



Islamic International Rating Agency (IIRA) Assigns Shari'a Quality Rating of AA (SQR) to Jordan Islamic Bank (JIB)

Manama/Jordan, September 6, 2009

Islamic International Rating Agency (IIRA) has assigned its Shari'a Quality Rating of AA (SQR) to Jordan Islamic Bank (JIB). This rating reflects IIRA's opinion that JIB conforms to very high standards of Shari'a compliance in all aspects of Shari'a quality analysis.

Jordan Islamic Bank (JIB) for Finance and Investment was established in 1978, as a public shareholding limited company to carry out banking, financing and investment business operations in compliance with the Shari'a.

IIRA rating is supported by the fact that JIB's Shari'a Supervisory Board (SSB) consists of four highly qualified and experienced Shari'a scholars who meet regularly. The SSB works under the structured Institutional Governance Guide. The SSB considers wide-ranging issues relating to bank's operations, reviews operational and Shari'a audit reports and gives its Fatwas which are made available to the bank's staff.

The bank has vibrant Internal Shari'a Audit department headed by a person having high qualifications in Islamic Banking, Audit and Advisory. The department is governed by written work procedures, a governance guide, Shari'a audit and review procedures, and detailed job description. The department audits each branch at least twice a year. The reports of its findings are submitted to the general manager, and the audit committee.

IIRA believes that the management and staff possess a good level of Shari'a knowledge and experience. JIB management preserves its Islamic identity by having procedures for choosing employees who are aware of Shari'a and by requiring ladies to abide by the Islamic dress code.

JIB has established its own training institute to provide training to its employees. This is a very welcome establishment and signals the bank's awareness of training needs.

JIB relies on Murabaha as the major source of customer financing, amounting to 39% of total assets. However, under the Islamic economic and financial system, risk sharing and profit sharing, Mudaraba and Musharaka modes are preferred. Therefore, it is desirable to increase these categories and to find ways to mitigate the risk involved. This would further show the bank's commitments to the economic aims of Shari'a.

Jamal Abbas Zaidi
Chief Executive Officer
Islamic International Rating Agency

All of the information contained herein is obtained by IIRA from sources believed to be accurate and reliable. IIRA does not audit or verify the truth or accuracy of any such information. As a result, the information in this report is provided "as is" without any representation or warranty of any kind. IIRA's rating is an opinion and not a warranty of a rated entity's current or future ability to meet contractual obligations, nor it is a recommendation to buy, sell or hold any security.