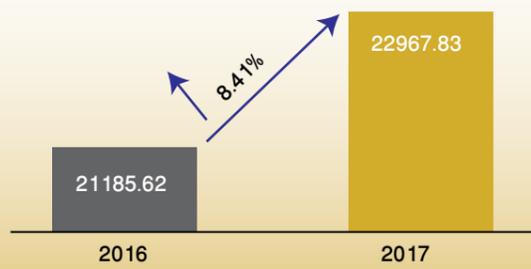
Total Capital of Banks Operating in Jordan (JD Million)



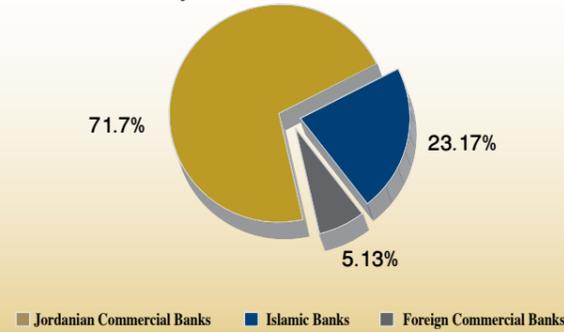
Distribution of Capital of Banks Operating in Jordan at the End of 2017



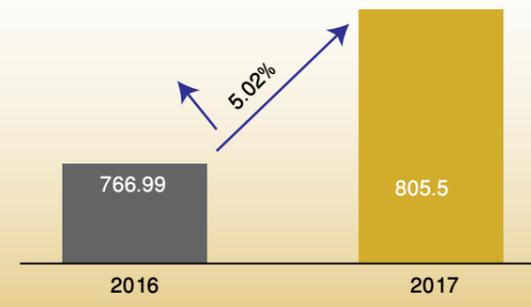
Total Direct Credit Facilities net Extended by Banks in Jordan (JD Million)



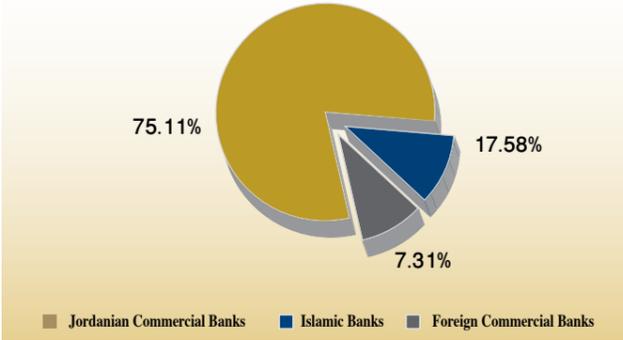
Distribution of Total Direct Credit Facilities Extended by Banks in Jordan at the End of 2017



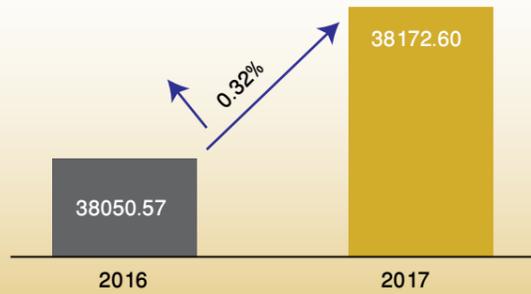
Total Pre-Tax Profit of Banks Operating in Jordan (JD Million)



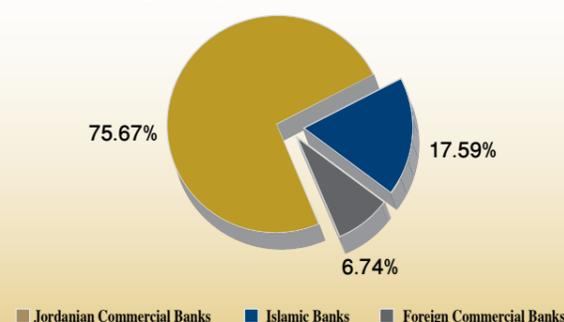
Distribution of Pre-Tax Profit of Banks Operating in Jordan at the End of 2017



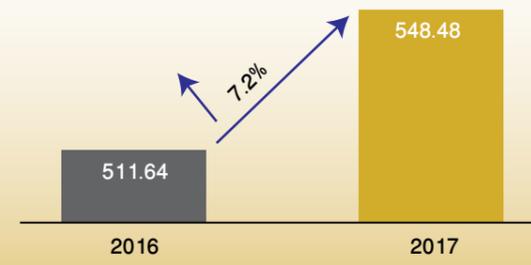
Total Deposits at Banks Operating in Jordan (JD Million)



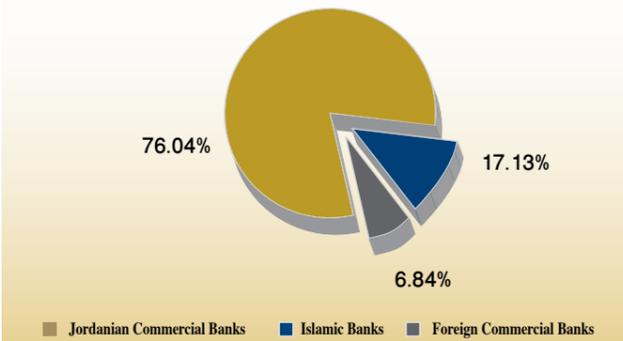
Distribution of Total Deposite at Banks Operating in Jordan at the End of 2017



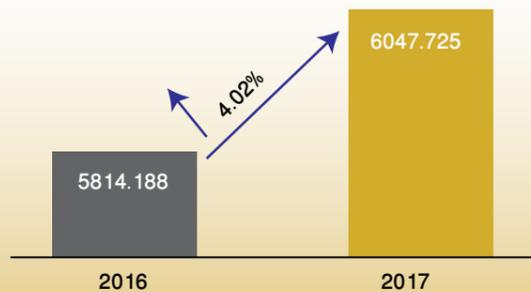
Total After Tax Profit of Banks Operating in Jordan (JD Million)



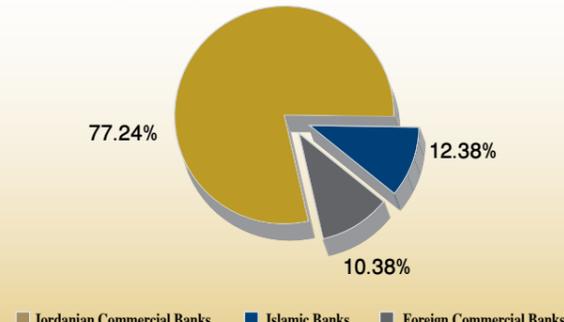
Distribution of After Tax Profit of Banks Operating in Jordan at the End of 2017



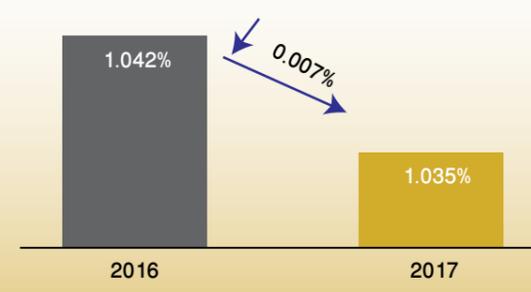
Total Shareholders' Equity of Banks Operating in Jordan (JD Million)



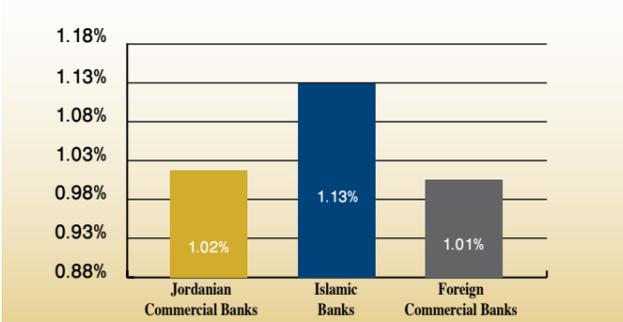
Distribution of Shareholders' Equity of Banks Operating in Jordan at the End of 2017



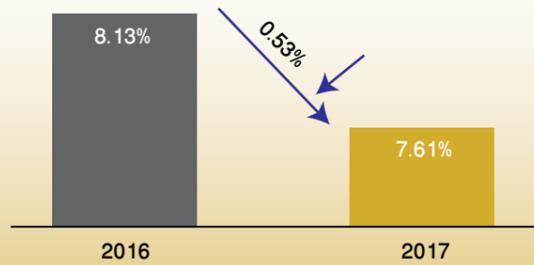
Return on Assets for Banks Operating in Jordan (%)



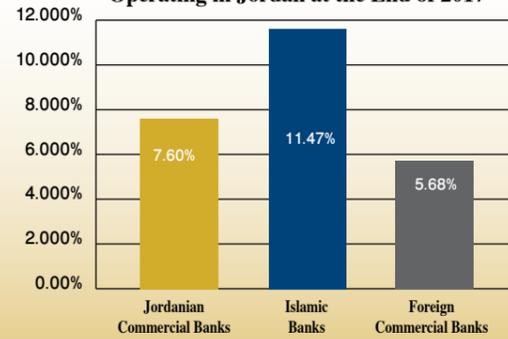
Distribution of Return on Assets for Banks Operating in Jordan at the End of 2017



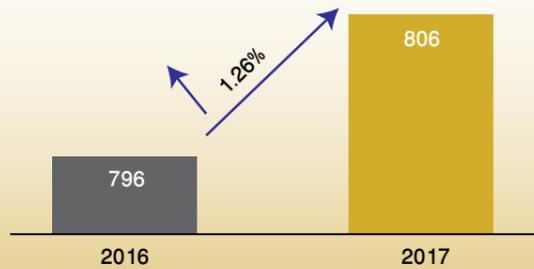
Return on shareholder's Equity for Banks Operating in Jordan (%)



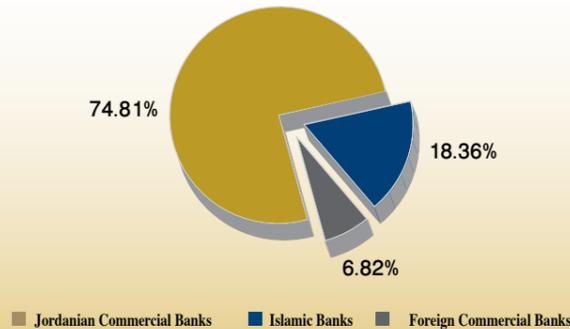
Distribution of Return on shareholder's Equity for Banks Operating in Jordan at the End of 2017



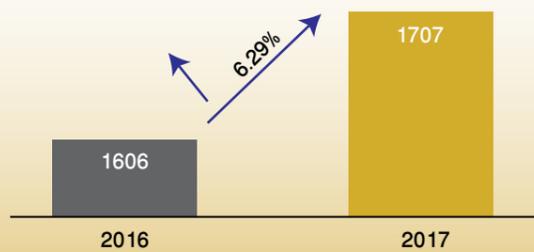
Total Number of Branches of Banks Operating in Jordan



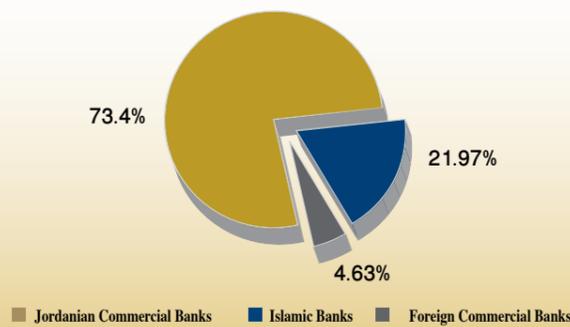
Distribution of Number of Branches of Banks Operating in Jordan at the End of 2017



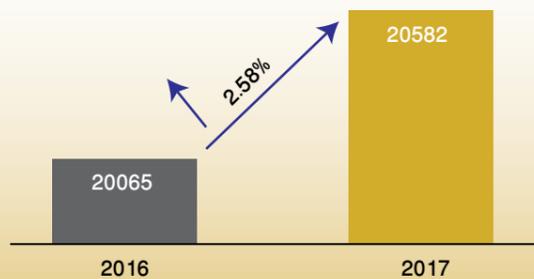
Total Number of ATMs of Banks Operating in Jordan



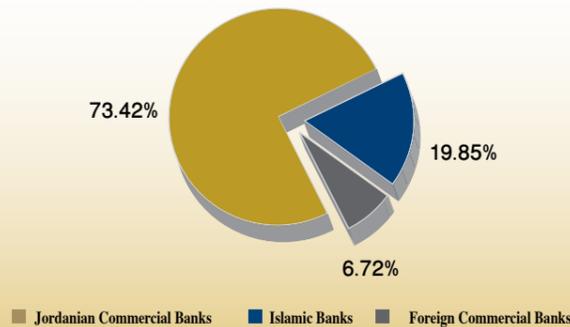
Distribution of Number of ATMs of Banks Operating in Jordan at the End of 2017



Total Number of Employees in Banks Operating in Jordan



Distribution of Number of Employees in Banks Operating in Jordan at the End of 2017





Chapter Nine

New Banking Services

In the context of relentless endeavours to improve and develop their services and keep up with new developments in banking services, banks operating in Jordan introduced a number of new banking services into the segments of services they provide to customers. The table below shows the most outstanding new services introduced by banks operating in Jordan during 2017.

