



## CASE STUDY

# The Central Bank Gets Connected

**Technology helps the Central Bank monitor institutions and enforce regulations**



Photo: Simon Balian

The Central Bank of Jordan is now connected to all banking institutions through its secure wide area network.

***The wide area network has brought greater efficiency and security to Jordan's entire banking sector.***

### Challenge

Jordan's Central Bank is the focal point of the finance industry, responsible for monitoring operations of all of the Kingdom's banks. But the bank's technology was out of date, its network and other systems were inadequate for a modern bank regulator. Its wide area network (WAN) only linked some of its locations and didn't connect the Central Bank with Jordan's commercial banks. Moreover, the Central Bank's outdated infrastructure couldn't support the software needed to adhere to international best practices.

### Initiative

USAID helped the Jordan's Central Bank develop new technology to monitor commercial banks, adequately enforce regulations and ensure sound practices in the Kingdom. A secure, state-of-the-art wide area network (WAN) was built that connected the Central Bank to all Jordan's banking institutions and enabled it to act as the sole clearing bank for the Securities Depository Center, which settles the cash transfers for \$4 billion in annual trades. USAID also helped the bank launch administrative and strategic initiatives to properly run the network. An early warning system was instituted to identify banks with unsafe or unsound practices, and a prompt correction action framework was established to uniformly deal with banks with insufficient capital levels.

### Results

The WAN brought efficiency and security to the Central Bank, which can now identify detrimental banking practices at the earliest stages, flag unsound institutions and better control risk. In addition, the WAN has allowed the Central Bank to expand and improve its services. The electronic check clearing application now in place has reduced check clearing times from four days to less than 20 minutes. By creating a more secure banking environment, the WAN has attracted additional investors and fostered greater economic development in the Kingdom.

### Telling Our Story

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