

Flash Result Report

Al-Rafah Microfinance Bank - AMB



10/3/2010

Research Department

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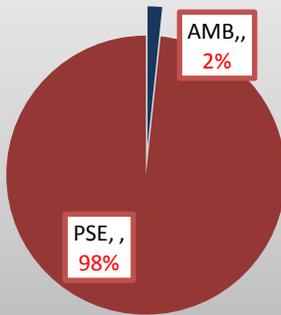
Al-Rafah Microfinance Bank

SYMBOL	AMB
MARKET PRICE	0.86
52 WEEK HIGH	0.89
52 WEEKS LOW	0.57
CAPITAL (000)	29,871,624
BOOK VALUE	0.96
CURRENCY	USD
EPS	0.062
P/E	13.87
SECTOR P/E	13.08
MARKET P/E	11.20
MARKET CAP	25,689,597

Listed in Palestine Securities Exchange

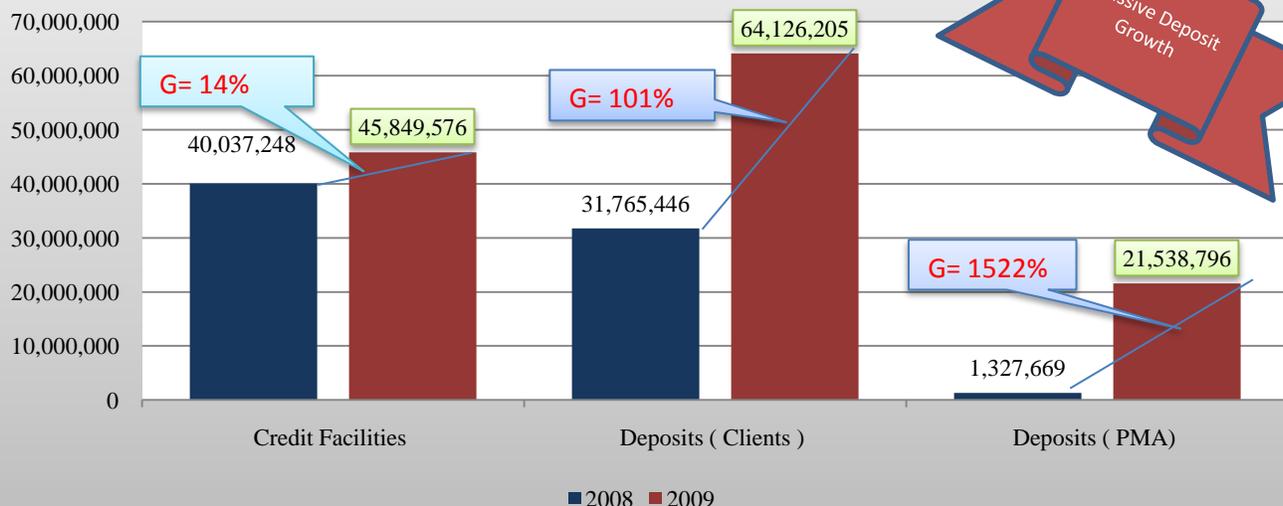
Alrafah Microfinance Bank started operating in May, 2006, with a capital of \$ 30 million. The founders of the bank based their decision on thorough and reliable studies that highlighted the importance of small businesses to the Palestinian economy, in terms of number and role in development and job creating, on one hand, and scarcity of official funding resources, on the other hand. The bank is working on pursuing its goal to expand small businesses by providing loans for those who are unable to easily access funding resources in fare manner. It started its work by offering loans for variety of projects, taking into consideration the political, social and economic obstacles, in a way that helped creating the bank's unique identity among other Palestinian banking facilities