Table (56) New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider
Arab Bank	Customer Biometric Authentication	Customer identification is done through fingerprints. Customers can perform cash withdrawals and deposits easily at service tablets without having to show IDs or paper samples.	O1systems
	Instant check deposit (CDM)	Check deposit 24/24 with secure and easy steps without an envelope through selected number of ATMs/ CDMs of the bank.	NCR
Jordan Ahli Bank	Changes in savings rewards of different programs	- Rewards of Qoshan account: In March, Sep.: lottery on a flat in Aqaba paid in full with all costs (min. to enter lottery is JD1000). In June, Dec., Lottery on a villa in Green Land and JD 250 thousand in cash (Min. to enter lottery is JD 2000). - A quarterly lottery on a car (min. to enter lottery is JD 200.) Ahli Children rewards: - A monthly lottery on 10 winners of a Play station for each (min. to enter lottery is JD 200.) - A quarterly lottery on a Play station and JD 5000 in cash. The min to enter the lottery is JD 200.	Internally
	A new savings account "Ahli Shabab"	A product targeting customers of age group 18 to 35 years. The reward is a car and a lottery is held each quarter of the year. The min. to enter lottery is JD 200.	Internally
	The campaign of 0% card to all merchants	A payment in installments program of JD 500 and up for a period of 6 months. The customer should call the call center to inform the bank of his/her intention of paying in installments.	Internally
	Adding new merchants to the 0% installment program	New merchants added to participants' list in the 0% installments program. This brings the total number of participating merchants to 36.	Internally
	Launching Chatbot, the first of its kind in Jordanian banking sector	Chatbot is done via Facebook Messenger app. It enables customers to inquire about the different advantages, products and services of the bank. There is also a channel to receive customers' complaints and suggestions. There is other entertainment apps (like weather and games).	Internally
	Changes on special deposit	Change on the special deposit in JD to give the customer a choice of having the interest paid monthly or on due date. The product is also launched in USD and gives the customer a choice of having the interest paid monthly or on due date.	Internally
	Internet banking to corporate and SMEs customers	Internet banking services are developed to enable businesses to manage their accounts and bank work anywhere and anytime.	T24
	eFAWATEERcom service launched as possibility to do data entry and revision for businesses	The service is given to business customers at the principle of data entry and revision in regard of the nature of those accounts.	T24

Continued Table (56): New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider
Cairo Amman Bank	Shoghly Program	Productive loans granted to individuals, corporations and MSMEs of different activities.	Frankfurt school of finance & management
	Mahfazty	Cards belonging to an electronic wallet activated on a smart phone to do cash transactions and monthly payments.	Mahfazti Jomopay
	Renewable energy loans	Lending program for renewable energy and energy rationalization products. JREEEF settles interest due on the loans.	JREEEF
	Wala program and rewards for all types of cards	Points are given to every purchase done via cards	Internally developed
	Saving accounts program	Changes have been made on prizes and account details	Internally developed
	E-trading	Electronic trade with different investment tools in regional and world markets	Internally developed
	Certificate of deposit in USD	A new currency for certificates of deposit	Internally developed
	Car loans product	Policy amendment for car loan	Internally developed
Bank of Jordan	International SMS messages	Notification messages received on mobile phones when a customer uses his/her credit card outside Jordan.	EMP, A2A
	OTP (Verified by Visa)	A special service by BOJ Visa card that enables customers to shop safely online by sending one time password per transaction via mobile phone when it is required by websites registered with the service. This gives extra safety to visa card online users.	EMP
The Housing Bank for Trade and Finance	Time deposit with rewards	A new time deposit product that provides weekly chances for individual and corporate customers to win awards. This includes deposits of JD 50.000 and more.	Internally developed
	Upgrading of Mostaqbali account	A savings account for children customers below 18 years. It gives parents a chance to save for their children and have a chance to win an award of Mostaqbali program.	Internally developed
	Program for new salary accounts	It provides a package of advantages for people who transfer their salaries of JD 500 and more, in addition to being entitled to win a monthly prize by the program.	Internally developed
	Program for expatriate customers	A number of services offered to expatriate Jordanian customers in Qatar that enables them to open accounts and have housing loans without having to appear personally before the bank in Jordan.	Internally developed

Continued Table (56): New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider	
Jordan Kuwait Bank	Automatic Cash Order (ACO)	Cash payment orders to a beneficiary through online banking system or mobile banking app. The beneficiary can collect the money from the banks' ATMs. The beneficiary can be the customer himself or another person, whether he is a JKB customer or not.	External supplier: ICSfs, BPC SmartVista	
	E-payments by directly debiting the customer's account	A way to settle bills and installments through the official eFAWATEERcom, other government websites, e-shopping sites approved by the CBJ, Madfoo3atcom. Bank channels are not included in the service.	External provider: Madfoo3atcom and A2A	
	Pre-paid Dinarak card linked to e-wallets.	Issuing pre-paid Dinarak cards linked to e-wallets of Dinar e-company customers. They are recharged through the e-wallets.	External provider: ICSfs	
	World Elite Card	A card for VIP customers of high income. It gives holders unique and extraordinary advantages not only as a payment tool but also as a means for comfort, security and luxury that are usual for the nature of this segment. Advantages include: entering more than 600 businessmen lounges in 280 countries; insurance during travel; having extra nights when doing reservation at world-class hotels and many other things. Discount programs. Personal assistance service, Louis XIV, that entitles holders to special services.	External provider: Master Card	
	Master Card Secure Code	Master Card Secure Code launched on Master Cards of JKB to improve protection and safety measures to customers, decrease possibility of fraudulent acts on credit cards. The service is a protection measure regarding online purchases through Master Card.	External provider: MEPS	
	2% cash refund with Gulf gas stations	2% cash refund to the customer when using MasterCard credit cards in the Gulf gas stations in the kingdom.	External provider: MEPS	
	Priority Pass service on World Elite cards	Priority Pass to more than 600 businessmen lounges for World Elite cards in international airports. Priority Pass cards are already issued to World Elite card holders.	External Provider: Priority Pass	
	Arab Jordanian Investment Bank	Mobile banking	Customers can manage their accounts through the mobile banking	ICS
		Check deposit through ATMs	Customers can deposit checks through ATMs	ICS and EMP
Updating customer's data through e-banking		Customers can update their data through e-banking	ICS	
eFAWATEERcom through the ATM		It allows customers to settle their bills through the ATM	ICS and EMP	
Self-registration on internet banking		It allows customers to register on internet banking and managing their accounts without visiting the bank.	ICS	

Continued Table (56): New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider
Jordan Commercial Bank	Super Certificates of Deposit	Certificates of deposit for 24 and 36 months with competitive interest rates.	ICS
	Service of postponing settlements	Postponing housing and personal loans of customers if desired.	ICS
	World Card	A credit card for VIP customers with high ceilings and many advantages.	MEPS
ABC Bank	Electronic services through the internet	The digital platform of the bank's electronic services was upgraded and modernized to provide the best banking services along with safety and speed.	Headquarters in Bahrain
Bank Al-Etihad	Shorouq saving account	Achieving material independence and safety for women holders of this account. Whether a mother, expecting a child or businesswoman, employee or student, this account will meet your needs and give you a sense of comfort, stability and trust in a better future for you and all your family. Prizes are: - 6 prizes of a monthly salary of JD 1000 for 25 years. - 6 cash prizes of JD 100.000	Internal
	Start-ups' loans	Loans to start-ups that might reach JD 250.000; flexible settlement terms that match the cash flow cycle of the customer; without collaterals.	In cooperation with JLGC
	Renewable energy loan	A 100% loan with a zero% interest rate to install renewable energy systems or equipment of rationalizing energy consumption.	In cooperation with JLGC and JREEEF
	Sharekati loan	Loans that reach up to JD 50.000 at competitive interest rates and flexible terms.	In cooperation with JLGC
	A3mali current account	Current account in Jordanian dinar that gives additional advantages to customers.	Internally developed
	Accelerate for SMEs	An electronic platform to provide resources and technical support to SMEs	In cooperation with Thomson Reuters
Societe Generale-Jordan	Evolution 2	Certificates of deposit that provide special and competitive interest rates; due date 18 months; minimum amount of subscription JD 50.000	
	Evolution 2/ USD	Certificates of deposit in USD that provide special and competitive interest rates; due date 18 months; minimum amount of subscription USD 50.000	

Continued Table (56): New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider
Capital Bank	Account statement	Improving the movements' description on the customer's account statement on all channels so that they can be informed easily with all movements.	Internally developed
	VIP Today program	A program targeting employees who transfer their salaries to the bank. It includes a wide spectrum of services and products with unique advantages.	Internally developed
	Instant cash service	This is a personal loan of JD 3000 that customers can get by calling the call center, at a distinguished interest rate, without commission and at early resettlement.	Internally developed with VIP Today program
	10% cash refund of personal loan interest	Customers with personal loans can have 10% cash refund of interest paid according to certain terms and conditions.	Internally developed with VIP Today program
	"Your ticket to the world" prize in cooperation with the RJ	- The prize is a ticket of max. JD 20.000. Raffles on 2 prizes are done at the end of each quarter. - Validity of tickets is 15 years of the date of winning. It can be used to book tickets to the winner and family anywhere around the world with Royal Jordanian Airlines during that period.	Internally developed with VIP Today program
	Possible bearing of mortgage fees and exempting customers from granting fees	Customers who got housing loans with 80% or less financing can receive this offer in addition to exempt customers from granting fees against increasing interest rate on granted loans by 0.25% to customers participating in VIP Today program, or increasing interest rate by 0.5% to customers of other segments.	Internally developed
	10%-15% cash refund of Visa credit cards	15% refund of all restaurant bills and 10% of total purchases in approved supermarkets and shops when using Visa Signature cards, Visa Platinum, and Visa Gold from Capital Bank in Jordan.	EMP
Jordan Islamic Bank	Mobile Banking, first edition	Facilitating bank services in a safe way. This includes: inter-accounts transfers, inquiries on customers' accounts and transactions, official account statement request, check book requests, and paying bills.	Future Applied Computer Technology (FACT)
	Visa Signature Card	Credit card that offers special services to our VIP customers such as entering 850 Businessmen lounges in most international airports.	Visa International
	Instant issuance	Bank credit cards can be issued by branches which would help speeding services to customers and benefiting from services of cards.	Gemalto
	JIB Website	The bank's website is updated in a way that makes it easier for customers to access services, and know our bank and its branches, ATMs and other services.	Dot.jo
	ATM services	Activating accounts of e-channels during 2017.	HSPS

Continued Table (56): New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider
Islamic International Arab Bank	Tamakkani product	A package of bank solutions for individuals and SMEs designed for economic empowerment of women and women- owned or women- run SMEs.	SMEs financing is implemented with the JLGC
	Farah Product	It facilitates financing for people with marriage plans at soft terms and low costs to finance a wide range of marriage needs, including the wedding hall, jewelry, furniture and electric appliances. A grace period of 60 days and a settlement term up to 48 months, in addition to the IIAB Credit Card with JD 1000 in installments as a soft loan.	
Safwa Islamic Bank	New Mobile App	New mobile banking app where you can access your account with your fingerprint, transfer through QR and other services, and activate the service of instant transfer to local banks through ACH system on both the internet bank and mobile bank.	ICSfs
	Self subscription in internet bank and mobile bank app	Automatic subscription in electronic services is activated. This has greatly influenced number increase and administrative burdens relief as regards printing passwords.	ICSfs
	Online cash deposit	This is launched in some Safwa ATMs. Customers can do instant cash deposits.	NI
	Financing goods as Mosawamah	The product enables customers to finance different electric appliances and furniture at the same cash price for a settlement period of up to 3 years. This is done through agreements with dealers in electric appliances, furniture and car spare parts and renewable energy in Jordan.	Internal
Al-Rajhi Bank	Cash deposit in branches' ATMs	PNA in branches	NCR
	Developing online services for individuals	Developing the service front page and adding and amending other services.	Rajhi Bank
	Mobile app	Customers can manage their accounts and credit cards and know the details any time, calculate financings and do cash transfers between accounts. The app can also identify the branch and ATMs locations.	Rajhi Bank
	E-payments through eFAWATEERcom, direct service for individuals	Customers can pay their bills directly online through eFAWATEERcom	Rajhi Bank
	E-payments eFAWATEERcom through mobile banking	Customers can pay their bills directly online through eFAWATEERcom, available in the app.	Rajhi Bank
	Online account opening	The customer fills personal information (ID data, place of residence, work, etc). 12 hours later, he/she will get an SMS with a number of reference to visit any branch to complete procedures of opening a current account in the bank.	Rajhi Bank
	Joint investment in USD	The bank invests money of contracting customers for joint investments in USD.	Rajhi Bank

Continued Table (56): New Banking Services Introduced in 2017

Bank	Service Name	Brief Description	Service Provider
Egyptian Arab Land Bank	EALB Wafeer product	Saving accounts with prizes that target all segments of society, daily and weekly cash prizes, special raffles, in addition to the grand prize and in kind prizes.	
	Cash deposit into ATMs in specific locations	Cash deposit through the ATM	
Citi Bank	Citi Interest Optimization (CIO)	The bank calculates credit interest rate on accounts of customers who have Citi Bank accounts in different countries. It would look at the total balance of those customers in different countries and then specify the interest rate that would be paid on those balances as agreed upon with customers.	Citi Bank
Standard Chartered Bank	Mobile banking	Entering the bank account on the internet – the mobile phone app	Standard Chartered Bank
	One time password (OTP) for internet shopping	The password is used for one time only to protect the card or account when shopping on the internet.	CA Arabia
	Prepaid service	Prepaid services on eFAWATEERcom	Madfoo3atcom
	Advance payment service	In advance payment on eFAWATEERcom	Madfoo3atcom
	SCB biller hack	SCB is now a billing bank on eFAWATEERcom services. It accepts loan and credit card installments.	Madfoo3atcom
	Voice activated ATM for people with special needs	This service is added to the ATM at the main branch (Shmeisani) to help people with special needs.	Standard Chartered Bank
National Bank of Kuwait - Jordan	Salary uploading through the internet	A new service for companies that enables them to upload the salaries of their staff through their own internet bank.	External provider: eFAWATEERcom, Estarta
	New ATMs	All ATMs are replaced by updated machines that have the highest technical standards worldwide.	External provider: NI, NCR
	New website	Launching the new NBK- Jordan website that is in line with the institutional identity of the bank	NBK
	Online bank services	The supporting system of bank services through the internet is developed and updated.	NBK
Blom Bank	eFAWATEERcom		
	Walaa credit cards program, Gowen Points		



Chapter Ten

Human Resources in banks

Operating in Jordan

This chapter reviews a selected number of indicators relevant to human resources in banks Operating in Jordan, including development in the number of workers classified according to gender, scientific qualifications, age groups, social status, geographical distribution. It also highlights the number of employees taking training as per banks, and resignations and appointments.

1. The Number of Employees

The table below illustrates development in the number of employees in banks Operating in Jordan in the period of 2009 – 2017. It reached 20582 male and female employees.

Table (57)
Distribution of Bank Employees by Gender (2009 – 2017)

Year	Males	Relative Distribution %	Females	Relative Distribution %	Total
2009	10406	65.90	5384	34.10	15790
2010	10938	65.84	5675	34.16	16613
2011	11434	65.91	5913	34.09	17347
2012	11765	65.85	6101	34.15	17866
2013	12188	66.16	6235	33.84	18423
2014	12816	65.95	6617	34.05	19433
2015	13212	65.75	6883	34.25	20095
2016	13417	65.22	7156	34.78	20573
2017*	13461	65.4	7121	34.6	20582

* except for the data of Investbank

Source: Banks' data

As regards distribution of bank employees according to gender, male workers account for 65.4% of total employees in 2017, the remaining percentage of 34.6% goes for female workers. These charts are an evidence of the constant development in the participation percentage of females in banking, making it one of the highest in Jordanian economic sectors.

2. Distribution of bank employees according to academic qualifications

The academic qualifications of bank employees continued to improve, as the percentage of holders of academic degrees (PhD, Masters, Bachelor degrees and high diplomas) constitute the highest share of total employees (78.5%) by the end of 2017. On the other hand, the percentage of employees with Tawjihi (high school) degree and below accounted for 10.9% of total employees in the said year.

