

FACTORS AFFECTING CREDIT POLICY IN ISLAMIC BANKS OF JORDAN

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ABSTRACT

The study aimed to indicate the most prominent components of the credit policy in Islamic banks of Jordan and to indicate the factors affecting those banks. The descriptive and analytical approach used SPSS to collect data through the design of a questionnaire distributed to the study sample and the study reaches the following results:

There are no significant statistical differences in the components of the credit policy in Islamic banks of Jordan, from one bank to another. The following factors (the experience and competence of the bank's employees, the bank's financial resources, the nature of the bank's management) have a statistically significant impact on the credit policy of Islamic banks of Jordan. All factors accounted for 21.4% of the discrepancy in the bank's credit policies. The study made several recommendations, the most important of which were: The need for Islamic banks of Jordan to continue to develop and follow up their credit policy continuously. So be strong competition with traditional banks.

Keywords: Credit Policy, Islamic Banking, Credit, Finance, Investment.

INTRODUCTION

Islamic banks act an essential role in providing the necessary financing for the establishment and operation of projects, by accepting deposits and granting credit in accordance with rules, controls, and procedures that are supposed to ensure the repayment of those funds and their profits.

It, therefore, requires Jordan's Islamic banks to have sound and efficient credit policies based on sound and correct credit rules and foundations and to be credible and legitimate. And maintain depositors' funds, good use of funds, and adhere to Shari'a controls in order to achieve the objectives of both the bank and the client. So, there are several factors that influence the credit policy of Islamic banks of Jordan. These include human and financial resources from the point of view of senior management managers, credit managers, their assistants and credit officers, and staff of Islamic banks of Jordan.

Study Problem

The credit policy of Islamic banks of Jordan is criticized by customers, because of their differing credit policies. Through the vision and follow-up of the credit policy in Islamic banks of Jordan, it is clear that there are different components in different aspects, the most important of which are guarantees, credit decision-making powers, areas of credit, credit limits, credit cost,

and Shari'a control, and there are many factors that influence the credit policy in Islamic banks of Jordan. Thus, this study will try to find out the impact of these factors on credit policy in the Islamic banks of Jordan.

Study Questions

The questions of the study are:

First: What are the components of the credit policy in Islamic banks of Jordan?

Second: what factors influence the credit policy of Islamic banks of Jordan? The following questions arise from it:

1. What is the impact of the experience and competence of the bank's employees in the credit policy of Islamic banks of Jordan?
2. What is the impact of the size of the bank's financial resources on the credit policy of Islamic banks of Jordan?
3. What is the impact of the nature of the bank's management on the credit policy in Islamic banks of Jordan?

Study Objectives

This study aims to:

1. Statement of the components of the credit policy in Islamic banks of Jordan.
2. Statement of the factors affecting the credit policy in Islamic banks of Jordan.

This goal is derived from the following objectives:

1. The impact of the experience and competence of the bank's employees in the credit policy of Islamic banks of Jordan.
2. The impact of the size of the bank's financial resources on the credit policy of Islamic banks of Jordan.
3. Statement of the impact of the nature of the bank's management on the credit policy in Islamic banks of Jordan.
4. To arrive at a unified credit policy model in Islamic banks of Jordan that contains integrated and appropriate core components and takes into account the factors affecting them.

Study Hypotheses

The hypotheses of the study proceed from trying to answer the questions of the study as follows:

HO1: there are no significant differences at the level of significance ($0.05 \geq \alpha$) in the components of the credit policy in Islamic banks of Jordan from one bank to another.

HO2: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the factors (experience and competence of the bank's employees, the bank's financial resources, the nature of the bank's management) in the credit policy in Islamic banks of Jordan. The following sub-hypotheses:

HO2/1: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the experience and competence of the bank's employees in the credit policy of Islamic banks of Jordan.

HO2/2: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the bank's financial resources in the credit policy of Islamic banks of Jordan.

H02/3: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the nature of the bank's management in the credit policy of Islamic banks of Jordan.

