Chapter 3

HISTORY OF COMMERCIAL BANKS WITH SPECIAL REFERENCE TO THE HOUSING BANK IN JORDAN

The Financial Structure

During the last three decades, Jordan has developed rapidly in various economic and social fields. The development of the financial sector, however, has been perhaps the fastest and most conspicuous. Within a short period of time, the financial structure of Jordan has developed to a level that took other countries a much longer period of time to reach.

Before 1964, the Jordan Currency Board was the monetary authority in the country, but its role was limited to maintaining sterling deposits against the issue of Jordan dinars. Thus, it had no control over money supply nor did it exercise any supervisory functions over banks. During that time, the banking system consisted of only seven commercial banks, three of which were foreign and one a specialized credit institution. In contrast, Jordan now has a strong and seasoned Central Bank which directs the monetary policy and undertakes all the responsibilities that central banks in developed countries ordinarily are charged with. The number of commercial banks has increased to 15 by 1988, seven of which are foreign-owned. These banks have a total of 194 branches operating in various cities and villages throughout the Kingdom. There are also two investment banks; one operates in accordance with Islamic law. Specialized credit Institutions
were established to meet the country's financial requirements in the fields of housing, industry, agriculture, and local government. Eleven financial companies have been established since 1978, in addition to seven real estate and savings companies. There are 27 insurance companies operating in Jordan, eight of which are foreign-owned. In 1977, a pension fund serving military and civil pensioners was established. The fund, which is called the Jordan Investment Corporation, aims at investing surplus savings in a wide range of economic activities as well as examining and promoting productive ventures. The Social Security Corporation was established in 1978 to provide retirement and other social benefits for employees in the private and public sectors who are not included in the civil retirement law.

One of the most important developments has been the establishment of the Amman Financial Market (AFM), or stock exchange, which opened on January 1, 1978, after extensive studies and preparations had been made by the Central Bank of Jordan (CBJ) in cooperation with the International Finance Corporation. The establishment of AFM and the success it has achieved reflect the high level of development of Jordan's financial sector.

The development of the financial sector has not been confined to mere quantitative growth. There has also been brisk qualitative growth, evidenced by the establishment of new types of institutions, such as investment banks and companies and AFM, as well as the use of new instruments such as treasury bills and
bonds, development bonds, corporate bonds and certificates of deposits. Other facets of development include new means of borrowing and depositing such as local and international syndicated loans and opening deposit accounts in foreign currencies of commercial banks and investment banks and companies. The use of credit cards and automatic teller machines has facilitated depositing and drawing operations.

The Future of the Financial Structure

Having surveyed the existing financial structure of Jordan, we conclude by attempting to identify its future trends of development. The future of the financial structure can be viewed in terms of legislation, institutions, markets and instruments.

As far as legislative development is concerned, successive Jordanian governments have endeavoured to issue and enact financial laws which would contribute to the strengthening and development of the Jordanian financial structure. In this area, one can be confident that financial legislation in Jordan will continue to develop to meet economic needs, and that legislation shall not stand in the way of promoting more financial sophistication. Generally speaking, one can expect financial legislation to develop in the direction of giving more support and encouragement to public shareholding companies, as well as to money and capital market instruments, especially long-term corporate bonds. It is expected that the financial structure will witness substantial developments in the field of investment.
banks, companies and funds. Obviously, the participation of new institutions with the emergence of money and credit instruments will affect the Jordanian financial structure specially in mobilizing domestic and external savings and channeling them towards investment projects as well as affecting the division of labour in the field of financial intermediation. As for commercial banks, one would expect noticeable developments in the composition of their assets and liabilities in future. For example, certificates of deposit, which have been recently introduced on a limited scale, have been offered by most banks. Moreover, borrowing by public shareholding companies will tend more and more to take the form of corporate bonds and this will affect the composition of commercial bank lending. The most important development will be the active participation of commercial banks in the money market, especially with the emergence of money market intermediaries which borrow from commercial banks to finance their holdings of money market assets.