Table (58)**Distribution of Banks' Employees according to Education Level (2009 – 2017)**

Year	Doctorate		Master		Bachelor and higher diploma		Diploma		Tawjihi		Without Tawjihi		Total
	#	%	#	%	#	%	#	%	#	%	#	%	
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
2016	58	0.3	1310	6.4	14588	70.9	2270	11.0	870	4.2	1477	7.2	20573
2017*	57	0.3	1322	6.4	14776	71.8	2182	10.6	787	3.8	1458	7.1	20582

* except for the data of Investbank
Source: Banks' data

3. Distribution of Bank Employees according to age group

Employees less than 25 years of age account for 9.4% of total employees by the end of 2017, in addition to 66.6% of employees whose age ranges between 25 and 39 years. Therefore, the percentage of employees whose age is less than 40 years is the biggest in the total number of bank employees in 2017. The percentage of employees in the age group of 40 – 59 is 23.7%, while the percentage of employees more than 60 years old who are still Operating is 0.3% of total employees at the end of 2017.

Table (59)**Distribution of Banks' Employees By Age Group (2009-2017)**

Year	Less than 25 years		25-39 years		40-59 years		More than 60 years		Total
	#	%	#	%	#	%	#	%	
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
2016	2209	10.7	13352	64.9	4942	24.0	70	0.3	20573
2017*	1932	9.4	13700	66.6	4878	23.7	72	0.3	20582

* except for the data of Investbank
Source: Banks' data

4. Social status of employees

The table below shows the distribution of employees according to their social status. The percentage of married employees reached 63.2% of total employees in 2017, the remaining 36.8% are single.

Table (60)**Distribution of Banks' Employees according to Marital Status (2009 -2017)**

Year	Singles		Married		Total
	#	%	#	%	
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
2016	7755	37.7	12818	62.3	20573
2017*	7579	36.8	13003	63.2	20582

* except for the data of Investbank
Source: Banks' data

5. Geographical distribution of bank employees according to governorates

The number of bank employees in the capital was 17191 male and female employees, which is 83.5% of total bank employees. Irbid Governorate came second with a percentage of 4.8% of total employees, followed by Zarqa Governorate (3.7%), Balqaa Governorate (1.8%), Karak Governorate (1.3%) and Aqaba Governorate (1.2%). The percentages of the remaining six governorates did not exceed 1% for each.

Table (61)

Geographical Distribution of Banks' Employees by Governorate at the End of 2017 *

Governorate	Number Of Employees	Geographical distribution of employees (%)
Amman	17191	83.5%
Irbid	982	4.8%
Zarqa	765	3.7%
Balqa'	370	1.8%
Aqaba	243	1.2%
Al Karak	271	1.3%
Madaba	151	0.7%
Maan	134	0.7%
Jerash	115	0.6%
Ajloun	110	0.5%
Tafleeh	78	0.4%
Mafraq	172	0.8%
Total	20582	100.0%

* except for the data of Investbank

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 Banks' Employees by Governorate and Bank at the End of 2017

Banks	Amman	Irbid	Zarqa	Aqaba	Balqa	Karak	Madaba	Maan	Jerash	Ajloun	Tafleeh	Mafraq
Arab Bank	2879	37	58	19	27	10	9	10	5	5	7	9
Jordan Ahli Bank	1007	48	33	17	36	20	10	10	9	0	8	8
Cairo Amman Bank	1161	127	79	28	64	42	21	10	22	15	10	33
Bank of Jordan	1420	87	56	16	23	9	10	8	10	17	0	19
The Housing Bank for Trade & Finance	1857	181	127	29	63	44	19	39	11	20	17	19
Jordan Kuwait Bank	1029	42	46	15	26	9	10	0	8	0	0	7
Arab Jordan Investment Bank	682	17	20	13	0	0	0	0	0	0	0	0
Jordan Commercial Bank	618	34	10	7	23	8	8	0	0	0	0	9
Investbank	-	-	-	-	-	-	-	-	-	-	-	-
ABC Bank	461	7	6	6	6	8	6	0	6	0	0	6
Bank Al-Etihad	1026	38	26	11	11	8	8	0	0	0	0	8
Societe General - Jordan	250	6	6	6	0	4	5	0	0	0	0	0
Capital Bank	522	8	15	7	0	0	0	0	0	0	0	0
Jordan Islamic Bank	1481	233	193	29	83	91	36	48	36	44	28	33
Islamic International Arab Bank	722	47	47	13	8	18	9	9	8	9	8	11
Safwa Islamic Bank	533	20	17	0	0	0	0	0	0	0	0	0
Al-Rajhi Bank	247	16	9	0	0	0	0	0	0	0	0	0
Egyptian Arab Land Bank	282	9	7	8	0	0	0	0	0	0	0	10
Rafidain Bank	21	0	0	0	0	0	0	0	0	0	0	0
Citi Bank	56	0	0	0	0	0	0	0	0	0	0	0
Standard Chartered Bank	170	5	0	0	0	0	0	0	0	0	0	0
Bank Audi	261	9	0	6	0	0	0	0	0	0	0	0
National Bank of Kuwait - Jordan	66	0	0	0	0	0	0	0	0	0	0	0
BLOM Bank	395	11	10	13	0	0	0	0	0	0	0	0
First Abu Dhabi Bank (National Bank of Abu Dhabi)	45	0	0	0	0	0	0	0	0	0	0	0
Total	17191	982	765	243	370	271	151	134	115	110	78	172

- Not available

Source: Banks' data

6. Training courses

Banks Operating in Jordan organized in 2017 a number of training courses for their employees to enhance their skills and develop their capacities and efficiencies. The number of participants in training courses held in banks' training centers amounted to 38019 male and female employees. The number of participants in training courses held at local training centers reached 6681 male and female employees, while participants in training courses outside Jordan amounted to 377 male and female employees.

Table (63)

Number of Employees who attended training courses in 2017

Bank	training centers of the banks		local training centers		training courses abroad	
	Males	Females	Males	Females	Males	Females
Arab Bank	2595	1659	331	211	27	6
Jordan Ahli Bank	468	312	77	60	11	2
Cairo Amman Bank	995	597	280	151	14	2
Bank of Jordan	2815	2048	71	66	3	4
The Housing Bank for Trade & Finance	2102	618	145	20	35	2
Jordan Kuwait Bank	2143	1350	241	46	24	4
Arab Jordan Investment Bank	106	47	91	60	1	0
Jordan Commercial Bank	925	447	131	105	11	5
Investbank	-	-	-	-	-	-
ABC Bank	2939	1551	165	72	0	0
Bank Al-Etihad	1394	1401	423	388	22	17
Societe General - Jordan	1119	853	201	63	22	3
Capital Bank	118	56	102	72	11	12
Jordan Islamic Bank	3018	153	1243	106	50	0
Islamic International Arab Bank	1737	407	273	45	27	2
Safwa Islamic Bank	1711	642	473	196	9	1
Al-Rajhi Bank	177	63	165	22	0	1
Egyptian Arab Land Bank	107	52	139	65	5	0
Rafidain Bank	0	0	14	7	3	1
Citi Bank	38	18	10	1	0	0
Standard Chartered Bank	218	176	17	11	19	17
Bank Audi	163	143	50	52	3	1
National Bank of Kuwait - Jordan	38	28	37	11	0	0
BLOM Bank	240	187	101	63	0	0
First Abu Dhabi Bank (National Bank of Abu Dhabi)	26	19	5	3	0	0
Total	25192	12827	4785	1896	297	80

- Not available

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

Source: Banks' data

7. Resignations and appointments

Banks Operating in Jordan appointed 2301 male and female employees during 2017. The number of those who quitted for all reasons amounted to 2015 male and female employees. The employees' turnover ratio in 2017 (which is the total resignations/ total employees x 100%) reached 9.79%.

Table (64)

Appointments and Resignations (2009 – 2017)

Year	Resignations**	Appointments	Staff Turnover Rate %
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
2016	2108	2616	10.25
2017*	2015	2301	9.79

* except for the data of Investbank

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

Source: Banks' data

The image features a close-up, low-angle shot of a field of golden wheat. The wheat stalks are in sharp focus in the foreground, with their heads of grain clearly visible. The background is a soft-focus field of similar wheat, extending to a distant green horizon. A large, semi-transparent graphic overlay is positioned at the top of the image, consisting of a blue-to-white gradient that tapers to a point at the top center. The text is placed within this graphic area.

Chapter Eleven

ABJ's Activities in 2017

The ABJ continued in 2017 to discuss and follow up the different issues that occurred, especially those raised by member banks. ABJ's specialized technical committees reviewed those issues in depth and conveyed banks' comments and feedback on them to relevant parties, whose response was very serious. Many of the remarks and proposals that the ABJ submitted were taken into consideration upon discussing issues in question.

In the field of training, the ABJ organized numerous seminars, workshops, training courses and lectures in 2017 on issues and themes of concern to the banking sector.

As regards studies, the ABJ published in 2017 a number of publications, reports and studies on the Jordanian banking sector.

The following is a highlight of the ABJ's activities in 2017.

A. Meetings of Committees

A Meeting on Draft General Agreement on Repurchase

The ABJ held on 31 July 2017 a meeting to discuss the draft general agreement on repurchase proposed by the CBJ. The meeting comprised of representatives of legal and treasury departments in banks and the CBJ. The draft agreement comes in the context of the central bank's endeavours to develop the secondary market of government securities, which increases the efficiency of bank instruments in providing liquidity and completes the legal framework that governs the inter-bank contractual relations in selling and repurchase agreements of government securities by using the DEPO/X.

The meeting's outcome was forming a committee comprising of representatives of legal and treasury departments in banks and the CBJ representative to come up with a final draft of the agreement.

A Meeting on MOF- Banks Electronic Link

The ABJ held on 15 Oct 2017 a meeting of managers of banks' legal departments to discuss the Minister of Finance's letter on procedures of execution of seizure warrants against the moveable properties of tax payers against whom the Ministry of Finance/ Public Funds Directorate have claims. The procedure is already in place with the Income and Sales Tax Department and Social Security Corporation.

A Meeting on Draft Companies' Law Currently at the Lower House

The ABJ held a meeting for its legal committee to discuss the draft Companies' Law currently reviewed by the Lower House of Parliament.

An Assessment Meeting of Banks' Mechanism of Collecting and Paying Stamp Fees on their Transactions

The ABJ held on 17 Oct. 2017 a meeting of directors of legal and finance departments of banks operating in Jordan. The meeting's agenda was to assess and review of the mechanism that banks follow in collecting and paying stamp fees on different bank transactions.

Based on the meeting's outcomes, the ABJ addressed the Minister of Finance, demanding that he should issue instructions, pursuant to paragraph B, Article 4 of the Law on Revenue stamps' Fees, to enable banks to collect fees in a flexible and swift way by transferring the value of fees to the CBJ's Public Revenues Account, by a swift letter, stamping the transaction subject to fees with a stamp that illustrates fees are collected, along with the amount of fees collected and the date of collection. The letter added that any other proper means could be suggested and used.

A Meeting on Real Property Law

The ABJ convened a meeting for directors of legal departments in banks to discuss the draft law on real property of 2015. Participants reviewed articles of the law and reported their feedback on articles that are of interest to banks.

Discussion of Banks' Remarks on Draft Instructions on Anti Money Laundering and Terrorism Financing

The ABJ called for a meeting comprising of managers of compliance and legal departments in banks to discuss banks' remarks on the CBJ's draft instructions on combating money laundering and terrorism financing.

Article 37 of the law on combating money laundering and terrorism financing # 46 of 2007 stipulates that the National anti money laundering and terrorism financing Committee, formed according to the provisions of the said law, should lay down the necessary instructions to implement the provisions of law, including the controls and bases of reporting operations suspected of being related to money laundering or terrorism financing, and the controls of reporting cross border moveable property, procedures of reporting and implementing obligations stated in international resolutions according to provisions of item 2 of paragraph A of article 6 of the said law.

The meeting resulted in forming a mini-committee of banks' representatives to come up with unified remarks and recommendations on the draft instructions to be sent to the central bank.

B. Other Meetings

ABJ Discusses Tax Handling of Provisions for Non-Performing Loans

The ABJ held a meeting for representatives of member banks and those concerned at the Income and Sales Tax Department (ISTD) to discuss tax handling of non-performing debt provisions. The meeting was held upon request from ABC, whose letter # 2192 dated on 22 March 2017 pointed to the Regulations on Expenses, Provisions, Depreciation and Exemptions # 55 of 2015, issued pursuant to paragraph A of Article 77 of Income Tax Law # 34 of 2014. The Regulations entitle the bank to decrease provisions of non-performing debts that it sets aside according to the provisions of Banks Law and the CBJ instructions.

According to regulations, the general banking risks, the provisions on loan impairment under supervision and any general provisions that were not allocated to each client separately are excluded. As regulations did not specify when any customer could leave the non-performing loans category into performing loans category, thus reversing those provisions and suspended interests and commission fees into revenues, taking into consideration that the CBJ's instructions on classification of credit facilities are referential in this regard.

It is worth mentioning that banks had previously discussed the provisions on loan impairment with the ISTD, which considered non-performing loans as performing ones and thus the whole provision of loan impairment and all suspended interests and commission fees should be reversed to taxable revenues if there is cash collection of those loans, regardless of the amount collected. The ISTD did not endorse the relevant CBJ instructions despite the absence of the afore-mentioned provision.

A Meeting on Around-the-Clock Guards and Inspection Devices

The ABJ discussed with member banks' representatives the issue of mandatory hiring of around-the-clock guards and using inspection devices in their branches.

The meeting was convened on 14 May 2017 to discuss the CBJ Governor's letter, which conveyed a recommendation to oblige all commercial banks and money exchange companies to hire around-the-clock guards and inspection devices in their locations to protect their security and safety.

The recommendation, which comes from the Ministry of Interior's National Committee on Protection of Critical Infrastructure and Targets, argues that many commercial banks in Jordan inadequately depend on cameras for protection.

The meeting aimed to give recommendations to the ABJ's Board of Directors to take the appropriate decision.

Participants stressed that obliging banks to hire guards in branches violates instructions. Furthermore, branches are protected by surveillance systems, in addition to guards inside the branch if necessary.

Participants pointed out that the Municipality of Amman does not issue permissions to security booths outside the branch; it even issues tickets for violators.

The result of discussion was negative to the committee's recommendation. Participants recommended there is no need to hire around-the-clock guards as the protection systems used meet banks' needs according to the CBJ instructions.

A Meeting on HRH Princess Alia's Initiative on Paper Recycling

The ABJ held on 14 June 2017 a meeting comprising representatives of member banks to discuss the initiative of HRH Princess Alia bint Al Hussein to recycle paper for the benefit of government schools in Jordan.

The meeting recommended encouraging banks to take part in this important initiative by entering into multilateral agreements with banks, the initiative body, the recycling company and the Ministry of Education.

A Meeting on Banks' Issues with Government Bodies Beneficiaries of Bank Guarantees

The ABJ held a meeting for the ad hoc committee to discuss issues that banks face in dealing with government agencies beneficiaries of bank guarantees. The meeting resulted in addressing the prime minister on the issue. Consequently, a committee was formed, headed by the Minister of Finance with the membership of representatives of ministries of Health, Public Works and Housing, the CBJ and ABJ.

A Meeting Discusses Difficulties of Architectural and Engineering Consultancy Services Sector

The ABJ held on 12 July 2017 a meeting to discuss problems and difficulties that architectural and engineering consultancy services sector faces.

