Jordan Kuwait Bank (JOKB)

Equity Research Report
Initiation of Coverage

ABC Investments

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ABC Investments

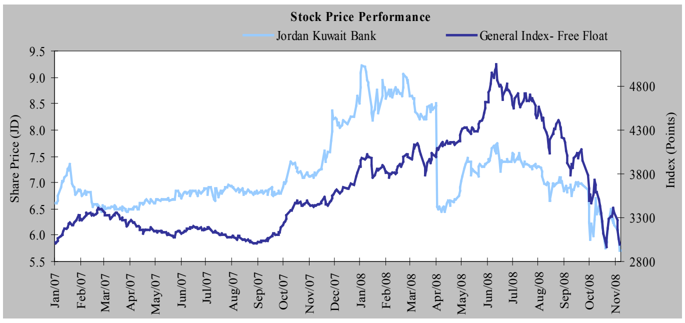
Jordan Kuwait Bank (JOKB)
Banking Sector

Initiation of Coverage
BUY
Current Price JD 5.25 / 12-Month Fair Value JD 7.23

November 19th, 2008

Share Information	
Ticker	JOKB
Exchange	ASE
Closing Price*	JD 5.25
52-Week High	JD 9.48
52-Week Low	JD 5.25
Year-on-Year % Change	(27.5%)
Year-to-Date % Change	(36.4%)
Market Cap	JD 525,000,000

* Price as of November 19th 2008



Key Ratios	
P/E (Trailing)	8.87x
P/E (Forward)*	9.68x
P/BV**	2.16x
ROAA (2007)	2.48%
ROAE (2007)	22.44%
Capital Adequacy	14.97%
NPL / Net Credit Facilities***	0.2%

* Based on annualised Q3 2008 EPS
** Based on Q3 2008 book value
*** Net of interest in suspense

Based on a current market price of JD 5.25, JOKB is currently trading at a forward P/E and P/BV of 9.68x and 2.16x, respectively, based on its Q3 2008 financial results. Going forward, JOKB is forecast to register a before-tax bottom line of JD 86.91 million and an after-tax net income of JD 61.70 million, giving a forward P/E and P/BV of 8.91x and 1.90x.

Using the two peer-based multiples valuation method and the Excess Returns method we estimated the fair value of JOKB to be JD 7.23 offering an upward potential of 37.7% over the current price of JD 5.25. Therefore we initiate our coverage of JOKB with a BUY recommendation.

- JOKB's total assets in 2007 amounted to JD 2.02 billion, increasing by 22% compared to the previous year. Customer deposits, cash margins and share capital payments increased by 12% compared to 2006 ending the year at JD 1.26 billion, while credit facilities granted by the bank over the same period amounted to JD 1.13 billion, registering an increase of 18%.

- In 2007, JOKB's net profits after tax amounted to JD 45.40 million registering an increase of 13% compared to 2006 and a CAGR of 32% since 2003. In Q3 2008 net profits after tax reached JD 43.58 million compared to JD 34.11 million over the same period.

- Net interest income stood at JD 65.15 million in 2007 compared to JD 57.20 million in 2006, while net commissions and other revenues for the same period reached JD 14.74 million and JD 16.89 million respectively compared to JD 8.92 million and JD 13.59 million in 2006. In Q3 2008, net interest income and commissions reached JD 69.84 million compared to JD 55.59 million for Q3 2007.

- Return on Average Assets (ROAA) and Return on Average Equity (ROAE) stood at 2.5% and 22.4% respectively for 2007, rising to 2.8% and 25.3 % respectively in Q3 2008, based on annualised third quarter profits.

Key Financial Information	2008F	2009F	2010F	2011F	2012F
Net Profits after Tax	61,703,627	75,200,030	86,051,339	98,913,465	115,582,691
Net Interest & Commissions Income	102,694,706	120,411,779	137,134,777	161,828,365	188,336,517
Total Assets	2,407,748,160	2,694,014,256	3,034,517,314	3,521,194,779	4,087,812,066
Shareholders' Equity	276,538,396	349,378,531	468,579,506	564,202,034	679,566,392
ROAA	2.8%	2.9%	3.0%	3.0%	3.0%
ROAE	25.0%	24.0%	21.0%	19.2%	18.6%

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1.0 ECONOMIC OVERVIEW

Following a period of steady growth for the Jordanian economy, factors have been coming into play, putting a dampening effect on the Kingdom's GDP. Real GDP at market prices has declined from an impressive 8.6% in 2004 to 6.0% in 2007, and is projected to decline to 5.5% and 5.0% by the end of the current year and 2009, respectively, according to estimates by the International Monetary Fund.

Kingdom's GDP growth on a continuous decline since 2004

	2003	2004	2005	2006	2007
Nominal GDP at Market Prices (JD Millions)	7,228.7	8,090.7	8,941.6	9,997.5	11,225.3
Real GDP at Market Prices	4.2%	8.6%	7.1%	6.3%	6.0%
Per Capita GDP (JD)	1,390	1,512	1,634	1,785	1,961

Source: Ministry of Finance, Central Bank of Jordan

Initiatives by His Majesty King Abdullah to attract foreign investment and improve the investment environment in the Kingdom has paid off, and this, coupled with the dual booms in the capital and real estate markets, has led to soaring influx of foreign capital to the Country. The increase in oil prices, which reached in excess of USD 150 per barrel earlier this year, created an abundance of wealth and excess liquidity in the GCC oil-rich countries, and this triggered a wave of investment across the region, to which Jordan was a recipient. Moreover, the rising GCC wealth created job opportunities and raised salaries, both of which boosted the level of remittances to, and therefore liquidity in, the Kingdom.

An obvious increase in foreign investment in the Kingdom, due to excess liquidity in neighbouring countries

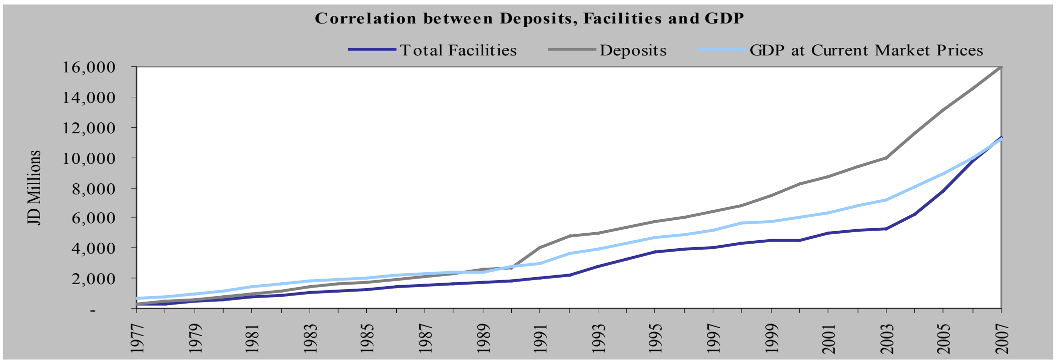
In parallel, the rising oil prices hiked up costs of production and freight costs, which increased prices of commodities. Moreover, rising consumer demand and consumption, particularly evident in emerging markets, has stunted supply, driving up prices of raw materials and food. These factors all came into play to skyrocket global inflation.

Jordan's inflation, which registered above 15% this year, has further factors negatively impacting on it. As an import-oriented economy, the devaluation of the dollar against other major currencies rendered imports relatively more expensive, a cost passed on by producers to the end-users. Moreover, in a bid to ease the burden on the Kingdom's budget, the Government removed subsidies on fuel in early 2008 and put into effect a monthly pricing mechanism for fuel prices, later adjusted to bi-weekly and weekly repricing and readjusted back, which further drove up inflation.

Inflation in Jordan reached 15% during 2008

The global credit crunch has detrimentally affected equity markets on a global front, and consumer confidence is plummeting despite steps taken by authorities to stabilise markets, restore liquidity and reinstil confidence. Credit conditions and financial markets are expected to remain unstable through 2008 and into 2009 until confidence is restored that the problems faced by financial institutions have been resolved. Economic growth in Jordan will continue to decelerate in light of the global economic slowdown, with many developed countries approaching or entering a phase of recession, and this slowdown will persist despite the expected reduction in inflation accompanying the more recent slumps in oil prices and the recovery of the dollar vis-à-vis other major currencies.

Global credit crunch affecting the Kingdom's economic growth



Source: Central Bank of Jordan, ABCI Interpretation

Predictably, the performance of the banking sector is governed to a large extent by the performance of the economy overall. Correlation between the sector's deposits and facilities, and therefore growth of the banking sector, will therefore be determined largely by economic growth. Therefore the imminent slowdown in Jordan's economy is expected to restrain the growth of the banking sector, which compounded with high inflation and low interest rates, will prompt individuals to spend more and save less.

The slowdown in the economy will hold back the growth of the banking sector

Moreover, while banks in Jordan are relatively immune in terms of subprime mortgage financing and the financial system is strong with banks maintaining capital adequacy ratios substantially higher than that required by the Central Bank and Basel II, the immense impact of the near-collapse of the financial system in the Unites States which has spread to other regions of the globe cannot fail to harm the Jordan financial sector, whether directly as a result of collaborations and transactions with said international financial institutions, or indirectly as a result of the hit on Jordan's economy, which will inevitably affect the economy's primary driving force. Times remain uncertain in the short-term, despite the U.S. bailout plan which should help clear some of the fog on this, and the real impact on Jordan and its financial system will wait to be seen.

On a positive note for the banking sector, the free-falling General Index of the Amman Stock Exchange of late will help to redivert funds back to the sector, as capital gains begin to deteriorate and losses begin to accrue. Furthermore, the hardship being felt in the Kingdom as a result of the inflationary shock should sustain steady and growing demand for credit facilities, although it is likely that banks will be more cautious in granting loans in current circumstances.

The downturn in the Amman Stock Exchange will help redirect funds to the banking sector

2.0 JOKB AND THE BANKING SECTOR

2.1 Overview of JOKB

Jordan Kuwait Bank ("JOKB" or "the Bank") was established in 1976 by a group of Jordanian, Kuwaiti and Arab investors with a mission to provide significant banking and financial services to their clients. It has since expanded, operating a network of 48 branches distributed across the Kingdom, in addition to two branches in Nablus and Ramallah in Palestine and an international banking unit in Cyprus.

Jordan Kuwait Bank was established in 1976 and operates a network of 48 local branches

JOKB has gradually developed into a major player in the Jordanian banking sector, becoming the third largest bank in Jordan after the Arab Bank and Housing Bank for Trade and Finance in terms of assets. Its primary mission is to further expand its market share in the banking sector, through quality service and innovative products. JOKB was the first bank to offer internet banking services to its clients and is considered a leader in incorporating new technologies into its banking activities. Innovative products recently launched include discounted certificates of deposits, the "VISA Infinate" card, which offers card holders unlimited spending power worldwide and a wide variety of special benefits, such as concierge services and travel accident insurance, and quality bank assurance services. It has also extended its line of services offered beyond the typical core banking services, offering advisory services such as initial public offering (IPO) management, performing feasibility studies, as well as offering private banking services, all of which played an important hand in the growth of JOKB in recent years, enhancing its image and attracting new clientele.

JOKB is the third largest bank in terms of assets

The Bank offers services beyond traditional banking services

During late 2007, the Bank developed a new organisational structure in order to enhance efficiency, dividing the Bank into three main groups; the Banking Group, the Risk Group, and the Support Services Group.

Jordan Kuwait Bank was awarded the "Best Bank in Jordan 2005" by the "International Global Finance" magazine in 2005 and received the award for "Bank of the Year" for Jordan from the British magazine, "The Banker", for the second consecutive year in 2007. Years 2006 and 2007 marked landmark performances for JOKB, with profits increasing to JD 40.13 million and JD 45.40 million, respectively, compared to JD 27.90 million in 2005, and assets soaring by JD 607.87 million over the two years.

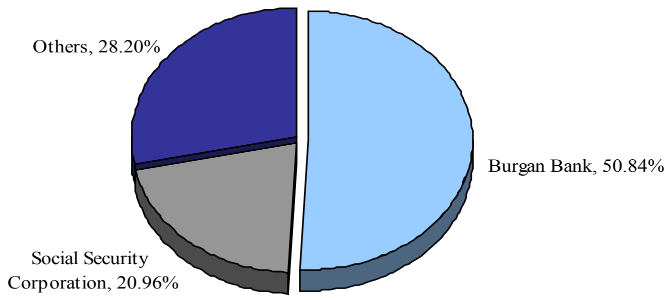
JOKB was named "Bank of the Year" for Jordan in 2006 and 2007

The Bank's growth has been organic, raising its paid-up capital twice in 2006, first from JD 40 million to JD 60 million through the capitalization of retained earnings and revenues, and secondly through a private subscription to existing shareholders at a price of JD 3 per share, raising the capital from JD 60 million to JD 75 million. In April 2008, the Bank raised its paid-up capital by a further 25 million shares/JD to reach JD 100 million, ahead of many banks in the sector, in anticipation of the requirement of the Central Bank for all banks to raise their capital to JD 100 million, and in order to sustain the strong growth of late, while maintaining sufficient capital adequacy in compliance with Basel II, by distributing 33.3% stock dividends. The Bank also distributed 20% cash dividends to shareholders for the financial year of 2007. JOKB's capital adequacy stood at 15% at the end of 2007, higher than the required ration by the Central Bank and Basel II, but much lower than the sector average of 21%.