Importance of The Study

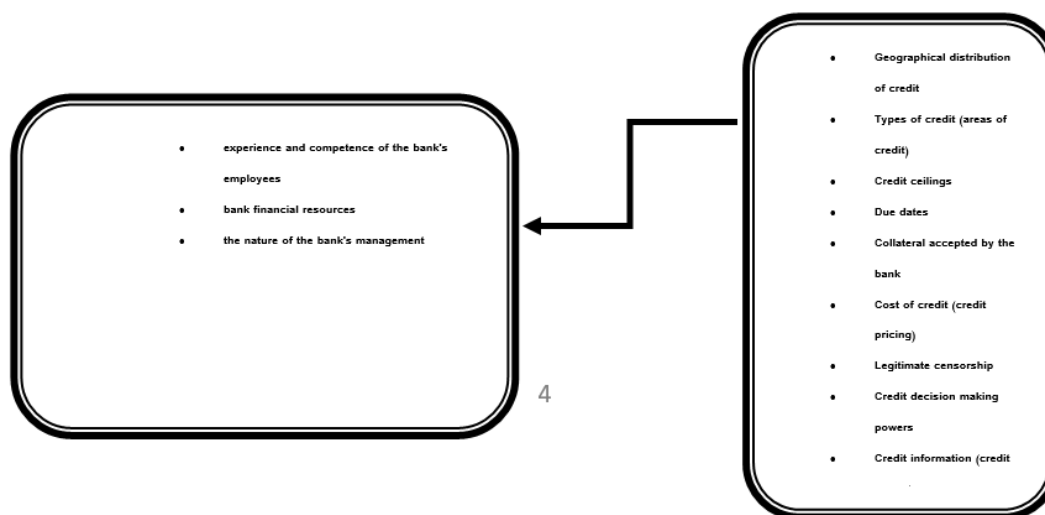
The study aims to propose the factors affecting credit policy in Islamic banks of Jordan, which can be applied and relied upon in measuring credit policy, and in forecasting these the factors affecting Islamic banks operating and financing in Jordan. Its importance is also that the study attempts to arrive at a theoretical model that determines the optimal credit policy for Islamic banks, and this study may mark a new beginning for further future studies and research related to credit policy in Islamic banks or Islamic finance institutions. Its importance is also the practical and field aspect: it is to provide important and necessary information to the senior departments of Islamic banks of Jordan and decision-makers on the subject of credit policy in a quantitative form derived from the field, which will help the senior management in developing future programs and plans aimed at raising the efficiency and effectiveness of credit policy.

Previous Studies

Abdul et al. (2019), This paper investigates the influence of Monetary Policy (MP) on the credit supply decisions of Islamic Banks (IBs) and Conventional Banks (CBs) of Pakistan. The empirical analysis covers the period 2005-2017. The robust two-step system-GMM results provide strong evidence that MP measures are significantly and negatively related to the credit supply in the economy, confirming the existence of the “bank credit channel” of MP in the economy. Yet, the results show that the impacts of MP on financing decisions are weak for IBs than for CBS. Our results suggest that for effective implementation of the MP, the monetary authorities should take into account the relatively slow response of IBs to MP actions. Keywords: Credit channel, Transmission mechanism, Lending channel, Islamic and conventional banks, Monetary policy.

Al-khateeb et al. (2012), the study aimed to demonstrate the impact of the global financial crisis on the financing policies used in Jordanian banks, as the financing activity is one of the most important and profitable activities practiced by banks in general. The study was carried out by the researchers conducting in-person and telephone interviews with credit managers at three commercial banks and two financial companies operating in Oman. The study found that the financing policies of Jordanian banks have been significantly affected by the global financial crisis in terms of the strict granting of bank facilities and financing, as this was the work of thorough studies of the conditions of financial applicants in personal and financial terms, and analysis of the financial statements of financial applicants, whether individuals or institutions and companies. This is to verify their ability to fulfill their obligations to the bank. The study also found that banks tighten and scrutinize the value of the guarantees provided by customers to ensure their financing, and banks have required the student to obtain a life insurance policy issued by one of the bank's approved insurance companies.

