

No: 10/1/5669

Date: 23/8/1442 AH

Corresponding to: 6/4/2021 AD

Instructions for Banks' Owning of Stocks and Capital Shares in Companies No. (5/2021)

Greetings,,,

Pursuant to the provisions of Article (99/B) of the Banking Law No. (28) of 2000 and its amendments, and for the purposes of controlling the risks of available investments for banks and their subsidiaries inside the Kingdom as well as their locations abroad, with the aim of preserving banks' financial solvency, and pursuant to the provisions of Articles (37/B, 38, 39) of the Banking Law regarding Banks' owning of stocks and capital shares in companies, I hereby decide the following:

1. The bank is prohibited from owning any non- financial subsidiary company either directly or indirectly.
2. The bank is prohibited – either through its local or abroad locations - from establishing or owning any subsidiary companies (or subsidiary companies of a bank's subsidiary) without the Central Bank's prior consent in writing.
3. The banks' subsidiary companies (or subsidiary companies of the bank's subsidiary) are prohibited from contributing to the bank's capital.
4. When raising the capital of foreign branches, subsidiary companies, or subsidiary companies of the bank's subsidiary, or allied companies, the bank commits to getting the Central Bank's prior written consent.
5. The bank's ownership stake shall not exceed, whether individually or in agreement with others directly or indirectly, (10%) of the subscribed capital of any company whose objectives does not include the acceptance of deposits. It is for the Central Bank to approve the percentage increase to a maximum of (20%) of the subscribed capital in activities that the Central Bank deems supportive of the financial and banking activity, such as financial technology, investment funds, as well as real estate ownership and marketing companies.
6. The bank is prohibited from owning shares, either directly or indirectly, without a prior written consent from the Central Bank, in any other bank or company that accepts deposits. The bank's

share shall not, in any case, exceed (10 %) of either its own subscribed capital or of the subscribed capital of the bank (or company) in which the bank owns shares, whichever is lower. This prohibition shall not apply to shares already owned by banks in excess of this percentage on August 2nd, 2000.

7. The bank is allowed, upon prior written consent from the Central Bank, to establish or own a subsidiary insurance company or companies, in accordance with the provisions of the Insurance Regulatory Act and any related laws, provided that the bank commits to the following:
 - A. Submitting an application to the Central Bank to approve the ownership process supported by the feasibility study that justifies the ownership of the insurance company.
 - B. Not causing, by company's ownership, a decline in the capital adequacy ratio below the minimum ratio required by the Central Bank.
 - C. Fulfilling the Central Bank's requirements regarding the sufficiency of reserves and provisions.
 - D. Decision regarding the ownership shall be made by the general assembly in an unordinary meeting.
8. In case the Central Bank approves the ownership process in accordance with Clause (7) above, the bank shall commit to the following:
 - A. Direct and indirect credit facilities extended to the company must not exceed the ratio specified in the Central Bank's instructions.
 - B. The company is prohibited from contributing to the bank's capital; furthermore, its manager must not be a member at the Board of Directors.
 - C. Provide the Central Bank with any amendments that may occur to the establishment agreement as well as the company's internal by-law and its business activities, which must be in line with the relevant laws and regulations.
 - D. Regularly provide the Central Bank with the external auditor's report on activities of the subsidiary insurance companies.
9.
 - A. Bank's total ownership of stocks and capital shares of all companies must not exceed a ratio of (50%) of its subscribed capital.
 - B. The Governor of the central Bank may allow the bank which exceeded the ratio indicated in Clause (9/A) above to raise its contribution to the companies' capital without exceeding, in any case, (50%) of the bank's regulatory capital.
 - C. The ratio above includes the following:
 - 1- Stocks and shares owned by the same bank.
 - 2- Stocks and shares owned by subsidiary companies in an amount equivalent to the ratio of the bank's contribution to those companies' capital.
 - 3- Stocks and shares owned by companies that are subsidiary of the bank's subsidiary in those companies' capital.
 - D. For the purpose of calculating the ratio mentioned in (A, B) above exclusively, the value of stocks and shares are calculated at cost upon purchase.
10. The following items are not included in calculating the ratios mentioned in Paragraphs (5, 6, 7, 9):
 - A. Stocks and shares owned due to debt repayment for a period of two years from the date of their ownership.