In addition, the Jordan Islamic Bank for finance and investment and other financial institutions, focusing in particular on the issue of elimination of the rate of interest from the system, have been established in order to achieve social justice and specific patterns of income and wealth distribution. These Islamic institutions will issue lend-bonds which would comply with the dictates of Islamic law in order to finance development projects.
These developments would undoubtedly add to the tasks which the Central Bank has to shoulder especially in the areas of supervising and controlling the activities of licensed banks and the determination of the volume of credit and liquidity. On the other hand, the development of the activities of banks and other financial intermediaries and the introduction of new money and capital market instruments will enable the Central Bank to make greater use of open market operations as an important policy instrument for controlling the liquidity of the economy. Undoubtedly, the money and capital markets will witness significant developments in the future, especially after the success achieved by AFM and the emergence of financial intermediaries which will be active in underwriting and in dealing with government and corporate papers listed on the AFM by way of buying and selling for third parties as well as for their own accounts.

The development of money and capital market instruments may prove to be one of the most important features of the development of the Jordanian finance structure in the next few years. Increasing efforts will be exerted to create a growing market for domestic funds as well as for foreign investments and to direct domestic savings toward medium and long term finance which the national economy still needs. Considering the achievements so far and the ambition of Jordan's financial planners, one can confidently expect the prospects for the growth and strengthening of the financial structure of Jordan to be promising. And so will be the prospects for Amman as a financial centre.
Role of Banks in Economic Development

The modern economy is based on the national and international division of labour and domestic trade and international trade play a great role in the economic development of the country and in raising the standard of living of the people. But finance is the hub of economic life. Trade and manufacturing sectors and even service and agriculture sectors cannot thrive without the institutions of money and finance, of which commercial banks are the major component.

The Central Bank of Jordan

The Central Bank of Jordan (CBJ) represents the monetary authority in the Kingdom and enjoys the status of an autonomous corporate body. The law establishing CBJ stipulates that the central bank shall maintain monetary stability in the Kingdom, ensure the convertibility of the Jordan Dinars, and promote the sustained growth of the economy in accordance with the general economic policy of the government. CBJ started operations on October 1, 1964, replacing the Jordan Currency Board which was established in 1950.

Commercial Banks

The history of commercial banking in Jordan goes back to 1925, when the Ottoman Bank, which is known since the late 60s as Grindlays Bank, started operations in the country. The Arab Bank,
Foreign banks can open branches in Jordan. The Banking Law includes a number of provisions regarding the establishment of commercial banks, the most important of which are as follows:

No license shall be granted for the establishment of a bank except for a public shareholding company. Branches of foreign banks, however, are exempted from this provision.

Working capital of any commercial bank shall not be less than JD 5.0 million at any time.

Table 3.2 gives figures for capital and reserves of commercial banks in Jordan for various years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital</th>
<th>Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>------</td>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td>Capital Reserves</td>
<td>4.8</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Total Assets: 63.2 76.4 1070.5 2392.1 2634.8 2898.5 3250.5

Source: Central Bank of Jordan, Annual Report, various years.

Financial Companies and Real Estate Institutions

The financial and banking system in Jordan was reinforced during the late 70s with the establishment of a number of institutions in financial intermediation and real estate and saving. These institutions have complemented the existing ones and have introduced new types of banking services.
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</thead>
<tbody>
<tr>
<td>Capital Reserves</td>
<td>4.8</td>
<td>8.0</td>
<td>76.8</td>
<td>164.4</td>
<td>177.5</td>
<td>185.6</td>
<td>194.4</td>
</tr>
<tr>
<td>Total Assets</td>
<td>63.2</td>
<td>76.4</td>
<td>1070.5</td>
<td>2392.1</td>
<td>2634.8</td>
<td>2898.5</td>
<td>3250.5</td>
</tr>
</tbody>
</table>

Source: Central Bank of Jordan, Annual Report, various years.

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Financial Companies

There are seven financial companies operating in Jordan; Arab Finance Corporation (Jordan), 1979; Jordan Securities Corporation, 1980; National Financial Investment Company, 1981; Jordan Finance House, 1981; Islamic Investment House, 1981; Finance and Credit Corporation, 1982; and Jordan Investment and Finance Corporation, 1982. These have been established to mobilize financial resources and encourage local investments as well as to attract foreign and Arab financial resources. To achieve these objectives, financial companies perform the following functions:

1. Money Market Operations

The financial companies can accept medium and long-term resident and non-resident deposits of maturities not less than 6 months in both local and foreign currencies subject to related CBJ regulations.