Study Model



Source: from the numbers of researchers based on the Sheikh (2018), the brain study (2017), the Nassar (2019), the maalla study and Zahir study, the study model has been developed to suit the nature of the study variables (Figure 1).

Figure 1
STUDY MODEL

Independent variable: Factors affecting credit policy
Dependent variable: Credit policy in Islamic banking
In Islamic banks of Jordan, It includes the following components:

Procedural Definitions

1. The expertise and competence of the bank's employees: the expertise, competencies, and banking cadres trained in Islamic banking work in the banking and Shari'a side, and the extent of the impact of specialized Islamic banking expertise of the employees of Islamic banks of Jordan in their credit policy.
2. Financial resources of the bank: we mean the extent of the impact of the bank's capital, the size of deposits, the degree of stability, and the amount of liquidity available, taking into account the reserve ratios to be held with the central bank.
3. The nature of the bank management: it expresses the nature of the bank's management in terms of its leniency or severity when developing the bank's credit policy and determining the guarantees and credit conditions, so that it is appropriate for the applicants of the credit on the one hand, and bring profits to the bank, and benefit the society
4. Geographical distribution of credit: we mean the extent to which the bank is geographically spread in all areas served by the bank, whether in cities, countryside, or Badia so that the bank's credit activity covers all areas to meet their need for credit, thus reducing the risk of geographical concentration of credit.
5. Types of credit (areas of credit): these are the economic activities and areas served by the bank, what are the permitted areas and excluded areas and their proportionality to the objectives of the bank, the nature of its activity, and the compatibility of the credit policy of the economic structure in the country.
6. Credit limits: means the size of the credit portfolio and the distribution of credit limits into groups and economic sectors, where the bank sets a certain ceiling for the banking facilities granted to each credit student that is not allowed to exceed it taking into account the nature and size of the activity of each client.
7. Due dates: the maximum limits for credit facilities granted or deadlines, facilities, whether short or medium or long term and how it fits in terms of return and risk expected and headed downstream towards deadlines for certain without the other.

8. Guarantees accepted by the bank: it is an accurate and clear determination of the different types of guarantees to be provided by credit applicants and not to leave the assessment of the guarantees to the personal and random discretion of credit officers and officers, and to determine the conditions and guarantees to be provided for each type of credit facility, and the extent
9. Cost of credit (credit pricing): reflects the income generated from various credit operations and the profit margin that can be obtained to cover expenses and achieve an appropriate return for depositors and shareholders, and the extent to which the return is proportional to the burden borne by the bank from the effort and expenses as a result of granting and following up
10. Shari'a control: it is to ensure compliance with Shari'a rules and verify the availability of elements of Shari'a control and internal control and provide security for the funds of depositors, investors, and their maintenance from illegal misuse.
11. Credit decision-making powers: these are the levels of decision-making and the authority to grant credit and determine the competence of senior, middle and executive management to grant credit facilities, the extent to which a policy of centralization or decentralization is followed in the distribution of credit decision-making powers, and whether these powers are appropriate to provide the required amount of speed and flexibility in credit decision-making, and include the distribution of powers so that they are clear at the level of individual, collective or committee competence.
12. Credit information (credit query): this is the information and credit data of credit applicants that must be provided in the credit information and query system in a timely and timely manner, so that the financial conditions of credit applicants and their sponsors are shown easily, quickly and accurately, and in accordance with the business needs before and after the granting of credit.

Study Methodology

The descriptive and analytical approach was used, according to which the subject of credit policy in Islamic banks of Jordan and the factors affecting them were identified through a field applied study, and the components of credit policy in Islamic banks of Jordan were addressed on the one hand, and the factors affecting them on the other. A questionnaire was prepared and distributed to the study community to collect information related to the study.

Study Population

The study community includes senior management managers, credit department managers and their assistants, credit department heads, and credit officers and staff in the departments and branches of Islamic banks of Jordan. Their numbers were counted and distributed to Islamic banks of Jordan after reference to the general departments of banks as at 31/12/2019, and their number reached (136) individuals.