JOKB raised it's paid-up capital several times to reach JD 100 million in April 2008, well ahead of the expected deadline for banks by the Central Bank

Shareholder Structure

Ownership Structure*



* As of November 19th 2008
Source: Securities Depository Commission

Burgan Bank and the Social Security Corporation are JOKB's major shareholders

JOKB's major shareholders are the Burgan Bank, with a 50.8% holding, and the Social Security Corporation, with 20.9%. In mid-2008, Burgan Bank acquired United Gulf Bank's 43.86% holding in JOKB, raising its ownership to position itself as the Bank's largest shareholder.

Board Members

Board Member	Country	Number of Seats	Ownership*
Social Security Corporation	Jordan	1	20,963,000
Mr. .Mohammad Abu Ghazaleh	Jordan	1	861,764
Strategy Company for Investments	Jordan	1	465,631
United Gulf Bank	Bahrain	2	226,667
Kuwait Projects Company	Kuwait	1	50,996
Al Futtooh Holding Company	Kuwait	1	44,996
Mr. Farouk Al Aref	Jordan	1	14,004
Engineer Naser Al Louzi	Jordan	1	4,996
Total		**10**	**22,632,054**

* As of November 19th 2008

Burgan Bank is one of Kuwait's leading commercial banks, and is one of the many banks under the Kuwait Projects Company (KIPCO) umbrella. KIPCO is a leading investment holding company in the MENA region, operating primarily in financial services and media & technology. KIPCO's consolidated holding in Burgan at the end of 2007 stood at 51%.

Subsidiaries of JOKB

Jordan Kuwait Bank has two subsidiaries, the Arab Orient Insurance Company, with a 65.7% holding, and the United Financial Investment Company, with a 50.0% holding, both of which are consolidated within JOKB's financials.

ABC Investments

Subsidiaries of Jordan Kuwait Bank

Company Name	Country	Ownership (%)	Ownership (JD)
Arab Orient Insurance Company	Jordan	65.7%	7,226,684
United Financial Investment Company	Jordan	50.0%	2,500,277

Arab Orient Insurance Company (AALI)

The Company was established in 1996 as a public shareholding company operating under the name of Al Sharq Al Arabi Insurance Company. In 2000 however, JOKB acquired the Company and changed its name to Arab Orient Insurance Company (AALI). In 2001, AALI became a subsidiary of JOKB with the Bank owning 65.7% of the Company's JD 10 million capital as of 31 December 2007.

JOKB owns 65.7% of the Arab Orient Insurance Company...

Arab Orient Insurance Company offers all types of general insurance classes and generated profits of JD 1.91 million during the first three quarters of 2008 compared to JD 1.18 million over the same period of 2007. AALI is the only Jordanian insurance company rated by A.M. Best Co., which gave it a financial strength rating of B+ and an issuer credit rating of BBB-. Moreover, AALI claimed the largest share of premiums written in the Kingdom for 2007.

United Financial Investments (UCFI)

United Financial Investments Company/UFICO (UCFI) was established in 1980 as a private shareholding company. In 1996 it was transferred into a public shareholding company, with a total paid-up capital of JD 1.5 million, later raised to JD 2 million. The Company increased its capital again in 2006 to reach JD 5 million through the distribution of stock dividends to shareholders.

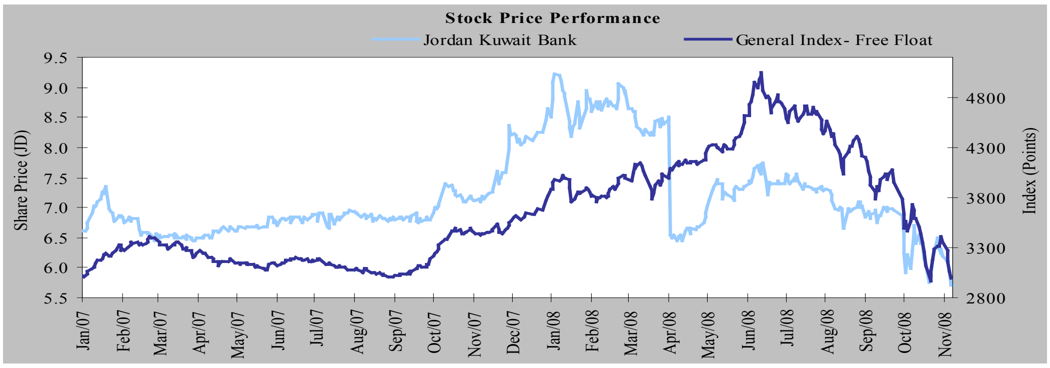
... as well as 50.4% of United Financial Investments

United Financial Investments is one of the leading brokerage companies in the Kingdom. It offers both local and international brokerage services, and enjoys a leading position and a high market share amongst investment companies operating in the Amman Stock Exchange.

In 2002, UFICO became a subsidiary of the Bank, with the Bank holding 50.4% of the Company's total paid-up capital. The Company's net income after tax for the first three quarters of 2008 amounted to JD 4.55 million compared to JD 934.35 thousand over the same period of 2007.

Trading Information

Aside from the first two weeks of 2007, JOKB's share price performance for the first three quarters of the year was relatively stable, fluctuating around the JD 6.00 mark, slightly outperforming the General Index. In October, corresponding to a reversal in the General Index's downward trend followed since late 2005, JOKB's share price began to ascend sharply, ending 2007 at JD 8.25, 25% higher than the beginning of the year.



The first quarter of 2008 saw further hikes in JOKB's share price in anticipation of strong financial results, and corresponding to a recovery in the capital market overall, reaching JD 9.48 on January 13th and JD 9.24 on the 28th of February, before closing the quarter at JD 8.46. In April, however, the Bank announced the distribution of 20% cash dividends and 33.3% stock dividends, causing the share price to be adjusted downwards to JD 6.54, 22.3% lower than the prior day's close. The share price began to ascend once more to reach a high for Q2 2008 of JD 7.93 on June 18th, before declining to JD 7.40 on June 30th, 2008.

The following three months saw JOKB's share price oscillate within a range of JD 6.65 and JD 7.56, mimicking the downward movements of the General Index, to end the third quarter at 17.63% lower than the start of 2008, and a 5.9% drop in its share price compared to the end of the first half.

This drop in share price continued into October and mid-November, with JOKB share price registering a low of JD 5.25 by November 19th.

Trading in 2008 was boosted by the United Gulf Bank - Burgan Bank deal

	Value Traded (JD)	# Transactions	Volume Traded (# of Shares)	Average Daily Value Traded (JD)	Average Daily Volume Traded (# of Shares)
2008*	388,302,016	7,603	53,425,237	1,749,108	240,654
2007	51,950,225	8,603	7,433,636	211,180	30,218

* Up to November 19th

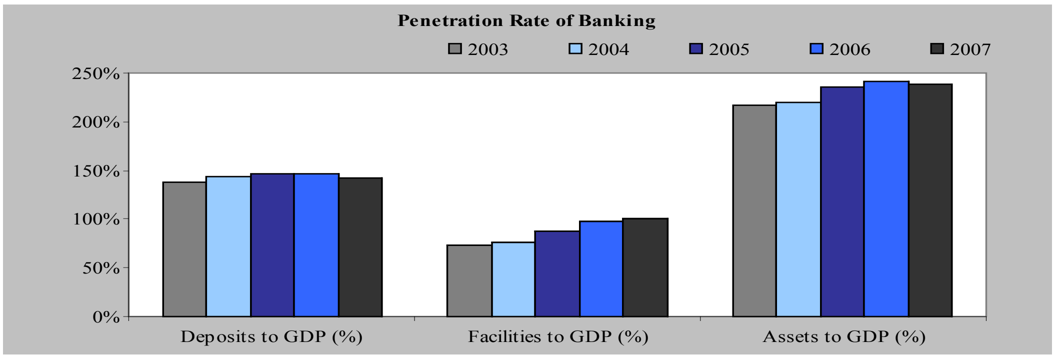
Trading activity of the JOKB stock was robust during 2008 compared to previous years, with the average daily traded value standing at JD 1.78 million compared to JD 211,180 at the end of 2007. The average daily volume reached 240,654 shares by November 19th 2008 compared to 29,188 shares over the same period in 2007. Trading in 2008, however, was boosted upwards by the United Gulf Bank - Burgan Bank deal, which on exclusion drops the average value to JD 310,148 and the average volume to 42,997 shares.

2.2 Sector Size and Overview

Banks in Jordan are regulated by the Central Bank of Jordan, whose role is to protect depositors and shareholders, through ensuring the soundness of the banking sector by monitoring capital adequacy levels, requiring the application of international auditing and accounting standards, and monitoring solvency and liquidity of banks.

Jordan has 13 local commercial banks, 8 foreign banks, and 2 islamic banks.

The Jordanian banking sector currently comprises 13 local commercial banks, 8 foreign banks, two Islamic Banks, and the Central Bank, in addition to several specialised credit institutions, of which, the Industrial Development Bank, a listed joint ownership bank, has recently completing procedures to convert into the sector's third Islamic bank, offering banking services in compliance with Shari'a principles. The network of branches of licensed bank amounted to 558 at the end of 2007, 37 of which relate to the foreign banks and 72 to the Islamic banks. The Housing Bank, with 96 branches across the Kingdom, has the largest branch network, followed by the Arab Bank with 77 branches as of 2007 year-end. With a population of 5.72 million at the end of 2007, the branch network translates to one branch per 10,256 capita. Although this may suggest a fragmented market, the two largest banks, the Arab Bank and the Housing Bank, alone claim a combined market share of 38.6% of the sector's aggregate assets in the Kingdom.



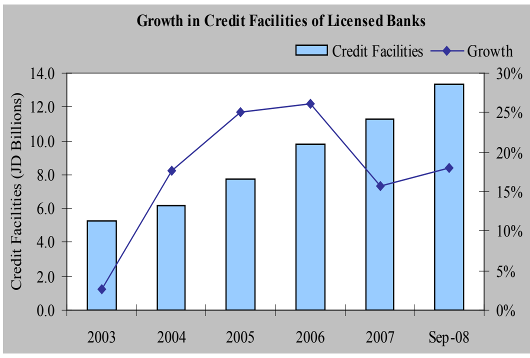
Source: Central Bank of Jordan, ABCI Interpretation

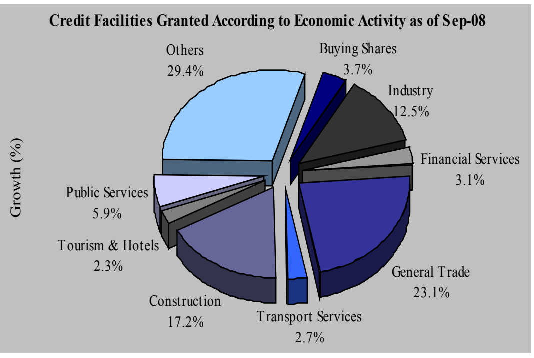
The consolidated assets of licensed banks within the Kingdom have grown by a compounded annual growth rate of 14.3% in the period 2003 through 2007, reaching JD 26.82 billion in 2007, and continued to rise in 2008 to register at JD 29.91 billion at the end of September. As illustrated, the banking sector is a major player in the Jordanian economy, with the sector's total assets comprising 239% of GDP in 2007. In terms of the sector's deposits and facilities, these made up 142% and 101% of GDP, respectively.

Consolidated assets of licensed banks within the Kingdom reached JD 29.91 billion at the end of September 2008...

The credit facilities granted by licensed banks registered at JD 13.33 billion in September 2008 compared to JD 11.30 billion and JD 9.76 billion at the end of 2007 and 2006, respectively. Between 2003 and 2007, the facilities granted grew by a compounded annual growth rate of 21.0%, with the highest growth level occurring in 2006, where credit facilities increased by 26.1%.

... while credit facilities granted by reached 13.33 billion



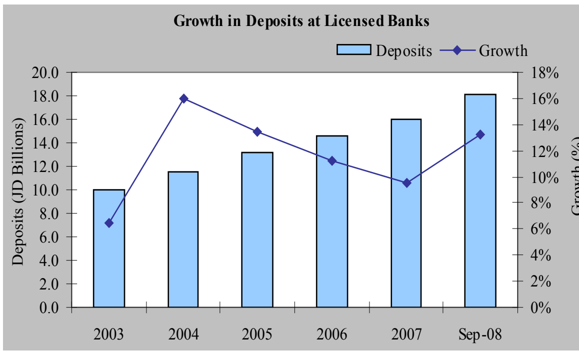


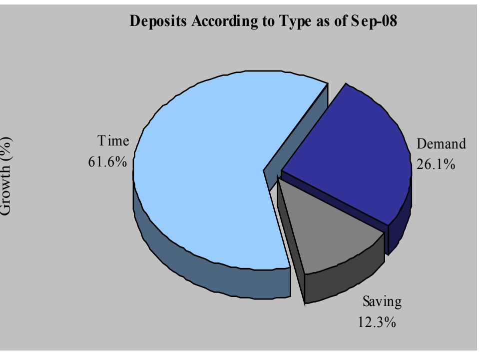
The bulk of facilities were granted to the 'general trade' and 'construction' sectors, which together accounted for around 40% of the total facilities. The surge in construction activity across the Kingdom in recent years has fuelled the growth in credit facilities, and recent demand for large project loans is helping to support the sustained growth in facilities. While the economic slowdown in Jordan is expected to decrease demand for facilities on a corporate level, high inflation and difficult living conditions are likely to spur addition demand on the retail side.

... of which 40% were granted to the "general trade" and "construction" sectors

Deposits have also been growing, registering a compounded annual growth rate of JD 12.5% during the 2003-2007 period. At the end of 2007, deposits at licensed banks amounted to JD 15.99 billion compared to JD 14.59 billion in 2006. During the nine months ended September 2008, total deposits grew by a further 13.2% to JD 18.10 billion. Private sector deposits constituted 91.1% of the total as of September 2008, while the bulk of deposits represent time deposits, which accounted for 61.6% of the total, followed by demand deposits at 26.1%.