The ABJ General Director Dr. Adli Kandah, Jordan Loan Guarantee Corporation (JLGC) General Director Dr. Mohammad Jaafari, Executive Manager of A/E Business Council Samar Kilani and the Vice-President of Board of Directors Tareq Zreiqat attended the meeting, in addition to a number of the Council's members and representatives of member banks.

The meeting is a sequel to a former meeting held at the CBJ in which the CBJ Governor demanded that the sector of engineering consultation services should be discussed, especially the guarantees issue.

The ABJ meeting discussed the issue of direct soft loans from the CBJ, the possibility of adding the engineering consultation services sector to the sectors beneficiary of those loans, and the role of JLGC

in guaranteeing the guarantees of members at the local banks. Later on, attendees discussed the issue of guarantees.

The issue of guarantees, participants stressed, is linked to many factors. These include the relationship between the bank and the engineering firm, the CBJ instructions, and the applicant, while the provisions of the letter of guarantee depend on the firm's ability to negotiate since the position of the consultative engineering firms is different from that of contractors.

The council proposed issuing a guidebook for consultative engineering companies to help them understand requirements to applications for guarantees and signing contracts according to Jordanian or British laws. Any other law of whatever country is not preferable.

The council also stressed that risks of banks can be mitigated by the JLGC, with the right mechanism to do so.

JLGC General Director Dr. Jaafari said the consultative engineering sector is creative with high added value revenues. It is an important sector that exports its products of technical, supervisory and design services to more than 30 countries around the world.

Jaafari told participants that the JLGC would request banks to decrease the number of requirements vis-a-vis the council and its members, with banks taking stake in risks to issue guarantees according to the risk sharing formula.

JLGC role, he said, would be to ascertain the costs and procedures. It is normal to have cost sharing, not to increase or add the commission fees of any bank, he added.

There would be an analysis of the company to review risks it entails, along with pricing and commissions, before approving this measure, he went on to say, suggesting that the ceiling might be one million dinars.

ABJ General Director Dr. Adli Kandah expressed the ABJ's readiness to issue the suggested guidebook as well as to organize an informative workshop of the requirements of guarantees, targeting the consultative engineering firms. A copy of the ABJ's letter concerning the automatic renewal of the guarantee and the Council's follow up with concerned parties can be found at the ABJ.

Kandah recommended that the CBJ should be addressed to issue instructions to include the consultative engineering services sector into beneficiary sectors of soft loans, provided that government departments and agencies are addressed through the council and consultative companies.

He also recommended that the JLGC issues a package of loan guarantees for consultative companies willing to benefit of those loans.

A Meeting on Electronic Linkage between CCD, Banks

The ABJ and the Companies Control Department (CCD) held a meeting in which the CCD briefed banks on the Doing Business Gate and the electronic communication with banks.

The meeting aimed at activating the automation and opening accounts and depositing 50% of the capital at banks, which are requirements to complete registering companies of limited responsibilities at the CCD.

Companies Controller Ramzi Nazha highlighted the importance of this meeting with the ABJ and IT managers in banks to discuss means of cooperation to complete the electronic linkage with banks as regards companies' registering procedures.

The meeting, he added, comes in the context of developing the doing business gate and automation of all services it provides to facilitate and simplify its services.

On his part, the ABJ General Director Dr. Adli Kandah stressed the importance of such electronic linkage to facilitate and simplify procedures and decrease time and effort of all those concerned.

He called for drawing a framework for ABJ and CCD cooperation through a memorandum of cooperation.

According to linkage mechanisms between the CCD and Jordanian banks, an electronic account was opened for each bank so that it could browse the customer's data when it applies for registering a company at the CCD, ascertaining the data in light of which a bank business account is opened at the bank and a certificate is granted to finish the procedures of company registration.

A Meeting for the Governorates' Investment Map

The ABJ held on 5 Nov. 2017 a meeting that comprised the Minister of State for Investment Affairs Mohannad Shehadah, representatives of the Jordan Investment Commission (JIC) and of member banks.

The meeting's agenda revolved around presenting the investment map of governorates and development and SMEs investment opportunities in the different economic sectors.

Minister Shehadah urged banks to have a holistic approach to investment opportunities that the JIC proposes, especially in the competitive areas that each governorate has, and to promote such opportunities.

The 120 projects that the commission has reviewed, he added, are beneficial to all stakeholders, including the financing banks. They are capable of realizing development goals, especially as they could generate almost 4 thousand job opportunities in all governorates. The JD 300- million- projects range between small, medium and big sized enterprises, in addition to mega projects that the private sector can participate in on a BOT principle.

Shehadah said the JIC received 6 expressions of interest from investors interested in projects in governorates; three of them would be signed soon in the development zones.

He further asked banks to supply the JIC with their feedback and inquiries in regard of concerned projects, as building bridges between national institutions, he said, realize economic interests at the micro and macro levels.

On his part, the ABJ General Director said the ABJ took the first step to coordinate and cooperate with the JIC to introduce banks to the investment map in the kingdom and the different, multi-sized opportunities it presents.

Those opportunities, he explained, have completed the feasibility study stage and what they need now is marketing and financing, which banks could provide. Jordanian banks have financial surplus of 3 billion dinars ready to be lent once there are proper investment opportunities.

Despite challenges, Kandah said, Jordanian banking sector maintained a high level of soundness and safety thanks to the wise management of banks and the wise supervision of the CBJ. The non-performing debts decreased to 4.3% by the end of 2016, with a coverage percentage of 77%.

Director of JIC's Studies and Policies, Dr. Mohammad Abu Omar, presented the 240 projects that the JIC submitted for implementation in the governorates. There are feasibility studies for 120 projects that are capable of realizing development goals and creating new job opportunities.

He said the rate of return on investment in those projects ranges between 21% and 38%. They are entrepreneurial projects with high growth potentials. The most important is that they create job opportunities in the governorates where all citizens could benefit.

Abu Omar highlighted the nature of those projects that have links to other areas. Therefore, the existing investment clusters could benefit of them. They are also harmonious with the government-endorsed development plan of the governorates in the coming years.

C. Seminars, Lectures, Training Courses

1) Workshops

The ABJ organized the following workshops last year:

A workshop on Cash Center

The ABJ, in cooperation with Hemaia Jordan, held a workshop on the services of the Cash Center on 24 July 2017. The workshop gave a briefing on the history of outsourcing money protection services, whether in transporting money or ATM, and the development of ATM services at the international level.

Hemaia Jordan gave a detailed presentation of the Cash Center services for ATMs and money transporting, whether for an individual bank or a group of banks. It explained the up-to-date equipment and systems that enable the company to manage and process cash, and the hardware and software programs that can be used for this purpose.

The workshop also included a briefing on security and tracking systems of the cars and teams of transporting and beefing, and a discussion of new ideas in the models and developed uses of ATMs.

A Workshop on IT Software Testing in Jordan

The ABJ, in cooperation with the Royal Scientific Society's National Software Quality Assurance Centre, held an interactive workshop on Software Testing in Jordan, on 8 March 2017.

The workshop highlighted the importance of software testing and quality insurance as it is the basis for developing applied experiences and systems in this field.

A Workshop on Green Finance in Jordan

The ABJ, in cooperation with the Regional Center for Renewable Energy and Energy Efficiency in Cairo, organized a workshop on green lending in Jordan.

The workshop, which was held on 26 Oct. 2017, dealt with Capacity Needs Assessment on green energy and climate finance in MENA region. A number of representatives of finance departments in banks and experts in green finance took part in the event and discussed international experiences, as well as the Jordanian experience, in this field and success stories over the past years.

A Workshop on Developing Means of Fighting Money Laundering and Terrorism Financing in Financial and Non-Financial Institutions

The ABJ co-organized with the Anti Money Laundering and Terrorism Financing Unit a workshop on Developing Means of Fighting Money Laundering and Terrorism Financing in Financial and Non-Financial Institutions.

The three-day workshop took place on 7 March 2017.

A Workshop on Health Prevention and Professional Safety to Raise Health Awareness of Bank Employees

The ABJ, in cooperation with the Jordanian Society for Medical Services, organized a workshop on Health Prevention and Professional Safety to raise health awareness of bank employees.

The workshop took place in the period of 15 to 16 May 2017 at the ABJ headquarters.

A Workshop on E-Payment of Government Services for Bank Employees

The ABJ co-organized with the Income and Sales Tax Department a workshop on E-Payment of Government Services for Jordanian Bank Employees.

The workshop, held on 19 July 2017, reviewed services that the ISTD provides through the E-Services Gate in addition to the e-payment services with Madfo3atcom.

A Workshop on IT in Banking

The ABJ, in cooperation with INTAJ, organized a workshop on IT in Banking Sector.

The workshop was held on 18 Sep. 2017 to introduce participants from bank to the latest technologies currently used in the banking industry around the world and in the region.

The workshop discussed means of exchanging expertise and knowledge between IT companies and banks to develop ways of providing and upgrading bank services by using the latest technologies in this field.

ABJ General Director Dr. Adli Kandah highlighted the importance of banks' using latest technologies in different fields in a way that is attuned to the banking sector's needs, as banks are committed to CBJ requirements and the requirements of banks outside Jordan and their needs and priorities for the next couple of years.

Technology, he stressed, should support protection of information and maintaining their confidentiality, amidst an approach to cancel paper work and substitute it with IT. In addition, there is automation of legal departments which have computer systems to run their work. Banks can further use cloud computing.

The CEO of INTAJ Nidal Bitar said that INTAJ member companies have long experience in working with local banks. The banking sector, he added, is one of the best sectors that back raising the rate of economy digitalization, as they rely on all forms of technology to provide distinguished services to their customers.

Bitar pointed to the royal vision REACH 2025 that aims at increasing the digitalization of economy. Digitalization in Jordan reached 8%, compared with 18% in the American economy.

A Workshop on Rationalization Programs of Energy Consumption

The ABJ, in cooperation with the USAID- funded Energy System Capacity Building (ESCB) project, organized a workshop on launching a draft agreement to implement programs on management and rationalization of energy consumption. The workshop was held on 8 Aug. 2017.

A Workshop on TOEIC

The ABJ organized a workshop on certification of the Test of English for International Communication (TOEIC).

The workshop was held on 8 Nov. 2017 in cooperation with Masa for International Exams.

A Workshop on Guarantees in Jordanian Law

The ABJ organized a workshop on Guarantees in Jordanian Law and the Importance of Implementing the Uniform Rules for Demand Guarantees.

2) Training Courses and Programs

The ABJ held the following training courses and programs in 2017:

Training Course on CBJ Instructions on IT Governance, Application in Jordanian Banks

The ABJ organized a training course on CBJ Instructions on IT Management and Governance and Means of their Application in Jordanian Banks.

The three-day course took place on 30 Jan. 2017.

A Training Course on Negotiations Skills and Collecting Bad Debts

The ABJ organized a training course on Negotiations Skills, Handling and Collecting Bad Debts. The course was organized in the period of 6 to 9 March 2017.

A Training Course on CBJ Instructions on Local, Foreign Electronic Transfer of Money to Customers and Inter-banks, and Risk Management

The ABJ organized a training course on CBJ Instructions on local, foreign Electronic Transfer of money to customers and inter-banks, and Risk Management. The course was held during the period of 20 to 22 March 2017.

A Training Course on CBJ Instructions on Financing Individuals, SMEs

The ABJ organized a training course on CBJ Instructions on Financing Individuals and SMEs. The course was held during the period of 24 to 26 April 2017.

A Training Course on Rules, Criteria & Procedures of Compliance and their Role in Jordanian Banks in light of CBJ Memos, Orders and Basel Core Principles for Effective Banking Supervision

The ABJ held in the period of 22 to 24 May 2017 a training course on the Rules, Criteria & Procedures of Compliance and their role in Jordanian Banks in light of CBJ Memos, orders and Basel Core Principles for Effective Banking Supervision.

A Training Course on Rules, Criteria & Procedures of Compliance and their role in Jordanian Banks in light of CBJ Memos, orders and Basel Core Principles for Effective Banking Supervision

The ABJ held in the period of 31 July to 2 Aug. 2017 another training course on the Rules, Criteria & Procedures of Compliance and their role in Jordanian Banks in light of CBJ Memos, orders and Basel Core Principles for Effective Banking Supervision.

A Training Course on CBJ Instructions for Dealing with Customer Complaints regarding Financial and Banking Services Providers

The ABJ held a training course on CBJ Instructions for Dealing with Customer Complaints regarding Financial and Banking Services Providers. The course took place between 20 and 22 Nov. 2017.

A Training Course on Developing Leadership Skills

The ABJ organized, in cooperation with MED for Training and Consultation, a training course on Developing Leadership Skills during the period of 22 to 24 May 2017.

The course aimed at building new leadership skills and developing existing ones to enhance the role of leadership in business institutions.

The course was designed to equip employees with knowledge, behavioural and professional skills that strengthen their positive attitudes towards their institutions and the targeted audience, in addition to new trends in leadership.

The three-day course included sessions on types of leadership; leadership positions and their responsibilities; the leadership functional performance and the leadership grid; distinction between a manager and a leader; drafting institutional goals, working plan and assessment of performance and creative thinking, in addition to practical exercises.

A Course on the American Selling Methodology

In cooperation with MED for Training and Consultation, the ABJ held a training course on the American Selling Methodology. The course took place during the period of 24 to 26 Oct. 2017.

A Training Course on BPM

In cooperation with MED for Training and Consultation, the ABJ organized a training course on Bullet Proof Managers (BPM) during the period of 26 to 28 Sep. 2017.

Two Training Courses under the MOU with the JC

The ABJ held two training courses on Modern Banking and Business Operations.

The first course was held in the central region during the period of 10 to 14 Dec. 2017, while the second one targeted the north region in the period of 17 to 21 Dec. 2017.

The two courses come in the context of an MOU that the ABJ concluded with the Judicial Council (JC) to train judges on banking lawsuits.

Training Course on CBJ Instructions on IT Governance, Application in Jordanian Banks

The ABJ organized a training course on CBJ Instructions on IT Management and Governance and Means of their Application in Jordanian Banks.

The three-day course took place between 30 Jan. 2017 and 1 Feb. 2017.

A Training Course on Negotiation Skills and Handling, Collecting of Bad Debts

The ABJ organized a training course on Negotiation Skills and Handling and Collecting of Bad Debts during the period of 6 to 9 March 2017.

3) Seminars and Forums

The ABJ held the following seminars and forums in 2017:

An Interactive Session on Facilitating Access of Entrepreneurial Firms to Financing

The ABJ, in cooperation with the JLGC, organized on 12 Dec. 2017 an interactive session on Facilitating Access of Entrepreneurial Firms to Financing at the ABJ headquarters.

A Seminar on CBJ Instructions on Domestic Systematically Important Banks

The ABJ organized a seminar on CBJ Instructions on Domestic Systematically Important Banks on 20 Sep. 2017, to shed light on those instructions, their application and the way of dealing with them at the enter-banks level. Participants in the seminar, which was held in the ABJ headquarters, included managers of compliance, risks and auditing departments in banks operating in Jordan.