Components of financing policies in Islamic banks of Jordan		SS	DF	Average Seq.	F*	sig.	Banks	Average	SD	Level of Average.
Geographical distribution of credit	Between groups	1.64	2	0.818	2.458	0.09	JIB	4.2206	0.6111	High
	Inside groups	35.3	106	0.333			IIAB	3.9091	0.52636	High
	Total	36.9	108				SIB	4.1053	0.49756	High

							Overall Average	4.1376	0.58481	High	
Types of credit (areas of credit)	Between groups	0.56	2	0.28	0.89	0.41	JIB	3.8468	0.59896	High	
	Inside groups	33.3	106	0.314			IIAB	3.8182	0.48906	High	
	Total	33.9	108				SIB	4.0263	0.48516	High	
							Overall Average	3.8723	0.55989	High	
Credit limits	Between groups	0.25	2	0.124	0.444	0.64	JIB	3.8137	0.5654	High	
	Inside groups	29.5	106				IIAB	3.7121	0.5472	High	
	Total	29.8	108				SIB	3.7193	0.3194	High	
							Overall Average	3.7768	0.5252	High	
Due dates	Between groups	1.1	2	0.548	2.033	0.136	JIB	3.7721	0.57422	High	
	Inside groups	28.6	106				IIAB	3.875	0.41368	High	
	Total	29.7	108				0.27	SIB	4.0395	0.40193	High
							Overall Average	3.8394	0.52432	High	
Collateral accepted by the bank	Between groups	0.21	2	0.105	0.358	0.7	JIB	3.9743	0.59403	High	
	Inside groups	31.2	106				IIAB	4.0227	0.42893	High	
	Total	31.4	108				0.294	SIB	3.8816	0.45161	High
								Overall Average	3.9679	0.5391	High
Cost of credit (Credit pricing)	Between groups	0.43	2	0.213	0.755	0.47	JIB	4.0353	0.5452	High	
	Inside groups	29.9	106				IIAB	4.0727	0.5257	High	
	Total	30.3	108				0.282	SIB	3.8842	0.4822	High
								Overall Average	4.0165	0.52994	High
Legitimate censorship	Between groups	0.58	2	0.287	0.952	0.39	JIB	4.5382	0.47411	High	
	Inside groups	32	106				0.302	IIAB	4.3727	0.73884	High

	Total	32.6	108				SIB	4.4105	0.55166	High
							Overall Average	4.4826	0.54922	High
Credit decision making powers	Between groups	1.81	2	0.902	2.398	0.1	JIB	4.4154	0.54569	High
	Inside groups	39.9	106	0.376			IIAB	4.125	0.81558	High
	Total	41.7	108				SIB	4.1842	0.5764	High
							Overall Average	4.3165	0.62142	High
Credit information (credit query)	Between groups	0.08	2	0.042	0.104	0.9	JIB	4.1017	0.37838	High
	Inside groups	42.7	106	0.403			IIAB	4.0278	0.33934	High
	Total	42.8	108				SIB	4.0658	0.36149	High
							Overall Average	4.0805	0.36589	High
Total	Between groups	0.1	2	0.048	0.353	0.7	JIB	4.1017	0.37838	High
	Inside groups	14.4	106	0.135			IIAB	4.0278	0.33934	High
	Total	14.5	108				SIB	4.0658	0.36149	High
							Overall Average	4.0805	0.36589	High

Table 1 Analysis of variance (ANOVA) of the first main hypothesis, computational averages, standard deviations and level. According to the calculation average of the answers of the members of the study community on the components of the credit policy of each of the Islamic banks of Jordan. The Annual Report of Jordan Islamic Bank (2019)., The Annual Report of Sufwa Jordan Islamic Bank (2019)., The Annual Report of the Islamic International Arab Bank (2019)., The electronic page of Islamic Bank is available on 7/9/2019. Annual Report of the Jordan Islamic Bank for Investment and Finance (2019)., Banking Law No. 28 of 2000, Article.