Deposits at licensed banks reached JD 18.10 billion at the end of September 2008





The peg of the Jordanian Dinar to the US dollar has forced the Central Bank of Jordan to mimic the interest rate cuts of the US Federal Reserve. During year 2001, the Fed slashed interest rates eleven times by an aggregate of 475 basis points. It cut interest rates further in 2002 and 2003 by 50 basis points and 25 basis points, respectively. In 2004 through 2006, the Fed raised the interest rates a number of times, increasing them from a rate of 1.00% in 2003 to 5.25% in 2006. Slowing economic growth alongside the housing slump and subprime-linked credit crisis induced further

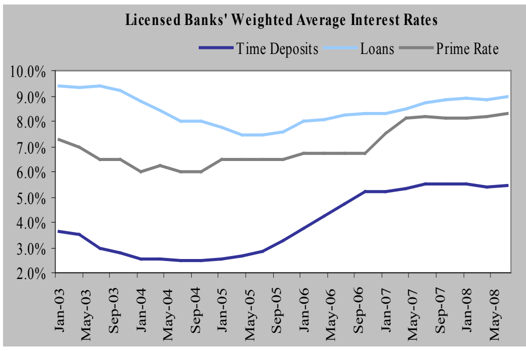
Peg to the dollar necessitates the mimicking of the US Fed's interest rate cuts...

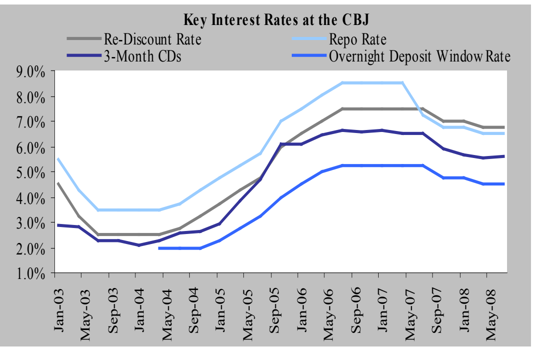
interest rate cutting actions by the Fed that reduced interest rates to 1.00% by October 2008 through nine consecutive interest rate cuts, three of which occurred in 2007.

... with nine cuts by the Fed occurring in 2007 and 2008...

In 2003, the Central Bank of Jordan (CBJ) cut the Re-discount Rate by 200 basis points from 4.50% in January to 2.50% in October. Between years 2004 and 2005, the Central Bank raised the Re-discount Rate fourteen times from 2.50% to 6.50%. The rate was raised four times further in 2006 to end the year at 7.50%. The high and rising domestic and global inflation environment prevented the Central Bank of Jordan from fully replicating the interest rate cuts of the Fed during 2007, with the Re-discount Rate being maintained at a stable rate, with a single rate cut of 50 basis points in September.

... however, high inflation led Jordan to allow the spread between the Fed rate and the CBJ rates to widen





Source: Central Bank of Jordan

Repurchase agreement rates (Repo Rates) were reduced by 75 basis points twice during 2003 to decline from 5.50% at the start of the year to 3.50% by year-end. Repo Rates were raised throughout years 2004, 2005 and 2006, to reach 4.75%, 7.50% and 8.50% at year end, respectively. In 2007, the Repo Rate was reduced to 6.75% and then by a further 25 basis points in 2008.

At the same time, the overnight window deposit rate was increased eight times in 2005 from 2.25% to 4.50%. The Central Bank raised it by a further three times in 2006 to reach 5.25% by year end. In 2007 and 2008 up to September, the overnight window deposit rate was reduced by 50 basis points and 25 basis points, respectively, to 4.75% and 4.50%.

One of the Central Bank's main money-market instruments are the 3-month certificates of deposit issues, which it uses to control the money supply in the market. By varying the CD amounts it issues, it can either increase or withdraw liquidity from the market. In 2005, the interest rates on the 3-month CDs were raised eleven times from 2.85% at the end of 2004 to 6.20% by year end. In 2006, the interest rates were raised further to 6.70%, before being reduced to 5.75% by the end of 2007. In 2008, the rates continued to decline, registering at 5.68% as of September.

Despite interest rate cuts in 2007 and 2008 by the Central Bank of Jordan, licensed banks in Jordan continued to raise interest rates applied on both deposits and credit facilities. The average interest rates offered on demand deposits were increased from 0.87% in 2006 to 0.94% in 2007 and reduced back down to 0.93% by September 2008, while rates on savings accounts were increased from 0.99% to 1.10% and 1.11% over the same period. Meanwhile, rates offered on time deposits were also increased to 5.56% in 2007 before declining slightly to 5.47% as of September 2008, although still higher than the 5.13% rate back in 2003.

Interest rates on demand deposits reached 0.93% in September 2008, while rates on savings and time & notice deposits stood at 1.11% and 5.47%

Strikingly, despite a slight reduction in the average interest rates offered on deposit accounts in 2008 as compared to 2007, the average rates on overdrafts and loans and advances continued to be raised. Rates on overdrafts were increased from 9.23% in 2006 to 9.83% and 10.31% in 2007 and September 2008 respectively. Moreover, for the same period, the rates on loans and advances were raised from 8.56% to 8.86% and 9.04%. The rates on discounted bills and bonds also increased in 2007 to 9.45% from 8.72% the year prior, but in 2008 the rate was decreased by 45 basis points to 9.00%

The widening interest spread between the credit and deposits helped increase sectors profitability.

The weighted average interest rate spread between credit facilities and deposits has narrowed, decreasing from over 7.50% in mid-2003 to around 5% in 2006. In 2007, the interest rate spread remained stable at an average of 5.14% before widening in 2008 to 5.46% in September of 2008. This widening spread helped raise the sector's aggregate profitability from JD 609.45 million for the entirety of 2007 to JD 565.11 million at the end of the third quarter of 2008, giving an annualised profit for the year of JD 763.30 million.

	2005	2006	2007	Q3 2008
Paid-Up Capital	825,215,591	1,332,820,553	1,485,283,053	1,739,107,705
Net Income for the Period	491,461,672	536,717,626	609,452,786	565,108,869

Statistics are for listed banks, excluding the Jordan Islamic Bank and the Industrial Development Bank
* Includes Jordan Ahli Bank's H1 2008 net income as Q3 2008 results had not been issued at the date of this report

While the increase in profits can be attributed in part to the widening spread, the growth in the size of the banking sector in recent years has facilitated an expansion in banks' operations and diversification of operations. The paid-up capital of licensed banks rose from JD 1.33 billion in 2006 to JD 1.49 billion and JD 1.74 billion in 2007 and Q3 2008, respectively.

SWOT Analysis

Strengths	Weaknesses
High Profitability	High percentage of facilities to customer deposits
High coverage ratio of non-performing loans	Growth in facilities are constrained by deposit growth
Low percentage of non performing loans to credit facilities	Exposure to capital market performance, although to a lesser extent than the sector
Good management of public offerings for new and existing companies	Lack of diversification of business due to heavy weighting of corporate business
Excellent standard of customer service	Low capital adequacy ratio compared to the sector, but still higher than the 8% and 12% required by Basel II and the CBJ
Charismatic and strong profile of executive management	
Very strong corporate base	
Solid IT infrastructure	
Leading bank for IPOs	

Opportunities	Threats
Expansions to other countries	Changes in banking regulations
Higher growth potential for facilities than the sector	Entry of new players to the market
Opportunity to increase market share through merger/ acquisition of other local banks	Real estate bust in the region reflecting on the sector in Jordan, and as a result, on the banking sector as a whole
Expected rise in interest rates and increased liquidity following stock market correction will lead to increase in interest rate margin, and therefore higher profits	Effect of financial crisis in the U.S. rippling across the World, raising the risk premium and negatively impacting on the Jordanian economy and on banks
New Governmental initiatives provide opportunities to increase bank activities	
Potential to grow in the retail segment of the market through utilisation of corporate connections	

Sector Player Highlights

Listed Banks' Financial Highlights as of September 30th 2008

	Paid-up Capital**	Total Assets	S/H Equity	Credit Facilities**	Customer Deposits***	Net Interest Income	Net Income
JOKB	100,000,000	2,165,085,755	242,600,244	1,303,217,018	1,213,961,471	60,781,734	43,581,298
ARBK	534,000,000	22,750,172,000	3,648,983,000	11,234,214,000	12,939,897,000	411,544,000	301,552,000
THBK	252,000,000	5,436,910,484	867,376,705	2,275,519,189	3,833,274,005	147,036,833	89,142,297
JONB*	110,000,000	2,136,478,632	204,974,814	829,538,511	1,387,372,793	29,020,962	14,728,447
BOJX	100,000,000	1,633,356,498	179,888,813	824,180,083	1,281,302,838	48,062,638	30,248,430

ABC Investments

	Paid-up Capital**	Total Assets	S/H Equity	Credit Facilities**	Customer Deposits***	Net Interest Income	Net Income
CABK	80,000,000	1,564,024,432	161,085,050	644,768,835	1,191,404,341	39,658,833	17,563,376
UBSI	95,000,000	1,201,690,435	221,500,344	592,208,257	661,923,104	23,732,633	16,838,163
EXFB	132,280,000	1,034,590,324	191,394,525	593,394,779	552,812,315	23,386,849	14,000,565
JIFB	61,325,000	706,221,995	83,433,458	306,970,268	446,021,165	9,766,252	5,103,594
AJIB	100,000,000	717,175,115	122,451,780	308,535,996	378,863,217	12,953,230	9,859,798
ABCO	64,471,875	630,238,874	86,064,309	290,342,245	353,536,740	16,630,712	9,429,470
JOGB	69,575,000	666,286,053	88,136,400	378,942,878	417,824,788	15,687,228	10,129,156
MEIB	40,455,830	244,099,148	47,361,801	168,196,945	123,229,430	7,078,345	2,932,275
Total	**1,739,107,705**	**40,886,329,745**	**6,145,251,243**	**19,750,029,004**	**24,781,423,207**	**845,340,249**	**565,108,869**

* JONB's figures represent H1 2008 figures
** As of September 30th 2008
*** Includes facilities and deposits for branches outside Jordan

Paid-up capital of licensed banks reached JD 1.74 billion in Q3 2008.

2.3 JOKB Performance

2.3.1 Financial Highlights

	2003	2004	2005	2006	2007
Gross Income	34,996,877	42,664,765	60,847,858	79,702,510	96,774,226
Profit before Tax	20,415,355	27,669,639	39,304,108	55,943,681	63,668,391
Profit after Tax	14,759,015	19,480,566	27,899,336	40,132,812	45,396,662
Total Assets	717,685,211	886,311,258	1,408,372,182	1,649,761,717	2,016,239,639
Shareholders' Equity	67,880,565	83,970,142	102,875,637	187,665,623	216,946,670
Paid-up Capital	25,000,000	31,250,000	40,000,000	75,000,000	75,000,000
Growth in Facilities	20.3%	40.0%	54.7%	39.2%	17.5%
Growth in Customer Deposits	9.5%	23.2%	46.9%	11.8%	23.9%
Growth in Deposits,Cash Margins & Share Capital Payment	13.0%	24.9%	65.2%	0.0%	24.8%
Growth in Net Profits	41.1%	32.0%	43.2%	43.8%	13.1%
Growth in Operating Income	46.2%	37.1%	42.0%	42.3%	13.8%
Facilities-to-Assets	44.3%	50.3%	48.9%	58.1%	55.9%
Facilities-to-Total Deposits	53.8%	60.3%	56.5%	78.6%	74.0%
Facilities-to-Customer Deposits, Cash Margins & Share Cap.	61.6%	68.8%	62.3%	85.8%	89.8%
Growth in Non-Interest Expense	(9.1%)	1.2%	43.7%	10.3%	39.3%
Non-Interest Income-to-Operating Income	94.0%	67.3%	56.4%	63.1%	40.2%
Gross Credit Facilities (JD)	332,712,547	455,896,128	698,314,415	963,702,017	1,133,416,070
Non-Performing Loans* (JD)	12,479,038	6,103,655	4,222,054	3,160,519	2,314,353
Provision for Credit Losses (JD)	14,499,947	8,169,647	8,143,504	3,834,074	5,261,607
NPL*/Net Credit Facilities*	4.7%	1.4%	0.6%	0.3%	0.2%
Provision for Credit Losses/NPL*	116.2%	133.8%	192.9%	121.3%	227.3%
Dividends Per Share	0.200	0.200	-	0.200	0.200
Dividend Payout Ratio	43.9%	43.1%	-	38.3%	33.8%
Dividend Yield	2.3%	1.7%	-	3.1%	2.4%
ROAA	2.2%	2.4%	2.4%	2.6%	2.5%
ROAE	23.5%	25.7%	29.9%	27.6%	22.4%
Share Price	8.55	11.80	10.60	6.53	8.25
EPS	0.455	0.594	0..638	0.522	0.592
Book Value	2.715	2.687	2.572	2.502	2.893
P/E Ratio	18.78	19.86	16.62	12.51	13.94
P/BV Ratio	3.15	4.39	4.12	2.61	2.85

* net of interest in suspense

2.3.2 Balance Sheet

	2003	2004	2005	2006	2007
Total Assets	717,685,211	886,311,258	1,408,372,182	1,649,761,717	2,016,239,639
Total Liabilities	646,999,824	798,827,892	1,299,964,496	1,453,910,759	1,790,476,172
Shareholders' Equity	67,880,565	83,970,142	102,875,637	187,665,623	216,946,670