AMB 2009 Value Traded



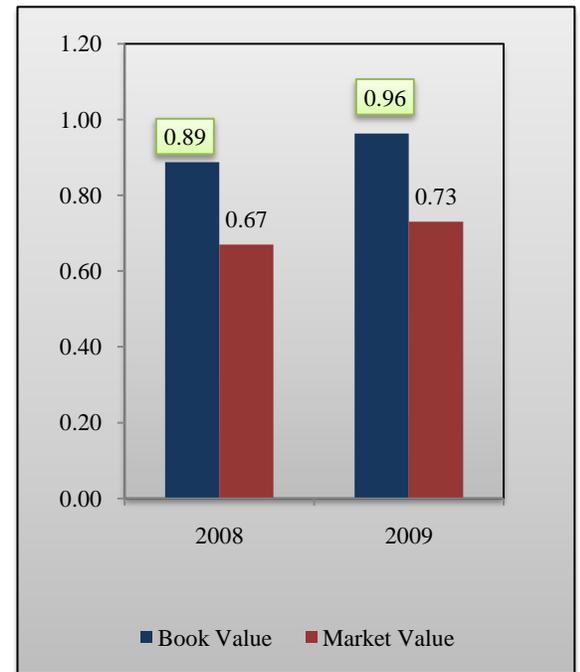
Currently, there are 21 banks operating in Palestine through a network of more than 180 branches and representative offices. Of this total, there are eleven foreign banks that comprise of eight Jordanian and two Egyptian banks, in addition to one branch for the HSBC. Three of the banks operating in Palestine are Islamic and the remaining are commercial non-Islamic banks, Regarding trading activity in 2009, 93.88 million shares were traded accounting for 39.3% of total traded shares. The value of traded shares stood at USD 176.88 million, 35.35% of the total value of traded shares. There were 24,375 contracts executed, which stand for 27.44% of total executed contracts in the PSE in 2008 .

Deposits & Credits



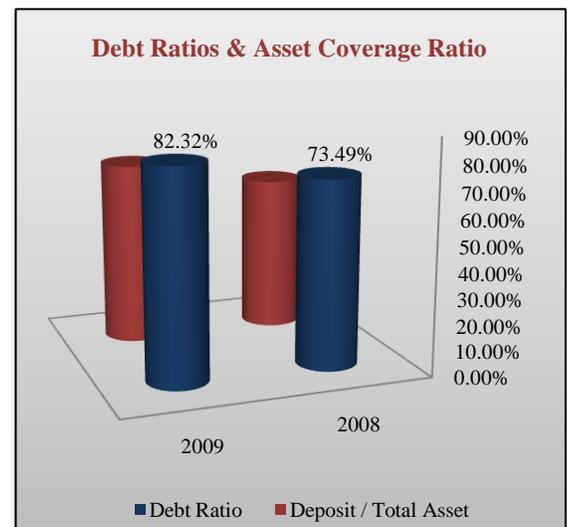
BALANCE SHEET

Categories	2008	2009	Change
Total Asset	99,938,744	162,661,833	62.76%
Current Asset	91,504,570	153,661,227	67.93%
Non-Current Asset	8,434,174	9,000,606	6.72%
Securities (Trading)	48,688	288,939	493.45%
Securities (Available for Sale)	5,041,363	5,925,379	17.54%
Credit Facilities	40,037,248	45,849,576	14.52%
Total Equity	26,490,276	28,761,776	8.57%
Capital	29,843,475	29,871,624	0.09%
Statutory Reserves	98,624	284,022	187.98%
Other Reserves	641,146	740,495	15.50%
Total Equity for Share Holder	26,490,267	28,761,776	8.57%
Total Liabilities	73,448,477	133,900,057	82.30%
Deposits (Clients)	31,765,446	64,126,205	101.87%
Deposits (PMA)	1,327,669	21,538,796	1522.30%
Deposits (Banking and Financial Firm)	27,796,635	30,154,758	8.48%



