



الوكالة الإسلامية الدولية للتصنيف  
Islamic International Rating Agency

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

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Islamic International Rating Agency (IIRA) has maintained 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 level of standards of Shari'a requirements in all aspects of Shari'a quality analysis.

Jordan Islamic Bank (JIB) 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.

The rating maintained by IIRA is supported by the fact that JIB's Shari'a Supervisory Board (SSB) consists of four highly qualified and experienced Shari'a scholars who hold regular meetings and considers wide-ranging issues.

The bank has vibrant Internal Shari'a Audit department headed by a qualified person. 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 and reports its findings to the general manager, and the audit committee. IIRA believes this procedure to be adequate and in line with best practices.

IIRA believes that the management and staff possess a good level of Shari'a knowledge and experience. JIB management preserves its Islamic identity in its marketing literature, dress code and an overall ambience reflecting an Islamic bank.

JIB has a dedicated training center of its own. The training program focused on Islamic banking was found to be adequate. In addition, JIB sends its employees on external programs and encourages them to obtain additional qualifications like PhD. All of this reflects management's focus on this very important aspect of human resource development.

JIB has initiated a program of funding at favorable rates and Al Qard Al Hasan loans aimed at fulfilling its social responsibility. A number of individuals and institutions have benefitted from this program over the years. IIRA finds their program adequate and in true spirit of Islamic fundamentals.

JIB relies on Murabaha as the major source of customer financing. While this is in line with the market practice, under the Islamic economic and financial system, risk sharing and profit sharing, Mudarabah and Musharakah modes are preferred. Therefore, it is desirable to increase these categories and to find ways to mitigate the risk involved. IIRA recommends that a policy document be approved at the highest level showing stakeholders commitment towards this area and a roadmap to achieve the objective in the future years.

For further information on this rating announcement, please contact Mr. Nasir Ali Merchant (Acting CEO) at +973-17211606 or fax +973 17211605.

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