Data Analysis, Presentation, And Discussion of Results

Test Study Hypotheses

Discussion of the results of the first major hypothesis test First key hypothesis H01: there are no significant differences at the level of significance ($0.05 \geq \alpha$) in the components of the credit policy in Islamic banks of Jordan from one bank to another.

The analysis of variance (ANOVA) was used to test the above hypothesis, the calculation averages, the standard deviations, and the level according to the calculated average of the components of the credit policy of each Jordanian Islamic Bank: this is shown in Table 1.

The statistical data in Table 1 indicate that there are no significant differences at the level of $(0.05 \geq \alpha)$ in the components of the credit policy in Islamic banks of Jordan from one bank to another, and the moral of the relationship confirms the value of F)calculated for all components of financing policies in Islamic banks of Jordan, their values ranged from (0.104 - 2.458) which is not statistically significant at the level of $(0.05 \geq \alpha)$ as compared to the adult Tabular value of (3.07), indicating acceptance of the nihilistic hypothesis H02 which states: No statistically significant differences at level $(0.05 \geq \alpha)$ in the components of credit policy in the Islamic banks of Jordan from the bank to another. The statistical data in Table 1 also indicate that the general calculation averages for all the answers of members of the study community in all Islamic banks of Jordan to the paragraphs related to the components of the credit policy in Islamic banks of Jordan came at high levels according to the calculation average, and the value of the calculation averages for the answers of members of the study community ranged from (3.7768) to (4.4826). Based on the results of the previous analysis, members of the study community in all Islamic banks of Jordan have convergent trends and trends towards all components of the credit policy in the banks in which they work regardless of the bank in which they work. This may be due to the convergence of the nature of the tasks and work of members of the study community in the departments, departments and departments of credit in the banks in which they work in various aspects such as the study of credit applications and their division into stages, credit studies of credit applications, internal working procedures, the nature of specialization and division of This may be due to the fact that there is a convergence in the levels of education and training of employees in the credit departments and departments of all Islamic banks of Jordan.

Discuss the Test Results of the Second Major Hypothesis and the Sub-Hypotheses Emanating from It

Second key hypothesis: H02: there is no statistically significant effect at the level of significance $(0.05 \geq \alpha)$ of the internal factors (the experience and competence of the bank's employees, the bank's financial resources, and the nature of the bank's management) in the credit policy of Islamic banks of Jordan. Multiple variance analysis (ANOVA) was used to test the hypothesis above and this is illustrated by Table 2.

Source	Total X ²	DF	average squares	F *	p-value
Explained variance	3.908	3	1.03	9.509	0
Unexplained variance	11.37	105	0.108		
Total	14.458	108			

* Tabular value (F) at the indication level $(\alpha \geq 0.05)$ and degrees of freedom (3,108) = 2.70

** Interpreted contrast ratio = $11.37 \div 14.458 = 21.4\%$

The statistical data in Table 2 indicate that there is a statistically significant effect at the level of $(0.05 \geq \alpha)$ of the internal factors (the experience and efficiency of the bank's employees, the bank's financial resources, and the nature of the bank's management) in the credit policy in Islamic banks of Jordan. Emphasizes the meaning of the relationship F value)) calculated, which amounted to (9.509) compared with value-F)) attribute adult (2.70), which indicates the rejection

of the hypothesis nihilism H02 and accept the alternative hypothesis Ha2 which states that: There is a statistically significant effect at the level of significance ($0.05 \geq \alpha$) of internal factors influencing credit policy in Islamic banks of Jordan. Table 2 shows that the proportion of internal factors interpreted in this model is (21.4%) of the variation in credit policy in Islamic banks of Jordan.

