



الوكالة الإسلامية الدولية للتصنيف  
Islamic International Rating Agency

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## IIRA Reaffirms Credit Ratings of Jordan Islamic Bank

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**Manama, September 17, 2019**—The Islamic International Rating Agency (IIRA) has reaffirmed foreign currency credit ratings, assigned to Jordan Islamic Bank (“JIB” or “the Bank”) at BB+/A3 (Double B Plus / A Three) and national scale ratings at A+(jo)/A1(jo) (Single A Plus / A One). Further, IIRA has maintained a ‘Stable’ outlook on the assigned ratings.

JIB is the largest Islamic bank and the third largest bank in the Hashemite Kingdom of Jordan (“Jordan” or “the country”). On the economic front, Jordan has suffered in the last few years due to geo-political tensions in the region and increasing presence of refugees. Nevertheless, economic growth has remained consistent with a strong institutional framework compared to regional peers.

After posting a minor decline during 2018, Bank’s assets have registered growth during H1’2019. Net financing and investments portfolio also continued to grow, albeit at a slackened pace. While asset quality has remained sound on the whole, gross non-performing financings (NPFs) have increased in 2018 vis-à-vis prior year, and are reflective of the macroeconomic situation in the country. However, the bank has continued to take fresh provisions with net financing impairment being almost negligible at 0.3% as at end-2018 (2017: 0.7%).

While JIB’s net income in 2018 declined slightly over last year, it has posted slight amelioration in H1’2019 YoY. The bank maintains adequate capital buffers, with increasing shareholder’s equity on a timeline basis. Supported by internal capital generation over the years, the bank’s capital base indicates surplus buffer over and above regulatory requirements.

JIB is owned in majority by AlBaraka Banking Group which may in case of need, provide the Bank access to group resources, financial or otherwise. Central Bank of Jordan has also assigned the bank the status of domestic systemically important bank (D-SIB), which makes it highly probable that it will receive support from the sovereign, if needed, though unlikely.

For further information on this rating announcement, please contact us at [iira@iirating.com](mailto:iira@iirating.com).

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