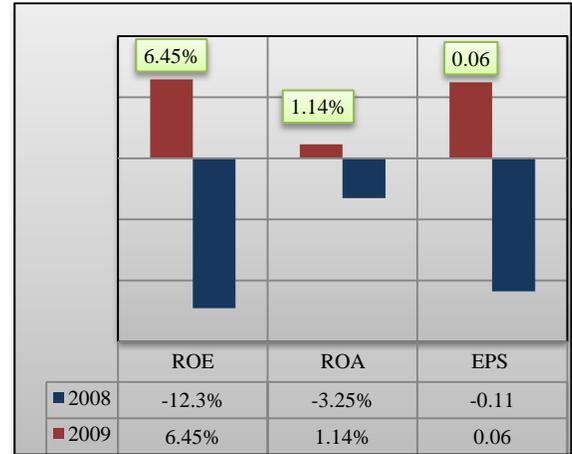
- ✓ AMB Total Asset Increased by 62.76 % resulted from an enormous increased of cash by more than 52% , generated by a massive growth in clients and PMA deposits .
- ✓ AMB implemented a conservative lending strategy represented by slight increased of credit facilities granted to clients compared with the massive increasing of deposits.
- ✓ AMB book value per share higher than the market value which represents an opportunity for investors .
- ✓ Deposits constituted of 71% of total assets at the end of 2009, compared with 61% at the end of 2008 ,this increase is due to an increase of deposits wasn't offset by a same rate of credit facilities .

Ratio Analysis	2008	2009
Book Value	0.89	0.96
Market Value	0.67	0.73
P/BV	0.75	0.76
Total Asset/Equity	3.77	5.66
Total Liabilities /Equity	2.77	4.66
Deposit / Total Asset	60.9%	71.2%
Deposit /Capital	204.03%	387.73%
Debt Ratio	73.49%	82.32%
Total Asset Turn Over	4.41%	2.85%
Current Asset Turn Over	4.81%	3.02%
Shareholder equity / Deposit	43.51%	24.83%
Current Ratio	1.25	1.10%
Working Capital	18,056,093	19,761,170



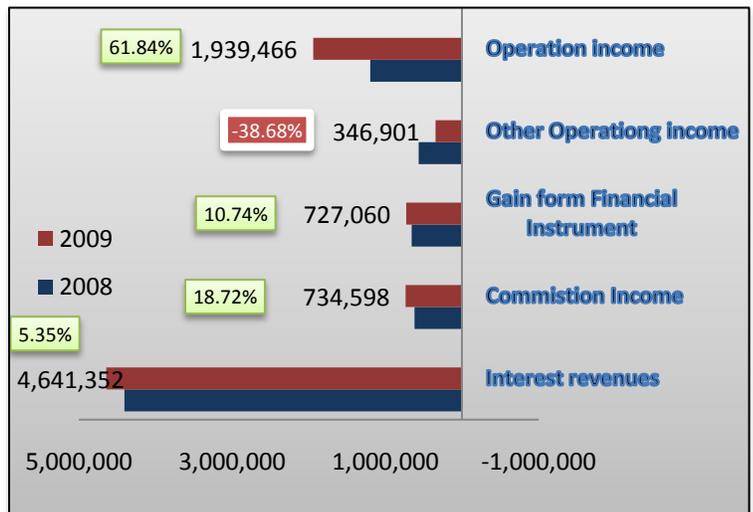
INCOME STATEMENT

Categories	2008	2009	Δ%
Interest revenues	4,405,547	4,641,352	5.35%
Commission Income	618,758	734,598	18.72%
Gain form Financial Instrument	656,560	727,060	10.74%
Other Operating income	565,691	346,901	-38.68%
Operation income	1,198,355	1,939,466	61.84%
Investment Income	-4,161,686	872,933	120.98%
Total Expenses	413,793	566,861	36.99%
Net Profit	-3,250,468	1,853,977	157.04%

