

2016



جمعية البنوك في الأردن
ASSOCIATION OF BANKS IN JORDAN

Annual Report Thirty - Eight





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ASSOCIATION OF BANKS IN JORDAN

Annual Report

Thirty- Eight

2016

Association of Banks in Jordan

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His Majesty King Abdullah II bin Al Hussein



His Royal Highness prince Hussein bin Abdullah

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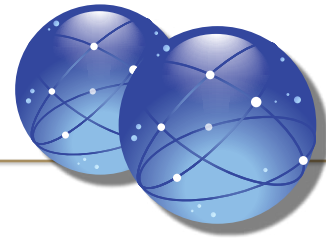


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Our Vision

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



Our Mission

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



Our Values

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

Board of Directors of the Association of Banks in Jordan

The Association's Board of Directors comprised the following dignitaries at the end of 2016:

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

Director General
Dr. Adli Kandah

Members

Membership in the Association is mandatory for all Jordanian banks and branches of non-Jordanian banks operating in Jordan. Membership in the Association at the end of 2016 comprised the following banks:

First: Jordanian banks

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

Second: Non-Jordanian banks

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

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Chairman of the Board of Directors' Foreword

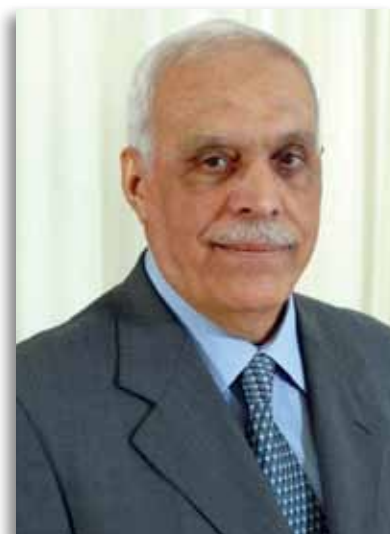
I am pleased to present to you the 38th annual report of the ABJ, which highlights the ABJ's activities, achievements, main development in the banking sector during 2016, and the audited financial statements of the fiscal year that ended on Dec.31, 2016, along with the auditors' report of their work addressed to your esteemed Association.

Available data indicate a slowdown in the Jordanian economy in 2016 as the GDP grew by 2.0% only, which is the lowest growth rate registered in Jordan during the last fifteen years. Macroeconomic indicators recorded varying performance during 2016, as the inflation rate registered a negative growth, the unemployment rate rose, the domestic revenues grew by a percentage that exceeded the growth in government spending which reduced the budget deficit, while the public debt increased in 2016. Foreign currency reserves showed decreased in 2016, while exports and imports witnessed a significant decrease which reduced the trade balance deficit. Also, foreign direct investment in Jordan and workers' remittances decreased in 2016.

Jordan's banking sector maintained its stability and strength, and could even register tangible developments during 2016. Assets of licensed banks went up by 2.7% to JD 48.4 billion. The balance of credit facilities granted by banks registered an increase of 8.5% to JD 22.9 billion by the end of 2016. Total deposits at banks went up by 0.9% to JD 32.9 billion.

As for the financial soundness indicators of banks operating in Jordan, the capital adequacy ratio reached to 18.5%, which is much higher than the minimum required by the Central Bank of Jordan (CBJ) and Basel II standards. The ratio of non-performing loans to total loans regressed to 4.3% compared with 4.9% at the end of 2015. Finally, the liquidity ratio greatly surpassed the margin required by the CBJ; it reached 137.8% by the end of 2016.

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



Musa Shihadeh
Chairman of the Board of Directors

Speech of the Director General

During 2016, the ABJ continued to carry on its mandate of discussing and following up the different issues that were submitted to it, especially those submitted by member banks. Specialized technical committees of the ABJ discussed in depth those issues and presented their comments and feedback to the concerned parties which showed a response characterized with a high degree of seriousness.

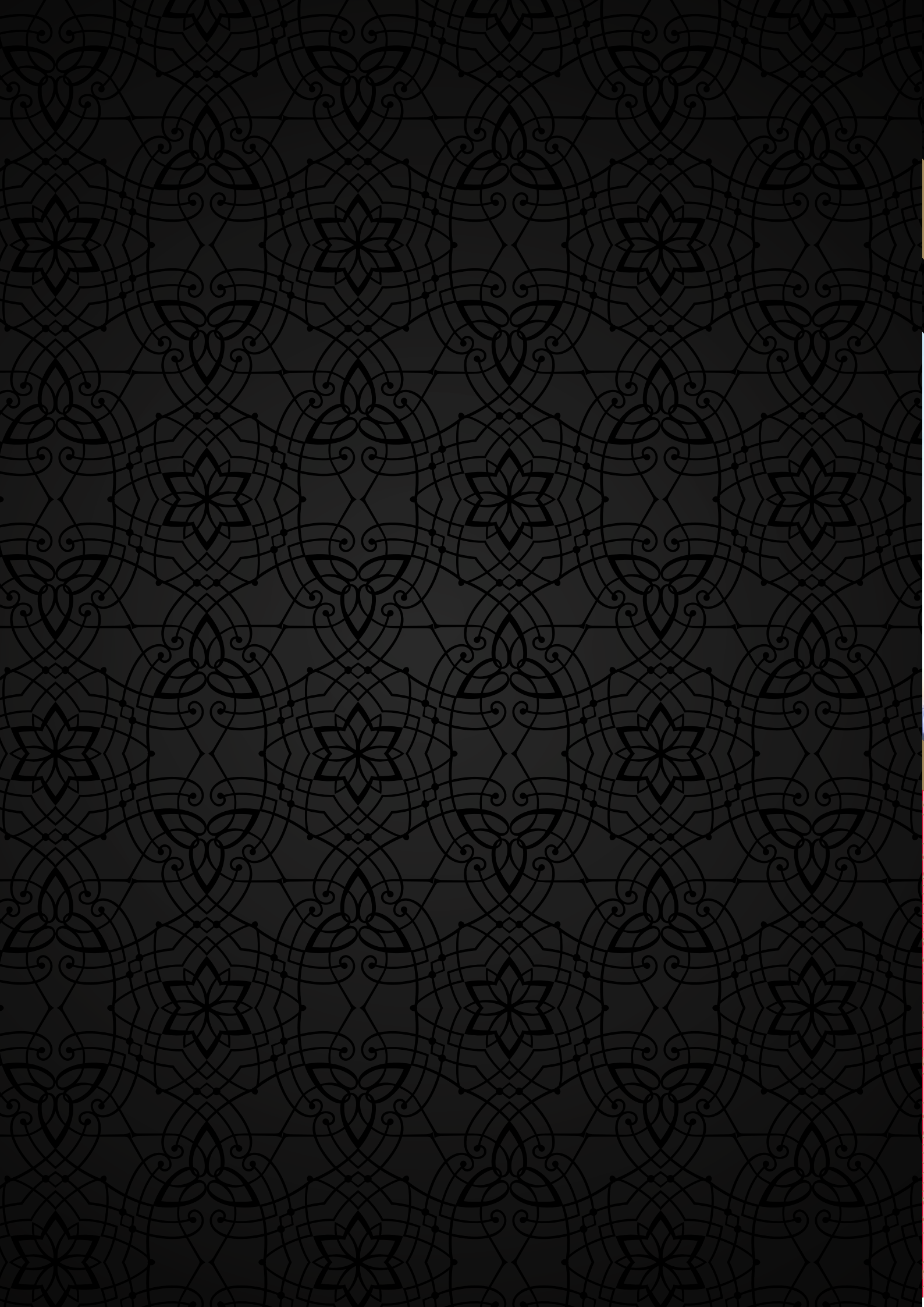
In the field of training and financial and banking education, the association organized a series of lectures, seminars and workshops during 2016 that dealt with different issues of concern to the banking sector. The association held 5 workshops and 5 training courses, and organized seminar on standards of joint reporting.

As for studies, the association issued a number of publications, reports and studies that pertain to Jordan banking system. The association issued its 37th annual report for the year 2015 in both Arabic and English. In addition, it issued the directory of services, products and solutions offered by commercial banks in Jordan. Also, the ABJ issued a field study about SMEs in Jordan: analysis of supply and demand aspects focusing on means and prospects of bank financing, and issued the first sustainability report for the banking sector in Jordan. Furthermore, the association issued three issues of the ABJ's booklets series.

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



*Dr. Adli Kandah
Director General*



Chapter One

Prospects of World and Regional Economies and Summary of International Developments



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

1. Prospects of Global Economy

The average growth of global economy witnessed a slowdown in 2016, recording 3.1% average growth compared with 3.4% and 3.5% average growth in 2015 and 2014, respectively.

The slowdown in 2016 is the result of sluggish growth of advanced economies, and emerging and developing economies alike. Average growth of advanced economies slowed down to 1.7% in 2016, compared with 2.1% the year before. The growth rate in the USA fell to 1.6%, down from 2.6%. The growth rate in the Euro area regressed from 2.0% to 1.7%. Japanese economy slightly slowed down from 1.2% to 1.0%. So was the case with emerging and developing countries whose GDP growth slightly slowed down to register 4.1% in 2016, compared with 4.2% in 2015.

Yet, prospects of global economy look favorable, with forecasts indicating that growth rates would reach 3.5% in 2017 and 3.6% in 2018.

Table (1)
Real GDP Growth Rate

	Actual								Projections	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
World	-0.1	5.4	4.2	3.5	3.4	3.5	3.4	3.1	3.5	3.6
Advanced Economies	-3.4	3.1	1.7	1.2	1.3	2.0	2.1	1.7	2.0	2.0
United States	-2.8	2.5	1.6	2.2	1.7	2.4	2.6	1.6	2.3	2.5
Euro Area	-4.5	2.1	1.5	-0.9	-0.3	1.2	2.0	1.7	1.7	1.6
Japan	-5.4	4.2	-0.1	1.5	2.0	0.3	1.2	1.0	1.2	0.6
Other Advanced Economies	-2.0	4.6	2.9	1.9	2.3	2.9	1.9	2.0	2.2	2.1
Emerging Market and Developing Economies	2.9	7.4	6.3	5.4	5.1	4.7	4.2	4.1	4.5	4.8
Regional Groups										
Emerging and Developing Europe	-3.0	4.6	6.5	2.4	4.9	3.9	4.7	3.0	3.0	3.3
Commonwealth of Independent States	6.4	4.7	4.6	3.5	2.1	1.1	-2.2	0.3	1.7	2.1
Emerging and Developing Asia	7.5	9.6	7.9	7.0	6.9	6.8	6.7	6.4	6.4	6.4
Latin America and the Caribbean	-1.8	6.1	4.7	3.0	2.9	1.2	0.1	-1.0	1.1	2.0
Middle East, North Africa, Afghanistan, and Pakistan	1.4	4.8	4.3	5.4	2.3	2.8	2.7	3.9	2.6	3.4
Middle East and North Africa	1.4	5.0	4.4	5.5	2.1	2.7	2.6	3.8	2.3	3.2

Source: IMF, WEO, April, 2017.

Chart (1)
Real GDP Growth Rate

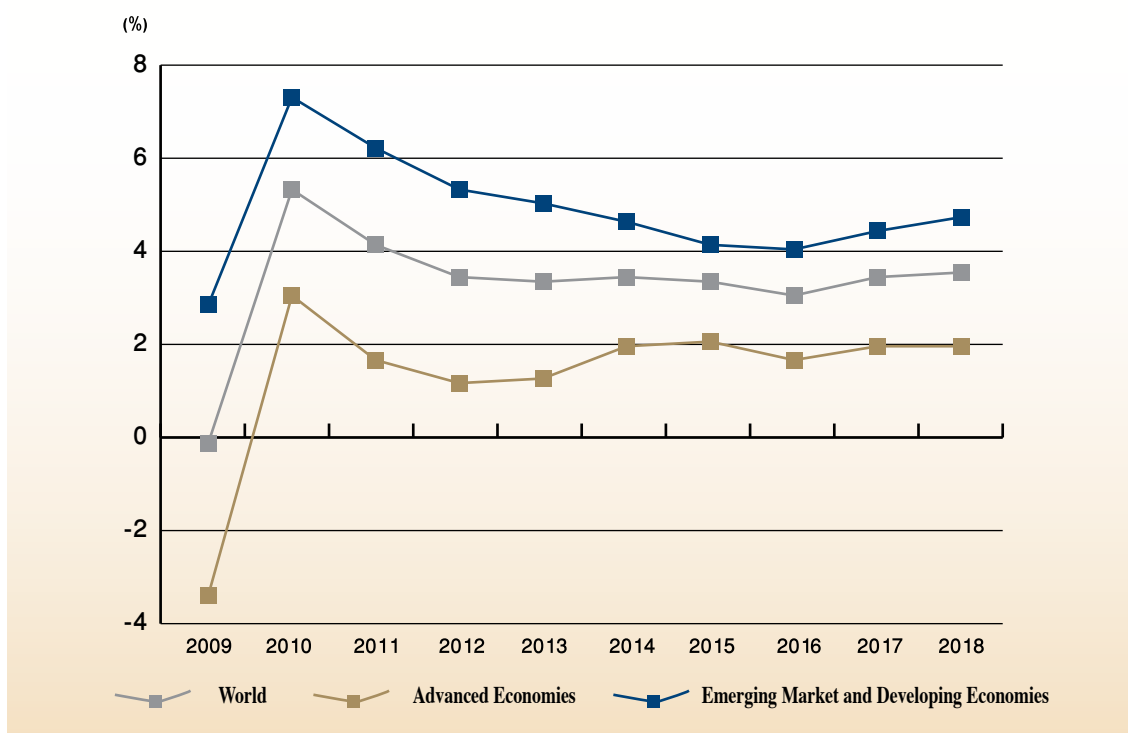
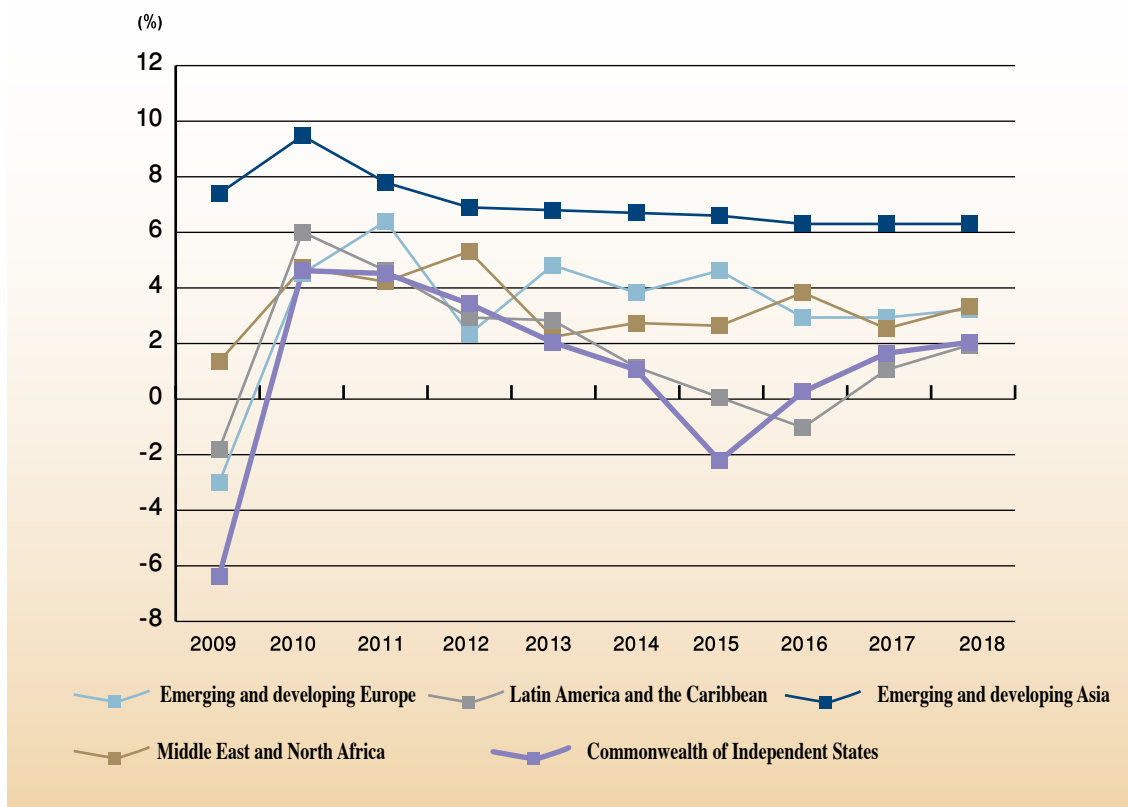


Chart (2)
Real GDP Growth Rate for Regional Groups



2. Prospects of Regional Economy

The drop in oil prices coupled with heated conflicts have been constantly burdening the economic scene of the MENA for many years now, especially in light of the constant fluctuation in global oil markets. Despite recovery in the MENA region's growth rates in 2016 that hit 3.8%, yet forecasts talk about a slowdown in regional economic growth rates that would reach 2.3% in 2017, and 3.2% in 2018.

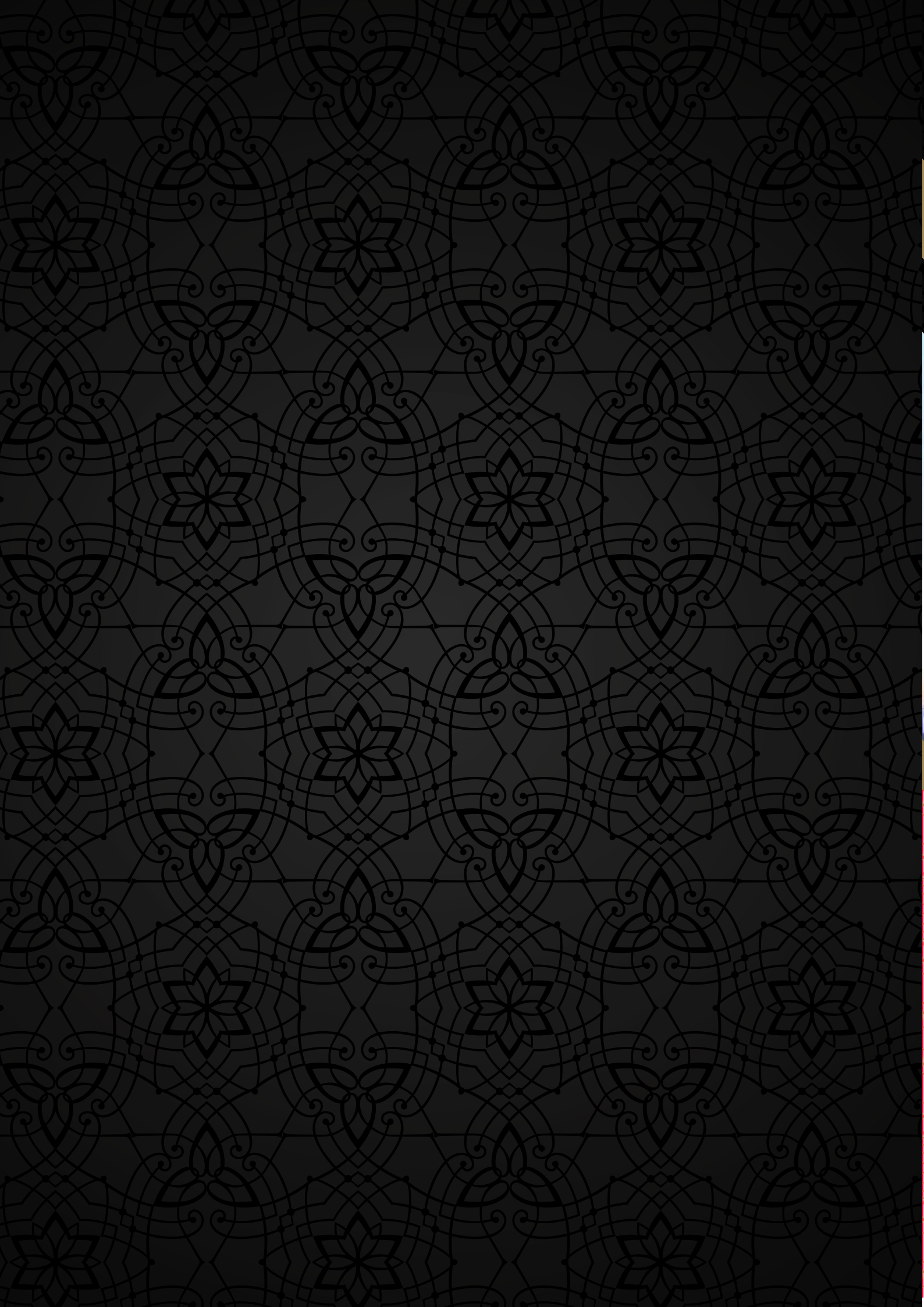
Oil- Exporting Countries in the MENA Region

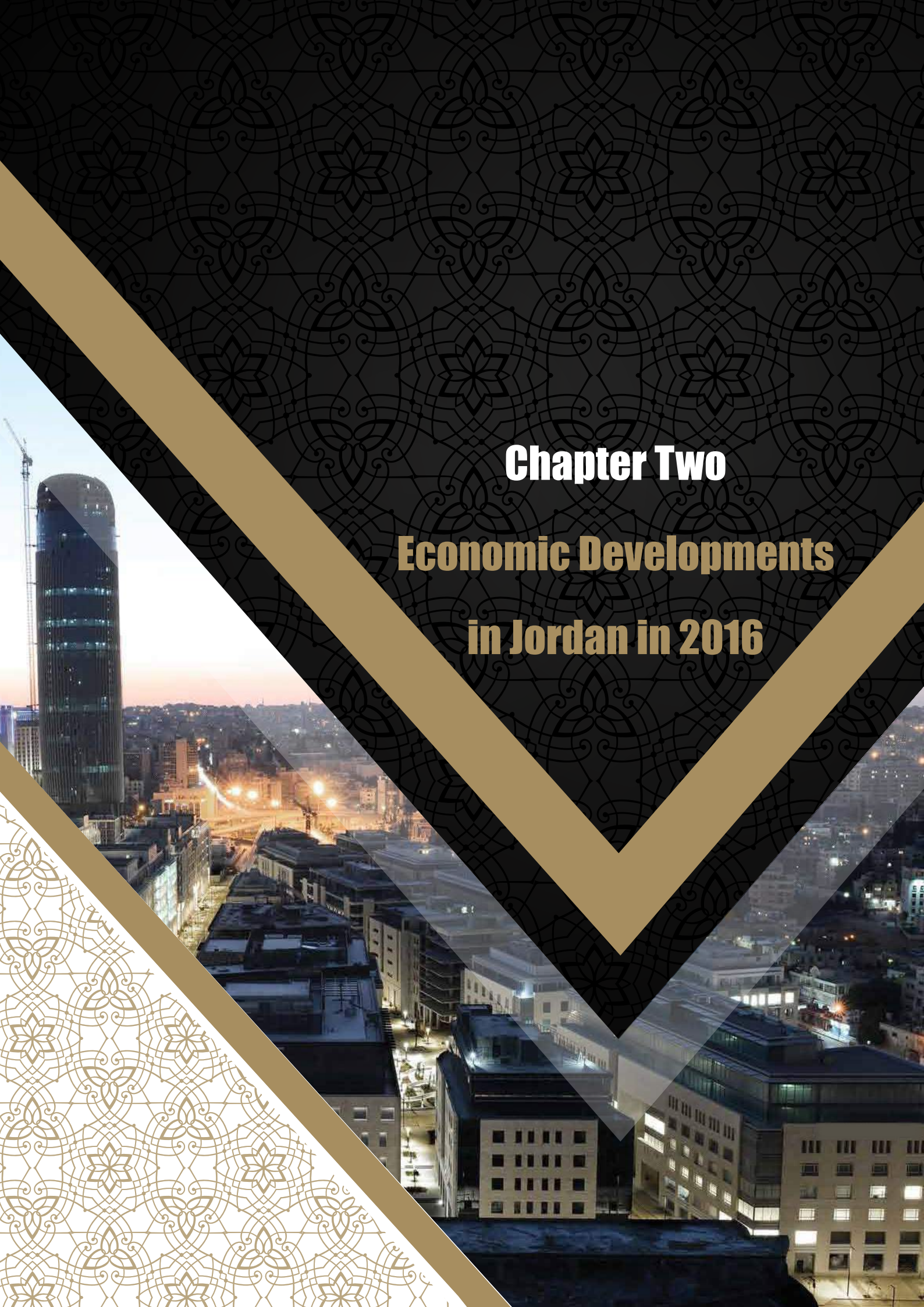
Although the OPEC accord helped to improve the short term prospects of oil prices, yet fluctuation in oil prices is still the major challenge for oil exporting countries. At the mid term, oil prices are expected to remain low and full of uncertainty, propelling oil exporting countries to continue reforms in the public budget. It is equally necessary for those countries to continue focusing on implementing plans for economic diversification and enhancing structural reforms to strengthen their economies and reduce their vulnerability to volatile oil prices.

Oil-Importing Countries in the MENA Region

Efforts and reforms adopted by the oil-importing countries in the MENA region had led to increased levels in confidence and external demand, and a recovery in economic growth rates. However, unemployment rates are still high, especially among the youth. Conflicts raging throughout the region as well as the refugee problem cast their shadows on the prospects of growth and increase the risks of uncertainty.

Oil importing countries should seek to enhance their ability to face external shocks, continue their reforms of public finances and finish their structural reforms that would improve business environment, enhance productivity and encourage investment.





Chapter Two

Economic Developments

in Jordan in 2016

Indicators of the Jordanian economy recorded uneven performance during 2016, where economic growth rate was relatively modest and lower than its level in the previous years, reflecting the slowdown experienced by the Jordanian economy. While the unemployment rate rose, the inflation rate registered a negative growth, indicating the decline in the general price level in the kingdom. With regard to public finance, domestic revenues and foreign grants rose during 2016, while the government spending grew by a percentage that is less than the growth in domestic revenues and foreign grants, which reduced the budget deficit. Nevertheless, the total public debt has increased in 2016.

Regarding the external sector indicators, exports and imports witnessed a significant decrease during 2016, which reduced the trade balance deficit. Also, foreign direct investment in the kingdom and workers' remittances declined in 2016.

As for monetary and banking indicators, foreign currency reserves declined, while the licensed banks' assets, credit facilities and deposits witnessed a significant growth in 2016.

The most important economic, fiscal, monetary and banking indicators in Jordan during 2016 will be presented hereunder.

1. Production, Prices, and Companies

■ **Gross Domestic Product (GDP):** Gross domestic product at constant prices amounted JD 11.64 billion by the end of 2016, compared to JD 11.41 billion at the end of 2015. Therefore, growth rate in GDP reached 2.0% in 2016 in comparison with a growth rate of 2.4% in 2015, which reflects the economic slowdown experienced by Jordanian economy. It should be mentioned here that the growth rate registered in 2016 is the lowest rate registered during the last fifteen years in Jordan.

On a sector by sector basis, all economic sectors in Jordan grew during 2016, except the mining and quarrying sector which fell by 12.1%. Electricity and water sector registered the highest growth rate of 8.9%, while the rest of the economic sectors in the Kingdom witnessed a positive growth rates that didn't exceed 4.0%.

The sector of financial services, insurance, real estate and business services, the manufacturing sector and telecommunications sector maintained their status as the most important pillars of GDP, as their contribution to GDP registered 20.5%, 16.4% and 14.7% in 2016 consecutively, which forms 51.6% of GDP.

■ **Consumer Price Index:** Consumer price index during 2016 declined to 115.5 points compared with 116.4 points in 2015. Therefore, inflation rate reached -0.8% by the end of 2016, compared to -0.9% in 2015.

■ **Producers' Price Index:** producers' price index decreased by 8.8% during 2016, compared to a decrease by 8.2% during 2015.

- **Unemployment Rate:** The unemployment rate rose to 15.3% in 2016 compared with 13.0% in 2015 and 11.9% in 2014.

2. Public Finance

- **Domestic Revenues:** Domestic revenues of the government rose by 5.5% during 2016, to become JD 6.23 billion compared with JD 5.91 billion in 2015. The volume of foreign grants to the kingdom decreased in 2016 by 5.7%, falling from JD 886.2 million in 2015 to JD 836.0 million in 2016. Accordingly, the total value of domestic revenues and foreign grants rose by 4.0% in 2016 to become JD 7.07 billion compared with JD 6.80 billion in 2015.
- **Public Expenditures:** The total value of public expenditures rose by 2.9% in 2016, reaching JD 7.95 billion, compared to JD 7.72 billion in 2015. The increase in public expenditures was due to the increase in the current expenditures by 4.4% and the decrease in capital expenditures by 6.3%.
- **Budget Deficit:** due to the increase in domestic revenues and foreign grants by 4.0% and the increase in government expenditure by 2.9%, budget deficit declined in 2016 by 5.1% to reach JD 878.6 million compared to a deficit of JD 925.6 million in 2015. Thus the ratio of budget deficit to GDP went down to 3.2% in 2016 compared to a deficit rate of 3.5% in 2015.

3. Public Debt

- **Net Domestic Public Debt:** The net domestic public debt of the central government rose from JD 13.46 billion in 2015 to JD 13.78 billion in 2016, which means a rise of 2.4%. Nevertheless, the ratio of domestic public debt to GDP decreased from 50.5% in 2015 to 50.2% in 2016.
- **External Public Debt:** The balance of external public debt rose from JD 9.39 billion in 2015 to JD 10.30 billion in 2016, which means a rise of 9.7%. Accordingly, the ratio of external public debt to GDP increased from 35.3% in 2015 to 37.5% in 2016.
- **Total Public Debt:** The balance of the total public debt increased in 2016 by 5.4% to reach JD 24.08 billion compared to JD 22.85 billion in 2015. Therefore, the ratio of total public debt to GDP rose from 85.8% in 2015 to 87.7% in 2016. It is observed here that the ratio of total public debt to GDP exceeds 60%, the maximum limit set by the Public Debt law and its administration.

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

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

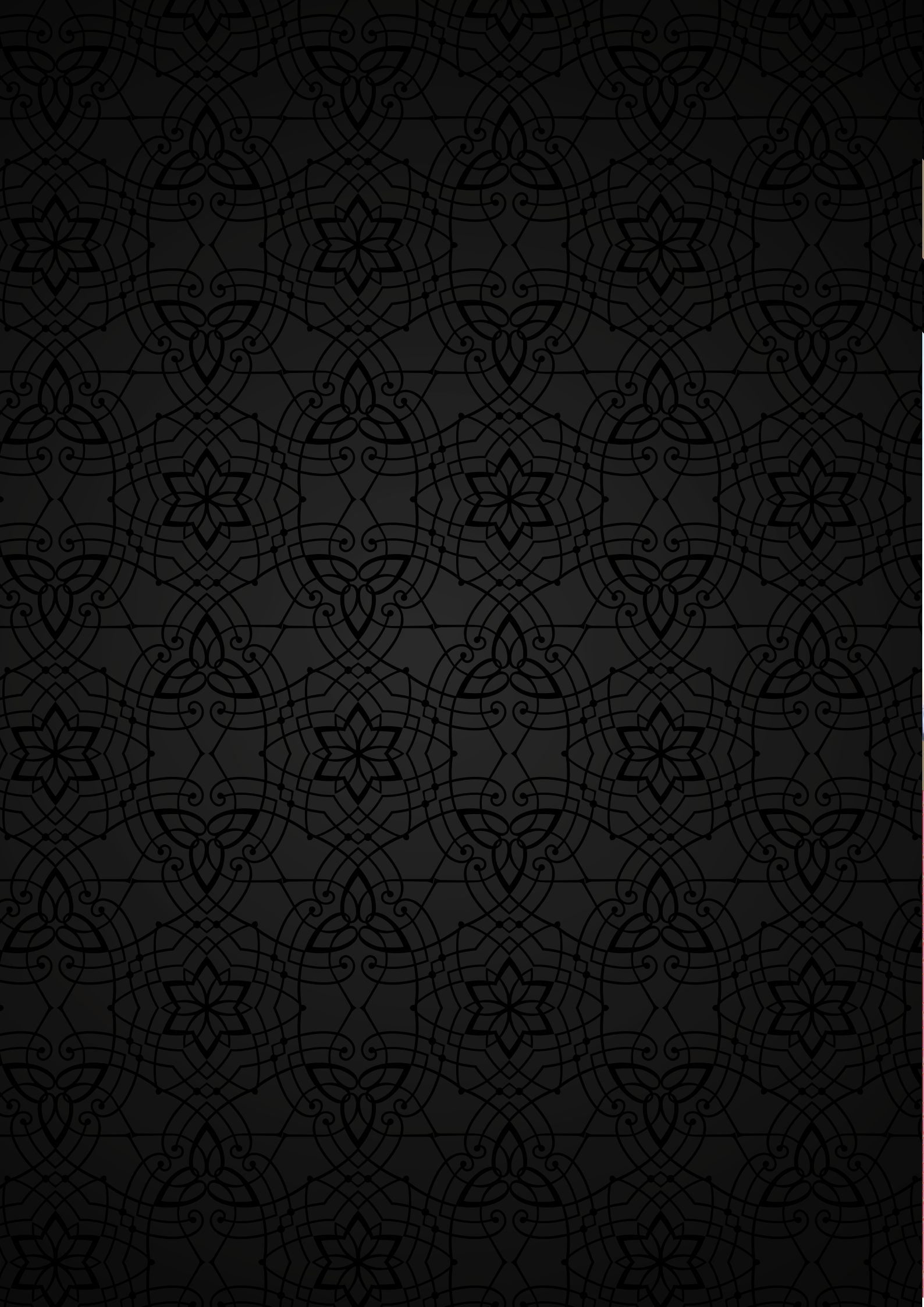
4. External Sector

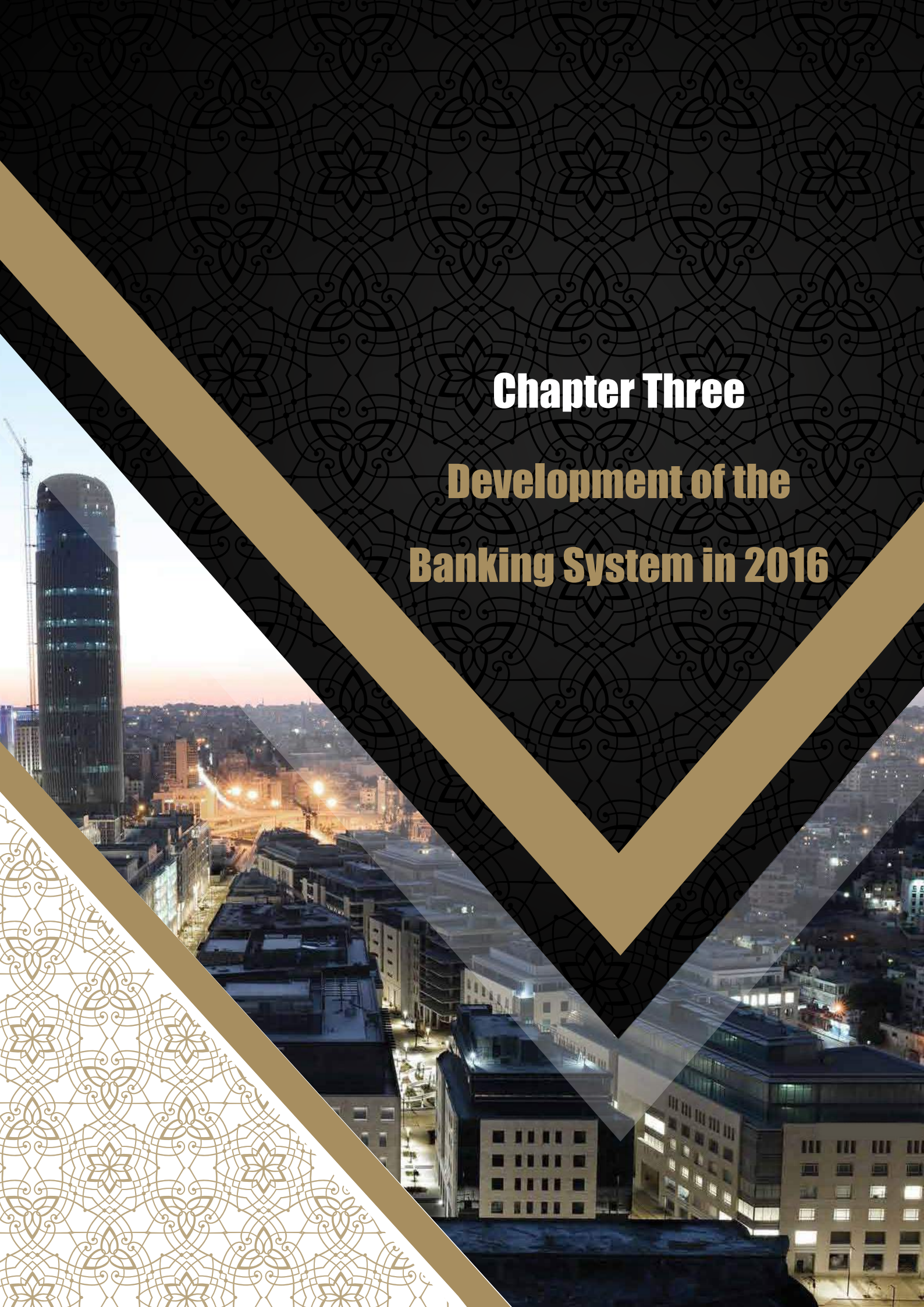
- **Domestic Exports:** Domestic exports regressed by 8.9% in 2016 to amount JD 4.37 billion compared to JD 4.80 billion in 2015.
- **Re-exports:** The value of re-exports rose significantly during 2016 by 26% to reach JD 962 million, in comparison with JD 764 million in 2015.
- **Total Exports:** The volume of total exports (domestic exports + re-exports) regressed by 4.1% in 2016, to reach JD 5.33 billion, compared with JD 5.56 billion in 2015.
- **Imports:** Imports declined by 6.2% in 2016, reaching JD 13.64 billion compared to JD 14.54 billion in 2015.
- **Trade Balance Deficit:** The deficit in trade balance declined in 2016 by 7.5%, reaching JD 8.30 billion, in comparison with a deficit of JD 8.97 billion in 2015.
- **Workers' Remittances:** Workers' remittances regressed by 2.4% in 2016, reaching JD 2.37 billion compared to JD 2.42 billion in 2015.
- **Foreign Direct Investment:** Foreign direct investment in Jordan declined by 3.8% in 2016, reaching JD 1092.6 million JD, compared to JD 1136.2 million JD in 2015.

5. Monetary and Banking Sector

- **Local Liquidity:** Local liquidity (M2) went up in 2016 by JD 1271 million, amounting to JD 32.9 billion, thus registering an increase of 4.0% of the level it reached in 2015.
- **Gross Official Reserves at the Central Bank:** The balance of gross official reserves at the Central Bank decreased by 9.0% at the end of 2016. The balance declined from USD 14.15 billion in 2015 to USD 12.88 billion at the end of 2016. This amount of reserves is enough to cover the kingdom's imports of goods and services for approximately 7.3 months.
- **Licensed Banks' Assets:** Licensed banks' assets registered by the end of 2016 an increase of 2.7%, reaching JD 48.383 billion, as compared to JD 47.133 billion at the end of 2015.
- **Credit Facilities:** The balance of credit facilities granted by licensed banks rose at the end of 2016 by JD 1802 million (8.5%), reaching JD 22.906 billion compared to JD 21.103 billion in 2015.
- **Deposits:** The balance of total deposits at licensed banks rose slightly at the end of 2016 by 0.9%, reaching JD 32.900 billion compared to JD 32.598 billion in 2015.
- **Share Price index weighted by Market Capitalization of Free Float Shares:** the share price index weighted by market capitalization of free float shares increased by about 30 points at the end of 2016, reaching 2170 points. This represents an increase of 1.6% from its level at the end of 2015.

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 2016**

Monetary and banking indicators continued to develop during 2016 in different fields. Those developments reflected the strength and soundness of Jordan's banking system and its ability to achieve constant growth throughout the years; it is an indicator of stability. This chapter will deal with the most important monetary and banking indicators along with the developments in such fields during 2016, including the developments of monetary policy and the developments of some indicators such as foreign reserves, assets, credit facilities and deposits at banks operating in Jordan.

1. Developments of Monetary Policy in 2016

A) CBJ decisions relevant to interest rates on monetary policy instruments in 2016

The CBJ decided to increase the interest rates on monetary policy instruments as of Sunday, 18 December 2016. Thus, the structure of the interest rates became as follows:

- Increasing CBJ Main Rate from 2.50% to 2.75%.
- Increasing the Interest Rate of Overnight Deposit window from 1.50% to 1.75%
- Increasing the Interest Rate Margin on CDs to be 2.50% – 2.75%.
- Keeping the Interest Rate of Overnight Repurchase Agreements at 3.50%.
- Keeping the Rediscount Interest Rate at 3.75%

B) The main instructions and circulars of CBJ during 2016

During 2016, the Central Bank of Jordan took several measures aimed at developing the banking regulatory environment, including amending the law of CBJ and amending the Banking Law. Also, the Central Bank of Jordan issued a number of instructions and circulars for licensed banks including the following:

- Amended instructions for the instructions of corporate governance of banks No. (63/2016) dated 1/9/2016.
- Amended instructions for the instructions of corporate governance of Islamic banks No. (64/2016) dated 25/9/2016.
- Instructions of governance and management of information and its associated technology No. (65/2016) dated 25/10/2016.
- Instructions of banking services provided by banks for people with disabilities No. (66/2016) dated 25/10/2016.
- Instructions of regulatory capital in accordance with Basel III standard No. (67/2016) dated 31/10/2016.

- Circular regarding the declarations of the corporate governance instructions No. (10/2/1777) dated 2/2/2016.
- Circular on bank branching inside Jordan No. (10/2/10695) dated 14/8/2016.
- Circular on the amendment of instructions of corporate governance of banks No. (10/2/12186) dated 25/9/2016.
- Circular on the financial statements of Islamic banks No. (10/1/13875) dated 30/10/2016.
- Circular on facing electronic penetration risks No. (10/1/8821) dated 29/6/2016.

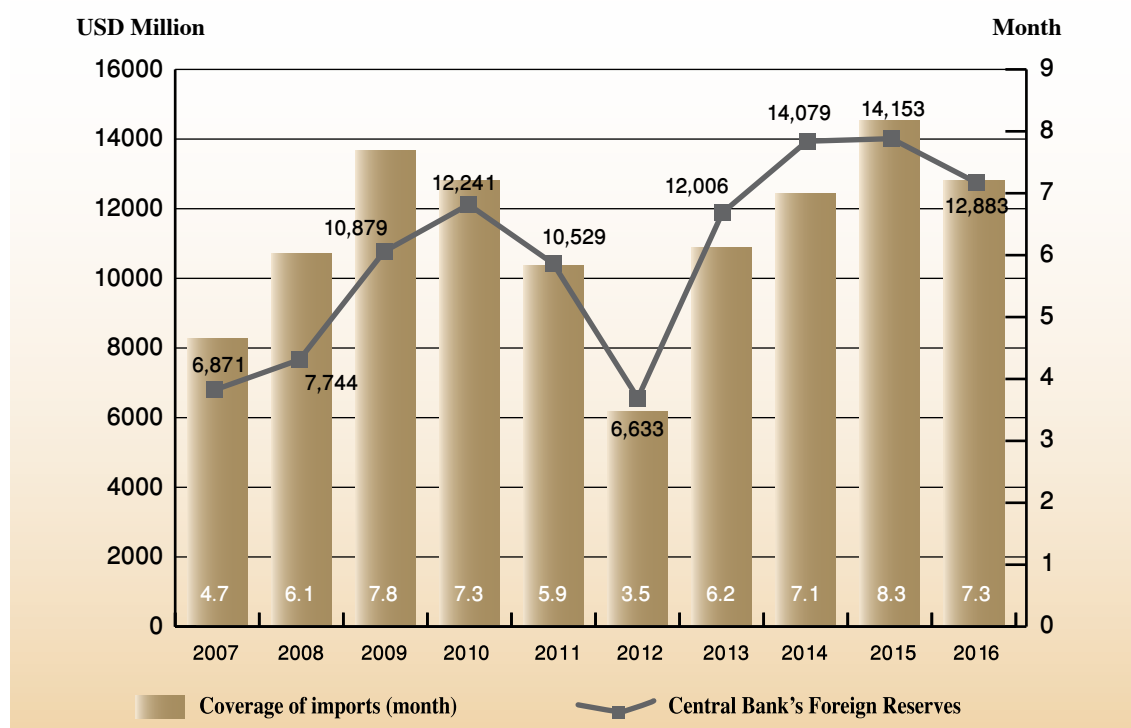
2. Foreign Reserves

Central Bank's reserves of foreign currencies went down at the end of 2016 by USD 1270 million from the registered level at the end of 2015 to reach USD 12.883 billion. This equals a decline of 9.0%. This level of reserves is enough to cover the kingdom's imports of goods and services for almost 7.3 months.

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

Chart (3)

Central Bank's Foreign Reserves



3. Assets/Liabilities of Banks Operating in Jordan

The balance of assets/liabilities of banks operating in Jordan registered at the end of 2016 an increase of 2.7%, reaching JD 48.383 billion, in comparison with JD 47.133 billion at the end of 2015.

A. Foreign Assets

The net foreign assets of licensed banks increased at the end of 2016 by JD 760.1 million (16.2%) from their level at the end of 2015, to reach JD 5.445 billion, in comparison with JD 4.684 billion in 2015.

The rise registered in 2016 was resulted from the increase in all foreign assets items except cash in vaults (in foreign currencies) which decreased by 5.27%. Balances with foreign banks increased by JD 676.4 million (20.8%) to reach JD 3934.9 million. The non-resident portfolio increased by JD 24.3 million (3.5%) to reach JD 716.9 million. Credit facilities to private sector (non-resident) increased by 0.6% to reach JD 479.8 million, and the other foreign assets rose by JD 66.4 million (92.1%) to reach JD 138.5 million.

B. Domestic Assets

The net domestic assets of licensed banks rose at the end of 2016 by the amount of JD 490.2 million (1.15%) compared to their level at the end of 2015, thus reaching JD 42.94 billion at the end of 2016, in comparison with JD 42.45 billion at the end of 2015.

This rise in the bank's domestic assets in 2016 was the result of the increase in the claims on private sector (resident) by JD 1886 million (10.1%) to reach JD 20.57 billion, the increase in the claims on financial institutions by JD 93.4 million (104.5%) to reach JD 182.8 million, the increase in the deposits with CBJ by JD 120 million (19.6%) to reach JD 731.5 million, and the increase in other domestic assets by JD 143 million (3.4%) to reach JD 4.33 billion. While the claims on public sector declined by JD 427.9 million (3.7%) to reach JD 11.09 billion in 2016, and the banks' reserves decreased by JD 1324.4 million (18.0%) to reach JD 6.04 billion.

Table (2)
Consolidated Balance Sheet of Licensed Banks

JD Million	2015	2016	Change (JD million)	Change (%)
Assets				
Foreign Assets	4684.5	5444.6	760.1	16.23%
Cash in Vaults (In Foreign Currencies)	184.2	174.5	-9.7	-5.27%
Balances with Foreign Banks	3258.5	3934.9	676.4	20.76%
Portfolio (Non-Resident)	692.6	716.9	24.3	3.51%
Credit Facilities to Private Sector (Non-Resident)	477.1	479.8	2.7	0.57%
Other Foreign Assets	72.1	138.5	66.4	92.09%
Domestic Assets	42448.7	42938.9	490.2	1.15%
Claims on Public Sector	11514.1	11086.2	-427.9	-3.72%
Claims on Private Sector (Resident)	18681.3	20567.4	1886.1	10.10%
Claims on Financial Institutions	89.4	182.8	93.4	104.47%
Reserves	7360.9	6036.5	-1324.4	-17.99%
Deposits with CBJ in Foreign Currencies	611.5	731.5	120	19.62%
Unclassified Assets	4191.5	4334.5	143	3.41%
Total of Assets	47133.2	48383.5	1250.3	2.65%
Liabilities				
Demand Deposits	8451.7	8966.0	514.3	6.09%
Public Non-Financial Institutions	96.1	46.2	-49.9	-51.93%
Municipalities and Village Councils	17.2	24.2	7	40.70%
Non-Banking Financial Institutions	97.6	67.4	-30.2	-30.94%
Social Security Corporation	77.0	180.5	103.5	134.42%
Private Sector (Resident)	8163.8	8647.7	483.9	5.93%
Time and Saving Deposits	19215.1	19712.3	497.2	2.59%
Public Non-Financial Institutions	256.3	277.0	20.7	8.08%
Municipalities and Village Councils	37.3	38.2	0.9	2.41%
Non-Banking Financial Institutions	345.6	318.1	-27.5	-7.96%
Social Security Corporation	939.9	773.8	-166.1	-17.67%
Private Sector (Resident)	17636.0	18305.2	669.2	3.79%
Foreign Liabilities	6671.4	6430.7	-240.7	-3.61%
Central Government Deposits	1293.2	1130.2	-163	-12.60%
Credit From CBJ	500.6	499.3	-1.3	-0.26%
Capital Accounts & Allowances	7107.8	7261.2	153.4	2.16%
Unclassified Liabilities	3893.4	4383.8	490.4	12.60%
Total of Liabilities	47133.2	48383.5	1250.3	2.65%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

4. Assets and Liabilities in Foreign Currencies

The assets of licensed banks in foreign currencies increased from JD 8.89 billion in 2015 to JD 9.78 billion in 2016, which makes an increase of 9.9% compared to the previous year's balance. This increase resulted mainly from the rise in balances with banks by JD 654 million (17.6%).

Table (3)
Foreign Currency Assets of Licensed Banks

JD Million	2015	2016	Change (JD million)	Change (%)
Cash in Vaults	184.2	174.5	-9.7	-5.27%
Balances with CBJ	611.5	731.5	120	19.62%
Balances with Banks	3721.4	4375.4	654	17.57%
Portfolio	1415.6	1522.9	107.3	7.58%
Credit Facilities	2750.5	2647.9	-102.6	-3.73%
Other	211.6	325.1	113.5	53.64%
Foreign Currency Assets	8894.8	9777.3	882.5	9.92%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Liabilities of licensed banks in foreign currencies increased by JD 935 million to reach JD 9.65 billion in 2016; this makes an increase of 10.7% from the year before.

Table (4)
Foreign Currency Liabilities of Licensed banks

JD Million	2015	2016	Change (JD million)	Change (%)
Customer's Deposits	6584.0	6931.8	347.8	5.28%
Central Government	30.6	137.4	106.8	349.02%
Public Entities	18.1	15.5	-2.6	-14.36%
Non banking Financial Institutions	52.6	22.0	-30.6	-58.17%
Private Sector	6482.7	6756.9	274.2	4.23%
Cash Margins	356.5	421.4	64.9	18.20%
Deposits of Banks	1582.1	2022.7	440.6	27.85%
Other	198.1	279.4	81.3	41.04%
Foreign Currency Liabilities	8720.7	9655.3	934.6	10.72%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

5. Capital, Reserves and Provisions

Capital, reserves and provisions of banks operating in Jordan increased by 2.2% during 2016 to reach JD 7.261 billion compared to JD 7.108 billion at the end of 2015.

6. Credit Facilities Granted by Licensed Banks

The balance of credit facilities granted by licensed banks increased from JD 21.10 billion in 2015 to JD 22.91 billion at the end of 2016, i.e., an increase by JD 1802 million (8.5%).