The table shows the Table 3 multiple Regression coefficients for the second main hypothesis (H02):

Variance	b	D incorrect	β	T *	p-value	R	R2
Constant	2.878	0		9.286	0	0.462	0.214
The expertise and competence of the bank's employee	0.044	0	0.057	0.575	0.567		
Financial resources of the bank	0.036	0	0.065	0.671	0.504		
The nature of the bank management	0.237	0	0.421	4.632	0		

* Tabular (T) value at the indication level (0.05) and the degree of freedom (108) = 1.984
The statistical data in Table 3 indicate that the calculated value of (T) amounted to (4.632) for the variable (nature of bank management) compared to (T) Tabular, which amounted to (1.984), which is statistically significant at the level of ($0.05 \geq \alpha$), while the calculated value of (T) for the rest of the variables came to values less than (T) Tabular value, which is not statistically significant at the level of ($0.05 \geq \alpha$). This indicates that within the multiple regression equation, only the variable (the nature of the bank's management) is statistically significant in influencing the bank's credit policy, and in terms of beta transactions as well. The correlation coefficient (R) (0.462), which is a strong correlation with an elective direction, and the determination factor (R2) (0.214), which means that 21.4% of the changes in credit policy in Islamic banks of Jordan are due to the change in internal factors affecting credit policy in Islamic banks of Jordan.

First sub-hypothesis HO2 / 1: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the experience and competence of the bank's employees in the credit policy of Islamic banks of Jordan. The simple Regression Analysis was used to test the above hypothesis where the following results were obtained:

Source	F *	T *	p-value	R	R2	β	B	Constant
The impact of the experience and competence of the bank's employees in the credit policy of Islamic banks of Jordan	**5.049	*2.247	0.027	0.212	0.045	0.212	0.165	3.39

* Tabular (T) value at the indication level (0.05) and the degree of freedom (108) = 1.984

** Tabular value (F) at the indication level (0.05) and degrees of freedom (108.1) = 3.94

The statistical data in Table 4 indicate that there is a statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the experience and competence of the bank's employees in the credit policy in Islamic banks of Jordan. The correlation coefficient (R) reached (0.212), and the determination factor (R2) reached (0.045), i.e. the value of (4.5%) of the changes in credit policy in Islamic banks of Jordan, resulting from the change in the experience and competence of the bank's employees, and confirms the morale of the relationship the calculated value of (F), which amounted to(5.049)compared The tabular t value of (1.984), which confirms the rejection of the Ho hypothesis and the acceptance of Ha, i.e., there is a statistically significant effect at the level of (0.05 times) the experience and competence of the bank's employees in the credit policy of Islamic banks of Jordan.

Second sub-hypothesis HO2/2: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the bank's financial resources in the credit policy of Islamic banks of Jordan.

The simple regression test was used to test the above hypothesis where the following results were obtained:

Source	F *	T *	p-value	R	R2	β	B	Constant
The impact of the bank's financial resources on the credit policy of Islamic banks of Jordan	**3.325	*1.823	0.071	0.174	0.03	0.174	0.095	3.69

* Tabular (T) value at the indication level (0.05) and the degree of freedom (108) = 1.984

** Tabular value (F) at the indication level (0.05) and degrees of freedom (108.1) = 3.94

The statistical data in Table 5 indicate that there is no statistically significant impact at the level of significance ($0.05 \geq \alpha$) of the bank's financial resources in the credit policy of Islamic banks of Jordan. The correlation coefficient (R) was (0.174), and the determination factor (R2) was (0.030), i.e. the value of (3%) of the changes in the credit policy in Islamic banks of Jordan, is due to the change in the bank's financial resources, and confirms the immorality of the relationship the calculated value of (F), which amounted to (3.325)compared to(f) Tabular value of (3.94),)) This confirms the acceptance of the Ho hypothesis and the rejection of Ha i.e. there is no statistically significant impact at the level of (0.05 RMB) of the bank's financial resources in the credit policy of Islamic banks of Jordan.

