

PREFACE

On the eve of political freedom in 1946, Jordan had economic and financial structural deficiencies. So, the Government created Development Board for economic planning. They introduced a long range planning to step up its rate of economic development with appropriate priorities and strategies. Every development process is dependent on the capital formation in the economy. The commercial banks are the largest component in increasing the capital formation in the economy. The commercial banks alongwith the developmental process have undergone structural transformation in Jordan. The commercial banks have performed a fundamental role in promoting economic development in Jordan through the saving investment process. The commercial banks in Jordan have considerably contributed in increasing the volume of bank deposits and provided increasing volume of bank lending towards the development of different sectors in the economy.

The Jordanian economy had serious jolts and jerks due to certain events to its developmental process. These events have adversely affected the commercial banks in Jordan. However, the commercial banks have restructured their assets management according to the changing priorities and development strategies in the economy. So, the commercial banks through their financial intermediaries in saving investment process have contributed to the economic development of Jordan.

The commercial banks in Jordan are in the private sector. These commercial banks are owned by the equity owners. Therefore, alongwith their role of bank lending for promoting economic development they have to remain financially efficient and sound. The financial performance of the commercial banks is evaluated by the profit. The profit is an index of financial performance. Therefore, an attempt in this research study is made to analyse the bank lending and its impact on the profitability. Moreover, a viable and efficient financial commercial banking system is the fundamental requirement of a developing economy.

During my research study, I have received the encouragement and help from many academicians, professional bankers, friends and institutions. I am beholden to acknowledge their help.

I am grateful to my research guide Dr. M.D. Mohite, Professor and Head Department of Co-operation, Faculty of Commerce, M.S. University of Baroda for his valuable guidance. His comments and thought provocating suggestions have enriched my work.

I would like to express my special thanks to the Ministry of Planning of Jordan for suggesting me to do research in the area of commercial banking in Jordan.

So, I registered for Ph.D. in the area of Commercial Bank lending in Jordan under Prof. M.D. Sharma, Department of Banking and Business Finance, Faculty of Commerce, M.S. University of Baroda. After one year of my research study, professor M.D. Sharma had foreign assignment. On his recommendation, Professor M.D. Mohite guided me to

continue my research study. I am really indebted to professor M.D. Sharma for his able guidance and constant help.

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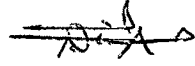
I would like to express my appreciation to the staff of Midea Point, Fatehgunj, for timely typing my thesis and data processing on their computers.

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