2. Financial Market Operations

The financial companies can act as a broker in AFM and deal in shares and securities listed in AFM for their own portfolios as well. Further, they can list shares and bonds issued by local companies in both local and external markets.
3. Investment and Finance Operations

Investment to promoting indirectly local investment via extending loans or encouraging transactions in the available monetary and financial instruments. Financial companies can contribute to domestic investment directly through being able to invest in the establishment of new branches and companies as well as through financing of profitable ventures and performing of leasing activities.

4. Credit Facilities

Financial companies may extend loans and credit facilities (except overdrafts) to finance various development projects. These credit facilities should be of medium or long-term duration and, in any case, of a maturity not less than six months. Financial companies may also finance imports of capital equipment pertaining to projects financed by them. They may issue letters of guarantee to facilitate activities of such projects.

5. Other Activities

In addition to the aforementioned activities, financial companies may open mutual funds accounts as well as share in and manage such accounts as authorized by their customers. They also can manage inheritance and saving funds and invest their proceeds in accordance with their clients, instructions, as well as collect information and conduct feasibility studies for new ventures.
Table 3.3 gives figures for loans extended and deposits held by financial companies in Jordan.

Table 3.3

<table>
<thead>
<tr>
<th>Loans and Deposits held by Financial Companies</th>
<th>(In million JD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>3.5</td>
</tr>
<tr>
<td>Deposits</td>
<td>6.1</td>
</tr>
</tbody>
</table>

Source: Central Bank of Jordan, Annual Report, various years.

Real Estate Institutions

There are four real estate institutions operating in Jordan: Refco, Darco, Bitena and the National Development and Finance Company. The first institution was established in 1960, the second in 1982, and the last two in 1984.

The real estate institutions are licensed by CBJ to accept savings accounts in accordance with CBJ regulations, and to provide loans and advances for the purpose of building houses and apartments as well as to acquire real estate, bonds and shares.

As for their sources of funds, real estate institutions depend mainly on their capital and savings and time deposits as well as revenues from their investments in bonds, securities and corporate bonds. Table 3.4 gives figures for loans and deposits of real estate institutions in Jordan.
Table 3.4

Loans and Deposits held by Real Estate Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans</th>
<th>Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>1.6</td>
<td>1.0</td>
</tr>
<tr>
<td>1985</td>
<td>8.5</td>
<td>14.3</td>
</tr>
<tr>
<td>1986</td>
<td>12.3</td>
<td>15.8</td>
</tr>
<tr>
<td>1987</td>
<td>13.60</td>
<td>16.9</td>
</tr>
<tr>
<td>1988</td>
<td>15.7</td>
<td>20.7</td>
</tr>
</tbody>
</table>

(In million JD)

Source: Central Bank of Jordan, Annual Report, various years.

Savings and Other Financial Institutions
Contractual and Savings Institutions

The financial sector in Jordan includes a number of institutions devoted to mobilizing financial resources and collecting local savings. Besides the postal saving fund and the pension fund, renamed recently as the Jordan Investment Corporation, there are 27 insurance companies operating in Jordan.

There is the Social Security Corporation which is responsible for retirement compensations and other social benefits for employees who are not included in the civil service and military pension laws.

The Postal Saving Fund (PSF)

The Postal Saving Fund started its operations in September 1974 with the aim of collecting small savings. The Fund started with eight branches in Amman and has since then expanded its activities and established new branches in other governorates.
In order to attract deposits, the Fund introduced several promotional schemes such as prizes on savings deposits and the savings programme for education. The interest on deposits is 7 per cent. Lately, the fund has started extending loans to government employees and retired people.

Jordan Investment Cooperation (JIC)

The Jordan Investment Corporation is the legal successor to the pension fund which was established in 1976 with the aim of shouldering the present and future financial obligations of the government in pension payments. The resources of JIC consist of its capital (which reached JD 42.0 million by the end of 1988) and the retirement deductions made in accordance with the civil and military pension laws.