Total assets have grown by a CAGR of 29.5% since 2003, while total liabilities grew by a CAGR of 29.0%

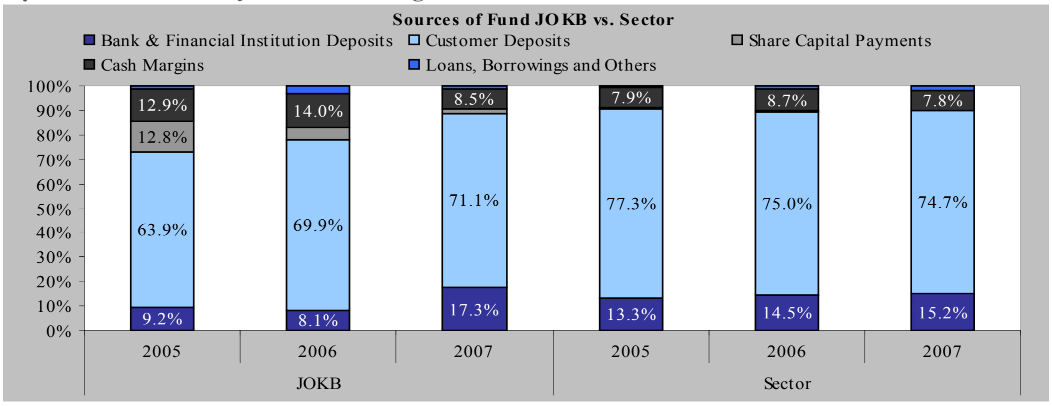
Jordan Kuwait Bank's balance sheet has been moving from strength to strength over the past few years, particularly in 2005 where its assets increased by 58.9%, equivalent to JD 522.06 million. Overall since 2003, total assets have grown by a compounded annual growth rate of 29.5%, while liabilities grew by 29.0% over the same period. Meanwhile, supported by strong profits and increases in paid-up capital, the equity attributable to the Bank's shareholders more than trebled to JD 216.95 million. Overall, the Banks' balance sheet for the last few years reflected excellent achievements, with years 2005 and 2006 registering the best financial results in the Bank's history.

2.3.2_1 Sources of Funds

JOKB's primary sources of funds, defined as deposits, cash margins, share capital payments, and loans, have been growing year on year at a compounded annual growth rate of 26.0% since 2003 to register at JD 1.54 billion at the end of 2007.

JOKB's primary sources of funds registered at JD 1.54 billion in 2007, with customer deposits comprising 71.1% of the total.

Key Sources of Funds - JOKB vs. Banking Sector

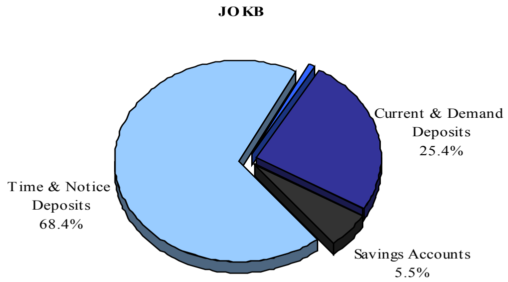


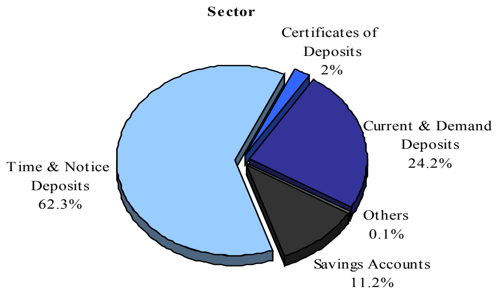
Source: Banks' Annual Reports

Customer deposits comprise the larger part of JOKB's source of funds, at 71.1% of the main sources, and 61.0% of its total liabilities. Corresponding to JOKB's increase in customer deposits from JD 881.95 million in 2006 to JD 1.09 billion the following year, the contribution of customer deposits to the main source of funds continued to become increasingly important. Moreover, bank and financial institution deposits gained importance as a source of fund, rising to 17.3% of total deposits and loans, exceeding the sector average. Bank and financial institution deposits jumped 160.3% to JD 266.76 million in 2007 from JD 102.47 million in 2006. Meanwhile, share capital payments on account of companies under establishment registered at JD 31.78 million, down from JD 59.54 million and JD 158.34 million in 2006 and 2005, respectively.

Banks and financial institution deposits' contribution to sources of funds rose to 17.3% in 2007

Deposits according to Type - JOKB vs. Banking Sector (2007)





Source: Banks' Annual Reports

Time and Notice Deposit make up 68.4% of bank's total customer deposits.

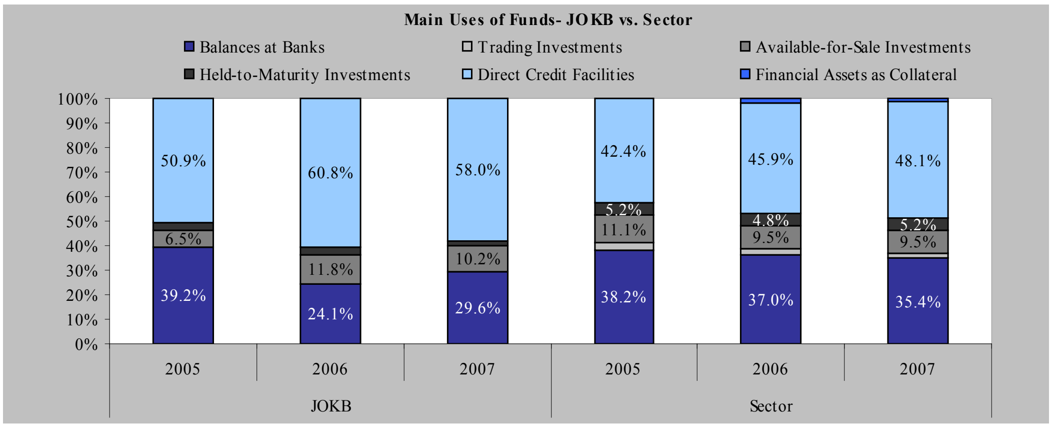
A consideration of JOKB's customer deposits suggest that it has a relatively high cost of funds, due to a concentration of its deposits in time and notice deposits, which comprise a substantial 68.4% of total deposits, compared to a sector average of 62.3%. Time and notice deposits are higher interest-earning deposits, and therefore represent a more expensive source of funds for banks.

2.3.2_2 Uses of Funds

Corresponding to the increase in sources of funds, the Bank's main uses of funds, defined as cash, investments and credit facilities, have been rising, reaching JD 1.95 billion in 2007 compared to JD 1.35 billion two years prior. The Bank's primary use of funds is granting credit facilities, which in 2007 made up 58.0% of the uses of funds. Credit facilities have demonstrated exceptional growth, rising by a compounded annual growth rate since 2003 of 37.2%. JOKB's allocation of its funds has been consistent in recent years, with a slight growth in bank balances in 2007. Compared to the sector average, however, JOKB is more aggressive in granting facilities and has lower cash balances available.

JOKB's credit facilities rose to JD 1.95 million in 2007, at a CAGR of 37.2% since 2003

Key Uses of Funds - JOKB vs. Banking Sector



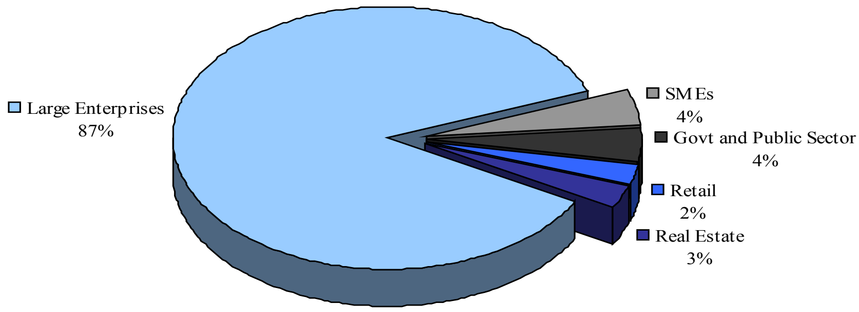
Source: Banks' Annual Reports

Jordan Kuwait Bank's credit facilities are heavily weighted on the corporate side, with JD 977.03 million of a total facilities balance for 2007 of JD 1.13 billion granted to large corporations, and a further JD 48.65 million granted to small-medium enterprises (SMEs). JOKB is very active in syndicated loans, and has participated in a JD 44.5 million syndicated loan in favour of the Jordan Electricity Company, led by the Arab Bank. It has also granted a JD 21.5 million loan in August 2008 to the Amman Municipality. There are a number of huge projects underway in the Kingdom requiring financing, which will sustain the high level of corporate facilities granted. However, some deceleration in the growth of such facilities may be expected, in response to the global economic slowdown, the slump in the Jordanian real estate sector, and the sharp drop in oil prices of late, reducing oil-generated liquidity in the Gulf.

JOKB's grants 87% of its credit facilities to corporate enterprises...

Meanwhile, the hardship resulting from the economic slowdown, coupled with the stock market crash will drive growth on the retail side. While the credit crunch and financial markets meltdown suggest that Banks will be more cautious in granting credit facilities, charging higher interest rates and requiring additional collaterals against the loans, we believe that this offers a window of opportunity for JOKB. Facilities granted to the retail sector by JOKB comprise a mere 2.4% of the total. The Bank's strong corporate relationships bode well for attracting employee accounts of these companies, in addition to its reputation for excellent customer service means that JOKB has great potential to expand its asset base in retail, which will help compensate for any deceleration in the growth of the corporate business.

JOKB Credit Facilities Granted According to Business Line



... while only 2.4% of the total credit facilities were granted to the retail sector

Asset Quality

Jordan Kuwait Bank is renowned for having the highest quality credit facilities amongst banks in Jordan and the Middle East, with its non-performing loans-to-credit facilities ratio standing at a mere 0.2% in 2007, excluding interest in suspense and commissions.

JOKB has the cleanest credit portfolio in the region

Despite the growth in JOKB's credit facilities, the Bank's non-performing loans continued to drop reaching JD 2.31 million in 2007 compared to JD 15.10 million back in 2003. This improvement has resulted in a consistent decline in the NPL/credit facilities ratio over the years. Moreover, the Bank has been effective in covering risks of non-performing loans, maintaining a high coverage ratio in this regard. Provisions against credit facilities registered at JD 5.26 million in 2007, up 37.2% from 2006's JD 3.16 million provisions. This took up the coverage ratio to over 200%.

Asset Quality of JOKB

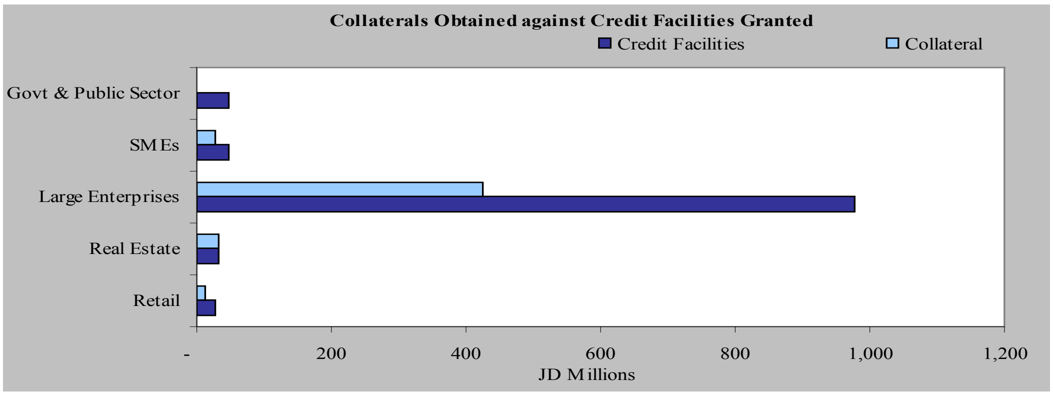
	2003	2004	2005	2006	2007
Credit Facilities (Gross)	332,712,547	455,896,128	698,314,415	963,702,017	1,133,416,070
Non-Performing Loans*	12,479,038	6,103,655	4,222,054	3,160,519	2,314,353
Provision for Credit Losses	14,499,947	8,169,647	8,143,504	3,834,074	5,261,607
NPL*/Credit Facilities (Net)**	4.5%	1.3%	0.6%	0.3%	0.2%
Provision for Credit Losses/NPL*	116.2%	133.8%	192.9%	121.3%	227.3%

* Net of Interest in Suspense
** Net of Interest in Suspense and Provisions for Credit Losses

NPL as a percentage to credit facilities reached 0.2% in 2007, while bank's coverage ratio reached 227.3% over the same period

JOKB has also obtained collaterals against facilities to the value of JD 498.75 million in 2007, offering security against 44% of facilities granted. As mentioned, the bulk of facilities are granted to large corporate enterprises, and the Bank has obtained a collateral coverage against these facilities of 42.5%. Collaterals against facilities to SMEs provided a 55.3% coverage, while real estate facilities had a collateral coverage of 100%.

