

# CAIRO AMMAN BANK: TAKING INNOVATION BEYOND THE BANKING SECTOR

*Jordan's MSME sector is filled with untapped potential – and Cairo Amman Bank is eager to support these oft-overlooked, underfinanced powerhouses.*

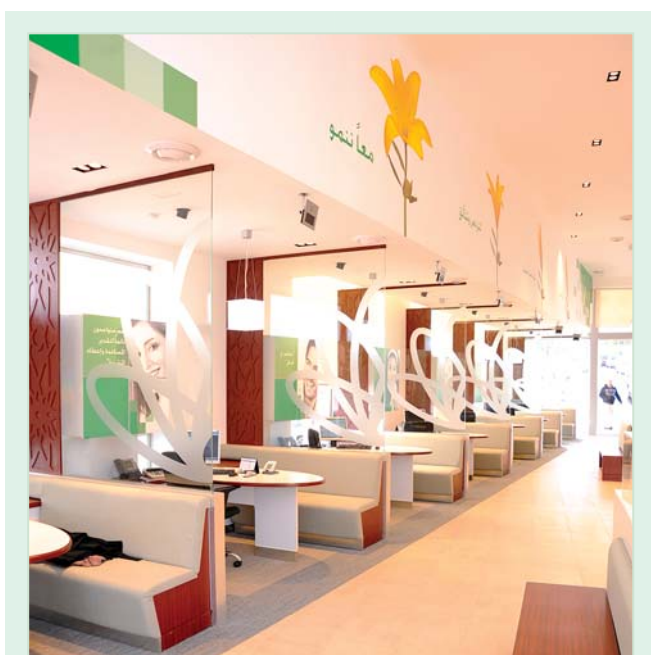
For a relatively small country, Jordan bears a unique load of economic challenges. The resilient Kingdom has recently taken on the burden of more than 800,000 Syrian refugees, has been impacted by the crisis in Iraq, and continues to work tirelessly to improve the lives and livelihoods of its own populace, for whom unemployment and rising costs of living are serious, everyday concerns. All this weighs heavily on a country that lacks the natural resources – and, thus, natural wealth – of its neighbors. But with micro-, small- and medium-sized enterprises (MSMEs) comprising around 95 percent of active businesses in the Kingdom, Jordan's prospects for economic growth aren't going to come from big industries or big businesses – they're going to come from local innovators, everyday entrepreneurs and the untapped potential of communities across the country.

Despite the fact that there are more than 100,000 MSMEs in Jordan – providing 70 percent of private sector employment and generating around 40 percent of the country's GDP – the sector as a whole is still critically underfinanced: loans to MSMEs account for only 11 percent of total bank lending. As such, the European Bank for Reconstruction and Development (EBRD) recently established a framework to provide local partner banks with preferential loan agreements for on-lending to eligible MSMEs in Jordan. With a wealth of experience supporting local MSMEs, it came as little surprise that the first bank to sign a credit line with the EBRD under this framework was Jordan's Cairo Amman Bank.

Established in 1960, Cairo Amman Bank (CAB) has long been a leader in the Kingdom's banking sector, providing innovation and leadership in everything from its products and services to technology implementation. CAB was the first bank in the world to employ IRIS recognition technology at its ATMs and branches, giving its customers a convenient and extraordinarily secure way to access their accounts. Likewise, the bank was the first in Jordan to partner with PayPal, allowing its clientele to link their CAB accounts with their PayPal account in order to easily and conveniently shop online, or even to promote and sell products created by Jordanian businesses and entrepreneurs. More than other banks in the market, Cairo

Amman Bank seeks to make its services widely available and conveniently accessible; the bank's distribution of branches and ATMs are spread throughout the Kingdom, reaching cities and communities that are not served by other local banks. It applies this same strategy to its operations in the West Bank and the Gaza Strip, where it hosts 21 strategically located branches and 48 ATMs.

With an eye for innovation, CAB has used its pioneering legacy to support innovative local businesses that provide the promise and potential for developing the Jordanian economy. The bank's approach to MSME lending extends from the same vision that has guided its operational strategy, in that it seeks out promising MSMEs that typically have a more difficult time attracting investments. CAB also gives careful attention to women-led businesses and startups, while still prioritizing sustainability, feasibility and growth potential. Furthermore, the bank gives special consideration to businesses that will help develop the local economy, by providing job opportunities and using local resources and suppliers. Far from ignoring critical, high-profile areas of development, CAB often allocates its time and resources to the neglected corners of these crowded rooms.





بنك القاهرة عمان  
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Education, for example, is a development target area that receives significant international focus and investments. These investments, however, are primarily concentrated on elevating the standards of the lowest common denominator, while top-quality education and advanced educational tools remain a luxury – and one that’s largely limited to the capital and its surrounding area. Through its MSME on-lending agreement with the EBRD, CAB is currently supporting the development of a new private school in the city of Karak, 140 kilometers south of Amman. The school will provide students outside the capital with high-quality, affordable education and access to state-of-the-art facilities and learning tools. By renting out its on-site facilities – such as its swimming pool and sports fields – to members of the community, the school will be able to supplement its tuition-based income. Along with providing job opportunities in the short-term, the school will develop the capacities of local youth, which in turn may provide a long-term solution to Karak’s youth unemployment epidemic.

Likewise, in its efforts to support women-led businesses, CAB is providing financing to a company launched by a female engineer that furnishes public and private universities across Jordan with advanced equipment for the schools’ engineering departments. The Amman-based endeavor sources and deploys lab equipment specialized in mechanical, electrical, telecommunications, control and computer engineering, and follows up with on-site training conducted by qualified engineers. With better access to technology during their educational training, university graduates in Jordan may be more competitive in the job market – and more likely to drive innovation and progress in the future.

With the support of like-minded partners and lenders like the EBRD, Cairo Amman Bank is able to take more risks on the ingenuity and potential of Jordanian entrepreneurs, scaling up its investment efforts and allowing communities across Jordan and the region to reap the benefits. Cairo Amman Bank believes it’s time to start tapping into Jordan’s most abundant resource: its people.

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