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السادة بورصة عمان المحترمين ،
عمان - الأردن

السلام عليكم ورحمة الله وبركاته،،،

الموضوع : تقرير التصنيف الائتماني S&P

نرفق لكم بطيه الإعلان الصادر عن وكالة التصنيف الدولية S&P والذي تم فيه تعديل النظرة المستقبلية لمصرفنا إلى مستقر بدلاً من سلبي ، والإبقاء على تصنيف مصرفنا BB-/B على المدى الطويل والقصير.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام

مدير

ري/ري

RatingsDirect®

Two Jordanian Banks Outlook Revised To Stable On Stabilizing Economic Risks; Ratings Affirmed

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- We expect that Jordan's fiscal and external balances will moderately improve over the medium term. We also believe that bilateral loans and grants will likely continue to support Jordan's external financial needs.
- Consequently, we revised our outlook on Jordan to stable from negative on Oct. 31, 2014.
- We believe that economic risks in the domestic banking sector are gradually stabilizing. Therefore, we now regard the trend in economic risk for Jordanian banks as stable.
- Similarly, we believe that downside risks for Arab Bank PLC and Jordan Islamic Bank have decreased and we are therefore revising the outlook on both banks to stable from negative and affirming the ratings.

DUBAI (Standard & Poor's) Nov. 13, 2014--Standard & Poor's Ratings Services said today that it revised to stable from negative its outlook on Jordan-based Arab Bank PLC (AB) and Jordan Islamic Bank (JIB). At the same time, we affirmed our 'BB-/B' long-and short-term counterparty ratings on both banks.

We have also revised the outlook to stable from negative on AB's two subsidiaries, Europe Arab Bank PLC and Arab Bank Australia Ltd., and affirmed the 'BB+/B' counterparty credit ratings. Similarly, we also revised the outlook to stable from negative on AB's foreign branches, Arab Bank PLC (Bahrain), Arab Bank PLC (Singapore), Arab Bank PLC (Dubai), and Arab Bank PLC (Qatar), and affirmed the 'BB-/B' ratings on each bank.

We expect a gradual improvement over the medium term in some of the key macroeconomic indicators in Jordan, such as the fiscal and external balances of the Jordanian sovereign (BB-/Stable/B). Consequently, we revised our

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outlook on Jordan to stable from negative on Oct. 31, 2014.

We believe the improvement in key macroeconomic indicators should also support the overall operating environment for Jordanian banks and we now see lower downside risks for the banking system. Therefore, we now regard the trend for domestic economic risk as stable versus negative previously, while maintaining our economic and industry risk scores of '7' under our Banking Industry Country Risk Assessment (BICRA) methodology. We continue to classify Jordan in BICRA group '7'.

AB had a \$2.5 billion exposure to the Jordanian sovereign in local currency as of year-end 2013, which represented around 31% of the bank's total adjusted capital for the same period, which we deem to be high. Given the relative stabilization in the creditworthiness of the Jordanian sovereign, we now see lower downside risks arising from this exposure. In addition, AB is the largest bank in Jordan and is well positioned to capitalize on relative improvements in the local economy. These factors prompted our outlook revision on AB to stable from negative.

AB's 'bb+' stand-alone credit profile (SACP) balances its well-diversified revenue generation base and strong track record of management, its healthy capitalization profile, its well-established deposit franchise, and its liquid balance sheet with the high political risks and economic uncertainty in some of the countries in which the bank operates.

The long-term ratings on AB and its foreign branches are two notches lower than the group credit profile (GCP) of Arab Bank Group because we cap them at the level of the local currency ratings on Jordan. The ratings on the group's two subsidiaries, Europe Arab Bank PLC and Arab Bank Australia Ltd., reflect the GCP of Arab Bank Group.

JIB is a leading purely domestic commercial bank in Jordan, 66% controlled by Bahrain-based Al Baraka Banking Group. JIB has maintained good business resilience against the adverse economic conditions in Jordan. As a domestic player, the bank is sensitive to changes in the domestic operating environment and should therefore benefit from the stabilization of economic risks that we have observed. In addition, JIB's creditworthiness is closely tied to that of the sovereign and other public sector entities. The bank built up a sizable financing position toward those entities in 2012. This exposure is gradually reducing, but still represented a very high 1.8x common shareholders' equity as of June 30, 2014.

JIB's 'bb-' SACP is at the same level as the foreign currency rating on the sovereign. The bank's SACP reflects its leading domestic position as the largest Islamic financial institution in Jordan and the country's third-largest bank, its direct and indirect credit exposure to the domestic sovereign, its vulnerability to a prolonged adverse economic and geopolitical situation, a funding profile that borders the high range of the domestic average, and its gradually improving liquidity.

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The stable outlook on the two banks mirrors that on the sovereign. The stable outlook on the sovereign reflects our expectation that Jordan's fiscal and external balances will continue to gradually improve.

We would lower the rating on the banks if we lowered the rating on the sovereign. This could occur if external and fiscal balances were to diverge significantly from our expectations, if external and official funding were less forthcoming, or if financing needs widened beyond the scope of available external assistance.

We could raise our rating on the banks if we took a similar action on the sovereign, all other factors remaining unchanged. A sovereign upgrade could be triggered by successful implementation of key political and structural economic reforms, supporting more sustainable economic growth and further easing fiscal and external vulnerabilities.

RELATED CRITERIA AND RESEARCH

Related criteria

- Group Rating Methodology, Nov. 19, 2013
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Bank Capital Methodology And Assumptions, Dec. 6, 2010

Related research

- Jordan Islamic Bank, Sept. 25, 2014
- Banking Industry Country Risk Assessment: Jordan, Sept. 4, 2014
- Banking Industry Country Risk Assessment Update: September 2014, Oct. 8, 2014

BICRA SCORE SNAPSHOT*

Jordan

	To	From
BICRA Group	7	7
Economic risk	7	7
Economic resilience	Very high risk	Very high risk
Economic imbalances	Intermediate Risk	Intermediate risk
Credit risk in the economy	Very high risk	Very high risk
Industry risk	7	7
Institutional framework	High risk	High risk
Competitive dynamics	High risk	High risk
System wide funding	High risk	High risk
Trends		
Economic risk trend	Stable	Negative
Industry risk trend	Stable	Stable

*Banking Industry Country Risk Assessment (BICRA) economic risk and industry

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risk scores are on a scale from 1 (lowest risk) to 10 (highest risk). For more details on our BICRA scores on banking industries across the globe, please see "Banking Industry Country Risk Assessment Update," published monthly on RatingsDirect.

RATINGS LIST

	To	From
Ratings Affirmed, Outlook Revised		
Arab Bank PLC		
Jordan Islamic Bank		
Counterparty credit rating	BB-/Stable/B	BB-/Negative/B
Europe Arab Bank PLC		
Arab Bank Australia Ltd.		
Counterparty credit rating	BB+/Stable/B	BB+/Negative/B
Arab Bank PLC (Bahrain)		
Arab Bank PLC (Singapore)		
Arab Bank PLC (Dubai)		
Arab Bank PLC (Qatar)		
Counterparty credit rating	BB-/Stable/B	BB-/Negative/B

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