Credit facilities granted by banks operating in Jordan were mainly in the form of loans and advances, which represented approximately 65.3% of the total credit facilities. Islamic banks receivables represented 22.0%, while overdrafts stood at 10.9%, and discounted bills and bonds at about 1.1%. Credit cards represented only 0.7% of total credit facilities.

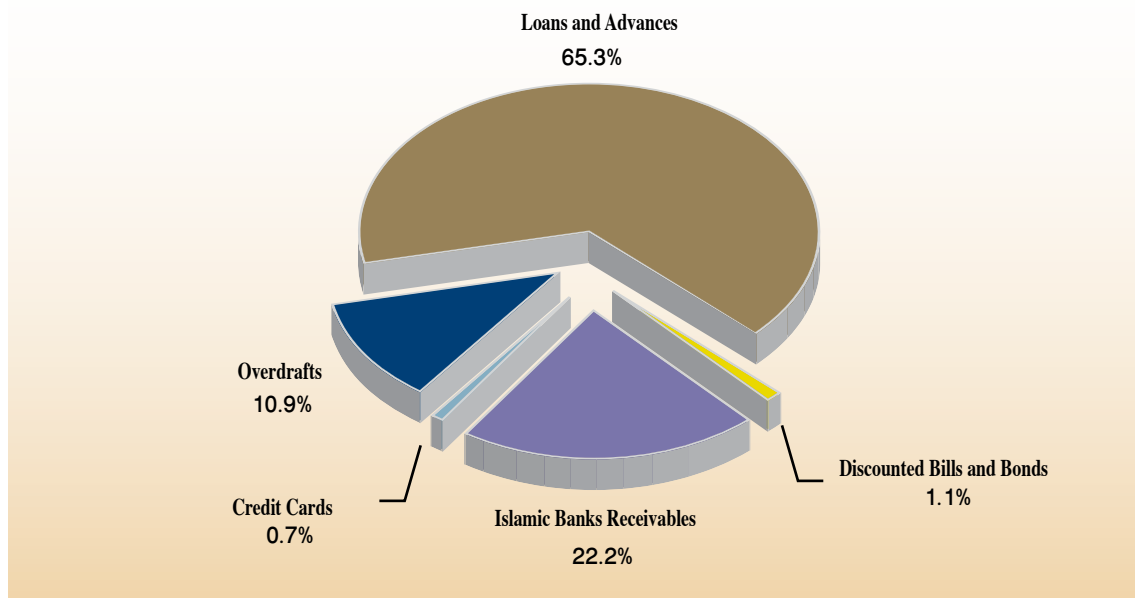
Table (5)
Distribution of Credit Facilities according to Type (JD Million)

Credit Facility Type	2015	2016	% of total Credit Facilities
Overdrafts	2219.2	2510.0	10.9%
Loans and Advances	13802.8	14957.6	65.3%
Discounted Bills & Bonds	256.4	241.8	1.1%
Islamic Banks Receivables	4691.8	5046.1	22.2%
Credit cards	133.3	150.3	0.7%
Total of Credit Facilities	21103.5	22905.8	100%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (4)

Distribution of Credit Facilities according to Type as the end of 2016



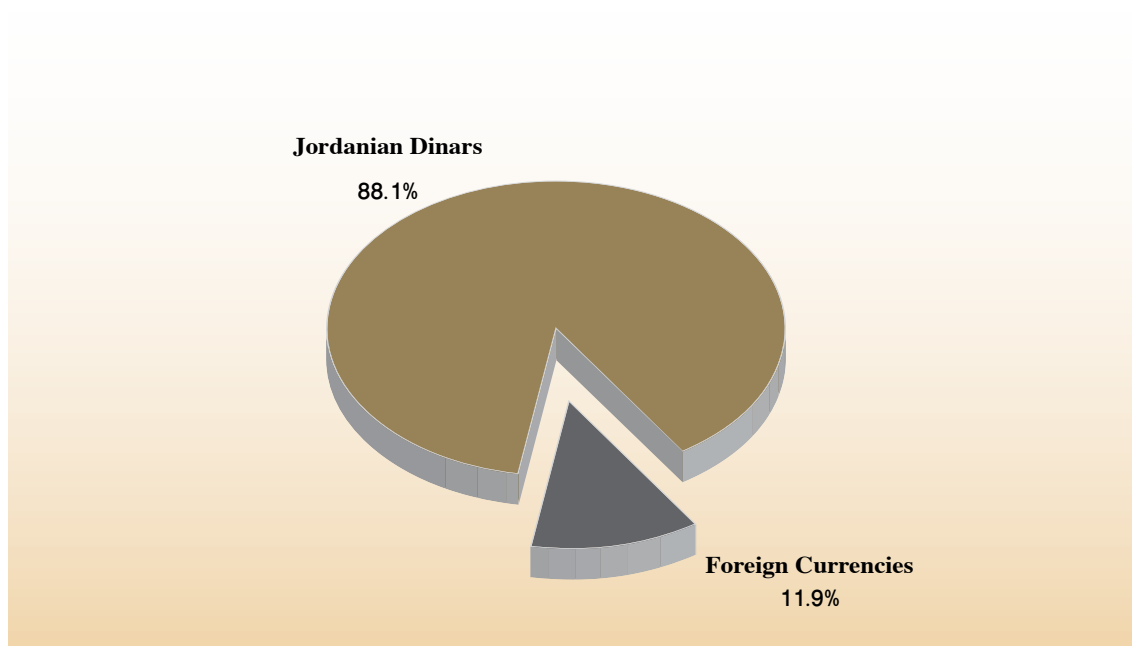
Regarding the development of credit facilities according to the type of currency, credit facilities in Jordanian dinar accounted for 88.1% of the total facilities at the end of 2016, compared to 86.6% at the end of 2015. Consequently, the relative importance of credit facilities in foreign currencies regressed to 11.9% of the total facilities of 2016.

Table (6)

Distribution of Credit Facilities By Type of Currency

Credit Facilities	2015		2016	
	JD million	Relative Importance %	JD million	Relative Importance %
Jordanian Dinars	18281.7	86.6%	20186.6	88.1%
Foreign Currencies	2821.8	13.4%	2719.2	11.9%
Total	21103.5	100.0%	22905.8	100%

Source: Central Bank of Jordan, Monthly Statistical Bulletin.

Chart (5)**Distribution of Credit Facilities By Type of Currency at the end of 2016**

The distribution of credit facilities by economic activity at the end of 2016 showed that the credit facilities granted to construction, general trade and public services and utilities sectors accounted for 57.6% of the total facilities granted by banks operating in Jordan. The construction sector received the largest share of the increase in credit facilities where the credit facilities extended to this sector rose by JD 923.2 million (18.8%).

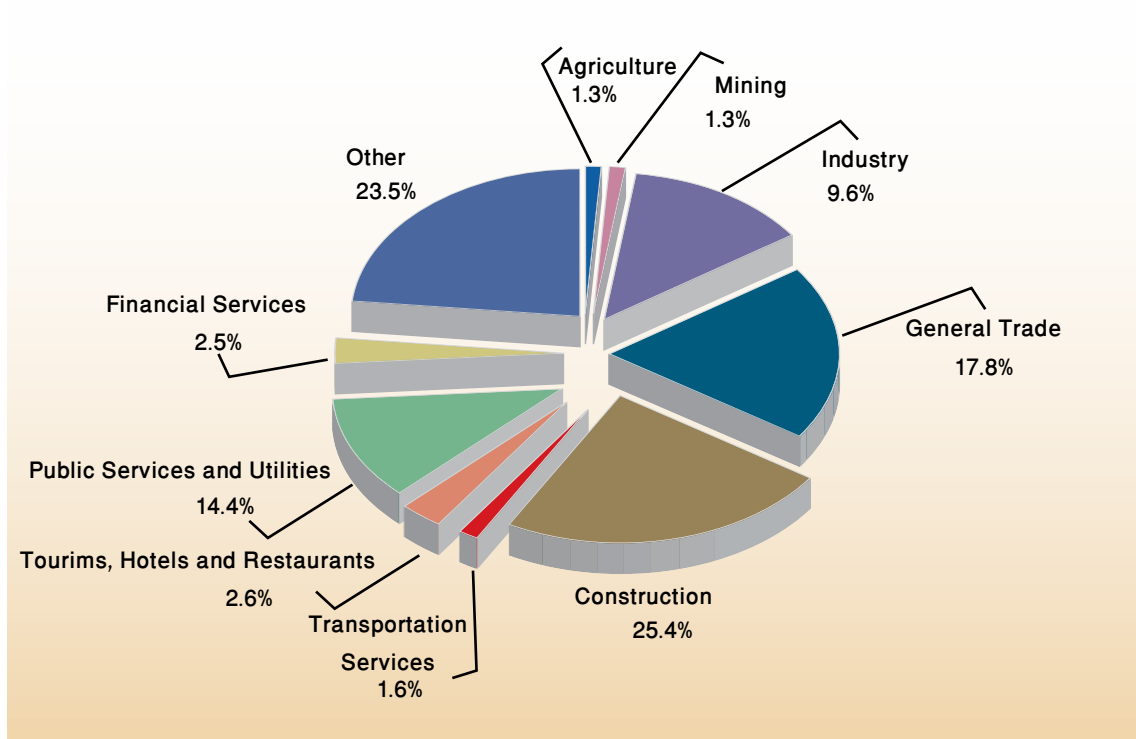
Table (7)**Distribution of Credit Facilities by Economic Sector**

Sectors	2015		2016	
	JD million	Percentage%	JD million	Percentage%
Agriculture	217.1	1.0%	304.5	1.3%
Mining	170.2	0.8%	288.4	1.3%
Industry	2145.8	10.2%	2203.4	9.6%
General Trade	3883.8	18.4%	4075.5	17.8%
Construction	4904.5	23.2%	5827.7	25.4%
Transportation Services	259.8	1.2%	355.8	1.6%
Tourism, Hotels and Restaurants	593.1	2.8%	597.7	2.6%
Public Services and Utilities	3232.0	15.3%	3296.2	14.4%
Financial Services	515.2	2.4%	577.2	2.5%
Other	5182.0	24.6%	5379.4	23.5%
Total	21103.5	100.0%	22905.8	100.0%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (6)

Distribution of Credit Facilities by Economic Sector at the end of 2016



A. Credit Cards

The number of credit cards granted by banks operating in Jordan during 2016 reached 123 thousand cards. The most important types of credit cards include: Visa Card and Master card. The following table provides some information about the market of credit cards issued by banks operating in Jordan during 2016.

Table (8)
Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Arab Bank	Visa Card	22203	0 - JD100	1.75%	4% with a minimum of JD4	With and without salary transfer	JD400	JD 300- JD50,000
	Master Card	2851	JD50 - JD100	1.75%	4% with a minimum of JD4	With and without salary transfer	JD400	JD 300- JD50,000
Jordan Ahli Bank	Visa Card	3714	Free for the first year	1.75%	4% with a minimum of JD2	Salary transfer or cash margins or without salary transfer	JD200	JD 15,000
	Master Card	3623	Free for the first year	1.75%	4% with a minimum of JD2	Salary transfer or cash margins or without salary transfer	JD200	JD 15,000
Cairo Amman Bank	Master Card	1964	Free for the first year, otherwise JD 25-75 according to card type	1.75% monthly	4% with a minimum of JD5	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 approved private sector 2 times the salary for unapproved private sector
Bank of Jordan	Visa Card	7281	Free for Silver and Gold cards, JD 75 for Platinum card, and free for bank's packages customers	1.75%	4% with a minimum of JD4	Conditional, with some exceptions for some customers	JD250	Up to 5 times the salary for some customers

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
The Housing Bank for Trade & Finance	Visa Classic	14501	JD30	1.75%	4% with a minimum of JD2	Unconditional	JD250	JD200 - JD 3,000
	Visa Gold	408	JD60	1.75%	4% with a minimum of JD2	Unconditional	-	JD3,001- JD7,000
	Visa Platinum	31	JD80	1.75%	4% with a minimum of JD2	Unconditional	-	JD7,001- JD15,000
	Visa Signature with Qatar Airlines	177	JD80	1.75%	4% with a minimum of JD2	Unconditional	-	JD5,001- JD15,000
	Visa Signature	1499	JD80	1.75%	4% with a minimum of JD2	Unconditional	-	JD7,001- JD15,000
	Visa Infinite	283	JD120	1.75%	4% with a minimum of JD2	Unconditional	-	More than JD15,000
	MasterCard Classic	3553	JD30	1.75%	4% with a minimum of JD2	Unconditional	-	JD200- JD3,000
	MasterCard Gold	171	JD60	1.75%	4% with a minimum of JD2	Unconditional	-	JD3,001- JD7,000
	MasterCard Platinum	149	JD80	1.75%	4% with a minimum of JD2	Unconditional	-	JD7,001- JD15,000
	MasterCard World Elite	210	JD120	1.75%	4% with a minimum of JD2	Unconditional	-	More than JD15,000
Jordan Kuwait Bank	MasterCard Classic	2798	JD15	1.75%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD250- JD1,500
	MasterCard Titanium	275	JD30	1.75%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD1,500- JD5,000
	MasterCard Platinum	219	JD75	1.75%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD5,000- JD10,000

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Continued/ Jordan Kuwait Bank	Master Card World	275	JD100	1.75%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD10,000- JD20,000
	Joint Cards with Royal Jordanian							
	Platinum Card	311	JD75	2.2%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD3,500
	Gold Card	171	JD50	2.2%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD1,500- JD3,500
	Classic Card	554	JD25	2.2%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD250- JD1,500
	Visa Classic Revolving	301	JD15	1.75%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD250- JD3,500
	Visa Gold	40	JD30	1.75%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD3,500
Joint Card with COZMO	15	JD20	2.00%	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD250	

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Continued/ Jordan Kuwait Bank	Gold Card Charge	3	JD100	-	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD3,500
	Classic Card Charge	2	JD50	-	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD250- JD3,500
	Visa Infinite	55	JD 150	-	4% with a minimum of JD4	Conditional	JD250 for approved entities, and JD 500 for unapproved entities	JD5,000
	Centurion	1	USD4000	-	4% with a minimum of USD15	-	-	USD 50,000
	Platinum	14	USD750	-	4% with a minimum of USD 15	-	-	USD 20,000
	Gold	41	USD175	-	4% with a minimum of USD 15	-	-	USD 1,000
	Green	1	USD95	-	4% with a minimum of USD 15	-	-	USD 5,000
Arab Jordan Investment Bank	Visa Credit	728	JD0-JD100 according to card type	1.5%	4%	Salary transfer, without salary transfer, cash margins	JD300	Up to JD 100,000
	Visa Debit	3902	Free	-	-	-	-	Based on client's account balance
	Master Card Credit	355	Free	1.5%	4%	Salary transfer, without salary transfer, cash margins	JD300	Up to JD 100,000
	Master Card Debit	163	Free	-	-	-	-	Based on client's account balance

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Jordan Commercial Bank	Master Card	1363	According to card type and bank policy	1.7%	4%	According to bank policy	JD350	According to bank policy
Investbank	Signature	855	Free for Prime clients	1.75%	4%	Unconditional	For Prime clients according to account type	JD 100,000
	Gold	11445	JD50	1.75%	4%	Unconditional	JD400	JD 25,000
	Platinum	2874	JD120	1.75%	4%	Unconditional	JD1500	JD 35,000
ABC Bank	Visa Card	925	JD25 – JD75	1.75%	4%	Unconditional	JD 300	JD 15,000
Bank Al-Etihad	Visa Infinite	195	JD100	1.75%	4% with a minimum of JD3	-	-	JD100,000
	Visa Signature	445	JD70	1.75%	4% with a minimum of JD3	-	-	JD60,000
	Visa Platinum	580	JD50	1.75%	4% with a minimum of JD3	-	-	JD50,000
	Visa Gold	106	Free	1.75%	4% with a minimum of JD3	-	-	JD 50,000
	Visa Classic	2187	Free	1.75%	4% with a minimum of JD3	-	-	JD 5,000
	Visa Business	98	JD25	1.5%	Not allowed	-	-	-
Societe General - Jordan	Master card classic charge	18	JD35	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Master card Titanium charge	11	JD50	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Continued/ Societe General - Jordan	Master card platinum charge	3	JD100	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Master card Classic Credit	578	JD35	1.75%	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Master Card Titanium Credit	43	JD50	1.75%	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Master Card Standard (USD)	41	JD60	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Master Card Titanium (Europa)	41	JD70	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Visa Card Classic	57	JD35	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Continued/ Societe General - Jordan	Visa Card Gold	34	JD50	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
	Visa Card Infinite	226	JD120	0	2% through bank's ATMS, 4% through other banks' ATMS	Without guarantees, sometimes salary transfer or cash margins is required	JD350 for private sector, JD200 for public sector, JD 500 for business owners	JD 100
Capital Bank	Visa Card	724	JD25 JD50 JD75	1.75%	4%	Conditional or cash margins	JD500	JD 50,000
	MasterCard	32	JD25 JD50 JD75	1.75%	4%	Conditional or cash margins	JD500	JD 50,000
Jordan Islamic Bank	MasterCard World	150	Free	0	According to Class	Unconditional	According to Card limit	JD 70,000 or more
	MasterCard Gold	57	JD50					according to customer's credit worthiness
	Visa Gold	325	JD50					JD 2,000
	Visa Silver	1382	JD25					JD 100
	Visa Local	734	JD15					
International Islamic Arab Bank	Visa installment	11565	JD25	-	JD4	Conditional	JD200	JD250- JD1,000
	Internet Visa installment	535	JD10	-	-	Conditional	JD200	USD50- USD750
	Visa Gold	115	JD50	0	2%+1.96	Unconditional	JD1400	JD1,001- JD50,000
Safwa Islamic Bank	VISA SIGNATURE (Charge Card)	334	JD100	0	4%	-	JD5,000	JD50,000
	VISA CLASSIC (Charge Card)	286	JD25	0	4%	-	JD300	JD5,000
	VISA CLASSIC (Charge Card)	298	JD50 for main card, JD25 for supplementary card	0	4%	Conditional or cash margins	JD2500	JD 15 thousand

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
Al-Rajhi Bank	Visa Platinum	28	JD65	0	4	Conditional or cash margins	JD10,000	JD 25,000
	Visa Gold	42	JD50	0	4	Conditional or cash margins	JD2,000	JD 5,000
	Visa Classic	51	JD30	0	4	Conditional or cash margins	JD500	JD1,000
	Prepaid Visa Card	286	JD10	0	0	Unconditional	Unspecified	JD 2,000 monthly
Egyptian Arab Land Bank	Visa Card	931	JD25 for Silver JD50 for Gold	1.75%	4% with a minimum of JD4	Unconditional	JD300 for public sector JD400 for private sector JD 1000 for professionals and business owners	JD 50,000
Rafidain Bank	-	-	-	-	-	-	-	-
Citi Bank	-	-	-	-	-	-	-	-
Standard Chartered	Visa Classic	311	JD25 (free for the first year)	1.75%	4% with a minimum of JD4	Unconditional	JD500	3 times the salary
	Visa Gold	36	JD50 (free for the first year)	1.75%	4% with a minimum of JD4	Unconditional	JD1,000	3 times the salary
	Visa Platinum	98	JD75 (free for the first year)	1.75% - 1.65%	4% with a minimum of JD4	Unconditional	JD2,350	3 times the salary
Bank Audi	Visa Card	3968	JD25-JD200 according to card type	1.75%	4%	Conditional, Unconditional, cash margins	JD350, JD500, JD1,000 Unspecific	A maximum debt burden of 55% of the salary
	MasterCard	1925	JD25-JD100 according to card type	1.75%	4%	Conditional, Unconditional, cash margins	A minimum of JD350 monthly	A maximum debt burden of 55% of the salary

Continued Table (8): Credit Cards Extended by Banks During 2016

Banks	Trade Mark	# of Extended Cards	Cards Issuance fees (JD)	Interest rate / Murabaha %	Commission on cash withdrawal	Salary Transfer	Salary Minimum	Card limit Max
National Bank of Kuwait	Visa Classic	34	Free	1.75%	4%	Conditional, Unconditional, cash margins	JD500- JD1,500 Unspecific	JD500- JD3,500
	Visa Gold	21	Free	1.75%	4%	Conditional, Unconditional, cash margins	JD500- JD1,500 Unspecific	JD3,500- JD10,000
	Visa Platinum	31	Free	1.75%	4%	Conditional, Unconditional, cash margins	JD500- JD1,500 Unspecific	JD10,000 and more
	Visa Debit	2087	Free	1.75%	-	-	-	Customer's balance
BLOM Bank	MasterCard Classic	327	JD35	1.50%	4%	-	JD350	JD1,000
	MasterCard Titanium	238	JD35	1.75%	4%	-	JD350	JD7,000
	MasterCard Platinum	66	JD75	1.75%	4%	-	JD350	JD30,000
	VISA Gold	228	JD35	1.75%	4%	-	JD350	JD3,000
	VISA Signature	340	JD100	1.75%	4%	-	JD350	JD30,000
National Bank of Abu Dhabi	Visa Card	131	JD35 for Silver JD65 for Gold Free for Infinite	1.75%	4% with a minimum of JD4	-	JD600	JD50,000

- Unavailable

B. Personal Loans

Banks operating in Jordan granted more than 164 thousand personal loans during 2016, the value of which reached to JD 1.33 billion, at an interest rate that varied between 4.5% and 13.5% for commercial banks, while Murabaha rate ranged from 3.5% (2.0% with cash margins) to 7.75% for Islamic banks. The commission on personal loans varied between zero and 1%, and with a settlement period reached to 8 years.

Table (9)
Personal Loans Extended by Banks During 2016

Bank	Number of personal loans' applications submitted to banks during 2016	Number of personal loans extended by banks during 2016	value of loans extended by banks during 2016 (JD)
Arab Bank	28,479	18,956	171,474,183
Jordan Ahli Bank	13,847	11,364	143,150,159
Cairo Amman Bank	41,984	28,328	108,143,000
Bank of Jordan	15,000	12,267	93,291,052
The Housing Bank for Trade & Finance	29,687	28,273	273,027,707
Jordan Kuwait Bank	8,163	6,358	57,100,000
Arab Jordan Investment Bank	2,703	2,164	33,530,667
Jordan Commercial Bank	6,963	4,929	65,171,389
Investbank	2,721	1,616	35,702,732
ABC Bank	9,008	8,575	53,053,408
Bank Al-Etihad	9,723	6,900	58,142,217
Societe General - Jordan	2,467	1,807	16,790,583
Capital Bank	1,889	1,245	21,684,335
Jordan Islamic Bank ⁽¹⁾	15,426	15,426	48,900,000
International Islamic Arab Bank ⁽¹⁾	4,065	3,772	8,942,000
Safwa Islamic Bank ⁽¹⁾	2,291	1,464	14,047,398
Al-Rajhi Bank ⁽¹⁾	6,963	4,527	41,948,786
Egyptian Arab Land Bank	1,625	1,354	19,346,746
Rafidain Bank	-	-	-
Citi Bank	13	13	88,540
Standard Chartered	701	667	13,837,570
Bank Audi	3,159	2,034	26,643,839
National Bank of Kuwait	177	106	2,180,708
BLOM Bank	3,647	1,921	23,000,000
National Bank of Abu Dhabi	160	128	4,261,766
Total	210,861	164,194	1,333,458,785

-Unavailable

(1) represents individuals' personal finances.

Table (10)

Terms and Characteristics of Personal Loans Extended by Banks During 2016

Bank	Salary transfer	required collaterals	maximum amount of loan	Interest rate Murabaha (%)	Annual commission (%)	Payment period (year)
Arab Bank	Salary transfer or bank account	Salary transfer or relationship with the bank	JD 70 thousand	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% Decreasing interest	1%	8 years
Cairo Amman Bank	Conditional	Salary transfer	JD 100 thousand	6 months JODIBOR + 4.75% Decreasing interest	1% for the first year	8 years
Bank of Jordan	Conditional	-	JD 70 thousand	From 7.99% Decreasing interest	1%	Up to 8 years
The Housing Bank for Trade & Finance	With and without salary transfer	Salary transfer/ Real Estate/ cash margins	-	8.5%-9.5%	1% for the first year	8 years including grace period
Jordan Kuwait Bank	Conditional	Salary transfer	JD 50 thousand	9%-11% Decreasing interest	1% for the first year	6-8 years
Arab Jordan Investment Bank	Conditional	Salary transfer/ guarantor / pledging car	Unlimited	8.5% -11.25%	1% for the first year	8 years
Jordan Commercial Bank	Conditional	Real Estate/ cash margins	JD 125 thousand	8.5%	1%	8 years
Investbank	Conditional	Salary transfer	JD 75 thousand	9.5% Decreasing interest	1% for the first year	Up to 8 years
ABC Bank	Conditional	salary transfer cash margins	JD 70 thousand	8%-11.75% Decreasing interest	1% for one time	5- 8 years
Bank Al-Etihad	Conditional	Salary transfer	JD 55 thousand	9.0%	1%	8 years
Societe General - Jordan	Conditional	Salary transfer/ guarantor/ tangible collateral	JD 35 thousand	8.75% for public sector 9.75% for private sector 8.75% for clients of Makaseb Account	0% for public sector 1% for private sector 0.5% for clients of Makaseb Account (for the first year)	Up to 8 years

Continued Table (10): Terms and Characteristics of Personal Loans Extended by Banks During 2016

Bank	Salary transfer	required collaterals	maximum amount of loan	Interest rate Murabaha (%)	Annual commission (%)	Payment period (year)
Capital Bank	Conditional	Guarantor for unapproved companies, Checks for non employee	JD 70 thousand	8.5% decreasing interest	1%	8 years
Jordan Islamic Bank	Depends on the client's work status	Depends on the type and amount of financing	As the monthly installment doesn't exceed 50% of income	5.5% annually	-	Up to 7 years for Murabaha financing
International Islamic Arab Bank	Conditional	Salary transfer / other guarantees may be required	As the monthly installment doesn't exceed 50% of income	From 3.5%	-	1-8 years
Safwa Islamic Bank	Conditional	Salary transfer	JD 50 thousand	6% - 7.75%	1%	7 years
Al-Rajhi Bank	Conditional	-	JD 50 thousand	4.5% - 7.5% for personal financing 2% for personal financing with cash margins	0%	1-8 years
Egyptian Arab Land Bank	Salary transfer or deduction of salary	Guarantor/ Mortgages/ Cash margins	JD 75 thousand / JD 150 thousand with real estate guarantees	9.5%-13.5% Decreasing (JODIBOR+margin) fixed interest	1%	Up to 8 years
Rafidain Bank	-	-	-	-	-	-
Citi Bank	Conditional	-	JD 20 thousand	4.5%	-	Up to 4 years
Standard Chartered	Conditional	Salary transfer	JD 70 thousand	7.99%-8.75% decreasing interest	1% for the first year	Up to 8 years
Bank Audi	Conditional	Guarantor	JD 40 thousand	9.5% - 11%	1%	6 years
National Bank of Kuwait – Jordan	Conditional and unconditional	Salary transfer / Guarantor/ Cash margins	JD 40 thousand	9% decreasing interest	1% for the first year	5 years
BLOM Bank	Conditional	Guarantor / Guarantees (Real estate / car)	JD 30 thousand	9.5%	1% for one time	1-8 years
National Bank of Abu Dhabi	Conditional and unconditional	Salary transfer	JD 50 thousand	8.522%-9.522% decreasing interest	1%	6 months to 6 years

- Unavailable

C. Housing and Real Estate Loans (For Individuals)

Banks operating in Jordan granted 31170 housing and real estate loans for individuals in 2016. The total value of those loans amounted to JD 977.3 million. Many banks required salary transfer as a collateral in addition to mortgaging the real estate as the main collateral for loan. Most housing and real estate loans include life insurance, real estate insurance, or both. Interest rates on the loans ranged from 3.75% to 9.5% at commercial banks, while the Murabaha rate ranged between 5.5% and 8.75% at Islamic banks. The commission ranged from zero to 1%, while the settlement period reached to 30 years.

Table (11)

Housing and real estate loans granted by banks to individuals in 2016

Bank	No. of housing & real estate loan applications submitted to banks in 2016	No. of housing and real estate loans granted to individuals in 2016	Value of housing and real estate loans granted to individuals in 2016 (JD)
Arab Bank	2,404	1,128	72,374,127
Jordan Ahli Bank	1,799	965	75,603,620
Cairo Amman Bank	1,404	684	56,940,244
Bank of Jordan	1,600	459	31,649,594
The Housing Bank for Trade & Finance	2,990	2,847	159,212,623
Jordan Kuwait Bank	938	390	39,000,000
Arab Jordan Investment Bank	191	163	12,709,934
Jordan Commercial Bank	138	48	3,874,745
Investbank	362	143	14,565,911
ABC Bank	390	285	13,710,429
Bank Al-Etihad	1,430	925	58,468,850
Societe General - Jordan	395	270	26,569,376
Capital Bank	531	310	31,422,767
Jordan Islamic Bank ⁽¹⁾	14,297	14,297	126,300,000
International Islamic Arab Bank ⁽¹⁾	7,153	6,627	142,271,000
Safwa Islamic Bank ⁽¹⁾	1,510	736	49,670,832
Al-Rajhi Bank ⁽¹⁾	881	309	18,296,507
Egyptian Arab Land Bank	71	59	3,899,449
Rafidain Bank	0	0	0
Citi Bank	6	6	847,994
Standard Chartered	4	4	450,500
Bank Audi	255	112	9,646,700
National Bank of Kuwait – Jordan	106	42	5,131,727
BLOM Bank	699	300	19,000,000
National Bank of Abu Dhabi	88	61	5,660,406
Total	39,642	31,170	977,277,335

(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 2016

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 to 30 years
Jordan Ahli Bank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 250 thousand	6%-6.5%	1%	25 years
Cairo Amman Bank	Conditional for public sector and approved companies	1. Mortgage of real estate 2. Partner Guarantee	Yes	JD 1 million	JODIBOR + margin of 1.25%-2.25%	1% for the first year	20-30 years
Bank of Jordan	Conditional	Mortgage of real estate	Yes	JD 250 thousand	From 6%	1%	Up to 25 years
The Housing Bank for Trade & Finance	Unconditional	Mortgage of real estate	Life insurance up to JD 150 thousand	-	5.99%-9%	1% for the first year	25 years including the grace period
Jordan Kuwait Bank	Unconditional	Mortgage of real estate	Life insurance	Unlimited	6.25%-7% Decreasing	1% for the first year	30 years
Arab Jordan Investment Bank	Unconditional	Mortgage of real estate	Yes	Unlimited	6%-7.5%	1% for the first year	8 years for real estate loans Up to 25 years for housing
Jordan Commercial Bank	Conditional	Mortgage of real estate	Yes	JD 500 thousand	6.5%	0%	30 years
Investbank	Unconditional	Mortgage of real estate	Life and real estate insurance	JD 1 million	7.5% decreasing	1% for the first year	Up to 30 years
ABC Bank	Unconditional	Mortgage of real estate	Yes	JD 500 thousand	6.5%-9.5% Decreasing	1% for one time	25 years
Bank Al-Etihad	Unconditional	Mortgage of real estate	Yes	JD 250 thousand	6.75%	1%	25 years

Continued Table (12): Terms and characteristics of housing and real estate loans granted by banks to individuals in 2016

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	Yes	JD 350 thousand	6% fixed interest for the first year and variable thereafter	1% for the first year	Up to 30 years
Capital Bank	Conditional	Mortgage of real estate	Yes	JD 1.5 million	6.25% Decreasing	1%	Up to 30 years
Jordan Islamic Bank	Depending on the client's work	Mortgage of real estate	Mutual insurance fund	As the monthly installment doesn't exceed 50% of income	5.5% annually on average	-	Up to 7 years
International Islamic Arab Bank	Conditional for residents	- Salary transfer - Mortgage of real estate for Morabaha financing	Yes	As the monthly installment doesn't exceed 50% of income With a maximum of JD250 thousand	from 6.5%	0%	1-25 years
Safwa Islamic Bank	Unconditional	Registering the real estate on behalf of the bank	Yes	JD 250 thousand	7.75%-8.75%	1%	20 years
Al-Rajhi Bank	Conditional	- None for lease financing - Mortgage of real estate for Morabaha financing	Yes	JD 500 thousand	7.25%- 8% for lease financing (decreasing) 5.8%- 6.8% for Murabaha	0%	1 – 25 years for leasing 1-10 years for Murabaha

Continued Table (12): Terms and characteristics of housing and real estate loans granted by banks to individuals in 2016

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
Egyptian Arab Land Bank	Unconditional	Mortgage of real estate, guarantors, salary transfer, deduction, checks	Yes	JD 500 thousand	6.75%-7% Decreasing (JODIBOR + Margin)	1%	20-25 years
Rafidain Bank	-	-	-	-	-	-	-
Citi Bank	Conditional	Mortgage of real estate	Yes	JD 200 thousand	3.75%	-	Up to 20 years
Standard Chartered	Conditional	Mortgage of real estate	Yes	JD 2 million	6.5%	1% for the first year	30 years
Bank Audi	Conditional	Mortgage of real estate	Yes	JD 200 thousand	7.5%	1%	20 years
National Bank of Kuwait – Jordan	Conditional and unconditional	Mortgage of real estate	Yes	JD 500 thousand	6.25%-6.75% Decreasing	1% for the first year	20 years
BLOM Bank	Conditional	Mortgage of real estate	Yes	JD 500 thousand	7.5%	1% for one time	1- 25 years
National Bank of Abu Dhabi	Conditional and unconditional	Mortgage of real estate	Yes	JD 1 million	5.99%-7.5%	1%	3- 25 years

- Unavailable.

D. Car Loans

During 2016, banks operating in Jordan granted about 49265 loans to buy a car, whose value surpassed JD 487.1 million, so the average financing of car reached to JD 9888. Most banks required salary transfer and pledging the car. The interest rate ranged from 3.99% to 12% at commercial banks, while the Murabaha rate ranged between 3.5% and 6.75% at Islamic banks. The commission rate varied between zero and 1%, and the settlement period varied between 1 year and 10 years.

Table (13)
Car Loans Extended by Banks During 2016

Bank	Number of car loans submitted to banks during 2016	Number of accepted car loans applications during 2016	Total value of cars loans extended during 2016 (JD)
Arab Bank	329	154	2,735,013
Jordan Ahli Bank	99	45	1,241,920
Cairo Amman Bank	91	54	865,168
Bank of Jordan	1,700	863	13,878,831
The Housing Bank for Trade & Finance	1,281	1,220	18,621,120
Jordan Kuwait Bank	796	397	6,600,000
Arab Jordan Investment Bank	14	14	155,600
Jordan Commercial Bank	659	432	7,793,199
Investbank	19	9	220,410
ABC Bank	14	11	294,200
Bank Al-Etihad	4,904	1,021	20,805,583
Societe General – Jordan	540	489	5,460,159
Capital Bank	639	530	5,747,782
Jordan Islamic Bank ⁽¹⁾	22,731	22,731	200,200,000
International Islamic Arab Bank ⁽¹⁾	12,175	11,293	101,145,316
Safwa Islamic Bank ⁽¹⁾	4,600	2,619	29,587,385
Al-Rajhi Bank ⁽¹⁾	278	96	1,100,356
Egyptian Arab Land Bank	7	5	55,930
Rafidain Bank	0	0	0
Citi Bank	2	2	34,334
Standard Chartered	0	0	0
Bank Audi	1,097	764	10,545,950
National Bank of Kuwait	4	1	50,000
BLOM Bank	16,083	6,515	60,000,000
National Bank of Abu Dhabi	0	0	0
Total	68,062	49,265	487,138,256

(1) Represents cars' financing.

Table (14)

Terms and Characteristics of Car Loans Extended by Banks During 2016

Bank	Terms of Car loans	financing ratio (New and used car)	Interest rate/ Murabaha (%) (New and used car)	Annual commission (%)	Payment period (year)
Arab Bank	Car pledge	70%-100% for new cars 65%-90% for used cars	5% for new cars 5.5% for used cars (fixed interest)	1% for the first year	1-7 years
Jordan Ahli Bank	Salary transfer	- New cars: 100% - Used car: 80%	11% Decreasing	0%	7 years
	Car pledge	- New cars: 80% - Used cars: 60%	12% decreasing	0%	5 years
Cairo Amman Bank	Salary transfer / Car pledge / insurance (comprehensive / liability insurance).	For public sector and approved (A) entities 100% For private sector and professional 75%-85%	For public sector and approved (A) entities: JODIBOR + margin of 2.4% For private sector and professional: JODIBOR + margin of 3.4%	0%	8 years
Bank of Jordan	Salary transfer Car pledge	Up to 100%	fixed interest: from 3.99% decreasing interest: from 7.25%	1%	Up to 8 years
The Housing Bank for Trade & Finance	Car pledge + Comprehensive insurance	100% for transferred salaries, other clients 90% for new cars, and 80% for used cars	3.99%-7.75% fixed	0%	8 years including grace period
Jordan Kuwait Bank	Car pledge Salary transfer (unconditional)	90%-100% for new and used cars	9%-9.5% decreasing interest	1% for the first year	6-8 years
Arab Jordan Investment Bank	salary transfer car pledge	80%	7%	1% for the first year	6 years
Jordan Commercial Bank	Car pledge	100%	4.5%	0%	8 years
Investbank	Car pledge	Up to 100% for new cars Up to 85% for used cars	9.5% for new cars 10.5% for used cars Decreasing interest	1% for the first year	Up to 6 years
ABC Bank	Car pledge	90% for new cars 80% for used cars	10.5% decreasing interest	1% for one time	7 years for new cars, 10 years for used cars

Continued Table (14): Terms and Characteristics of Car Loans Extended by banks during 2016

Bank	Terms of Car loans	financing ratio (New and used car)	Interest rate/ Murabaha (%) (New and used car)	Annual commission (%)	Payment period (year)
Bank Al-Etihad	Car pledge	100% 80%	8.75% decreasing interest	1%	7 years
Societe General - Jordan	Car pledge + Comprehensive insurance + Salary transfer or guarantor in some cases	80% for used cars 90% for new cars	10% for used cars (decreasing interest) 8.999% for new cars (decreasing interest) 6.75% for credit systems Co. loans (fixed interest)	0%	Up to 7 years
Capital Bank	Car pledge + Salary transfer or checks	50%-100% according to client's status	8.5% decreasing interest	1%	8 years
Jordan Islamic Bank	Salary transfer + guarantor + car pledge	80% - 100%	5.5% annually	-	Up to 5 years
International Islamic Arab Bank	Salary transfer or deduction, other guarantees maybe required	Up to 100%	From 3.5%	0%	1-8 years
Safwa Islamic Bank	Car pledge	90%	5.25%-6.75%	1%	7 years
Al-Rajhi Bank	Salary transfer Car pledge	60%-90%	5%-6% Fixed interest	0%	1-8 years
Egyptian Arab Land Bank	Car pledge Guarantor checks Comprehensive insurance	50%-90%	9%-10% Decreasing interest	-	Up to 8 years
Rafidain Bank	-	-	-	-	-
Citi Bank	Car pledge Salary transfer	85% for used cars 100% for new cars	4.5%	-	5 years for used cars 6 years for new cars
Standard Chartered	-	-	-	-	-
Bank Audi	Car pledge	90% for new cars 80% for used cars	5%	1%	5 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 interest)	1% for the first year	7 years for new cars 5 years for used cars
BLOM Bank	Car pledge	80% for used cars 80% for new cars	5.5%	1% for one time	1-7 years
National Bank of Abu Dhabi	-	-	-	-	-

- Unavailable

E. Syndicated Bank Loans

Six banks operating in Jordan participated in the syndicated bank loans extended in 2016. Three banks extended a syndicated loan of JD42.5 million to finance 30% of the cost of building five stars hotel. Also, three other banks extended a syndicated loan of JD 42.5 million and USD 30 million to finance the building of a hospital and purchase the medical equipments needed for its operations.

Table (15)
Syndicated bank loans extended during 2016*

Lead Bank	Purpose of Loan	Loan Value		No. of participating banks
		JD	USD	
Arab Bank	Financing 30% of the cost of building five stars hotel	42.5	-	2
Jordan Kuwait Bank	Financing the building of a hospital and purchasing the medical equipments needed for its operations.	42.5	30	2

* Including the syndicated loans that led by one of the banks operating in Jordan.

7. Deposits at Licensed Banks

The balance of total deposits at licensed banks rose by the end of 2016 to reach JD 32.9 billion, an increase amounting to JD 301.5 million (0.9%) compared with the deposits' balance at the end of 2015.

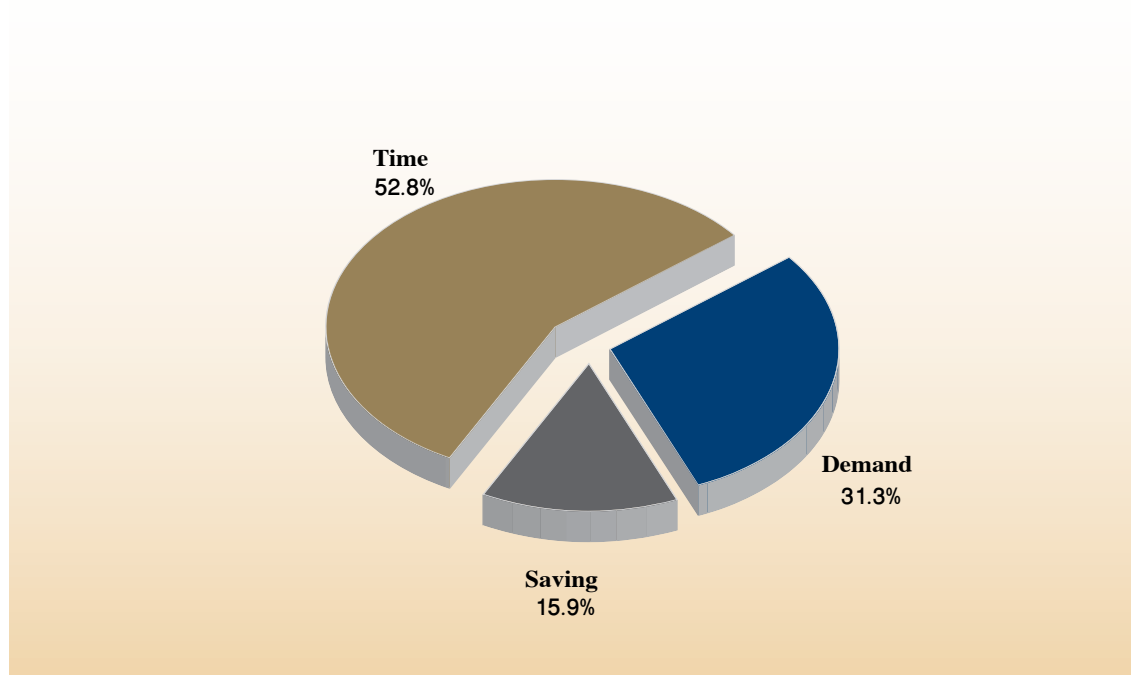
This increase in deposits during 2016 was due to the increase in the resident private sector's deposits by JD 548.4 million (1.8%). While the public sector's deposits decreased by JD 246.9 million (9.1%), compared to the levels they reached at the end of 2015.

As for the distribution of deposits according to its major types (demand, savings, and time deposits), time deposits accounted for 52.8% of total deposits at the end of 2016, compared to 55.4% in 2015. Demand deposits and savings deposits accounted for 31.3% and 15.9% respectively at the end of 2016.

Table (16)**Distribution of Deposits According to its Major Types**

Deposit Type	2015		2016		Percentage Change %
	JD million	Relative Importance %	JD million	Relative Importance %	
Demand	9948.2	30.5%	10312.6	31.3%	3.7%
Saving	4586.6	14.1%	5218.1	15.9%	13.8%
Time	18063.7	55.4%	17369.3	52.8%	-3.8%
Total Deposit	32598.5	100.0%	32900.0	100%	0.9%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

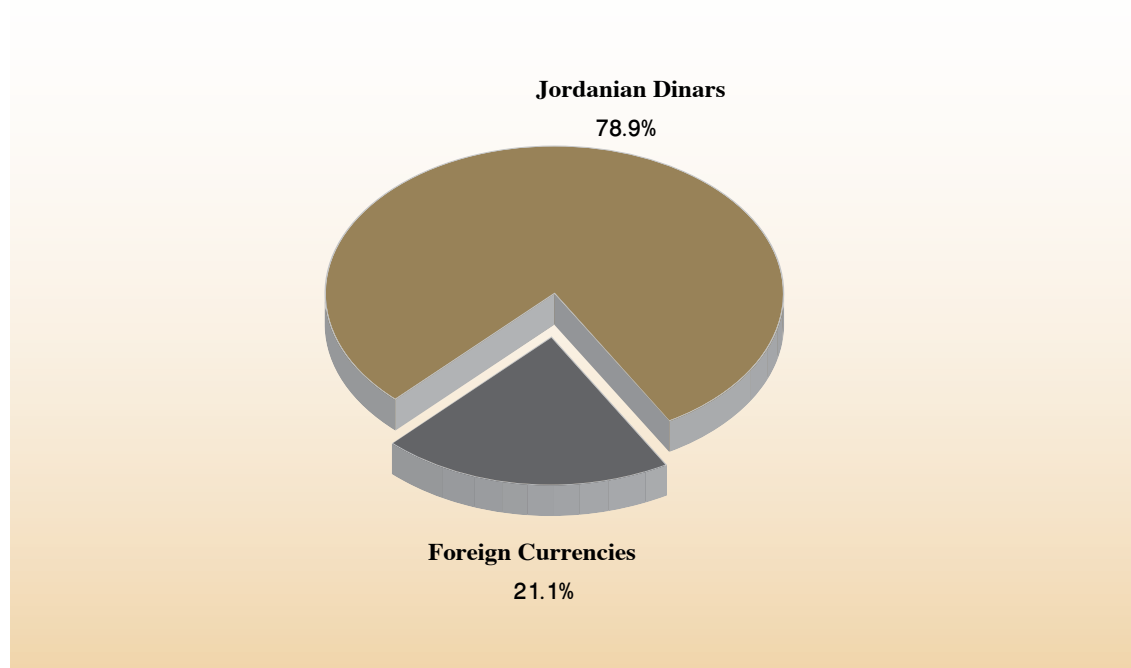
Chart (7)**Distribution of Deposits According to its Major Types as the end of 2016**

As for the developments of deposits according to type of currency during 2016, the deposits in foreign currencies increased by JD 347.8 million or 5.3% of their value at the end of 2015. The deposits in Jordanian Dinar decreased slightly by JD 46.3 million (0.2%) of what they registered at the end of 2015.

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

Deposits	2015		2016		Percentage Change %
	JD million	Relative Importance %	JD million	Relative Importance %	
Jordanian dinars	26014.5	79.8%	25968.2	78.9%	-0.2%
Foreign currencies	6584.0	20.2%	6931.8	21.1%	5.3%
Total Deposits	32598.5	100%	32900.0	100%	0.9%

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (8)**Distribution of Deposits According to Type of Currency at the end of 2016****8. Gender Distribution of Individual Clients in Banks Operating in Jordan**

The Association of Banks in Jordan sent in 2016 a questionnaire to its member banks that target data on levels of individuals' banking according to gender. In the following section we present the most important results.

First: Distribution of individuals' deposit accounts according to gender

Individuals' deposit accounts are classified into three main types: demand deposits, savings accounts and time deposits. The total number of individuals' deposit accounts at banks operating in Jordan reached to 3403470 depositors. Those are distributed as 2301526 male depositors and 1101944 female depositors; thus the percentage of male depositors amounts 67.6% of total depositors in banks while the percentage of female depositors accounts for 32.4%.

Chart (9)

The total number of individuals' deposit accounts according to gender at the end of 2016

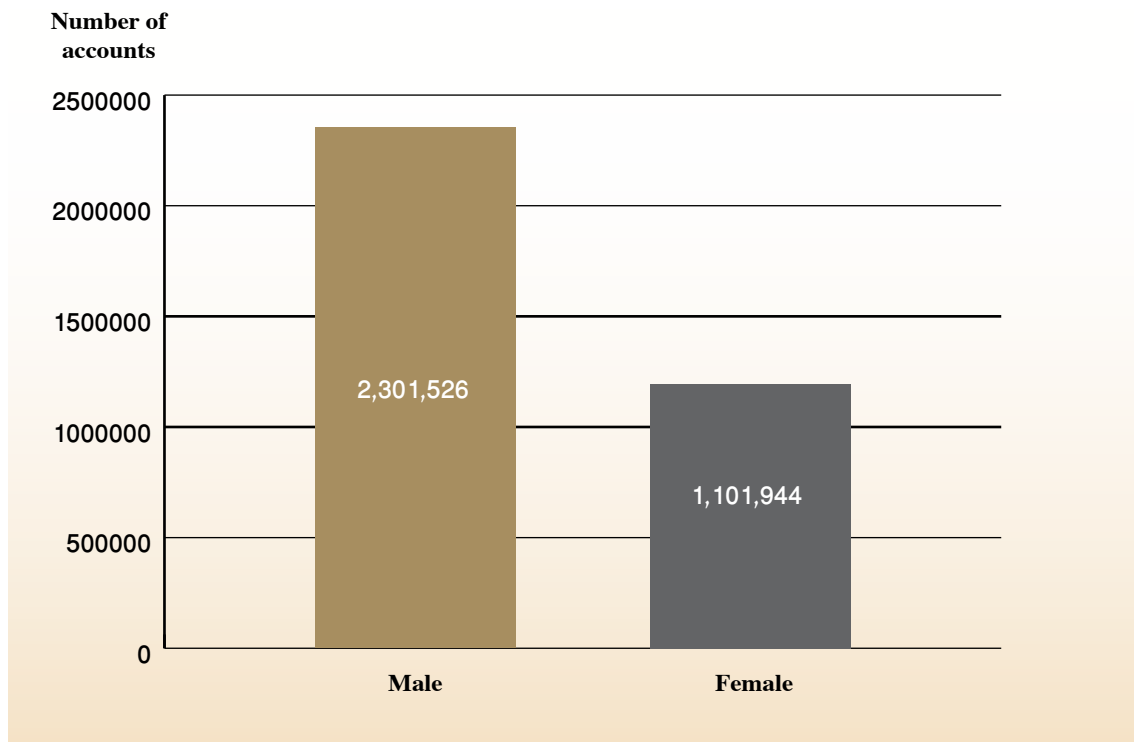
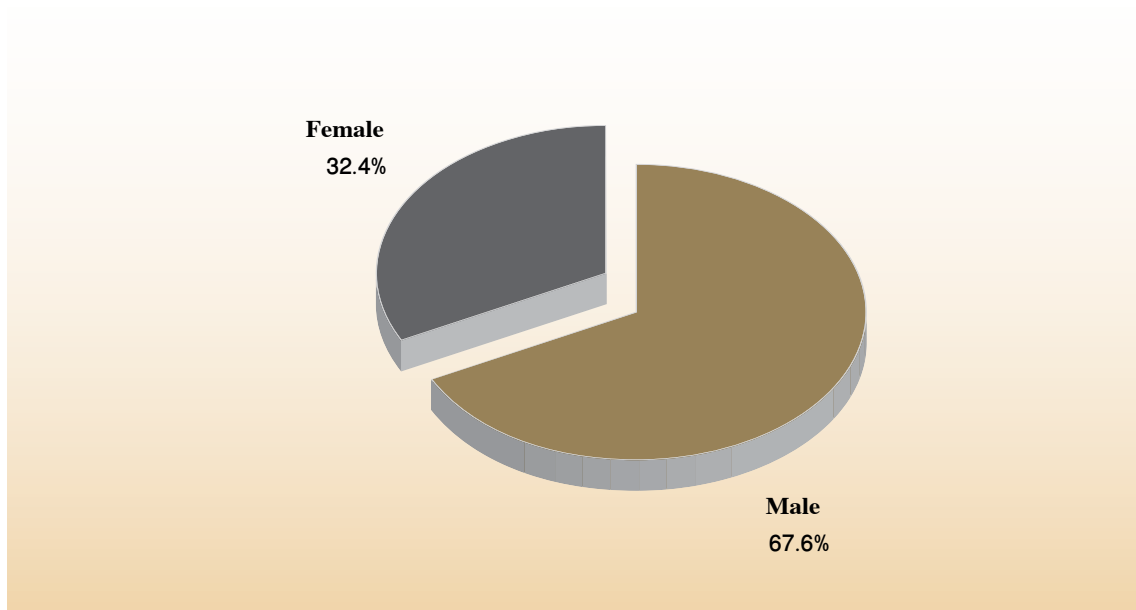


Chart (10)

The distribution of individuals' deposit accounts according to gender at the end of 2016



In terms of the total value of individuals' deposits at banks operating in Jordan, it amounted JD 21.86 billion. Those are distributed as JD 16.33 billion for male depositors and JD 5.53 billion for female depositors; thus the percentage of male deposits has formed 74.7% of the total value of individuals' deposits at banks in Jordan, while female deposits accounted for 25.3%.