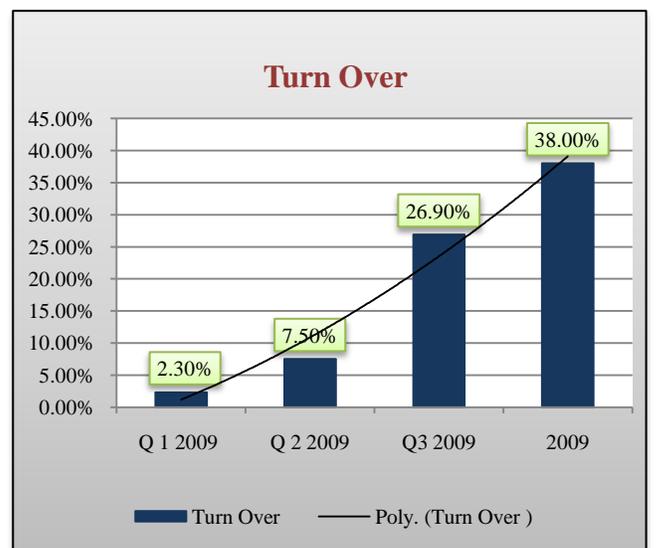
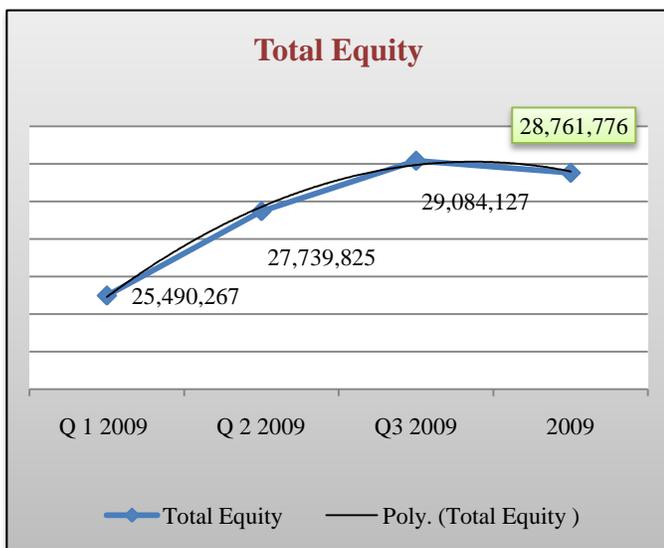
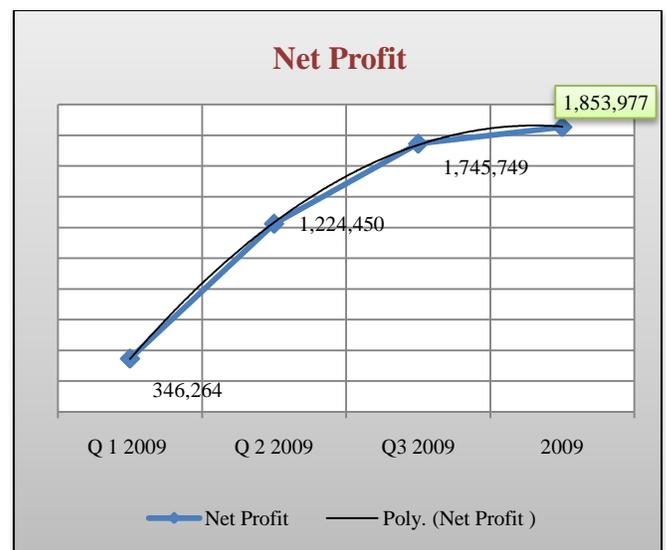
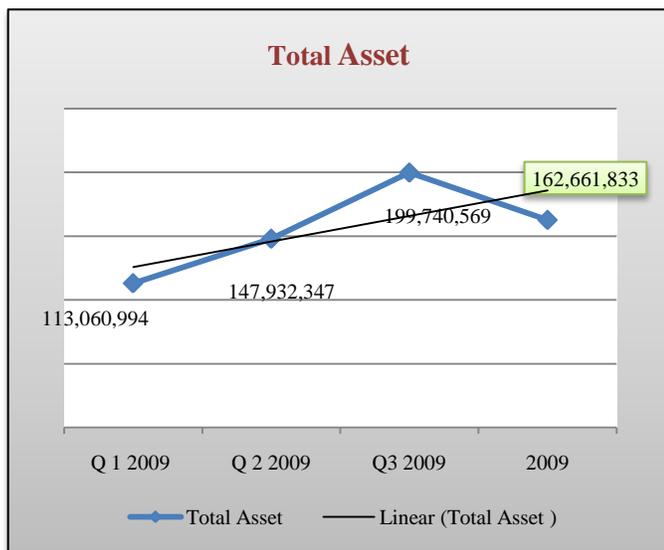