Social Security Corporation (SSC)

The Social Security Corporation was established in 1978, and enjoys financial and administrative independence. It aims at providing the insured and his family with retirement income which would secure an adequate standard of living. The most important source of funds is the contributions collected from all participants in the social security scheme.

At the end of 1988, total assets of SSC amounted to JD 283.0 million as against JD 4.7 million in 1980.
In order to attract deposits, the Fund introduced several promotional schemes such as prizes on savings deposits and the savings programme for education. The interest on deposits is 7 per cent. Lately, the fund has started extending loans to government employees and retired people.

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At the end of 1988, total assets of SSC amounted to JD 283.0 million as against JD 4.7 million in 1980.
Insurance Companies

There are 27 insurance companies operating in Jordan, 19 of which are Jordanian and the remainder branches of foreign companies. These companies deal in all kinds of conventional insurance, including vehicle, maritime, fire and general accident. Another 13 companies offer life insurance, nine of which are Jordanian. (See Table 3.5 for details of premiums collected and compensation payments made by insurance companies.

| Table 3.5 |
| Premiums Collected and Compensation Paid by Insurance Companies |
| (In million JD) |
|-------|------|------|------|------|------|------|
| Premium collected | 1.3 | 15.3 | 24.6 | 26.8 | 28.7 | 30.8 |
| Compensation payments | 0.8 | 8.6 | 10.9 | 10.8 | 12.6 | 14.3 |

Source: Central Bank of Jordan, Annual Report, various years.

Other Financial Institutions

In addition to the aforementioned institutions, there are other institutions such as representative offices which are not directly involved in banking activities.

Special regulations were issued to license and control the activities of representative offices of foreign banks and
financial companies. According to these regulations, foreign banks and financial companies which have no branches in Jordan can, subject to obtaining the approval of CBJ, set up representative offices in Jordan to look after their interests in the Kingdom provided that they do not seek profits. The main activities of these representative offices are collecting financial and commercial information on Jordan and fostering relations between the bank or financial company which the office represents and local banks and financial companies.

The number of licensed representative offices reached nine by the end of 1988.

Amman Financial Market (AFM)

The establishment of the Amman Financial Market (stock exchange) is a major step towards improving the financial sector in Jordan. AFM has helped the country realize a better utilization of available financial resources by mobilizing local and foreign savings and channeling such resources towards productive projects. Credit for establishing AFM goes to CBJ and to the support and encouragement of the Jordanian government, in addition to technical assistance offered by the International Finance Corporation.

AFM started its operations on January 1, 1978, as a public financial institution with legal financial independence. It is responsible for the promotion and development of both primary and
secondary capital markets in Jordan, as well as regulating their transactions. In general, AFM aims at:

1. Mobilizing savings by encouraging investments in securities and channeling savings to serve the interests of the national economy.

2. Regulating and controlling the issuance of securities and dealings them to ensure the soundness, ease and speed of transaction.

3. Gathering and publishing data to realize the aforementioned objectives.

AFM is managed by a seven member committee appointed by the council of ministers, and consists of representatives of the ministry of finance, CBJ, commercial banks, SCIs and listed companies. Every Jordanian public shareholding company whose paid-up capital exceeds JD 100,000 must be listed on AFM.

AFM law also provides for listing all bonds issued by the government of Jordan or by public institutions with government guarantee. Securities are traded on the AFM floor through registered brokers who obtain their licenses from the AFM Management Committee according to set regulations.

AFM has performed quite well since its inception. This is reflected not only in the volume of shares traded which surpassed
previously expected levels but also in publicizing share prices and financial news relating to companies whose shares are listed on AFM. The number of companies listed by the end of 1988 reached 107; in addition, there is the parallel market where shares of unlisted companies are traded. Around 9.7 million shares relating to 13 companies were traded in AFM with a total market value of JD 5.7 million during 1988.

