

Instructions of Minimum capital of banks operating in Jordan
No. (17/2003) dated 20/8/2003

Pursuant to the keenness of the central bank to strengthen the solvency of the banks, and to ensure their ability to continue their work effectively and to cope with the next stage demands, and pursuant to the provisions of Article (8) of the banking law no. (28) of 2000, I hereby decide the following:

First: the minimum paid- up capital:

- A. The minimum paid- up capital of the jordinian banks shall be (40) million JD, and the banks with a capital less than this limit shall work to reach it before the date of 31/12/2007. *
- B. For the purposes of raising capital, the banks can, as one of the acceptable options, capitalize the reserves and retained earnings available at their disposal according to the laws and regulations in force, provided that the central bank's prior approval is obtained.
- C. The banks on which the provisions of these instructions apply shall provide the central bank before the end of this year with an initial conception of the proposed mechanism to raise their capital and the expected date for achieving this.
- D. The capital of branches of licensed foreign banks working in the Kingdom shall be within the limits previously approved. As for the banks requesting the license, the required capital will be determined on the basis of Article (12 / A) of the Banking Law.

Second: taking into account clause (first) mentioned above, the minimum ratio of shareholders equity to total assets (Leverage Ratio) shall be (6%), and the banks that have a percentage less than this limit shall apply to the Central Bank with a plan to raise capital before the end of this year.

Third: in all cases, it must be observed that the capital adequacy shall not be less than the minimum limit determined by the Central Bank.

* Became (100) million, under instructions No. (52/2010) dated 16/12/2010.

Instructions of Minimum capital of licensed banks
No. (52/2010) dated 16/12/2010

Pursuant to the provisions of Articles (8) and (12) of the banking law no. (28) of 2000 and its amended, and to the keenness of the central bank to strengthen the solvency of banks and their ability to encounter the banking business risks, I hereby decide the following:-

First: raising the minimum capital of banks to become 100 million JD for the Jordanian banks and (50) million JD for branches of foreign banks.

Second: banks with a capital less than the minimum limit referred to in clause (first) above shall work to reach it before the end of 2011, and shall provide the central bank with the proposed mechanism to increase the capital no later than the end of the first quarter of 2011.

Third: These instructions shall be effective as of date.