Collateral obtained against facilities amounted to JD 498.75 million in 2007

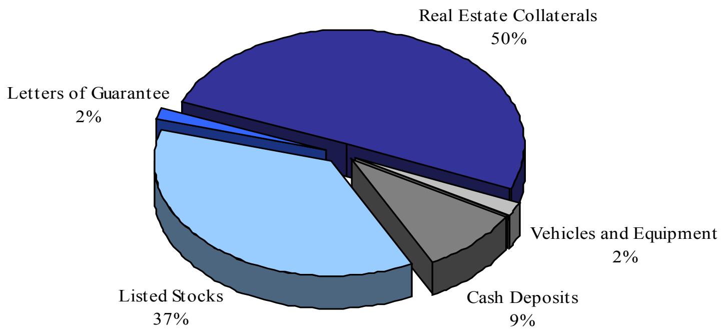


Credit facilities granted to large enterprises are covered by a 42.5 % collateral coverage.

Worth mentioning is that 50% of the Bank's total collaterals represent real estate, and a further

37% represent listed stocks. The real estate sector in the Kingdom has decelerated sharply, and we could begin to see depreciation in the prices of land and property in the local market, which will affect the value of the collaterals obtained by the Bank. Moreover, the sharp downturn in the Amman Stock Exchange General Index means that the value of the majority of shares has deteriorated substantially during the second half of 2008, which will also have reduced the value of listed share collaterals offered.

Collaterals Obtained According to Type - 2007

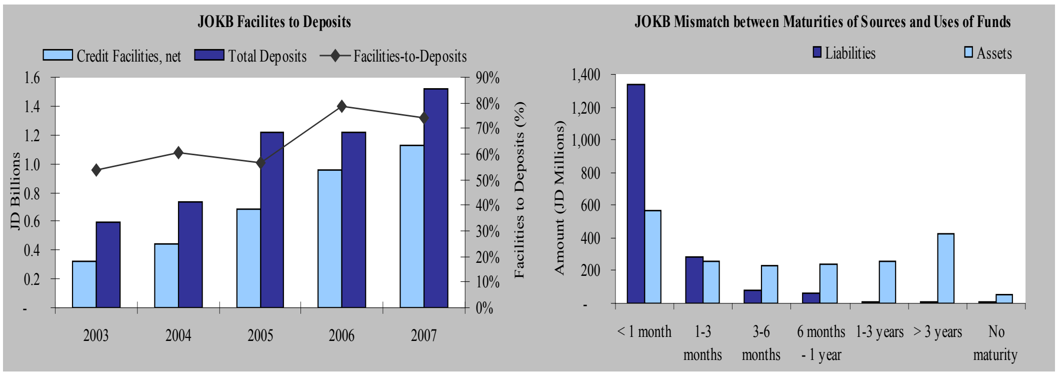


However, in terms of facilities granted, the JOKB is in a much better position than the sector, with real estate facilities making up only 3% of total facilities granted, versus 13% for the sector.

Facilities to Deposits

In a bid to make 'optimal' use of the funds available to it, JOKB maintains a relatively high ratio of credit facilities to total deposits, at 74% in 2007 compared to a sector average of 57.3%. Moreover, in relation to customer deposits, cash margins and share capital payments alone, this ratio registers at 89.8%, significantly higher than the banking sector average of 67.9%. Although the quality of JOKB's facilities does provide some reassurance, we believe the high percentage of facilities to deposits to be risky, particularly in a time when the financial market is coming under substantial pressure globally, which will only be intensified as the global economic slowdown takes full effect.

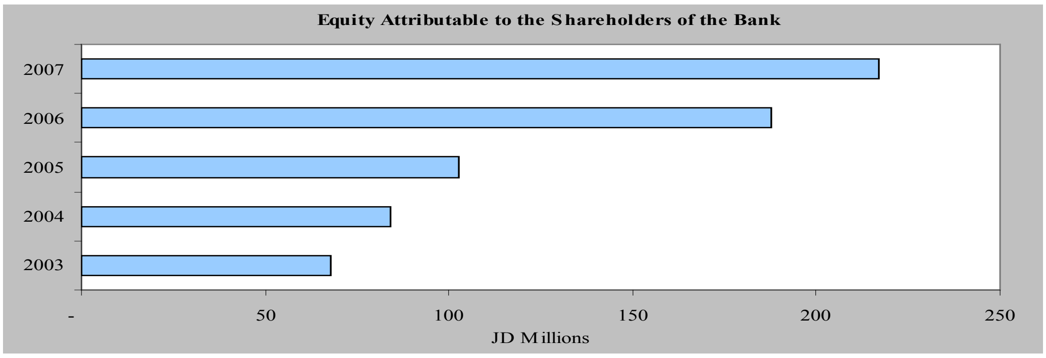
JOKB has a high ratio of credit facilities to deposit, reaching 74% in 2007 compared to a sector average of 57%



Furthermore, as typical in the Jordanian banking sector, there is an obvious mismatch between the Bank's maturities of deposits and loans, with asset balances significantly exceeding liabilities balances for all defined maturity periods, except for the periods of 1-3 months and 3-6 months. With bank balances lower than the sector average, we believe that should the credit crunch and banking collapse begin to show its impact in the Jordanian sector, JOKB may find itself in a liquidity squeeze. On a positive note, however, JOKB has strong backing from the Burgan Bank, which could easily provide liquidity to the Bank, should the need arise.

2.3.2_3 Shareholders' Equity

The strong performance of the Bank in recent years has reflected very well on the shareholders' equity, which reached JD 216.95 million in 2007 compared to JD 67.88 million in 2003. The sharp 82% increase in 2006 is attributed to the JD 35 million increase in the Bank's paid-up capital from JD 40 million to JD 75 million. During the first half of 2008, the paid-up capital was raised to JD 100 million, while total shareholders' equity attributable to Bank's shareholders for the same period rose to JD 242.60 million.



Shareholders' equity rose 15.6% in 2007 to JD 216.95 million

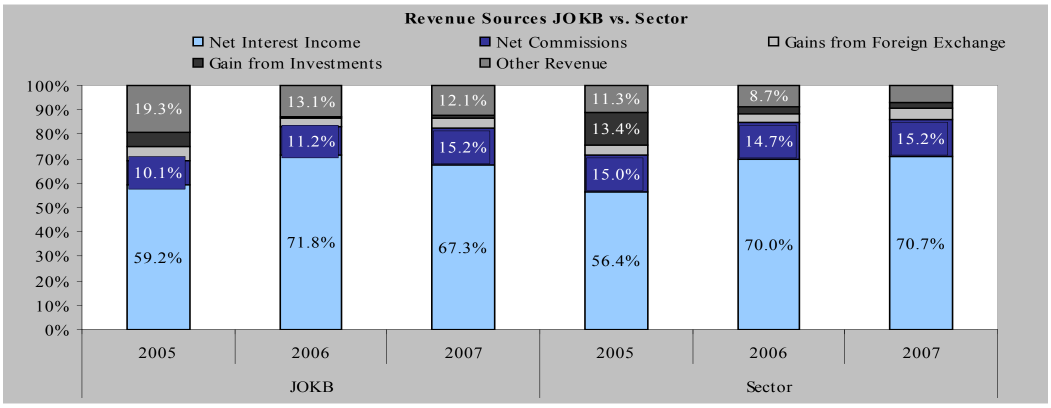
2.3.3 Income Statement

2.3.3_1 Revenues

JOKB's revenue growth has surpassed that of the banking sector by far in recent years, with increases of 31.0% and 21.4% in 2006 and 2007 respectively, versus growth of 4.6% and 14.6% for the sector. Since 2003, the Bank's revenues have almost trebled from JD 35.00 million to JD 96.77 million in 2007.

JOKB's growth in revenues outperformed the growth for the banking sector in 2006 and 2007, with revenues reaching JD 96.77 million in 2007

A consideration of the Bank's composition of revenues reveals that while interest income is its primary revenue driver, it is less important as a source of revenues than it is to the Banking Sector as a whole. Net interest income comprises 67.3% of total revenues for the Bank in 2007 compared to 70.7% for the sector. Moreover, gains from investments are also less important, a feature of the Bank which we believe is a strength at the moment while capital markets are so volatile. Meanwhile, other revenues, including profits of its subsidiaries in addition to commissions on credit cards and other non-interest generating activities play a much bigger role than that of the sector. We believe that 'core banking' in Jordan in its pure form is approaching saturation, and banks that have alternative revenue sources will be at an advantage.



The decline in net interest income within the revenues composition does not, however, reflect a reduction in net interest income in absolute terms. On the contrary, net interest income has demonstrated strong growth in recent years, growing by a compounded annual growth rate of 32.1% since 2003 to reach JD 65.15 million in 2007.

Net interest income grew by a CAGR of 32.1% since 2003

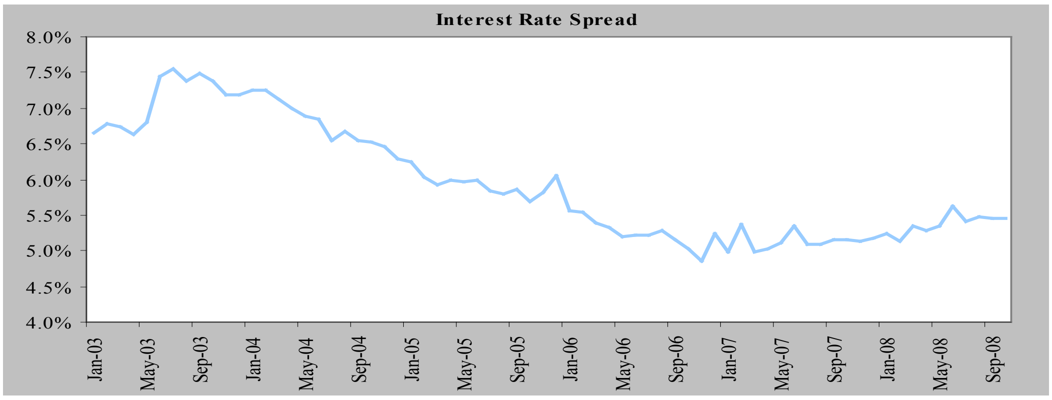
Weighted Average Interest Rates Charged by Licensed Banks on Credit Facilities

	2003	2004	2005	2006	2007
Overdrafts	9.43%	8.79%	9.26%	9.23%	9.83%
Loans & Advances	8.92%	7.59%	8.10%	8.56%	8.86%
Discounted Bills & Bonds	10.24%	8.98%	7.92%	8.72%	9.45%

Source: Central Bank of Jordan

The increase in banks interest income was supported by the increase in interest rate over the years...

Growth in interest income was supported by the rise in interest over the years, with the weighted average interest rate applied on loans and advances reaching almost 8.9% in 2007 compared to 8.1% in 2005. For discounted bills and bonds, the increase was even more substantial, with interest rates rising by 153 basis points over the same period.



Source: Central Bank of Jordan; Interpretation by ABC Investments

... despite a drop in the weighted average interest rate spread

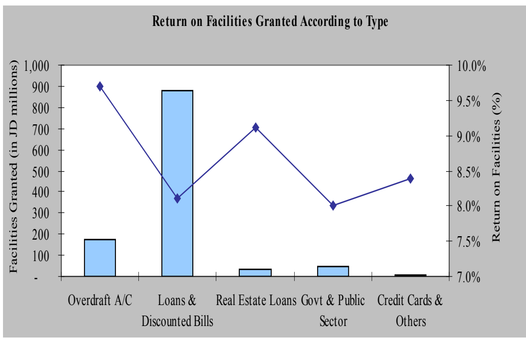
However, consideration of the interest rate spread in Jordan, based on the weighted average interest rates on each type of credit facility and deposit, weighted according to the balances of each type of facility and deposit granted by licensed banks, reveals an almost consistent decline in the interest rate spread since March 2003.

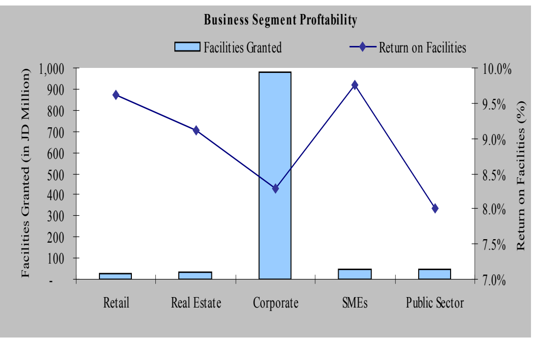
Net commissions rose by 65.3% in 2007 to JD 14.74 million, while losses from trading investments and gains from available-for-sale investments stood at JD 69.59 thousand and JD 1.36 million, respectively.

Segmental Performance

Total return on the Bank's credit facilities, based on interest income generated, increased from 7.7% in 2006 to 8.4% in 2007, with the majority of facilities granted in the form of loans and discounted bills. In terms of type of facility, overdrafts and real estate loans offered the highest return for JOKB, while loans and bills and those granted to the public sector offered the least. Efforts by the Bank to increase the overdrafts granted should reflect positively on its interest gross margins.

Return on credit facilities based on interest increase reached 8.4% in 2007 with overdrafts and real estate loans generating the highest returns





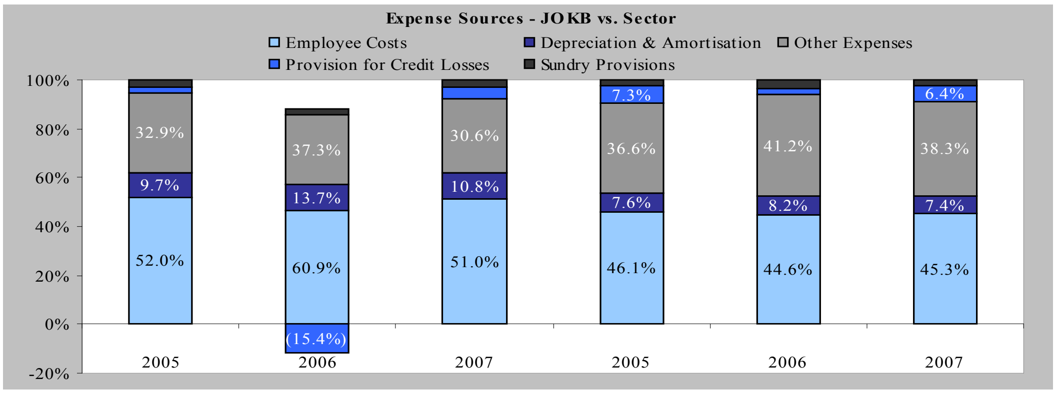
In terms of business segment profitability, while corporate loans comprise the Bank's primary interest, it has the second-to-lowest interest return compared to other business segments. SME's offer a return on facilities of 9.8%, while retail facilities offer 9.6%. Once again, should the Bank aggressively target the retail segment in the Kingdom, we would expect to see an improvement in its interest income overall.