The number of bonds (development bonds, corporate bonds, and treasury bills and bonds) traded in AFM in 1988 reached 533,000 with a total market value of JD 16.7 million compared to 117,000 bonds of all kinds with a market value of JD 0.8 million in 1979.

Specialized Credit Institutions

Commercial banks, owing to the fact that their liabilities are short-term, cannot extend long term loans suitable for the financing of development projects in Jordan's different economic sectors, especially agriculture, industry and housing. Therefore, it was necessary to establish specialized credit institutions to provide medium and long term credit facilities for such sectors at concessional terms in order to accelerate the development process.

The first credit institution to be established was the Agricultural Credit Corporation in 1959. After that, more credit institutions were established bringing the total number to six, three of which are government owned which are the Agricultural
Credit Corporation, the Housing Corporation and the Cities and Villages Development Bank. The other three which are jointly owned by the public and private sectors are the Housing Bank, the Industrial Development Bank, and the Jordan Cooperative Organization. Loans extended by these credit institutions are shown in Table 3.6.

| Table 3.6 |
|--------------------------------------------- -------------------|
| Loans Extended by Specialized Credit Institutions |
| (In million JD) |
| Loans extended by SCIs | 14.1 | 30.4 | 163.0 | 416.6 | 441.3 | 502.1 | 535.3 |
| Source: Central Bank of Jordan, Annual Report, various years. |

1. The Agricultural Credit Corporation (ACC)

The Agricultural Credit Corporation (ACC) was established in 1959 to provide concessionary loans for promoting and developing the agricultural sector. ACC borrows from CBJ, government and international institutions at low interest rates.

2. The Industrial Development Bank (IDB)

The Industrial Development Bank (IDB) was established in 1965 with the aim of providing short and medium term loans as well as technical assistance to the industrial and tourism sectors.
Interest charged on IDB loans is 6 per cent plus 1 per cent commission charge for rural projects and 9 per cent on other loans.

3. The Cities and Villages Development Bank (CVDB)

The Cities and Villages Development Bank (CVDB) was established in 1979 to replace the Municipal and Village Loan Fund which was established in 1966. It provides loans for financing development projects of municipal and village councils. Loans extended to municipal councils carry an interest of 7.5–8.5 per cent and are repayable within 10 years, whereas those extended to village councils carry an interest of 6 per cent and are repayable within 15 years.

4. The Jordan Cooperative Organization (JCO)

The Jordan Cooperative Organization (JCO) was established in 1968 to promote and provide guidance to the corporate movement in Jordan as well as to extend loans to cooperative societies. The loans extended carry an interest of 5–7 per cent. Cooperative societies, in turn, charge 8 per cent on loans extended to their members. The cooperative banks carry out normal banking activities for the members of cooperative societies such as accepting deposits, remittances, guarantees and opening letters of credit.
5. The Housing Corporation (HC)

The Housing Corporation (HC) was established in 1965 to help in resolving the housing problem in the Kingdom by constructing houses and selling them to the public. Loans are to be repaid in 20-30 years and bear an interest of 5 per cent. Since its establishment, HC has implemented 74 housing projects consisting of 145,000 housing units at a total cost of JD 159 million. The largest and most important project constructed by HC is the city of Abu-Nusair which was completed in 1987 and consists of 3650 housing units. HC is currently implementing two other housing projects, one in Zarga with 504 housing units and the second in Theeban with 48 units.

6. The Housing Bank (HB)

A. Working Capital

The Housing Bank (HB) was established by a temporary Law No.41 of 1973, with a capital of JD 500000. In the same year, another temporary Law No.48 amended the previous law to increase the capital to JD one million. Till 31 December 1973, HB earned net profits of JD 10,897. On 1 April 1974, by Law No.4, HB became permanent with a capital of JD 2 million.

The Law provides clearcut indications to the terms and conditions to be followed in each of the operation fields of HB. Starting with the definitions and general provisions, it states the
objectives of the bank, sources and limitations for the formation of capital and financial resources. It explains procedures to be adopted on guarantee on loans and credit facilities, and on organization and administration of the bank, on the general assembly of shareholders, the financial accounts and balance sheet, the rights and privileges of the bank and the final provision granted to the bank. This section by section rules and regulations leaves no room for doubt, resulting in a smooth working system for the bank.