The CBJ had issued the Instructions on Domestic Systematically Important Banks in line with the Basel Committee resolutions on banking supervision and because of its keenness on maintaining the stability of monetary and economic system of the kingdom.

ABJ General Director stressed the importance of those instructions that aim at enhancing the capacities of banks that are domestic systematically important, by maintaining their financial soundness and strength and alleviating the negative impacts of substantial troubles at the financial and economic levels in general.

Dr. Kandah said the main components of those instructions are: the methodology of determining

which banks are systematically important at the domestic level; the additional capital required of systematically important banks; the quality requirements of systematically important banks and their relevant supervisory measures; and alleviating the impact of facing substantial troubles.

An Introductory Seminar on Next Generation IT Security

The ABJ, in cooperation with SOPHOS, organized an Introductory Seminar on Next Generation IT Security on 16 Aug. 2017.

The ABJ Organizes the Fifth Forum for Social Responsibility of Banks

The ABJ, in cooperation with the United Nations Environment Program (UNEP), organized the Fifth Forum on the Social Responsibility of Banks on 15 Nov. 2017 under the title of From Social Responsibility to Sustainable Development.

CBJ Governor Dr. Ziyad Fareez said in the opening speech that Jordanian economy demonstrated a number of indicators for recovery and possible positive growth rates in the coming years.

Fareez, under whose patronage the forum was held, reiterated that Jordan has been able to overcome many challenges in the past five years. Challenges caused a dramatic drop in economic growth rates from 7.1% annually before the crisis to an average of 2.6% annually in the post-crisis period (2010-2016).

Despite the modest growth rates in recent years and the rise in debts, he went on to say, we have indications that we surpassed the toughest period and we reduced the existing challenges.

The first half of 2017 registered positive growth rate of 2.1%; almost the same as the growth rate of the year before, he said. He expected the growth rate of 2017 to register 2.2%, compared with 2% in 2016.

Dr. Fareez said the fifth forum comes days after His Majesty the King opened the second ordinary parliamentary session with a speech that minutely and realistically diagnosed challenges facing our economy. The Throne Speech suggested measures that should be taken by the government, state institutions and private sector, to face challenges and maintain the economic stability of the kingdom.

His Majesty's speech, he said, calls us to provide decent livelihoods for citizens of limited and middle income segments. Jordanians, he stressed, are always up to expectations with their loyalty and perseverance. "I am confident of Jordan's ability to surpass all challenges and obstacles," he said.

Reading the economic scene and its micro developments tells us a recovery is in process and there is a gradual comeback to higher growth rates in the coming years, he said. There is tangible improvement in some indicators of the external sector and a drop in the setback rate of other sectors, he added.

The governor named some of those indicators. The tourism income, he said, continued to rise at a rate of 12.7% by the end of October 2017, compared to a setback of 1.8% for the same period of 2016.

Foreign direct investments (FDI) to the kingdom also improved by about 30% in the first half of 2017, which raised its ratio to GDP to 6%, compared with 4.7% for the same period of 2016.

Expatriates' remittances registered a positive growth rate of 0.7% by the end of September 2017, compared with a setback of 4% for the same period of 2016.

The governor drew attention to stability in national exports, following an annual setback of 7.8% in 2015 and 2016. What calls for optimism, he said, is that this stability comes in spite of the 8% fall down in the price of exports by the end of Aug. 2017. This fall down was met by a general rise in the quantity of exports at a similar rate, in addition to access to new markets.

As regards the reopening of borders with Iraq, the governor said there are indicators that trade with Iraq is improving, "although we fully understand that restoring the pre-border closure's levels of exports would take time." He expressed hope that "we would feel the positive impact of resuming trade with Iraq as of the second half of 2018."

As for capital expenditure, the governor said it grew by 7.4% by the end of Sep. 2017, compared to a setback of 9.4% for the same period of the year before. Such a growth, he explained, is leverage to economic performance whose positive influence would spread to different economic sectors, especially as the government's approach is to rely more on the private sector in implementing some capital projects. Strengthening partnership with the private sector and benefiting of its accumulated experiences would help the country and cut down the budget deficit, he added.

He pointed out to the continued rate of growth in facilities granted to the private sector, at 7.8% by the end of Sep. 2017, as it also witnessed good growth compared with the same period of 2016, registering 7.5%. Credits were spread all over economic sectors, especially productive ones.

Dr. Fareez said this is a positive indicator as it illustrates potentials of economic growth in the future, adding that those developments come as we feel trust and confidence in the development of bank strength indicators.

The governor highly valued efforts of managements of banks operating in Jordan for their "incessant cooperation stemming out of your high sense of responsibility." Achievements of the banking sector and its quality contributions to the national economy, he said, would continue despite whatever difficulties or fluctuations in the domestic or external financial and economic environments.

The governor praised banks' steady commitment to the restrictions of safe and sound banking practices, and their keenness on providing the necessary conditions and provisions to solidify the best practices in banking, and wise risk management to advance banks' ability to absorb internal and external shocks.

Fareez called on banks to assume an even greater role towards social development, saying their social responsibility should not be limited to charity and cash and in kind donations. Rather, "It should

be an ethical commitment” that has an institutional character of a sustainable and high added value in the different sectors of education, health, training and rehabilitation, environment and empowerment of local communities. „

As regards the monetary policy, CBJ Governor stressed that the monetary and financial stability is maintained and the dinar attraction as a safe haven for internal and external savings is increasing. Despite the modest growth in deposits since the beginning of 2017, he said, deposits in Jordanian dinar increased since the end of March 2017 by five times compared with the same period of 2016. Deposits exceeded half a billion dinars, he pointed out.

The governor explained some non recurrent events that some reports interpreted as a decline in dinar deposits. What happened, he said, is a pure process of re-classification for statistical purposes, and the deal of purchasing the Saudi-Ojer shares in the Arab Bank by Jordanian and non Jordanian investors for the locally unfamiliar amount of USD 1.1 billion. This in fact is “an indicator of the strength of the banking system and firm faith in the foundations of the monetary stability and the stable environment of the Jordanian economy at the long run,” he said.

He pointed out to the tangible progress that the kingdom made in the World Bank’s recent report on Doing Business. Jordan’s ranking improved to occupy # 103, up from the ranking of 118 in last year’s report. Progress was mainly due to the improvement in the criterion of accessing credit, which progressed by 26 ranks resulting from the launching of the credit bureau as of last year.

Despite all the positive indicators of the Jordanian economy, yet, he said, building on these gains “requires facing challenges looming ahead.”

He quoted His Majesty saying that no one would care to find solutions to our problems but us; we should depend on our will, our potentials and powers to face challenges laying ahead with determination and strong will.

Fareez called for facing new realities, the changing priorities of the international community and regional developments, saying that these changes made self-reliance a bigger challenge than ever. Reforms known to everyone should be implemented without reluctance. Any delay in implementing reforms would inevitably affect negatively the socio-economic security.

He reiterated that the government’s implementing of the economic growth plan and the national economic reform program is certain to face external distortions, such as the current account deficit, and internal distortions such as the public budget’s deficit. This would require putting an end to wasting the limited economic resources, the infeasible expenditures, the economically unwarranted exemptions, and addressing distortions in the tax system.

Those measures would positively enhance the investment environment, strengthen pillars of comprehensive growth, and address the issue of public debts by putting it on a sustained downward track.

The banking system is the main financing channel of the national economy, he said. This type of

financing continued at a great momentum despite the unfavourable conditions that the national economy has been passing through in recent years. This is an actual representation of banks’ practice of social responsibility.

He said that the concept of social responsibility has become an institutional culture and approach for organizations and institutions in the developed societies. It is one of their sustainable development indicators. “Despite the different perspective and purposes of the social responsibility concept, I think it mainly means an institution’s ability to create a positive relationship with the community in which it works, and to develop it in a way that serves the community and its prosperity and safety. This is done by commitment to best practices in the domain in which the institution works and in the way that strikes a balance between its interests and the community’s interests,” the governor stressed.

He continued to say that this concept includes constant commitment on the part of institutions to act ethically and contribute to economic development and to work to improve the living conditions of the labour force and their families, and society as a whole.

Available charts, he said, show the increase in amounts that banks expend in the framework of social responsibility. Expenditures on social responsibility rose from 0.8% in 2015 to 1.3% in 2016. “This is commendable,” he said.

The CBJ Governor called for laying down guidelines for social responsibility for other institutions to build a strategy to achieve sustainable development goals at the national level.

On his part, the ABJ Chairman Musa Abdel Aziz Shehadah said the fifth forum on social responsibility is an important opportunity to review member banks’ achievements and approaches for their social responsibility in financing sustainable development and exchanging experiences and expertise.

Shehadah added in the opening ceremony speech that participants would discuss means of developing and triggering all roles relevant to social responsibility so that all sectors of our country could profit.

The ABJ, he said, has always been keen on playing an active role in strengthening sustainability and social responsibility of banks operating in Jordan. The association was one of the pioneers in adopting this concept and conveying it to its members through specialized forums and publishing studies on the social responsibility roles of banks operating in Jordan.

Shehadah pointed out that the ABJ joined in 2016 the United Nations Environment Program’s Financing Initiative (UNEP FI) as a supporting institution, thus becoming the second banks association in the region to do so. It would work with the FI’s secretariat to enhance the concept of sustainable financing in Jordan’s banking sector, and to contribute to adopting and implementing sustainability practices in the banking industry.

He underlined the social responsibility as a concept requiring companies to be a good member of their communities, so that they would seek to achieve their financial interests, and the interest of other stakeholders, including the consumers, the employees and managers, the environment in which they work and the media and society in general.

Shehadah highlighted social responsibility as having an exceptional importance in the developing world, especially the countries that suffer from strains in public finances and face big burdens. In this case, the private sector should step in to be the public sector's partner in supporting social and developmental goals and assuming its responsibilities towards society through quality contributions in the different domains of social responsibility.

He reiterated that the Jordanian banking sector was in the forefront of those who assumed their social responsibilities and confronted social challenges by providing support to different segments of the Jordanian society. This has made banks in Jordan a forerunner in serving society compared with other sectors.

Banks in Jordan are the backbone of national economy; they are one of the strongest sectors as they contribute to provide the principal channels for monetary policy and to increase the efficiency and competency of macroeconomic policies. Banks, he added, shoulder their responsibilities in taking active part in the comprehensive and sustainable development by attracting savings, promoting saving and investment, and distributing economic resources with efficiency and competency.

Shehadah said banks enjoy the highest degrees of transparency and disclosure according to international standards and international best practices, by the periodic and minute declaration of their financial results and annual work. This confirms banks' commitment to all their stakeholders.

He went on to say that the wider concept of sustainability represents efforts exerted to ensure the long term success of corporations, which depends on contributing to socio-economic development, providing the proper environment and achieving stability to society.

He said he believes sustainability in financial institutions has four elements: the financial sustainability of financial institutions and their clients of corporations; the economic sustainability of projects and companies that the financial institutions finance through supporting local economies; the environmental sustainability through the conservation of natural resources; and the social sustainability through improving living standards, fighting poverty, taking care of the society's welfare and the respect of basic human rights.

The past five years, he said, witnessed clear approaches towards implementing the concept of sustainability on the part of banks operating in Jordan. Two thirds of banks in Jordan have a sustainability strategy. Furthermore, many banks operating in Jordan issue sustainability reports according to the framework of the Global Reporting Initiative (GRI).

Signatory Relations Manager at UNEP FI Liesel van Ast said the concept of social responsibility for corporations has been transformed into a strategic approach for banks. Further, rating institutions takes it into consideration when rating banks' performance.

She added that one of the development goals of the banking sector is to support the socio-economic growth that is in line with the UN development goals. This provides greater chances for banks to contribute to achieving those goals.

It is greatly important that banks be active in the green financing processes that help to achieve development goals. Therefore, it is substantial to build the institutional capacities of banks to help them deal with this type of financing, especially in the sectors of renewable energy, environment and guaranteeing the sustainability of natural resources.

She called for cooperation and exchange of expertise and entrepreneurial experiences in financing projects that achieve all aspects of sustainability. Jordan, she said, provides an ideal environment for this.

Participants in the fifth forum reviewed experiences of UNEP, ways of sustainability reporting according to the GRI guidelines, and they shed light on sustainability in the Jordanian banking system.

They also discussed the response of Jordanian government institutions to global initiatives in social responsibility and sustainable development goals, and the national green economy strategy, in addition to success stories in social responsibility and sustainable development that had been implemented in the kingdom.

Participants in the one-day forum included representatives of banks, ministries and government institutions such as the Ministries of Planning and International Cooperation, Environment, Amman Stock Exchange; a number of CEOs and general directors of banks; head of Jordanian Businessmen Association Hamdi Tabba and Chairman of Jordan Chamber of Industry Adnan Abul Ragheb.

D. Other Activities and News

ABJ Holds its Ordinary General Assembly, Approves its 2017 Budget

The ABJ held its ordinary general assembly meeting on 20 March 2017, under the chairmanship of its Chairman Musa Shehadah, in the presence of representatives of member banks. The ABJ general assembly approved the board of directors' report on ABJ work for 2016 and discussed the future plan of 2017. It further approved the financial statements of 2016 and the estimated budget of 2017.

The ABJ Draws Strategic Plan of 2017-2019, Operational Plan of 2017

In line with the strategic planning approach that it started since 2010, the ABJ drew its strategic plan for 2017-2019, which comprises three main strategic components and 11 strategic sub-goals.

The ABJ further drew its operational plan of 2017 in line with the components and strategic goals of the overall plan. The operational plan of 2017 included a great range of sub-goals (operational goals), reaching 56 operational sub-goals that work to achieve the strategic goals set in the 3-years plan.

ABJ's Steps to Found Companies for Commercial Banks, Islamic Banks

The ABJ took the following steps in the context of incorporating two separate companies for Jordanian commercial and Islamic banks to have stakes in the Saudi-Jordanian Investment Fund Co LTD:

The ABJ contacted Ali Sharif Zu'bi Law Firm to appoint them to do the incorporation procedures of two separate companies for commercial banks and Islamic banks, with the purpose of having stakes in the Saudi-Jordanian Investment Fund Co LTD. The preliminary capital of the fund company is almost \$10 million (7.1 million JDs); the Public Investment Fund of Saudi Arabia contributes 90% to the company while the two Jordanian banks' companies contribute 10% (or 710 thousand JDs), divided as 83.87% for the commercial banks' company and 16.13% for the Islamic banks' company.