Third sub-hypothesis HO2/3: there is no statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the nature of the bank's management in the credit policy of Islamic banks of Jordan. The simple regression test was used to test the above hypothesis where the following results were connected:

Source	F *	T *	p-value	R	R2	β	B	Constant
The impact of the nature of the bank's management on the credit policy in Islamic banks of Jordan	**27.384	*5.233	0	0.451	0.204	0.451	0.254	3.15

* Tabular (T) value at the indication level (0.05) and the degree of freedom (108) = 1.984

** Tabular value (F) at the indication level (0.05) and degrees of freedom (108.1) = 3.94

The statistical data in Table 6 indicate that there is a statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the nature of the bank's management in the credit policy in Islamic banks of Jordan. The correlation coefficient (R) was (0.451), and the determination factor (R²) was (0.204), i.e. the value of (16.9%) of the changes in credit policy in Islamic banks of Jordan, is due to the change in the nature of the bank's management, and confirms the moral of the relationship the calculated value of (F), which amounted to (27.384) compared)) This confirms the rejection of the Ho hypothesis and the acceptance of Ha, i.e. there is a statistically significant impact at the level of (0.05 times) of the nature of the bank's management in the credit policy of Islamic banks of Jordan.

RESULTS AND RECOMMENDATIONS

Study Results

After conducting appropriate analyses of the study variables and resolution paragraphs, and examining the study hypotheses, the following results were obtained:

Results of the study show that there exists a positive high level of community study in the Islamic banks of Jordan towards all components of credit policy in their interests. And that the components related to Shari'a control, credit decision making powers, credit information (credit query), the geographical distribution of credit, and cost of credit (credit pricing) were the highest, where the first place was the Shari'a control component, followed by the credit decision making powers component, in third place credit information (credit query), the geographical distribution component of credit came in fourth place.

The study found that there are no statistically significant differences at the level of ($0.05 \geq \alpha$) in the components of the credit policy in Islamic banks of Jordan from one bank to another. Members of the study community in all Islamic banks of Jordan have convergent attitudes towards all components of credit policy in their banks, regardless of the bank in which they work. The results of the study showed that the members of the study community in Islamic banks of Jordan see that internal factors (the experience and competence of the bank's employees, and the bank's financial resources) affect the credit policy at a high level in Islamic banks of Jordan, while the nature of the bank's management they see as affecting at a medium level the credit policy.

The study found that there is a statistically significant impact at the level of ($0.05 \geq \alpha$) of the internal factors (the experience and competence of the bank's employees, the bank's financial resources, and the nature of the bank's management) in the credit policy in Islamic banks of Jordan. The percentage of internal factors explained in this model is 21.4% of the variation in credit policy in Islamic banks of Jordan. The study found that there is a statistically significant effect at the level of significance ($0.05 \geq \alpha$) of the experience and competence of the bank's employees in the credit policy in the Islamic banks of Jordan, as the correlation factor (R) (0.212) and the determination factor (R²) reached (0.045), i.e., the value of (4.5%) of changes in the credit policy in the Islamic.

The study found that there is no statistically significant impact at the level of significance ($0.05 \geq \alpha$) of the bank's financial resources in the credit policy of Islamic banks of Jordan. The correlation coefficient (R) was (0.174), and the determination factor (R²) was (0.030), meaning

that 3% of the changes in credit policy in Islamic banks of Jordan are due to the change in the bank's financial resources. The study found that there is a statistically significant impact at the level of significance ($0.05 \geq \alpha$) of the nature of the bank's management in the credit policy in Islamic banks of Jordan. The correlation factor (R) (0.451) and the determination factor (R²) (0.169), i.e., 16.9% of the changes in credit policy in Islamic banks of Jordan, are due to the change in the nature of the bank's management.

Recommendations

In light of the findings of the study, the researcher presents some recommendations that are expected to contribute to strengthening aspects of credit policy in Islamic banks of Jordan, as follows:

1. Islamic banks of Jordan must diversify their Islamic credit and financing methods and formulas, so that the credit policy includes all Islamic credit and finance methods and formulas such as participation, speculation, peace, and istisna'a, without focusing on formulas themselves such as the Murabaha version of the purchase order and the Ijara formula ending with ownership.
2. In formulating its credit policy, Islamic banks of Jordan should pay close attention to the alignment of the duration and duration of the funds granted and the time of deposits in the banks, as it has the effect of maintaining the amount of liquidity available.

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