Chart (11)

The total value of individuals' deposit according to gender at the end of 2016

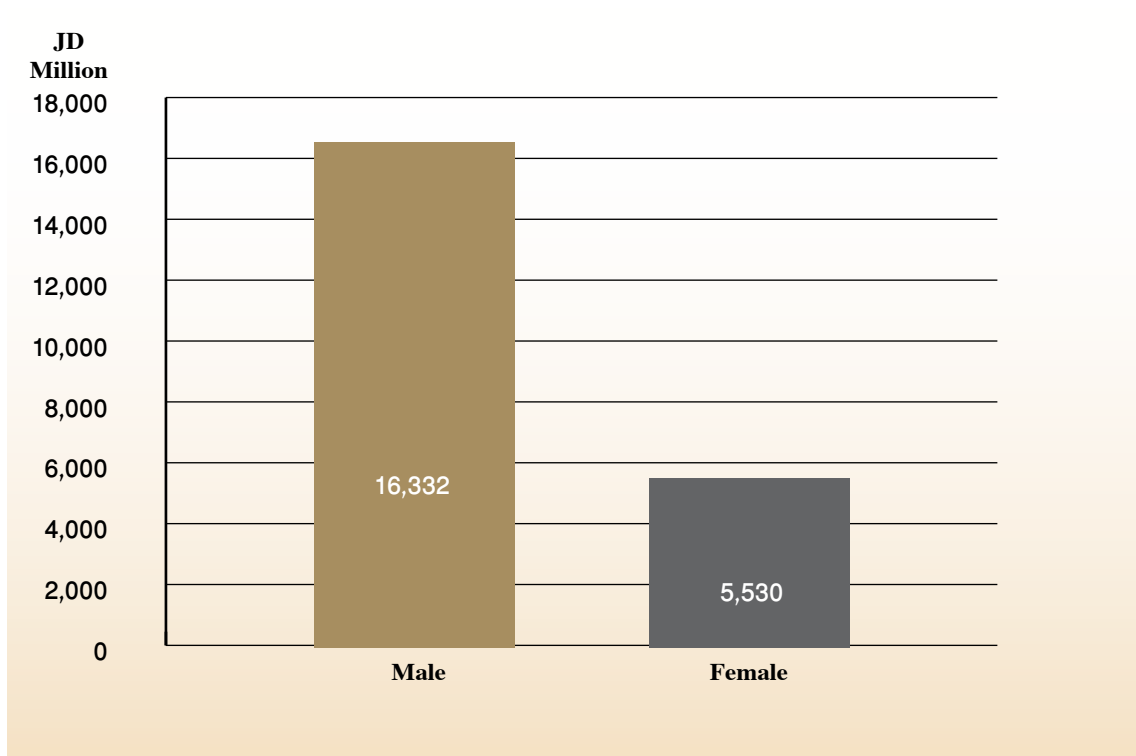
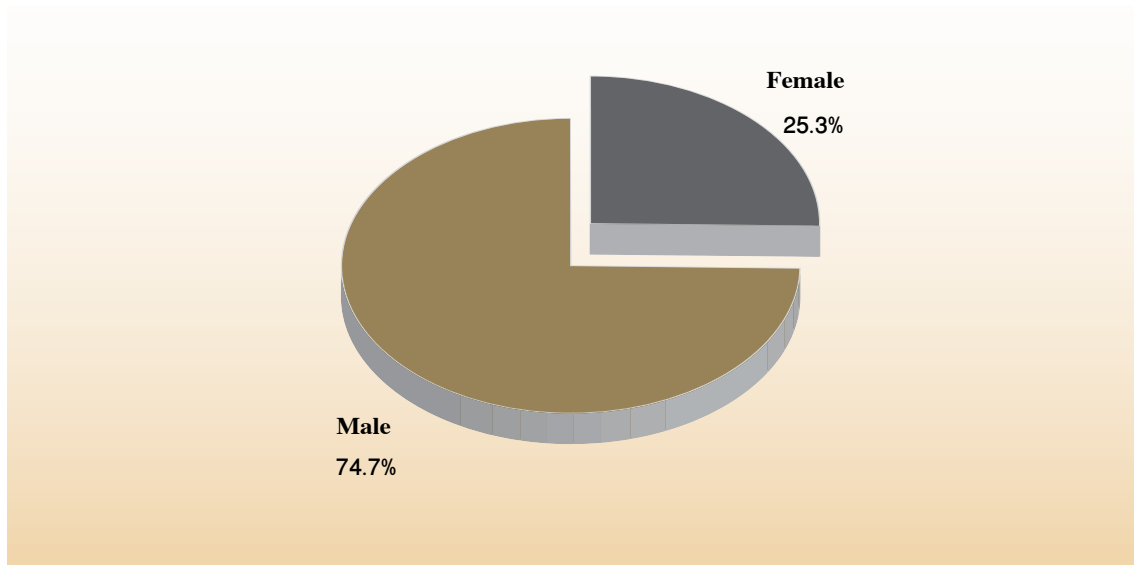


Chart (12)

The distribution of the total value of individuals' deposits according to gender at the end of 2016



Second: Distribution of individual borrowers according to gender

Credit facilities extended by banks operating in Jordan are classified into three main types: Overdraft, loans and advances, and discounted bills and bonds. The total outstanding number of individual borrowers from banks operating in Jordan reached to 788951 borrowers, distributed as 635681 male borrowers and 153270 female borrowers. Therefore, the percentage of male borrowers reached 80.6% of total individual borrowers from banks in Jordan, while the percentage of female borrowers amounted to approximately 19.4%.

Chart (13)

The total number of individual borrowers according to gender at the end of 2016

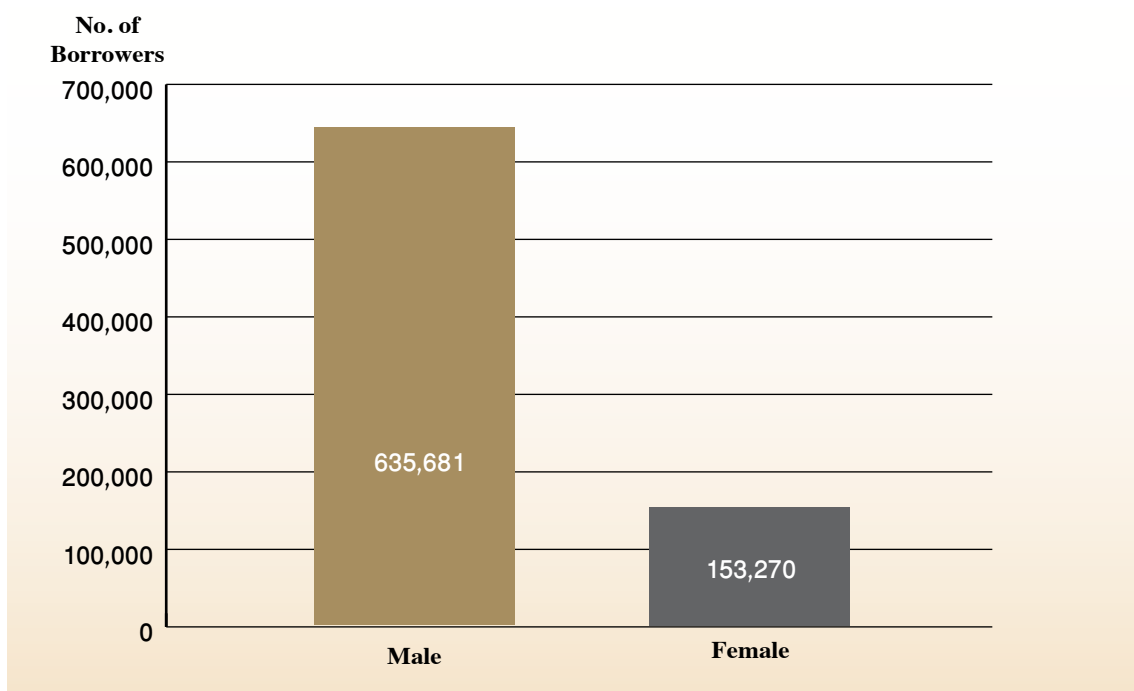
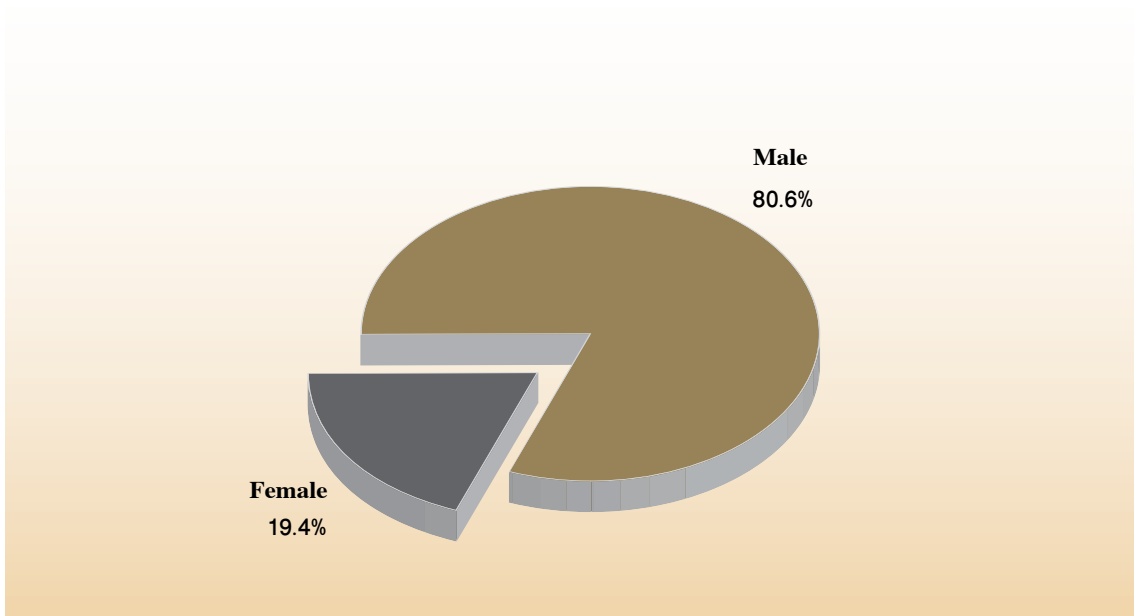


Chart (14)

The distribution of individual borrowers according to gender at the end of 2016



In terms of the total value of individuals' loans from banks operating in Jordan, it reached to JD 9177 million. Those are distributed as JD 7678 million loans for male borrowers and JD 1499 million loans for female borrowers; thus the percentage of male loans formed 83.7% of the total value of individuals' loans from banks in Jordan, while female loans accounted for 16.3%.

Chart (15)

The total value of individual loans according to gender at the end of 2016

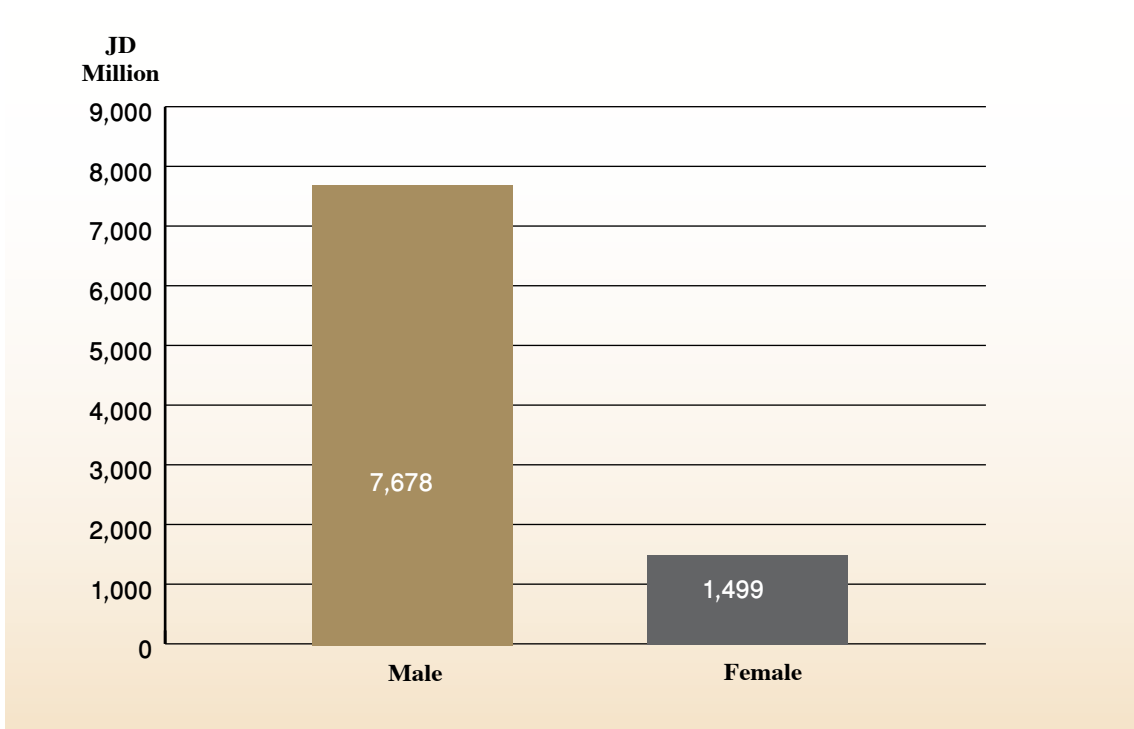
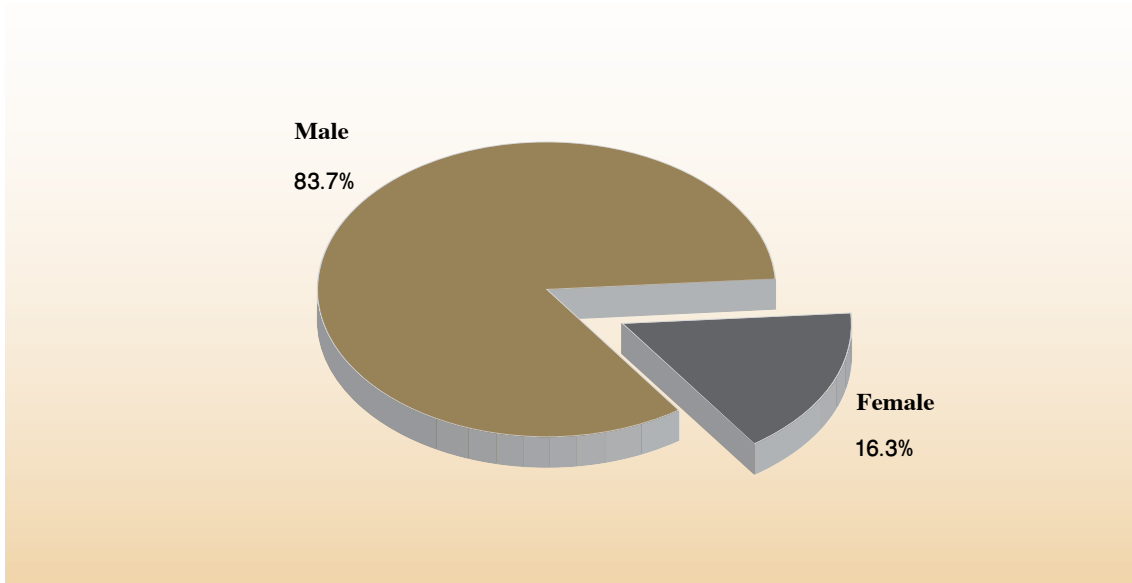


Chart (16)

The distribution of the total value of individuals' loans according to gender at the end of 2016



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

Banks operating in Jordan issues different types of credit cards for their clients, including the different categories of Visa Cards and Master Cards. The total number of individual clients possessing credit cards from banks operating in Jordan reached 366047 clients, distributed as 293393 male clients (80.2%) and 72654 female clients (19.8%).

Chart (17)

The total number of individual clients having credit cards according to gender at the end of 2016

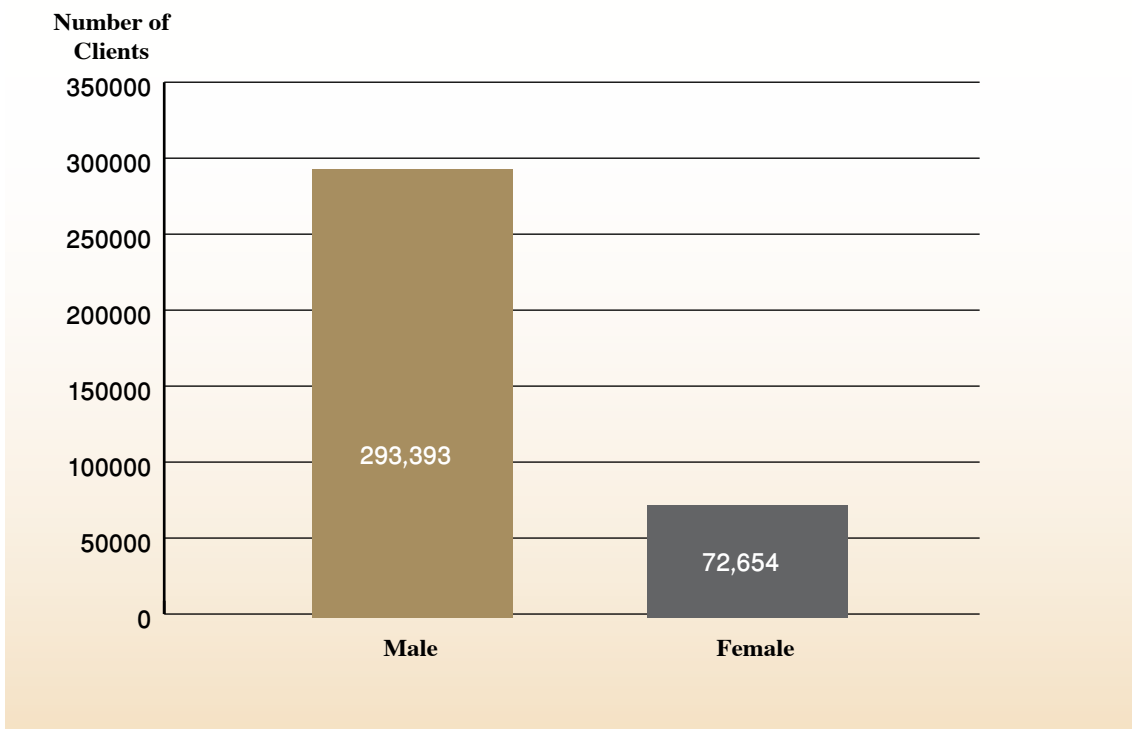
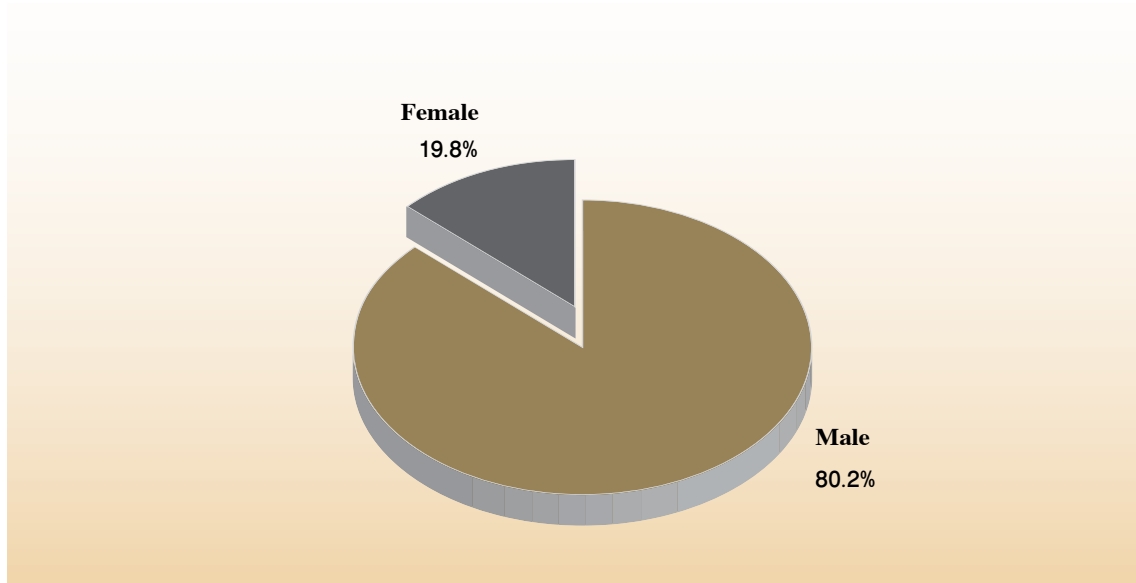


Chart (18)

The distribution of individual clients having credit cards according to gender at the end of 2016



In terms of the total value of individuals' credit cards limits granted by banks operating in Jordan, it reached to JD 692 million. Those are distributed as JD 584 million for male clients and JD 108 million for female clients; thus the percentage of credit cards limits granted to male formed 84.4% of the total value of individuals' credit cards limits, while female credit cards limits accounted for 15.6%.

Chart (19)

The total value of individuals credit cards limits according to gender at the end of 2016

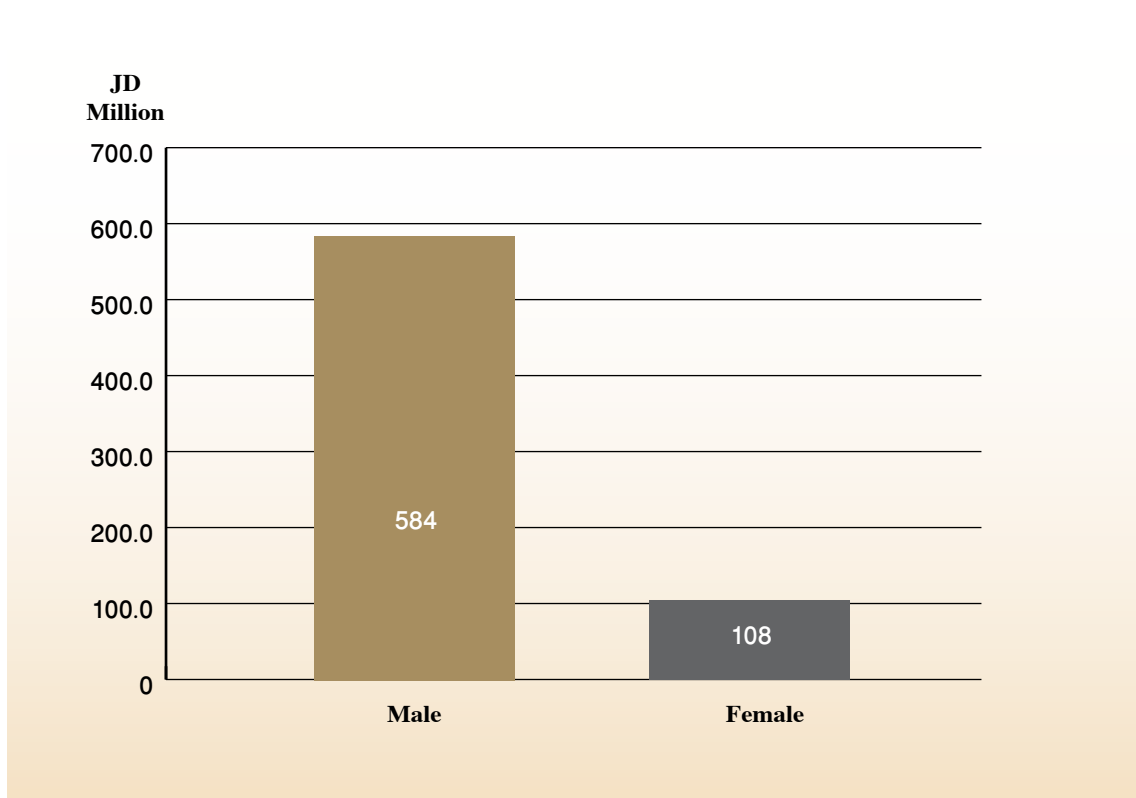
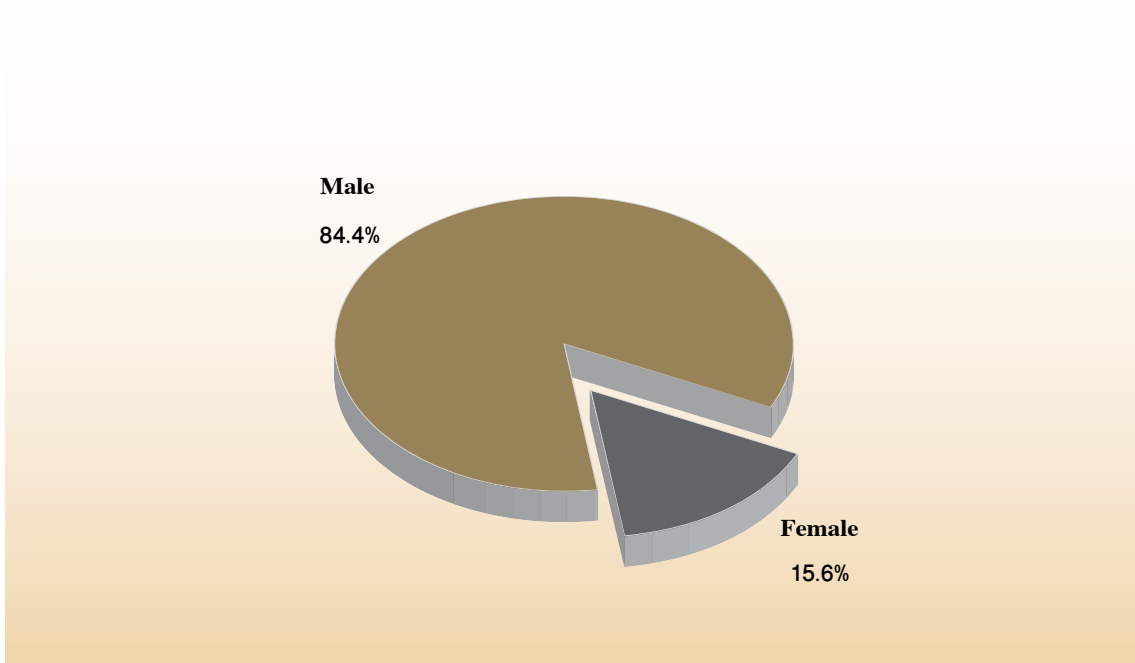
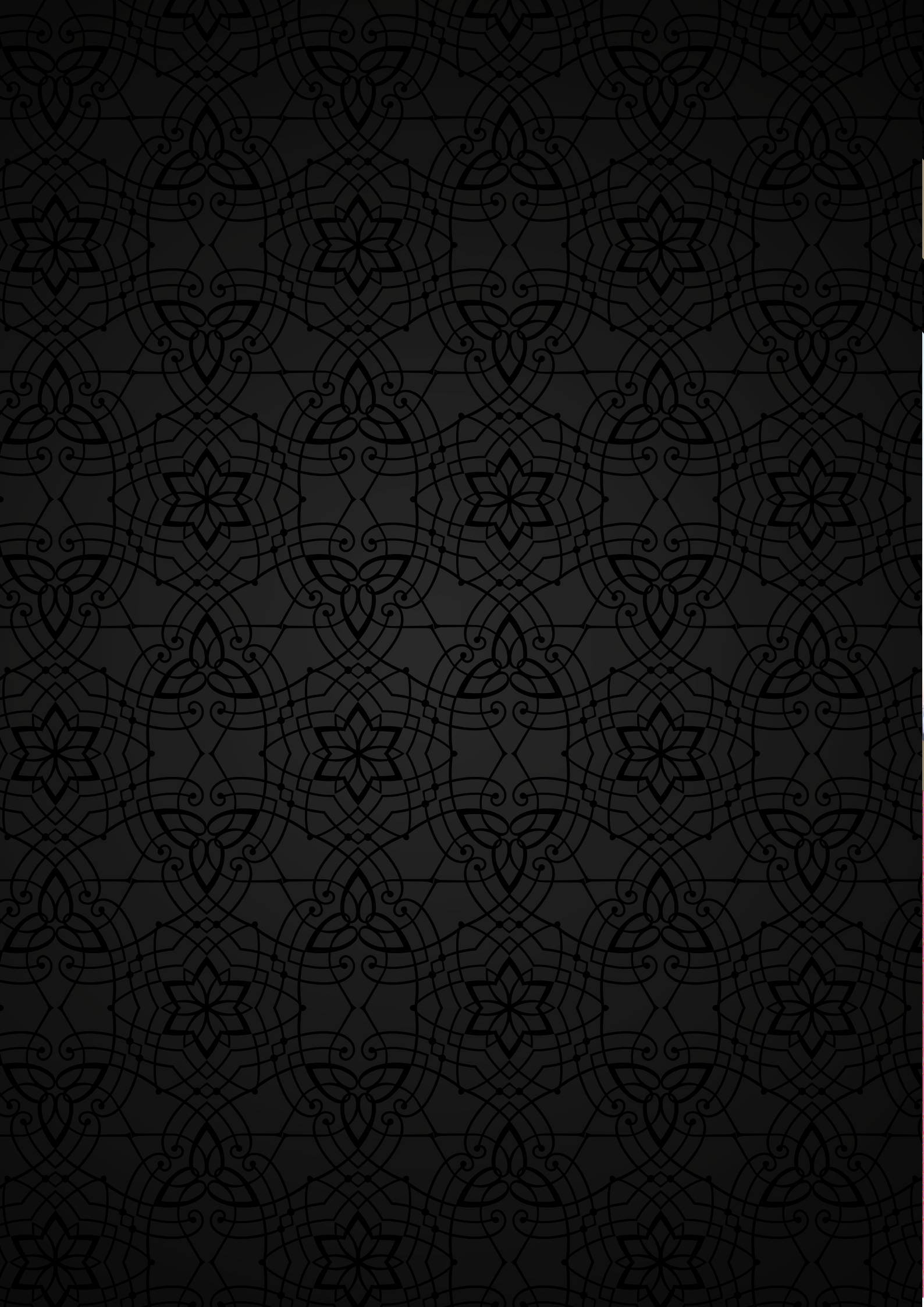


Chart (20)

The distribution of the total value of individuals credit cards limits according to gender at the end of 2016





Chapter Four

Development in the Number of Banks and their Branches



The number of banks operating in Jordan reached to 25 banks at the end of 2016, 16 of which are Jordanian banks (3 of which are Islamic banks), 9 of them are foreign banks (of which one is an Islamic bank). The services of these banks cover most parts of the kingdom through a network of branches that consist of 808 branches and 86 offices. The banking density indicator (the population to the total number of branches of banks operating in the kingdom) reached to 12126 people for each branch by the end of 2016.

Table (18)
Development of Number of Banks and Branches in Jordan (2008 – 2016)

Year	Number of Jordanian Banks		Number of Foreign Banks		Total	Number of Branches
	Commercial Banks	Islamic Banks	Commercial Banks	Islamic Banks		
2008	13	2	8	0	23	593
2009	13	2	8	0	23	619
2010	13	3	9	0	25	666
2011	13	3	9	1	26	702
2012	13	3	9	1	26	722
2013	13	3	9	1	26	742
2014	13	3	8	1	25	770
2015	13	3	8	1	25	786
2016	13	3	8	1	25	808

1. Development of the Number of Branches

A. Branches Opened during 2016

In an endeavor to keep in touch with their clients and facilitate the process of the client's getting the best banking services, the banks constantly try to increase the number of their branches to cover the whole kingdom. During 2016, 25 new branches were opened by 13 banks; whereas two banks opened 7 branches outside Jordan during 2016.

Table (19)

New Branches opened during 2016

Bank	in Jordan			Abroad		
	#	Branch's Name	City	#	Branch's Name	
Arab Bank	0	-	-	5	Hazemieh Branch	Lebanon
		-	-		Beddo Branch	Palestine
		-	-		Yatta Branch	Palestine
		-	-		Tagamoa Awal Branch	Egypt
		-	-		Roxy Branch	Egypt
Jordan Ahli Bank	1	Mecca Mall Branch	Amman	0		
Cairo Amman Bank	2	Um Uthyna Branch	Amman	0		
		Zarqa Branch / King Talal Street	Zarqa			
Bank of Jordan	1	Al-abdali Mall Branch	Amman	0		
The Housing Bank for Trade & Finance	4	Mobile Branch	All Governorates	0		
		Al-Manarah Branch	Amman			
		Airport St. Branch	Amman			
		Bani Kenana Branch	Amman			
Jordan Kuwait Bank	5	Mobile Branch	All Governorates	2	Bethlehem Branch	Bethlehem / Palestine
		Al-abdali Mall Branch	Amman		Jenin Branch	Jenin/ Palestine
		Tabarbour Branch	Amman		—	
		Zahran Branch	Amman		—	
		Hashmi Branch	Amman		—	
Arab Jordan Investment Bank	1	Al-abdali Mall Branch	Amman	0		
Investbank	1	Dabouq Branch	Amman	0		
Bank Al-Etihad	3	Sweileh Branch	Amman	0		
		Al-abdali Mall Branch	Amman			
		Dahiyet Al Rasheed Branch	Amman			
Jordan Islamic Bank	1	City Center Branch	Irbid	0		
Safwa Islamic Bank	3	Zarqa, Saadeh Street Branch	Zarqa	0		
		Dabouq Branch	Amman			
		Tabarbour Branch	Amman			
Al-Rajhi Bank	1	Mecca Mall Branch	Amman	0		
Egyptian Arab Land Bank	1	Mecca Mall Branch	Amman	0		
Bank Audi	1	Taj Mall Branch	Amman	0		
Total	25			7		

* Banks listed in the table are only those which opened new branches in Jordan, during 2016.

B. The Number of Branches Inside and Outside Jordan

The number of branches of licensed banks inside Jordan reached 808 branches, whereas the number of branches outside Jordan reached 189 at the end of 2016.

Table (20)
Number of Branches Inside and Outside Jordan at the End of 2016

Bank	Number of Branches	
	Inside Jordan	Abroad
Arab Bank	74	122
Jordan Ahli Bank	55	6
Cairo Amman Bank	73	23
Bank of Jordan	71	14
The Housing Bank for Trade & Finance	117	14
Jordan Kuwait Bank	61	5
Arab Jordan Investment Bank	18	1
Jordan Commercial Bank	29	4
Investbank	12	0
ABC Bank	27	0
Bank Al-Etihad	41	0
Societe General - Jordan	17	0
Capital Bank	12	0
Jordan Islamic Bank	74	0
International Islamic Arab Bank	41	0
Safwa Islamic Bank	25	0
Al-Rajhi Bank	7	0
Egyptian Arab Land Bank	11	0
Rafidain Bank	2	0
Citi Bank	2	0
Standard Chartered Bank	6	0
Bank Audi	14	0
National Bank of Kuwait - Jordan	3	0
BLOM Bank	14	0
National Bank of Abu Dhabi	2	0
Total	808	189

C. Geographical Distribution of Branches inside Jordan

The 808 branches of banks are spread across all governorates, including 3 mobile branches that travel to all the Kingdom's governorates and districts to provide comprehensive banking services, electronic services, cash withdrawals and deposits.

Amman, the capital, has the largest share of the branches with a percentage of 62.7% of the total number of branches. Irbid Governorate follows Amman with 9.9% and Zarqa governorate accounts for 9.1% of the total branches. The rest, 18.3%, are distributed to the remaining governorates.

Table (21)
Distribution of Branches among Governorates at the End of 2016

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleh	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	1	1	1	1	0	1	1	55
Cairo Amman Bank	37	10	6	6	2	3	2	1	1	1	1	3	73
Bank of Jordan	46	9	7	1	1	1	1	1	1	2	0	1	71
The Housing Bank for Trade & Finance	60	15	14	9	1	4	1	5	1	2	2	1	115+2*
Jordan Kuwait Bank	43	4	5	4	1	1	1	0	0	0	0	1	60+1*
Arab Jordan Investment Bank	14	1	2	0	1	0	0	0	0	0	0	0	18
Jordan Commercial Bank	16	4	2	3	1	1	1	0	0	0	0	1	29
Investbank	9	1	1	0	1	0	0	0	0	0	0	0	12
ABC Bank	19	1	1	1	1	1	1	0	1	0	0	1	27
Bank Al-Etihad	31	4	2	1	1	0	1	0	0	0	0	1	41
Societe General - Jordan	12	1	1	0	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
International Islamic Arab Bank	22	3	5	2	1	2	1	1	1	1	1	1	41
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	7	1	1	0	1	0	0	0	0	0	0	1	11
Rafidain Bank	2	0	0	0	0	0	0	0	0	0	0	0	2
Citi Bank	2	0	0	0	0	0	0	0	0	0	0	0	2
Standard Chartered Bank	4	1	0	0	1	0	0	0	0	0	0	0	6
Bank Audi	12	1	0	0	1	0	0	0	0	0	0	0	14
National Bank of Kuwait - Jordan	3	0	0	0	0	0	0	0	0	0	0	0	3
BLOM Bank	11	1	1	0	1	0	0	0	0	0	0	0	14
National Bank of Abu Dhabi	2	0	0	0	0	0	0	0	0	0	0	0	2
Total	505	80	73	42	20	20	13	14	8	9	7	14	805+3*

* Mobile branch

2. Development of the Number of Offices

A. Offices Opened during 2016

For the sake of extending their services to the largest number of customers in the kingdom, banks tend to open offices in commercial centers, malls, universities and many other places. Seven offices were opened inside Jordan by four banks during 2016.

Table (22)
Offices Opened During 2016

Bank	Inside Jordan		
	#	Office Name	City
Cairo Amman Bank	2	Jordan University of Science and Technology Office	Irbid
		Jerash Office	Jerash
The Housing Bank for Trade & Finance	1	Wadi Saqra Office	Amman
Arab Jordan Investment Bank	1	Queen Alia Int'l Airport Offices	Amman
Jordan Islamic Bank	3	Wasfi Al Tall St. Offices	Amman
		Theban Office	Madaba
		Eben Eblen Office	Ajloun
Total	7		

*Banks listed in the table are only those which opened new offices in Jordan during 2016.

B. The Number of Offices Inside and Outside Jordan

The number of offices of licensed banks reached to 86 offices all over of the kingdom, in addition to 7 offices outside Jordan by the end of 2016.

Table (23)**Number of Offices Inside and Outside Jordan at the End of 2016**

Bank	Number of Offices	
	Inside Jordan	Abroad
Arab Bank	0	0
Jordan Ahli Bank	1	1
Cairo Amman Bank	15	0
Bank of Jordan	10	1
The Housing Bank for Trade & Finance	13	3
Jordan Kuwait Bank	0	0
Arab Jordan Investment Bank	15	1
Jordan Commercial Bank	1	1
Investbank	0	0
ABC Bank	0	0
Bank Al-Etihad	0	0
Societe General - Jordan	0	0
Capital Bank	0	0
Jordan Islamic Bank	23	0
International Islamic Arab Bank	0	0
Safwa Islamic Bank	0	0
Al-Rajhi Bank	0	0
Egyptian Arab Land Bank	3	0
Rafidain Bank	0	0
Citi Bank	2	0
Standard Chartered Bank	0	0
Bank Audi	2	0
National Bank of Kuwait - Jordan	0	0
BLOM Bank	1	0
National Bank of Abu Dhabi	0	0
Total	86	7

C. Geographical distribution of Offices inside Jordan

The 86 offices of banks are spread over all governorates of Jordan; the capital, Amman, has 39.5% of the total number of these offices, followed by Irbid Governorate with the percentage of 19.8%, and Aqaba Governorate with the percentage of 11.6%.

Table (24)**Distribution of Offices among Governorates at the End of 2016**

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleeh	Mafraq	Total
Arab Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Jordan Ahli Bank	0	1	0	0	0	0	0	0	0	0	0	0	1
Cairo Amman Bank	3	3	1	1	2	0	0	3	1	1	0	0	15
Bank of Jordan	0	5	0	2	2	0	0	0	0	0	0	1	10
The Housing Bank for Trade & Finance	7	4	0	0	1	0	0	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	10	2	1	0	2	0	0	0	0	0	0	0	15
Jordan Commercial Bank	0	0	0	0	1	0	0	0	0	0	0	0	1
Investbank	0	0	0	0	0	0	0	0	0	0	0	0	0
ABC Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Al-Etihad	0	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	7	2	3	1	1	2	2	0	1	1	1	2	23
International Islamic 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	3	0	0	0	0	0	0	0	0	0	0	0	3
Rafidain Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Citi Bank	2	0	0	0	0	0	0	0	0	0	0	0	2
Standard Chartered Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Audi	2	0	0	0	0	0	0	0	0	0	0	0	2
National Bank of Kuwait - Jordan	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOM Bank	0	0	0	0	1	0	0	0	0	0	0	0	1
National Bank of Abu Dhabi	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	34	17	5	4	10	2	2	3	2	2	1	4	86

3. Development of the Number of ATMs

A. The Number of ATMs and their Distribution in Governorates

In order to keep up with the developments in the financial services sector and to face the growing number of ATMs' users, banks always seek to increase the number of ATMs. By the end of 2016, the number of ATMs amounted to 1637, compared to 1488 ATMs at the end of 2015. These ATMs are spread in all governorates. The Capital Amman has the largest share amounting to 67.8% of the total number of ATMs, followed by Irbid governorate with a share of 9.6%, then Zarqa governorate with a share of 6.4% of the total number of ATMs.

Table (25)

Distribution of ATMs among Governorates at the End of 2016

Bank	Amman	Irbid	Zarqa	Balqa	Aqaba	Karak	Madaba	Maan	Jerash	Ajloun	Tafleh	Mafraq	Total	of which in the branch building
Arab Bank	128	9	9	3	3	1	4	2	1	1	1	1	163	89
Jordan Ahli Bank	81	9	5	10	4	1	2	1	1	0	1	1	116	63
Cairo Amman Bank	81	33	10	8	6	6	4	6	1	1	1	7	164	102
Bank of Jordan	83	10	5	4	5	1	2	1	1	2	0	6	120	79
The Housing Bank for Trade & Finance	127	27	19	11	7	11	3	7	1	7	3	3	226	142
Jordan Kuwait Bank	69	5	5	5	3	2	2	0	0	0	0	1	92	62
Arab Jordan Investment Bank	49	1	5	0	3	0	0	0	0	0	0	0	58	36
Jordan Commercial Bank	30	6	4	3	3	1	2	0	0	0	0	1	50	29
Investbank	26	1	2	0	2	0	0	0	0	0	0	0	31	11
ABC Bank	51	1	1	0	0	0	0	0	0	0	0	0	53	28
Bank Al-Etihad	60	7	5	2	2	0	1	0	0	0	0	1	78	45
Societe General - Jordan	15	1	1	0	1	1	1	0	0	0	0	0	20	17
Capital Bank	39	4	2	0	2	0	0	0	0	0	0	0	47	17
Jordan Islamic Bank	88	28	20	7	7	8	5	6	4	5	5	7	190	138
International Islamic Arab Bank	43	3	3	2	2	2	1	1	1	1	1	1	61	44
Safwa Islamic Bank	51	3	3	1	0	0	0	0	0	0	0	0	58	24
Al-Rajhi Bank	26	4	3	0	0	0	0	0	1	0	0	0	34	13
Egyptian Arab Land Bank	11	1	1	0	1	0	0	0	0	0	0	1	15	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	1	0	0	0	0	0	0	0	8	7
Bank Audi	23	2	0	0	1	0	0	0	0	0	0	0	26	16
National Bank of Kuwait - Jordan	6	0	0	0	0	0	0	0	0	0	0	0	6	3
BLOM Bank	12	1	1	0	2	0	0	0	0	0	0	0	16	15
National Bank of Abu Dhabi	5	0	0	0	0	0	0	0	0	0	0	0	5	3
Total	1110	157	104	56	55	34	27	24	11	17	12	30	1637	998

B. Kinds of ATM

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

C. Operating Systems

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

D. Services Provided by ATMs

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

Table (26): Services Provided by Banks' ATMs as the End of 2016

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 Customers's accounts within the same bank	Cash transfer between Customers within the same bank	Paying credit cards	Cheque book request	Apply for loan	Statement inquiry	Change (PIN)	Eye print	Anti Skimming ⁽¹⁾
Arab Bank	√	√	√	√	√	√	√	√	√	√		√	√		√	√	
Jordan Ahli Bank	√		√			√	√		√				√		√	√	
Cairo Amman Bank	√	√				√	√	√	√	√	√	√	√		√	√	√
Bank of Jordan	√		√			√	√	√	√	√			√		√	√	
The Housing Bank for Trade & Finance	√	√	√	√	√	√	√	√	√	√			√	√	√	√	√
Jordan Kuwait Bank	√	√	√	√	√	√	√		√				√		√	√	
Arab Jordan Investment Bank	√	√*	√			√	√		√	√		√	√		√	√	
Jordan Commercial Bank	√	√	√	√	√	√	√	√	√			√		√	√	√	
Investbank	√		√			√	√		√	√		√	√		√	√	
ABC Bank	√					√	√		√	√		√	√		√	√	
Bank Al-Etihad	√	√	√	√		√	√					√		√	√		√
Societe General - Jordan	√					√	√	√					√				√
Capital Bank	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	
Jordan Islamic Bank	√		√			√	√	√	√				√		√	√	
International Islamic 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	√					√		√									√
National Bank of Abu Dhabi	√			√		√	√		√	√			√		√	√	

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

(2) Does not have ATMs

* Cash Transfer within accounts of the same customer

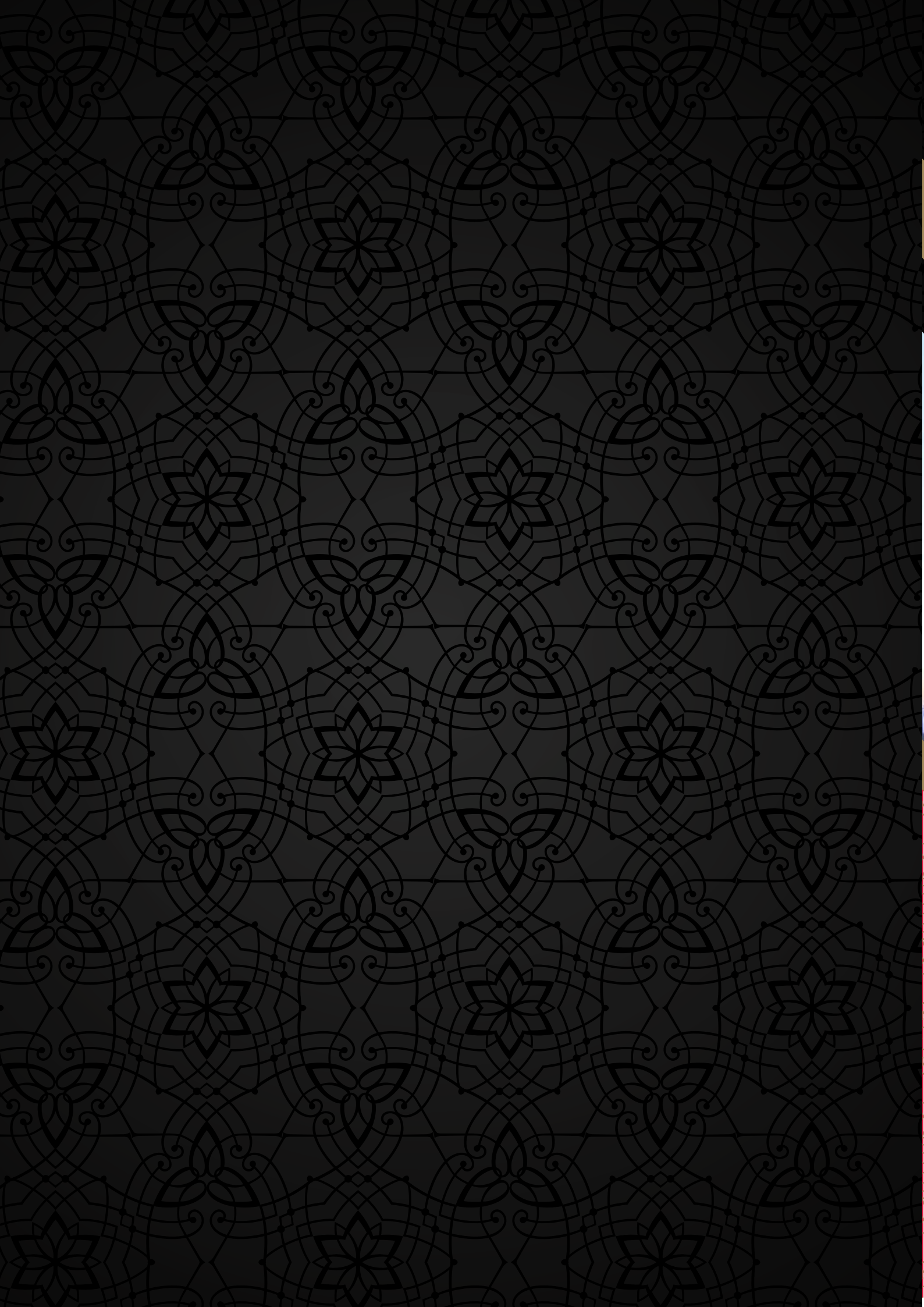
- Not necessarily that all bank's ATMs provide the same services.

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

Table (27)
Other Services Provided Through ATMs

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	Receiving transfers through western union
The Housing Bank for Trade & Finance	bills payment through E-FAWATEERCOM
	Sending emails concerning suggestions and complaints
	Requesting credit cards
	Currency exchange rates
	Display bank ads on the home screen
Jordan Kuwait Bank	Charging prepaid ATM cards
Bank Al-Etihad	Changing the password of the credit card
	E-FAWATEERCOM
Jordan Islamic Bank	E-FAWATEERCOM
International Islamic Arab Bank	Depositing orders through envelope
Bank Audi	Transfer between clients' accounts

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



Chapter Five

Performance of Banks Listed in Amman Stock Exchange during 2016



The number of banks listed in Amman Stock Exchange (ASE) reached 15 banks by the end of 2016, the closing stock prices of which ranged between JD 0.83 and JD 9.30. The number of bank shares traded in the stock exchange totaled 102.3 million shares, while the trading volume of these shares reached JD 261.3 million. The following table shows the most important trading indicators of the banks listed in Amman Stock Exchange during 2016.