In 1975 Law No. 4 was amended by law No. 14 to increase the capital of the Bank from JD 2 million to JD 12 million and allowed other countries to purchase shares of HB by special arrangement.

The Government of Kuwait has purchased 3 million shares with a face value of JD 3 million. The Governments of Iran and Qatar have purchased one million shares each. The remaining five million shares are to be marketed in the future.

Law No. 4 was amended for the third time in 1977 by law No. 8. The objective was increasing the capital of the bank from JD 12 million to JD 18 million divided into eighteen million shares having a nominal value of one Jordanian dinar each, classified as follows:

A. Ordinary Shares: One million shares to be subscribed by the government of Jordan and CBJ in equal proportions.

B. Preference shares: Nine million shares to be offered for public subscription in the country and abroad.
C. Special shares: Eight million shares to be subscribed by institutions, establishments and individuals outside the country, and any government other than the government of Jordan.

Objects of the Housing Bank

The objects of HB shall be to promote construction and development activities in the country in accordance with the general needs of the citizens and with the development plans of the government.

In particular, HB shall endeavour to realize the following goals:

A. Promoting the erection, completion or expansion of residual houses, as well as housing or commercial buildings.

B. Encouraging savings for housing by all possible ways and means.

C. Encouraging the establishment and formation of housing cooperative societies, housing funds and savings and loans societies for housing purposes.

D. Encouragement of the adoption of modal standard specifications and measurements for buildings and building materials with a view to creating an industry for the manufacture of standard prefabricated building materials and to the reduction of building costs.

E. Promoting the establishment of factories and plants for manufacturing building materials.*

* Source: The Housing Bank Law, Law No.4 of 1974.
Main Activities of the Housing Bank

A. Grant loans and advances for various periods not exceeding twenty years for the purpose of financing housing, construction and other development projects, and building material factories.

B. Discount promissory notes and bills of exchange arising from the sale of housing on instalment basis, provided the bank ensures that the proceeds of such discount will be utilized to finance housing projects.

C. Accept deposits of any kind with or without interest.

D. Endeavour to attract the participation of Arab activity in the country.

E. Carry out any banking operations directly connected with the implementation of the objects of the bank, as well as any other banking business which it may be instructed by the Central Bank of Jordan to carry out.

F. Adopt any means or measures which may be decided by the Board for the realization of the aims and objectives of the bank, provided that such means or measures conform with the provisions of this law and any regulation, international rules, decisions, or orders issued thereunder.

G. Acquire building lands by purchase or expropriation for the construction of housing, commercial, or tourist centres, for sale, lease or investment purposes, as the Board may deem fit.

H. Establish companies for the production or marketing of building materials and connected with the promotion or financing of the general construction and development
activity in the Kingdom, including participation in the capital of such companies in such manner as the Board may deem fit.

I. Offer banking services to the Housing Corporation, companies which produce or market building materials and requisites, housing cooperative societies, housing funds, savings and loan societies in housing purposes and other investors in housing from the public or private sectors.

J. Act as real estate investment for others.*

Other Activities of the Housing Bank

Staff

HB achieved accelerated growth in its activities, which included the opening of several new branches. To match these developments it recruited an increasing number of personnel. The number of employees reached 734 at the end of 1981, compared with just 49 at the beginning of 1974.*

New Branches

HB inaugurated four new branches in 1979, three in Amman and one in the Jordan Valley. This brought its total branches to 21, the largest of any Jordanian bank. It continued extending its banking services to various areas in the country, especially

* Source: Annual Report of Housing Bank, 1979, p. 28
rural areas such as Badia and others which lacked such services. As a result, HB established 11 new branches during 1981, three of which were formally inaugurated by His Royal Highness Crown Prince Hassan. These were in North Shuna, South Shuna and Dair Alla. From the last, a mobile branch serves surrounding areas which consist of a large number of villages.

The number of branches at the end of 1981 reached 34, compared with 153 branches for all other banks and specialized credit institutions. HB continued its policy of expansion which aims at providing banking services to areas in need of such services. Therefore, during 1985, five new branches were opened in Mogablain/Amman, Dahiel Al Hussein/Amman, Hai Nazal / Amman, Mukhayan Al - Hussein / Amman and Awajan / Zarka.

