

# Arab Banking Corporation (ABCO) Brief

## Quick Brief:

Arab Banking Corporation was incorporated in Jordan in 1990 as a Jordanian public shareholding company. It is a member of the Arab Banking Corporation Group, one of the largest Arab international banks with its head offices in the Kingdom of Bahrain and with branches and offices in all parts of the world.

## Key Highlights

ABCO reported robust results during the first quarter of 2015, during which net income reached JOD 3.73, rallying 22.70% compared to Q1 2014, where net income has amounted to JOD 3.04 million, mainly due to an increase in net interest income of c9%. Total expenses saw a drop during the period, down 7.21% Y-o-Y, while reaching JOD 5.66 million compared to JOD 6.10 in the same period last year.

Total credit facilities witnessed a slight decline of 1.05% YTD, standing at JOD 527.24 million compared to JOD 532.82 million at the end of 2014. The government loans slid 19% YTD, while SME's loans went up 10% during the same period. Retail loans which form the most of the total credit facilities edged up 4.0% YTD and stood at JOD 231.09 million.

## Stock Highlights

ABCO stock price has been oscillating from JOD 0.95 to JOD 1.29 in the last five years, while currently trading at JOD 1.07. The bank is considered one of the top listed companies in the Amman stock Exchange in terms of dividend yield which is c8.41%, while also having a solid P/E of 8.77.

Financial Highlights (JOD Mn)	2013	2014	Q1 2014	Q1 2015	Growth %
# of Shares	100.00	110.00	110.00	110.00	0.00%
Interest Revenues	62.71	65.04	15.91	15.75	-1.01%
Net Income	11.7	13.44	3.04	3.73	22.70%
EPS	0.106	0.122	0.03	0.03	0.00%
Total Assets	956.29	1,099.93	982.89	1,100.43	11.96%
Shareholders Equity	133.58	146.98	136.64	150.59	10.21%
Total Deposits	-0.12%	731.18	795.83	746.81	-6.16%
Total Loans	-0.08%	532.82	507.40	527.24	3.91%
NPL Ratio %	N/A	5.78%	6.00%	6.15%	N/A
NPL Coverage Ratio %	0.608	71.44%	68.77%	70.17%	N/A

Source: ABCO, Amman Stock Exchange (ASE)

June 24<sup>th</sup>, 2015

Saad M. Hudairi

+96265503800 Ext. 242

Saad.hudairi@awraq.com

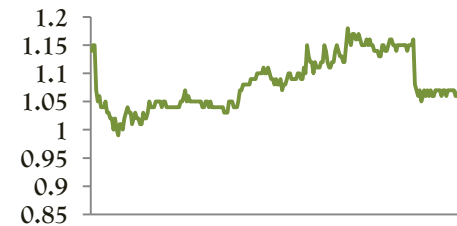
## Stock Data

(JOD)	
Price*	1.07
Market Cap (Mn)	117.7
52 Week High	1.19
52 Week Low	0.99
Bloomberg	ABCO JR
Free Float %	9.64%
Trailing P/E	8.77
P/BV	0.79
Capital (Mil)	110.0
Dividend Yield	8.41%

\*Prices as of 23<sup>rd</sup>, June 2015

Source: Amman Stock Exchange (ASE), Bloomberg

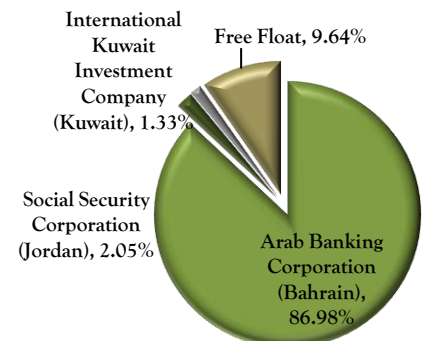
## Stock Performance



Prices as of 23<sup>rd</sup> June, 2015

Source: Amman Stock Exchange (ASE)

## Key Shareholders



Source: Securities Depository Center (SDC)

# Disclaimer

---



- AWRAQ Investments and its affiliates obtain information from sources they believe to be reliable, but do not warrant its accuracy or fitness for a particular purpose, and disclaim for themselves and their information providers all liability arising from the use.
- The Information in this publication is provided in good faith for informational purposes only. The information provided is not offered as tax, legal, or investment advice, or an offer to buy or sell securities or otherwise. The information provided in this publication may be displayed and printed for your personal, non-commercial use only. You may not reproduce, re-transmit, distribute, disseminate, sell, publish, broadcast, or circulate the information in any form or media to anyone, without the expressed written consent of AWRAQ Investments.
- AWRAQ Investments is not liable for any loss resulting from any action taken or reliance made by any person on any information or material posted by it. You should make your own inquiries and seek independent advice from relevant industry professionals before acting or relying on any information or material made available to you in this publication. You rely on this information at your own risk.
- AWRAQ Investments, its subsidiaries, parent, and/or any connected parties, may act or trade and/or enter into any transaction that maybe inconsistent or disregard any information contained herein.
- AWRAQ and/or its affiliates may own, trade, and/or lend on the securities/instruments mentioned, and may hold positions for its own account or for that of its clients that may contradict with this research report.

## Contacts

If you would like to be added to our mailing list, please send an email to [info@awraq.com](mailto:info@awraq.com) with the subject “Subscribe”.

To contact us please visit our website: [www.awraq.com](http://www.awraq.com)

Or call 00962-6-550-3800, our Fax: 00962-6-550-3801, P.O. Box 925102 Amman 11110 Jordan.