Table (28)

Some Trading Indicators of Banks Listed in Amman Stock Exchange During 2016

Banks	Symbol	Closing price (end of 2015)	High price during 2016	Low price during 2016	Closing price (end of 2016)	Average Price 2016	Value traded (JD)	Shares traded
Arab Bank	ARBK	6.45	6.39	5.90	6.17	6.13	94,803,763	15,464,772
The Housing Bank for Trade & Finance	THBK	9.45	9.65	9.06	9.30	9.35	8,618,068	921,537
Bank of Jordan	BOJX	2.60	3.40	2.15	2.88	2.73	41,953,202	15,377,721
Capital Bank	EXFB	1.00	1.09	0.76	0.83	0.91	8,198,375	9,062,760
Cairo Amman Bank	CABK	2.55	2.56	1.81	1.85	2.12	17,331,477	8,158,859
Jordan Ahli Bank	AHLI	1.25	1.33	1.13	1.15	1.22	13,952,139	11,415,204
Jordan Islamic Bank	JOIB	3.55	3.90	3.27	3.86	3.55	26,552,712	7,483,311
Arab Jordan Investment Bank	AJIB	1.91	1.93	1.61	1.70	1.72	1,192,558	693,508
Bank Al-Etihad	UBSI	1.52	2.11	1.49	2.01	1.71	9,639,426	5,636,406
Jordan Commercial Bank	JCBK	1.17	1.75	1.10	1.40	1.45	9,232,356	6,365,249
ABC Bank	ABCO	1.16	1.32	1.12	1.32	1.21	3,210,695	2,649,684
Investbank	INVB	1.34	1.52	1.21	1.49	1.32	5,680,421	4,314,111
Societe General - Jordan	SGBJ	1.01	1.07	0.92	0.95	0.96	182,737	190,642
Safwa Islamic Bank	JDIB	1.07	1.41	1.04	1.28	1.24	16,806,394	13,572,237
Jordan Kuwait Bank	JOKB	4.10	4.16	3.50	3.94	3.74	3,911,457	1,045,896

Source: Amman Stock Exchange

1. Shares Price Index

The price index (weighted by market value) of shares of banks listed in Amman Stock Exchange declined slightly by 19.2 points (0.2%), reaching 8444.5 points at the end of 2016, while the price index of the stock exchange in general regressed by 3.8% reaching 4069.7 points at the end of 2016.

Table (29)

Development of the Shares Price Index of Banks Listed in Amman Stock Exchange (2008 – 2016)

year	The weighted shares prices index (points)	
	Banks	General
2008	11380.1	6243.1
2009	9368.0	5520.1
2010	8848.3	5318.0
2011	7542.3	4648.4
2012	7297.4	4593.9
2013	8035.2	4336.7
2014	8373.0	4237.6
2015	8463.7	4229.9
2016	8444.5	4069.7

Source: Amman Stock Exchange

Chart (21)

Annual Development of the Shares Price Index (2008-2016)

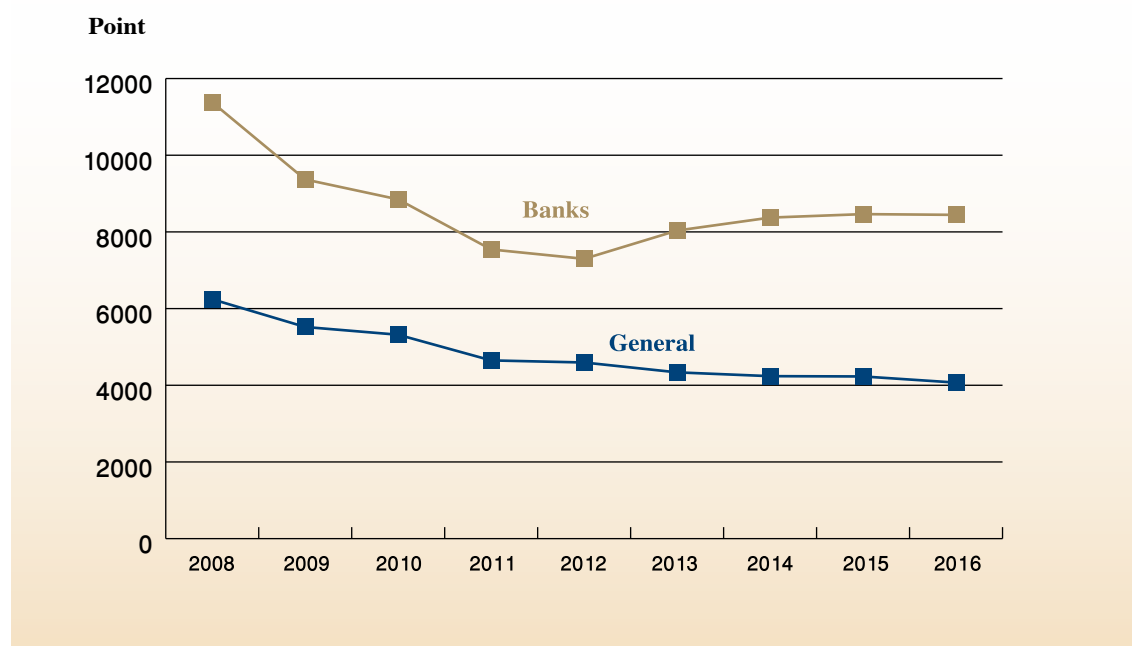


Table (30)

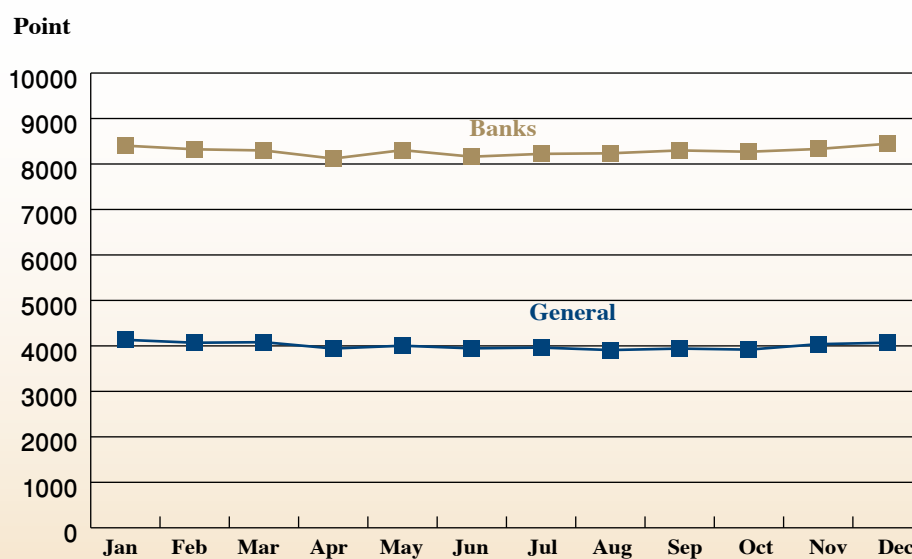
Monthly Development of the Shares Price Index of Banks Listed in Amman Stock Exchange During 2016

Month	The weighted shares prices index (points)	
	Banks	General
January	8403.2	4133.2
February	8323.1	4069.2
March	8297.5	4081.5
April	8119.0	3942.1
May	8304.8	4004.2
June	8160.7	3946.1
July	8222.3	3963.2
August	8235.2	3908.6
September	8298.5	3941.1
October	8269.2	3918.1
November	8330.2	4037.8
December	8444.5	4069.7

Source: Amman Stock Exchange

Chart (22)

Monthly Development of the Shares Price Index During 2016



2. Trading Volume

The trading volume of Amman Stock Exchange regressed from JD 2.51 billion in 2015 to JD 1.82 billion in 2016. While the trading volume of the banks' shares went down from JD 262.6 million in 2015 to JD 261.3 million in 2016.

Table (31)

Trading Volume of Banks' Shares Listed in Amman Stock Exchange (2008 – 2016)

Year	Value Traded (JD million)		
	Banks	General	Banks/ General (%)
2008	2,983.9	20,318.1	14.7
2009	826.5	9,134.2	9.0
2010	514.8	6,088.6	8.5
2011	405.8	2,762.7	14.7
2012	303.6	1,931.9	15.7
2013	289.9	2,425.5	11.9
2014	462.8	2,185.5	21.2
2015	262.6	2,511.8	10.4
2016	261.3	1,821.8	14.3

Source: Amman Stock Exchange

Chart (23)

Annual Development of the Trading Volume (2008-2016)

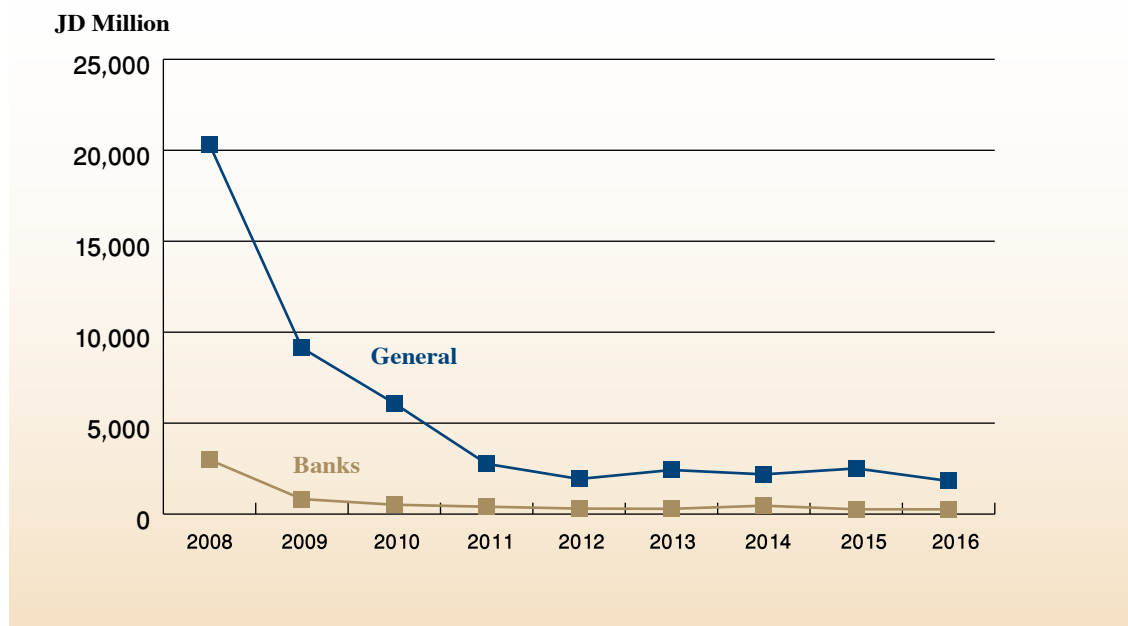


Table (32)

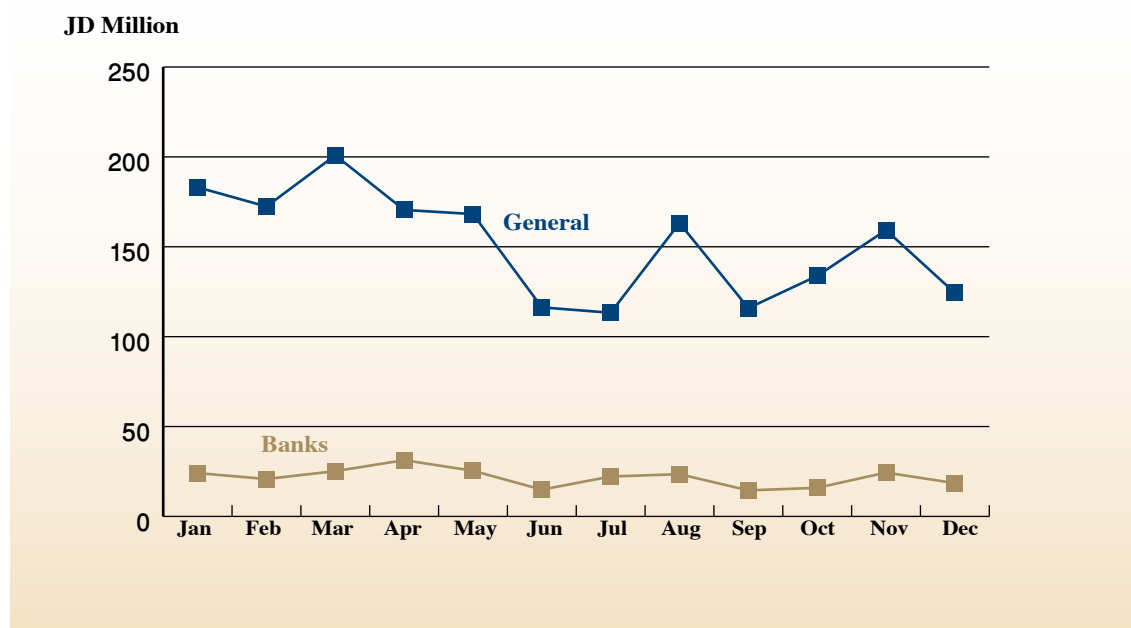
Monthly Trading Volume of Banks' Shares Listed in Amman Stock Exchange during 2016

Month	Value Traded (JD million)		
	Banks	General	Banks/ General (%)
January	24.169	183.127	13.2
February	20.809	172.433	12.1
March	25.276	200.974	12.6
April	31.393	170.580	18.4
May	25.455	168.256	15.1
June	14.907	116.367	12.8
July	22.282	113.343	19.7
August	23.522	163.251	14.4
September	14.555	115.969	12.6
October	15.969	133.841	11.9
November	24.401	159.307	15.3
December	18.528	124.331	14.9
Total	261.266	1821.778	14.3

Source: Amman Stock Exchange

Chart (24)

Monthly Development of the Trading Volume during 2016



3. Non-Jordanian Ownership of Jordanian Banks' Shares

The non-Jordanian ownership of Jordanian banks' shares had evidently been stable during the recent years. This is due to the good financial indicators of Jordan's banking system, and the financial strength and soundness that the system enjoys, which made it a destination for foreign investors. The average non-Jordanian ownership of shares of banks listed on Amman stock exchange during the period 2008-2016 comes close to 59.62%; this percentage reached 60.7% in 2016.

Table (33)

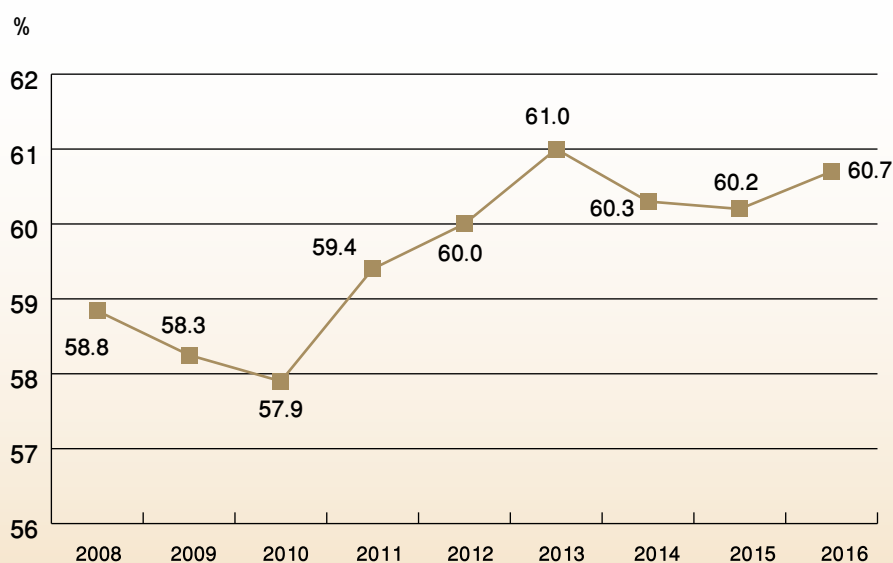
Non-Jordanian Ownership of Banks' Shares Listed in Amman Stock Exchange (2008-2016)

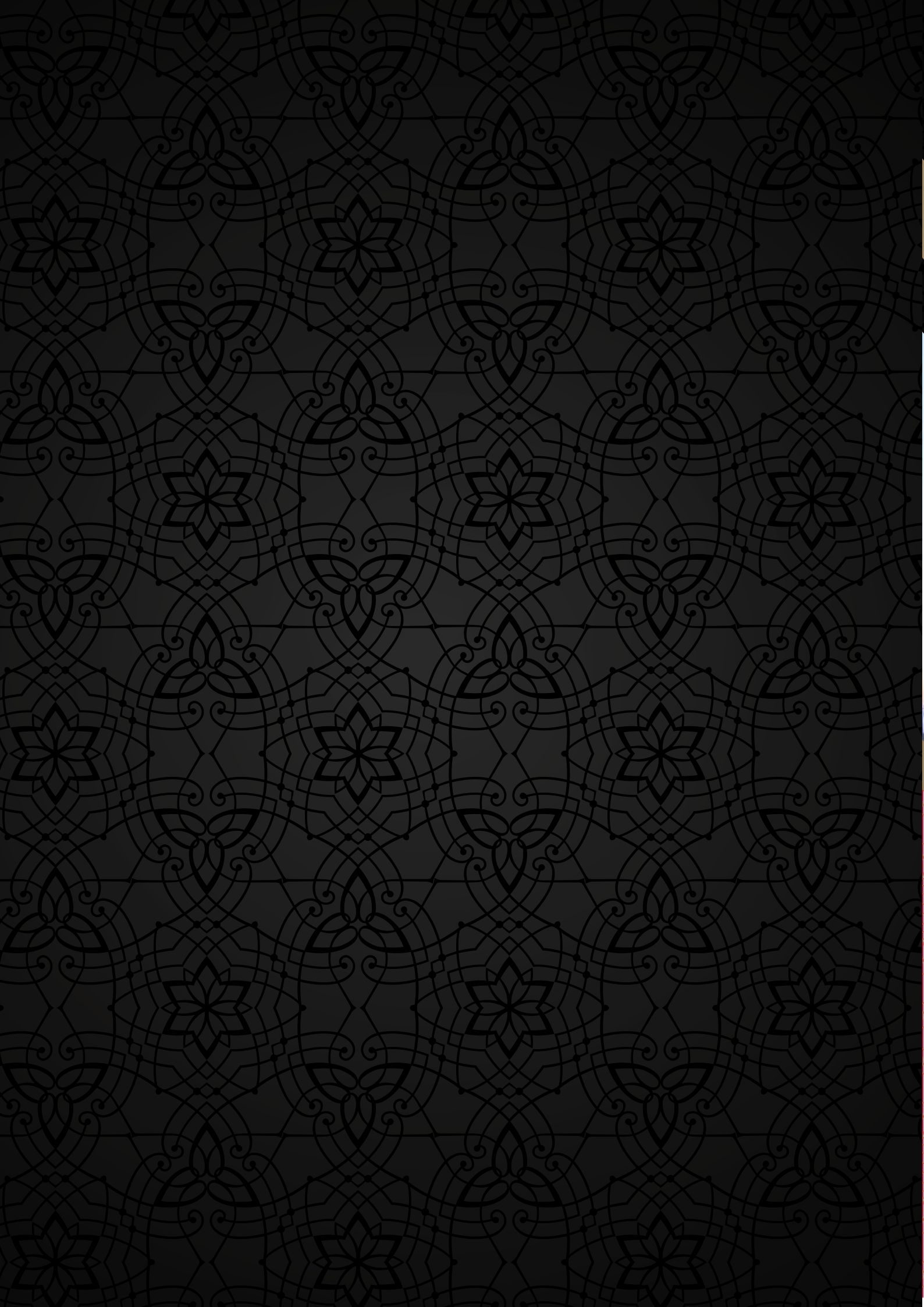
Year	The Ownership of Non-Jordanians %
2008	58.84
2009	58.25
2010	57.90
2011	59.40
2012	60.00
2013	61.00
2014	60.30
2015	60.20
2016	60.70


Source: Amman Stock Exchange

Chart (25)

Non-Jordanian Ownership of Banks' shares (2008-2016)







Chapter Six
cheque clearing

This chapter reviews the most important changes undergone by cheque clearance in the kingdom. It also reviews the development of cheques presented for clearance and returned cheques during 2016.

1. Historical Overview of Cheque Clearing

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

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

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

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

The service of cheques clearance is done through electronic clearance in accordance with the Central Bank of Jordan's Law, Electronic Transactions Law, and the Principles and Rules of Work and the Electronic Clearance ad hoc Instructions.

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

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

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

2. Development of Cheque Clearing during 2016

The cheques presented for clearing dropped at the end of 2016 compared to the year before in terms of both the number and value. The number of cheques presented for clearing dropped from 10627.2 thousand cheques at the end of 2015 to 10361.2 thousand cheques at the end of 2016, In addition, the value of cheques presented for clearing dropped from JD 48063.3 million at the end of 2015 to JD 46202.4 million at the end of 2016.

Table (34)

Cheques presented for clearing and Returned Cheques Through the Electronic Clearing (2015 – 2016)

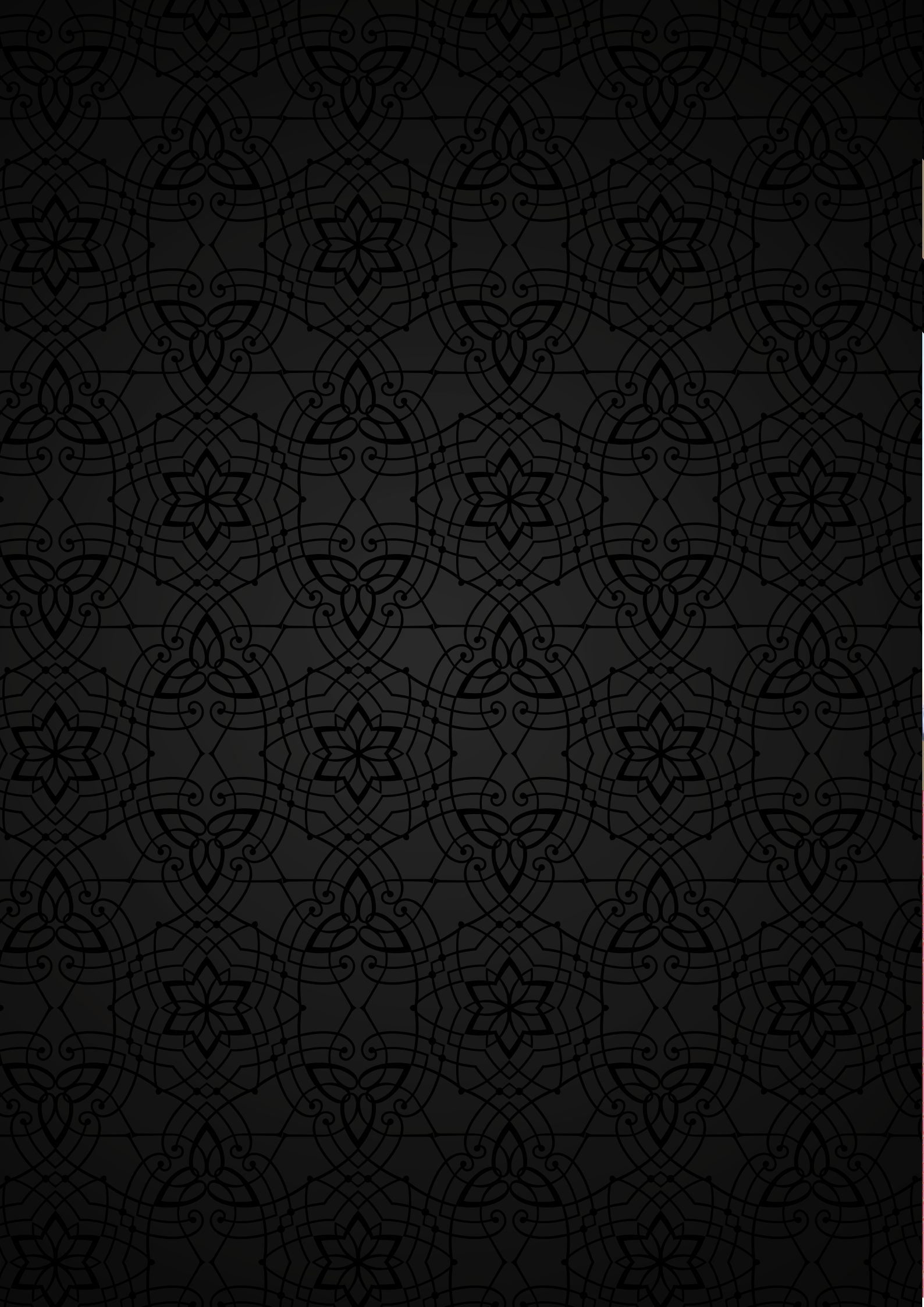
Description	2015	2016	Percentage Change %
Cheques presented for clearing			
Number (thousand)	10627.2	10361.2	-2.50%
Value(JD million)	48063.3	46202.4	-3.87%
Returned Cheques			
Number (thousand)	520.8	498.8	-4.22%
Value(JD million)	1734.8	1831.8	5.59%
% of the number of Cheques presented for clearing	4.90%	4.81%	-
% of the value of Cheques presented for clearing	3.61%	3.96%	-
Returned Cheques for insufficient funds			
Number (thousand)	315.6	298.7	-5.35%
Value(JD million)	952.1	976.7	2.58%
% of the number of Returned Cheques	60.6%	59.9%	-
% of the value of Returned Cheques	54.9%	53.3%	-
Returned Cheques for other reasons			
Number (thousand)	205.2	200.1	-2.49%
Value(JD million)	782.7	855	9.24%
% of the number of Returned Cheques	39.4%	40.1%	-
% of the value of Returned Cheques	45.1%	46.7%	-

Source: Central Bank of Jordan/ Monthly Statistical Bulletin

The number of returned cheques fell at the end of 2016 compared to the year before by 4.22%, While the value of returned cheques grew at the end of 2016 compared to the year before by 5.59%.

The number of returned cheques to the total number of cheques presented for clearing at the end of 2016 stood at 4.8%, which include 60% returned for the reason of insufficient funds, and 40% returned for other reasons.

The value of returned cheques to the total value of cheques presented for clearing stood at 4% at the end of 2016, which include 53.3% returned for the reason of insufficient funds, and 46.7% returned for other reasons.



The background features a night cityscape with a prominent skyscraper on the left and a large gold chevron graphic pointing downwards. The top half of the image has a dark background with a repeating geometric pattern. The bottom half shows a city at night with lights from buildings and streets.

Chapter Seven

The Structure of Interest Rates

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

1. Development of Interest Rates on Deposits

The Interest rates on the all types of deposits decreased at the end of 2016 compared to 2015 as follows:

- Demand Deposits: The weighted average interest rate on demand deposits declined at the end of 2016 by 6 basis points compared to its level at the end of 2015 to reach 0.26%.
- Saving Deposits: The weighted average interest rate on saving deposits decreased by 6 basis points at the end of 2016 compared to the level it registered at the end of 2015 to reach 0.56%.
- Time Deposits: The weighted average interest rate on time deposits decreased at the end of 2016 by 2 basis points compared to its level at the end of 2015 to reach 3.04%.

Table (35)
Weighted Average Interest Rates on All Types of Deposits (2008-2016)

Year	Demand %	Saving %	Time %
2008	1.01	1.04	5.66
2009	0.67	0.84	4.23
2010	0.44	0.77	3.40
2011	0.43	0.70	3.46
2012	0.42	0.76	4.19
2013	0.38	0.87	4.97
2014	0.43	0.79	4.11
2015	0.32	0.62	3.06
2016	0.26	0.56	3.04

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (26)

Weighted Average Interest Rates on All Types of Deposits (2008-2016)

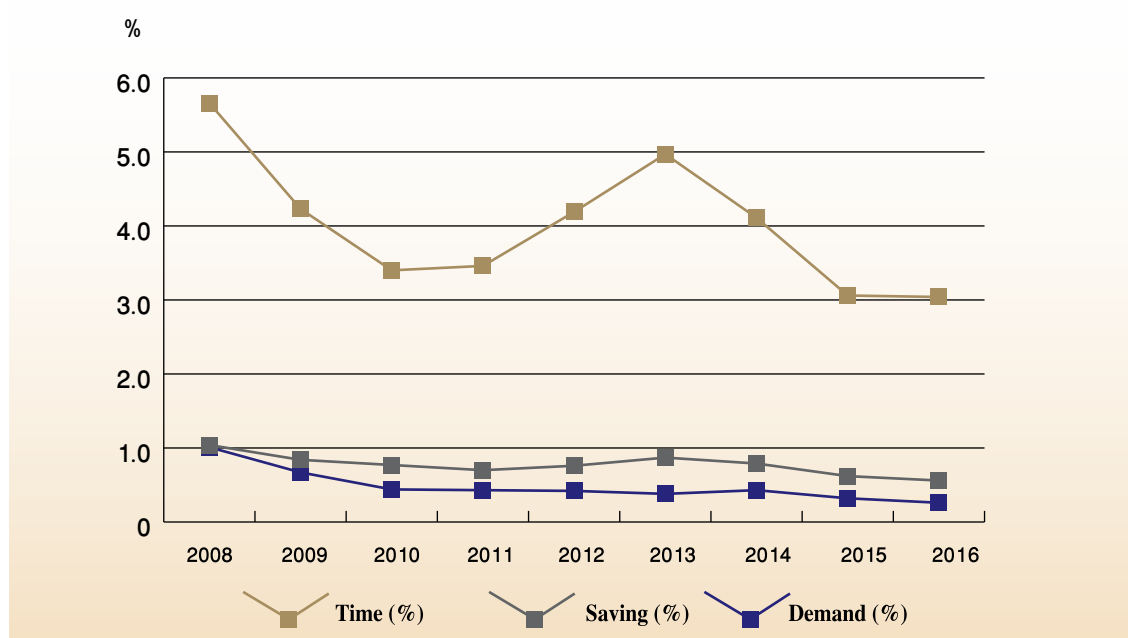


Table (36)

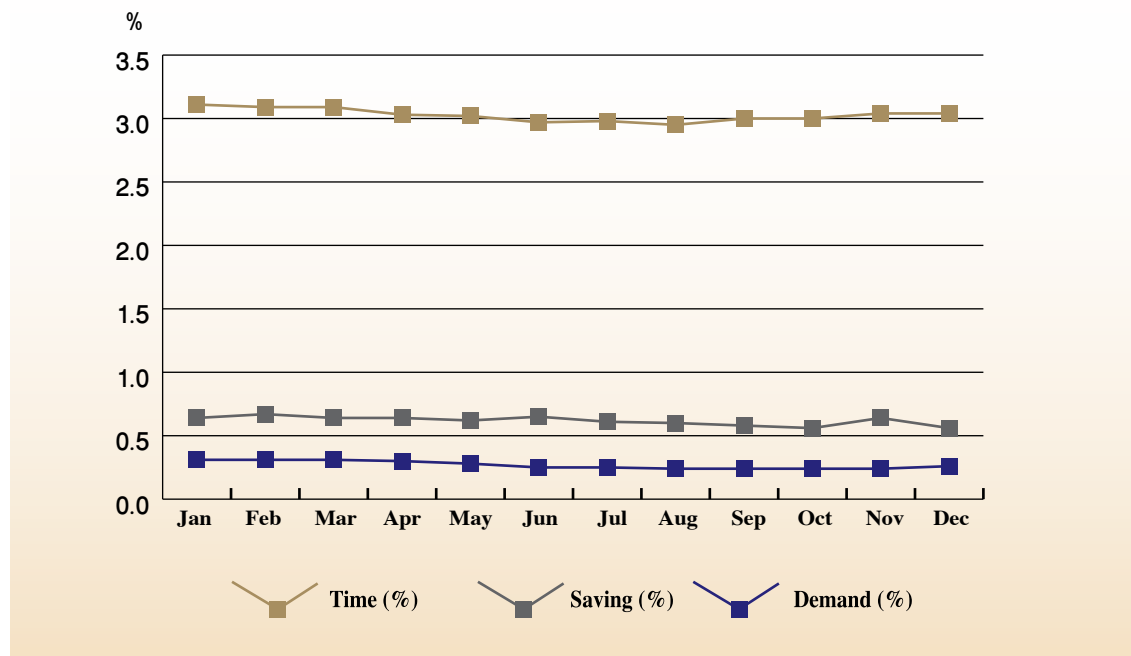
Monthly Development of Weighted Average Interest Rates on All Types of Deposits in 2016

Month	Demand %	Saving %	Time %
January	0.31	0.64	3.11
February	0.31	0.67	3.09
March	0.31	0.64	3.09
April	0.30	0.64	3.03
May	0.28	0.62	3.02
June	0.25	0.65	2.97
July	0.25	0.61	2.98
August	0.24	0.60	2.95
September	0.24	0.58	3.00
October	0.24	0.56	3.00
November	0.24	0.64	3.04
December	0.26	0.56	3.04
Average	0.27	0.62	3.03
MAX	0.31	0.67	3.11
MIN	0.24	0.56	2.95

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (27)

Monthly Development of Interest Rates on All Types of Deposits during 2016



2. Development of Interest Rates on Credit Facilities

Interest rates on all types of credit facilities experienced the following changes during 2016:

- **Overdrafts:** The weighted average interest rate on overdrafts decreased at the end of 2016 by 41 basis points from its level at the end of 2015 to become 7.60%.
- **Loans and Advances:** The weighted average interest rate on loans and advances decreased at the end of 2016 by 41 basis points from its level at the end of 2015 to become 7.83%.
- **Discounted Bills and Bonds:** The weighted average interest rate on discounted bills and bonds increased at the end of 2016 by 172 basis points from its level at the end of 2015 to become 10.42%.
- **Prime Lending Rate:** The prime lending rate reached to 8.37% at the end of 2016, which is the same level it registered at the end of 2015.

Table (37)

Weighted Average Interest Rates on All Types of Credit Facilities (2008-2016)

year	Overdrafts (%)	Loans and Advances (%)	Discounted Bills & Bonds (%)	Prime Lending Rate (%)
2008	9.31	9.48	8.89	8.45
2009	9.03	9.07	9.17	8.34
2010	9.12	9.01	9.41	8.20
2011	8.80	8.67	9.34	8.22
2012	9.28	8.95	9.59	8.68
2013	9.20	9.03	10.13	8.85
2014	9.15	8.84	9.95	8.72
2015	8.01	8.24	8.70	8.37
2016	7.60	7.83	10.42	8.37

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (28)

Weighted Average Interest Rates on All Types of Credit Facilities (2008-2016)

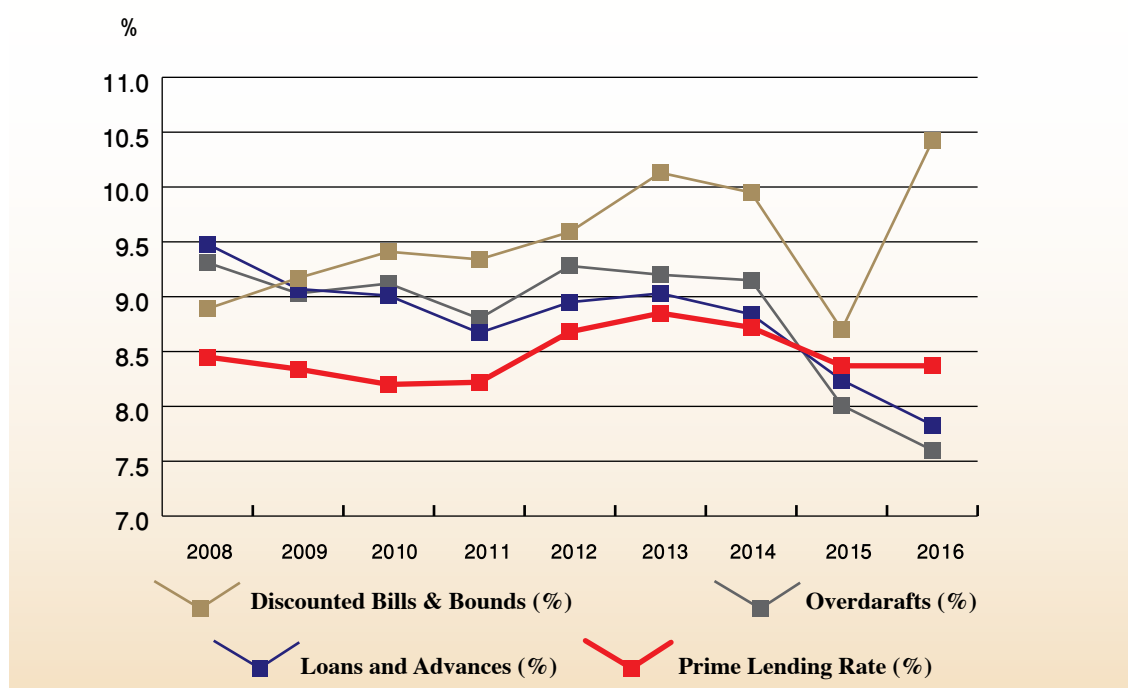


Table (38)

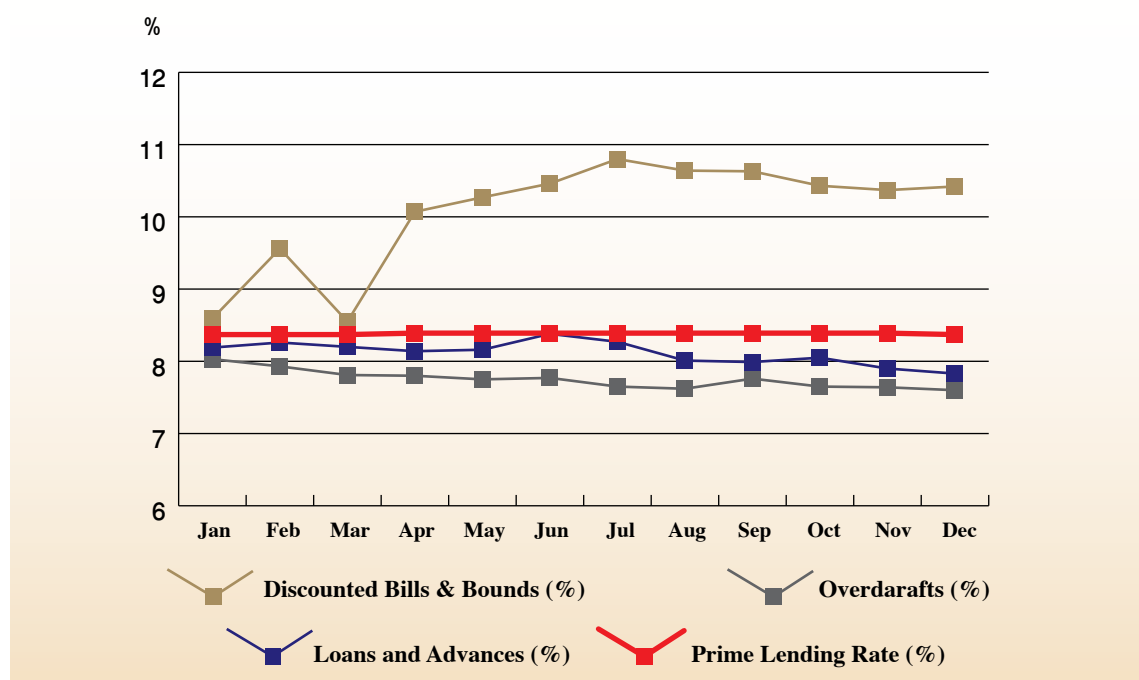
Monthly Development of Weighted Average Interest Rates on All Types of Credit Facilities in 2016

Month	Overdrafts (%)	Loans and Advances (%)	Discounted Bills & Bonds (%)	Prime Lending Rate (%)
January	8.03	8.19	8.59	8.37
February	7.93	8.26	9.56	8.37
March	7.81	8.20	8.55	8.37
April	7.80	8.14	10.07	8.39
May	7.75	8.16	10.27	8.39
June	7.77	8.38	10.46	8.39
July	7.65	8.27	10.80	8.39
August	7.62	8.01	10.64	8.39
September	7.76	7.99	10.63	8.39
October	7.65	8.05	10.43	8.39
November	7.64	7.90	10.37	8.39
December	7.60	7.83	10.42	8.37
Average	7.75	8.12	10.07	8.38
MAX	8.03	8.38	10.80	8.39
MIN	7.60	7.83	8.55	8.37

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Chart (29)

Monthly Development of Interest Rates on All Types of Credit Facilities during 2016



3. Interest Rate Margin

Interest rate margin is usually defined as the difference between the weighted average interest rate on loans and advances and the weighted average interest rate on time deposits, as they are the largest and most important types of credit facilities and deposits.

The interest rate margin went down during 2016 by 39 basis points to reach 4.79% in comparison with a margin of 5.18% in 2015.

Chart (30)
Annual Development of Interest Rate Margin (2008-2016)

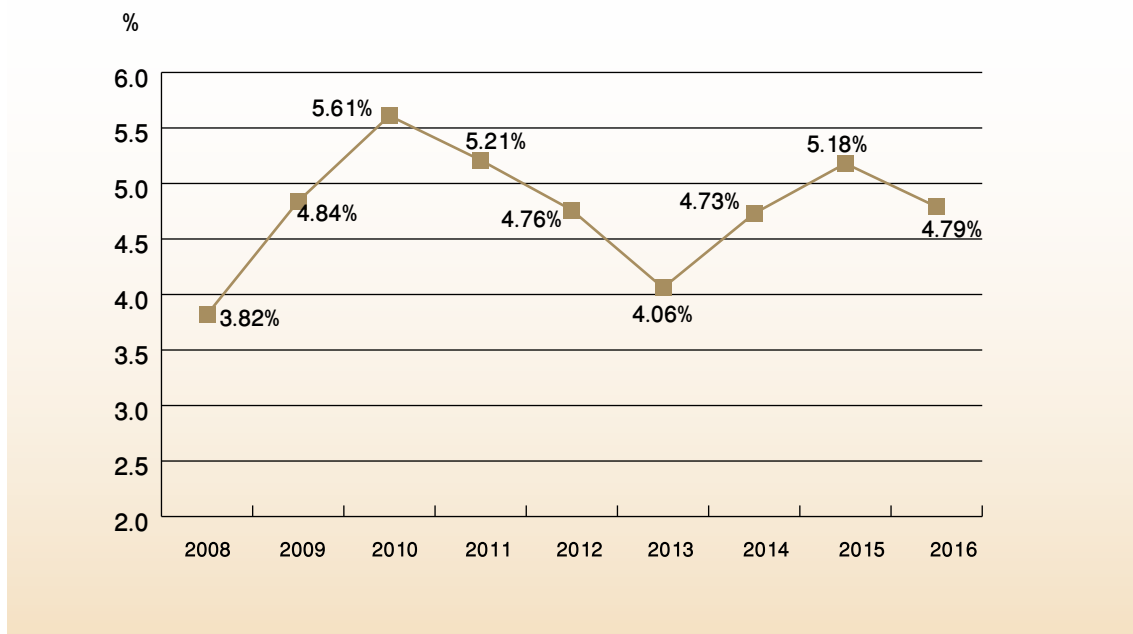
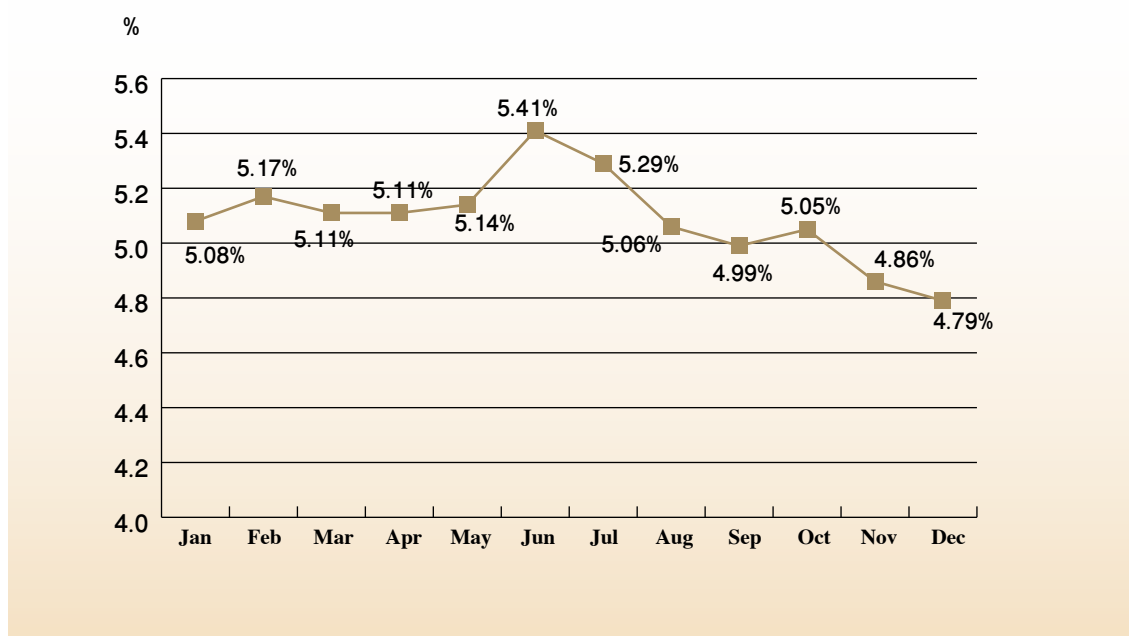


Chart (31)

Monthly Development of Interest Rate Margin during 2016



4. Development of Interest Rates on Monetary Policy Instruments

The Central Bank of Jordan increased interest rates on monetary policy instruments one time in December 2016 to become as follows:

- Increasing CBJ Main Rate from 2.50% to 2.75%.
- Increasing the Interest Rate of Overnight Deposit Window from 1.50% to 1.75%
- Increasing the Interest Rate Margin on CDs to be 2.50% – 2.75%.
- Keeping the Interest Rate of Overnight Repurchase Agreements at 3.50%.
- Keeping the Rediscount Interest Rate at 3.75%

Table (39)**Interest Rates on Monetary Policy Instruments (2008 - 2016)**

Year	CBJ Main Rate %	Rediscount Rate %	Repurchase Agreements %	Certificates of Deposit		Deposit Window (One Night) %
				(3) Months %	(6) Months %	
2008	–	6.250	6.000	5.641	5.936	4.000
2009	–	4.750	4.500	–	–	2.500
2010	–	4.250	4.000	–	–	2.000
2011	–	4.500	4.250	–	–	2.250
2012	–	5.000	4.750	–	–	4.000
2013	–	4.500	4.250	–	–	3.500
2014	–	4.25	4.00	–	–	2.75
2015	2.50	3.75	3.50	–	–	1.50
2016	2.75	3.75	3.50	–	–	1.75

Source: Central Bank of Jordan, Monthly Statistical Bulletin

Table (40)**Monthly Development of Interest Rates on Monetary Policy Instruments during 2016**

Month	CBJ Main Rate %	Rediscount Rate %	Repurchase Agreements %	Deposit Window (One Night) %
January	2.50	3.75	3.50	1.50
February	2.50	3.75	3.50	1.50
March	2.50	3.75	3.50	1.50
April	2.50	3.75	3.50	1.50
May	2.50	3.75	3.50	1.50
June	2.50	3.75	3.50	1.50
July	2.50	3.75	3.50	1.50
August	2.50	3.75	3.50	1.50
September	2.50	3.75	3.50	1.50
October	2.50	3.75	3.50	1.50
November	2.50	3.75	3.50	1.50
December	2.75	3.75	3.50	1.75

Source: Central Bank of Jordan, Monthly Statistical Bulletin

5. Interbank Lending Rate (JODIBOR)

Interbank lending Rate (JODIBOR) during 2016 pointed out the following:

- A decrease in the average overnight interbank lending rate by 46 basis points in 2016 compared to 2015, reaching 2.036%.
- A decrease in the average interbank lending rate for one week by 37 basis points in 2016 compared with 2015 to become 2.755%.
- A decrease in the average lending interest rates for one month by 26 basis points in 2016 compared with 2015 to become 3.587%.
- A decrease in the average interbank lending rate for three months during 2016 compared with its average in 2015 by 15 basis points to reach 4.368%.
- A decrease in the average interbank lending rate for six months by 8 points in 2016 compared with its average in 2015 to reach 5.055%.
- An increase in the average interbank lending rate for one year by one basis points during 2016 compared with its average in 2015 to reach 5.65%.

Table (41)

Average Interbank Lending Rate (JODIBOR – Declared Rate) (2006 – 2016)

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

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

The table below shows the monthly developments of interbank lending rate during 2016. It reveals that the margin between the highest and the lowest rates on all maturities registered during 2016 didn't exceed 16 basis points

Table (42)

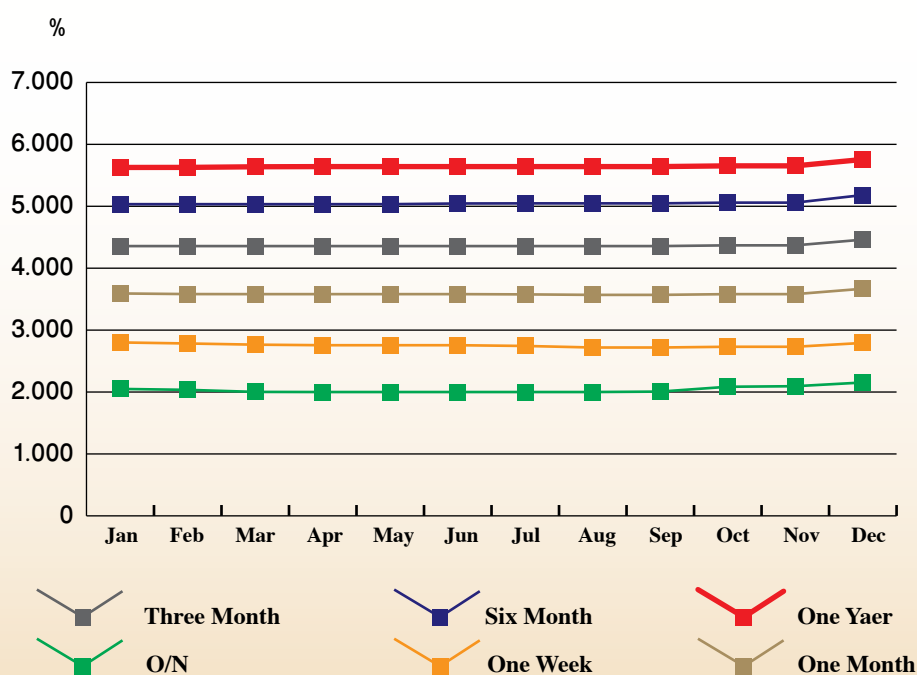
Monthly Development of Interbank Lending Rate (JODIBOR – Declared Rate) in 2016

Month	O/N	One Week	One Month	Three Months	Six Months	One Year
January	2.050	2.801	3.592	4.357	5.034	5.627
February	2.035	2.784	3.582	4.357	5.034	5.628
March	2.002	2.765	3.581	4.357	5.034	5.638
April	2.000	2.756	3.581	4.357	5.034	5.641
May	2.000	2.756	3.581	4.357	5.034	5.641
June	2.000	2.756	3.581	4.357	5.045	5.641
July	2.000	2.744	3.577	4.357	5.047	5.641
August	2.000	2.719	3.569	4.357	5.047	5.641
September	2.007	2.719	3.569	4.357	5.047	5.641
October	2.085	2.731	3.581	4.369	5.059	5.653
November	2.094	2.731	3.581	4.369	5.059	5.653
December	2.154	2.793	3.668	4.461	5.181	5.756
Average	2.036	2.755	3.587	4.368	5.055	5.650
MAX	2.000	2.719	3.569	4.357	5.034	5.627
MIN	2.154	2.801	3.668	4.461	5.181	5.756

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

Chart (32)

Monthly Development of the Interbank Lending Rate (JODIBOR) during 2016



As for the volume of overnight interbank activity during 2016, it fluctuated in terms of the number of executed transactions as well as the total credit amount, in addition to the fluctuation in the pricing margin (the difference between the actual prices announced by the Central Bank less the declared price of the association – JODIBOR) which registered the lowest margin in July (0.004%), and the highest margin in May (0.236%).