- B. Stocks and shares registered in the bank's name if they were owned by one or more of the bank's clients. These stocks and shares are not considered as bank's assets.
- C. Stocks and shares in any subsidiary company whether it is a bank or a financial company.
11. The bank, which owns stocks or shares as debt repayment, shall dispose these stocks and shares within two years from the date of their ownership acquisition. The Central Bank may, in exceptional cases, extend this period to two consecutive years at most.
12. Each bank that owns a minimum of (5%) of the stocks and shares in any company's capital shall report to the Central Bank regarding such ownership of these stocks and shares within fifteen days from the date of their ownership acquisition.
13. The Central Bank may place any additional terms it deems appropriate for owning stocks and shares in companies' capital.
14. Each bank shall provide the Central Bank with statements (according to the annexed forms) as hardcopies as of the first quarter of 2021, then upload them later on the off-site supervision system on a quarterly basis, no later than on the fifteenth of the month following the quarter which these data belong to, as follows:
- A. Branches in Jordan and subsidiary companies.
- B. The bank consolidated (branches in Jordan, foreign branches, local subsidiary companies, and foreign subsidiary companies*).
- *Statements of foreign subsidiary companies are uploaded to the off-site supervision system semiannually.
15. In case of conflict between these instructions and other instructions issued by parties which the bank, its subsidiary company, and the subsidiary's subsidiary are subject to, the bank shall notify the Central Bank about such conflict and its handling procedure for this conflict.
16. The following regulations shall not be valid:
- Circular No. (10/2/1909) dated 14/ 2/ 2010.
 - Instructions for Banks' Owning of Stocks and Capital Shares in Companies No. (12/ 2002) dated March 27th, 2002.
 - Instructions of bank' ownership of insurance companies No. (5 /2000) dated 5/12/2000.
17. These instructions shall be effective as of their issuance date.

Governor
Dr. Ziad Fariz

Statements are annexed:

Stock Investments Statement for a bank/ for the bank..... on(Date).....

First: Financial assets at fair value from the Profit or Loss Statement (P/L)

(In Jordanian Dinar)

No.	Company Name *	Company's Subscribed Capital	No. of Company's Stocks	No. of Stocks owned by the bank directly invested in the company's capital (3)	No. of stocks indirectly owned by the bank (4)	No. of stocks directly and indirectly owned by the bank (3)+(4) (5)	Shareholding Ratio to the company's capital % =(5/2) (6)	Shareholding Ratio to the bank's capital % =(5/bank's capital) (7)	Currency (8)	The cost of buying the stocks (9)	The fair value recorded in the bank's ledger at the beginning of the current period (beginning of the year) (10)	The fair value recorded in the bank's ledger at the end of the current period (end of the year) (10)	Difference (12)
A- Branches in Jordan and their subsidiaries													
B- Foreign Branches													
Total (A+B)													
C- Foreign Subsidiary Companies													
Grand Total (A+B+C)													

* Distributed according to the sectors approved in the financial market.

**According to the bank's shareholding ratio in its subsidiary companies (inside and outside the kingdom) x the number of shares owned by the bank's subsidiary company in the invested company's capital, the same is applicable on the companies that are subsidiaries to the subsidiary.

Signature of an Authorized Signatory:

Official Seal:

Date:

Stock Investments Statement for a bank/ for the bank..... on(Date).....

Second: Financial assets at fair value through the Other Comprehensive Income Statement (OCI)

(In Jordanian Dinar)

No.	Company Name *	Company's Subscribed Capital	No. of Company's Stocks	No. of Stocks owned by the bank directly invested in the company's capital (3)	No. of stocks indirectly owned by the bank (4)	No. of stocks directly and indirectly owned by the bank (3)+(4) (5)	Shareholding Ratio to the company's capital % =(5/2) (6)	Shareholding Ratio to the bank's capital % =(5/bank's capital) (7)	Currency (8)	The cost of buying the stocks (9)	The fair value recorded in the bank's ledger at the beginning of the current period (beginning of the year) (10)	The fair value recorded in the bank's ledger at the end of the current period (end of the year) (10)	Difference (12)
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Signature of an Authorized Signatory:

Official Seal:

Date:

Investments/ Investment Funds Statement for a bank/ for the bank..... on(Date).....