In 1990, the number of branches of the Housing Bank in all the governorates reached 100. (See Table 3.7)

Table 3.7

Number of Branches of the Housing Bank in each Governorate

<table>
<thead>
<tr>
<th>Governorate</th>
<th>Number of Branches</th>
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<tbody>
<tr>
<td>Amman</td>
<td>47</td>
</tr>
<tr>
<td>Irbid</td>
<td>15</td>
</tr>
<tr>
<td>Zarka</td>
<td>15</td>
</tr>
<tr>
<td>Balqa</td>
<td>08</td>
</tr>
<tr>
<td>Ma' an</td>
<td>06</td>
</tr>
<tr>
<td>Karak</td>
<td>05</td>
</tr>
<tr>
<td>Mafrak</td>
<td>02</td>
</tr>
<tr>
<td>Tafiela</td>
<td>02</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Annual Report of the Housing Bank, various years.
Staff Training

HB established a training centre in 1981 to train staff in order to develop banking cadres, enhance efficiency, and improve work procedures and services. Several training courses were held during the year attended by 423 employees at various levels.

In application of HB's policy of "continuous education and training" to staff at all levels, to keep them in touch with uptodate developments and changes in the banking business in the developed countries, and to diversify and upgrade their knowledge, the bank-based training centre offered many training courses. As many as 650 employees at various levels benefited from these courses. The centre also held 18 training courses which covered various fields of banking operations including: personnel, tellers, microfiche, accounting lending and credit facilities, foreign exchange operations, guarantees marketing and civil defence. These courses were attended by 288 employees from various managerial levels.

HB assigned 22 employees to attend training courses in Arab and foreign countries; the courses included financial supervision and auditing, development financing, decision making and development of procedures, financial planning and budgeting, uses of computer, purchase and inventory management and commercial banking.

The centre also held 63 short seminars in which 1188 employees participated. Since the outset of 1988, the bank's training
policy took a new dimension which was reflected by encouraging employees of the general management to enrol in various academic courses at Jordan University at undergraduate and graduate levels. The courses are chosen in line with the responsibilities of these employees or those responsibilities which will be entrusted to them in the future.

The Table 3.8 below shows the development of the Bank's training activities during the years 1981-1990.

Table 3.8
Development of the Bank's training activities during the years 1981-1990

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Training programs held at the bank-based training centre</td>
<td></td>
<td>180</td>
<td>156</td>
<td>308</td>
<td>575</td>
<td>288</td>
<td>500</td>
<td>640</td>
<td>1051</td>
<td>1218</td>
<td>1001</td>
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<td>Training programs held in collaboration with specialized local training institutions</td>
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<td>19</td>
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<tr>
<td>Training programs held in Arab and foreign countries</td>
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<td>1402</td>
<td>1832</td>
<td>2404</td>
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<td></td>
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<td>350</td>
<td>1187</td>
<td>1838</td>
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<td>4104</td>
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* Source: Annual Report of the Housing Bank, various years.
Managerial Development

The bank's increasing interest to finance low cost housing affordable to low income groups led to the establishment of a separate department called as low cost housing. The new department will be responsible for financing and management of loans directed to low cost housing projects.

This department shall also try to meet housing finance needs of all regions in the country, whenever and wherever possible, through taking part in investigating, studying and financing urban development projects, rural housing projects and other housing projects directed to low income groups.

In its efforts to develop and update its services to clients the bank has during 1986 established a special section named corporate division which will be in charge of financing big projects carried out by corporate clients. All kinds of corporate accounts and banking transactions will be managed and controlled by this new section.

Just within 7 years of operation during the seventies, HB has achieved success and prosperity, and has established a distinguished position among the the institutions in the Jordanian banking system and among Arab and international financial institutions. HB continued its policy in the 80s by attracting more domestic deposits and savings to mobilize and invest in financing the construction sector and other development activities as well, and invested a portion of the liquid money in the national economy as a means to curb inflation.

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