- On 8 March 2017, the ABJ delivered to banks a table showing banks' contributions in the two companies' capital, in addition to the Articles of Association, Articles of Incorporation, minutes of Board of Directors' meeting and minutes of general assembly meeting. The ABJ asked banks to furnish it with their feedback and remarks on the said enclosures, as well as sending a letter of confirmation of their contributions, the Articles of Association of the bank and the certificate of the authorized signatory on behalf of the bank. The letters were a preliminary action to convene the general assembly meeting and the first meeting of the board of directors for both companies. The ABJ received the requested information and documents.
- The ABJ held on 29 March 2017 the first general assembly meeting and the first meeting of the board of directors of the commercial banks' company and Islamic banks' company. Banks signed the two companies' articles of association and the minutes of meeting of both the general assembly and board of directors of each company. An auditor was appointed. The board of directors of each company was elected and an account was opened at the CBJ so that banks could deposit their contributions in both companies.
- Registration procedures at the Companies Control Department were completed; certificates of registration for both companies were issued on 6 April 2017 under the name of Jordanian Commercial Banks Investment Group, for commercial banks, and the name of Jordanian Islamic Banks Group for Investment Activities, for Jordanian Islamic banks. Banks' contributions were deposited in the account of the Saudi-Jordanian Investment Fund Co LTD.
- The ABJ addressed the CBJ Governor and the Prime Minister in April 2017 to reaffirm that the two companies, aiming to contribute in the Saudi-Jordanian Investment Fund Co LTD, get the exemptions decided to be given by the Jordanian government and the CBJ.

UAB Organizes the SMEs Forum: the Path to Economic Development and Social Justice

Under the patronage of the Minister of Industry and Trade and Supply Yaarob Qudhah and the CBJ Governor Dr. Ziyad Fareez, the Union of Arab Banks (UAB) co-organized with the CBJ, ABJ and Association of Banks in Palestine (ABP) the SMEs Forum: the Path to Economic Development and

Social Justice, on 19-20 July 2017.

More than 250 leading banking, financial and economic charts took part in the forum. Participants came from Jordan, Palestine, Lebanon, Egypt, Sudan, Bahrain, Saudi Arabia, Qatar, Kuwait, UAE, Libya, Tunisia, Algeria and Iraq.

In the opening session, UAB General Secretary Wissam Fattouh, ABJ Chairman of Board of Directors Musa Shehadah, CBJ Deputy Governor Dr. Maher Sheikh deputizing for the governor, and Minister of Industry, Trade and Supplies Yaarob Qudah addressed the forum consecutively.

Dr. Maher Al Sheikh said SMEs provide between 40 and 60% of total job opportunities created all over the world. They account for 95% of total companies operating in Jordan, and they contribute almost 40% of Jordan's GDP.

As regards the financial inclusion of adults in Jordan, he said that it is almost 25%, which is low if compared with other countries of the same income category at the world level.

He added that Jordan is committed to increase the percentage of financial inclusion to 36.6% of the adult population by the end of 2020, in addition to reducing the gender gap in financial access from 53% to 35% by the said year.

In the past four years, the CBJ, in cooperation with the Ministry of Planning and International Cooperation and international and regional financing institutions, mobilized almost \$440 million financing at low interest rates for the SMEs sector. Out of this amount, \$220 million were credited to Jordan until to date and were lent to 16 thousand enterprises, Dr. Sheikh said.

ABJ Chairman Musa Abdel Aziz Shehadah said the biggest challenge facing SMEs is access to financing, as more than half of those businesses suffer great difficulties of accessibility to credits. Therefore, the challenge facing countries in the region is to create a friendly environment that could facilitate SMEs' financing.

Shehadah said by analyzing interaction between supply and demand factors, and institutional and regulatory factors, the main barriers and challenges facing SMEs in accessing credit could be summarized as insufficient collaterals and the infrastructure of credit information in many Arab countries, the high percentage of non-performing loans, the weak and limited impact of specialized financial institutions, the weak competition in banking systems in some countries and the limited alternatives to financing SMEs outside the banking sector, in addition to non-financial barriers such as the limited financial accounts and credit registers of those businesses.

The ABJ Hosts Launching CBJ Economic Initiatives

Under the patronage of Prime Minister Dr. Hani Mulki, the ABJ hosted on 12 March 2017 the CBJ launching of a set of economic initiatives that include the incorporation of investment companies for

banks with a capital of JD 125 million to invest in medium-sized enterprises and the program to support the national exports credit, to which JD 100 million has been allocated.

CBJ Governor Ziyad Fareez said the initiatives are the banking system's response to the recommendations of the Economic Policies Council (EPC), launched by His Majesty King Abdullah and later endorsed and adopted by the Cabinet.

The first initiative aims at supporting exports through a JD100 million loan from the CBJ to the Jordan Loan Guarantee Corporation (JLGC) to establish a fund whose returns would enable the JLGC to guarantee Jordanian exports' credit and, subsequently, boost exports to different destinations, especially new markets.

The CBJ, he added, has worked with the Ministry of Planning and International Cooperation (MOPIC) to create the Jordanian Entrepreneurship Fund at a cost of \$100 million split 50-50 between the CBJ and the World Bank, to be launched during the first half of 2017, with the aim of investing in start-ups.

To boost financing of start-ups, small and medium size enterprises, the governor said, the CBJ would increase allocations of loan guarantee program of start-ups to JD 100 million, up from JD 50 million, once the current budget is used up.

The initiatives launched today, he said, include the incorporation of two banking investment companies in Jordan, the first is "The Commercial Banks Company for Investment" with a capital of JD100 million and the second is the "Islamic Investment Company," whose capital stands at JD25 million.

The two companies, he went on to say, aim to invest in medium-sized companies to trigger growth and expand their scope of business to be reflected positively on their job generation capacities. This would certainly reflect on all economic activities and other initiatives and investment funds would emerge of those two companies, he stressed.

He stressed that banks' initiatives come out of their conviction in the promising future of the national economy. "The number of Jordanian and non-Jordanian investors who invested in the Arab Bank's deal, whose value exceeded one billion dollars, is the best evidence of the positive outlook of the Jordanian economy."

The governor reiterated that Jordan proved it can handle challenges with efficiency and determination under the wise leadership of His Majesty the King. The government implemented wide-scale reforms that could not have succeeded lest for the harmony and complementary roles played by all sectors in the country.

It is in this context, he added, that the CBJ raised interest rates on fiscal policy instruments to boost the competitiveness and attraction of the Jordanian Dinar as a vessel for local savings. The CBJ, however, did not overlook the developmental aspect. So it kept unchanged its interest rates on re-financing programs that include industry, agriculture, tourism, renewable energy and IT sectors. Sums granted under this program, including SMEs in these sectors, exceeded JD 300 million.

The CBJ secured USD 440 million from regional and international institutions for local banks to re-lend them to SMEs to reduce the credit costs on those sectors that are important for job creation and triggering growth.

On his part, Chairman of ABJ's Board of Directors Musa Shehadeh highlighted the importance of initiatives that implement the first package of EPC's recommendations to trigger the national economy.

Such initiatives, he said, serve national economy, achieve targeted economic growth, alleviate unemployment issues and boost exports to new and traditional markets.

Jordanian banking sector, he went on to say, was able to achieve noticeable and constant growth over the past few decades. It had been able to have a special niche with the backing and support of CBJ which adopts wise fiscal policies.

Total assets of banks operating in Jordan doubled to reach JD 48.4 billion by the end of 2016; credit facilities was increased by two and a half times to reach JD 22.9 billion; and, deposits rose by two and a quarter times to reach JD 32.9 billion by the end of 2016, he went on to say.

Shehadeh underlined the strength and resilience of Jordanian banking sector as shown by the financial strength indicators, despite the difficult circumstances that the national economy passed through in the past years. It was able to deal with new conditions and circumstances in a responsible and wise way that conforms to the proper international standards, according to valid banking practices and rules and according to the CBJ's instructions, he said.

ABJ Chairman added that the ratio of non-performing debts stayed low at less than 5% of total debts, with big provisions that cover three quarters of non-performing debts. Capital adequacy ratio in banks is greatly higher than the minimum limits required by the CBJ and the Basel Committee.

The general manager of the Arab Bank Neme Sabbagh stressed that banks' initiative to invest in Jordanian medium sized businesses "arose from our deep belief in the vital role that medium sized enterprises play in job creation and in the growth and prosperity of our national economy."

Sabbagh was talking on behalf of banks operating in Jordan, in his capacity as the head of the committee that banks formed to prepare for the initiative of investment in medium sized Jordanian enterprises.

A specialized technical committee composed of the Arab Bank, the Housing Bank, Jordan Islamic Bank, Jordan Kuwait Bank, and Arab Jordan Investment Bank developed an organizational and legal structure for investment in Jordanian medium sized companies.

The initiative received a warm welcome from most banks, and 18 banks took part, 15 commercial banks and 3 Islamic banks, Sabbagh said.

The initiative provides for the creation of two investment companies: one for commercial banks to invest in an authorized capital of JD 100 million. It is completely owned by participating commercial banks. The other is for Islamic banks with an authorized capital of JD 25 million, and it is completely

owned by Jordanian Islamic banks.

A third company with experience in investment would be appointed to run the investment. The investment policy of this third company would be drawn by the two principal companies.

The initiative would contribute to achieve growth and expansion and maximize the organizational and administrative support to medium sized companies that have qualitative administration and competitive advantages. Banks would invest directly in the equity of those companies at commercial bases to support their capital, Sabbagh pointed out.

On his part, JLGC General Director Dr. Mohammad Jaafari said the launching of the program to guarantee Jordanian exports' credit at a value of JD100 million funded by the CBJ would enable the JLGC to expand the scope of its insurance coverage of national exports.

The program, Jaafari added, would also enable JLGC to provide wider insurance coverage of traditional markets and penetration into new markets that are not covered by international insurance and reinsurance companies in light of the unbecoming political and security developments in the region.

So, the JLGC would be able to ensure the necessary coverage of constructions and service, technical and consultation exports, as well as providing guarantees to exports whose settlement term is longer than what is currently in force. This would increase the competitiveness and chances of national exports, he said.

The JLGC program would definitely work in a sustainable way, he said. The company would invest the CBJ's loan proceeds in government bonds, and the net revenues of the sum would be allocated to cover risks of guaranteeing exports.

Jaafari expressed hope that the JLGC would exercise its national role in guaranteeing financing of SMEs and guaranteeing exports' credits. These two missions are extremely important in stimulating growth and creating job opportunities in light of the sluggish economic growth and high unemployment rates, he said.

The corporation would render its services according to the best standards and most efficient methods, JLGC general director said.

On his part, ABJ General Director, Dr. Adli Kandah, said in a presentation that the Jordanian banking sector has always been a true and efficient partner of the public sector in all that enhances economic growth and achieves comprehensive and sustainable development.

This partnership, he added, resulted in a great number of joint initiatives, such as the launching of the "The Commercial Banks Company for Investment" and the "Islamic Banks Investment Company."

Dr. Kandah highlighted the important role the CBJ plays in the management of monetary policy and maintaining monetary and financial stability to achieve socio-economic development in the kingdom.

He stressed that achieving comprehensive and sustainable development and realizing national economic goals cannot be done without a genuine public-private partnership, in which the private sector is the main engine of economic activities.

ABJ General Director Takes Part in the 4th Conference on Enhancing Institutional Governance, Applications in Business Associations

The ABJ General Director Dr. Adli Kandah took part in the 4th International Conference on Enhancing Institutional Governance and its Applications in Business Associations as a Basis to Develop Performance and Achieve Goals, that was held during the period of 19 to 20 April 2017.

Kandah's working paper in the first session of the conference handled the issue of governance and its role in developing the performance of banks and financial institutions.

Central banks, he said, play a substantial role in founding and cementing the good governance systems in the banking sector, through the precautionary regulation, banking supervision and ensuring payment systems.

The proper practice of governance enhances the soundness of the banking system, by committing to the standards that the Basel Committee set for supervision on banks and banking industry.

In the same context, Dr. Kandah pointed to CBJ measures on governance, including the instructions on corporate governance of banks which contained the principles, rules and conditions that banks should follow for the effective implementation of corporate governance. Those include separation between the responsibilities of CEOs and those of the general directors.

Instructions, he added, focused on the rights of the stakeholders who should be treated equally and with transparency so that they could properly assess the bank's situation and financial performance. The relationship between management and stake holders should be governed by accountability rules, he said.

Corporate governance, he said, provides clear-cut frameworks for supervision, accountability and compliance. It strengthens integrity and transparency, guarantees the lack of interest conflicts and realizes full justice in the relationship of all stakeholders.

The biggest winner of implementing corporate governance, he said, is the relevant firm, its sector and the national economy as a whole. The sound managements of companies committed to the components and applications of governance are the genuine tools to achieve sustainable development by strengthening active elements in building the national economy.

General Director Takes Part in the Women Empowerment Conference

The ABJ General Director took part in the Conference on Women Empowerment that the UAB organized in Beirut on 3 March 2017.

Dr. Kandah delivered a working paper on the Role of Banks and Financial Institutions in Jordan in the Economic Empowerment of Women in the conference that was co-organized with the World Union of Arab Bankers (WUAB).

The Jordanian National Commission for Women drew the first national strategy for women in 1993. The commission became in 1996 the reference for all official agencies in what concerns women affairs and activities, as official institutions ask for the commission's opinion in all matters of concern to women.

Despite this long history of commitment, Jordanian women participation in economic activities is still low, he said.

Kandah called on the conference to adopt a clear-cut road map to increase economic empowerment of women and increase their economic participation, providing decent working opportunities for women that include furnishing appropriate choices to give care for the children of working mothers, such as flexible working hours or less working hours, and creating a friendly environment for women entrepreneurs that is based on gender equality.

He also called for increasing women representation in the management and leadership positions in the region, encouraging women to start their own businesses, making use of the experiences of banks and financial institutions in other countries that provide financial services to women, and creating a societal culture that indicates the importance and advantages of financing women-owned and women-run businesses, in addition to adopting the international best practices in banking services targeting women-owned SMEs and developing more products and services that target women.

Dr. Kandah recommended creating programs and funds that provide financing to women-led start-ups without collaterals, and developing the financing mechanisms to guarantee creative products, such as the venture capital.

The ABJ to Develop Outcomes of YU's Economics Faculty

The ABJ General Director discussed with the dean of Economics and Administrative Sciences at the Yarmouk University (YU), Dr. Mohammad Taamaneh, developing the faculty's curricula in all fields to match the requirements of the job market.

The CEO of Amman Stock Exchange Nader Azar, heads of departments of the faculty and representatives of companies, especially from the Irbid governorate, took part in the discussions.

The meeting aimed at discussing ways and means of implementing the faculty's objective of developing

students' skills and matching courses to the needs of the market, especially banks, financial institutions and capital markets such as the ASE, Securities Depository Center, Jordan Securities Commission and electricity companies.

The YU's Faculty of Economics and Administrative Sciences is the second biggest faculty teaching economics, financial and banking specializations in Jordan. It graduated many charts and experts in those fields who occupied senior positions in Jordanian ministries and banks and contributed to advancing banking in many Gulf countries.

The ABJ Takes Part in a Workshop on Entrepreneurship in Green Businesses

The ABJ General Director took part in a workshop on Entrepreneurship in Green Businesses that the Ministry of Water and Irrigation co-organized with the European Union under the theme of Factors of transformation to green economy in Jordan.

A number of concerned partners took part in the workshop held on 27 April 2017.