Table (43)
Volume of Overnight Interbank Market during 2016

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	255	1942.80	2.050%	1.951%	-0.099%
February	251	2014.30	2.035%	1.925%	-0.110%
March	186	1764.40	2.002%	1.794%	-0.208%
April	198	1715.00	2.000%	1.786%	-0.214%
May	224	2313.60	2.000%	1.764%	-0.236%
June	369	2966.30	2.000%	1.831%	-0.169%
July	323	2627.40	2.000%	2.004%	0.004%
August	416	3089.20	2.000%	2.044%	0.044%
September	238	1574.40	2.007%	2.137%	0.130%
October	319	2593.38	2.085%	2.205%	0.120%
November	231	1689.75	2.094%	2.075%	-0.019%
December	457	3213.90	2.154%	2.067%	-0.087%

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

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

Chart (33)

Development of the Size of Overnight Interbank Market during 2016

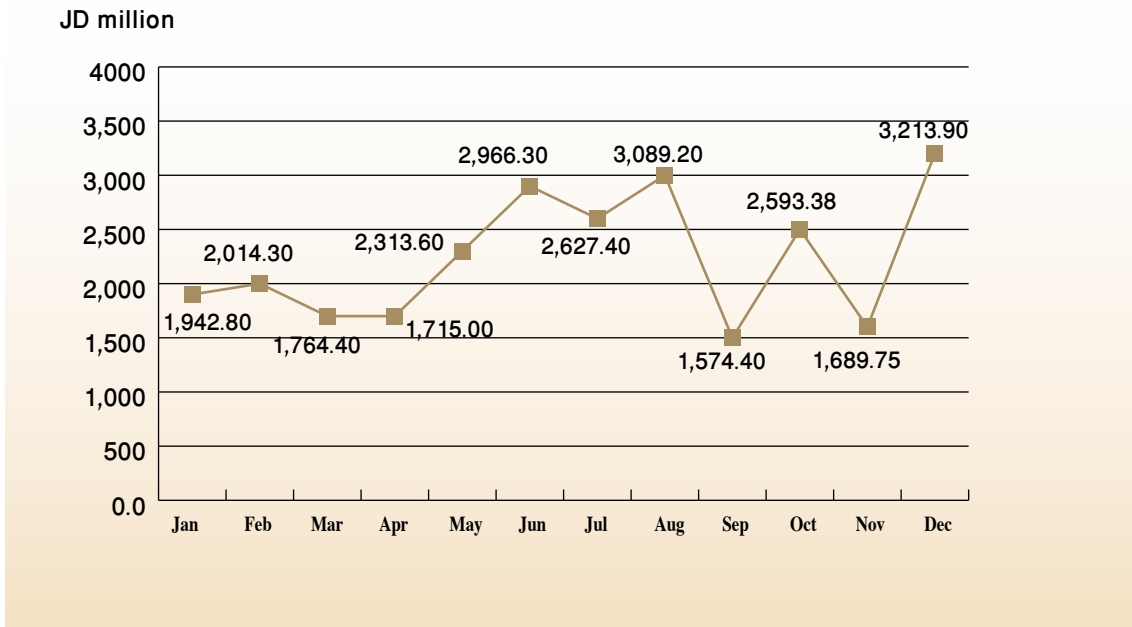


Chart (34)

Development of the Number of Transaction in Overnight Interbank Market during 2016

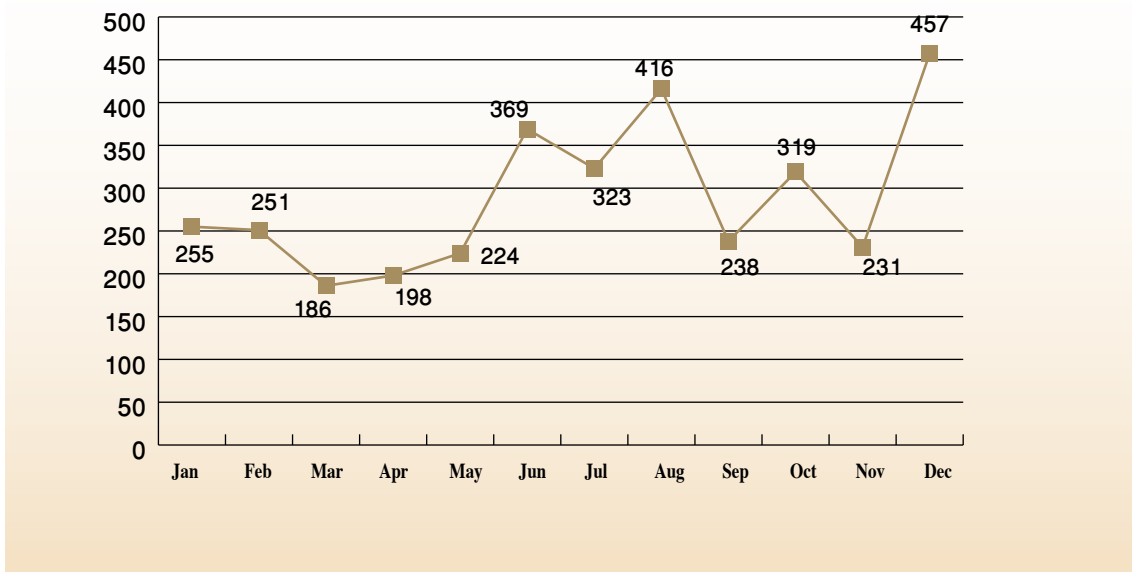
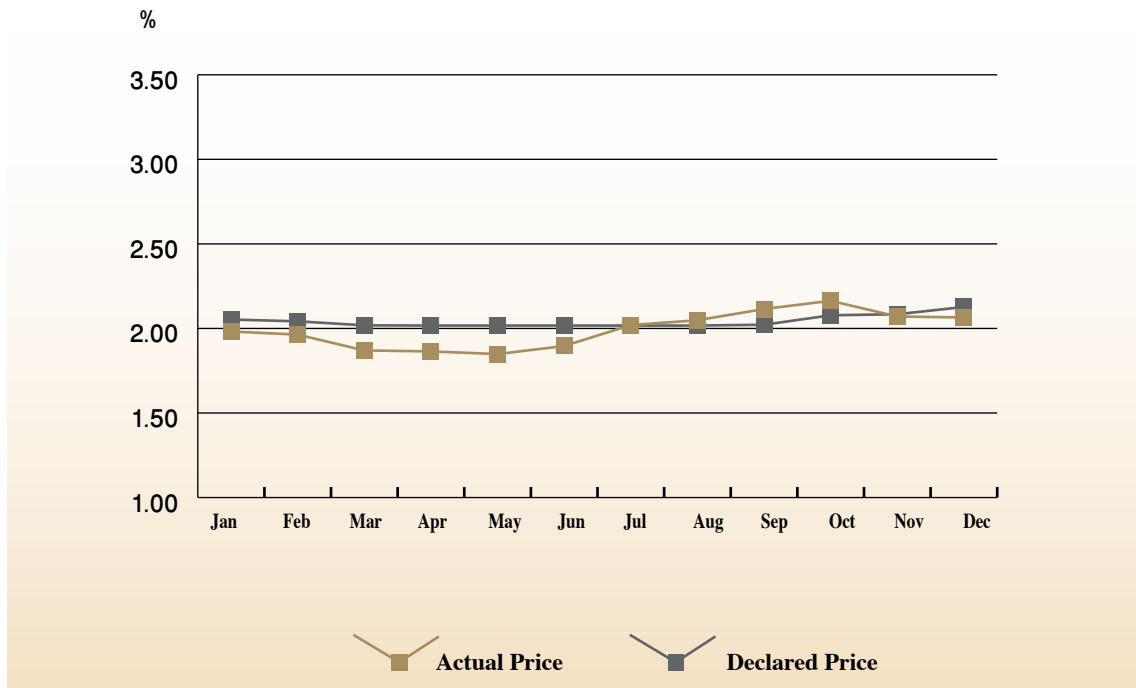
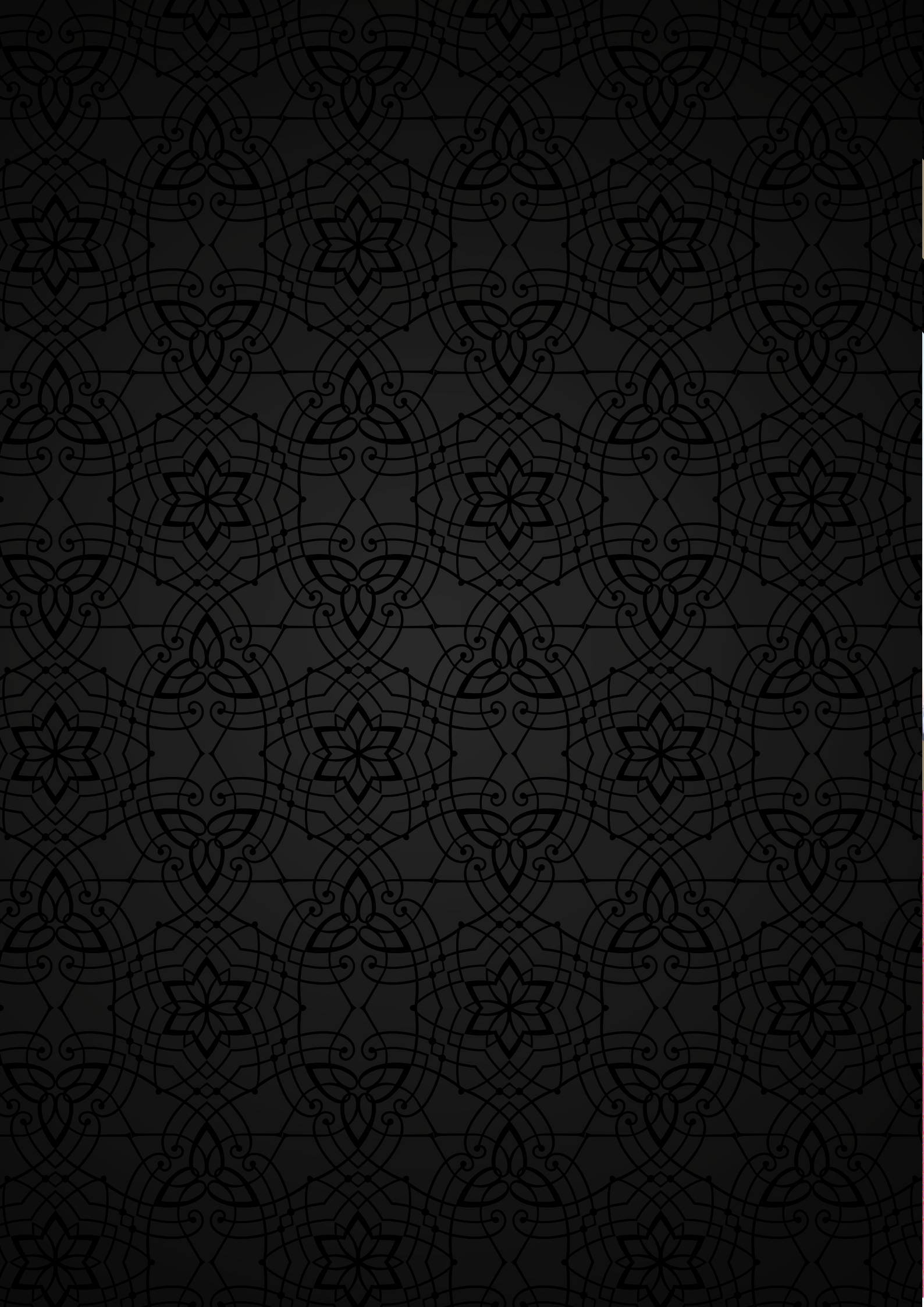



Chart (35)

**Development of Overnight Interbank Lending Rates “JODIBOR” (Declared and Actual)
during 2016**







Chapter Eight
The Comparative
Performance of Banks
Operating in Jordan
During 2016

This chapter contains a summary of the overall developments experienced by banks operating in Jordan during 2016. The first part of the chapter handles the developments of the main items in the balance sheet in terms of total assets, credit facilities and deposits at the banks operating in Jordan, in addition to the shareholders' equity and capital. The second part contains the most important items of the income statement of banks operating in Jordan, which are the pretax profit and the net after-tax profit. The third part deals with the most important profitability indicators of banks operating in Jordan that link the balance sheet and the income statement, which are the average return on assets (ROA) and the average return on shareholders' equity (ROE) during 2016. The fourth part shows the indicators of banks' branching in Jordan, including the number of branches and ATMs. The fifth and final part deals with the development and distribution of human resources in the banks operating in Jordan at the end of 2016.

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

- **Total Deposits at Commercial Banks:** includes banks and financial institutions deposits, customers' deposits, and margin accounts.
- **Return on Shareholders' Equity (ROE) in 2016:** net profit after tax in 2016 divided by the average shareholders' equity for the years 2015 and 2016.
- **Return on Assets (ROA) in 2016:** net profit after tax in 2016 divided by the average Assets for the years 2015 and 2016.
- **Total Assets of Islamic Banks:** include total assets only without the accounts managed on behalf of others.
- **Financial Investments of Islamic Banks:** financial investments include all kinds of loans and finances granted by the bank, including deferred sale and other receivables (net), Ijara muntahia bittamleek Assets (net), finances or other financing investments (net), excluding accounts managed on behalf of others.
- **Total Savings Instruments of Islamic banks:** include banks and banking institutions accounts, clients' current and call accounts, cash margins, and the total joint investment accounts holders' equity, excluding accounts managed on behalf of others.
- Data regarding base year may changed in the case that any bank has changed his previous data.

First: Banks' Ranking According to Some Balance Sheet Items

A. Banks' Ranking According to the Total Assets

The total assets of banks operating in Jordan increased by 2.6% at the end of 2016, reaching to JD 46.4 billion, distributed as follows: JD 35.5 billion for Jordanian commercial banks (76.5% of the total assets of banks operating in Jordan); JD 7.4 billion for the Islamic banks (16% of total assets) and JD 3.5 billion for foreign banks (7.5% of total assets).

Table (44): Total Assets of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Assets (JD million)	Ratio to Total Assets %	Ranking 2015	Assets (JD million)	Ratio to Total Assets %	
Jordanian Commercial Banks	Arab Bank	1	9,267.00	19.99%	1	8,806.00	19.48%	5.24%
	The Housing Bank for Trade & Finance	2	6,751.00	14.56%	2	6,842.00	15.14%	-1.33%
	Bank Al-Etihad	3	2,563.07	5.53%	4	2,392.87	5.29%	7.11%
	Jordan Ahli Bank	4	2,505.00	5.40%	5	2,270.00	5.02%	10.35%
	Jordan Kuwait Bank	5	2,447.13	5.28%	3	2,546.90	5.63%	-3.92%
	Bank of Jordan	6	2,005.17	4.33%	7	1,872.71	4.14%	7.07%
	Cairo Amman Bank	7	1,998.00	4.31%	6	2,077.00	4.60%	-3.80%
	Capital Bank	8	1,817.95	3.92%	8	1,787.43	3.95%	1.71%
	Arab Jordan Investment Bank	9	1,678.60	3.62%	9	1,661.20	3.68%	1.05%
	Societe General - Jordan	10	1,303.73	2.81%	11	1,210.77	2.68%	7.68%
	Jordan Commercial Bank	11	1,171.00	2.53%	10	1,405.00	3.11%	-16.65%
	ABC Bank	12	1,099.28	2.37%	12	1,015.60	2.25%	8.24%
	Investbank	13	854.83	1.84%	13	810.71	1.79%	5.44%
Total Assets of Jordanian Commercial Banks			35,461.76	76.50%		34,698.19	76.76%	2.20%
Islamic Banks	Bank	Ranking 2016	Assets (JD million)	Ratio to Total Assets %	Ranking 2015	Assets (JD million)	Ratio to Total Assets %	Change percentage (%)
	Jordan Islamic Bank	1	4,100.00	8.84%	1	3,799.00	8.40%	7.92%
	International Islamic Arab Bank	2	1,969.82	4.25%	2	1,808.58	4.00%	8.91%
	Safwa Islamic Bank	3	921.12	1.99%	3	781.60	1.73%	17.85%
	Al-Rajhi Bank *	4	413.75	0.89%	4	442.33	0.98%	-6.46%
Total Assets of Islamic Banks			7,404.68	15.97%		6,831.52	15.11%	8.39%
Foreign Commercial Banks	Bank	Ranking 2016	Assets (JD million)	Ratio to Total Assets %	Ranking 2015	Assets (JD million)	Ratio to Total Assets %	Change percentage (%)
	Bank Audi	1	832.00	1.79%	1	898.00	1.99%	-7.35%
	BLOM Bank	2	786.00	1.70%	2	818.00	1.81%	-3.91%
	Standard Chartered Bank	3	395.19	0.85%	3	442.53	0.98%	-10.70%
	Citi Bank	4	375.66	0.81%	7	309.15	0.68%	21.51%
	National Bank of Abu Dhabi	5	351.62	0.76%	4	382.01	0.85%	-7.96%
	Egyptian Arab Land Bank	6	336.00	0.72%	5	369.00	0.82%	-8.94%
	National Bank of Kuwait - Jordan	7	279.88	0.60%	6	320.37	0.71%	-12.64%
	Rafidain Bank	8	133.00	0.29%	8	132.50	0.29%	0.38%
Total Assets of Foreign Commercial Banks			3,489.35	7.53%		3,671.56	8.12%	-4.96%
Total Assets of Banks Operating in Jordan			46,355.79	100.0%		45,201.26	100.0%	2.55%

Source: Banks' financial data

* Foreign Bank

B. Banks' Ranking According to the Direct Credit Facilities - Net

The balance of direct credit facilities - net granted by the banks operating in Jordan increased by 9.4% at the end of 2016, reaching to JD 21.6 billion, distributed as follows: JD 15.5 billion were granted by Jordanian commercial banks (71.6% of the total credit facilities); JD 5 billion by Islamic banks (23.1% of total credit facilities) and JD 1.1 billion by foreign banks (5.3% of total credit facilities).

Table (45): Direct credit facilities - net Extended By Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	Ranking 2015	Direct credit facilities - net (JD million)	Ratio to total Direct credit facilities - net %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	3,081.00	14.24%	2	2,652.00	13.42%	16.18%
	Arab Bank	2	2,872.00	13.28%	1	2,664.00	13.48%	7.81%
	Bank Al-Etihad	3	1,381.87	6.39%	3	1,285.20	6.50%	7.52%
	Jordan Kuwait Bank	4	1,188.09	5.49%	4	1,146.54	5.80%	3.62%
	Jordan Ahli Bank	5	1,177.00	5.44%	5	1,043.00	5.28%	12.85%
	Cairo Amman Bank	6	1,052.00	4.86%	7	908.00	4.59%	15.86%
	Bank of Jordan	7	1,042.53	4.82%	6	979.95	4.96%	6.39%
	Capital Bank	8	898.63	4.15%	8	800.60	4.05%	12.24%
	Arab Jordan Investment Bank	9	681.20	3.15%	9	649.60	3.29%	4.86%
	Jordan Commercial Bank	10	572.20	2.64%	10	548.80	2.78%	4.26%
	Societe General - Jordan	11	568.22	2.63%	12	431.59	2.18%	31.65%
	ABC Bank	12	529.10	2.45%	11	503.29	2.55%	5.13%
	Investbank	13	446.79	2.07%	13	412.28	2.09%	8.37%
Total direct credit facilities - net extended by Jordanian Commercial Banks			15,490.63	71.61%		14,024.87	70.95%	10.45%
Islamic Banks	Jordan Islamic Bank	1	2,887.00	13.35%	1	2,793.00	14.13%	3.37%
	International Islamic Arab Bank	2	1,201.29	5.55%	2	1,022.94	5.17%	17.43%
	Safwa Islamic Bank	3	602.64	2.79%	3	512.47	2.59%	17.59%
	Al-Rajhi Bank *	4	309.92	1.43%	4	281.22	1.42%	10.21%
Total direct credit facilities - net extended by Islamic Banks			5,000.85	23.12%		4,609.63	23.32%	8.49%
Foreign Commercial Banks	BLOM Bank	1	363.00	1.68%	1	359.00	1.82%	1.11%
	Bank Audi	2	325.00	1.50%	2	321.00	1.62%	1.25%
	Egyptian Arab Land Bank	3	151.00	0.70%	3	141.00	0.71%	7.09%
	Standard Chartered Bank	4	133.52	0.62%	4	139.13	0.70%	-4.03%
	National Bank of Abu Dhabi	5	99.28	0.46%	5	118.67	0.60%	-16.34%
	Citi Bank	6	48.49	0.22%	6	27.09	0.14%	79.02%
	National Bank of Kuwait - Jordan	7	21.58	0.10%	7	26.78	0.14%	-19.41%
	Rafidain Bank	8	0.094	0.00%	8	0.060	0.00%	56.67%
Total direct credit facilities - net extended by Foreign Commercial Banks			1,141.96	5.28%		1,132.72	5.73%	0.82%
Total direct credit facilities - net extended by Banks Operating in Jordan			21,633.44	100.0%		19,767.22	100.0%	9.44%

Source: Banks' financial data

* Foreign Bank

C. Banks' Ranking According to Total Deposits

The total deposits at banks operating in Jordan increased by 2% at the end of 2016, reaching to JD 39.2 billion . These deposits are divided as follows: JD 29.4 billion at Jordanian commercial banks (75.1% of total deposit), JD 7 billion at Islamic banks (18% of total deposit), and JD 2.7 billion at foreign commercial banks (7% of total deposit).

Table (46): Total Deposits at Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Total Deposits (JD million)	Ratio to Total Deposits %	Ranking 2015	Total Deposits (JD million)	Ratio to Total Deposits %	
Jordanian Commercial Banks	Arab Bank	1	7,934.00	20.25%	1	7,604.00	19.79%	4.34%
	The Housing Bank for Trade & Finance	2	5,606.00	14.31%	2	5,730.00	14.92%	-2.16%
	Bank Al-Etihad	3	2,163.24	5.52%	4	2,040.56	5.31%	6.01%
	Jordan Ahli Bank	4	2,133.00	5.44%	5	1,910.00	4.97%	11.68%
	Jordan Kuwait Bank	5	1,932.90	4.93%	3	2,056.03	5.35%	-5.99%
	Bank of Jordan	6	1,573.63	4.02%	7	1,482.37	3.86%	6.16%
	Cairo Amman Bank	7	1,566.00	4.00%	6	1,648.00	4.29%	-4.98%
	Arab Jordan Investment Bank	8	1,455.40	3.71%	8	1,437.70	3.74%	1.23%
	Capital Bank	9	1,441.51	3.68%	9	1,404.50	3.66%	2.64%
	Societe General - Jordan	10	1,134.72	2.90%	11	1,046.50	2.72%	8.43%
	Jordan Commercial Bank	11	931.10	2.38%	10	1,168.00	3.04%	-20.28%
	ABC Bank	12	887.69	2.27%	12	844.31	2.20%	5.14%
	Investbank	13	664.34	1.70%	13	629.63	1.64%	5.51%
Total Deposits at Jordanian Commercial Banks			29,423.53	75.08%		29,001.59	75.49%	1.45%
Islamic Banks	Jordan Islamic Bank	1	4,049.00	10.33%	1	3,756.00	9.78%	7.80%
	International Islamic Arab Bank	2	1,873.83	4.78%	2	1,745.26	4.54%	7.37%
	Safwa Islamic Bank	3	767.36	1.96%	3	625.59	1.63%	22.66%
	Al-Rajhi Bank *	4	348.83	0.89%	4	383.46	1.00%	-9.03%
	Total Deposits at Islamic Banks			7,039.02	17.96%		6,510.32	16.95%
Foreign Commercial Banks	Bank Audi	1	697.00	1.78%	1	764.00	1.99%	-8.77%
	BLOM Bank	2	652.00	1.66%	2	674.00	1.75%	-3.26%
	Citi Bank	3	301.25	0.77%	6	235.53	0.61%	27.90%
	Standard Chartered Bank	4	285.67	0.73%	3	328.71	0.86%	-13.10%
	National Bank of Abu Dhabi	5	285.60	0.73%	4	319.17	0.83%	-10.52%
	Egyptian Arab Land Bank	6	257.00	0.66%	5	292.00	0.76%	-11.99%
	National Bank of Kuwait - Jordan	7	190.45	0.49%	7	231.85	0.60%	-17.85%
	Rafidain Bank	8	57.00	0.15%	8	59.00	0.15%	-3.39%
	Total Deposits at Foreign Commercial Banks			2,725.97	6.96%		2,904.26	7.56%
Total Deposits at Banks Operating in Jordan			39,188.53	100.0%		38,416.17	100.0%	2.01%

Source: Banks' financial data

* Foreign Bank

D. Banks' Ranking According to Shareholders' Equity

Shareholders' Equity in the banks operating in Jordan increased by 3.5% at the end of 2016, reaching to JD 6 billion, These are distributed as follows: JD 4.7 billion for Jordanian commercial banks (78.2% of total shareholders' equity), JD 686.9 million for Islamic banks (11.5% of total shareholders' equity), and JD 614.2 million for foreign commercial banks (10.3% of total shareholders' equity).

Table (47): Shareholders' Equity of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Equity Rights (JD million)	Ratio to total Equity Rights %	Ranking 2015	Equity Rights (JD million)	Ratio to total Equity Rights %	
Jordanian Commercial Banks	Arab Bank	1	961.000	16.11%	1	951.000	16.51%	1.05%
	The Housing Bank for Trade & Finance	2	952.000	15.96%	2	928.000	16.11%	2.59%
	Jordan Kuwait Bank	3	439.778	7.37%	3	427.020	7.41%	2.99%
	Bank of Jordan	4	393.975	6.61%	4	358.470	6.22%	9.90%
	Bank Al-Etihad	5	306.781	5.14%	6	290.099	5.04%	5.75%
	Cairo Amman Bank	6	293.000	4.91%	7	276.000	4.79%	6.16%
	Jordan Ahli Bank	7	292.000	4.90%	5	301.000	5.22%	-2.99%
	Capital Bank	8	257.612	4.32%	8	251.780	4.37%	2.32%
	Arab Jordan Investment Bank	9	196.800	3.30%	9	197.700	3.43%	-0.46%
	Investbank	10	149.100	2.50%	10	144.340	2.51%	3.30%
	ABC Bank	11	146.897	2.46%	11	142.691	2.48%	2.95%
	Jordan Commercial Bank	12	140.600	2.36%	12	133.200	2.31%	5.56%
	Societe General - Jordan	13	132.900	2.23%	13	127.069	2.21%	4.59%
Shareholders' Equity of Jordanian Commercial Banks			4,662.442	78.18%		4,528.369	78.60%	2.96%
Islamic Banks	Jordan Islamic Bank	1	343.000	5.75%	1	311.000	5.40%	10.29%
	International Islamic Arab Bank	2	155.799	2.61%	2	139.868	2.43%	11.39%
	Safwa Islamic Bank	3	132.231	2.22%	3	133.624	2.32%	-1.04%
	Al-Rajhi Bank *	4	55.872	0.94%	4	51.180	0.89%	9.17%
	Shareholders' Equity of Islamic Banks			686.901	11.52%		635.673	11.03%
Foreign Commercial Banks	Bank Audi	1	104.000	1.74%	1	100.000	1.74%	4.00%
	BLOM Bank	2	86.000	1.44%	4	82.000	1.42%	4.88%
	National Bank of Kuwait - Jordan	3	85.596	1.44%	2	83.799	1.45%	2.14%
	Standard Chartered Bank	4	83.302	1.40%	3	83.328	1.45%	-0.03%
	Rafidain Bank	5	69.000	1.16%	5	68.000	1.18%	1.47%
	Citi Bank	6	64.615	1.08%	6	64.385	1.12%	0.36%
	National Bank of Abu Dhabi	7	61.682	1.03%	8	57.953	1.01%	6.43%
	Egyptian Arab Land Bank	8	60.000	1.01%	7	58.000	1.01%	3.45%
Shareholders' Equity of Foreign Commercial Banks			614.195	10.30%		597.465	10.37%	2.80%
Shareholders' Equity of Banks Operating in Jordan			5,963.538	100.0%		5,761.507	100.0%	3.51%

Source: Banks' financial data

* Foreign Bank

E. Banks' Ranking According to Capital

The total capital of banks operating in Jordan increased by 2.3% at the end of 2016, reaching to JD 3.26 billion, distributed as follows: JD 2.45 billion at Jordanian commercial banks (75.1% of total capital), JD 400 million at Islamic banks (12.3% of total capital), and JD 411.4 million at foreign banks (12.6% of total capital).

Table (48): Capital of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Capital (JD million)	Ratio to Total Capital %	Ranking 2015	Capital (JD million)	Ratio to Total Capital %	
Jordanian Commercial Banks	Arab Bank	1	641.00	19.68%	1	641.00	20.13%	0.00%
	The Housing Bank for Trade & Finance	2	252.00	7.74%	2	252.00	7.91%	0.00%
	Capital Bank	3	200.00	6.14%	3	200.00	6.28%	0.00%
	Bank of Jordan	3	200.00	6.14%	6	155.10	4.87%	28.95%
	Cairo Amman Bank	5	180.00	5.53%	5	160.00	5.02%	12.50%
	Jordan Ahli Bank	6	175.00	5.37%	4	175.00	5.50%	0.00%
	Arab Jordan Investment Bank	7	150.00	4.60%	7	150.00	4.71%	0.00%
	Bank Al-Etihad	8	125.00	3.84%	8	125.00	3.93%	0.00%
	Jordan Commercial Bank	9	112.90	3.47%	10	105.00	3.30%	7.52%
	ABC Bank	10	110.00	3.38%	9	110.00	3.45%	0.00%
	Jordan Kuwait Bank	11	100.00	3.07%	11	100.00	3.14%	0.00%
	Investbank	11	100.00	3.07%	11	100.00	3.14%	0.00%
	Societe General - Jordan	11	100.00	3.07%	11	100.00	3.14%	0.00%
Capital of Jordanian Commercial Banks			2,445.90	75.09%		2,373.10	74.52%	3.07%
Islamic Banks	Bank	Ranking 2016	Capital (JD million)	Ratio to Total Capital %	Ranking 2015	Capital (JD million)	Ratio to Total Capital %	Change percentage (%)
	Jordan Islamic Bank	1	150.00	4.60%	1	150.00	4.71%	0.00%
	International Islamic Arab Bank	2	100.00	3.07%	2	100.00	3.14%	0.00%
	Safwa Islamic Bank	2	100.00	3.07%	2	100.00	3.14%	0.00%
	Al-Rajhi Bank *	4	50.00	1.53%	4	50.00	1.57%	0.00%
Capital of Islamic Banks			400.00	12.28%		400.00	12.56%	0.00%
Foreign Commercial Banks	Bank	Ranking 2016	Capital (JD million)	Ratio to Total Capital %	Ranking 2015	Capital (JD million)	Ratio to Total Capital %	Change percentage (%)
	Standard Chartered Bank	1	61.43	1.89%	1	61.43	1.93%	0.00%
	Egyptian Arab Land Bank	2	50.00	1.53%	2	50.00	1.57%	0.00%
	Rafidain Bank	2	50.00	1.53%	2	50.00	1.57%	0.00%
	Citi Bank	2	50.00	1.53%	2	50.00	1.57%	0.00%
	Bank Audi	2	50.00	1.53%	2	50.00	1.57%	0.00%
	National Bank of Kuwait - Jordan	2	50.00	1.53%	2	50.00	1.57%	0.00%
	BLOM Bank	2	50.00	1.53%	2	50.00	1.57%	0.00%
	National Bank of Abu Dhabi	2	50.00	1.53%	2	50.00	1.57%	0.00%
Capital of Foreign Commercial Banks			411.43	12.63%		411.43	12.92%	0.00%
Capital of Banks Operating in Jordan			3,257.33	100.0%		3,184.53	100.0%	2.29%

Source: Banks' financial data

* Foreign Bank

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

A. Banks' Ranking According to Pre-Tax Profits

The total pre-tax profits of banks operating in Jordan decreased by 9.2% at the end of 2016, reaching to JD 784.1 million, of which JD 585 million went to Jordanian commercial banks (74.6% of total pre-tax profits); JD 134.7 million for Islamic banks (17.2% of total pre-tax profits) and JD 64.4 million for foreign banks (8.2% of total pre-tax profits).

Table (49): Pre-Tax Profits of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	pretax profit (JD million)	% of Total pretax profit	Ranking 2015	pretax profit (JD million)	% of Total pretax profit	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	153.000	19.51%	2	155.000	17.95%	-1.29%
	Arab Bank	2	152.000	19.39%	1	168.000	19.45%	-9.52%
	Bank of Jordan	3	50.945	6.50%	3	63.396	7.34%	-19.64%
	Bank Al-Etihad	4	41.557	5.30%	5	47.045	5.45%	-11.67%
	Cairo Amman Bank	5	40.000	5.10%	4	56.000	6.48%	-28.57%
	Jordan Kuwait Bank	6	33.334	4.25%	6	40.384	4.68%	-17.46%
	Arab Jordan Investment Bank	7	31.200	3.98%	7	31.000	3.59%	0.65%
	ABC Bank	8	20.890	2.66%	9	23.113	2.68%	-9.62%
	Investbank	9	17.270	2.20%	11	17.810	2.06%	-3.03%
	Societe General - Jordan	10	16.534	2.11%	12	15.349	1.78%	7.72%
	Capital Bank	11	13.730	1.75%	13	15.000	1.74%	-8.47%
	Jordan Commercial Bank	12	10.400	1.33%	10	22.400	2.59%	-53.57%
	Jordan Ahli Bank	13	4.100	0.52%	8	28.000	3.24%	-85.36%
Pre-Tax Profit of Jordanian Commercial Banks			584.96	74.61%		682.50	79.02%	-14.29%
Islamic Banks	Bank	Ranking 2016	pretax profit (JD million)	% of Total pretax profit	Ranking 2015	pretax profit (JD million)	% of Total pretax profit	Change percentage (%)
	Jordan Islamic Bank	1	84.000	10.71%	1	75.000	8.68%	12.00%
	International Islamic Arab Bank	2	34.643	4.42%	2	25.010	2.90%	38.52%
	Safwa Islamic Bank	3	8.745	1.12%	4	4.795	0.56%	82.40%
Al-Rajhi Bank *	4	7.311	0.93%	3	5.124	0.59%	42.69%	
Pre-Tax Profit of Islamic Banks			134.70	17.18%		109.93	12.73%	22.53%
Foreign Commercial Banks	Bank	Ranking 2016	pretax profit (JD million)	% of Total pretax profit	Ranking 2015	pretax profit (JD million)	% of Total pretax profit	Change percentage (%)
	Bank Audi	1	22.000	2.81%	1	21.000	2.43%	4.76%
	BLOM Bank	2	16.000	2.04%	2	19.000	2.20%	-15.79%
	Standard Chartered Bank	3	6.679	0.85%	6	6.064	0.70%	10.15%
	Citi Bank	4	6.615	0.84%	3	6.749	0.78%	-1.99%
	National Bank of Abu Dhabi	5	5.957	0.76%	4	6.324	0.73%	-5.81%
	National Bank of Kuwait - Jordan	6	3.161	0.40%	5	6.156	0.71%	-48.65%
	Egyptian Arab Land Bank	7	2.000	0.26%	7	4.000	0.46%	-50.00%
Rafidain Bank	8	2.000	0.26%	8	2.000	0.23%	0.00%	
Pre-Tax Profit of Foreign Commercial Banks			64.41	8.22%		71.29	8.25%	-9.65%
Pre-Tax Profit of Banks Operating in Jordan			784.07	100.0%		863.72	100.0%	-9.22%

Source: Banks' financial data

* Foreign Bank

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

The total after tax net profits of banks operating in Jordan decreased by 10.4% at the end of 2016, reaching to JD 522.8 million, of which JD 393 million went to Jordanian commercial banks (75.2% of the total net profits), JD 87.3 million went to Islamic banks (16.7% of the total net profits) and JD 42.4 million for foreign banks (8.1% of the total net profits).

Table (50): Net After-Tax Profits of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Net After Tax Profit (JD million)	Ratio to Total Net After Tax Profit %	Ranking 2015	Net After Tax Profit (JD million)	Ratio to Total Net After Tax Profit %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	104.000	19.89%	2	110.000	18.85%	-5.45%
	Arab Bank	2	103.000	19.70%	1	114.000	19.54%	-9.65%
	Bank of Jordan	3	33.490	6.41%	3	41.893	7.18%	-20.06%
	Bank Al-Etihad	4	29.150	5.58%	5	31.735	5.44%	-8.15%
	Cairo Amman Bank	5	26.000	4.97%	4	38.000	6.51%	-31.58%
	Jordan Kuwait Bank	6	21.535	4.12%	6	25.829	4.43%	-16.62%
	Arab Jordan Investment Bank	7	20.800	3.98%	7	21.200	3.63%	-1.89%
	ABC Bank	8	13.942	2.67%	9	15.262	2.62%	-8.65%
	Investbank	9	11.810	2.26%	11	12.290	2.11%	-3.91%
	Societe General - Jordan	10	10.885	2.08%	12	9.968	1.71%	9.20%
	Jordan Commercial Bank	11	8.300	1.59%	10	14.700	2.52%	-43.54%
	Capital Bank	12	5.414	1.04%	13	6.607	1.13%	-18.05%
	Jordan Ahli Bank	13	4.700	0.90%	8	20.600	3.53%	-77.18%
Net After-Tax Profit of Jordanian Commercial Banks			393.03	75.18%		462.08	79.18%	-14.94%
Islamic Banks	Jordan Islamic Bank	1	54.000	10.33%	1	49.000	8.40%	10.20%
	International Islamic Arab Bank	2	23.013	4.40%	2	16.638	2.85%	38.32%
	Safwa Islamic Bank	3	5.606	1.07%	4	3.295	0.56%	70.17%
	Al-Rajhi Bank *	4	4.691	0.90%	3	3.429	0.59%	36.82%
	Net After-Tax Profit of Islamic Banks			87.31	16.70%		72.36	12.40%
Foreign Commercial Banks	Bank Audi	1	14.000	2.68%	1	14.000	2.40%	0.00%
	BLOM Bank	2	11.000	2.10%	2	13.000	2.23%	-15.38%
	Standard Chartered Bank	3	4.561	0.87%	3	5.650	0.97%	-19.29%
	Citi Bank	4	3.867	0.74%	4	4.144	0.71%	-6.70%
	National Bank of Abu Dhabi	5	3.766	0.72%	5	4.032	0.69%	-6.60%
	Egyptian Arab Land Bank	6	1.900	0.36%	7	3.000	0.51%	-36.67%
	National Bank of Kuwait - Jordan	7	1.842	0.35%	6	3.885	0.67%	-52.59%
	Rafidain Bank	8	1.500	0.29%	8	1.400	0.24%	7.14%
	Net After-Tax Profit of Foreign Commercial Banks			42.44	8.12%		49.11	8.42%
Net After-Tax Profit of Banks Operating in Jordan			522.77	100.0%		583.56	100.0%	-10.42%

Source: Banks' financial data

* Foreign Bank

Third: Banks' Ranking According to Some Profitability Indicators

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

The average return on the assets of banks operating in Jordan decreased from 1.28% at the end of 2015 to 1.05% at the end of 2016. The average ROA for Jordanian commercial banks was 1.05%, 1.07% for Islamic banks and 1.06% for foreign commercial banks.

Table (51): Average Return on Assets for the Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016		2015		Increase (decrease) Compared with last year
		Ranking 2016	Average Return on Assets %	Ranking 2015	Average Return on Assets %	
Jordanian Commercial Banks	Bank of Jordan	1	1.727%	1	2.240%	-0.51%
	The Housing Bank for Trade & Finance	2	1.530%	3	1.650%	-0.12%
	Investbank	3	1.420%	4	1.550%	-0.13%
	ABC Bank	4	1.320%	5	1.450%	-0.13%
	Arab Jordan Investment Bank	5	1.300%	8	1.200%	0.10%
	Cairo Amman Bank	6	1.270%	2	2.000%	-0.73%
	Bank Al-Etihad	7	1.180%	6	1.370%	-0.19%
	Arab Bank	8	1.140%	7	1.300%	-0.16%
	Societe General - Jordan	9	0.870%	11	0.960%	-0.09%
	Jordan Kuwait Bank	10	0.860%	10	1.100%	-0.24%
	Jordan Commercial Bank	11	0.568%	9	1.180%	-0.61%
	Capital Bank	12	0.300%	13	0.370%	-0.07%
	Jordan Ahli Bank	13	0.200%	12	0.940%	-0.74%
Average Return on Assets for Jordanian Commercial Banks			1.05%		1.33%	-0.28%
Islamic Banks	Bank	Ranking 2016	Average Return on Assets %	Ranking 2015	Average Return on Assets %	Increase (decrease) Compared with last year
	Jordan Islamic Bank	1	1.370%	1	1.330%	0.04%
	International Islamic Arab Bank	2	1.200%	2	1.000%	0.20%
	Al-Rajhi Bank *	3	1.060%	3	0.910%	0.15%
Safwa Islamic Bank	4	0.660%	4	0.460%	0.20%	
Average Return on Assets for Islamic Banks			1.07%		0.93%	0.15%
Foreign Commercial Banks	Bank	Ranking 2016	Average Return on Assets %	Ranking 2015	Average Return on Assets %	Increase (decrease) Compared with last year
	Bank Audi	1	1.620%	4	1.470%	0.15%
	BLOM Bank	2	1.330%	2	1.600%	-0.27%
	Citi Bank	3	1.130%	5	1.340%	-0.21%
	Rafidain Bank	4	1.100%	1	1.980%	-0.88%
	Standard Chartered Bank	5	1.090%	6	1.210%	-0.12%
	National Bank of Abu Dhabi	6	1.030%	7	1.100%	-0.07%
	National Bank of Kuwait - Jordan	7	0.610%	3	1.500%	-0.89%
Egyptian Arab Land Bank	8	0.540%	8	0.800%	-0.26%	
Average Return on Assets for Foreign Commercial Banks			1.06%		1.38%	-0.32%
Average Return on Assets for the Banks Operating in Jordan			1.05%		1.28%	-0.23%

Source: Banks' financial data

* Foreign Bank

B. Bank's Ranking According to the Average Return on Equity (ROE)

The average return on equity of banks operating in Jordan decreased from 9.17% at the end of 2015 to 8.13% at the end of 2016. The average ROE reached 8.21% for Jordanian commercial banks, 11.19% for Islamic banks and 6.47% for foreign commercial banks.

Table (52): Average Return on Shareholders' Equity for the Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016		2015		Increase (decrease) Compared with last year
		Ranking 2016	Average Return on Equity %	Ranking 2015	Average Return on Equity %	
Jordanian Commercial Banks	Cairo Amman Bank	1	14.400%	1	14.240%	0.16%
	The Housing Bank for Trade & Finance	2	11.090%	4	12.010%	-0.92%
	Arab Bank	3	10.770%	2	12.120%	-1.35%
	Arab Jordan Investment Bank	4	10.600%	8	10.500%	0.10%
	Bank Al-Etihad	5	9.770%	6	11.410%	-1.64%
	ABC Bank	6	9.630%	7	10.900%	-1.27%
	Bank of Jordan	7	8.902%	3	12.100%	-3.20%
	Societe General - Jordan	8	8.740%	10	8.370%	0.37%
	Investbank	9	8.050%	9	8.700%	-0.65%
	Jordan Commercial Bank	10	6.070%	5	11.880%	-5.81%
	Jordan Kuwait Bank	11	4.970%	12	6.200%	-1.23%
	Capital Bank	12	2.125%	13	2.600%	-0.48%
	Jordan Ahli Bank	13	1.580%	11	6.900%	-5.32%
Average Return on Shareholders' Equity for Jordanian Commercial Banks			8.21%		9.84%	-1.63%
Islamic Banks	Jordan Islamic Bank	1	16.520%	1	16.420%	0.10%
	International Islamic Arab Bank	2	15.600%	2	12.000%	3.60%
	Al-Rajhi Bank *	3	8.410%	3	6.940%	1.47%
	Safwa Islamic Bank	4	4.220%	4	2.500%	1.72%
	Average Return on Shareholders' Equity for Islamic Banks			11.19%		9.47%
Foreign Commercial Banks	Bank Audi	1	13.700%	2	14.260%	-0.56%
	BLOM Bank	2	12.710%	1	16.600%	-3.89%
	National Bank of Abu Dhabi	3	6.300%	3	7.200%	-0.90%
	Citi Bank	4	5.990%	5	6.420%	-0.43%
	Standard Chartered Bank	5	5.480%	4	6.600%	-1.12%
	Egyptian Arab Land Bank	6	3.220%	6	5.490%	-2.27%
	Rafidain Bank	7	2.200%	8	2.180%	0.02%
	National Bank of Kuwait - Jordan	8	2.180%	7	4.700%	-2.52%
Average Return on Shareholders' Equity for Foreign Commercial Banks			6.47%		7.93%	-1.46%
Average Return on Shareholders' Equity for the Banks Operating in Jordan			8.13%		9.17%	-1.04%

Source: Banks' financial data

* Foreign Bank

Fourth: Banks' Ranking According to Bank Branching

A. Banks' Ranking According to the Number of Branches Inside Jordan

The total number of bank branches inside Jordan increased from 786 branches at the end of 2015 to 808 branches at the end of 2016. These are distributed as follows: 607 branches of Jordanian commercial banks (75.1% of total number of branches), 147 branches of Islamic banks (constituting 18.2% of total branches) and 54 branches of foreign commercial banks (6.7% of total branches).

Table (53): The Number of Branches of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2015	Number of Branches In Jordan	Ratio to Total Number of Branches %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	117	14.48%	1	113	14.38%	3.54%
	Arab Bank	2	74	9.16%	2	75	9.54%	-1.33%
	Cairo Amman Bank	3	73	9.03%	3	72	9.16%	1.39%
	Bank of Jordan	4	71	8.79%	4	70	8.91%	1.43%
	Jordan Kuwait Bank	5	61	7.55%	5	56	7.12%	8.93%
	Jordan Ahli Bank	6	55	6.81%	5	56	7.12%	-1.79%
	Bank Al-Etihad	7	41	5.07%	7	38	4.83%	7.89%
	Jordan Commercial Bank	8	29	3.59%	8	27	3.44%	7.41%
	ABC Bank	9	27	3.34%	8	27	3.44%	0.00%
	Arab Jordan Investment Bank	10	18	2.23%	10	18	2.29%	0.00%
	Societe General - Jordan	11	17	2.10%	11	17	2.16%	0.00%
	Capital Bank	12	12	1.49%	12	12	1.53%	0.00%
	Investbank	12	12	1.49%	13	11	1.40%	9.09%
The Number of Branches of Jordanian Commercial Banks			607	75.12%		592	75.32%	2.53%
Islamic Banks	Bank	Ranking 2016	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2015	Number of Branches In Jordan	Ratio to Total Number of Branches %	Change percentage (%)
	Jordan Islamic Bank	1	74	9.16%	1	73	9.29%	1.37%
	International Islamic Arab Bank	2	41	5.07%	2	41	5.22%	0.00%
	Safwa Islamic Bank	3	25	3.09%	3	21	2.67%	19.05%
	Al-Rajhi Bank *	4	7	0.87%	4	6	0.76%	16.67%
The Number of Branches of Islamic Banks			147	18.19%		141	17.94%	4.26%
Foreign Commercial Banks	Bank	Ranking 2016	Number of Branches In Jordan	Ratio to Total Number of Branches %	Ranking 2015	Number of Branches In Jordan	Ratio to Total Number of Branches %	Change percentage (%)
	BLOM Bank	1	14	1.73%	1	14	1.78%	0.00%
	Bank Audi	1	14	1.73%	2	13	1.65%	7.69%
	Egyptian Arab Land Bank	3	11	1.36%	3	10	1.27%	10.00%
	Standard Chartered Bank	4	6	0.74%	4	6	0.76%	0.00%
	National Bank of Kuwait - Jordan	5	3	0.37%	5	3	0.38%	0.00%
	National Bank of Abu Dhabi	6	2	0.25%	5	3	0.38%	-33.33%
	Rafidain Bank	6	2	0.25%	7	2	0.25%	0.00%
Citi Bank	6	2	0.25%	7	2	0.25%	0.00%	
The Number of Branches of Foreign Commercial Banks			54	6.68%		53	6.74%	1.89%
The Number of Branches of Banks Operating in Jordan			808	100.0%		786	100.0%	2.80%

Source: Banks' financial data

* Foreign Bank

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

The total number of ATMs of banks inside Jordan increased from 1488 machine at the end of 2015 to 1637 machine at the end of 2016. These are distributed as follows: 1218 ATMs belonging to Jordanian commercial banks (constituting 74.4% of the total number of ATMs), 343 ATMs belonging to Islamic banks (21% of total ATMs), and 76 ATMs belonging to foreign commercial banks (4.6% of the total number of ATMs).

Table (54): The Number of ATMs of Banks Operating in Jordan at the end of 2015 and 2016

	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Number of ATMs	Ratio to Total Number of ATMs %	Ranking 2015	Number of ATMs	Ratio to Total Number of ATMs %	
Jordanian Commercial Banks	The Housing Bank for Trade & Finance	1	226	13.81%	1	214	14.38%	5.61%
	Cairo Amman Bank	2	164	10.02%	2	165	11.09%	-0.61%
	Arab Bank	3	163	9.96%	3	151	10.15%	7.95%
	Bank of Jordan	4	120	7.33%	4	118	7.93%	1.69%
	Jordan Ahli Bank	5	116	7.09%	5	100	6.72%	16.00%
	Jordan Kuwait Bank	6	92	5.62%	6	83	5.58%	10.84%
	Bank Al-Etihad	7	78	4.76%	7	59	3.97%	32.20%
	Arab Jordan Investment Bank	8	58	3.54%	8	51	3.43%	13.73%
	ABC Bank	9	53	3.24%	8	51	3.43%	3.92%
	Jordan Commercial Bank	10	50	3.05%	10	45	3.02%	11.11%
	Capital Bank	11	47	2.87%	11	38	2.55%	23.68%
	Investbank	12	31	1.89%	12	28	1.88%	10.71%
	Societe General - Jordan	13	20	1.22%	13	17	1.14%	17.65%
The Number of ATMs of Jordanian Commercial Banks			1218	74.40%		1120	75.27%	8.75%
Islamic Banks	Bank	Ranking 2016	Number of ATMs	Ratio to Total Number of ATMs %	Ranking 2015	Number of ATMs	Ratio to Total Number of ATMs %	Change percentage (%)
	Jordan Islamic Bank	1	190	11.61%	1	169	11.36%	12.43%
	International Islamic Arab Bank	2	61	3.73%	2	57	3.83%	7.02%
	Safwa Islamic Bank	3	58	3.54%	4	35	2.35%	65.71%
	Al-Rajhi Bank *	4	34	2.08%	3	36	2.42%	-5.56%
The Number of ATMs of Islamic Banks			343	20.95%		297	19.96%	15.49%
Foreign Commercial Banks	Bank	Ranking 2016	Number of ATMs	Ratio to Total Number of ATMs %	Ranking 2015	Number of ATMs	Ratio to Total Number of ATMs %	Change percentage (%)
	Bank Audi	1	26	1.59%	1	25	1.68%	4.00%
	BLOM Bank	2	16	0.98%	2	14	0.94%	14.29%
	Egyptian Arab Land Bank	3	15	0.92%	2	14	0.94%	7.14%
	Standard Chartered Bank	4	8	0.49%	4	8	0.54%	0.00%
	National Bank of Kuwait - Jordan	5	6	0.37%	5	6	0.40%	0.00%
	National Bank of Abu Dhabi	6	5	0.31%	6	4	0.27%	25.00%
	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			76	4.64%		71	4.77%	7.04%
The Number of ATMs of Banks Operating in Jordan			1637	100.00%		1488	100.00%	10.01%

Source: Banks' data

* Foreign Bank

Fifth: Human Resources of Banks Operating in Jordan

A. Banks' Ranking According to the Number of Employees

The total number of employees in banks operating in Jordan increased from to 20095 employees at the end of 2015 to 20573 employees at the end of 2016. Of the total, 15332 employees in Jordanian commercial banks (74.5% of the total number of employees), 3841 employees in Islamic banks (18.7% of the total number of employees), and 1400 employees in foreign commercial banks (6.8% of the total number of employees).