2.3.3_2 Expenses

Employee costs are the Bank's main expense at 51.0% of the total in 2007, registering slightly higher than the sector's average of 45.3%. In line with rising inflation and organic growth of the Bank, employee costs increased from JD 14.47 million in 2006 to JD 16.88 million the following year.

The Bank follows an effective collection method, which was reflected in its provision for credit losses account. The Bank was able to reduce its provision for credit losses in 2006 and register a surplus of JD 3.6 million, reducing expenses for the year and impacting positively on the bottom line.

The effective collection method that JOKB adopts impacted positively on 2006's bottom line



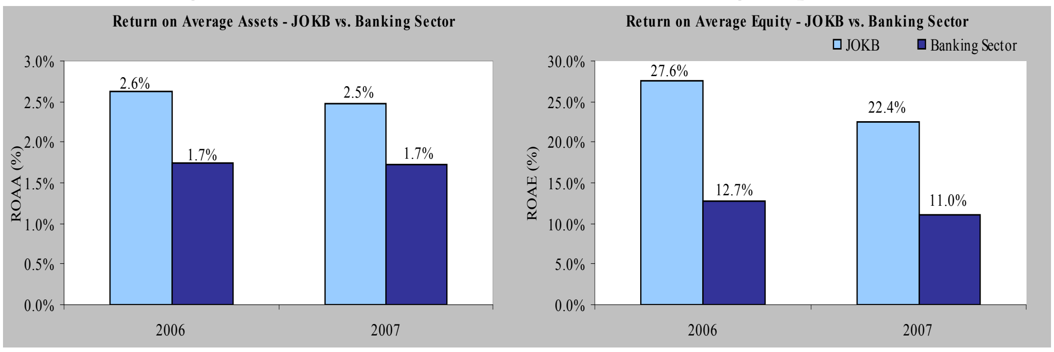
2.3.3_3 Net Income

JOKB's net income has demonstrated strong growth in the five years ended 2007, rising from JD 14.76 million in 2003 to JD 45.40 million, at a compounded annual growth rate of 32.4%. Years 2005 and 2006 marked the Bank's more remarkable performances, with the bottom line increasing by 43.2% and 43.8%, respectively. In 2007, however, the growth in net income decelerated sharply to 13%.

Net income grew at CAGR of 32.4% since 2003, with 2005 and 2006 marking the Bank's best performances

	2003	2004	2005	2006	2007
Gross Profit	34,996,877	42,664,765	60,847,858	79,702,510	96,774,226
% Change	*16%*	*22%*	*43%*	*31%*	*21%*
Expenses	14,821,056	14,995,126	21,543,750	23,758,829	33,105,835
% Change	*(9%)*	*1%*	*44%*	*10%*	*39%*
Net Income	14,759,015	19,480,566	27,899,336	40,132,812	45,396,662
% Change	*41%*	*32%*	*43%*	*44%*	*13%*

The outstanding performance of the Bank reflected on its profitability ratios, with a 2.5% Return on Average Assets (ROAA) and 22.4% Return on Average Equity (ROAE) in 2007.



Despite a decline in these ratios compared to those recorded in 2006, JOKB's ratios still surpassed the sector average in both periods, and registered higher than all banks in the sector.

The high liquidity exhibited in the market in 2007 was capitalised on by banks, who grasped the opportunity to raise their capitals to fund their growing businesses, to prepare for compliance with Basel II, and in anticipation of rumours regarding Central Bank regulations requiring that all licensed banks raise their capital to JD 100 million by 2010 in a bid to consolidate the fragmented sector. The hike in assets and shareholders' equity, as a result, surpassed the growth in profits, leading the returns ratios to display declines in 2007 compared to 2006.

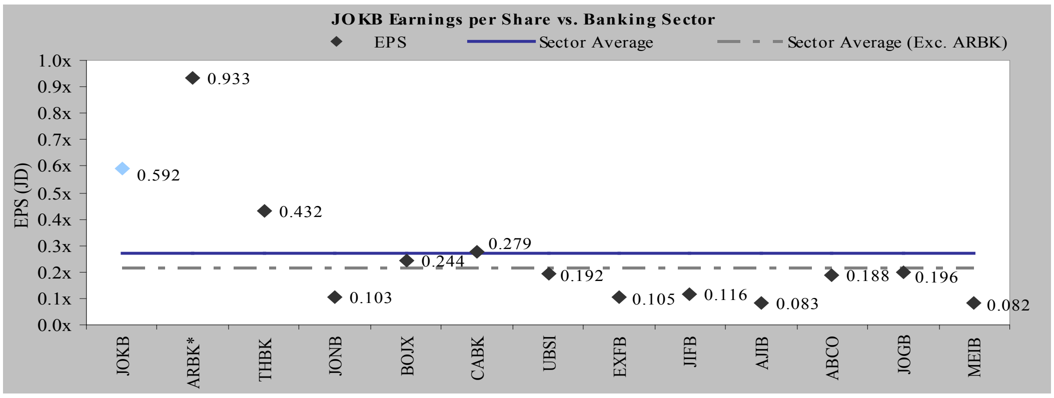
JOKB's ROAA and ROAE exceeded the sector return ratios by far in both 2006 and 2007

Earnings per Share

(JD per share)	2003	2004	2005	2006	2007
JOKB	0.455	0.594	0.638	0.522	0.592

EPS based on weighted average number of shares

The Bank's excellent performance has been reflected in it's earnings per share, which stood at JD 0.592 at the end of 2007, up from JD 0.522 the previous year.

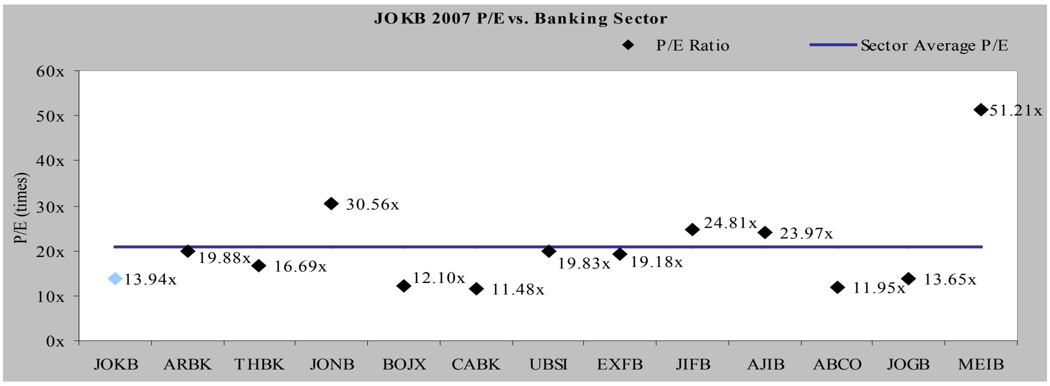


* Based on Arab Bank PLC (Jordan) earnings

The Bank's EPS in 2007 was the second highest after the Arab Bank, and registered significantly higher than the sector average EPS of JD 0.273. The illustration highlights that the Arab Bank EPS is pulling up the industry average. Excluding the Arab Bank leads to a decline in the average to JD 0.218, a substantial 171.6% lower than JOKB's EPS.

JOKB's EPS stood at JD 0.592 in 2007, registering the second highest EPS in the sector.

Price-to-Earnings (P/E) Ratio

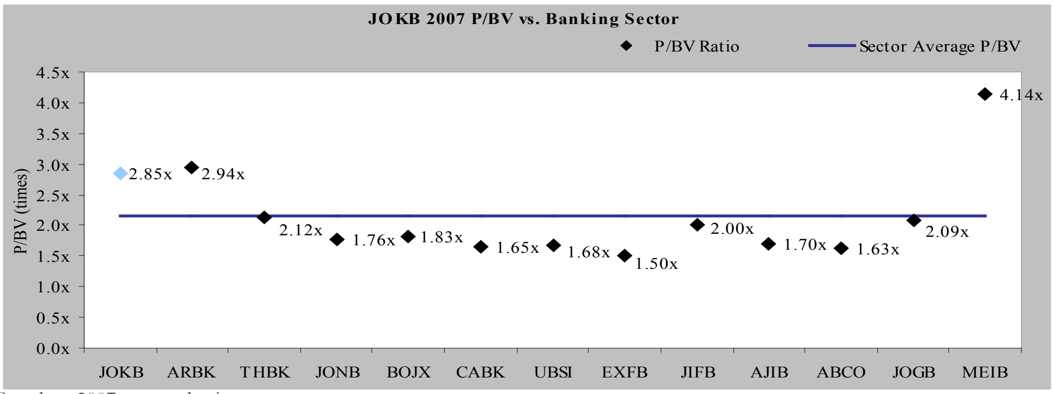


Based on 2007 year-end prices
ARBK figures relate to the Arab Bank Group

The Bank had a P/E ratio of 13.94x in 2007, significantly lower than the sectors average P/E of 20.71x.

Jordan Kuwait Bank's share was priced attractively compared to the sector at the end of 2007, with a P/E ratio of 13.94 times, substantially lower than the sector average of 20.71 times. Only four banks had P/E ratios lower than that of JOKB. Excluding Societe Generale's ratio (MEIB), which is clearly pulling up the average, however, brings down the sector average P/E to a slightly more reasonable 18.17 times, albeit still much higher than JOKB's P/E.

Price-to-Book (P/BV) Ratios



Based on 2007 year-end prices
ARBK figures relate to the Arab Bank Group

JOKB's P/BV ratio stood at 2.85x in 2007 compared to the sector average of 2.15x

JOKB's share price was high in relation to its book value, reflecting the market's positive expectations regarding the future of the Bank. At the end of 2007, JOKB's P/BV ratio stood at 2.85 times against a sector average of 2.15 times. Only Societe Generale and the Arab Bank had higher P/BV ratios. Once again, Societe Generale's ratio is pulling up the sector average, and when excluded it drops down to 1.98 times.

Dividends and the Dividend Yield

	2003	2004	2005	2006	2007
Dividends (JD per Share)	0.200	0.200	-	0.200	0.200
Dividend Payout Ratio	43.9%	43.1%	N/A	38.3%	33.8%
Dividend Yield	2.3%	1.7%	N/A	3.1%	2.4%

In contrast to the growth in earnings, JOKB's cash dividends policy has been stable at 20%. The dividend payout ratio reached 38% and 34% in 2006 and 2007 respectively, while the dividend yield stood at 3.1% and 2.4% over the same period.

ABC Investments

3.0 JOKB'S 2008 PERFORMANCE HIGHLIGHTS

	Q3 2007	Q3 2008
Interest Income	96,017,208	108,542,930
Interest Expense	(48,613,660)	(47,761,196)
Net Interest Income	**47,403,548**	**60,781,734**
Net Commissions	8,183,823	9,059,002
Net Interest Income and Commissions	**55,587,371**	**69,840,736**
Gains from Foreign Exchange	2,505,421	3,567,030
Gains (Losses) from Trading Investments	(277,317)	877,709
Gains (Losses) from Available-for-Sale Investments	1,191,146	(1,063,363)
Other Income	8,609,382	16,194,587
Gross Income	**67,616,003**	**89,416,699**
Employee Costs	11,875,108	15,648,751
Depreciation and Amortisation	2,466,288	2,676,296
Other Expenses	6,122,513	7,449,099
Provision for Credit Losses	(1,421,569)	994,424
Sundry Provisions	764,783	1,863,969
Total Expenses	**19,807,123**	**28,632,539**
Operating Income	**47,808,880**	**60,784,160**
Profit before Income Tax	**47,808,880**	**60,784,160**
Income Tax	13,696,474	17,202,862
Profit for the Period	**34,112,406**	**43,581,298**
Minority Interest	729,982	2,918,437
Profit Attributable to the Shareholders of the Bank	**33,382,424**	**40,662,861**

JOKB's performance for the first three quarters of 2008 has been strong, despite the many challenges posed by the economy during the period. Net interest income soared by 28.2% compared to Q3 2007 on the back of rising interest rates and a 15.3% increase in credit facilities. The continued growth in business reflected positively on commission as well as other revenues, generating a 32.2% increase in the Bank's gross income.

In Q3 2008 net interest income rose by 28.2% compared to same period in 2007...

The high inflation rates in the Kingdom led to a 31.8% increase in employee expenses, while the downturn in the stock market during the third quarter of the year led to losses from available-for-sale investments. Despite this however, JOKB's net operating income rose by 27.1% compared to the same period last year, giving a net profit before tax of JD 60.78 million, and an after-tax profit of JD 43.58 million, which when annualised gives a bottom line for the year of JD 58.11 million.

