



IIRA Reaffirms Ratings of Jordan Islamic Bank

Manama, October 11, 2022 – Islamic International Rating Agency (IIRA) has maintained ratings of Jordan Islamic Bank ('JIB' or 'the Bank') at A+(jo)/A1(jo) on the national scale and BB+/A3 on the international scale with a 'Stable' outlook. Assigned ratings reflect the stability in risk profile of the bank. A strong franchise translating into a cost-effective, and steady retail footprint is a key competitive advantage. Liquidity indicators have consistently pointed to a sound liquidity position.

Notwithstanding one-off disruption from the pandemic of 2020-2021, Jordan's economy has been marked by gradual and consistent growth, although affected by both external and fiscal challenges. Reflective of the general economic conditions, the banking sector has also posted slow growth, with limited escalation in credit offtake from the private sector corporates, on a year-on-year basis.

With a seasoned business portfolio, JIB has also grown steadily over the years. The Bank benefited from economic recovery and expanded its portfolio significantly in 2021. Margins in the sector have remained narrow and were particularly tight in 2021. However, positive momentum in banking fees and commissions, along with business growth, provided uplift to growth rate in earnings and net income. Moreover, cost controls are evident despite inflationary pressures, since the latter part of 2021.

Also reinforcing IIRA's stable outlook on the bank's risk profile is its sustained internal capital generation capacity, by way of maintained profit margins, balanced by gradual growth in risk assets and resulting in strong capital adequacy having been sustained over the years.

For further information on this rating announcement, please contact us at iira@iirating.com