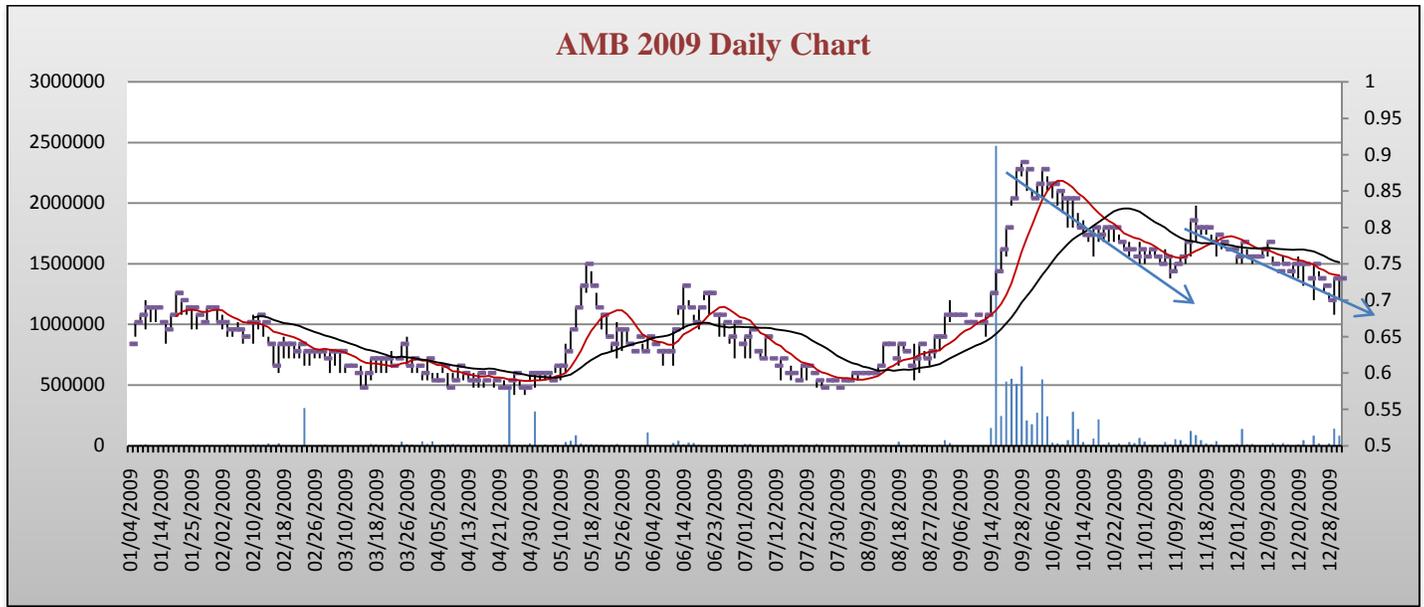
- ✓ AMB Operation Income increased by 61% at the end of 2009 to reach USD 1,939,466 resulted from an increase of interest revenues by 5.35% and a commission income by 18.72%
- ✓ AMB investment income increased by 120% due to a decrease of losses in securities available for sale from USD 4.148 million At the end of 2008 to USD 0.38 million at the end of 2009 ,and recovering losses of financial assets by USD 1.2 million .
- ✓ AMB recovered its losses at 2009 , and generate a net profit amounted of USD 1.853 million compared with a losses of USD 3.25 Million at the end of 2008 .
- ✓ AMB profit margin reached 39.94% , ROE 6.4% , ROA 1.14%
- ✓ AMB Turn Over increased to 39% at the end of 2009 comparing to 22% at the end of 2008

Ratio Analysis	2008	2009
EPS	-0.11	0.06
ROA	-3.25%	1.14%
ROE	-12.3%	6.45%
Total Credit Facilities /Total Deposit	65.75%	39.59%
Profit Margin	-73.78%	39.94%
P/E	0.00	11.76
Dividend per share	0	N/A
Turn Over Ratio	21.99%	38.11%
Dividend payout Ratio	0.00%	N/A
Dividend Yield	0.00%	N/A