Table (55): Number of Employees at Banks Operating in Jordan at the end of 2015 and 2016

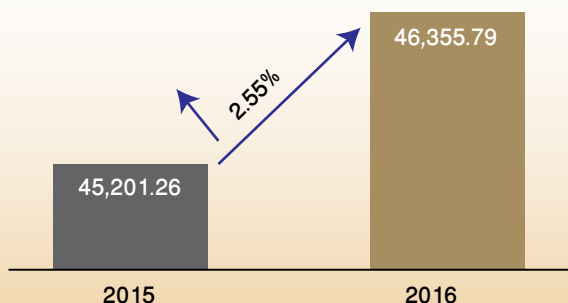
	Bank	2016			2015			Change percentage (%)
		Ranking 2016	Number Of Employees	Ratio to Total Employees %	Ranking 2015	Number Of Employees	Ratio to Total Employees %	
Jordanian Commercial Banks	Arab Bank	1	2990	14.53%	1	2934	14.60%	1.91%
	The Housing Bank for Trade & Finance	2	2393	11.63%	2	2363	11.76%	1.27%
	Bank of Jordan	3	1578	7.67%	4	1489	7.41%	5.98%
	Cairo Amman Bank	4	1553	7.55%	3	1614	8.03%	-3.78%
	Jordan Ahli Bank	5	1379	6.70%	5	1416	7.05%	-2.61%
	Jordan Kuwait Bank	6	1151	5.59%	6	1100	5.47%	4.64%
	Bank Al-Etihad	7	1022	4.97%	7	915	4.55%	11.69%
	Jordan Commercial Bank	8	713	3.47%	9	695	3.46%	2.59%
	Arab Jordan Investment Bank	9	706	3.43%	8	714	3.55%	-1.12%
	Capital Bank	10	583	2.83%	10	575	2.86%	1.39%
	Investbank	11	508	2.47%	12	461	2.29%	10.20%
	ABC Bank	12	492	2.39%	11	500	2.49%	-1.60%
	Societe General - Jordan	13	264	1.28%	13	257	1.28%	2.72%
Number of Employees at Jordanian Commercial Banks			15332	74.52%		15033	74.81%	1.99%
Islamic Banks	Bank	Ranking 2016	Number Of Employees	Ratio to Total Employees %	Ranking 2015	Number Of Employees	Ratio to Total Employees %	Change percentage (%)
	Jordan Islamic Bank	1	2236	10.87%	1	2148	10.69%	4.10%
	International Islamic Arab Bank	2	877	4.26%	2	852	4.24%	2.93%
	Safwa Islamic Bank	3	478	2.32%	3	424	2.11%	12.74%
	Al-Rajhi Bank *	4	250	1.22%	4	248	1.23%	0.81%
Number of Employees at Islamic Banks			3841	18.67%		3672	18.27%	4.60%
Foreign Commercial Banks	Bank	Ranking 2016	Number Of Employees	Ratio to Total Employees %	Ranking 2015	Number Of Employees	Ratio to Total Employees %	Change percentage (%)
	BLOM Bank	1	353	1.72%	1	382	1.90%	-7.59%
	Egyptian Arab Land Bank	2	324	1.57%	2	307	1.53%	5.54%
	Bank Audi	3	288	1.40%	3	269	1.34%	7.06%
	Standard Chartered Bank	4	188	0.91%	4	196	0.98%	-4.08%
	National Bank of Kuwait - Jordan	5	108	0.52%	5	98	0.49%	10.20%
	Citi Bank	6	62	0.30%	6	66	0.33%	-6.06%
	National Bank of Abu Dhabi	7	53	0.26%	7	53	0.26%	0.00%
	Rafidain Bank	8	24	0.12%	8	19	0.09%	26.32%
Number of Employees at Foreign Commercial Banks			1400	6.81%		1390	6.92%	0.72%
Number of Employees at Banks Operating in Jordan			20573	100.00%		20095	100.00%	2.38%

Source: Banks' financial data

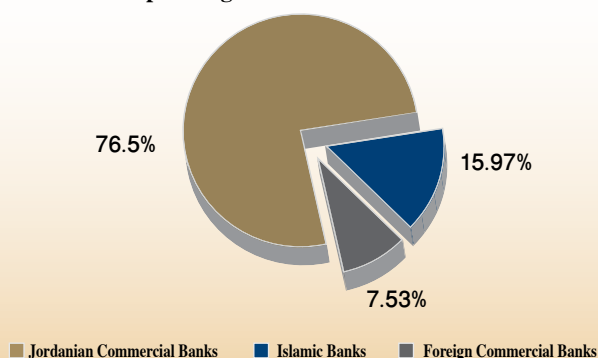
* Foreign Bank

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

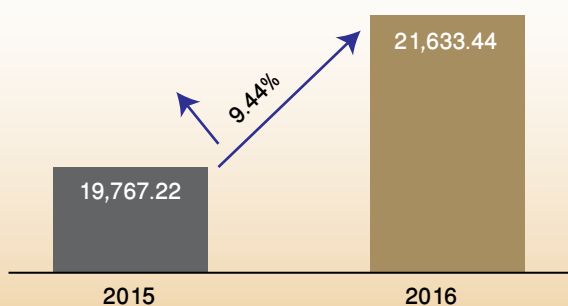
Total Assets of Banks Operating in Jordan (JD Million)



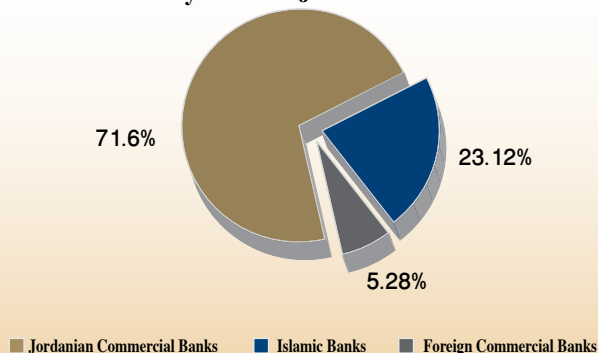
Distribution of Total Assets of Banks Operating in Jordan at the End of 2016



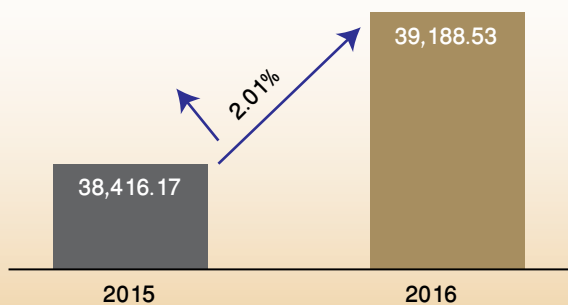
Total Direct Credit Facilities net Extended by Banks in Jordan (JD Million)



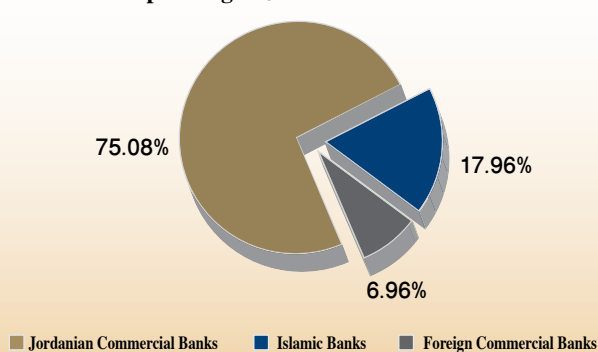
Distribution of Total Direct Credit Facilities Extended by Banks in Jordan at the End of 2016



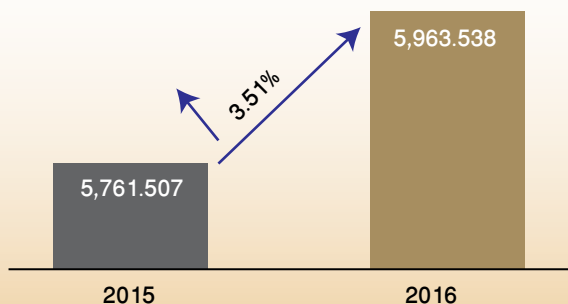
Total Deposits at Banks Operating in Jordan (JD Million)



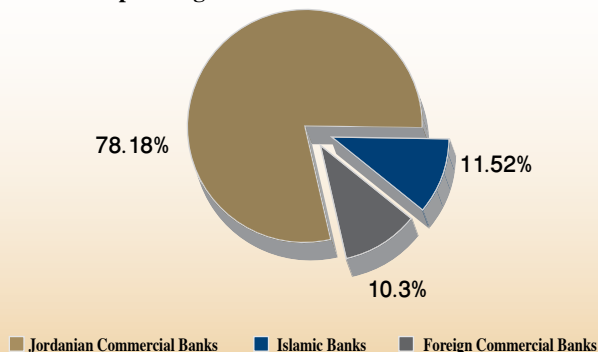
Distribution of Total Deposits at Banks Operating in Jordan at the End of 2016



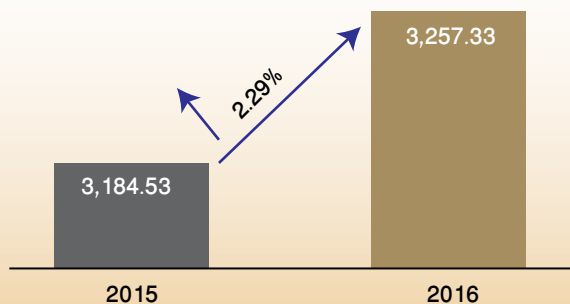
Total Shareholders' Equity of Banks Operating in Jordan (JD Million)



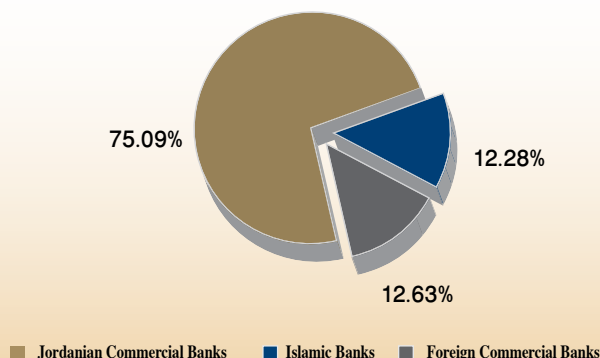
Distribution of Shareholders' Equity of Banks Operating in Jordan at the End of 2016



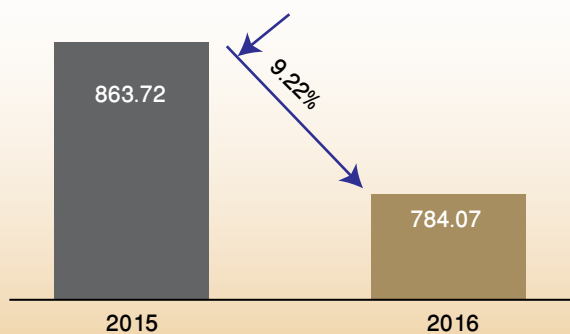
Total Capital of Banks Operating in Jordan (JD Million)



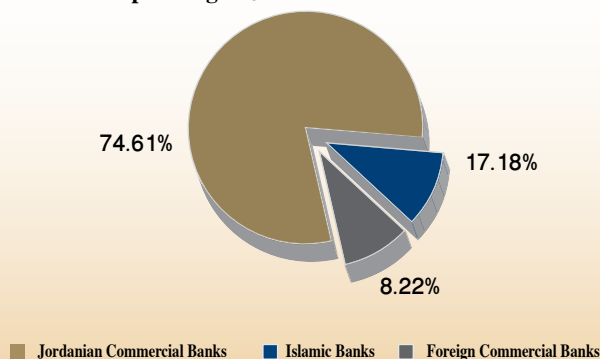
Distribution of Capital of Banks Operating in Jordan at the End of 2016



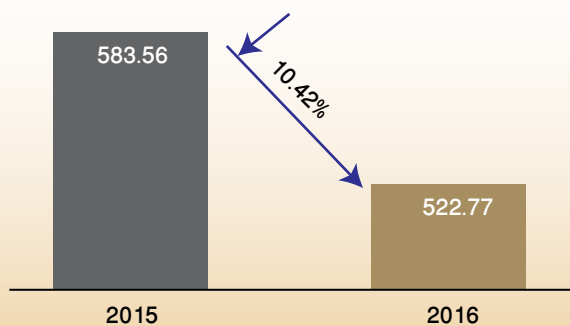
Total Pre-Tax Profit of Banks Operating in Jordan (JD Million)



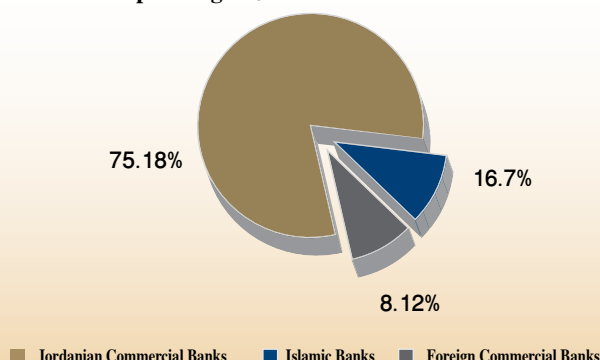
Distribution of Pre-Tax Profit of Banks Operating in Jordan at the End of 2016



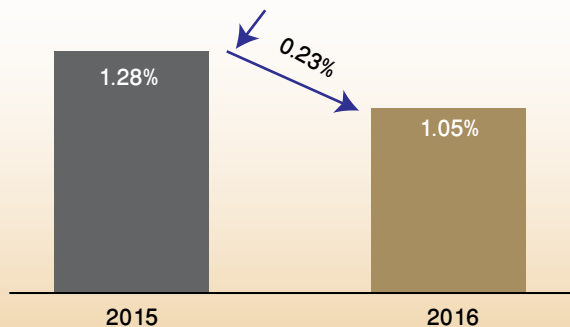
Total After Tax Profit of Banks Operating in Jordan (JD Million)



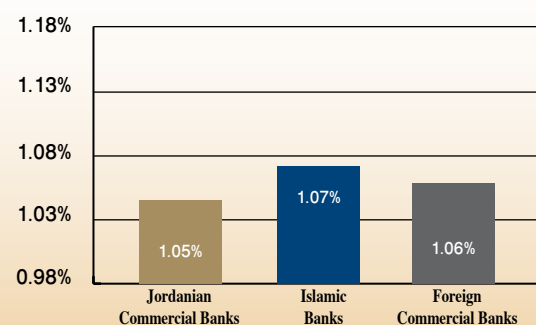
Distribution of After Tax Profit of Banks Operating in Jordan at the End of 2016



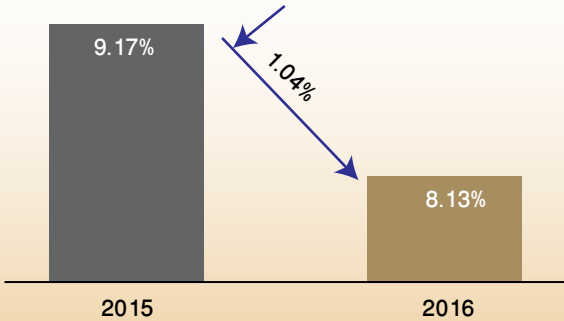
Return on Assets for Banks Operating in Jordan (%)



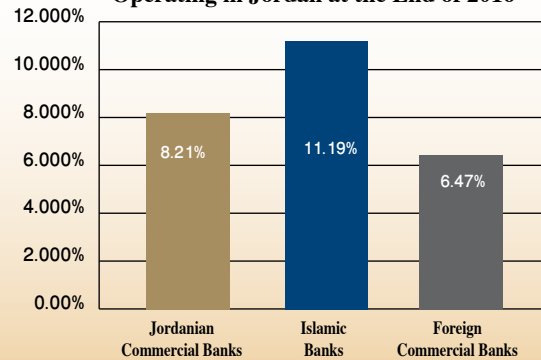
Distribution of Return on Assets for Banks Operating in Jordan at the End of 2016



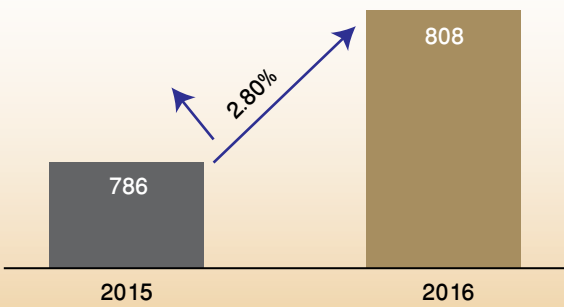
Return on shereholder's Equity for Banks Operating in Jordan (%)



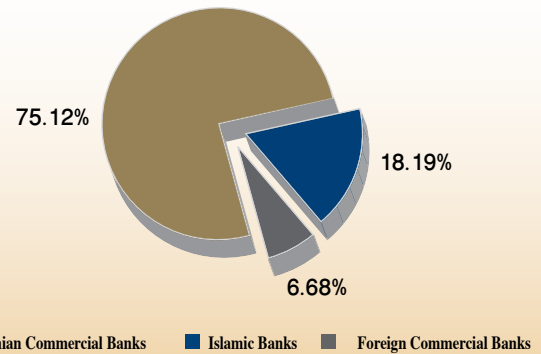
Distribution of Return on shereholder's Equity for Banks Operating in Jordan at the End of 2016



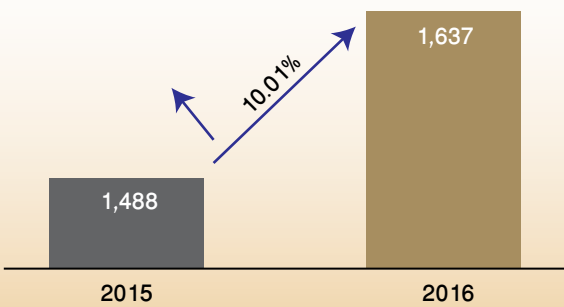
Total Number of Branches of Banks Operating in Jordan



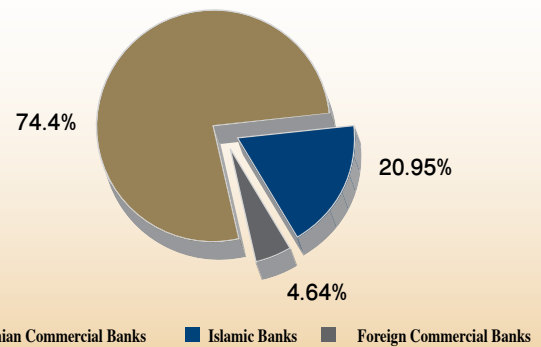
Distribution of Number of Branches of Banks Operating in Jordan at the End of 2016



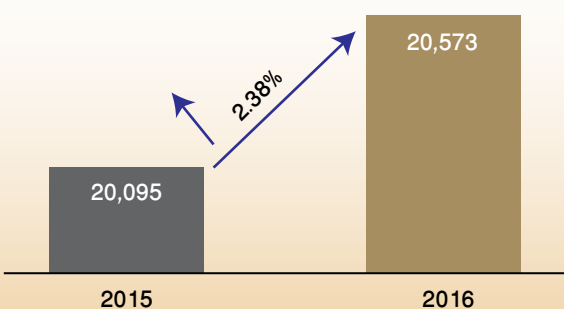
Total Number of ATMs of Banks Operating in Jordan



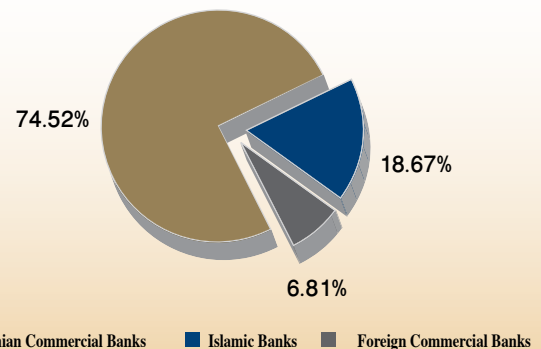
Distribution of Number of ATMs of Banks Operating in Jordan at the End of 2016

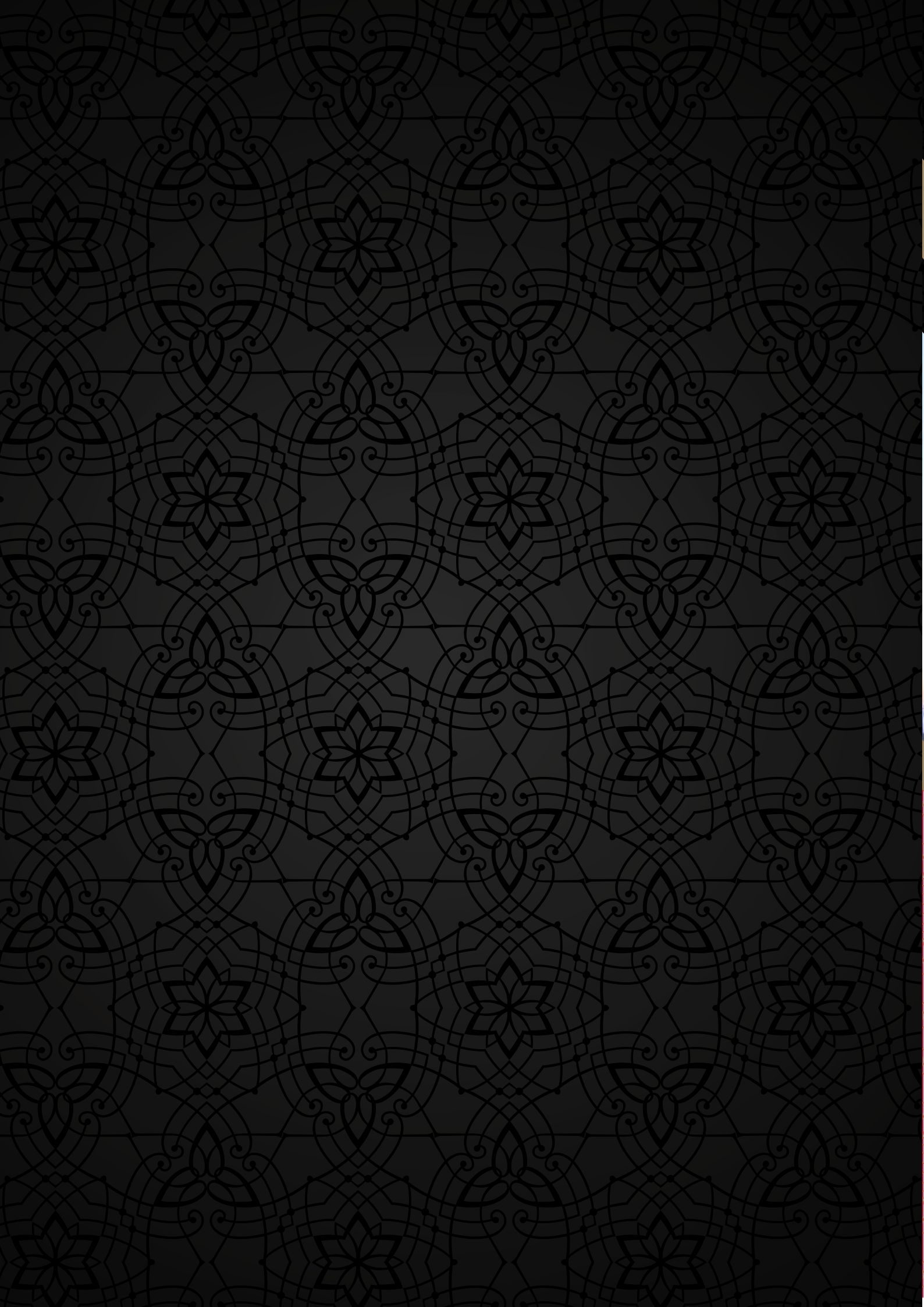


Total Number of Employees in Banks Operating in Jordan



Distribution of Number of Employees in Banks Operating in Jordan at the End of 2016







Chapter Nine
New Banking
Services

As part of their continuous strive to upgrade and develop their services to be in line with the newest in banking industry, banks in Jordan introduced a variety of new banking products and services. The following table reveals the most outstanding new services banks introduced to their clients in 2016.

Table (56): New Banking Services Introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Arab Bank	Electronic advices	Instead of receiving advices by mail, the service provides possibility of transforming some paper advices into electronic ones.	Internally developed
	Redeeming points of Arabi Rewards	Points earned at the Arabi Rewards Program are turned into cash credited to the balance available in the credit card.	Internally developed
Jordan Ahli Bank	A campaign for housing loans	Modifying advantages of housing loans by granting new advantages. The amendment was accompanied by an ad campaign in different promotional outlets.	Internally developed
	Saving accounts	Changing saving accounts programs into new terms and prizes. Rewards and prizes are diversified to meet the different needs of clients in many segments: Goushan Al-Omor savings account, My University savings account and My Children saving account.	Internally developed
	My Family ('A'elaty) Loan	Launching a campaign to focus on joining the commitments of both spouses into one loan to meet their different personal needs.	Internally developed
	Launching Visa Infinite credit card	A new credit card with top quality advantages and personalized services exclusively to customers of high income and financial solvency.	External supplier/ Visa Inc.
	Ahli Rewards Program	A media campaign launched and the list of approved partners is updated to include different choices of purchases and entertainment.	Internally and externally (with the contracted businessmen).
	Strategic partnerships to finance residential units	Strategic partnership with Eagle Hills Co. Strategic partnership with Ayla/ Aqaba. Strategic partnership with Lamar Co.	Internally and externally (with the contracted businessmen).
	Adding new advantages to World Elite MasterCard	Additional advantages such as adding a free travel companion in the coverage scope of the Priority Pass of World Elite MasterCard, in addition to modifying insurance coverage of travel and insurance issues.	External Provider / MasterCard
	Electronic payment gateway	Expansion of clients' base by following marketing strategies to provide services. Strategic partnerships were forged with big businesses and SMEs to include different sectors.	External provider/ MEPS
	0% interest installment plan	Expanding the base of strategic partnerships by adding a number of partners throughout the year to meet the client's needs in different sectors.	Internally and externally (with the contracted businessmen).

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Continued/ Jordan Ahli Bank	Clean energy solutions	Free, limited period, technical advisory services in energy field to review and assess chances of providing energy solutions to SMEs by investing in energy efficiency and renewable energy, in addition to financing the project at a low interest rate and a pre-approved ceiling of the MY Business Credit Card at 5% of the granted loan ceiling.	External and internal (JCP/ USAID funded competitiveness program. (JOREEEF and JLGC)
	SMEs' Reward Program	Updating the list of businessmen in the program to include added value choices to business owners, holders of My Business credit card that are compatible with the businesses' needs to reduce operational expenses, helping them to control and monitor their expense and consequently encouraging them to choose Ahli's My Business credit card.	Internally and externally (with the contracted businessmen).
	Nashmeyyat loan to fund purchases	The product was modified and relaunched to finance the purchases of clients from the businesswomen sector.	Internally developed
	Loans for small startups	An agreement was concluded with JLGC to cover 85% of financing risks of small startups.	Internally and externally developed, in cooperation with the JLGC.
Cairo Amman Bank	Saving accounts' prizes	The bank launched a savings program for 2016 under the motto of YOUR LIFE IS DIFFERETN WHEN YOU ARE A MILLIONNAIR. The grand prize was 1,010,101 JD, in addition to 11 monthly prizes of 2016 BMW car, 5 series.	Cairo- Amman Bank
	University Smart Prepaid Card	CAB offered this product for many universities, including Jordan University, Pricess Sumaya University and the Jordan University of Science and Technology.	Master Card, EMP & CAB
	Loyalty Program	A program that enables CAB card- holding customers to collect points at each purchase on local, international and online points of sale using CAB Master Card, and having them exchanged for products & services available through an electronic platform.	CAB & Modym
	Discounts program	A program that allows CAB customers to get certain discounts at certain shops upon purchase when using CAB- issued Master Cards at local points of sale.	CAB, Master Card and EMP
	JoMoPay Mahfazaty	CAB introduced the service of payment through mobile phones, which enables bank and non-bank customers to transfer money to individuals, companies and institutions. The mobile phone number is connected to electronic portfolios through which all transfer and purchases transactions are done.	CBJ, CAB, Financial Solutions for Payment Services through Mobile Phones

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Bank of Jordan	Text messages for rejected credit card movements	A service that alerts the customer and tells him/her the reason of rejection, thus reducing rejected movements on credit cards.	EMP
	VRM	A system managed by a special unit at the bank to monitor movements of credit cards issued by BOJ. It permits introducing desired restrictions to avoid fraudulent movements.	Visa International
	Instant loan in credit cards	A product that enables credit card holders of bank customers to get a loan in cash within the credit card's ceiling at a fixed monthly interest rate of 1%.	Internally developed
	Doctors only program	Produced to target specialty doctors only, giving them preferential advantages at concessionary terms.	Internally developed
The Housing Bank for Trade and Finance	Tourism Loan Product	Reducing loan targeting financing SMEs working in the tourism sector.	Internally developed
	Program for financing fixed assets	Term loan targeting small businesses, professionals and individual business owners, to provide financing to purchase and own all kinds of fixed assets.	Internally developed
	"Protecting my house" program	An insurance program that provides coverage against risks of fire, theft, and additional risks of houses to include construction, contents and assets, in addition to coverage against risks of personal accidents for people living in the house.	Jordan International Insurance Co
	Swift transfers via Western Union through Iskan Mobile app	The service of sending and receiving Western Union transfers via Iskan Mobile apps	Western Union
	"3al_ool" Program	A program that provides proper financing to all individual customers to buy a residential unit in the Aqaba Ayla Oasis program.	-
Jordan Kuwait Bank	World Elite Master Credit Card	A credit card for elite customers of high income. The card has unique and great advantages that do not make it a card for payment only but a card for luxury as well. It gives its holder access to business lounges in more than 500 airports in 280 countries. Its travel insurance advantages give holders comfort and peace of mind during travel as well as advantages like having extra free nights when staying in international chains of hotels, and a lot more.	JKB & MasterCard
	MasterCard Titanium Credit Card	A credit card for middle income bank customers that meets their needs, such as entering 10 business lounges in Arab airports, in addition to other qualities.	JKB & MasterCard

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Continued/ Jordan Kuwait Bank	MasterCard Titanium direct discount Credit Card	It targets VIP customers who have active accounts. It is a higher level credit card. An advantage was added to the card, which is access to business lounges in Arab countries to meet their needs and make travel easier for them.	JKB & MasterCard
	Installment plan with Master Card credit cards	A service rendered to holders of MasterCard credit cards. It permits customers to repay the amount of their purchases in installments for varied periods between 12 and 24 months. This is arranged with a number of contracted merchants at 0% interest. Selling in installments is done automatically at the merchant's selling point machine.	JKB & MEPS (Middle East Payments Services)
	Air ambulance	Free of charge service that the bank gives to its customers holders of MasterCard World Credit Cards and World Elite credit cards. Air ambulance services are provided to the injured in distant areas that they are transferred to the nearest health center. The costs of transfer are covered annually by the bank. The customer gets the first time transfer free of charge.	Jordan Air Ambulance Center and JKB
	Self subscription in internet bank service and smart phones apps for the individual customers	Self subscription in internet bank service and smart phones apps for the individual customers by using the # of ATM card and its password to identify the customer in a safe and secure way.	External supplier: ICSfs
	Smart phone apps	JKB Smart phones Apps for phones using Android and iOS operating systems. It also provides the following services: <ol style="list-style-type: none"> 1. Inquiries on accounts and balances, 2. Inquiry on account movements, 3. Inquiries on loans and installments, 4. Requests of check books, 5. Money transfers: <ol style="list-style-type: none"> a. Between customer's accounts, b. Between JKB customers' accounts, c. Internal transfers, d. External transfers. 6. Settling credit cards' dues. 7. Settling bills through eFAWATEERcom. 8. Address of branches and ATM locations. 9. Inquiries on exchange rates. 	External supplier: ICSfs
	Electronic account statement	The service of issuing periodic statements of accounts (a PDF file secured with a password). The file is issued according to the reference it is subscribed to and sent to the customer's e-mail. The file's password is sent to the customer's mobile phone in an sms. The e-mail and mobile phone # are the ones assigned when subscribing to the service.	External supplier: iTech

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Continued/ Jordan Kuwait Bank	eFAWATEERcom Prepaid service	An app of prepaid service on eFAWATEERcom through the counter and NetBanker system according to the service instructions of Madfoo3atCom. co and CBJ.	External supplier: 1. ICSfs 2. A2A
	ACH service (through internet bank and smart phones app)	Application of the automatic clearing at the CBJ according to the counter system, internet bank and smart phone application	External provider: 1. ICSfs 2. OFFTEC
	Digital Signage Screens	A system of running and managing the digital contents of digital screens that provide a number of services in a modern and distinguished way in the bank's branches: - Fees & commission (according to transparency regulations), - The branch's official papers (registration certificate), - Interest rates (loans, deposits, savings), - Exchange rates - Bank's ads - News	External provider: Business Consult co.
	Recognizing a customer on the automatic turn system in branches	The service of recognizing the customer on the automatic turn system in branches through linkage to CRM system using the customer's number. The customer is thus recognized and classified by the clerk when the customer uses the automatic turn system.	External provider: 1. STS 2. PioTech
	Mobile branch	The mobile branch is the banking sector's latest integrated solutions to offer all bank services to bank customers and the public at large by moving and working in areas where there are no bank branches and no bank services, or by being in places of events and festivals, to enhance the bank's role in socio-economic development. The mobile bank offers all bank services just like any other branch: - Opening accounts - Cash deposits and withdrawals in Jordanian dinar and main foreign currencies - Check deposit and cashing - Issuing remittances in addition to Western Union transfers - Issuing all types of plastic cards - ATM service - Internet bank services	External provider: - ADR - Jordan Turksy Investment Co

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Arab Jordan Investment Bank	Pre-Paid Efavateercom	It enables customers to buy pre-paid cards	A2A with ICS
	ACH service	It enables customers to send their transfers through the ACH system	OFFTIC with ICS
Jordan Commercial Bank	Deposit certificates	<ul style="list-style-type: none"> - Long term deposits in dinar or USD by which a certain amount of money is deposited for periods varying from 6 months to 3 years. - Interest rate for deposit certificates of 6 months is limited to the due date, while interest rate for 12, 18, 24 and 36 months is due monthly. - The minimum limit of the certificate is 3 thousand JD or USD and the maximum limit is 2 million JD or USD. 	ICS
	Tijari Medical	<ul style="list-style-type: none"> - A loan for medical entities to fund purchasing of equipment or clinics. - Settlement period is up to 120 months. - The interest rate is 8.5% and the commission rate is 0.5% annually. 	ICS
InvestBank	Settling InvestBank credit cards balance through eFAWATEERcom	A service that permits customers of other banks to settle and deposit installments due on InvestBank credit cards through the internet banking of other banks.	Internally developed in cooperation with Madfoo3atCom
	Standing order for transfers through IBank	The customer is permitted to make a standing order for recurring transfers through IBank instead of visiting the branch.	Internally developed
	Successful partnership with ATTICO- Fakhreddin Group	Financial facilities of transfers and ATTICO Reward Programs would be incorporated into the InvestBank Platinum credit card.	Internally developed in cooperation with EMP
	Settling bills through eFAWATEERCOM	Paying bills on eFAWATEERCOM through IBank app on smart phones	Internally developed with ACCU Solutions
	Logging into IBank.jo via credit cards	Developing the IBank service to allow our customers holders of credit cards to log in to IBank.jo and benefit of a number of advantages it offers.	Internally developed
	Renewing partnership with Shop & Ship	<p>A special offer on Shop & Ship joint credit cards. Holders of credit cards would get a number of advantages:</p> <ul style="list-style-type: none"> - 15% Instant discount on shipping fees of 17 boxes of Shop & Ship around the world when the card's setting is changed to be automatic payment card. - Free subscription for life if the customer does not have a present address. 	Internally developed with EMP
	Move and Pay service	This is for the Visa Credit. We are the first bank to offer this service through the Visa Signature credit card in Jordan.	Internally developed with EMP

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
ABC Bank	Issuance of Signature Debit Card	A special card containing different services for VIP customers.	Visa
	Issuance of Infinite Credit Card	A special card containing different services for VIP customers.	Visa
Bank Al-Etihad	Instant debit card for corporate (Visa Electron)	Visa Electron Cards enable companies to withdraw from, deposit into and inquire about, their accounts through the ATM without visiting branches. Companies are also allowed to buy through POS machines.	Internally developed
	Pharmacies' loan	It gives a pharmacy quick liquidity to cover its needs of drugs and other purchases until it gets the insurance companies' claims.	Internally developed
	Instant auto loan	Financing of one or more new vehicles for commercial purposes or for corporations. This does not include Chinese cars.	Internally developed
	Cars' loans at fixed interest rate	Financing cars' loans at a fixed interest years for 4 years in cooperation with Kia, Hyundai, Chevrolet and Toyota.	Internally developed
	Yachts' funding product	Funding VIP customers to pay boats and yachts in installments at an interest rate of 9.25% and at a funding percentage of 70% of the value.	Internally developed
	Credit cards in foreign currencies	Visa Infinite credit cards in foreign currencies: USD, Euro, Sterlig Pound for the first time in Jordan. This permits our customers to have exceptional purchase power and to spend freely when travelling to the USA, Europe and the UK, without worries about the exchange rate.	Internally developed
Societe General - Jordan	Saving account "Ghena"	A Saving account that permits customers to enter into daily draws of gold liras, monthly awards of JOD 5 thousand, a half annual prizes by end of June 2017 (Mercedes-Benz E200/2017 car) and the end of year award of JOD 100 thousand, in addition to an annual interest of 0.5% on JD accounts only. The account can be also opened in USD and Euro. The minimum amount of the account is JOD 200. This permits holders to enter into the draw of all awards but the big prize where the minimum for entering the draw is 500 JD in the month preceding the draw.	Internally developed
	I Live account	A current account for young people of the age group 18-24 years that permits customers to enter into a monthly draw (3 winners monthly) of coupons to buy electronics from Smart Buy. There is also an end-of-year draw on a trip for 2 to the Ferrari World, Abu Dhabi. The customer also gets advantages that include discounts on other bank products.	Internally developed

Continued Table (56): New banking services introduced in 2016

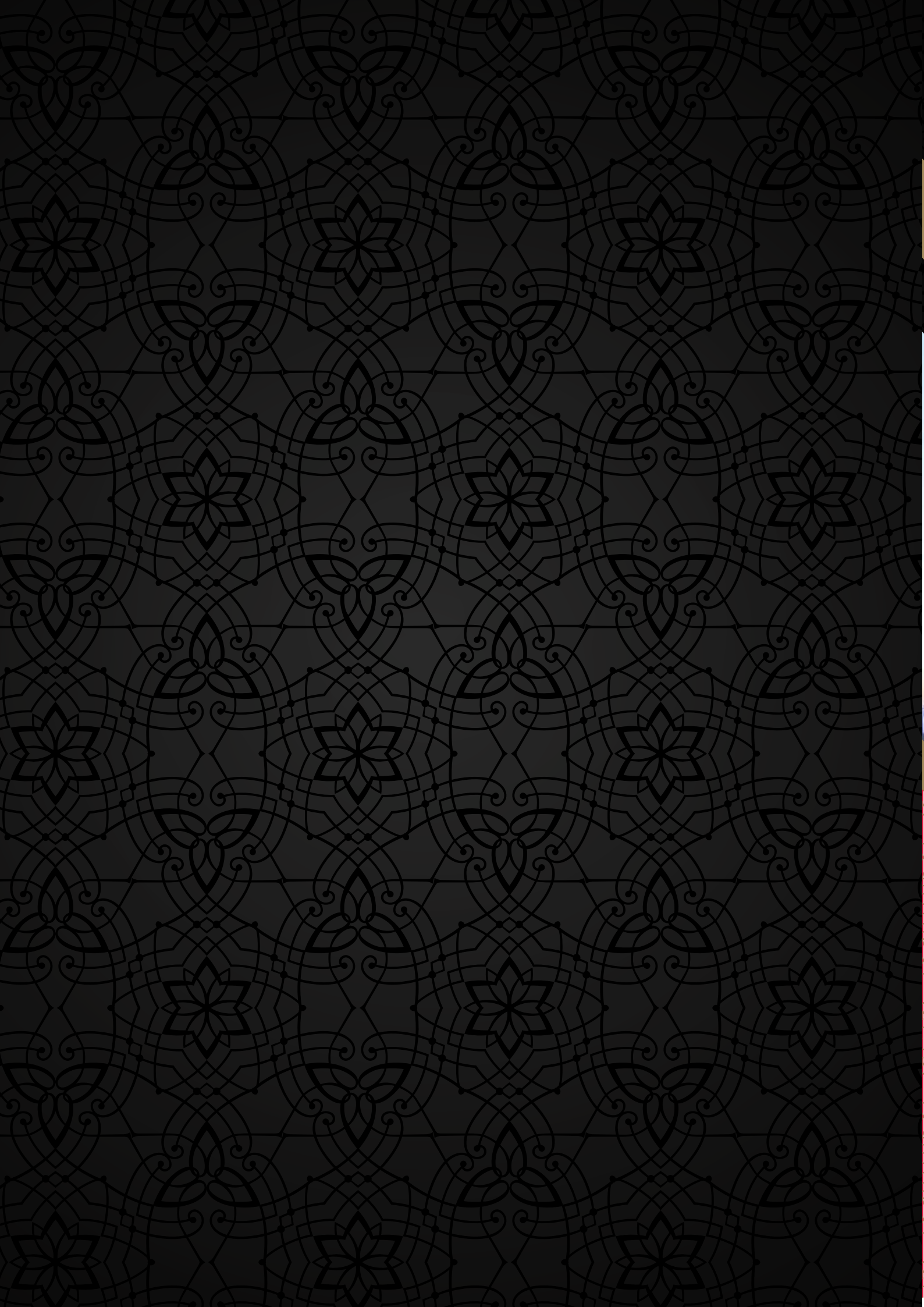
Bank	Service Name	Brief Description of Service	Service Supplier
Continued/ Societe General - Jordan	SWING Account	A saving account for children and young people of the age group (0-24) years that allows customers to enter into a semi-annual draw of 3 gold ounces, and an end-of-year draw for 4 people to Euro Disney.	Internally developed
	Visa Infinite Credit Card	Visa credit card that gives the customer full liberty to settle purchases with all traders and withdraw money from all VISA ATMs around the world, in addition to different advantages that include free entry to a number of VIP lounges around the world.	With CSC Cards
Capital Bank	Updating ATMs	It includes ATM services of instant cash deposit, check deposits, cash withdrawal in USD in some ATMs, paying bills through eFAWATEERcom, paying the VISA credit card balance either through account transfer or cash deposit, and changing the password for the Visa card.	MDSL
	Expanding the ATM Network	The number of ATMs reached 50 in 2016, up from 31 machines in branches and in some active areas in the kingdom.	Wincor
	Capital Mobile service	This service allows inquiry about balances and accounts, internal and external money transfers, settling credit card balances, check book application, paying bills, etc.	Access 2 Arabia (A2A)
	10%-15% cash refund	15% refund on all bills in restaurants and 10% of purchases value in selected supermarkets and shops when using Visa Signature and Visa Platinum and Visa Gold credit cards issued by Capital Bank.	EMP Co
	Capital SME packages	<p>Packages include: Capital Platinum, Capital Gold and Capital Plus. They are designed in various and comprehensive advantages that meet the customer's aspirations to include:</p> <ul style="list-style-type: none"> - Financial advantages: Capital SME packages include having preferential & competitive rates on all commission and interest rates related to all financial and bank transactions such as money transfers, multiple checks service and amny more preferential rates and discounts that come with the package to which the company belongs. - Non-financial advantages: each package provides integrated solutions to what the business needs to develop its work. In addition to the financial solutions & bank services, Capital SME packages are designed to provide wide spectrum and selected comprehensive consultancy solutions at preferential rates (ICT solutions, various financial consultancies and advices, legal consultancy, Human Resources solutions and services, solutions and consultancies in process management and IT, marketing solutions, and solutions on online services and commercial transactions. 	Internally developed

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Continued/ Capital Bank	EMP Customers' Loans	Exclusive offer to EMP customers in cooperation with the JLGC. Customers can get a loan in 24 hours to finance purchases, in addition to approval to loans exceeding 40,000JDs in 72 hours.	Internally developed
Jordan Islamic Bank	Shamsona product-simple sale	A product to finance energy saving projects through solar energy at the cash price.	Future Applied Computer Technology Limited (FACT)
	Subsidiary cards for wives	Additional cards for wives with ceilings of 50% of those allowed for original cards without needing a special account for the wife.	HPS
	ATM Network Expansion	The number of ATMs reached 190 machines by the end of 2016, spread all over the kingdom.	Diebold, NCR, Wincor
	Introducing and upgrading new services on ATM system	<ul style="list-style-type: none"> - Paying bills and fees, - Donating to charities, - Cell phone credit. 	HPS
International Islamic Arab Bank	Start product	The first bank product in line with Islamic Sharia to finance small startups at a value of JOD 100 thousand for each customer.	Internally developed with the CBJ and JLGC
	Intaleq product	A special product to finance trucks at soft terms and competitive conditions. The finance value reaches JOD 100 thousand at a financing percentage of 90%.	Internally developed
	Paying telecommunications and internet services in installments	Paying fees of telecommunications and internet services in installments at the cash price.	Internally developed
	Paying for medical equipment and appliances in installments	Paying for medical equipment and appliances value in installments at the cash price.	Internally developed
	Paying for renewable energy systems in installments	Paying for renewable energy systems and solar energy heaters in installments at the cash price.	Internally developed
Safwa Islamic Bank	Banking services for small businesses	Financing programs for small businesses to help them grow and expand like working capital financing, purchases financing, financing of immovable assets and real estate.	Internally developed
	Saving account for ladies (Hareer)	An investment saving account for ladies based on exclusive Sharia Mudharabah : Profit Sharing. It offers ladies many exclusive benefits.	Internally developed

Continued Table (56): New banking services introduced in 2016

Bank	Service Name	Brief Description of Service	Service Supplier
Al-Rajhi Bank	BNA Service	Instant deposit in ATMs	NCR
	Developing online services	Developing the services' front page and adding, amending other services.	Rajhi Bank
	Mobile Application service	Customers can run their accounts and credit cards and check on their details anytime. Calculating financing and deposits in addition to making inter-account money transfers. The application can also locate branch and ATM locations.	Rajhi Bank
	Electronic payment service through eFAWATEER.com. Direct service to individuals	Customers can settle their bills electronically through eFAWATEER.com.	Rajhi Bank
	Paying through eFAWATEER.com on Mobile Banking	Customers can pay their bills on eFAWATEER.com through the app.	Rajhi Bank
	Online Account Opening	The customer can fill all personal data (ID card data, place of residence, work information, etc). 12 hours later he/she would receive a text message of a reference # to visit any branch to finish procedures of opening a current account at the bank.	Rajhi Bank
	Joint investment in USD	The bank invests in the money of contracting customers as joint investments in USD.	Rajhi Bank
Rafidain Bank	SMS	Small electronic messages for financial transactions in customers' accounts.	Externally developed
Standard Chartered Bank	Housing loans	Housing loans to buy residential apartments or villas at a maximum ceiling of 2 million JD repaid in 30 years max.	Internally developed
	Cash deposits machine for companies	Customers can deposit cash at the place of work without having to visit the bank. Some customers are provided with the required machines according to agreements concluded with them. The customer would deposit cash daily and the bank would credit it directly to its account.	Brinks
Bank Audi	MasterCard World credit card	Credit card for VIP customers. It includes special services offered by Master Card.	Audi Bank, Lebanon
BLOM Bank	Amman Commerce	Providing facilities to merchants and businessmen.	--
	Visa Credit Cards	The bank launched Gold Visa Credit Card, Signature Visa Credit Card with distinguished services.	--
	Comprehensive insurance for cars	The bank offers inclusive insurance on the vehicle with a number of insurance companies when having a car loan.	--





Chapter Ten

Human Resources in Banks Operating in Jordan

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

1. Number of Employees

The number of employees in banks operating in Jordan increased in 2016 by 2.4% compared with 2015, thus reaching the number of 20573 employees of both genders.

Table (57)
Distribution of Bank Employees by Gender (2008 – 2016)

Year	Males	Relative Distribution %	Females	Relative Distribution %	Total	Change percentage (%)
2008	10611	66.83	5267	33.17	15878	5.4
2009	10406	65.90	5384	34.10	15790	-0.6
2010	10938	65.84	5675	34.16	16613	5.2
2011	11434	65.91	5913	34.09	17347	4.4
2012	11765	65.85	6101	34.15	17866	3.0
2013	12188	66.16	6235	33.84	18423	3.1
2014	12816	65.95	6617	34.05	19433	5.5
2015	13212	65.75	6883	34.25	20095	3.4
2016	13417	65.22	7156	34.78	20573	2.4

Source: Banks' data

As for the distribution of banks' employees according to gender, the percentage of males dropped from 66.8% in 2008 to 65.2% at the end of 2016. As such, the percentage of females went up from 33.2% in 2008 to 34.8% at the end of 2016. These statistics indicate a continued rise in the percentage of participation by both genders in the Jordanian banking sector positioning it with the highest gendered sector among Jordanian economic sectors.

2. Distribution of Banks' Employees according to the Academic Qualification

The educational level for banks' employees continued to improve as those holding doctorate, masters, bachelor and higher diploma degrees accounted for 77.6% of the total number of employees at the end of 2016, compared to 65.1% in the year 2008. The number of diploma holders declined reaching 11% at the end of 2016. In addition, The percentage of workers who hold Tawjihi certificates or less dropped to 11.4% at the end of 2016.