Dr. Kandah said banks offer many products and financial services to green entrepreneurial sector in Jordan that include short, medium and long term loans, capital finances and purchasing immovable assets, financing start-ups, and issuing the necessary credits and guarantees to implement businesses. Banks also have programs to support the Renewable Energy and Energy Efficiency Fund (REEEF), in addition to CBJ advances to the renewable energy sector, industrial medium term advances to the industrial sector, and the JLGC programs.

Islamic banks offer product to finance hybrid and electric cars, and products to finance renewable energy as a Morabaha and Mosawamah selling formulas, financing renewable energy for SMEs and financing energy efficiency systems and equipment.

Kandah said granting funding requires that it is in line with the bank's credit policy, as well as having feasible studies and financial statements for the projects, commitment to the conditions of agreements signed with the CBJ and the REEEF, and that it should be in line with the requirements of official regulatory agencies.

He added that there are a number of challenges facing financing green entrepreneurial projects and the innovative environment and social initiatives of civil society. Those include the weak awareness of investors in this type of investment that benefits of available financing programs of entrepreneurial green businesses; the need for more interest in environment-friendly businesses along with renewable energy, recycling, organic agriculture, clean industry and waste recycling. There is also the absence of a proper legislative environment to regulate the work of those enterprises and give them sufficient incentives; the difficult government procedures of having the necessary approvals and permits; the absence of different sources of financing that could provide the necessary funding at reasonable costs and at an acceptable level of risk; the high cost of installing renewable energy systems compared with the benefits; the fluctuating cost of those systems and the numerous companies selling them; and the insufficient capacity

of NAPCO's infrastructure to absorb new projects.

ABJ's major recommendations as regards ways of innovative financing of clean technology, environmental innovations, green entrepreneurial businesses and green economy include looking for low-cost sources of financing to help those businesses grow and continue; having more benefit of agreements concluded with local and international agencies to provide the necessary financing of such businesses, to cover the risks of failure and endure part of financing costs.

ABJ, IBS Conclude Zuheir Khoury Scholarships Fund Agreement

The ABJ and the Institute of Banking Studies in Jordan (IBS) signed an agreement on Zuheir Khoury Scholarships Fund, pursuant to which the Khoury family provides a scholarship for the Masters Degree that the IBS offers in the specializations that the scholarship specifies.

Omar, the son of late Zuheir Khoury, signed the agreement on behalf of his family, while the general director signed it on behalf of the ABJ and Dr. Riyadh Hindawi signed it on behalf of the IBS.

According to the agreement, the Khoury family would finance one scholarship each two years for the Master's students. Acceptance conditions and specializations are set by the IBS to determine who could compete for this scholarship and its privileges.

Conditions for applying for the scholarship include the GPA of the bachelor degree in specific specializations, working experience in financial and banking fields, mastering of English and Tawjihi JPA.

Zuhair khouri is one of the pillars of banking in Jordan. He was assistant secretary of Jordan Currency Board between 1961 and 1964, a head of a CBJ department between 1964 and 1968, and the executive manager of CBJ between 1968 and 1973.

Khouri helped to found many prestigious economic institutions, on top of which is the Housing Bank. He had been the general director of the housing bank from 1973 until 1997, and then he became the chairman of board of directors of the bank from 1997 and 2002. He has also been the chairman of board of directors of the ABJ for 15 years and represented Jordan in the UAB for a long time.

ABJ General Director Takes Part in a Regional Conference on Total Compliance to Fight Money Laundering and Terrorism Financing

The ABJ General Director took part in the regional conference on the total compliance to combat money laundering and terrorism financing, co-organized by the World Union of Arab Bankers (WUAB), the Central Bank of Cyprus and the Association of Banks in Cyprus, in Limassol, Cyprus, on 8-9 June 2017.

ABJ's General Director, Dr. Adli Kandah, pointed in a keynote speech in the opening session to the international community's efforts to fight money laundering and terrorism financing.

He stressed that integrity and stability of the international financial system should never be affected by who are implicated in criminal acts. "Money laundering and terrorism financing should be confronted as they have severe impact on economic activities, especially as developments in ICT sector and the available financial data increased this impact," he added.

He underlined the importance of such a conference as it strengthens the exchange of expertise and enhances cooperation in banking among countries in the region.

ABJ General Director Dr. Adli Kandah said dirty money deeply penetrates the financial system, and the clandestine nature of money laundering processes makes it difficult to find out its source or volume.

The United Nations Office on Drugs and Crime estimates that money laundering accounts for 2 to 5% of GWP, which ranges between \$800 billion and two trillion dollars. This is a huge chart even in the minimum value; we have to face this problem seriously.

He stressed that the world is aware that money laundering and terrorism financing affect us all. Countries, including Jordan, realize that and undertook national measures that are in compliance with law to fight the phenomenon and its economic, political, social and security risks. Countries adopted the necessary tools to enhance supervision and enforce law.

Ever since the 1990s, Jordan started to focus on combating money laundering by amending the Central Bank of Jordan's law to oblige banks operating in Jordan to report any suspicious transactions that might be connected to a criminal act.

He pointed out that the CBJ created the Unit for Combating Money Laundering in 2007 to strengthen the process of combating money laundering and terrorism financing. The unit, which is responsible for the legal aspect of this fight, developed its work and managed to thwart many of the increasingly growing cases due to the regional stability and the challenges of terrorist and extremist groups.

He reiterated that Jordan is one of the strictest countries in the region and the world in fighting money laundering and terrorism financing. It ranked third at the Arab level and 35th at the international level at the Basel Index for Combating Money Laundering in 2016.

SSC, Banks Conclude MOUs for Electronic Attachment, Detachment

The Social Security Corporation (SSC) signed in May 2017 memoranda of understanding with 25 banks operating in Jordan, to facilitate and advance procedures of attachment and detachment on the deposits of individuals and companies who are financially indebted to the SSC and who have deposits at those banks.

The MOUs were signed by the SSC General Director Nadia Rawabdeh and general directors of banks.

ABJ Chairman Musa Shehadah said the conciliatory and coordinating efforts of the ABJ to sign the said MOUs with the SSC is because of the association's keenness to advance banking, which is one of its main goals of fostering the interests of member banks and coordinating with them to reach a common benefit.

This procedure, he added, serves the kingdom's efforts to implement the e-government strategy by the end of 2020. Signing those MOUs would develop procedures of attachment and detachment on the deposits and money of individuals and corporate indicted with attachment by the SSC.

The procedure is an electronic attachment system that would also allow banks to inquire about the data of SSC beneficiaries through the SSC website, he explained.

On her part, Rawabdeh said the SSC is a public corporation that was established to enhance social security programs and contribute to socio-economic plans.

Signing those MOUs with banks, she added, contributes to facilitating procedures of attachment and detachment requests electronically according to SSC's decisions.

The corporation, she said, exerts impressive efforts to reduce the time and effort taken in attachment and detachment procedures, thus simplifying the SSC's procedures against facilities indebted to the corporation.

This would also advance the level of rendered services to beneficiaries, whether individuals or corporate, she added.

The ABJ General Director hailed those MOUs, which reflect the genuine public-private partnership, as having direct influence on advancing services.

This event is a successful example of electronic attachment. It takes only one working day to effect attachment or detachment once the signing bank receives an electronic request from the SSC to this effect, he said.

Banks are licensed to practice banking in the kingdom; they are the only party who knows the type and value of deposits of any customer. This requires confidentiality on the part of banks; therefore, what happens is that the SSC requests attachment or detachment of the customer's money, which the bank will duly perform, Kandah added.

Arab Forum on Fighting Money laundering, Terrorism Financing and Tax Evasion

The World Union of Arab Bankers (WUAB) in cooperation with the ABJ organized the Annual Arab Forum on Fighting Money Laundering, Terrorist Financing and Tax Evasion which kick started in

Amman between 23 and 24 Aug. 2017.

The two-day forum shed light on new mechanisms and means of combating money laundering, financing of terrorism and tax evasion, which are key issues for the future of Arab banks, especially in light of the latest political developments taking place at the regional and international levels.

The forum further discussed the principles and foundations of international laws and regulations in compliance with the requirements of the Basel Committee, the Financial Action Task Force (FATF) recommendations, the United Nations and other relevant international institutions.

Deputy Chairman of Arab Bankers and Chairman of the Board of Directors of Social Security Investment Fund, Marwan Awad, said in opening remarks that globalization gave financial crimes risky dimensions that threaten global economy, security and stability, hence it has become a priority on the international agenda.

Multiple risks of financial crimes require standards for financial institutions. To meet this goal, the FATF has developed applicable universal standards to anti-money laundering, he said.

These standards are now known as the "Forty Recommendations," which have been recognized as the international standards for combating money laundering and the financing of terrorism, he added.

The strict implementation of the terrorism fighting standards forced financial institutions to avoid risks by restricting their relations with some customers, he said. De-risking, he pointed out, is an evidence of market failure as it forced customers to resort to unregulated channels and harmed achieving the goal of financial inclusion.

Awadh further underlined the importance of curbing tax evasion, especially the law adopted by the Organization for Economic Cooperation and Development (OECD), which is more comprehensive than the American FATCA. Global Account Tax Compliance Act (GATCA) permits the automatic exchange of information between international financial institutions, known as the common reporting standard.

Awadh urged Arab countries to join this standard as soon as possible as only five Arab countries acceded to it. There should be attempts to raise awareness of financial institutions as regards its implementation mechanisms, he added.

On his part, ABJ's General Director, Dr. Adli Kandah, said during the past years, the international community has been exerting incessant efforts to combat money laundering and terrorism funding to prevent those engaged in criminal activities from abusing the safety and stability of the international financial system.

Despite those efforts, he went on to say, the challenge continues to exist because threats are constantly evolving, and the nature of illegitimate cash flows vary and intersect between countries and economic sectors.

He pointed out that those engaged in criminal activities resort to developed ways in money laundering

or terrorism funding, as the quick ICT developments allow money to flow speedily and easily all over the world. Therefore, he said, combating money laundering has become more urgent than any time ever.

He pointed out to a number of developments in the international financial system during the last decades that made detecting, freezing and confiscating revenues and assets arising out of criminal activities an even more difficult process.

Some of those developments include dollarization in the black market (using the American dollar in transactions), and the general tendency towards financial liberalization, the progress in the European market and the increasing number of secret havens for money.

Progress in ICT domains developed financial infrastructure in a way that constituted a global system that works constantly and gives encoded funds free and easy mobility anywhere in the world, he said. "This is an important issue that affects us all as money laundering and terrorism funding is a genuine threat to the stability and trustworthiness of financial systems, let alone their high social and political costs," he added.

Jordan's concern in combating money laundering and terrorism financing goes back to the 1990s, and the Banks' Law # 28 of the year 2000 was issued to contain rules on money laundering transactions that bind banks operating in Jordan to promptly report any financial transaction pertaining to or implying any illegitimate action or crime to the Central Bank of Jordan.

The CBJ, he went on to say, established in 2004 a section for suspicious transactions as part of the Bank Monitoring Department, which later developed into the Anti-Money Laundering and Terrorism Funding Unit, in addition to the formation of the National Anti-Money Laundering and Terrorism Funding Committee pursuant to provisions of Article 5 of Combating Money Laundering Law, headed by the CBJ Governor with members including 9 of relevant bodies.

Jordan is one of the countries that most comply with fighting money laundering and terrorism financing at the regional and world levels. Jordan ranked one at the Arab level and 36 at the international level in the Basel Indicator for fighting money laundering in 2017 that includes 146 countries, he pointed out.

Jordan, he went on to say, also complies with international laws of fighting tax evasion. This is evidenced by the number of bilateral and multilateral agreements that Jordan signed with other countries to prevent tax evasion.

ABJ Takes Part in the Arab Financial Inclusion Day, Organized by CBJ

ABJ chairman and ABJ General Director took part in the Arab Financial Inclusion Day, organized by the CBJ under the slogan of Enhancing Financial Inclusion is the Way for Sustainable Development in Arab Countries.

CBJ Governor Dr. Ziyad Fariz said financial inclusion is a main component of sustainable socio-

economic development, as it liberates capacities of the restraints blocking them and creates true opportunities for individuals to play an essential role that befits Arab citizens and countries.

The CBJ undertook the responsibility to expand financial inclusion vertically and horizontally, so that it reaches residents of isolated areas and governorates, and provides different services that meet the needs of all society segments, he added.

The CBJ, he said, began to take the practical measures to draft the National Financial Inclusion Strategy, hand in hand with our partners in the public and private sectors.

The strategy handles the most important components to achieve financial inclusion, atop of which is MSMEs' access to financing, e-payment systems and micro-financing, financial culture and protection of financial consumer.

On his part, ABJ Chairman Musa Shehadah said financial inclusion has become a major issue on the agenda of international and national financial and economic meetings, as it is a major approach to build strategies of international and national sustainable and comprehensive development, and because of its big role in fighting poverty and unemployment, increasing productivity, improving prospects of development and enhancing financial and social stability.

As regards the ABJ's role in enhancing financial inclusion, Shehadah said the association has taken a great range of measures that helps achieving and enhancing financial inclusion in the kingdom. Those measures include striving to spread financial and banking culture, seeking to enhance the financial inclusion of women, young people and SMEs, in addition to enhancing an environment friendly of financial inclusion in the kingdom.

As for the role played by banks operating in Jordan in enhancing financial inclusion, Shehadah said banks are a principal partner of the CBJ in realizing plans, policies and programs of financial inclusion in the kingdom.

Banks, he added, endorsed initiatives that help to achieve this goal, including developing a set of bank services, products and solutions that meet the needs of different segments of society. They have developed specialized services for women, youth and MSMEs and start-ups. They have endorsed and used the latest electronic channels to empower customers in remote places to access and benefit of bank services.

Banks are supporting a number of national initiatives in the field of financial inclusion, he said.

The Most Important Events in which the ABJ Took Part in 2017

The ABJ, represented by its general director, took part in different events at the local, regional and international levels.

The ABJ General Director delivered an opening speech at the Annual Forum on Money Laundering, Terrorism Financing and Tax Evasion that the World Union of Arab Bankers organized on 23 Aug, 2017.

He also chaired, and intervened in, the Fifth International Conference organized by Tamkeen for Administrative and Technical Development under the title of Knowledge Capital the Path to Innovation, Renewal and Quality Insurance in Financial and Banking Institutions. The two-day conference was held on 19 Sep. 2017.

The general director participated in Laila Baqqili Conference that was organized by SIGI- Jordan on 14 Oct. 2017. He presented a working paper on The Situation of Women in the Banking Sector. He participated in the Financial Inclusion Conference held by the CBJ on 4 Dec. 2017.

Dr. Kandah further took part in the two-days Arab Banking Summit, Finance in an Unpredictable World, that the Union of Arab Banks held in London on 1 May 2017.

In the conference on Women Empowerment in Beirut on 3 March 2017, Kandah presented a paper on The Role of Banks and Financial Institutions in Jordan in the Economic Empowerment of Women.

He took part in the seminar on Making Islamic Finances: Islamic Financing, Reality and Vision, on 21 March 2017. He further took part in the seminar organized by Talal Abu Ghazaleh Foundation on 21 May 2017 on Competitive Edge, Innovation and Talent.