Third: Financial assets at fair value from the Profit or Loss Statement (P/L)

(In Jordanian Dinar)

No.	Company Name *	Company's Subscribed Capital	No. of Company's Stocks	No. of Stocks owned by the bank directly invested in the company's capital (3)	No. of stocks indirectly owned by the bank (4)	No. of stocks directly and indirectly owned by the bank (3)+(4) (5)	Shareholding Ratio to the company's capital % =(5/2) (6)	Shareholding Ratio to the bank's capital % =(5/bank's capital) (7)	Currency (8)	The cost of buying the stocks (9)	The fair value recorded in the bank's ledger at the beginning of the current period (beginning of the year) (10)	The fair value recorded in the bank's ledger at the beginning of the current period (beginning of the year) (10)	Difference (12)
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B- Foreign Branches													
Total (A+B)													
C- Foreign Subsidiary Companies													
Grand Total (A+B+C)													

* Distributed according to the sectors approved in the financial market.

**According to the bank's shareholding ratio in its subsidiary companies (inside and outside the kingdom) x the number of shares owned by the bank's subsidiary company in the invested company's capital, the same is applicable on the companies that are subsidiaries to the subsidiary.

Signature of an Authorized Signatory:

Official Seal:

Date:

Investments/ Investment Funds Statement for a bank/ for the bank..... on(Date).....

Fourth: Financial assets at fair value through the Other Comprehensive Income Statement (OCI)

(In Jordanian Dinar)

No.	Company Name *	Company's Subscribed Capital	No. of Company's Stocks	No. of Stocks owned by the bank directly invested in the company's capital (3)	No. of stocks indirectly owned by the bank (4)	No. of stocks directly and indirectly owned by the bank (3)+(4) (5)	Shareholding Ratio to the company's capital % =(5/2) (6)	Shareholding Ratio to the bank's capital % =(5/bank's capital) (7)	Currency (8)	The cost of buying the stocks (9)	The fair value recorded in the bank's ledger at the beginning of the current period (beginning of the year) (10)	The fair value recorded in the bank's ledger at the beginning of the current period (beginning of the year) (10)	Difference (12)
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* Distributed according to the sectors approved in the financial market.

**According to the bank's shareholding ratio in its subsidiary companies (inside and outside the kingdom) x the number of shares owned by the bank's subsidiary company in the invested company's capital, the same is applicable on the companies that are subsidiaries to the subsidiary.

Signature of an Authorized Signatory:

Official Seal:

Date:

Investments Statement for a bank/ for the bank..... on(Date).....

Fifth: Bank's investments in the subsidiary companies capital/ investments in subsidiary companies of the subsidiary

(In Jordanian Dinar)

No.	Company Name	Company's Subscribed Capital	No. of Stocks owned by the bank	Shareholding Ratio to the company's capital (%)	Currency	Cost	Facilities Extended to the Company		Administrative relationship with the company	No. and date of Central Bank's Consent*	Notes**
							Direct	Indirect			
	Total of Subsidiaries										
	Total of Subsidiaries' Subsidiaries										
	Grand Total										

* Mention the No. of Central Banks' letter of Consent on the investment/ Date of the Central Bank's consent.

**Indicate investments in a subsidiary company of the subsidiary.

Signature of an Authorized Signatory:

Official Seal:

Date:

Investments Statement for a bank/ for the bank..... on(Date).....

Sixth: Bank's investments in allies companies capital

(In Jordanian Dinar)

No.	Company Name	Company's Subscribed Capital	No. of Stocks owned by the bank	Shareholding Ratio to the company's capital %	Currency	Cost	Facilities Extended to the Company		Administrative relationship with the company	Notes
							Direct	Indirect		
	Grand Total									

Signature of an Authorized Signatory:

Official Seal:

Date: