

السادة بورصة عمان المحترمين ،،،

السلام عليكم ورحمة الله وبركاته،،

الموضوع: التصنيف الائتماني للبنك الإسلامي الأردني من وكالة فيتش للتصنيف الائتماني
(Fitch Ratings)

بالإشارة إلى الموضوع أعلاه يسرنا أن نرفق لكم طيه نسخة من تقرير التصنيف الائتماني الخاص بمصرفنا والصادر عن وكالة فيتش للتصنيف الائتماني إصدار تشرين الأول 2025.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام
د. حسين سعيد

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المرفقات: نسخة من تقرير التصنيف الائتماني من وكالة Fitch Rating إصدار تشرين الأول 2025

Jordan Islamic Bank

Key Rating Drivers

Jordan Islamic Bank's (JIB) Issuer Default Ratings (IDRs) are driven by its standalone strength, as indicated by its 'bb-' Viability Rating (VR). The VR takes into consideration capitalisation, which is only adequate, given the bank's high leverage and sovereign exposure. It also reflects JIB's strong domestic franchise, stable asset quality, profitability, and funding and liquidity.

Challenging Operating Environment: The operating environment remains challenging due to below potential and structurally weak GDP growth, high unemployment (21.4%) and geopolitical risks that negatively affect tourism and exports. Fitch Ratings expects real GDP growth of 2.5% in 2025 (2026: 2.8%), although this could be affected by any US aid cuts and trade tariffs. Fitch expects sector lending growth to remain moderate, at 3%–4% in 2025 (8M25: 2.8%; 2024: 4.2%).

Strong Domestic Franchise: JIB had a market share of 10% of banking-sector assets and 45% of Islamic banking-sector assets at end-2024. It has broad distribution capabilities (89 branches) and a strong brand. The bank benefits from growth opportunities in Islamic banking and has no direct or indirect exposures to the Palestinian territories.

High Sovereign Exposure, Concentration: JIB is highly exposed to the sovereign through the financing of government-related entities (GREs), holdings of sovereign securities, and balances with the Central Bank of Jordan (CBJ); at end-1H25; this accounted for 31% of assets, or 3.8x common equity Tier 1 (CET1) capital.

Financing is concentrated on real estate-related sectors, mostly ijara muntahia bittamleek (IMB; mostly residential property leasing; end-1H25: 22% of gross financing), retail housing (8%) and wholesale real estate (4%). These risks are mitigated by JIB's adequate risk management.

Stable Asset Quality: JIB's stable Stage 2 (end-1H25: 9.3%) and 3 (2.7%) financing ratios, high total loss allowances coverage of Stage 3 financing (137%) and high exposures to the sovereign support our assessment of asset quality. JIB has been capable of absorbing mild asset quality pressure; Stage 3 financing generation was negligible in 1H25 (2025: 0.7%). However, high concentrations would expose JIB to event risk. Fitch expects asset quality to remain stable, with a Stage 3 financing ratio at 3.2% by end-2026 (JIB expects this ratio not to exceed 3%).

Stable Profitability: Net profit increased by 6% in 2024 and 8% in 1H25 year-on-year, with a stable operating profit of 4% of risk-weighted assets (RWAs) and 1.7% of average total assets. An increase in net financing margin (NFM; 1H25: 3.1%; 2024: 3%), stable operating efficiency and low cost of risk have supported profitability amid low growth opportunities. Fitch expects profitability to improve, with operating profit at 4.3%–4.4% of RWAs and 1.8%–1.9% of average assets in 2025–2026.

Only Adequate Capitalisation: JIB's CET1 capital ratio is stable (end-1H25: 19.4%) due to low growth and adequate internal capital generation. It is above its peers and the 9% regulatory minimum (including buffers) due to 0% risk-weights on local-currency sovereign exposures (as for all banks) and the 30% alpha factor (as for all Jordanian Islamic banks). The latter provides a 70% discount to risk weightings on credit risk exposures financed by investment accounts (these were 35% of undiscounted credit risk exposures at end-1H25).

The discount translates into high leverage above that of peers, with a Fitch-calculated tangible leverage ratio of 8.4%, demonstrating lower loss-absorption buffers. Fitch expects stable capitalisation, with a CET1 capital ratio between 19.5%–20% by end-2026 due to moderate growth and stable asset quality and better profitability.

Stable Funding and Liquidity: JIB is funded mostly by stable and granular retail customer deposits (end-1H25: 81% of customer deposits) that result in very low funding concentration. The bank's high-quality liquid assets represented an adequate 18% of total assets at end-1H25, covering an adequate 21% of customer deposits and mitigating liquidity maturity mismatches.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of the Jordanian sovereign rating or a big deterioration in the domestic operating environment would lead to a downgrade of JIB's ratings.

An increase in JIB's risk appetite – pressuring asset quality, profitability and capitalisation – could also lead to a downgrade of the bank's ratings.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of JIB's ratings would require an upgrade of the Jordanian sovereign rating and sustained improvements to the operating environment, in tandem with stable business, risk and financial profiles.

Other Debt and Issuer Ratings

The 'B' Short-Term IDR is the only option mapping to a 'BB-' Long-Term IDR.

JIB's Government Support Rating (GSR) of 'b' reflects a limited probability of support from the Jordanian authorities. This considers the sovereign's weak financial flexibility, but also JIB's systemic importance and the authorities' strong willingness, in Fitch's view, to support domestic banks to maintain market confidence and stability given high contagion risk among domestic banks.

Significant Changes from Last Review

Lower Interest Rates

The CBJ decreased its main rate (to 6.25%), rediscount rate (7.25%), overnight repurchase agreement rate (7%) and overnight deposit window rate (6%) by 25bp on 21 September 2025 (2024: cumulative 100bp), in line with the Fed's decreases. The CBJ automatically follows the Fed rate changes, with the Jordanian dinar pegged to the US dollar. The lower interest rates could support obligors' repayment capabilities, and, therefore, reduce some of the pressure on Jordanian banks' loan quality. However, lower interest rates, along with high domestic competition on loans and deposits, will pressure Jordanian banks' profitability.

Ratings Navigator

Jordan Islamic Bank							ESG Relevance:	Banks Ratings Navigator		
Operating Environment	Business Profile	Risk Profile	Financial Profile				Implied Viability Rating	Viability Rating	Government Support	Issuer Default Rating
			Asset Quality	Earnings & Profitability	Capitalisation & Leverage	Funding & Liquidity				
	20%	10%	20%	15%	25%	10%				
aaa							aaa	aaa	aaa	AAA
aa+							aa+	aa+	aa+	AA+
aa							aa	aa	aa	AA
aa-							aa-	aa-	aa-	AA-
a+							a+	a+	a+	A+
a							a	a	a	A
a-							a-	a-	a-	A-
bbb+							bbb+	bbb+	bbb+	BBB+
bbb							bbb	bbb	bbb	BBB
bbb-							bbb-	bbb-	bbb-	BBB-
bb+							bb+	bb+	bb+	BB+
bb							bb	bb	bb	BB
bb-							bb-	bb-	bb-	BB- Sta
b+							b+	b+	b+	B+
b							b	b	b	B
b-							b-	b-	b-	B-
ccc+							ccc+	ccc+	ccc+	CCC+
ccc							ccc	ccc	ccc	CCC
ccc-							ccc-	ccc-	ccc-	CCC-
cc							cc	cc	cc	CC
c							c	c	c	C
f							f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The operating environment score of 'bb-' is above the 'b' category implied score due to the following adjustment reason: macroeconomic stability (positive).

The business profile score of 'bb-' is above the 'b and below' category implied score due to the following adjustment reason: market position (positive).

The capitalisation and leverage score of 'b+' is below the 'bb' category implied score due to the following adjustment reason: leverage and risk-weight calculation (negative).

Company Summary and Key Qualitative Factors

Operating Environment

Stable Sovereign Rating; High Geopolitical Risks

Fitch's affirmation of Jordan's sovereign rating with a Stable Outlook in May reflects Jordan's progress in fiscal and economic reforms, which should help stabilise debt/GDP (including guarantees) at 93%–94% in 2025–2026. The sovereign's resilient financing is linked to the liquid banking sector, the social security corporation, and funding from international partners, which together support the sovereign rating and the country's macroeconomic stability, particularly the foreign-exchange-rate peg regime to the US dollar. However, high government debt, moderate growth, political and social risks, and large external financing needs all constrain Jordan's rating.

Strong multilateral and bilateral official support, including military and economic assistance from the US, mitigate the persistent high geopolitical risks from ongoing regional conflicts. Fitch believes this support will continue despite the US's review of its foreign commitments, given Jordan's stabilising role in the region. Jordan has preserved economic and political stability despite significant shocks, which have led to lower growth and government debt build-up.

Exports to the US (2024: 26% of Jordan's exports) are mostly apparel (56%), and the potential 20% tariff should not have a major impact as the country's main competitors will also be affected by tariffs. Precious metals and stones (27% of exports to the US) are exempt from duties. However, the imposition of US tariffs will slow global demand and will affect demand for Jordanian exports, partly counterbalanced by a recovery in tourism from Europe and the Gulf Cooperation Council (GCC) countries, the Iraqi dynamic export market and nascent trade with Syria. Several large projects could add to growth, with the support of the US and GCC.

Mild Pressure on Loan Quality and Profitability; Adequate Capitalisation

The challenging operating environment constrains lending and growth opportunities, and has pushed some banks towards expanding outside Jordan, particularly in Iraq, a weaker but dynamic and growing market. Fitch expects mild pressure on loan quality to continue in 2025–2026 due to the challenging economic environment and still-high interest rates, although the slight decline in rates could support borrowers' repayment capabilities. The ongoing regional tensions and potential US tariffs could add pressure to loans. New regulations from the CBJ also affect loan staging and migration; the extension of cooling-off periods before loans can migrate to a lower-risk stage could increase Stage 2 and Stage 3 loans ratios, partially counterbalanced by the regulator recommendations to accelerate loan write-offs. Good risk management, adequate reserve coverage and collateral also mitigate risks. Single-obligor concentration, mostly to government-related entities and utility companies, will continue to expose banks to event risk. Jordanian banks' total exposure to the sovereign, including to the CBJ, is high (end-1H25: 37% of sector assets, or 3.5x equity).

Sector profitability will remain under mild pressure in 2025–2026 from lower – although still high – interest rates, domestic competition amid challenging operating conditions, digitalisation spending and a higher cost of risk. However, Jordanian banks should continue to generate sufficient pre-impairment operating profits to absorb any increases in impairment charges without hitting capital. Jordanian banks operating in Iraq will continue to benefit from significant non-interest income. Fitch expects banks' capital ratios to remain adequate and stable in 2025, with CET1 capital ratios above 15% on moderate loan growth and adequate internal capital generation.

About 90% of Jordanian banks' total regulatory capital is in the form of CET1 capital, which supports the banks' loss-absorption capacity. The sector net Stage 3 loans/CET1 capital ratio should remain low. Fitch expects funding and liquidity to remain sound and stable across Jordanian banks in 2025, underpinned by their stable and diversified retail deposit bases and good liquidity positions. Dollarisation is moderate (end-1H25: 21% of assets, 12% of loans and 21% of customer deposits). Market risk is well-contained.

Moderate Exposures to the Palestinian Territories Could Pose Additional Risks

Jordanian banks are moderately exposed to the Palestinian territories through branches (end-1H25: 10% of Jordanian banks' assets) due to historical ties and common interests. Exposure includes loans (45% of total assets), placements with the Palestine Monetary Authority and local banks (29%), securities (10%), and cash (13%). Loans are largely to the Palestinian authority and related entities backed by taxes or invoices, and monopolistic large entities; retail loans are mainly to civil servants and employees of large private groups. Banks are mostly involved in the West Bank, with minimal activity in Gaza. Jordanian banks do not take excessive risks, in Fitch's view, and impaired loans ratios are typically low (below 7%).

However, these exposures are highly sensitive to the geopolitical situation and therefore expose Jordanian banks' asset quality, profitability and capital to high event risk. This risk would escalate if the banking waiver – in place until 30 November 2025, which allows Israeli banks to process payments in Israeli shekel from banks in the Palestinian territories without being exposed to legal action from terrorism financing and non-compliance with anti-money laundering – is cancelled, as proposed by Israel's finance minister, subject to government approval. Alongside the ongoing pressure from the withholding of tax revenue from the Palestinian authority, both factors create systemic risk in the Palestinian territories and affect operating banks.

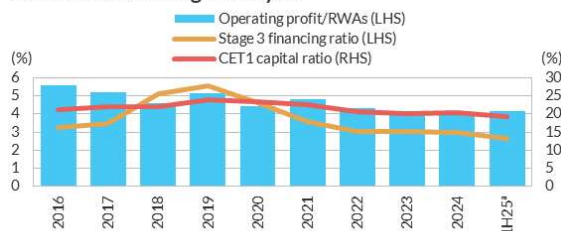
Business Profile

JIB is a systemically important bank in Jordan, with a market share of 10% of banking-sector assets and 45% of Islamic banking-sector assets at end-2024. As the largest Islamic bank in Jordan, JIB benefits from growth opportunities in Islamic banking. The bank solely operates in Jordan (end-1H25: 95% of credit risk exposures), with no foreign presence and no direct or indirect exposures to the Palestinian territories.

JIB mostly uses organic growth to consolidate its market position, with a higher focus on financing (end-1H25: 69% of total assets) than peers due to the small Islamic investment and placements opportunities in Jordan. Financing growth, likely to be 5%–7% in 2025–2026, will concentrate on retail (end-1H25: 53% of gross financing and 69%, excluding GRE financing), which is mostly housing to civil servants, and GREs – mostly National Electricity Power Company (NEPCO; 100% state-owned; end-1H25: 18% of gross financing). JIB is also aiming to grow its small trade-finance business (end-1H25: 3% of total assets and off-balance sheet trade finance), which is smaller than that of peers. It will do this by leveraging on the geographical presence of its parent, Al Baraka Group (ABG; 66% ownership), a Bahrain-based international Islamic financial group that operates across 14 countries. However, group business benefits will remain limited. Non-financing assets, mostly focused on Jordanian sovereign instruments and CBJ placements, will remain for liquidity and capital purposes.

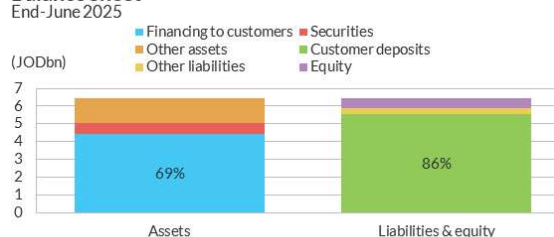
Digitalisation supports JIB's competitive position for business origination and retention, deposit collection, and cost efficiency. Like peers, JIB's net financing income remains high (1H25: 73% of operating income; 2024: 75%), which will continue to expose the bank to credit and interest rate cycles. Fees and commissions are weaker than peers, due to some Islamic finance constraints (for example, JIB does not have commissions on financing), small trade finance business and high financing to NEPCO. The bank has a good and experienced management team, but execution is sensitive to the challenging domestic operating conditions.

Performance Through the Cycle



* Annualised
Source: Fitch Ratings, FitchSolutions, JIB

Balance Sheet



Source: Fitch Ratings, FitchSolutions, JIB

Risk Profile

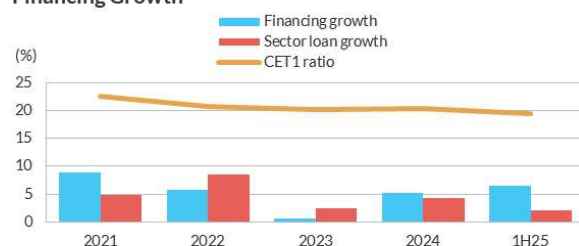
JIB is highly exposed to the Jordanian sovereign through GRE financing, holding of sovereign securities, and balances with the CBJ (end-1H25: 31% of total assets or 3.8x CET1 capital; 64% of these are related to NEPCO financing and sukuk, and they are 100% guaranteed by the government. This translates into high single-obligor concentration – at end-1H25, the 20 largest-single group obligors represented 28% of gross financing, or 2.6x CET1 capital (10% and 1x respectively, excluding NEPCO). The concentration is mostly driven by NEPCO (end-1H25: 18% of gross financing, or 1.6x CET1 capital), is not subject to single-obligor limits, and is mostly bilateral financing for working-capital needs. This also translates into volatile financing growth, sensitive to NEPCO credit demand and settlement. However, this supports JIB's regulatory capital through lower risk weights, offers higher yields compared to CBJ placements, and reflects conservative risk appetite given the limited financing opportunities.

JIB's financing is concentrated on real estate-related sectors, split between IMB (end-1H25: 22% of gross financing), which is mostly leasing of residential properties to government employees with salary assignments, retail housing (8%) and wholesale real estate (4%). JIB's retail financing has appropriate financing/value and debt-burden ratios. Other wholesale financing is spread across various economic sectors. Financing to hospitality, transportation and shares is limited. SME financing is small (5%), well-collateralised, and backed by the Jordan Loan Guarantee Corporation. Financing is adequately provisioned and collateralised (end-2024: total collateral covered 49% of gross financing), mostly real estate (75%). JIB's financing is mostly murabaha (76%) and IMB (22%), both non-participation profit-and-loss financing, which means lower risk in Fitch's view. Financing growth is conservative and has not put any pressure on capitalisation.

JIB is highly sensitive to interest rate changes (75%–80% of operating income comes from financing income), due to negative repricing gaps for short maturities, which benefits JIB's NFMs when interest rates are lower. This mostly comes from the agreed and fixed pricing at inception of the murabaha contracts (typically 60%–70% mature after 12 months; IMB: variable pricing), fixed-rate sovereign securities (the majority mature after 12 months) and sizeable term deposits (about 65%). Fierce market competition adds pressure to the repricing capabilities on the financing and deposits. JIB does not have a profit equalisation reserve that can be used to mitigate fluctuation in profit rates. The bank can have recourse to shareholders to maintain the competitiveness of profit rates offered, as done a few times in the past few years, but only for small amounts. Fitch expects JIB to benefit slightly from a lower interest rate environment.

The long-standing peg of the Jordanian dinar with the US dollar, the small foreign-currency (FC) positions, and the natural hedging of FC corporate lending by FC earnings mitigate FC risk. Mark-to-market valuation risk is low, as 85%–90% of securities are at amortised cost. Investment properties are small, with no major pressure in the domestic real estate market. Trading is negligible. Equity price risk is limited due to low equity securities, negligible share financing and collateralised shares.

Financing Growth



Source: Fitch Ratings, Fitch Solutions, JIB

Financial Profile

Asset Quality

The bank maintains stable financing quality through the cycles, supported by a conservative risk appetite. JIB has one of the lowest Stage 3 financing ratios in the banking sector with adequate Stage 2 financing ratio and high loss allowance coverage of Stage 3 financing.

IMB impairment classification also supports the Stage 3 financing ratio. An IMB asset is subject to impairment based on the fair value of the leased asset, while only the receivables' 90-day-past-due portion is classified as impaired. Considering the total related principal as impaired would only add a small 60bp–80bp to the Stage 3 financing ratio and does not affect our assessment of asset quality.

Foreclosed assets add some pressure to financing quality, adding a moderate 100bp–130bp to the Stage 3 financing ratio. Properties are regularly appraised, and disposal of these assets at appropriate prices is challenging in the current operating environment.

Fitch expects stable financing quality, with a 3.2% Stage 3 financing ratio by end-2026 (JIB expects this ratio not to exceed 3%), and a high total loss allowances coverage of Stage 3 financing at about 125%.

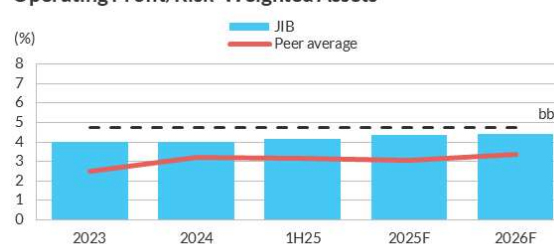
Fitch's asset quality assessment incorporates high sovereign-related credit risk exposures and the good quality of the non-government-related financing.

Stage 3 Financing/Gross Financing



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

The improvement of NFM, good operating efficiency and low impairment charges have supported JIB's profitability and offset the slow growth and limited financing opportunities which are sensitive to GRE financing.

The cost/income ratio remains high (1H25: 47%), despite being stable and comparable to peers'. Pressure on JIB's profitability from stiff domestic competition amid challenging operating conditions will continue. The annualised operating profit/RWAs ratio was 4.1% in 1H25, higher than peers, benefitting from low RWA density. The bank's annualised operating profit/average total assets was 1.8% in 1H25, comparing well with peers. Pre-impairment operating profit equalled a moderate 2.6% of JIB's average gross financing in 1H25, providing the bank with moderate buffers to absorb additional impairments through the income statement.

Fitch expects profitability to improve, with operating profit at 4.3%–4.4% of RWAs and 1.8%–1.9% of average total assets in 2025–2026, supported by stronger NFM, reasonable business volumes, good cost control and low cost of risk from stable asset quality.

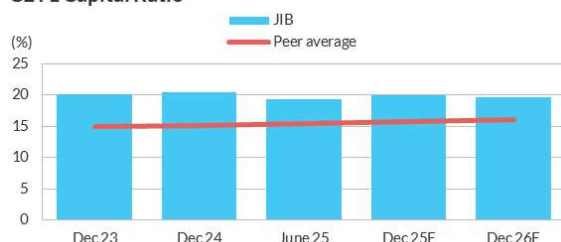
Capitalisation and Leverage

JIB's capital buffers are only adequate given the bank's high exposure to sovereign risk and the low-risk weights applicable in its regulatory capital calculations. The CET1 capital ratio (end-1H25: 19.4%) and capital adequacy ratio (19.6%) are much higher than domestic peers', and well above the minimum regulatory requirements (9% and 12.5%, respectively; including all buffers; a domestic systemically important bank (D-SIB) buffer of 0.5% is also applicable). This is due to 0% risk-weights on local-currency sovereign exposures, including financing to NEPCO and cash balances with the CBJ, which applies for all banks operating in Jordan. All Islamic banks in Jordan are also subject to the 30% alpha factor under CBJ instructions based on IFSB standards. The latter provides a 70% discount to risk weightings on credit risk exposures financed by investment accounts— these made up 35% of undiscounted credit risk exposures at end-1H25. The discount translates into high leverage, which is above peers'. The Fitch-calculated tangible leverage ratio of 8.4% demonstrated lower loss absorption buffers.

Full loss allowance coverage of Stage 3 financing and moderate pre-impairment operating profit provide an adequate cushion against deteriorating credit conditions. The bank's capital base is mostly composed of CET1 capital without any hybrid capital. Given the regulatory capital ratios level, Fitch does not expect any capital-raising, and that the bank will continue to manage its capital ratios at the same level.

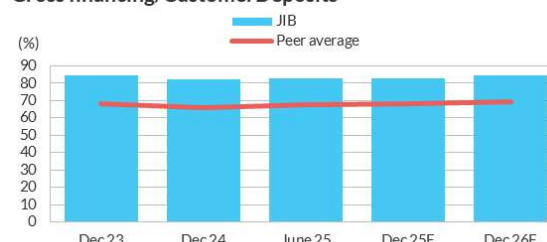
Fitch expects stable capitalisation, and that the CET1 capital ratio will be 19.5%–20% by end-2026 due to moderate growth and stable asset quality and better profitability. Tangible leverage should remain at 8.5%–9% up until end-2026.

CET1 Capital Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross financing/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

JIB is mostly funded by stable and granular customer deposits (end-1H25: 96% of non-equity funding). Retail deposits represented a high 81% of customer deposits at end-1H25, with no dependence on government-related deposits (5%). This reflects low deposit concentration, with the 20 largest depositors accounting for only 7% of the total at end-1H25. The bank has limited non-resident deposits (1%), which are mostly from Jordanian expatriates and low FC deposits (less than 10% of customer deposits). The deposit insurance scheme (up to JOD50,000) in Jordan further supports the stability of funding.

The bank's gross financing/customer deposits (including cash margins) ratio is adequate (end-1H25: 83%), but higher than peers' due to the larger focus on financing as sharia-compliant investments and placements opportunities are more limited. High-quality liquid assets (used for the liquidity coverage ratio calculation) represented an adequate 18% of total assets at end-1H25, covering 21% of customer deposits, which is adequate but lower than at peers'. The bank does not have refinancing risks and no debt issuance.

Additional Notes on Forecasts and Charts

Years denoted with an 'F' in tables and charts in this report represent Fitch's forecasts. The forecasts reflect Fitch's forward view on the bank's financial metrics per Fitch's *Bank Rating Criteria*. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'bb' category. Peer average includes Bank Al Etihad (VR: bb-), Jordan Kuwait Bank (b+), Bank of Jordan Plc (bb-) and Jordan Ahli Bank Plc (b+). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 22	31 Dec 23	31 Dec 24	30 Jun 25	31 Dec 25F	31 Dec 26F
	12 months	12 months	12 months	1st half	12 months	12 months
	(JODm)	(JODm)	(JODm)	(JODm)	(JODm)	(JODm)
Summary income statement						
Net financing and dividend income	137	134	143	79	165	182
Net fees and commissions	28	29	31	18	33	35
Other operating income	19	20	18	12	19	19
Total operating income	184	183	192	109	216	236
Operating costs	88	89	93	51	101	109
Pre-impairment operating profit	96	94	99	59	115	127
Financing and other impairment charges	1	-1	0	4	4	1
Operating profit	96	95	99	55	111	126
Other non-operating items (net)	0	0	0	0	0	0
Tax	34	32	33	19	39	44
Net income	61	62	66	36	72	82
Other comprehensive income	0	0	0	1	0	0
Fitch comprehensive income	61	63	66	37	72	82
Summary balance sheet						
Assets						
Gross financing	4,089	4,117	4,328	4,609	4,545	4,863
– of which Stage 3	125	124	128	123	141	156
Financing loss allowances	164	164	161	168	179	198
Net financing	3,925	3,953	4,167	4,440	4,366	4,665
Interbank	80	127	233	253	n.a.	n.a.
Derivatives	0	0	0	0	0	0
Other securities and earning assets ^a	571	580	661	735	^a 1,027	^a 1,212
Total earning assets	4,577	4,660	5,061	5,428	5,393	5,877
Cash and due from banks	719	777	860	798	n.a.	n.a.
Other assets ^b	168	189	202	219	^b 1,104	^b 1,159
Total assets	5,463	5,626	6,123	6,444	6,497	7,036
Liabilities						
Customer deposits	4,718	4,883	5,271	5,549	5,482	5,756
Interbank and other short-term funding	100	87	176	242	300	420
Other long-term funding	0	0	0	0	0	0
Trading liabilities and derivatives	0	0	0	0	0	0
Total funding and derivatives	4,818	4,970	5,447	5,791	5,782	6,176
Other liabilities	124	122	113	105	131	244

Preference shares and hybrid capital	0	0	0	0	0	0
Total equity	521	534	562	549	584	616
Total liabilities and equity	5,463	5,626	6,123	6,444	6,497	7,036

^a Including interbank, securities and other earning assets at 31 Dec 25F and 31 Dec 26F.^b Including cash and due from banks and other non-earning assets at 31 Dec 25F and 31 Dec 26F.

Source: Fitch Ratings, Fitch Solutions, JIB

Key Ratios

	31 Dec 22	31 Dec 23	31 Dec 24	30 Jun 25	31 Dec 25F	31 Dec 26F
Ratios (%; annualised as appropriate)						
Profitability						
Operating profit/risk-weighted assets	4.3	4.0	4.0	4.1	4.2	4.4
Operating profit/average total assets	1.8	1.7	1.7	1.8	1.8	1.9
Net financing income/average earning assets	3.2	2.9	3.0	3.1	3.2	3.2
Non-financing expense/gross revenue	47.7	48.5	48.3	46.5	46.8	46.2
Impairment charges/pre-impairment operating profit	0.9	-0.5	0.0	6.8	3.8	1.0
Net income/average equity	12.0	11.9	12.2	12.8	12.6	13.6
Asset quality						
Stage 2 financing ratio	9.6	10.3	10.5	9.3	10.1	10.3
Stage 3 financing ratio	3.1	3.0	3.0	2.7	3.1	3.2
Growth in gross financing	5.8	0.7	5.1	6.5	5.0	7.0
Financing loss allowances/Stage 3 financing	131.4	132.4	125.8	137.0	126.5	127.3
Financing loss allowances/gross financing	4.0	4.0	3.7	3.7	3.9	4.1
Financing impairment charges/average gross financing	0.0	0.0	0.0	0.2	0.6	0.6
Capitalisation						
Common equity Tier 1 capital ratio	20.8	20.2	20.4	19.4	19.9	19.5
Tangible common equity/tangible assets	9.4	9.4	9.0	8.4	8.8	8.6
Basel leverage ratio	18.5	18.8	17.8	17.8	n.a.	n.a.
Net Stage 3 financing/common equity Tier 1 capital	-8.5	-8.5	-6.6	-8.8	-7.1	-7.6
Risk weighted assets/total assets	40.5	41.9	40.4	41.2	40.7	40.6
Funding and liquidity						
Gross financing/customer deposits	86.7	84.3	82.1	83.1	82.9	84.5
Customer deposits/total non-equity funding	97.9	98.3	96.8	95.8	94.7	95.6
Liquidity coverage ratio	202.4	342.1	304.1	296.4	n.a.	n.a.
Net stable funding ratio	119.6	119.8	131.6	129.3	n.a.	n.a.

Source: Fitch Ratings, Fitch Solutions, JIB

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	bb- or b+
Actual jurisdiction D-SIB GSR	b
Government Support Rating	b
Government ability to support D-SIBs	
Sovereign Rating	BB-/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Negative
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Positive
Ownership	Negative

The colours indicate the weighting of each KRD in the assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher

Fitch believes the Jordanian authorities have a strong willingness to provide support to domestic banks, including JIB, to maintain market confidence and stability, given JIB's systemic importance, high contagion risk among domestic banks, and their high importance to the economy and the country's development plans. However, the domestic systemically important banks' (D-SIB) GSR of 'b' is below Fitch's typical D-SIB GSR for 'BB-' rated sovereigns, with a high propensity to provide support (0–1 notches below the sovereign rating), due to the sovereign's weak financial flexibility. Fitch therefore assigns JIB a GSR of 'b', at the same level as the country's D-SIB GSR.

Fitch does not factor into the ratings any support from JIB's Bahraini ultimate parent Al Baraka Group (ABG; 66% shareholding) as support can not be relied on because of JIB's high relative size (end-1H25: JIB's total assets represented 32% of ABG's consolidated assets), which could constrain ABG's ability to support.

Environmental, Social and Governance Considerations

FitchRatings		Jordan Islamic Bank		Banks		
Credit-Relevant ESG Derivation				Ratings Navigator		
Jordan Islamic Bank has 1 ESG rating driver and 5 ESG potential rating drivers		key driver	0	issues	5	
Jordan Islamic Bank has exposure to board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal/compliance risks; business continuity; key person risk; related party transactions which, in combination with other factors, impacts the rating.		driver	1	issues	4	
Jordan Islamic Bank has exposure to compliance risks including fair lending practices, mis-selling, repossession/bredosure practices, consumer data protection (data security) but this has very low impact on the rating.		potential driver	5	issues	3	
Jordan Islamic Bank has exposure to shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices but this has very low impact on the rating.		not a rating driver	3	issues	2	
Jordan Islamic Bank has exposure to organizational structure, appropriateness relative to business model, opacity, intra-group dynamics, ownership but this has very low impact on the rating.			5	issues	1	
Jordan Islamic Bank has exposure to quality and frequency of financial reporting and auditing processes but this has very low impact on the rating.						
Environmental (E) Relevance Scores						
General Issues	E Score	Sector-Specific Issues	Reference	E Relevance	How to Read This Page	
GHG Emissions & Air Quality	1	n.a.	n.a.	5	ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.	
Energy Management	1	n.a.	n.a.	4	The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.	
Water & Wastewater Management	1	n.a.	n.a.	3		
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2		
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1		
Social (S) Relevance Scores						
General Issues	S Score	Sector-Specific Issues	Reference	S Relevance	How to Read This Page	
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities; SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5	The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of "4" and "5" are assumed to reflect a negative impact unless indicated with a "+" sign for positive impact. Scores of 3, 4 or 5 and provides a brief explanation for the score.	
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/bredosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4		
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3		
Employee Wellbeing	1	n.a.	n.a.	2		
Exposure to Social Impacts	3	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1	Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.	
Governance (G) Relevance Scores						
General Issues	G Score	Sector-Specific Issues	Reference	G Relevance		CREDIT-RELEVANT ESG SCALE
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5		How relevant are E, S and G issues to the overall credit rating?
Governance Structure	4	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal/compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4	5: Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.	
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity, intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3	4: Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.	
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2	3: Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.	
				1	2: Irrelevant to the entity rating but relevant to the sector.	
					1: Irrelevant to the entity rating and irrelevant to the sector.	

As an Islamic bank, JIB needs to ensure compliance of its entire operations and activities with sharia principles and rules. This entails additional costs, processes, disclosures, regulations, reporting and sharia audit. This results in a Governance Structure Relevance Score of '4' for the bank, which has a negative impact on the bank's credit profile and is relevant to its rating in combination with other factors.

In addition, Islamic banks have an ESG Relevance Score of '3' for exposure to social impacts, above sector guidance for an ESG relevance score of '2' for comparable conventional banks. This reflects certain sharia limitations being embedded in Islamic banks' operations and obligations, although this only has a minimal credit impact on the entities.

Except for the matters discussed above, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products/esg-relevance-scores.

Ratings

Foreign Currency

Long-Term IDR	BB-
Short-Term IDR	B
Viability Rating	bb-
Government Support Rating	b

Sovereign Risk (Hashemite Kingdom of Jordan)

Long-Term Foreign-Currency IDR	BB-
Long-Term Local-Currency IDR	BB-
Country Ceiling	BB

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	4

Applicable Criteria

[Bank Rating Criteria \(March 2025\)](#)

Related Research

[Fitch Affirms Jordan Islamic Bank 'BB-'; Outlook Stable \(October 2025\)](#)

[Hashemite Kingdom of Jordan \(August 2025\)](#)

[Emerging Markets Largest Banks Monitor \(July 2025\)](#)

[Israel-Iran Conflict Raises Regional Security Risk \(June 2025\)](#)

[Global Economic Outlook \(June 2025\)](#)

[Fitch Affirms Jordan at 'BB-'; Outlook Stable \(May 2025\)](#)

[Vulnerable Frontier Markets Could Face More External Financing Pressure if US Cuts Aid \(February 2025\)](#)

[Middle East Banks Outlook 2025 \(December 2024\)](#)

[EMEA Islamic Banks Outlook 2025 \(December 2024\)](#)

Analysts

Gilbert Hobeika

+971 4 424 1214

gilbert.hobeika@fitchratings.com

Redmond Ramsdale

+44 20 3530 1836

redmond.ramsdale@fitchratings.com

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