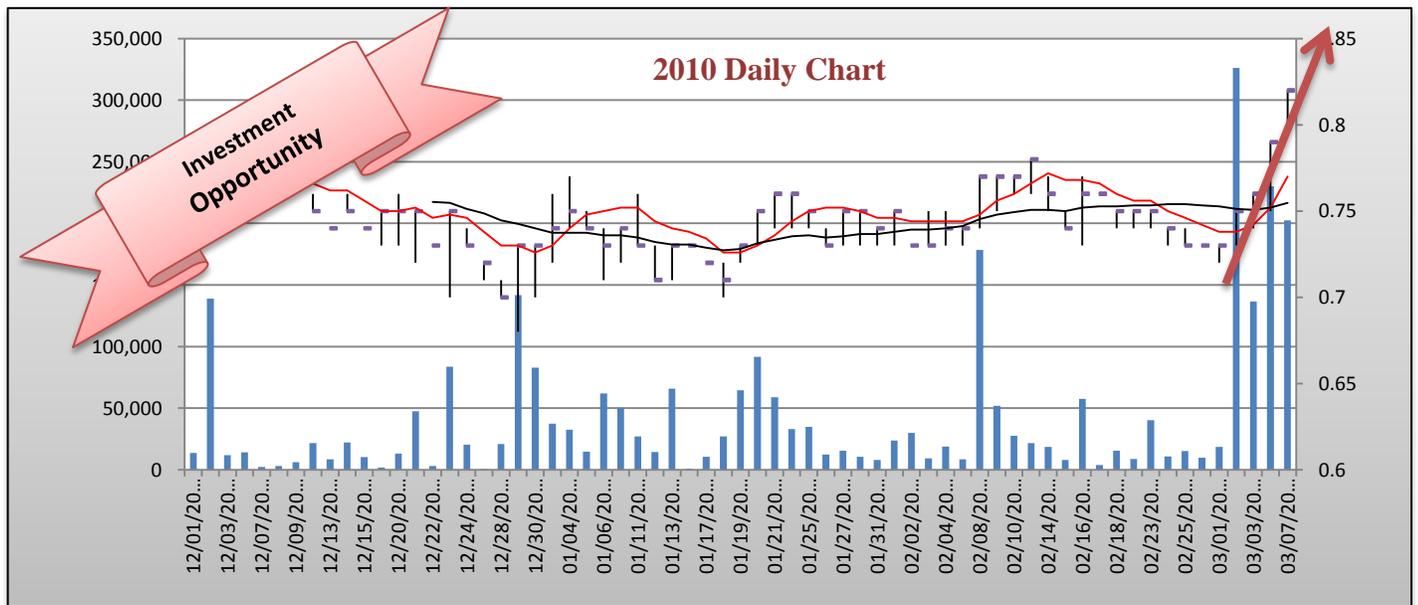


	Q 1 2009	Q 2 2009	Δ%	Q3 2009	Δ%	2009	Δ%
Total Asset	113,060,994	147,932,347	30.84%	199,740,569	35.02%	162,661,833	-18.56%
Total liabilities	87,083,288	120,083,522	37.90%	170,656,442	42.11%	133,900,057	-21.54%
Total Equity	25,490,267	27,739,825	8.83%	29,084,127	4.85%	28,761,776	-1.11%
Net Profit	346,264	1,224,450	253.62%	1,745,749	42.57%	1,853,977	6.20%
Interest Income	902,815	1,784,995	97.71%	2,657,631	48.89%	3,589,407	35.06%
Gross Income	450,738	936,913	107.86%	1,553,038	65.76%	1,939,466	24.88%
EPS	0.01	0.04	241.67%	0.058	41.46%	0.062	6.90%
P/BV	0.693	0.692	-0.14%	0.87	25.43%	0.761	-12.33%
Turn Over	2.30%	7.50%	226.09%	26.90%	258.67%	38.00%	41.26%





“AMB Change the previous year direction form downward trend to upward trend since the beginning of the current year, simulated to investor optimism for AMB financial performance , and the attractive price to accumulate in those price levels to achieve capital gains in the future .”



“AMB Bored of director meeting on 11/3/2010 will discuss increasing of AMB capital , clearly there is a desire to increase the bank capital which will help AMB to expand it’s facilities granted to its clients”

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