... while the net operating income rose by 27% giving a nine-month net profit after tax of JD 43.58 million

Annualised earnings per share for the period stood at JD 0.542 compared to JD 0.445 for Q3 2007, while the Bank's ROAE and ROAA ratios reached 25.3% and 2.8% respectively, based on Q3 2008 annualised profits.

ABC Investments

4.0 FORECAST ASSUMPTIONS

4.1 Uses of Funds

Global economic deceleration is likely to affect the volume of credit facilities granted to the corporate sector, a factor that will be compounded by the slump in the real estate market in Jordan. As a Bank heavily reliant on its corporate business, we expect a deceleration in the growth of its facilities in the medium term. Management has stated that they intend to increase their market share in the retail business, an area in which JOKB has significant scope for growth. In the Kingdom, salaries have been unable to keep up with the high inflation rates, placing a substantial portion of the population in financial hardship, which will help boost demand for facilities in the sector. Thus, we expect to see retail play a larger part in the Bank's assets going forward. However, unlike many of the banks in the sector, JOKB is restricted in its ability to grow its credit facilities, due to its already high facilities-to-deposits ratio. In order to expand on the assets side, JOKB needs to obtain additional deposits. We have maintained the ratio of facilities to deposits for the duration of the forecast period at 75%, consistent with the average of 2006, 2007 and Q3 2008.

We expect a deceleration in the growth of the Bank's credit facilities and a need to increase market share in the retail business.

We have applied a ratio of 75% for credit facilities-to-total deposits for the five-year forecast period

The investment portfolio of the Bank has made up a weighted average of 12% of total assets during the period 2003-2007. Although a significant part of the Bank's investments are in treasury bonds and bills, the global stock market declines are expected to negatively affect the value of JOKB's investments. Therefore, we have reduced JOKB's investment weighting to 10% of assets for 2008, recovering slightly to 11%, and being maintained at 12% for the period 2010-2012.

We have projected a decline in weighting of JOKB's investment portfolio to 10% of total assets for 2008, while 2009 shall witness a slight increase to 11% and 12% for 2010-2012

4.2 Sources of Funds

The downturn in the Amman Stock Exchange during the second half of 2008, coupled with the recent scandal of fraudulent activity by FX and investment companies in financial markets abroad, and the global credit crisis should lead to a shift in liquidity away from the stock market towards the safer alternative provided by banks. Moreover, this emphasis has been on larger banks in the sector with presence and backing outside of the Kingdom, features present in JOKB. Therefore, we would expect to see a continued growth in the banking sector deposits and those of Jordan Kuwait Bank in particular. In terms of bank and financial institutions deposits, these have been playing an increasing role as a source of funds for JOKB. The effect of the financial crisis in the United States on local and regional banks has not yet become apparent, therefore we would expect banks to be more prudent, preferring to deposit excess liquidity in local, well established banks, of which Jordan Kuwait Bank would be a favourite.

Increased competition in the market following the entry of the National Bank of Abu Dhabi may be expected to draw away a portion of the customer deposits from other banks in the sector. Therefore, we have applied a growth rate of 13% for 2008, dropping to 10% in 2009 and 2010, before rising once more, corresponding to organic growth once the dust settles in the financial markets. For the years 2011 and 2012, we have applied a growth of 15%.

We applied a 13% growth rate on customer deposits for 2008, dropping to 10% in 2009 and 2010, and rising again to 15% in 2011 and 2012 in accordance with expectations of expansion by the Bank

4.3 Net Interest Income

Interest income and expense were projected based on current interest rates, and applied according to the 2007 weighting of types of deposits, investments and facilities. Our expectation that interest rates will be raised by the Central Bank of Jordan in 2009 will impact both on the rates applied to facilities and deposits. Therefore, we believe that the net impact of the change in interest rates will not have a significant effect on our forecasts.

Current interest rates were used to project net interest income for the forecasted period

ABC Investments

5.0 VALUATION

Using three types of valuation methods, we arrive at a weighted average fair value for JOKB's stock of JD 7.23 registering 37.7% higher than the stock's current price, leading us to lend a BUY recommendation for the stock.

Weighted Average Fair Value per Share			
Valuation Method	**Target Value**	**Weighting**	**Value**
Excess Returns Model	7.61	60%	4.57
Peer Valuation (P/BV and ROAE regression)	6.65	20%	1.33
Peer Valuation (P/E multiple)	6.64	20%	1.33
Weighted Average Fair Value		**100%**	**7.23**
Current Price			5.25
Upward (Downward) Potential			37.7%

5.1 Excess Returns Model

Because dividends have been fixed traditionally at 20% by the Bank despite strong growth in its earnings per share, we believe a dividend discount model would undervalue the Bank. Thus, we opted for the Excess Returns Model, which values the Bank based on returns generated, over and above the required cost of equity. A cost of equity of 11.1% was used, and a sustainable growth rate for the period 2013 - 2018 equal to the cost of equity was utilised, before decelerating to 6% into perpetuity, in line with real economic growth.

	2008F	2009F	2010F	2011F	2012F	2013F	2014F	2015F	2016F	2017F	Terminal Value
Net Income	61,703,627	75,200,030	86,051,339	98,913,465	115,582,691	115,526,287	120,799,722	125,820,460	139,786,531	155,302,836	164,621,007
Less: Equity Cost	24,081,835	30,696,724	38,782,233	52,013,956	62,628,389	75,434,234	83,807,434	93,110,060	103,445,276	114,927,702	121,823,364
Excess Equity Return	37,621,792	44,503,306	47,269,106	46,899,509	52,954,302	40,092,052	36,992,287	32,710,401	36,341,255	40,375,134	42,797,643
Cumulative Equity Cost	1.111	1.234	1.371	1.524	1.693	1.881	2.089	2.321	2.579	2.865	
Present Value	**37,621,792**	**36,054,662**	**34,469,194**	**30,782,693**	**31,284,135**	**21,318,948**	**17,705,298**	**14,091,671**	**14,091,627**	**14,091,583**	
Estimating Equity Cost											
Beginning BV of Equity	216,946,670	276,538,396	349,378,531	468,579,506	564,202,034	679,566,392	754,998,262	838,803,069	931,910,209	1,035,352,243	1,097,473,377
Cost of Equity	11.10%	11.10%	11.10%	11.10%	11.10%	11.10%	11.10%	11.10%	11.10%	11.10%	11.10%
Equity Cost	24,081,835	30,696,724	38,782,233	52,013,956	62,628,389	75,434,234	83,807,434	93,110,060	103,445,276	114,927,702	121,823,364
Estimating Book Value of Equity											
Return on Equity	25.01%	24.03%	21.04%	19.15%	18.59%	17.00%	16.00%	15.00%	15.00%	15.00%	
Net Income	61,703,627	75,200,030	86,051,339	98,913,465	115,582,691	115,526,287	120,799,722	125,820,460	139,786,531	155,302,836	
Dividend Payout Ratio	33.94%	27.85%	31.64%	27.52%	23.55%	34.71%	30.63%	26.00%	26.00%	26.00%	
Dividends Paid	20,942,408	20,942,408	27,225,131	27,225,131	27,225,131	40,094,417	36,994,915	32,713,320	36,344,498	40,378,737	

Risk-Free Rate	8.09%	Based on CBJ Treasury Bond Rate
MRP	6.82%	Based on Damodaran Market Risk Premium for Jordan
Beta	0.441	Computed by ABC Investments
Cost of Equity	**11.10%**	

Average Sustainable Growth Rate	11.10%
Steady State Growth	6.00%

Equity Invested	216,946,670
PV of Equity Excess Return	251,511,605
PV of Terminal Value	292,863,902
Value of Equity	761,322,177
Number of Shares Outstanding	100,000,000
Value per share	**7.61**

Sensitivity Analysis

The table below illustrates the sensitivity of the excess returns model valuation to the inputs of the model. To reflect the extent of this sensitivity, we have performed a sensitivity analysis on the model's two key inputs; the terminal growth rate and the cost of equity.

		Terminal Growth Rate				
		5.20%	5.60%	6.00%	6.40%	6.80%
Cost of Equity	10.60%	8.14	8.41	8.73	9.11	9.57
	10.85%	7.64	7.87	8.14	8.46	8.83
	11.10%	7.20	7.39	**7.61**	7.88	8.19
	11.35%	6.79	6.95	7.14	7.36	7.61
	11.60%	6.41	6.55	6.71	6.89	7.10

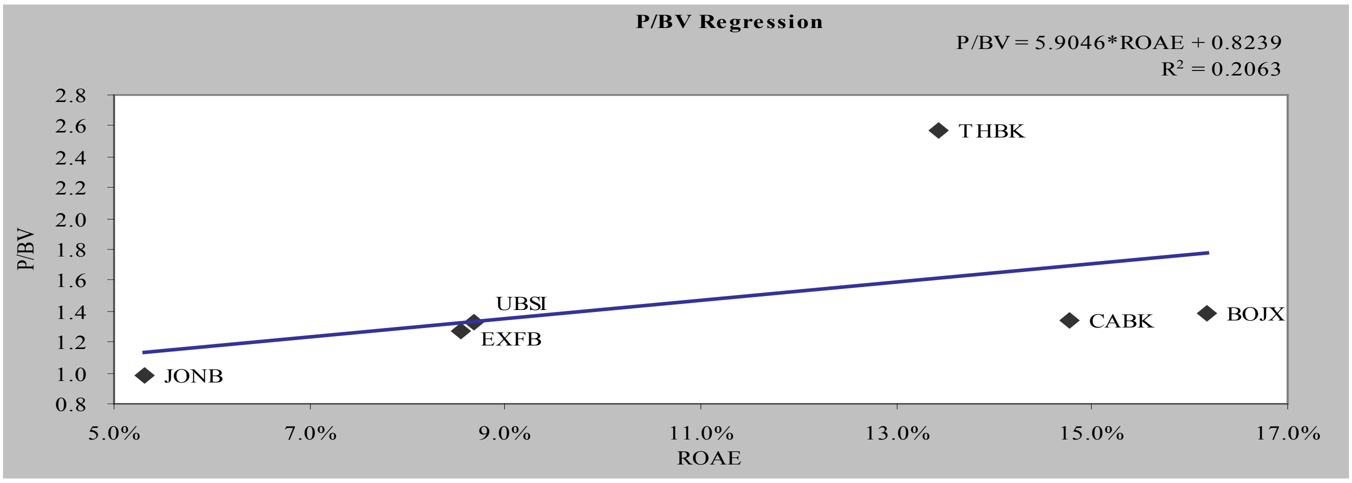
5.2 Relative Valuation

	Market Cap	Trailing P/E*			Trailing P/BV*			ROAE			Payout Ratio	Retention Rate	Sust. Growth Rate **
	Current	2005	2006	2007	2005	2006	2007	2005	2006	2007	2007	2007	2007
JOKB	525,000,000	13.79x	10.06x	8.87x	2.04x	2.10x	1.81x	29.9%	27.6%	22.4%	33.8%	66.2%	17.6%
ARBK	8,010,000,000	7.47x	11.41x	9.83x	1.06x	1.35x	1.16x	11.4%	10.6%	10.0%	19.7%	80.3%	8.6%
THBK	2,205,000,000	26.47x	22.40x	20.25x	2.34x	2.71x	2.57x	21.5%	16.0%	13.4%	69.4%	30.6%	5.2%
JONB	193,600,000	7.07x	9.21x	17.13x	0.80x	0.92x	0.99x	18.0%	10.3%	5.3%	77.9%	22.1%	2.5%
BOJX	224,000,000	8.30x	7.53x	9.19x	1.22x	1.37x	1.39x	23.0%	19.5%	16.2%	61.5%	38.5%	7.5%
CABK	208,000,000	5.57x	10.13x	9.33x	0.72x	1.27x	1.34x	25.2%	12.8%	14.8%	35.9%	64.1%	11.3%
UBSI	286,900,000	6.60x	16.04x	15.76x	1.14x	1.63x	1.33x	31.6%	11.9%	8.7%	52.2%	47.8%	8.3%
EXFB	224,876,000	8.54x	11.44x	16.14x	1.32x	1.31x	1.27x	22.5%	12.9%	8.6%	53.8%	46.2%	6.8%
JIFB	106,092,250	2.76x	9.74x	14.90x	0.83x	1.03x	1.20x	49.9%	13.7%	8.3%	0.0%	100.0%	24.0%
AJIB	166,000,000	7.77x	14.42x	19.89x	0.93x	1.05x	1.41x	17.1%	13.5%	7.5%	59.9%	40.1%	5.1%
ABCO	103,155,000	6.05x	8.16x	8.50x	1.04x	1.09x	1.16x	24.7%	18.5%	14.8%	0.0%	100.0%	19.3%
JOGB	153,065,000	9.72x	13.03x	11.20x	1.65x	1.68x	1.71x	23.2%	15.0%	15.8%	25.5%	74.5%	13.4%
MEIB	95,071,201	25.52x	19.35x	28.72x	2.88x	2.51x	2.32x	12.2%	13.9%	8.4%	0.0%	100.0%	11.5%
Sector Average		10.43x	12.53x	14.59x	1.38x	1.54x	1.51x	23.9%	15.1%	11.9%	37.7%	62.3%	10.9%

* Based on current market price
** Using average ROAE for 2005-2007

5.2.1 P/BV Ratio

This method of valuation entails the regression of the Price to Book Value (P/BV) multiple for the banks in JOKB's peer group against their respective Return on Average Equity (ROAE) ratios for 2007.



The regression analysis returned the relationship P/BV = 5.5046*ROAE + 0.8239. Based on a forecasted ROAE for JOKB for the year 2008, the implied P/BV multiple for JOKB is 2.300 times, thereby giving a price per share for the stock of JD 6.65.