The ABJ General Director presented a working paper on Jordanian Banks Operating in Palestine in a conference of the Situation of the Palestinian Banking Sector: Opportunities and Challenges. The two-day conference was held in Amman on 30 Jan. 2017.

Kandah presented a working paper on Sustainability Report for the Banking Sector in Jordan to the Arab Banking Conference, 2017, that was held in Amman in period of 2-3 April 2017. He presented another paper on The Role of Financial Actors and Expectations from Green Entrepreneurs and Grassroots Green Entrepreneurship and Eco-Innovative, in the forum on Grassroots Initiatives: Agents of Change towards a Green Economy in Jordan, on 27 April 2017 in Amman.

The general director participated in the Forum on Energy Efficiency and Renewable Energy on 8 July 2017 in Amman. He presented a working paper in the discussion panel held by TAG Group in Policies and Required Means to revive Amman Stock Market on 21 Dec. 2017. He presented a working paper in the specialized seminar held by the Center for Future Studies at the Philadelphia University on 23 Dec. 2017. The paper's title was Future Prospects of the Youth.

As regards meetings, the ABJ General Director took part in the meetings of the Committee for Spreading Financial Culture that took place on 30 March 2017 and 30 Oct. 2017 at the CBJ headquarters. He participated in two meetings of the parliamentary financial and economic committee that were held on 10 and 11 April 2017 at the Lower House of Parliament. He also took part in the meeting held at the Upper House of Parliament on 24 April 2017 to discuss draft Banks Law. He also took part in the press conference that the CBJ held on the Arab Financial Inclusion Day on 27 April 2017.

The general director held a meeting with representatives of the Middle East Investment Initiative (MEII) to discuss means of cooperation between the ABJ and the MEII on a financing program of SMEs.

He also participated in a meeting with World Bank representatives that was organized by JLGC on 10 Oct. 2017 to discuss proposed mechanisms to help export-oriented sectors in terms of developing bank products and exports guarantee programs, etc.

Kandah also participated in a meeting at the Ministry of Education to discuss the initiative of HRH Princess Alia, related to paper recycling on 1 Oct. 2017.

He attended a meeting at Philadelphia University to develop educational services and drawing the university's strategy for 2018-2022, on 19 Oct. 2017.

E. ABJ Publications in 2017

The ABJ issued the following publications in 2017:

- **The Annual Report:** The ABJ published its 38th annual report of 2016 in Arabic and English. The report included developments in the Jordanian banking sector in 2016 in terms of liquidity, assets, liabilities and capital. It also included analysis of comparative performance of banks operating in Jordan and new banking services that banks offered in 2016. The report analyzed the development of human resources in banks and the number of branches all over the kingdom. The report further shed light on the prospects of world and regional economy as well as a summary of national and international economic developments. It highlighted the ABJ's main activities in the year that the report covers.

- **Half-Year Report and a report on the first three quarters of 2017 on the most important developments in bank indicators in Jordan**

- **The Series of ABJ Booklets:**

Booklet #1: the Comparative Performance of Banks operating in Jordan in 2015 and 2016.



Chapter Twelve

Financial Statements of Association of Banks in Jordan for the year 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Association of Banks in Jordan

Independent Sole Association

Amman- Jordan

Opinion

We have audited the financial statements of the Association of Banks in Jordan (the Association), which comprise the statement of assets and liabilities as at 31 December 2017, statement of revenues and expenses and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2017 and its financial performance and its cash flows for the year then ended in accordance with the Association's bylaw and the accounting policies set out in (note 2).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Association's bylaw and the accounting policies set out in (note 2), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Amman – Jordan

5 March 2017

Association of Banks in Jordan- (Independent Sole Association)
Statement Of Assets And Liabilities
at 31 December 2017

	NOTES	2017 JD	2016 JD
ASSETS			
Non-Current Assets-			
Property and equipment	3	<u>1,378,521</u>	<u>1,371,709</u>
Current Assets-			
Accounts receivable and other current assets	4	27,312	23,880
Cash on hand and at banks	5	<u>2,189,579</u>	<u>2,322,681</u>
		<u>2,216,891</u>	<u>2,346,561</u>
Total Assets		<u>3,595,412</u>	<u>3,718,270</u>
ACCUMULATED SURPLUS AND LIABILITIES			
Accumulated Surplus-			
Accumulated surplus	6	<u>3,269,739</u>	<u>3,378,315</u>
Liabilities-			
Non - Current Liabilities-			
End of service indemnity provision	7	<u>64,867</u>	<u>58,686</u>
Current Liabilities-			
Accrued expenses		2,909	1,229
Other current liabilities		5,999	4,892
Restricted fund	8	<u>251,898</u>	<u>275,148</u>
		<u>260,806</u>	<u>281,269</u>
Total Accumulated Surplus and Liabilities		<u>3,595,412</u>	<u>3,718,270</u>

The attached notes from 1 to 12 form part of these financial statements.

Association of Banks in Jordan- (Independent Sole Association)
Statement of Revenues and Expenses
For The Year Ended 31 December 2017

	Notes	2017 JD	2016 JD
Revenues-			
Membership fees		547,243	566,090
Banks magazine income		49,081	49,792
Workshops and seminars income		40,100	40,950
Interest income		70,187	68,468
Other income		730	6,876
Gain from sale of property and equipment		-	<u>15,319</u>
Total revenues		<u>707,341</u>	<u>747,495</u>
Expenses -			
Banks magazine expenses	9	(61,840)	(61,511)
Workshops and seminars expenses		(26,590)	(23,447)
Administrative expenses	10	<u>(727,487)</u>	<u>(710,432)</u>
Total expenses		<u>(815,917)</u>	<u>(795,390)</u>
Net (Loss) excess in revenues over expenses for the year		<u>(108,576)</u>	<u>(47,895)</u>

The attached notes from 1 to 12 form part of these financial statements.

Association of Banks in Jordan- (Independent Sole Association)

Statement Of Cash Flows
For The year Ended 31 December 2017

	Notes	2017 JD	2016 JD
OPERATING ACTIVITIES			
Net Loss in revenues over expenses for the year		(108,576)	(47,895)
Adjustments for:			
Depreciation	3	54,369	51,051
Provision for (excess in) end of service indemnity	7	6,181	(6,876)
Interest income		(70,187)	(68,468)
Gain from sale of property and equipment		-	(15,319)
Changes in working capital –			
Accounts receivable and other current assets		(1,699)	298
Accrued expenses		1,680	(11,642)
Other current liabilities		1,107	889
Net cash flow (used in) from operating activities		(117,125)	(97,962)
INVESTING ACTIVITIES			
Received interest income		68,454	68,107
Purchase of property and equipment	3	(61,181)	(48,241)
Proceeds from sale of property and equipment		-	19,000
Net cash flow from investing activities		7,273	38,866
Net (decrease) in cash and cash equivalents		(109,852)	(59,096)
Cash and cash equivalents at 1 January		2,047,533	2,106,629
Cash and cash equivalents at 31 December	5	1,937,681	2,047,533

The attached notes from I to 12 form part of these financial statements.

(1) General

The Association of Banks in Jordan (ABJ) was established on 1 October 1978 and registered at that time as an ordinary association in accordance with the provisions of the Societies and Social Charities law number (33) for the year 1966 and its amendments law number (9) for the year 1971. In 2000, the Banking Law number (28) was issued, whereof Article 95 stipulated the creation of an association named the Association of Banks. By virtue of this law, the association's new bylaws number (35) of 2005 was issued on 29 March 2005 announced in the official newspapers no. 4707 on 18 May 2005, hence becoming an association pursuant to the Banking Law. The association objective is to develop the banking business through the following:

1. Looking after the interests of members and coordinating between them in order to achieve their common benefit.
2. Improving and modernizing the methods of delivering banking services.
3. Deepening the understanding of banking business and its norms as well as following unified regulations and procedures for this purpose.

(2-1) Basis of Preparation

The financial statements have been prepared in accordance with the association bylaw and the accounting policies shown below and under the historical cost convention.

The financial statements have been presented in Jordanian Dinar ("JD") which is the functional currency of the association.

(2-2) Significant Accounting Policies

Property and Equipment

Property and equipment are stated at cost on purchase date or at fair value on the donation date. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets using annual percentages as follows:

	%
Buildings	2
Equipment and tools	20
Furniture and fixtures	10
References and books	10
Vehicles	15

When the carrying value exceeds the estimated recoverable amounts, the assets are written down to their recoverable amounts, and impairment loss is recognized in the statement of revenue and expenses.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash on hand and cash at banks less due to banks.

Revenue Recognition

- Revenues from the annual membership registration fees are recognized on accrual basis.
- Revenues from the Banks magazine is recognized once collected.
- Other revenues are recognized on cash basis.
- Interest revenue is recognized as interest accrues using the effective interest method.

Provisions

Provisions are recognized when the association has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

End of Service Indemnity

End of service indemnity is calculated based on employment contracts equivalent to one month salary per year after deducting the associations contribution in social security.

Saving fund contribution

Saving fund contribution is calculated in accordance with saving fund regulations which represents 10% from the basic salary plus family allowance.

Expenses

Expenses are recognised on accrual basis.

Income Tax

The association is exempted from income tax in accordance with the Income Tax Law number (34) of 2014.

(3) Property and Equipment

	Land JD	Buildings JD	Equipment and tools JD	Furniture and fixtures JD	Vehicles JD	Total JD
2017 -						
Cost-						
At 1 January 2017	326,477	1,557,388	196,132	233,670	64,280	2,377,947
Additions	-	9,025	14,776	32,980	-	56,781
At 31 December 2017	326,477	1,566,413	210,908	266,650	64,280	2,434,728
Accumulated depreciation-						
At 1 January 2017	-	591,761	181,931	199,292	33,254	1,006,238
Depreciation charged for the year	-	31,148	9,792	7,954	5,475	54,369
At 31 December 2017	-	622,909	191,723	207,246	38,729	1,060,607
Net Book Value	326,477	943,504	19,185	59,404	25,551	1,374,121
Advance payment on property and equipment	-	-	4,400	-	-	4,400
Net Book Value at 31 December 2017	326,477	943,504	23,585	59,404	25,551	1,378,521

	Land JD	Buildings JD	Equipment and tools JD	References and books JD	Furniture and fixtures JD	Vehicle JD	Total JD
2016 -							
Cost-							
At 1 January 2016	326,477	1,557,388	194,132	12,856	223,929	65,380	2,380,162
Additions	-	-	2,000	-	9,741	36,500	48,241
Disposals	-	-	-	(12,856)	-	(37,600)	(50,456)
At 31 December 2016	326,477	1,557,388	196,132	-	233,670	64,280	2,377,947
Accumulated depreciation-							
At 1 January 2016	-	560,613	174,091	9,175	192,704	65,379	1,001,962
Depreciation charged for the year	-	31,148	7,840	-	6,588	5,475	51,051
Disposals	-	-	-	(9,175)	-	(37,600)	(46,775)
At 31 December 2016	-	591,761	181,931	-	199,292	33,254	1,006,238
Net Book Value at 31 December 2016	326,477	965,627	14,201	-	34,378	31,026	1,371,709

(4) Accounts Receivable and Other Current Assets

	2017 JD	2016 JD
Accounts receivable	8,647	4,978
Prepaid expenses	5,337	7,607
Refundable deposits	1,432	1,132
Accrued interest income	11,896	10,163
	27,312	23,880

(5) Cash And Cash Equivalents

	2017 JD	2016 JD
Cash on hand	1,500	1,500
Current accounts**	206,123	283,822
Banks deposits*	1,981,956	2,037,359
	2,189,579	2,322,681
Less: Martyr Pilot Moath Al Kasasbeh's Scholarships Fund	(251,898)	(275,148)
	1,937,681	2,047,533

* Banks deposits include the following:

An annual deposit at Jordan Commercial Bank amounting to JD 1,631,502 as of 31 December 2017. (2016: JD 1,573,583), with an interest rate of 3.875% (2016: 3.875%).

A monthly deposit at Arab Bank amounting to JD 223,272 as of 31 December 2017. (2016: JD 338,913) with an interest rate of 2.19% (2016: 1.5%).

A monthly deposit at Housing Bank for Trade and Finance amounting to JD 127,182 as of 31 December 2017 (2016: JD 124,863) with an interest rate of 2.07% (2016: 1.75%).

** Current accounts include restricted amount of JD 251,898 related to Martyr Pilot Moath Al Kasasbeh Scholarship Fund and financial inclusion conference fund.

(6) Accumulated Surplus

	2017 JD	2016 JD
Beginning balance	3,378,315	3,426,210
Current year Loss over expenses	(108,576)	(47,895)
Ending balance	3,269,739	3,378,315

(7) End OF Service Indemnity Provision

The movement on this provision is as follows:

	2017 JD	2016 JD
Beginning balance	58,686	65,562
Provision for (excess in) the year	6,181	(6,876)
Ending balance	64,867	58,686

(8) Restricted Fund

The movement on this item is as follows:

	2017 JD	2016 JD
Martyr Pilot Moath AlKasasbeh's Scholarships Fund*	203,398	275,148
Financial Inclusion Conference Fund**	48,500	-
	251,898	275,148

* This item represents the contributions from member banks in the association in Martyr Pilot Moath AlKasasbeh's Scholarships Fund, whereby in 2015, the association signed an agreement with the Ministry of Higher Education and Scientific Research on behalf of member Banks in order to provide one time 52 scholarships for Jordanian students registered in official Jordanian universities.

	2017 JD	2016 JD
Banks' contributions received	275,148	314,099
Amounts paid	(71,750)	(38,951)
	203,398	275,148

**This item represents the contributions from Banks for supporting the Financial Inclusion Conference which was held by the Central Bank of Jordan in December 2017.

(9) Banks magazine Expenses:

	2017 JD	2016 JD
Printing	43,283	42,536
Compensations	18,075	18,375
Others	482	600
	61,840	61,511

(10) Administrative Expenses

	2017 JD	2016 JD
Salaries and wages	350,899	348,031
Meetings and parties	11,081	15,026
Social security contribution	35,944	34,462
Saving fund contribution	25,227	24,958
Depreciation	54,369	51,051
Medical expenses	38,519	19,912
Printing and stationery	30,234	34,551
Maintenance and cars expenses	19,854	26,806
Cleaning and security	19,446	19,446
Water and electricity	17,962	19,451
Internet and telecommunication	21,444	19,737
Transportation and travel	9,907	12,226
End of service indemnity	6,181	-
Property tax	7,050	7,050
Fuel	6,379	4,433
Hospitality	11,654	11,128
Studies and research	-	14,790
Professional fees	2,378	2,378
Others	58,959	44,996
	727,487	710,432

(11) Income Tax

The association is exempted from income tax in accordance with Article (4-A) of the Income Tax Law number (34) of 2014.

(12) Contingent liabilities

There are an expected capital commitments to purchase a solar panel power generation system amounted to JD 29,400 as of 31 December 2017.