Table (58)**Distribution of Banks' Employees according to Education Level (2008 – 2016)**

year	Doctorate		Master		Bachelor and higher diploma		Diploma		Tawjihi		Without Tawjihi		Total
	#	%	#	%	#	%	#	%	#	%	#	%	
2008	32	0.2	904	5.7	9402	59.2	2761	17.4	1224	7.7	1555	9.8	15878
2009	33	0.2	938	5.9	9304	58.9	2803	17.8	1206	7.6	1506	9.5	15790
2010	38	0.2	1043	6.3	10125	60.9	2677	16.1	1113	6.7	1617	9.7	16613
2011	38	0.2	1103	6.3	10781	62.2	2607	15.0	1119	6.5	1699	9.8	17347
2012	36	0.2	1146	6.4	11372	63.7	2595	14.5	1059	5.9	1658	9.3	17866
2013	42	0.2	1189	6.5	12035	65.3	2535	13.8	1046	5.7	1576	8.6	18423
2014	47	0.2	1247	6.4	13035	67.1	2486	12.8	1037	5.3	1581	8.1	19433
2015	55	0.3	1263	6.3	13941	69.4	2383	11.9	911	4.5	1542	7.7	20095
2016	58	0.3	1310	6.4	14588	70.9	2270	11.0	870	4.2	1477	7.2	20573

Source: Banks' data

3. Distribution of Banks' Employees according to Age

The percentage of employees aged less than 25 years decreased from 12.2% in 2015 to 10.7% in 2016, and the percentage of employees aged between 40 years and 59 years decreased from 24.2% in 2015 to 24% in 2016, in addition the percentage of those above 60 years of age and still employed decreased from 0.4% in 2015 to 0.3% in 2016, whereas the percentage of those aged between 25 and 39 years of age increased from 63.3% in 2015 to 64.9% in 2016.

Table (59)**Distribution of Banks' Employees By Age Group (2008 -2016)**

Year	Less than 25 years		25-39 years		40-59 years		More than 60 years		Total
	#	%	#	%	#	%	#	%	
2008	2747	17.3	8944	56.3	4107	25.9	80	0.5	15878
2009	2277	14.4	9316	59.0	4089	25.9	108	0.7	15790
2010	2218	13.4	9956	59.9	4340	26.1	99	0.6	16613
2011	2431	14.0	10295	59.3	4534	26.1	87	0.5	17347
2012	2426	13.6	10687	59.8	4668	26.1	85	0.5	17866
2013	2232	12.1	11252	61.1	4856	26.4	83	0.5	18423
2014	2532	13.0	11930	61.4	4890	25.2	81	0.4	19433
2015	2453	12.2	12715	63.3	4854	24.2	73	0.4	20095
2016	2209	10.7	13352	64.9	4942	24.0	70	0.3	20573

Source: Banks' data

4. Marital Status of Employees

The percentage of single employees to the total number of workers in banks went down to 37.7% in 2016 compared with 38.1% in 2015, whereas the percentage of married employees went up to 62.3% of the total employees, compared to 61.9% in 2015.

Table (60)
Distribution of Banks' Employees according to Marital Status (2008 -2016)

Year	Singles		Married		Total
	#	%	#	%	
2008	6762	42.6	9116	57.4	15878
2009	6174	39.1	9616	60.9	15790
2010	6703	40.3	9910	59.7	16613
2011	6708	38.7	10639	61.3	17347
2012	6788	38.0	11078	62.0	17866
2013	6901	37.5	11522	62.5	18423
2014	7434	38.3	11999	61.7	19433
2015	7661	38.1	12434	61.9	20095
2016	7755	37.7	12818	62.3	20573

Source: Banks' data

5. Geographical Distribution of Banks' Employees by Governorate

The number of employees in banks in Amman governorate, the capital, totaled 17317 male and female workers, or 84.2% of the total number of banks' employees. Irbid governorate accounted for 4.7% of the total number of banks' employees, followed by Zarqa which accounted for 3.5%. Balqaa Governorate contributed with 1.5% of bank employees; Aqaba Governorate and Karak Governorates with 1.2%; while the employees from the remaining governorates did not exceed 1% for each.

Table (61)**Geographical Distribution of Banks' Employees by Governorate at the End of 2016**

Governorate	Number Of Employees	Geographical distribution of employees (%)
Amman	17317	84.2%
Irbid	962	4.7%
Zarqa	712	3.5%
Balqa'	315	1.5%
Aqaba	255	1.2%
Al Karak	255	1.2%
Madaba	136	0.7%
Maan	144	0.7%
Jerash	113	0.5%
Ajloun	106	0.5%
Tafleeh	76	0.4%
Mafraq	182	0.9%
Total	20573	100.0%

Source: Banks' data

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

Table (62)**Distribution of Banks' Employees by Governorate and Bank at the End of 2016**

Banks	Amman	Irbid	Zarqa	Aqaba	Balqa	Karak	Madaba	Maan	Jerash	Ajloun	Tafileh	Mafraq
Arab Bank	2800	36	54	19	28	9	8	10	5	5	7	9
Jordan Ahli Bank	1186	44	30	21	29	19	11	12	9	0	9	9
Cairo Amman Bank	1121	120	72	32	56	43	18	20	16	14	10	31
Bank of Jordan	1385	53	41	13	17	7	9	8	10	15	0	20
The Housing Bank for Trade & Finance	1814	215	112	29	48	47	13	38	12	20	17	28
Jordan Kuwait Bank	1001	40	51	11	24	8	9	0	0	0	0	7
Arab Jordan Investment Bank	660	16	16	14	0	0	0	0	0	0	0	0
Jordan Commercial Bank	613	27	11	11	15	8	8	0	8	0	0	12
Investbank	488	7	6	7	0	0	0	0	0	0	0	0
ABC Bank	440	8	6	7	6	7	6	0	6	0	0	6
Bank Al-Etihad	944	33	14	10	6	0	7	0	0	0	0	8
Societe General - Jordan	239	5	6	5	0	4	5	0	0	0	0	0
Capital Bank	551	9	15	8	0	0	0	0	0	0	0	0
Jordan Islamic Bank	1387	238	194	29	78	93	32	47	37	44	25	32
International Islamic Arab Bank	707	39	44	13	8	10	10	9	10	8	8	11
Safwa Islamic Bank	442	21	15	0	0	0	0	0	0	0	0	0
Al-Rajhi Bank	223	17	10	0	0	0	0	0	0	0	0	0
Egyptian Arab Land Bank	290	9	7	9	0	0	0	0	0	0	0	9
Rafidain Bank	24	0	0	0	0	0	0	0	0	0	0	0
Citi Bank	62	0	0	0	0	0	0	0	0	0	0	0
Standard Chartered Bank	178	6	0	4	0	0	0	0	0	0	0	0
Bank Audi	274	9	0	5	0	0	0	0	0	0	0	0
National Bank of Kuwait - Jordan	108	0	0	0	0	0	0	0	0	0	0	0
BLOM Bank	327	10	8	8	0	0	0	0	0	0	0	0
National Bank of Abu Dhabi	53	0	0	0	0	0	0	0	0	0	0	0
Total	17317	962	712	255	315	255	136	144	113	106	76	182

Source: Banks' data

6. Training Courses

In order to improve the skills of banks' employees and develop their capacities and efficiency, banks operating in Jordan organized in their training centers a number of training courses for the employees in which 35679 male and female employees took part in 2016. The number of participants in training courses held in local training centers reached 8092 male and female employees, while the numbers of employees participating in training courses held abroad amounted to 519 male and female employees.

Table (63)
Number of Employees who attended training courses in 2016

Bank	training centers of the banks		local training centers		training courses abroad	
	Males	Females	Males	Females	Males	Females
Arab Bank	1421*	1212*	269	139	14	8
Jordan Ahli Bank	1492	1253	175	81	52	14
Cairo Amman Bank	3108	2104	549	339	9	7
Bank of Jordan	1176	1357	59	30	3	2
The Housing Bank for Trade & Finance	1030	750	260	90	26	7
Jordan Kuwait Bank	2242	1214	165	46	9	3
Arab Jordan Investment Bank	52	43	146	115	0	0
Jordan Commercial Bank	1183	446	268	125	3	1
Investbank	10	6	119	62	9	3
ABC Bank	2174	1095	154	60	10	8
Bank Al-Etihad	1148	951	577	474	18	9
Societe General - Jordan	617	401	141	65	37	11
Capital Bank	259	158	681	456	68	27
Jordan Islamic Bank	3035	223	881	6	54	0
International Islamic Arab Bank	1109	268	203	49	32	0
Safwa Islamic Bank	2019	619	545	203	14	0
Al-Rajhi Bank	58	22	136	18	1	0
Egyptian Arab Land Bank	70	47	77	37	3	1
Rafidain Bank	0	0	3	2	4	1
Citi Bank	40	22	6	2	3	3
Standard Chartered Bank	109	93	18	5	16	14
Bank Audi	277	295	58	36	8	4
National Bank of Kuwait - Jordan	35	40	10	9	1	0
BLOM Bank	207	134	64	45	0	0
National Bank of Abu Dhabi	30	25	22	12	2	0
Total	22901	12778	5586	2506	396	123

* Including 4581 male and 3703 female participated in online training courses.

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 2616 male and female employees during 2016, compared to 3298 in 2015. The number of those who quit for all kinds of reasons reached 2108 male and female employees in 2016 compared to 2793 workers during 2015.

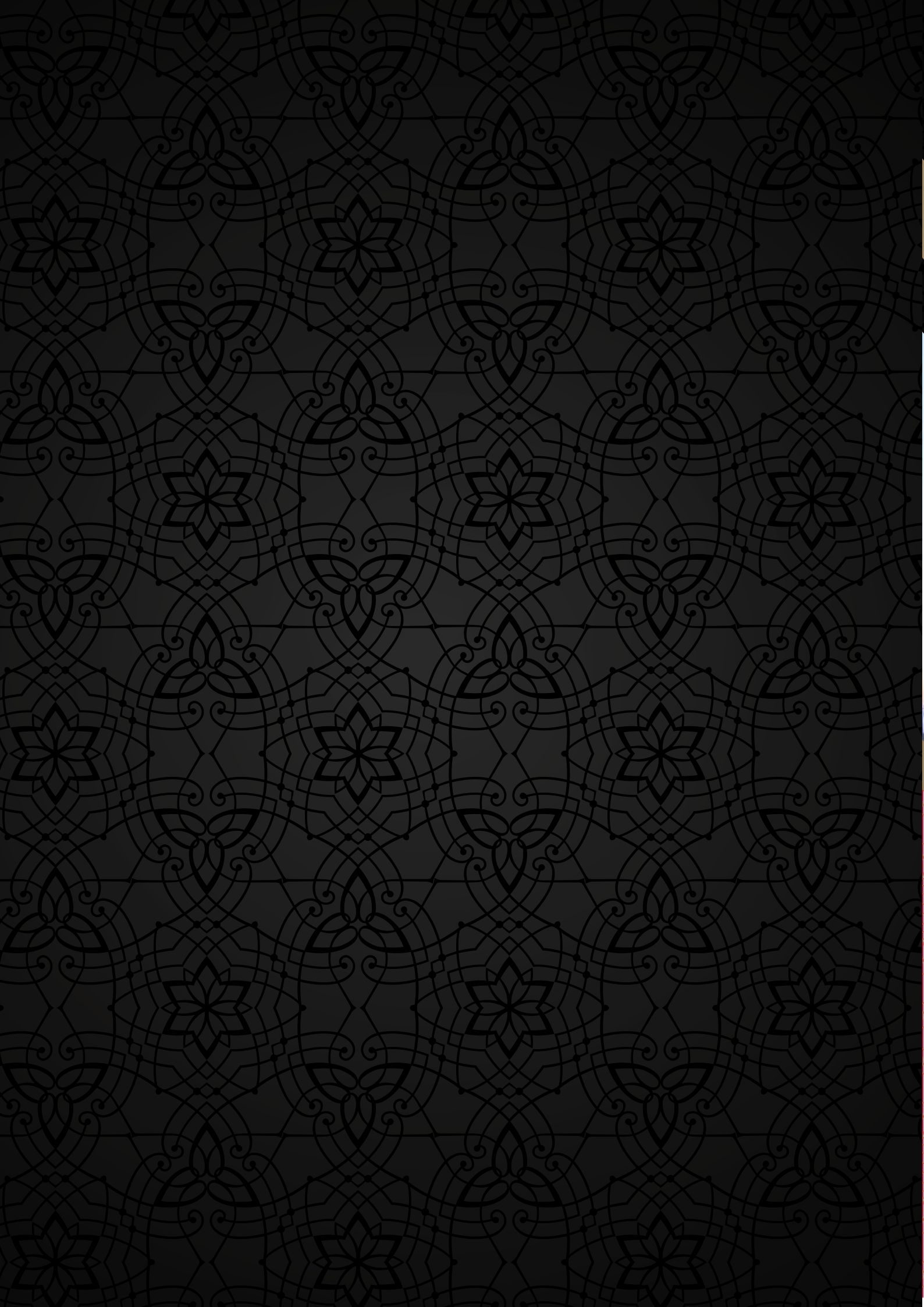
The 2016 staff turnover (total resignations / total employees x 100%) decreased to 10.25% at the end of 2016 compared to 13.9% in 2015.

Table (64)
Appointments and Resignations (2008 – 2016)

Year	Resignations*	Appointments	Staff Turnover Rate %
2008	2200	2857	13.86
2009	2229	2026	14.12
2010	2240	3202	13.48
2011	1909	2774	11.00
2012	1975	2426	11.05
2013	2024	2706	10.99
2014	2301	3014	11.84
2015	2793	3298	13.90
2016	2108	2616	10.25

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

Source: Banks' data





Chapter Eleven

ABJ's Activities

in 2016

The Association of Banks in Jordan (ABJ) continued in 2016 its mandate to discuss and follow up the different issues that were brought to it, especially those of concern to the member banks. The issues enjoyed in-depth discussions and considerations by the ABJ's relevant technical committees, after which the Association submitted the remarks and feedback of its member banks thereon to concerned authorities. The authorities' response was highly serious, where a lot of remarks and proposals made by the ABJ in the name of its members were taken into consideration.

In the field of training, the ABJ held in 2016 a number of meetings, seminars, workshops, training courses and lectures that handled issues of concern to the banking system in Jordan.

As regards studies, the ABJ issued during 2016 a number of publications, reports and studies that relate to Jordanian banking system.

Hereunder are the most outstanding ABJ activities in 2016:

A. Meetings of ABJ's committees

ABJ's Legal Committee holds meetings on various issues

The ABJ's Legal Committee held a number of meetings in 2016 to discuss various legal issues of interest to the banking sector.

Representatives of legal departments at banks held a meeting at the Ministry of Justice (MOJ) on 24 Aug. 2016 to discuss the MOJ's fresh implementation of transferring amounts of rents and safe deposits to the accounts of the right holders in banks.

The ABJ also organized on 30 Nov. 2016 a meeting for the representatives of legal departments in banks to discuss the issue of failing customers listed on banks' black lists.

The ABJ held on 11 Dec. 2016 a meeting for concerned departments in banks to discuss the electronic procurement project of the General Supplies Department.

ABJ holds meetings to discuss draft regulations of external audit on banks

Following the CBJ's circular # 10/1/3058 dated 28 Feb. 2016, requesting feedback of licensed banks on draft regulations for external auditing on banks to be provided through the ABJ.

Once it received the remarks, the ABJ collected and classified them and held a series of meetings for heads of auditing teams at the banks' boards of directors. The first meeting was held on 20 March 2016, where a mini committee was formed. Later on, the committee held a number of meetings to discuss the banks' remarks and come out with a unified standing on the draft regulations. The final remarks were sent to the CBJ.

The ABJ holds a meeting to discuss banks' remarks on Governance and Management of information and its associated technology Regulations

Following the CBJ circular # 10/1/4913 dated 5 April 2016 requesting remarks of licensed banks on the draft regulations for Governance and Management of information and its associated technology to be provided through the ABJ.

The ABJ addressed its members for their remarks on the draft regulations, collected and arranged the

same. Later on, it held a meeting for the concerned officers in member banks on 24 May 2016 to discuss their remarks and have a unified feedback on regulations. The ABJ sent the banks' final remarks to the CBJ.

The ABJ holds a meeting for Cyber Risks and Security Committee to discuss Cyber Security

The ABJ, in cooperation with the Hussein Bin Abdullah II Technical University, held a meeting on Sunday, 18 Jan. 2016 that involved the Cyber Risks and Security Committee at the ABJ headquarters. The meeting discussed the key requirements for cyber security, the importance of holding courses on the issues of cyber security. It also reviewed possibilities of cooperation in the field of cyber security.

The ABJ holds a meeting on International Financial Reporting standard # 16

The ABJ held on 28 March 2016 a meeting for those concerned in member banks to discuss international financial reporting standard # 16 issued by the International Accounting Standards Board to replace standard # 17, starting from 2019. The meeting discussed also the effect that this standard would have on financial statements. After a briefing on the new standard, bankers recommended that the Income and Sales Tax Department be invited to a joint meeting with banks to discuss the standard and ways of handling it from a tax perspective.

The ABJ holds meeting to discuss draft law of reorganizing businesses and rules of bankruptcy and liquidation

The ABJ held on Tuesday, 22 March 2016 a meeting composed of the IFC, directors of legal departments as well as the concerned departments in banks working in Jordan, to discuss the draft law of reorganizing businesses and rules of bankruptcy and liquidation, which was submitted to the legal committee of the Lower House of Parliament. The meeting discussed challenges and legal issues that Jordanian banks confront in issues of liquidation and bankruptcy. The meeting also discussed the draft law and gave its feedback on some articles that would be submitted to concerned authorities to be taken into consideration when discussed and endorsed by constitutional channels.

The ABJ holds a meeting on bank guarantees and the Customs Department

The ABJ held on Thursday, 1 Dec. 2016, a meeting to discuss the issue of long outstanding bank guarantees issued with the Customs Department as a beneficiary and had not been cancelled.

A member bank called for holding this meeting to discuss this overdue issue and come up with the right recommendations.

The meeting decided to form a mini committee to draft the banks' recommendations on this issue, before submitting them to the ABJ's Board of Directors. Once approved, the recommendations would be sent in a letter to the concerned authorities.

The ABJ holds follow up meetings on banks' feedback on the agreement with CRIF-Jordan

The ABJ held on Tuesday, 5 April 2016 a meeting to discuss the final draft of the banks and CRIF-Jordan's agreement on providing credit bureau services, as a preliminary step to conclude agreements between the newly-established company and banks that have not signed such agreement yet.

Representatives of member banks and CRIF- Jordan attended the meeting.

The ABJ and CRIF- Jordan exchanged correspondence on this issue before holding the meeting, as the ABJ provided CRIF- Jordan with the banks' remarks on the agreement via ABJ letter # 42/154 dated 21 March 2016 and CRIF- Jordan answered the remarks in letter # 104/2016 dated 31 March 2016.

The meeting decided to form a mini technical committee composed of seven banks to discuss the pricing issue in the agreement on providing credit bureau services between banks and CRIF- Jordan.

The mini committee held its first meeting on Sunday, 10 April 2016 at the ABJ headquarters. The committee and the company reached a compromise on the article of pricing in the agreement.

ABJ follows up banks' remarks on draft regulations for stress testing in banks working in Jordan

Following up on the letter of HE CBJ Governor # 23/2/8033 dated 12 June 2016, re requesting the remarks of licensed banks on the draft regulations for stress testing in banks working in Jordan to be provided to the CBJ through the ABJ.

The ABJ sent the draft regulations to the member banks, requesting their feedback. Later on, it collected and arranged the banks' responses and dispatched them to the CBJ.

B. Other meetings

ABJ holds meeting with Companies Controller to discuss draft companies law of 2016

The ABJ held a meeting with the Companies Controller to discuss the draft companies law of 2016. The meeting included ABJ's Vice President Kamal Bakri, ABJ General Director, and a number of directors of legal departments and legal advisors at the banks working in Jordan, in addition to the Companies Controller Dr. Omar Zubi.

Zubi briefed attendees on key amendments and articles in the new draft law, saying that Companies Control Department started a series of discussions with the private sector to explain the new amendments. "This meeting demonstrates that we strongly believe in activating public-private partnership," he said.

The draft law includes important articles whose purpose is to develop the private sector, trigger growth in the national economy, attract more investments, protect rights of small shareholders and accelerate administrative procedures of companies in the phase of incorporation, liquidation or in case of default, he told attendees.

Amendments, he went on to say, include raising the authorized capital of public shareholding companies to 5 million dinars. Furthermore, the public shareholding company is not allowed to submit its shares for public subscription except after two years of active work.

Amendments stipulate for approving the cumulative voting, having no less than one quarter of independent members in the board of directors, and separating the position of the chairman of board of directors from the executive director of the company.

The new articles include private shareholding capital companies, companies of limited liability, raising the quorum of adjourned general assembly meeting to become valid with the presence of minimum 10% of members, instead of any number of partners or shareholders attending, which is the case now.

On his part, Bakri presented a number of remarks that banks have on the draft law, saying "we hope

that the new law takes into consideration other legislations that govern the work of banks, especially the Banks' Law and the CBJ's governance regulations, and banks' special nature of work, especially banking confidentiality.”

Banks, he said, have been implementing the CBJ's Governance regulations since they came into effect. The detailed remarks on the articles and amendments, he added, would be sent to the Companies Control Department.

ABJ's General Director Dr. Adli Kandah highlighted the importance of open and sincere dialogue over the proposed bill as the outcome would be for the benefit of national economy.

Amendments to companies' law, he added, have been long overdue because legislations did not cope up with changes occurring in the business environment of public shareholding companies.

He called for reviewing experiences of other countries as regards the companies' law, especially countries that have similar economic conditions.

Attendees discussed articles and their remarks on them. Dr. Zubi pledged to take banks' remarks into consideration. All of those remarks, he said, would be listed in the remarks matrix that the Companies Control Department would later submit to the prime minister.

C. Seminars, lectures and training courses

1) Workshops

The ABJ held the following workshops in 2016:

Workshop on IFRS # 9

KPMG Jordan, in cooperation with the ABJ, organized a workshop on the international financial reporting standard # 9 (IFRS 9) at the ABJ headquarter. 130+ participants from all banks working in Jordan took part in the workshop, in addition to the CBJ.

ABJ General Director Dr. Adli Kandah inaugurated the workshop with a statement highlighting the importance and substantial influence of IFRS 9 on the banking sector.

The executive partner of KPMG Jordan Hatem Qawasmi stressed that banks should determine the impact that implementing IFRS 9 would have on banks according to CBJ requirements. After that, they can move to the next stage, which is implementing IFRS 9, which is due to start as of 1 Jan. 2018.

In the three hours workshop, partners in KPMG Britain Jonathan Bengam and Stephen Hall explained in detail the IFRS 9 requirements and ways of calculating provisions on facilities granted to customers.

Workshop on Micro Main App

The ABJ, in cooperation with Insight Business Solutions CO, organized a workshop on Micro Main app on 19 July 2016 at its headquarters. A number of concerned specialists in banks took part in the workshop.

Micro Main App focuses on managing maintenance and logistic services, in addition to the automization of purchases, warehouses, fixed assets and accounting work through Microsoft Dynamix AX.

Workshop on international financial reporting standards

The ABJ, in cooperation with Deloitte and Touche and the CBJ, held a workshop on the international financial reporting standards on Monday, 13 June 2016 at the ABJ headquarters.

The ABJ General Director Dr. Adli Kandah co- inaugurated the workshop with the CBJ Vice-Governor Dr. Maher Sheikh and the managing partner of Deloitte Middle East- Jordan Kareem Nabulsi.

A number of executive directors and directors of financial, facilities, risk and compliance departments in all banks working in Jordan were present at the workshop.

The Vice Governor said the International Accounting Standards Board (IASB) issued the international financial reporting standard on 9 July 2014 to be applicable as of the beginning of 2018. This, he added, is an indication of the scope of work and preparations that should be done before implementing the IFRS 9.

Issuing this standard comes at the recommendation of the G20 meetings and as a response of the IASB to the international financial crisis that revealed key weaknesses that should be addressed and corrected, he said.

The key weaknesses, he pointed out, are the methodology and timing of calculating provisions of impairment on loan portfolio and the financial assets subject to the impairment calculations.

Previous methods, Dr. Sheikh said, required building less provisions than should actually be and the timing was later than the right time. The new standard came to address this weakness by calculating provisions to cover both of the actual losses and the expected losses in the future. Therefore, he went on to say, the new standard is described as having a future outlook that responds in a dynamic and direct way to any changes that occur to the type of credit or in the counter party's ability to resettle its obligations to the bank.

The Vice-Governor said he believes the implementation of this standard would have substantial effects on banks, especially in what concerns calculating the provisions of impairment loans and on the components and ratios of capital adequacy. Therefore, banks and their risk management departments should include the expected outcomes of implementation within the capital planning studies and the internal assessment of capital adequacy.

Success in implementing standard 9 requires time, effort and money. It also requires creating the right environment for implementation and providing the proper data and internal systems for credit classification, in addition to reviewing the impact of implementing the standard on other aspects of banking work such as Basel II and Basel III applications, he explained.

Dr. Sheikh expressed hope that the implementation of the new standard would contribute to introducing broader and more comprehensive concepts in the field of risk management. This standard, he said, represents in its core the requirements for risk management more than being accounting requirements, which requires in turn proper governance structure and procedures at banks to ensure the right implementation of concepts that the standard contains.

He pointed out that the CBJ, out of keenness on continued implementation of international financial reporting standards, issued recently a circular to banks working in the kingdom concerning IFRS 9. The

circular calls for banks to prepare a clear plan for implementation, in addition to conducting a study on the expected financial consequences of implementing the standard on financial statements and the components and ratios of capital adequacy. It also requests a study that explains how the implementation would influence product pricing policies in banks and the business model they adopt, along with the roles played by the board of directors, committees arising therefore and the executive administration in each stage of implementation.

The CBJ would review plans and studies that banks made and discuss results with banks and auditors as a preliminary step to issue regulations that would govern implementing IFRS 9 in banks working in Jordan.

On his part, the ABJ General Director Dr. Kandah underlined banks' commitment to the international accounting standards which would positively reflect on banks' operational processes and on Jordan's investment climate in general.

Local banks should implement those standards and create the right conditions for implementation since the standard would be in effect as of the beginning of 2018, he stressed. "Although we have enough time ahead of us, we should start preparing right now because of the importance of IFRS 9," he said.

Deloitte representative Nabulsi highlighted the importance of international standards in financial reporting to be compatible with the current and future standards, the most important of which is Basel II and Basel III. Deloitte is keen on transferring its expertise, experience and know-how that it acquired from working all over the world to banks in Jordan so that they are able to cope up with developments in this field, he said.

Deloitte specialist partners Fadi Saidani and Ijaz Ahmad gave a detailed presentation on the requirements of IFRS 9.

The workshop further discussed a number of financial components that included developments and changes on investment accounting policies. The workshop also discussed ways of implementing IFRS 9 and its effect on financial statements, the value of financial assets in particular and its possible effect on the performance of companies and banks.

Workshop on Energy Efficiency

The ABJ, in cooperation with Izzat Marji Group, held a workshop on implementing energy efficiency in buildings, institutions and public facilities on Tuesday 23 Aug. 2016 at the ABJ headquarters.

The ABJ General Director inaugurated the workshop in the presence of Marji Group General Director Bassil Marji.

Participants in the workshop included representatives of engineering and maintenance departments in banks working in Jordan.

The workshop discussed a number of issues in the field of energy efficiency in buildings, wise consumption of energy, environmental sustainability and analysis of financial investments of energy efficiency projects. Participants also came to know the services that Energy Efficiency Department at Izzat Marji Group provides.

Workshop on Guarantees for Financing Small Startups

The Jordan Loan Guarantee Corporation (JLGC), in cooperation with the ABJ, organized an informative workshop on guarantees for financing small startups.

Concerned directors, credit officers and liaison officers in banks took part in the workshop held at the ABJ headquarters.

A JLGC press release said the workshop is part of its development promotional plan that followed the launching of the program of guaranteeing financing small startups last March.

According to the statement, the workshop aimed at clarifying the concept of small startups that have added value to economy such as industry, services and tourism. It also handled the eligibility criteria to benefit of this program and all relevant credit restrictions and procedural arrangements.

The statement said priority to having guarantees targets entrepreneurial and innovative enterprises that are owned and run by women and young people, especially outside Amman.

JLGC General Director urged banks to support innovators and entrepreneurs in this respect out of their corporate social responsibility, as this would help to establish productive households and communities.

On his part, the ABJ General Director stressed the important role such projects play in improving the socio-economic conditions, especially with the high unemployment rates and the increasing pockets of poverty in the kingdom.

2) Training courses and programs

The ABJ organized in 2016 the following training courses and programs:

Course on CBJ Regulations and Orders on Domestic and External Remittances, Electronic transfers to customers and inter bank remittances and management of their risks

The ABJ organized a training course at the Zarqa Chamber of Industry for employees of branches in Zarqa governorate's banks.

The course, lectured by Advocate Salem Khazaleh, concerned CBJ Regulations and Orders on Domestic and External Remittances, Electronic transfers to customers and inter bank remittances and management of their risks.

The course, which lasted from 18 to 20 January 2016, aimed to enhance participants' understanding of CBJ regulations, memos and orders and of the practical, procedural and legal aspects of them, especially in what concerns internal and external bank remittances, electronic money transfers and their systems, implementation procedures by banks, management of their risks, and ways of combating money laundering and the money relevant to money laundering.

The course also aimed at boosting participants' knowledge of the consequences, effects and risks pertaining to breaching CBJ's regulations, memos and orders. It further targeted raising employees' competence in banking processes, compliance, running electronic processes and internal and external remittances as regards ways of dealing with those regulations, memos and orders, and stimulating participants to discover and identify points that should be complied with in processes of

internal and external remittances, inter-bank remittances and their procedural, electronic and legal requirements; building a base of terms of reference that banks should periodically review regarding the said regulations. It further targeted enhancing participants' knowledge of how to deal with those memos, implement and monitor them, and providing the capacity and knowledge necessary to assess banks' positions in light of the requirements of the CBJ's relevant regulations, memos and orders.

Course on Assessing Financing Needs of Businesses

The ABJ held a training course on Assessing Financing Needs of Businesses targeting bank employees working in credit facilities departments serving medium and big sized companies and departments of risk analysis and credit reviews.

The course, which lasted from 17 to 20 April 2016, aimed to enhance knowledge and skills of those working in credit facilities for corporate departments by raising the competence and skills of participants in analyzing and assessing short-term financing, including financing needs of operational cycle and means of financing it, financing documentary credits, policies of collection and external purchases, financing debit liabilities, pre-financing of exports, financing tenders and contractors, and financing vehicles companies and agencies.

The course also aimed at enhancing participants' capacities in issues relevant to analyzing and assessing long term financing, including industrial and real estate financing. Furthermore, the course targeted enhancing capacities of participants in issues relevant to granting credit facilities, including assessing and reducing credit risks concomitant to granting credit facilities, and means of monitoring credit facilities, assessing elements of credit worthiness of borrowers, ways of pricing loans and predicting the financial failure of companies.

Course on CBJ Regulations and Orders on Domestic and External Remittances, Electronic money transfers to customers and inter-bank remittances and management of their risks

The ABJ organized a specialized training course on the CBJ Regulations and Orders on Domestic and External Remittances, Electronic transfers to customers and inter bank remittances and management of their risks.

The course, lectured by legal and banking specialist Advocate Salem Khazaleh, lasted from 18 to 20 July 2016. A number of bank employees working in departments specialized in carrying out and following up domestic and external transfers and managing electronic transactions, and compliance and legal departments.

The course discussed foremost the CBJ regulations to facilitate inter bank money transfers (RTGS), symbols of the IBAN in money transfers and its procedures, instructions of electronic money transfer orders, and the principles of risk management of electronic banking.

The course also discussed the legal, contractual, monitoring consequences of the same and the obligations and duties shouldered by banks and their employees; violations and their penalties, and explaining the ways and means of dealing with the CBJ's relevant regulations, memos and orders.

Training course on modern banking and commercial transactions

The Judicial Institute of Jordan (JIJ), in cooperation with the ABJ, held a training course for a number

of judges on modern banking and commercial transactions.

The course, which lasted from 25-28 Sep, 2016, was co-inaugurated by the JIJ General Director Dr. Thaer Adwan and ABJ General Director Dr. Adli Kandah.

In the opening speech, Adwan said the organization of this course is the outcome of cooperation between the two entities, the JIJ and the ABJ, that was established by the cooperation agreement to train and qualify judges in fields of banking operations so that litigation over banking and financial issues can become easier and faster.

The course is important, he went on to say, because of the issues that it handles. Those are leasing, bank accounts, documentary credits, international commercial transactions and computer crimes. Such courses, he said, contribute to expand knowledge of judges who work with such topics.

He expressed hope that the course would include practical examples of these issues, especially when it concerns comparing local legal articles with the international articles, as Jordanian courts give precedence to provisions of international conventions over the national provisions.

Dr. Adwan called on judges to have at least a minimum level of information on financial and banking issues so that they can manage a lawsuit, question and discuss with experts. He also called for continued JIJ and ABJ cooperation to achieve the best form of justice.

The JIJ and ABJ held a number of similar courses that started in Aqaba to develop the skills of judges and provide them with specialized expertise to facilitate and accelerate litigation.

On his part, the ABJ General Director Dr. Kandah stressed the importance of empowering judges and providing them with the basic information on banking and financial transactions to enhance justice and reach a state where we have a specialized banking judiciary. Such a specialized banking judiciary, he said, is one of the targets of the ABJ's strategic plan.

Dr. Kandah pointed out that those courses are the first fruits of JIJ-ABJ joint work in the field of specialized training for judges.

He expressed hope that judges would interact with trainers by talking about issues they face in courts, until we reach a larger understanding of lawsuits that would be reflected on lawsuits' administration. This way, he added, we can guarantee that judges are informed of banking and financial issues and they can consequently reach a quick decision in these cases.

Informative Lecture on SERVSCORE

The ABJ, in cooperation with Excellence for Administrative Consultation, organized an informative lecture on measuring upgrading of quality bank services (SERVSCORE), on Sunday, 20 Nov, 2016 at the ABJ headquarter.

Participants stressed that the constant upgrading and development of financial institutions depend on their ability to provide the best quality services to their customers and to build close relationships with them.

This lecture is substantial in light of the high competition among banks to serve customers and create specialized banking products that get high customer satisfaction.

SERSCORE model is one of the best international methods to collect information on customers' expectations and opinions. It is used to evaluate discrepancy between expectations and the actual opinions of customers, identify the types of gaps in service quality, and propose suggestions and solutions to banks that include human resources, procedures, processes and systems; and technologies used in banks to advance customer service.

Participants stressed also that financial institutions should render greater interest in the quality of customer service to ensure their competitive edge in a changing market.

3) Seminars, forums and assemblies

The ABJ held the following seminars, forums and meetings in 2016:

Seminar on Standards of Joint Reporting: Challenges and suggested solutions

The ABJ, in cooperation with the Canadian OPIS Co, held on Tuesday, 27 Sep. 2016 a seminar on Standards of Joint Reporting: Challenges and Proposed Solutions.

The seminar dealt with the standards of automatic exchange of financial data among countries, which the Organization for Economic Cooperation and Development (OECD) launched to exchange information among its member countries on citizens and foreign companies and organizations residing there for the purposes of calculating income tax for the benefit of their original countries.

A number of directors of Compliance, IT, Risk departments and financial directors and internal auditors in banks attended the seminar, in addition to representatives of a number of public institutions.

The seminar aimed at raising awareness in banks and financial institutions, especially the Ministry of Finance (MOF) and Income and Sales Tax Department (ISTD), of the requirements of these standards and the importance of implementing them, especially as 104 countries already implement those standards.

The ABJ General Director Dr. Adli Kandah said in an opening speech that the importance of the automatic exchange of information lies in the country's following up its citizens who reside abroad or who have foreign accounts for financial purposes.

"Some steps should be taken to implement those standards such as raising awareness on the part of partners, whether they are banks or official institutions, especially as those standards are issued by the OECD following in the footsteps of the American act FATCA," he added.

Some 100 countries signed those standards.

The goal of implementing the automatic exchange of information standards is to increase the transparency and cooperation among financial institutions all over the world. Standards include issuing automatic certificates, in addition to due diligence that banks and financial institutions should conduct to recognize accounts that should be reported.

Kandah said that holding this seminar aims at raising awareness of those new standards and requirements that key countries apply and "financial institutions as well as banks are concerned with."

However, he stressed that implementing standards of the automatic exchange of information requires the government, represented by the MOF, sign an agreement with the OECD.

On her part, the sales director of OPES MENA, Salam Moussa, said that issuing a law for standards to monitor the money movements of citizens would enable countries to combat tax evasion, although full knowledge of domestic laws and regulations is a must.

She told attendees that the first report on the automatic exchange of financial information is expected to be released in January next year. Therefore, financial institutions of signatory countries to the agreements should provide required information on individuals and businesses whose owners live in one country and own those businesses in other countries.

She pointed out to a set of requirements to report persons who have accounts in one country and live in another, or live in another country beside their mother country where they have bank accounts. Banks of the country that signs such standards should comply with those standards and provide information to the official institution that undertakes to report those accounts.

When a government signs the agreement, she said, banks of this country are obliged to provide information and it becomes the government's duty to monitor banks' application of those standards.

In his turn, the director of product development in OPES explained the OECD's conditions and standards of the automatic exchange of information that the process of monitoring accounts and combating tax evasion requires from the stage of collecting information to the stage of publishing information in the financial reports.

It is worth mentioning that a number of Arab countries (Lebanon, Iraq, Kuwait, UAE and Oman) have already signed agreements with the OECD to implement the standards of automatic exchange of information.

D. Other news and activities

ABJ convenes the Ordinary General Assembly Meeting, Endorses budget of 2016

The ABJ convened on Monday, 14 March 2016, the ordinary general assembly meeting of its member, presided over by the ABJ Chairman Musa Shehada with the presence of the representatives of member banks.

The general assembly approved the board of directors' report on the ABJ's work the year before and endorsed the ABJ's closing accounts and budget of 2016.

The annual meeting of the CBJ Governor with the banking corps

The ABJ held on Tuesday, 12 April 2016, the annual meeting of bankers with the CBJ Governor Dr. Ziyad Fareez in the ABJ headquarters. Chairmen of boards of directors, CEOs and general directors of banks working in Jordan attended the gathering.

In the meeting of bankers, the ABJ honoured the CBJ Governor and the past chairmen of the association: Dr. Michel Marto, Marwan Awadh and Bassem Khaleel Al Salem, for the efforts they exerted during their tenure.

CBJ Governor Dr. Ziyad Fareez said Jordanian economy overcame the ramifications of the hardest external shocks at this stage and that "it can resume its path towards recovery to restore the growth rates it achieved in the post-global financial crisis, especially at the medium term."

He added that international institutions, on top of which are the IMF and the World Bank, share this positive view of our economy. The IMF, he went on to say, finished a visit to Jordan to discuss the new reform program as the economic growth rate for 2016 is estimated to reach 3% because of the expected slowdown in the decline trend that some indicators of the external sector witnessed and the improvement in other indicators.

However, the governor stressed that Jordan is facing the new shock relevant to the deteriorating security situation in Syria and Iraq and its economic spillover with a much stronger stand than that during the past shock. The levels of the budget deficit, current account deficit and the losses of the energy sector are much lesser than the past.

The CBJ Governor added that the CBJ's reserves reached a very comfortable level, reflecting on substantial market indicators. The dollarization rate today is 17% compared with 24.8% in 2012. The interest rate on five-year government bonds is 4.123% compared with 7.750% at the end of 2012. The return on government bonds in dollar issued last year was 5.3% compared with 6.3% return when they were first issued.

In his analysis of the situation and challenges of the banking sector in Jordan, Dr. Fareez said the fall down in oil prices and interest rates in general would enhance local demand and compensate partially for the decline in external demand. It would also tangibly reduce the cost of debt service.

There is an increasing international recognition of Jordan's pivotal role in the region, he said. "This is expected to be translated into increased support of Jordan. The recently held London donor conference on Syria neighbours is an evidence of this and its outcomes go beyond financial aid to opening European Union markets to Jordanian goods," he added.

The governor said Jordan's consultations with the IMF reached an advanced state to enter into a new program that focuses on structural reforms to trigger growth and reduce debt levels. This is apt to help Jordan overcome the spillover of the new external shocks, he stressed.

The region has been passing through a state of political and security instability. Some neighbouring countries are going through military conflicts whose economic, social and security repercussions spread to many countries in and outside the region, including Jordan. This has affected negatively the cost of energy imports since the beginning of the Arab spring; it has affected tourism, foreign investments and exports as well, he said.

Those challenges, he added, caused a difficult economic situation as regards the budget deficit, the National Electric Power Company (NEPCO) losses, the high cost of debt service and the decline in the kingdom's reserves and liquidity of the banking sector. This was accompanied by the rise in non-performing debts in banks. Yet, Jordan faced this situation with efficiency because of the national reform program of 2012-2015.

The program, he pointed out, energized the Jordanian economy to start recovering from the severe pressures it has been going through since 2010 that reached its peak in 2012. The pressures resulted from the repercussions of the global financial crisis, the hikes in oil prices and the repeated interruptions of Egyptian gas supplies to Jordan that coincided with the Arab Spring and the influx of Syrian refugees.

The recovery process of the Jordanian economy was evidenced in the improvement in a number of

economic indicators. The budget deficit declined to 2.3% of GDP in 2014; NEPCO losses were redressed significantly, inflation rates regressed and the current account deficit fell down to reach 7.3% of GDP.

He praised the substantial role that the banking sector played in surpassing that stage, thanks to its wise management and cooperation. The kingdom's performance was highly appreciated by international economic institutions and the international community "because it is not easy to conduct reforms under conditions like those that Jordan was passing through," he stressed.

However, Jordanian economy has been confronting a new wave of external shocks since 2015, Dr. Fareez pointed out. The region, Syria and Iraq in particular, witnessed more deterioration and instability that led to a semi-total closure of the trade roads that link Jordan with those two countries or go through them into other countries like Turkey, Lebanon and the EU countries.

Fareez unveiled that right from the beginning, forecasts talked about 2015 as a tough year for Jordanian economy. Indeed, economic growth slid to 2.4% "reflecting the decline in Jordanian exports, tourism and foreign direct investment at different rates," he said.

The governor said that Jordan was clearly affected by the repercussions of the fall down in oil prices as this meant a decline in exports, expatriates' remittances and tourism income. Exports declined by 7.1%, a slowdown occurred in the growth of expatriates' remittances to 1.5%, and thus Jordan failed to achieve the desired level of budget deficit of 2015. He told bankers that decline in exports and expatriates' remittances continued well to the first two months of the current year.

However, the positive effect for the fall down in oil prices and the completion of the gas port and renewable energy projects was in reducing substantially the energy bill to 9.9% of GDP down from 21.4% in 2012.

As regards reform priorities in the next three years, Dr. Fareez said the priority is for facing the debt dilemma and burdens of debt service and making structural reforms that help trigger economic growth and overcome poverty and unemployment issues.

Despite financial control measures and reforms in energy sector, he went on to say, "we need to stress that we have a constant issue of continued public debt. We need to face our funding needs by completing the cycle of reforms in the financial and energy sectors and continue adopting more measures to trigger economic growth, especially in improving investment climate and restricting expansion in expenditures through more borrowing."

He pointed out that the government intends to implement more policy and structural reforms aiming to maintain what has already been achieved and correct structural disorders in economy to enhance job opportunities, investment environment, promote exports and raise economic participation, especially for women. He also mentioned striking more compatibility between education outputs and labour market's needs and enhancing business environment within the context of a new national reform program expected to have the support of international institutions and donors, especially the IMF, by mid-year.

The governor expressed hope that the new program would give further momentum to the economic activity after the success that the last program ending in August 2015 achieved in restoring macro-economic stability and accomplishing substantial reforms in the energy sector and the government's finances.

He added that the march of the banking sector in Jordan is successful and deserves praising. “This was achieved because of the wise management of the banking sector, and the banks’ compliance with CBJ’s instructions, as well as with the international best practices in auditing and monitoring, and because of the distinguished experiences and efficient policies that banks have in risk management. This has contributed to enhance the strength and soundness of banks’ financial conditions and advancing their ability to absorb any inconvenient shocks in the banking and macro-economic environment,” he added.

For despite of the difficult economic conditions of 2015, he went on to elaborate on this idea, the banking and financial sectors remained an essential pillar in maintaining the stability of macro-economic performance. They undertook the most important task of leading economic growth. This is evident in the rise in its contribution to economic growth that exceeded 20% of the achieved growth of 2015.

He stressed that the process of improvements and enhancing the strength of the banking sector should not stop especially in regard of the conditions of instability that the region is passing through. Priorities of the banking sector, he said, should be strengthening good governance as a culture in banks to ensure that the brains and experiences of all parties are used to take the right decisions, exploit available opportunities and manage risks in a healthy environment of responsibility, accountability and transparency.

Banks implemented various measures to develop their internal policies and enhance their internal linking and monitoring systems, continue focusing on their risk management and enhancing compliance, he said. Yet, he added, some aspects need more work to handle any existing gaps in the internal monitoring systems, especially in light of the international requirements of combating money laundering and terrorism funding, and the consequences of abiding by them.

The CBJ, he pointed out, adopted the goal of financial stability along with that of monetary stability. It started to enhance and develop pillars of financial stability by conducting a comprehensive review of legislations governing banking, laying down the necessary foundations to implement the Basel III instructions, creating a safe and efficient infrastructure for the national payments system and the payments and settlements in the kingdom, and laying down the comprehensive legal frameworks. Such frameworks, he said, would guarantee protection of the financial consumer and promote financial and banking culture in society to strengthen financial inclusion.

He added that the CBJ pins much hopes on CRIF Jordan to play its role in enhancing the MSMEs’ chances to access the necessary credit. He called on banks to give this sector the weight it deserves in their funding decisions according to the applied lending restrictions and policies.

At the level of fiscal policy, the CBJ Governor stressed the firm commitment to maintain the pillars of fiscal and financial stability in Jordan. This includes the fixed exchange rate of dinar against the American dollar, finding a suitable structure for credit and debit interest rates in the banking market, and preparing the means and conditions to increase the efficiency of this policy and improve its tools. This is especially true in light of the substantial changes that affected the work of international central banks and their ways of intervention and implementation of monetary policies in the last years, “which are the subject of our constant study and follow up,” he said.

ABJ chairman Musa Abdel Aziz Shehadah highlighted the association’s achievements of 2015, including discussing issues raised by member banks, which came up with recommendations discussed

by the board of directors, which in turn addressed member banks and relevant parties about relevant recommendations.

The ABJ, he said, organized a series of lectures, specialized training courses for bank employees, and workshops that discussed different issues like out-of-court settlements, and corporate governance. The association also organized the fourth forum for social responsibility and a seminar on creating funding windows for renewable energy projects and energy efficiency.

Shehadah pointed out to the ABJ's launching of its executive plan of 2015-2017 that reflects the vision and mission of the association, and the basic objectives identified in its bylaws.

The year of 2015 was full of numerous initiatives that the ABJ launched in cooperation with its member banks. The Martyr Pilot Muath Kassassbeh Scholarships Fund was launched to give 52 scholarships for students from all over the kingdom. An MoU was signed between the ABJ and Talal Abu Ghazaleh Group (TAG) to make use of the unused equipment in banks, so TAG would collect old computers from banks, rehabilitate and distribute them to charities and development centers in the less privileged areas.

The ABJ, he said, launched in 2015 the Amman Principles for out-of-court debt settlement in cooperation with the IFC. The ABJ also signed an MoU with the JIJ to cooperate in the field of training and organizing specialized workshops for judges in banking issues. This would contribute to expedite taking decisions in lawsuits involving banks. The association also played a role in having its member banks and the Income and Sales Department sign agreements for electronic attachments and detachments.

Shehadah highly valued the CBJ's participatory and transparent approach that gives banks the chance to express their views on all draft regulations, laws and instructions relevant to banking.

The ABJ raises the Great Arab Revolt Flag

As part of its celebrations of the centennial of the Great Arab Revolt in 1916, the ABJ raised the Revolt's flag in front of its building.

The ABJ General Director said the celebration is a confirmation of the firm principles and values of the Arab Revolt whose foundations were built by the Hashemites since the rebellion against injustice and tyranny. The revolt, he added, enhanced the values of liberty, justice and good life.

The ABJ, he added, is proud to raise the flag of right and sacrifice.

Kandah congratulated His Majesty King Abdullah II on this occasion, saying banks work to translate the values of the great revolt by strengthening their national role of serving the national economy and the country in general.

ABJ joins the UNEP FI as a supporter institution

The ABJ joined on 16 Nov. 2016 the United Nations Environment Program's Financial Initiative (UNEP FI) as a supporting institution, thus becoming the second association of banks in the region that joins the program in this capacity.

The ABJ, whose membership includes 25 banks working in Jordan, seeks to develop banking in the kingdom and to play a vital role in the sustainable development of the Jordanian banking sector. One of the ABJ purposes is to help building a sustainable banking sector that pushes Jordanian economy

towards more sustainable development.

By joining the UNEP FI as a supporting institution, the ABJ will work side by side with the UNEP FI's secretariat to enhance the concept of sustainable financing in Jordanian banking system, and to contribute to adopting and implementing sustainability practices in banking industry.

It is worth mentioning that the ABJ issued, as part of its strategic plan of 2015-2017, the Sustainability Report of the Banking Sector in Jordan, in 2016. The report shed light on success stories and challenges facing Jordanian banking sector in achieving sustainability. The report also comes up with recommendations to improve sustainability practices in banks.

ABJ publishes a survey study on SMEs in Jordan: Analysis of offer and demand aspects in focusing on means and prospects of bank financing

Out of the ABJ's mission and vision, and in light of the great importance of SMEs in the Jordanian economy, the ABJ found it right to conduct this study by adopting the method of comprehensive survey that depends on a questionnaire designed especially for the commercial banks, and another one designed for Islamic banks.

The SMEs in Jordan: Analysis of offer and demand aspects in focusing on means and prospects of bank financing is divided into five main chapters. The first chapter is an introduction that illustrates the goals, methodology of the study and the sample that it depends on. The second chapter gives an overview of the Jordanian banking sector as regards the structure, the geographical distribution, characteristics and financial depth, in addition to a briefing on the role banks play in the Jordanian economy.

The third chapter sheds light on SMEs sector in Jordan, its definition and statistics and indicators of those businesses.

The fourth chapter reviews the bank credits granted to SMEs, by researching a number of aspects relevant to the presence of units or departments and employees specialized in SMEs financing, the most important types of granted credits, the costs of credit, the levels of accepted/rejected credit requests and the reasons behind rejection, the relative size of credit portfolio, the most important collaterals that banks demand, the appropriateness of the loan guarantee program to the actual situation of SMEs, in addition to a revision of the most important CBJ initiatives to enhance credits directed to this sector, and finally, the most substantial barriers facing banks in financing SMEs.

The fifth and last chapter reviews the most important means and mechanisms that might help increase bank credits granted to SMEs, which includes recommendations targeting banks and recommendations targeting SMEs and other concerned parties.

The ABJ publishes a study on the Role of Banks and Credit Institutions in the Economic Empowerment of women: The Case of Jordan

The ABJ published a study by its General Director Dr. Adli Kandah titled the Role of Banks and Credit Institutions in the Economic Empowerment of women: The Case of Jordan.

The study handled the concept of women empowerment, its relevance to economic development and the actual situation of the economic empowerment of women in the MENA region.

The study discussed the most important barriers and challenges facing women in the MENA region, the situation of women-owned SMEs in the region, focusing on the role of banks and financial institutions in Jordan in the economic empowerment of women.

The study called for the adoption of a clear cut roadmap to enhance economic empowerment of women and their economic participation. The study recommended reforms in relevant policies and legislations, removal of barriers and challenges facing women owners of businesses, enhancing financial inclusion, and adopting economic policies supportive of women not only in Jordan but in all Arab countries as well.