5.2.2 P/E Ratio

This method of valuation relies on the average P/E ratio for a selected peer group to determine an appropriate P/E multiple for the Bank. The projected 2008 EPS for the Bank, alongside the computed multiple are then used to determine a fair value price for JOKB.

The peer group used in this method includes the Housing Bank for Trade and Finance (THBK), the Jordan National Bank (JONB), the Capital Bank (EXFB), the Union Bank (UBSI), Cairo Amman Bank (CABK) and the Bank of Jordan (BOJX), which have an average forward P/E of 11.28 times. With a forecasted EPS for JOKB for 2008 of JD 0.589, this gives a price per share for the stock of JD 6.64.

BALANCE SHEET

	2003	2004	2005	2006	2007	2008F	2009F	2010F	2011F	2012F
ASSETS										
Cash Balances	307,291,739	322,942,768	531,124,132	380,433,479	575,253,532	748,401,158	850,384,673	981,579,142	1,143,525,274	1,352,953,358
Investment Portfolio	59,613,744	85,105,915	133,687,438	237,263,732	242,758,281	227,835,079	283,199,003	358,375,466	415,715,541	482,230,027
Direct Credit Facilities	318,212,600	445,427,298	688,975,366	959,174,719	1,127,481,771	1,355,126,677	1,480,045,014	1,601,789,244	1,845,193,416	2,125,609,939
Premises and Equipment, net	9,105,625	9,540,660	11,567,195	11,915,212	13,175,555	17,087,631	19,309,023	29,864,622	51,964,443	60,278,753
Other Assets	23,461,503	23,294,617	43,018,051	60,974,575	57,570,500	59,297,615	61,076,543	62,908,840	64,796,105	66,739,988
Total Assets	**717,685,211**	**886,311,258**	**1,408,372,182**	**1,649,761,717**	**2,016,239,639**	**2,407,748,160**	**2,694,014,256**	**3,034,517,314**	**3,521,194,779**	**4,087,812,066**
LIABILITIES & SHAREHOLDERS' EQUITY										
Liabilities										
Bank and Financial Institution Deposits	74,785,353	90,588,103	113,167,023	102,471,661	266,756,424	387,319,635	411,925,823	418,104,711	485,001,464	562,601,699
Customer Deposits, Cash Margins & Share Capital Payments	516,533,064	647,718,125	948,002,805	1,058,012,398	1,224,425,380	1,419,515,935	1,561,467,528	1,717,614,281	1,975,256,423	2,271,544,887
Loans and Borrowings	18,029,407	17,252,239	15,919,882	41,473,731	15,104,151	15,104,151	20,000,000	20,000,000	20,000,000	20,000,000
Provisions	12,516,955	15,739,609	21,140,352	27,455,277	31,216,390	45,567,016	51,490,728	59,729,244	69,285,923	80,371,671
Deferred Tax Liabilities	-	375,554	489,820	470,321	398,601	400,000	400,000	400,000	400,000	400,000
Other Liabilities	25,135,045	27,154,212	201,244,614	224,027,371	252,575,226	250,618,587	283,199,003	328,510,844	381,072,579	442,044,192
Total Liabilities	**646,999,824**	**798,827,842**	**1,299,964,496**	**1,453,910,759**	**1,790,476,172**	**2,118,525,324**	**2,328,483,083**	**2,544,359,080**	**2,931,016,390**	**3,376,962,448**
Shareholders' Equity										
Paid-up Capital	25,000,000	31,250,000	40,000,000	75,000,000	75,000,000	100,000,000	100,000,000	130,000,000	130,000,000	130,000,000
Share Premium Reserve	50,000	-	-	30,000,000	30,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Statutory Reserve	9,019,768	11,697,637	15,485,206	20,979,781	27,244,808	35,935,460	46,527,013	58,646,920	72,578,394	88,857,646
Voluntary Reserve	12,919,109	18,274,846	25,849,983	30,413,055	42,943,109	42,943,109	42,943,109	42,943,109	42,943,109	42,943,109
General Banking Risk Reserve		3,857,195	6,192,433	8,878,398	9,970,215	11,000,000	12,000,000	16,000,000	17,000,000	18,000,000
Foreign Branches Reserves	4,545,000	4,545,000	-	-	-	-	-	-	-	-
Fair Value Reserve - Net	1,545,259	1,014,784	658,454	1,313,560	1,137,442	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained Earnings	14,801,429	13,330,680	14,689,561	21,080,829	30,651,096	79,659,828	140,908,409	213,989,477	294,680,531	392,765,637
Total Equity attributable to the Bank's Shareholders	**67,880,565**	**83,970,142**	**102,875,637**	**187,665,623**	**216,946,670**	**276,538,396**	**349,378,531**	**468,579,506**	**564,202,034**	**679,566,392**
Minority Interest	2,804,822	3,513,274	5,532,049	8,185,335	8,816,797	12,684,440	16,152,642	21,578,728	25,976,354	31,283,225
Total Equity	**70,685,387**	**87,483,416**	**108,407,686**	**195,850,958**	**225,763,467**	**289,222,836**	**365,531,173**	**490,158,234**	**590,178,388**	**710,849,618**
Total Liabilities and Shareholders Equity	**717,685,211**	**886,311,258**	**1,408,372,182**	**1,649,761,717**	**2,016,239,639**	**2,407,748,160**	**2,694,014,256**	**3,034,517,314**	**3,521,194,779**	**4,087,812,066**

INCOME STATEMENT

	2003	2004	2005	2006	2007	2008F	2009F	2010F	2011F	2012F
Interest Income	35,300,349	42,146,518	58,215,998	102,634,139	132,756,834	160,795,023	179,226,409	199,856,637	230,913,626	267,601,332
Interest Expense	(13,889,136)	(15,086,496)	(22,184,214)	(45,435,529)	(67,610,357)	(75,787,769)	(76,739,280)	(82,709,533)	(92,178,635)	(106,026,960)
Net Interest Income	**21,411,213**	**27,060,022**	**36,031,784**	**57,198,610**	**65,146,477**	**85,007,254**	**102,489,138**	**117,149,114**	**138,737,002**	**161,576,384**
Net Commission	3,888,982	5,052,290	6,132,538	8,916,568	14,737,001	17,687,453	17,922,641	19,985,664	23,091,363	26,760,133
Net Interest and Commission Income	**25,300,195**	**32,112,312**	**42,164,322**	**66,115,178**	**79,883,478**	**102,694,706**	**120,411,779**	**137,134,777**	**161,828,365**	**188,336,517**
FX Income	-	2,010,019	3,320,720	3,011,521	3,887,477	4,823,851	5,376,792	5,995,699	6,927,409	8,028,040
Gain from Trading Investments	3,600,776	387,363	994,960	(352,864)	(69,591)	-	-	-	-	-
Gain from Sale of AFS Investments	-	1,871,748	2,641,360	514,131	1,356,605	(2,000,000)	1,000,000	2,000,000	2,000,000	2,000,000
Other Revenue	6,095,906	6,283,323	11,726,496	10,414,544	11,716,257	20,903,353	23,299,433	27,979,929	32,327,908	37,464,187
Total Other Income	9,696,682	10,552,453	18,683,536	13,587,332	16,890,748	23,727,204	29,676,225	35,975,628	41,255,316	47,492,226
Gross Income	**34,996,877**	**42,664,765**	**60,847,858**	**79,702,510**	**96,774,226**	**126,421,910**	**150,088,004**	**173,110,406**	**203,083,681**	**235,828,744**
Employees' Costs	7,059,877	8,717,861	11,195,406	14,471,870	16,881,841	20,258,209	24,309,851	29,171,821	35,006,185	42,007,423
Depreciation and Amortization	1,991,063	1,537,059	2,098,647	3,259,224	3,590,959	4,657,184	5,262,618	8,139,515	14,162,757	16,428,798
Other Operating Expenses	4,244,672	6,263,555	7,086,436	8,872,956	10,113,947	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Provision for Loan Losses	1,111,296	(2,112,898)	569,063	(3,662,477)	1,499,108	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Provision (Surplus) for Impairment in HTM Investments	(5,500)	(200)	-	-	-	-	-	-	-	-
Sundry Provisions	419,648	589,749	594,198	817,256	1,019,980	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Total Operating Expenses	**14,821,056**	**14,995,126**	**21,543,750**	**23,758,829**	**33,105,835**	**39,515,393**	**44,172,469**	**51,911,337**	**63,768,942**	**73,036,221**
Operating Income	**20,175,821**	**27,669,639**	**39,304,108**	**55,943,681**	**63,668,391**	**86,906,517**	**105,915,535**	**121,199,069**	**139,314,739**	**162,792,523**
Non Operating Revenues (Expenses)	239,534	-	-	-	-	-	-	-	-	-
Net Income before Income Tax	**20,415,355**	**27,669,639**	**39,304,108**	**55,943,681**	**63,668,391**	**86,906,517**	**105,915,535**	**121,199,069**	**139,314,739**	**162,792,523**
Income Tax	(5,656,340)	(8,189,073)	(11,404,772)	(15,810,869)	(18,271,729)	(25,202,890)	(30,715,505)	(35,147,730)	(40,401,274)	(47,209,832)
Net Income after Income Tax and Appropriations	**14,759,015**	**19,480,566**	**27,899,336**	**40,132,812**	**45,396,662**	**61,703,627**	**75,200,030**	**86,051,339**	**98,913,465**	**115,582,691**
Minority Interest	535,522	914,644	2,387,511	997,932	1,018,115	2,776,663	3,384,001	3,872,310	4,451,106	5,201,221
Profit Attributable to the Shareholders of the Bank	**14,223,493**	**18,565,922**	**25,511,825**	**39,134,880**	**44,378,547**	**58,926,964**	**71,816,029**	**82,179,029**	**94,462,359**	**110,381,470**

KEY RATIOS

Key Ratios	Historical					Forecast				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross Income	34,996,877	42,664,765	60,847,858	79,702,510	96,774,226	126,421,910	150,088,004	173,110,406	203,083,681	235,828,744
Profit before Tax	20,415,355	27,669,639	39,304,108	55,943,681	63,668,391	86,906,517	105,915,535	121,199,069	139,314,739	162,792,523
Profit after Tax	14,759,015	19,480,566	27,899,336	40,132,812	45,396,662	61,703,627	75,200,030	86,051,339	98,913,465	115,582,691
Total Assets	717,685,211	886,311,258	1,408,372,182	1,649,761,717	2,016,239,639	2,407,748,160	2,694,014,256	3,034,517,314	3,521,194,779	4,087,812,066
Shareholders' Equity	67,880,565	83,970,142	102,875,637	187,665,623	216,946,670	276,538,396	349,378,531	468,579,506	564,202,034	679,566,392
Paid-up Capital	25,000,000	31,250,000	40,000,000	75,000,000	75,000,000	100,000,000	100,000,000	130,000,000	130,000,000	130,000,000
Growth in Facilities	20.3%	40.0%	54.7%	39.2%	17.5%	20.2%	9.2%	8.2%	15.2%	15.2%
Growth in Customer Deposits	9.5%	23.2%	46.9%	11.8%	23.9%	13.0%	10.0%	10.0%	15.0%	15.0%
Growth in Total Deposits, Cash Margins & Share Capital Payments	13.0%	24.9%	65.2%	0.0%	24.8%	18.6%	9.2%	8.2%	15.2%	15.2%
Growth in Net Profits	41.1%	32.0%	43.2%	43.8%	13.1%	35.9%	21.9%	14.4%	14.9%	16.9%
Growth in Operating Income	46.2%	37.1%	42.0%	42.3%	13.8%	39.3%	19.4%	11.8%	17.5%	22.8%
Facilities-to-Assets	44.3%	50.3%	48.9%	58.1%	55.9%	56.3%	54.9%	52.8%	52.4%	52.0%
Facilities-to-Total Deposits	53.8%	60.3%	56.5%	78.6%	74.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Facilities-to-Customer Deposits, Cash Margins & Share Capital Payments	61.6%	68.8%	62.3%	85.8%	89.8%	95.5%	94.8%	93.3%	93.4%	93.6%
Growth in Non-Interest Expense	-9.1%	1.2%	43.7%	10.3%	39.3%	19.4%	11.8%	17.5%	22.8%	14.5%
Non-Interest Income-to-Operating Income	94.0%	67.3%	56.4%	63.1%	40.2%	47.7%	44.9%	46.2%	46.2%	45.6%
Dividends Per Share	0.200	0.200	-	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Dividend Payout Ratio	43.9%	43.1%	0.0%	38.3%	33.8%	33.9%	27.8%	31.6%	27.5%	23.6%
Dividend Yield	2.3%	1.7%	0.0%	3.1%	2.4%	3.8%	3.8%	3.8%	3.8%	3.8%
ROAA	2.2%	2.4%	2.4%	2.6%	2.5%	2.8%	2.9%	3.0%	3.0%	3.0%
ROAE	23.5%	25.7%	29.9%	27.6%	22.4%	25.0%	24.0%	21.0%	19.2%	18.6%
EPS	0.455	0.594	0.638	0.522	0.592	0.589	0.718	0.632	0.727	0.849
Book Value	2.715	2.687	2.572	2.502	2.893	2.765	3.494	3.604	4.340	5.227
P/E Ratio	18.78	19.86	16.62	12.51	13.94	8.91	7.31	8.31	7.23	6.18
P/BV Ratio	3.15	4.39	4.12	2.61	2.85	1.90	1.50	1.46	1.21	1.00
Share Price	8.55	11.80	10.60	6.53	8.25	5.25	5.25	5.25	5.25	5.25

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