



# **Jordan and the Credit Rating: A Message of Confidence in the Role of the Banking Sector in Consolidating Stability**

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The announcement by S&P Global Ratings confirming Jordan's sovereign credit rating at BB- with a stable outlook represents an important milestone that reflects international institutions' confidence in the Kingdom's ability to face challenges. Despite regional instability and economic and financial pressures, Jordan has proven capable of maintaining relative monetary and economic stability, based on balanced fiscal and monetary policies and sustained international support. Although this rating remains below investment grade, its stability under current conditions is an important achievement that carries positive signals for financial markets, sends reassurance to investors, and conveys confidence to international partners regarding the resilience of the Jordanian economy and its capacity to withstand shocks.

Jordan has reinforced this stability through the implementation of a series of economic and fiscal reforms. The tax base has expanded, the business environment has improved, and the budget deficit has gradually receded. State owned companies have begun to adopt serious reform steps, while remittances have also contributed to strengthening financial flows.

External grants and aid, which accounted for about 12% of GDP in 2024, provided significant safety margins. However, the rise in public debt which exceeded 84% of GDP in 2025 and persistently high unemployment remain among the most prominent challenges. Nevertheless, the government's commitment to fiscal and structural reforms, supported by donors and the International Monetary Fund, has been a fundamental factor in maintaining the stable outlook. This positions Jordan for possible future rating upgrades if it continues to reduce deficits and strengthen reserves.

The Central Bank of Jordan has played a pivotal role in strengthening confidence in the national economy. Through prudent monetary policies and the peg of the dinar to the U.S. dollar, it has succeeded in maintaining low inflation levels and exchange rate stability. Foreign reserves rose to around \$22.1 billion by the end of July 2025, equivalent to about 8.4 months of imports, providing a comfortable buffer. This reflects the strength of monetary management. In addition, a balanced interest rate policy aligned with the U.S. Federal Reserve's directions has contributed to reinforcing monetary and financial stability alike. This has positively impacted the confidence of depositors and investors in the local currency.

Once again, the Jordanian banking sector has proven to be one of the main pillars of economic stability. Jordanian banks demonstrated high capacity to adapt to circumstances, maintaining strong financial soundness indicators. The capital adequacy ratio reached about 18%, among the highest in the region, while non-performing loans fell to 5.2%, reflecting an improvement in asset quality. The sector achieved a return on equity of 9%, and despite prudent risk management policies continued to finance vital sectors and support economic activity. Banks also preserved correspondent relationships, thereby reinforcing the stability of financial and trade flows.

Affirmation of the rating with a stable outlook means that Jordan remains capable of servicing its debt and that its financial institutions are able to absorb shocks. This positive message not only addresses international markets but also strengthens citizens' confidence in the resilience of the banking system, and encourages investment inflows particularly in sectors such as energy, industry, and tourism. It also justifies the continuation of international assistance and underscores Jordan's role as a pivotal anchor of stability in the region.

Thanks to prudent monetary policies, wise management by the Central Bank, and the solid performance of the public finances and the banking sector, Jordan has demonstrated its ability to confront challenges, despite the complex regional and economic environment marked by crises and instability. This credit rating represents nothing less than a renewed testimony to the strength of our financial foundations and a positive indication of Jordan's ability to safeguard monetary and financial stability.

The Jordanian banking sector, with its longstanding institutions and experienced leadership, remains the cornerstone of financing development and driving economic growth in the Kingdom. Despite the challenges, we believe the future holds promising opportunities if we continue to work with determination and through effective partnerships between the public and private sectors.