The study also recommended providing job opportunities for women where they can work in dignity, and adopting practical policies to provide the right alternatives to care for the children of working women, in addition to making working conditions more suitable for women with children such as flexible working hours or less working hours for women, and allowing women to perform some parts of the job from home to help her conciliate between family and job responsibilities.

The study called for providing an empowering environment of women owners of businesses that is based on gender equality, enhancing capacities of institutions working in the field of developing women-owned businesses and gender equality, developing tools and support services provided to women-owned businesses, in addition to adopting the best international practices in the field of banking services granted to women owned SMEs.

At the domestic level, the study called for banks to develop more products and services targeting women, spreading the experience of Micro Fund for Women and benefiting of it to create more financial institutions that target providing the appropriate credit to women, in addition to taking measures to establish programs and funds that provide financing to startups owned by women without collaterals, and developing available financing mechanisms to include innovative products such as venture capital.

The ABJ Publishes Sustainability Report for the Banking Sector in Jordan

As part of its vision, mission and goals, and out of its keenness on implementing its strategic plan and operational purposes approved by the board of directors, the ABJ published the Sustainability Report for Banking in Jordan, prepared by SCEMA for the ABJ in both English and Arabic.

This is the first ever report at the country level to assess the sustainability efforts in the Jordanian banking sector through reviewing the macro sustainability of banks, monitoring positive changes that Jordanian banking system introduced at this level. The report's findings were based on the outcomes of an electronic questionnaire sent to member banks, as well as on the revision of information that banks declare, especially financial reports and sustainability reports.

The ABJ Publishes the Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan

The ABJ issued the Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan for 2016, which is an updated edition of the directory it published earlier.

The directory contains detailed and comprehensive information on the different services, products and bank services that commercial banks working in Jordan offer, arranged according to the service and the bank offering it, and a general description of the service, in addition to the name of service provider.

The ABJ takes part in the Financial Inclusion Forum: the Strategic Approach to Financial, Social Stability

The ABJ took part in the Financial Inclusion Forum: the Strategic Approach to Financial and Social Stability, which was co-organized by the Union of Arab Banks (UAB) and the ABJ between 18 and 19 Oct. 2016.

The two- days event sponsored by the CBJ was attended by the Deputy Prime Minister/ Minister of State for Investments Affairs Dr. Jawad Anani, CBJ Governor Dr. Ziyad Fareez, ABJ Chairman Musa Shehadeh and bankers and experts from 11 Arab countries: Jordan, Lebanon, Syria, Palestine, Iraq, Egypt, Sudan, UAE, Qatar, Saudi Arabia and Kuwait.

The forum highlighted the key importance of financial inclusion in achieving economic development, enhancing financial and social stability, the role of Islamic banks and economic empowerment institutions in universalizing financial services, and the role of central banks and unions of banks in enhancing financial culture and consumer protection.

The opening ceremony's highlight was awarding the CBJ Governor with the Visionary Leader of 2016, which the UAB Secretary General Wissam Fattooh announced in recognition of Dr. Fareez' incessant efforts to enhance monetary and financial stability and advancing the performance of Jordanian banking sector to international levels.

The forum issued a closing statement saying that providing the financial infrastructure is guaranteed through enhancing the geographical spread of financial institutions and developing payments and settlements systems, making use of technological advancements, providing comprehensive data bases, and creating proper legislative environment that backs and enhances financial inclusion.

The statement underlined the importance of strengthening and developing the financial education system by drawing a national strategy to enhance financial knowledge and awareness of different segments of society, especially the youth, women and MSMEs.

The ABJ takes part in Workshop on Funding MSMEs Projects

The ABJ took part in a workshop on funding MSMEs projects and the role of banks and loan guarantee corporations in ensuring credits.

The workshop was co-organized by the Jordanian Enterprise Development Corporation (JEDCO) and the Enhancement of Business Environment in the Southern Mediterranean (EBESM) implemented by the GIZ and the ABJ.

The workshop, sponsored by the Deputy Prime Minister for Economic Affairs/ Minister of Industry and Trade and Supplies Dr. Jawad Anani, had four sessions. The first discussed the key results of a study conducted to assess the policies of Jordan and other Mediterranean countries in facilitating MSMEs' access to credit. The second session discussed measures and incentives to back government's efforts to address challenges facing those enterprises, while the third one focused on the role of guarantee funds and means of sharing losses, and the fourth session highlighted the necessary packages of triggering financing of SMEs.

JEDCO's Policy Support Director, Eng. Basheer Salaitah, said there are three priorities in this respect.

The first is to expedite drafting a law on SMEs that defines this type of businesses, business incubators and accelerators and states the incentives to be granted to them, taking into account concentrating on the high value added and innovative businesses of rapid growth chances.

The second priority, he went on to say, is to facilitate SMEs' access to technical assistance regarding how to get financing. This is achieved through building capacities and training owners of small businesses and startups on running the financial aspects of their businesses, in addition to bridging the gap in communication between business owners of this type and the financial and banking institutions.

The third priority, he said, should focus on creating a one-stop-shop for such businesses that provide information and advice as to the programs, tools and products that banks, financial institutions, funds, incubators and accelerators grant to the owners of SMEs and startups.

On his part, the ABJ General Director Dr. Adli Kandah said MSMEs play a substantial role in the economies of developing and developed countries alike, in terms of their contribution to GDP and creating job opportunities.

Those businesses, he said, are the most widely spread in Jordan, as they constitute 89% of total registered companies. They have great contributions to GDP and employment.

However and despite all those contributions, MSMEs face a number of challenges that become barriers against their development, growth and augmentation. Those challenges include uneasy access to credit in general and bank credit in particular.

In this respect, he pointed out to the EU- South Mediterranean EBESM projects that include 10 countries: Jordan, Egypt, Algeria, Lebanon, Morocco and Tunisia. EBESM, he said, aims at accelerating the growth and development of MSMEs by providing appropriate business environment that is in line with the best EU practices.

EBESM, Kandah said, commissioned a study last year to assess Jordanian policies whose purpose is to facilitate MSMEs' access to credit. The study included a definition of the existing tools that help access to credit which include loans and bank facilities, guarantee funds and means of risk sharing, private equity and venture capital, Islamic leasing, micro funding and innovative funding, and other tools.

The study, he went on to say, concluded that MSMEs' access to funding is a controversial issue for many reasons such as lack of collaterals and guarantors, weak awareness, and lack of administrative capacities on the part of MSMEs.

The ABJ as well conducted a study on the issue of SMEs' funding, he pointed out. The findings of the ABJ study underlined the importance of increased cooperation between local and international bodies that support SMEs to provide guarantee programs or guarantees for the facilities granted to those businesses.

The study further called for increased compatibility of those programs by increasing the ceilings and coverage ratios of the guarantee programs. It also called for drawing clear-cut standards for giving credit that are compatible with the nature of those businesses, and to provide guarantee programs in line with the nature of Islamic banks, in addition to cooperation between local and international bodies to provide

funding at appropriate rates and reduce the cost of borrowing for SMEs.

GIZ' EBESM Director Mary Gosher said the workshop aims at creating proper business environment for SMEs and enabling them to access funding sources so that they can increase their contribution to economic development and job creation.

EBESM, she said, also aims at empowering countries to face challenges of high unemployment and the need to support the business environment of MSMEs, support market and foreign investment institutions, in addition to supporting innovation and facilitating access to credit sources.

Such tools and means, Gosher stressed, is what Jordan needs as it is reviewing currently a package of required reforms to abolish restriction on SMEs' funding and reaching sustainable solutions for SMEs, which are the backbone of Jordanian economy.

The ABJ takes part in the Jordan- France Business Forum attended by President Holland

The ABJ, represented by its chairman Musa Shehadeh and the general director Dr. Adli Kandah. took part in the Jordan- France Business Forum that was held at the Amman Chamber of Commerce in the presence of the French President Francois Holland, the Prime Minister Dr. Abdallah Nsour and a group of business leaders in the two countries.

In a working paper, Shehadeh presented the most outstanding developments that the Jordanian banking sector witnessed, the role of banks in providing funding to economic sectors and enhancing public- private partnership and achieving the desired socio-economic development.

He further presented advantages that banks working in the kingdom provide, in particular the funding instruments that target SMEs and startups. Shehadeh briefed attendees on the regulatory and legislative environment, approved by the CBJ in line with the international standards on banking especially Basel II and Basel III, that governs the work of banking.

The ABJ becomes member of MOJ's Services Committee

The ABJ General Director Dr. Adli Kandah, representing the ABJ, took part in the meeting of the Services Committee created at the Ministry of Justice (MOJ).

The Committee, headed by the Minister of Justice Dr. Bassam Talhouni, aims at reviewing litigation procedures and facilitating execution procedures at courts and other procedures of litigation.

The committee is composed of lawyers and officials at the MOJ and courts.

Energy Fund facilitates agreements of energy loans with banks

The ABJ and the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF) agreed on a mechanism to facilitate and expedite agreements that six banks already signed with JREEEF and JLGC.

This was the outcome of a meeting that was presided over by the ABJ Vice-Chairman Kamal Bakri in the presence of the ABJ General Director, JREEEF's Executive President Dr. Rasmi Hamza and the Executive Director of EDAMA, Maher Matalqa.

The ABJ had presented to JREEEF proposed mechanisms by banks which were accepted by the Fund.

JREEEF confirmed in a letter sent to the ABJ that it worked on changing the way of work to accelerate and simplify procedures of service providers of solar heaters and solar cells. It also confirmed that it published an ad calling on specialized companies working in the field of installing renewable energy and energy efficiency systems to apply to JREEEF to endorse them to banks in a list that is open to beneficiaries.

JREEEF's letter further said it would fix the support ceiling for the service in order to open the door for competition among companies, give freedom of choice to beneficiaries and facilitate procedures for banks.

The ABJ Delivers MPMKF's Scholarships to Eligible Students

The ABJ handed 25 scholarships from MPMKF to eligible students accepted at state universities in the academic year 2015/2016, in the presence of MOHESR's Under Secretary Dr. Hani Dhmour.

The ABJ had launched the Martyr Pilot Muath Kassassbeh Fund (MPMKF) to commemorate the martyr, and left the Ministry of Higher Education and Scientific Research (MOHESR) to set preconditions of eligibility to those scholarships.

The remaining 27 scholarships due to have been handed this year were adjourned to next academic year because applicants did not meet preconditions.

The ABJ General Director Dr. Adli Kandah said launching the MPMKF is part of the social corporate responsibility of banks working in Jordan, and it is a token of the gratitude they feel to martyr Kassassbeh. It is a commemoration of his memory and an expression of appreciation to the Jordanian armed forces and our responsible Jordanian people.

The MPMKF targeted granting 52 scholarships, one for each of the kingdom's 52 districts. Scholarships are for the bachelor degree in specific specializations for Tawjihi graduates. Scholarships were divided to 25 scholarships that 25 students of both genders benefit of in the current academic year 2015/2016, in addition to 27 scholarships for the next academic year 2016/2017.

Dr. Kandah thanked the MOHESR for its efforts and cooperation with the ABJ to set competitive, just and transparent conditions for the scholarships in a way that enhances equal opportunities among Jordanians all over the kingdom, regardless of their material capacities and geographical distribution.

He further indicated that banks might hire beneficiary students, especially those of high ranking willing to work in banking.

On his part, Dr. Dhmour thanked banks for their initiative to give scholarships to distinguished student who are incapable of studying in official universities.

He went on to say that students are in need of those scholarships, especially with the rising living standards and tuition fees. The ministry, he said, created an ad hoc committee to draw special regulations for the ABJ's scholarships. Eligible students were selected so that the scholarship covers tuition fees.

Dhmour called on national institutions to follow in the footsteps of banks and give support to distinguished students, in addition to supporting creativity of students.

On their part, parents of eligible students expressed their appreciation of the ABJ initiative to

commemorate martyr Muath Kassassbeh by supporting academically distinguished students who are materially less fortunate to get a chance to continue their studies.

They praised banks for their role in enhancing the values of social solidarity and giving support to the less privileged. This initiative, they pointed out, reflects the spirit of corporate responsibility that banks believe in and implement. This is added to the development and economic role that banks play in the kingdom, they said.

Banks, through their association, have launched and/or took part in a number of initiatives such as support Al Hussein Fund for Innovation and Excellence, the project of spreading banking education in academic curricula, concluding agreements of internship for students of economics and administrative sciences at the universities of Philadelphia and Hashemeyya, taking part in providing financial support to Orphans' Fund, and rehabilitation of computers used by banks to be distributed on schools, in addition to providing financial support to the Jordanian Hashemite Fund for Human Development.

The CBJ launches two programs to guarantee credits for small startups

The CBJ launched on Tuesday, 1 March 2016, a program to guarantee loans of small startups, and a program for credit guarantee of small startups to be run by the Jordan Loan Guarantee Corporation (JLGC).

The programs aim at empowering banks to deal with this type of businesses as well as enabling businesses to access financing sources.

The CBJ Governor Dr. Ziyad Fareez launched the two programs in the presence of chairmen, CEOs and general managers of banks working in Jordan.

The first program aims at encouraging banks to grant long and medium term loans that fit the requirements of highly added value small businesses. The program is due to provide financing to some 1250 businesses, which are predicted to create 6000 job opportunities over ten years.

The program is to guarantee risks of bad loans with 85% of the nominal value of the loan and its due interest, provided that the loan's value does not exceed 100 thousand dinars.

The second program would give support to innovative entrepreneurs of startups to launch their businesses and benefit of financing opportunities that the program provides.

The two programs, Dr. Fareez said, indicate the key importance that the CBJ gives to SMEs, especially startups, as they are the best way to achieve sustainable economic growth and create job opportunities in light of the modest economic growth rates caused by regional conditions.

This initiative, he added, complements the previous CBJ initiatives to strengthen the bases of proper economic environment in order to create the friendly environment for investment and business, enhance the role of private sector and enable it to perform its desired role in creating more job opportunities, reducing unemployment rates and triggering economic growth.

The CBJ adopted a number of programs aiming at providing financing to high value added domestic economic sectors that include industry, tourism and renewable energy. He pointed out to the CBJ's efforts to develop payments and settlements systems, to strengthen safety and efficiency in payments and

settlements systems. It also licenced a credit bureau to facilitate decisions of granting credit and improve productive sectors' chances of accessing loans.

On his part, JLGC General Director, Dr. Mohammad Jaafari, said the program of guaranteeing loans of startups or newly-incorporated businesses is within the framework of a package of programs that the corporation is developing to complement its existing programs.

The JLGC's efforts, he went on to say, are also within the context of CBJ's policy of developing business environment and providing financing at the appropriate conditions and terms for different economic sectors, with priority to SMEs.

The JLGC is working on developing its services and programs to be supportive of SMEs, ever since the business is an innovative and original idea, a business under incorporation or an existing business seeking expansion and growth.

The 35- million- JD loan guarantee program for small startups would be financed through zero interest loans or concessionary loans to guarantee the Fund's sustainability and amplify the expected economic impact, in addition to the 10 million JD program specializing in guaranteeing Islamic financing. The total value of the two programs is JD 45 million. The CBJ's contribution to these programs, he said, would be by granting two loans of 10.3 million JD to the financing program of conventional banks and 5 million JDs for the program targeting Islamic banks.

The program is based on investing the available money for the two programs in public debt instruments or as deposits in banks. The accrued dividend would be used to cover possible losses of credits without prejudice to the value of money allocated for the guarantee program.

During the meeting, Fareez discussed the JLGC Board of Directors' decision to increase its working capital to JD 30 million with the CBJ and banks working in Jordan having stock in this increased capital and to call for an extraordinary meeting of the JLGC's general assembly for this purpose.

The said increase in capital aims at enabling the JLGC to increase the current ceilings of loan guarantees and creating new tools to guarantee loans targeting SMEs and export credit guarantees to continue supporting Jordanian exporters.

The ABJ takes part in a workshop on FATCA implementation

The ABJ took part in a workshop organized by Price Waterhouse Coopers (PWC) in Amman on the implementation of Foreign Account Tax Compliance Act (FATCA).

Experts in compliance standards and a number of executive managements in banks and financial institutions and representatives of insurance and financial mediation companies attended the workshop that was held on Tuesday, 12 April 2016.

Participants highlighted the importance of compliance with FATCA as it guarantees protection of national economy against risks of money laundering and terrorism financing. At the same time, it provides protection to local financial institutions and maintains their relationships as corresponding banks with the financial institutions in the USA and other world countries that began to follow the American example of tracking taxpayers.

CBJ Vice-Governor, Dr. Maher Sheikh Hassan, deputizing for the Governor, said banks recognize the importance of implementing the compliance plan with the the FATCA applications. All financial institutions are highly committed to this, he added.

He pointed out that the model that Jordan is considering now to conclude is the government signing an agreement with the USA to cooperate in FATCA applications so that it would report what it gets from the financial institutions to the American IRS, as a way of safeguarding the monetary and economic stability of the kingdom.

Such a model, he explained, gives more protection to banking and financial institutions, guarantees national sovereignty and is a better way of handling tax evasion not only with the USA but also with other countries that followed the American example of tracking their citizens' foreign accounts.

Dr. Sheikh Hassan said a number of countries in the region adopted this method of signing agreements through which governments provide the American IRS with reports. Those countries include Qatar, Kuwait, the UAE and Algeria. This way, he added, financial institutions are represented in the FATCA without having to sign separate agreements with the IRS.

Wherever the compliance level of financial institutions was high, there would be greater protection against money laundering, tax evasion and terrorism funding, he stressed. He further stressed that the financial sector is keen on safeguarding the kingdom's safety and on protecting itself against being exploited to make a security or economic damage.

The vice-governor highlighted the great concern with the culture of compliance, saying that the CBJ is doing its best in this regard by holding meetings with those concerned at the compliance departments in banks and providing such departments with the sufficient resources to do their job.

On his part, ABJ General Director Adli Kandah said that financial institutions that do not comply with reporting on Americans' accounts and their developments are subject to penalties, the most important of which is losing their status as corresponding banks.

Therefore, he went on to say, it is in the interest of financial institutions to comply with FATCA applications so that they are not out of the international banking system.

The ABJ, he told attendees, was among the first to highlight the FATCA to raise awareness of it and make banks avoid the consequences of non-compliance.

Kandah called for making use of the FATCA to sign a agreement on double taxation between Jordan and the USA, although FATCA takes this issue into account.

The managing partner of PWC, Michel Orfalli, said financial institutions, banks in particular, have a complete idea about FATCA applications. It is important that insurance and financial mediation companies and investment companies have knowledge of FATCA applications, he said.

Orfalli highlighted the agreement that the Jordanian government would sign with the IRS, saying that such an agreement would regulate the relationship between Jordanian financial institutions and the IRS, as the government would report tax reports on behalf of those institutions. This way, reporting would be easier and protection would be provided to financial institutions and this would guarantee that FATCA compliance rules are not changed.

Experts Mohammad Araji and Fadi Boukran presented applied procedures in FATCA applications.

The ABJ takes part in a JLGC Workshop

The ABJ took part in the workshop co-organized with the JLGC on 6 Oct. 2016 under the sponsorship of CBJ Governor.

The workshop aimed at understanding the Korean experience in loan guarantees, especially for SMEs.

ABJ's General Director said the workshop is part of an 8 months program supported by the CBJ to exchange knowledge, expertise and visits between Jordan and Korea in many fields, especially financial services.

The Korean experience in loan guarantees for SMEs in particular is especially important, Dr. Kandah said. He described the Korean experience as "one of the richest experiences in this respect worldwide."

CBJ Vice-Governor, Dr. Maher Sheikh Hassan, deputizing for the Governor, attended the workshop along with a number of banks' directors and employees working in loan guarantees for SMEs.

JLGC General Director Dr. Mohammad Jaafari, said that SMEs play a key role in the national economy in terms of contribution to GDP, job creation and efficiency in capital gearing.

However, and despite those advantages, SMEs do not have proportionate percentage of facilities that banks in the kingdom grant. This is a genuine challenge that faces SMEs, he said.

Jaafari named other challenges facing SMEs such as the lack of financial statements regarding their activities, the lack of a credit register and the weak collaterals. It is in this regard that the JLGC can step in and act like a tool to support SMEs and help them overcome challenges, he said.

The JLGC general director said the guarantees that the corporation provides help to achieve its purposes of financial inclusion and strengthen the capacities of companies working in the market.

Yet, he pointed out that the guarantee ceiling in Jordan is still low, whether as a value or as a percentage of GDP.

As regards the future developments of loan guarantees in Jordan, Jaafari said there are new tools coming, such as the Jordan Innovation Fund that would contribute to support startups. The fund is created by the CBJ in cooperation with the World Bank. The ceiling of loan guarantees of the JLGC is raised to enable the corporation to perform its new tasks; the CBJ and banks agreed to take shares in the JLGC and increase its capital to JD 30 million.

Experts from the Korean Loan Guarantee Corporation, Jung Jo Lee and Sun Yung Hong, explained regulations of loan guarantees and means of financing SMEs in Korea, in addition to the loan guarantees programs in some countries such as Taiwan and Japan.

They also handled the developments in the programs of loan guarantees and financing SMEs that started in 1960.

The ABJ takes part in the financial education's steering committee's meeting

The ABJ took part on Tuesday, 12 July 2016, in the meeting of the Steering and Technical Committee

of Financial Education held at the CBJ.

The meeting, headed by CBJ Governor and attended by committee members, discussed developments of the financial education program in schools, the project's financial situation, the CBJ's procedures to review and audit the project's financial statements, and appointing an external auditor to audit the project's accounts of 2015 and determine his/her fees.

The ABJ takes part in Italian Embassy's Workshop on SMEs, Startups

The ABJ took part in a workshop organized by the Italian Embassy in Amman on Thursday, 10 March 2016, in cooperation with the EBRD, the CBJ, the ABJ and CRIF Jordan.

The workshop discussed the importance of enabling SMEs and startups to access financing sources because of their role in achieving economic growth and creating job opportunities.

Participants highlighted the importance of developing the Jordanian experience by mimicking the Italian experience in this field. They discussed the Italian model of SMEs' financing and success stories in this regard, and their role in achieving growth and ways of enhancing SMEs' financing.

CBJ Governor Dr. Ziyad Fareez said that achieving sustainable economic growth and enabling SMEs are some of the national priorities that we work hard to achieve.

Such businesses are extremely important for the national economy, as they constitute 95% of total registered companies. They play a vital role in economic growth and combating poverty and unemployment as they hire about 70% of the labour force in the private sector and contribute some 40% to the GDP, Fareez said.

The Governor reviewed the government's and CBJ's efforts to enable SMEs access financing sources. The most important difficulties facing those businesses are providing collaterals, lack of credit information and insufficient knowledge of banks as regards this type of financing.

The government and the CBJ, he pointed out, sought to facilitate financing of those businesses by tailoring financing programs in cooperation with international donors. "We have also created a credit bureau and a national fund to finance startups and another fund to guarantee those loans," he said.

On his part, the Italian ambassador to Amman Giovanni Brauzzi said that strengthening SMEs in Jordan by expanding financing opportunities is a basic pillar of Jordanian development strategy.

The Italian economy, he added, greatly depends on SMEs as they account for 90% of this economy. They play a vital role in economic growth and development.

Jordanian and Italian exports to each other amount to 600 million Euros annually.

Italian exports to Jordan include generators, oil products and jewellery, while Jordanian exports to Italy include gold, jewellery, aluminum, raw and manufactured fertilizers and textiles.

The economic similarities and distinguished political relations encourage Italians to support Jordan. This was confirmed during the London Conference when Italy announced a support of \$400 million to Jordan and Lebanon to help them respond to the challenges of Syrian refugee crisis, in addition to the technical and financial support.

ABJ Chairman Musa Shehadeh said that the Jordanian economy suffered over the past years of a number of pressures and challenges resulting from the regional political and security conflicts and turmoils, especially in neighbouring countries.

Those challenges strained the already limited resources of Jordan, stretched out the infrastructure of the national economy and hindered the process of economic development, including in the SMEs sector.

Those exceptional circumstances and burdens increased the need for exceptional investment programs that the international community undertook to enable Jordan maintain performing its tasks and responsibilities towards the world on the one hand and achieving economic growth on the other. This, he said, requires more concessionary financing programs and guarantee programs directed to facilitate SMEs' access to financing, which suffer from weak access to financing that does not exceed 9% of total facilities at its best.

The IFC Regional Director Dr. Ahmad Atiga said supporting startups and SMEs to access financing sources is an IFC strategy for Jordan. This includes a comprehensive support to ameliorate the regulatory and legal environment to access financing, which is in turn composed of granting loans to SMEs and consultation to banks and non-banking financial institutions in the kingdom.

EBRD head of resident office in Amman Heike Hamgart said SMEs' access to financing is a strategic concern for the EBRD as it is regarded as the backbone of any given economy.

SMEs are the major type of businesses in Jordanian economy and they are the biggest generators of job opportunities and comprehensive economic growth.

The ABJ General Director said the workshop is important in that it brings together local and international parties concerned with SMEs' financing: banks, the organizers, the CBJ, international and regional donors and companies' representatives at the Chamber of Commerce and Chamber of Industry.

The workshop, he said, presented success stories to the partners. It tackled the financing tools, giving this issue the priority it deserves, setting annual goals to increase volume of financing to these businesses compared with the total volume of financing.

Tomas Rahn, GIZ representative to the workshop said in a working paper on promoting financial inclusion by enhancing governance in micro sized businesses that Jordan ranks third at the regional level in terms of the number of institutions that lend micro businesses. The financing process started almost 20 years ago at an annual growth rate of 20%. The number of borrowers in those 20 years reached 340 thousand active borrowers with a total amount of \$ 222 million.

In a working paper on the role of USAID in supporting SMEs to access financing sources, the USAID representative said the problem of financing SMEs is not a question of shortage in money or financing sources, rather it is an issue of lack of knowledge of how to attract and run investments, gain the confidence of funders and the availability of assets against colaterals.

He pointed out to the Jordan Competitiveness Program which aims to enhance the competitiveness of the economy of knowledge that includes clean technology, health care, bio sciences and ICT. He also drew attention to the Jordanian loan guarantee program implemented in cooperation with Overseas Private Investment Corporation (OPIC), which gives loan guarantees to SMEs in Jordan that amount to

\$ 250 million in cooperation with a number of banks working in the kingdom. He also touched upon the program of building institutional capacities in the field of energy, and the program of supporting local companies.

Alberto Castronovo reviewed the Italian experience in financing SMEs. Cairo- Amman Bank also reviewed its experience in this respect and its interest in this type of financing. CRIF Jordan General Director Ahmad Amoudi reviewed the services of CRIF Jordan such as providing credit information on individual and corporate customers, the matter that would facilitate taking an investment decision by banks and accelerate procedures of financing.

The ABJ takes part in the Arab Banking Complementarity Conference

The ABJ, represented by its chairman Musa Shehadeh and its general director Adli Kandah, took part in the Arab Banking Complementarity Conference organized by the Union of Arab Banks (UAB) in Beirut between 30 – 31 March 2016.

Shehadeh presented a working paper on the Elements of Arab Banking Complementarity in which he underlined that cementing Arab rapprochement and building genuine partnerships that represent Arab economic complementarity are the most important pillars of reviving Arab economies.

He reviewed the most important advantages of Arab economies and challenges that restrain banking complementarity. Arab economy has been facing many grave challenges and risks for more than five years the matter that affected development rates and weakened different economic sectors, he said.

The most important of those challenges is the increasingly volatile conflicts, in addition to the fall down in oil prices that forced many oil exporting countries resort to their financial reserves and financing choices and seek to control public finances. This has indicated the need to a growth led by the private sector, and a diversification of economic activities and providing more job opportunities especially as the unemployment rates hiked to exceed 16%.

Shehadeh called for adopting a package of policies and measures to overcome challenges and face pressures, to strengthen and rehabilitate the Arab economic structure to become an active leverage for comprehensive development, and to surpass structural disorders that Arab economies suffer from, and enhance transformation from consumer countries into productive societies whose production surpasses the needs of their local markets and goes for the global markets.

He said that those policies and measures should include restoring confidence in the Arab political environment and enhance political and security stability, adopting clear cut working programs to achieve comprehensive and sustainable economic development with a focus on increasing transparency, enhancing corporate social responsibility and following principles of good governance.

Policies also include promoting market economies in a free and just competition for all, expanding Arab economic cooperation and incorporating big companies and projects inside Arab countries, focusing on promising sectors that have biggest impact on Arab economic development, making use of success stories in many Arab countries in different sectors and duplicate them in other countries, and adopting clear and practical strategies to support SMEs in Arab countries.

Shehadeh drew attention to the successes of Arab banking sector, in terms of strength and stability.

Arab banks, he said, proved evident resilience against all challenges and improved their status worldwide.

The Arab banking sector enjoys many elements and characteristics that make it the engine of growth in Arab countries.

Many indicators point to the importance of Arab banking sector, Shehadeh said. There is about 500 banking corporations in Arab countries that include commercial, Islamic and specialized banks. Their assets exceeded \$ 3.1 trillion by the end of 2015, which account for 110% of Arab GDP. Customers' deposits in Arab banks amount to \$ 2 trillion. Credits granted by Arab banks reached almost \$1.7 trillion.

On his part, Dr. Adli Kandah presented a working paper on The Role of Financial Surplus in Reconstruction Stage: Towards an Arab Marshall Plan.

Arab financial surpluses, he said, come from four sources: Public budgets, sovereign Funds, Arab deposits abroad, and Arab banks and stock markets.

Assets in Arab banks are estimated at \$ 3.3 trillion, the assets of Arab stock markets amount to one trillion dollars, in addition to \$ 1.8 trillion in the six main Arab sovereign funds.

The paper also discussed the repercussions of the fall down in oil prices on Arab economies and the volume of Arab financial surplus, as oil is the main source and backbone of Arab oil exporting economies. It accounts for a big chunk of GDP and economic growth is closely linked to oil prices. The fall down in oil prices affects government income, and rates of GDP, employment, and private, public and public-private investments.

Kandah pointed out to the most important outcomes of the survey study that the ABJ conducted on the bank financing of SMEs in Jordan and the most important recommendations as regards banks and SMEs.

The conference came up with a number of recommendations that target enhancing banking and economic complementarity in the Arab region. Recommendations are as follows:

- Activating the role of Arab banks in financing SMEs, directing Arab investments towards development sectors and projects, working to develop Arab stock markets, highlighting investment opportunities to Arab capital owners and making sure they are directed to investment in real economy.
- Underlining the priority of achieving Arab banking complementarity by creating a cross border Arab banking group capable of having a bigger role in international financial circles. Furthermore, expanding Arab economic cooperation to move from the inter-Arab trade into joint Arab investment, and incorporating cross border companies and projects to facilitate implementing high cost mega projects that no Arab country can do easily alone.
- Finalizing the implementation of a free trade zone, and creating an Arab customs union and an Arab investment zone to deepen Arab economic cooperation, incentivizing inter-Arab trade and investments, achieving genuine economic partnership by reviving the Arab common market, launching the Arab common clearing house and laying down the foundations of a common Arab monetary market.
- Expanding the network of telecommunications and joint cooperation with banking unions, international regulatory and monitoring commissions, and providing infrastructures necessary for expansion in financial inclusion and creating a favourable regulatory, legal and monitoring environment.

- Giving the private sector a greater role in achieving economic complementarity, by involving it in trade negotiations, encouraging it to invest in Arab countries, guarantee free mobility of Arab investors and businessmen in Arab countries to activate trade relations and provide investment opportunities.
- Exploiting the excess liquidity in Arab banks and sovereign funds to build portfolios that invest in the comparative advantages of each Arab country to create an Arab economic and banking complementarity in the public and private sectors.
- Finalizing a project to link payments system between Arab banks to achieve easy, free and safe capital mobility, enhance trade and investment flow and capital mobility between Arab countries, and creating a common Arab commission to follow up the issues of money laundering and terrorism funding in Arab countries.

ABJ General Director takes part in activities relevant to ABJ's work

The ABJ General Director Dr. Adli Kandah took part in a number of activities relevant to the Association's work and that of the banking sector in general.

Dr. Kandah took part in the presentation organized by Sigma Financial Consultancy LLC on 9 Oct. 2016 to discuss the effect of IFRS 9 on Jordanian banking sector, the practical ways of running credit portfolios and relevant activities, in addition to the effect of international financial reporting standards on shareholders in banks and on their presidents.

Kandah also took part in the meeting of the higher committee on following up and implementing the MPMKF grants that took place at the MoHESR on 17 Oct. 2016 to follow up on procedures to grant scholarships from the Fund. ABJ member banks agreed to implement the MPMKF's 27 scholarships that have not been used in the past year of 2015/2016 because conditions did not apply on applicants, and to grant them in the academic year 2016/2017.

ABJ participates in the 3rd Jordan International Oil Shale Symposium

ABJ's General Director Dr. Adli Kandah took part in the 3rd Jordan International Oil Shale Symposium, organized by the Ministry of Energy and Mineral Resources in cooperation with the Colorado School of Mines and international oil shale companies working in Jordan.

The symposium, which was held at the King Hussein bin Talal Conferences Palace, Dead Sea between 21 and 22 Nov. 2016, discussed issues of financing investment projects in oil shale industry and current challenges.

The two day symposium that gathered mining companies and specialists in oil shale also discussed the latest technologies in oil shale mining and exploitation in the different parts of the kingdom, as well as attracting international companies' interest in mining in Jordan.

Participants, who included senior academincs, researchers, environmentalists and service providers to the industry, discussed strategies and policies of exploiting non-conventional raw materials as alternative energy sources, oil shale in particular, and the economic and investment challenges facing this option and managing environmental and social problems.

Dr. Kandah said in presenting his working paper that banks always work to meet the market needs of

funding and thus they create financial products that suit the customers' needs whether big companies or MSMEs, especially in mining and energy generating.

He drew attention to a number of programs launched by the CBJ to which banks reacted positively to provide appropriate financing to companies, including those working in the mining and energy sectors. There are also programs to provide green financing that pays greater attention to the environmental sustainability by financing green buildings and projects that comply with environmental requirements and reduce water and energy consumption.

Oil shale companies investing in Jordan gave a power point presentation of the development of their work in Jordan. Participants also discussed the forecasts of leading international companies as regards energy and oil prices in the near future.

The symposium focused on challenges facing oil shale development projects in Jordan and worldwide, and discussed local and international developments and challenges facing the energy industry in the world.

The ABJ takes part in Jordan Investment Fund Meetings

The ABJ and chairmen of boards of directors of banks working in Jordan and big companies took part in the meeting presided over by the Deputy Prime Minister for Economic Affairs/ Minister of Industry and Trade and Supplies Dr. Jawad Anani on Thursday 30 June 2016.

The meeting aimed to discuss the Jordan Investment Fund (JIF) and the company to be created by it.

Dr. Anani called on Jordanian banks, big companies, individuals and sovereign investment funds all over the world to have a stake in JIF and the subsidiary company. He suggested that banks can have shares in the company that would identify and implement projects that Jordan needs and that would positively affect Jordanian economy.

In press statements following the meeting, Anani said that His Majesty the King paved the way for the incorporating law of JIF, and the Parliament endorsed it to attract the investments of banks and Arab sovereign funds, private sector institutions and individuals.

There is a great interest in the development and entrepreneurial projects that would be beneficial for the national economy and shareholders, he said.

The idea of JIF, he explained, is based on profit to attract the money that Jordan needs to implement mega projects in strategic and development sectors like transportation, energy, water, infrastructure and others.

The projects that JIF is considering are the national railway network, the electricity interconnectivity project with Saudi Arabia, the pipeline to transfer crude oil and fuel derivatives to the Jordan Petroleum Refinery Company and consumption and storage points, developing infrastructure at the Custodian of the Two Holy Shrines City project and a recreational estate project in Matal in Aqaba, in addition to any other projects that the Cabinet approves, based on a recommendation from the fund's board of directors.

Anani encouraged sovereign investment funds of different countries to contribute to this company that will be for profit and independent. A number of sovereign funds, he said, expressed interest in

buying shares in the JIF affiliate company which is expected to be launched in the current year.

The company's capital is not determined yet, although Anani expected it to be in billions of dollars.

The law stipulates that the fund's board of directors is to be headed by the prime minister, with members including ministers of planning and international cooperation, finance, energy and industry, trade and supply, head of the Investment Commission, in addition to three members chosen by the Cabinet.

E. ABJ Publications in 2016

The ABJ published the following in 2016:

■ **The Annual Report:** The ABJ published its 37th annual report for 2015. It included developments of the banking sector in 2015 as regards liquidity, assets and liabilities, and capital. It also contained analysis of the comparative performance of banks in the kingdom and the new banking products introduced by banks, the development of human resources in banks, the number of bank branches all over the country. The report further shed light on the prospects of global and regional economy, a summary of global and national economic developments and the most important activities of the ABJ in the said year.

■ **Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan:** The ABJ issued in 2016 an updated edition of the Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan, which aims to shed light on services offered by commercial banks, and to enhance the banking knowledge of customers of commercial banks, whether individuals or corporate. The directory contains detailed and comprehensive information of the different services, products and bank services that commercial banks working in Jordan offer, arranged according to the service and the bank offering it, and a general description of the service, in addition to the name of service provider.

■ **A Survey Study on SME's in Jordan «Analysis of supply-side and demand-side focusing on bank financing»:** The ABJ published a survey study on SMEs in Jordan: Analysis of supply and demand aspects in focusing on means and prospects of bank financing.

The study adopted the method of comprehensive survey that depends on a questionnaire designed especially for the commercial banks, and another one designed for Islamic banks.

The study has five main chapters. The first chapter is an introduction that explains the goals, methodology of the study and the sample it depends on. The second chapter gives an overview of the Jordanian banking sector as regards the structure, the geographical distribution, characteristics and financial depth, in addition to a briefing on the role banks play in the Jordanian economy.

The third chapter sheds light on the actual situation of SMEs in Jordan. The fourth chapter reviews the bank credits granted to SMEs, by researching a number of aspects relevant to the presence of units or departments and employees specialized in SMEs financing, the most important types of granted credits, the costs of credit, the percentage of accepted/rejected credit requests and the key reasons behind rejection, the relative size of credit portfolio, the most important collaterals that banks demand, the appropriateness of the loan guarantee program to the actual situation of SMEs, in addition to a revision of the most important CBJ initiatives to enhance credit directed to this sector, and finally, the most

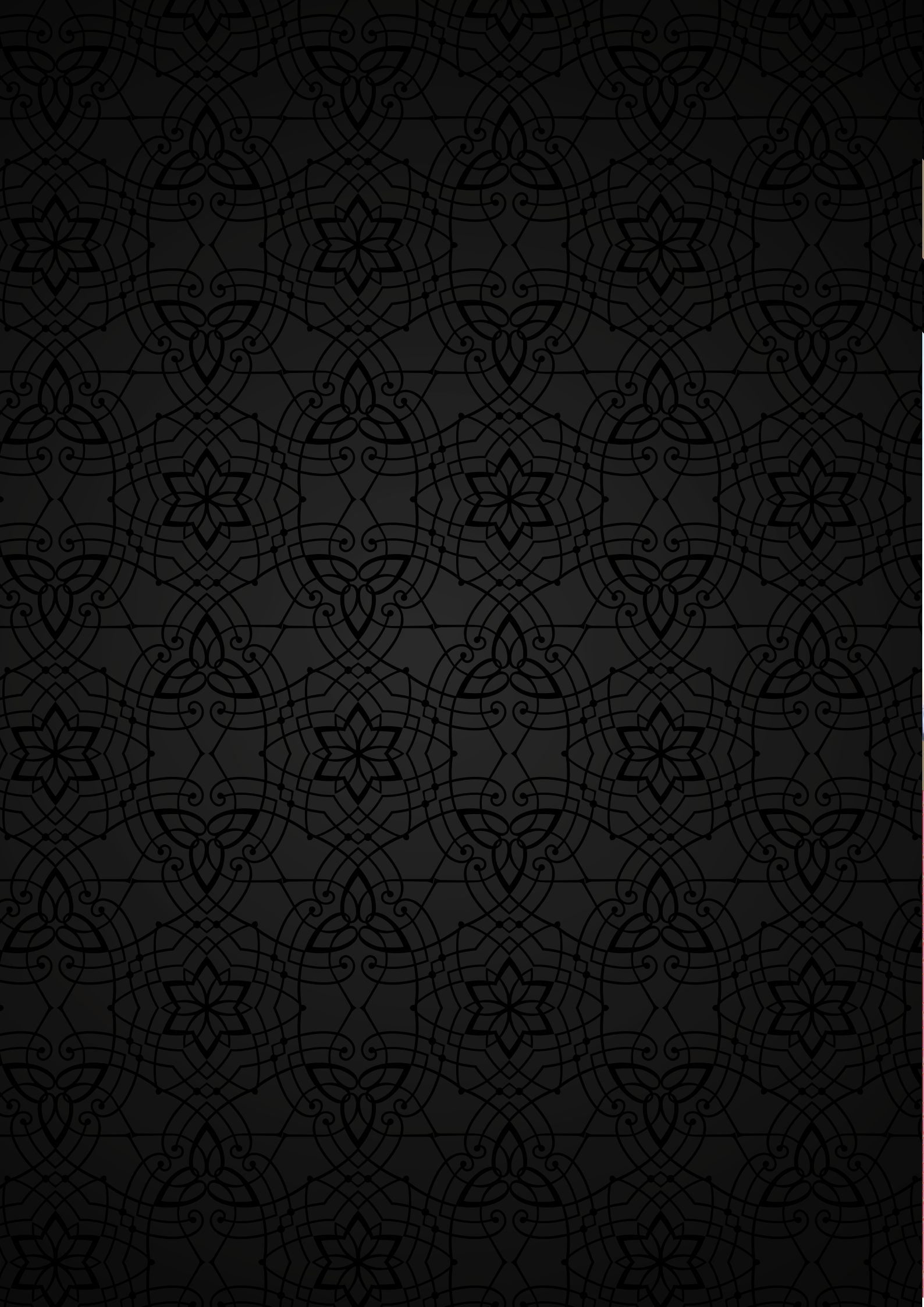
substantial barriers facing banks in financing SMEs.


The fifth and last chapter reviews the most important means and mechanisms that might help increase bank credits granted to SMEs, which includes recommendations targeting banks and recommendations targeting SMEs and other concerned parties.

■ **Sustainability Report for the Banking Sector in Jordan:** The ABJ published the Sustainability Report for Banking in Jordan, prepared by SCEMA for the ABJ in English and Arabic. This is the first ever report at the country level to assess the sustainability efforts in the Jordanian banking sector through reviewing the macro sustainability of banks, monitoring positive changes that Jordanian banking system introduced at this level. The report's findings were based on the outcomes of an electronic questionnaire sent to member banks, as well as on the revision of information that banks declare, especially financial reports and sustainability reports.

■ **ABJ Series of Booklets**

- Booklet # 1: Amman out of court Principles
- Booklet # 2: The Role of Banks and Financing Institutions in Women Economic Empowerment, Focusing on the Jordanian Case
- Booklet # 3: Comparative Performance of Banks Working in Jordan during 2014, 2015.





Chapter Twelve
Financial Statements
of Association of Banks
in Jordan for the year
2016

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 2016, 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 2016 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 exists, 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

28 February 2017

Association of Banks in Jordan- (Independent Sole Association)

Statement Of Assets And Liabilities

at 31 December 2016

	Notes	2016 JD	2015 JD
ASSETS			
Non-Current Assets -			
Property and equipment	3	<u>1,371,709</u>	<u>1,378,200</u>
Current Assets-			
Accounts receivable and other current assets	4	23,880	23,817
Cash on hand and at banks	5	<u>2,322,681</u>	<u>2,420,728</u>
		<u>2,346,561</u>	<u>2,444,545</u>
Total Assets		<u>3,718,270</u>	<u>3,822,745</u>
ACCUMULATED SURPLUS AND LIABILITIES			
Accumulated Surplus -			
Accumulated surplus	6	<u>3,378,315</u>	<u>3,426,210</u>
LIABILITIES			
Non - Current Liabilities -			
End of service indemnity provision	7	<u>58,686</u>	<u>65,562</u>
Current Liabilities -			
Accrued expenses		1,229	12,871
Other current liabilities		4,892	4,003
Martyr Pilot Moath AlKasasbeh's Scholarships Fund	8	<u>275,148</u>	<u>314,099</u>
		<u>281,269</u>	<u>330,973</u>
Total Accumulated Surplus and Liabilities		<u>3,718,270</u>	<u>3,822,745</u>

The attached notes from I to II 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 2016

	Notes	2016 JD	2015 JD
Revenues-			
Membership fees		566,090	562,457
Banks magazine income		49,792	63,955
Workshops and seminars income		40,950	57,068
Interest income		68,468	83,890
Other income		6,876	10,594
Gain from sale of property and equipment		<u>15,319</u>	<u>-</u>
Total revenues		<u>747,495</u>	<u>777,964</u>
Expenses -			
Banks magazine expenses	9	(61,511)	(61,196)
Workshops and seminars expenses		(23,447)	(22,892)
Administrative expenses	10	<u>(710,432)</u>	<u>(642,819)</u>
Total expenses		<u>(795,390)</u>	<u>(726,907)</u>
Net(Loss) excess in revenues over expenses for the year		<u><u>(47,895)</u></u>	<u><u>51,057</u></u>

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

Association of Banks in Jordan- (Independent Sole Association)

Statement Of Cash Flows

For The year Ended 31 December 2016

	Notes	2016 JD	2015 JD
OPERATING ACTIVITIES			
Net (Loss) excess in revenues over expenses for the year		(47,895)	51,057
Adjustments for:			
Depreciation	3	51,051	44,296
(excess in) provision for end of service indemnity	7	(6,876)	11,408
Interest income		(68,468)	(83,890)
Gain from sale of property and equipment		(15,319)	-
Changes in working capital –			
Accounts receivable and other current assets		298	1,486
Accrued expenses		(11,642)	9,668
Other current liabilities		889	1,671
Net cash flow (used in)from operating activities		<u>(97,962)</u>	<u>35,696</u>
INVESTING ACTIVITIES			
Received interest income		68,107	74,088
Purchase of property and equipment	3	(48,241)	(10,829)
Proceeds from sale of property and equipment		19,000	-
Net cash flow from investing activities		<u>38,866</u>	<u>63,259</u>
Net (decrease) increase in cash and cash equivalents		(59,096)	98,955
Cash and cash equivalents at 1 January		<u>2,106,629</u>	<u>2,007,674</u>
Cash and cash equivalents at 31 December	5	<u>2,047,533</u>	<u>2,106,629</u>

The attached notes from I to II 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.

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	Buildings	Equipment and tools	References and books	Furniture and fixtures	Vehicles	Total
	JD	JD	JD	JD	JD	JD	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	<u>326,477</u>	<u>1,557,388</u>	<u>196,132</u>	<u>-</u>	<u>233,670</u>	<u>64,280</u>	<u>2,377,947</u>
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	<u>-</u>	<u>591,761</u>	<u>181,931</u>	<u>-</u>	<u>199,292</u>	<u>33,254</u>	<u>1,006,238</u>
Net Book Value at							
31 December 2016	<u>326,477</u>	<u>965,627</u>	<u>14,201</u>	<u>-</u>	<u>34,378</u>	<u>31,026</u>	<u>1,371,709</u>

	Land	Buildings	Equipment and tools	References and books	Furniture and fixtures	Vehicles	Total
	JD	JD	JD	JD	JD	JD	JD
-2015							
Cost-							
At 1 January 2015	326,477	1,557,388	189,446	11,595	219,047	65,380	2,369,333
Additions	-	-	4,686	1,261	4,882	-	10,829
At 31 December 2015	<u>326,477</u>	<u>1,557,388</u>	<u>194,132</u>	<u>12,856</u>	<u>223,929</u>	<u>65,380</u>	<u>2,380,162</u>
Accumulated depreciation-							
At 1 January 2015	-	529,464	169,059	8,746	186,617	63,780	957,666
Depreciation charged for the year	-	31,149	5,032	429	6,087	1,599	44,296
At 31 December 2015	-	<u>560,613</u>	<u>174,091</u>	<u>9,175</u>	<u>192,704</u>	<u>65,379</u>	<u>1,001,962</u>
Net Book Value at							
31 December 2015	<u>326,477</u>	<u>996,775</u>	<u>20,041</u>	<u>3,681</u>	<u>31,225</u>	<u>1</u>	<u>1,378,200</u>

(4) Accounts Receivable and Other Current Assets

	2016 JD	2015 JD
Accounts receivable	4,978	7,571
Prepaid expenses	7,607	5,312
Refundable deposits	1,132	1,132
Accrued interest income	<u>10,163</u>	<u>9,802</u>
	<u>23,880</u>	<u>23,817</u>

(5) Cash And Cash Equivalents

	2016 JD	2015 JD
Cash on hand	1,500	1,500
Current accounts**	283,822	319,462
Banks deposits*	2,037,359	2,099,766
	<u>2,322,681</u>	<u>2,420,728</u>
Less: Martyr Pilot Moath Al Kasasbeh's Scholarships Fund	(275,148)	(314,099)
	<u>2,047,533</u>	<u>2,106,629</u>

*Banks deposits include the following:

- An annual deposit at Jordan Commercial Bank amounting to JD 1,573,583 as of 31 December 2016. (2015: JD 1,517,724), with an interest rate of 3.875% (2015: 3.875%).
- A monthly deposit at Arab Bank amounting to JD 338,913 as of 31 December 2016. (2015: JD459,174) with an interest rate of 1.5% (2015: 1.5%)
- A monthly deposit at Housing Bank for Trade and Finance amounting to JD 124,863as of 31 December 2016 (2015: JD 122,868) with an interest rate of 1.75% (2015: 1.75%).

** Current accounts include restricted amount of JD 275,148 related to Martyr Pilot Moath Al Kasasbeh Scholarship Fund.

(6) Accumulated Surplus

	2016 JD	2015 JD
Beginning balance	3,426,210	3,375,153
Current year (Loss) Surplus	(47,895)	51,057
Ending balance	<u>3,378,315</u>	<u>3,426,210</u>

(7) End OF Service Indemnity Provision

The movement on this provision is as follows:

	2016 JD	2015 JD
Beginning balance	65,562	54,154
(Excess in) Provision for the year	(6,876)	11,408
Ending balance	<u>58,686</u>	<u>65,562</u>

(8) Martyr Pilot Moath AlKasasbeh's Scholarship Fund

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 for the academic year 2016/ 2017.

The movement on this item is as follows:

	2016 JD	2015 JD
Banks' contributions received	314,099	322,000
Amounts paid	(38,951)	(7,901)
	<u>275,148</u>	<u>314,099</u>

(9) Banks magazine Expenses:

	2016 JD	2015 JD
Printing	42,536	42,297
Compensations	18,375	18,113
Others	600	786
	<u>61,511</u>	<u>61,196</u>

(10) Administrative Expenses

	2016 JD	2015 JD
Salaries and wages	348,031	305,135
Meetings and parties	15,026	11,989
Social security contribution	34,462	27,305
Saving fund contribution	24,958	21,524
Depreciation	51,051	44,296
Medical expenses	19,912	19,527
Printing and stationery	34,551	47,868
Maintenance and cars expenses	26,806	21,638
Cleaning and security	19,446	17,843
Water and electricity	19,451	20,505
Internet and telecommunication	19,737	19,761
Transportation and travel	12,226	11,263
End of service indemnity	-	11,408
Property tax	7,050	7,051
Fuel	4,433	4,931
Hospitality	11,128	10,849
Professional fees	2,378	2,378
Others	59,786	37,548
	<u>710,432</u>	<u>642,819</u>

(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.

ASSOCIATION OF BANKS IN JORDAN

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