

### **To our valued Clients:**

It is with our great pleasure to announce the Arab Financial Investment Company financial results for the year ended 2009. AFIN has witnessed a very challenging year that was affected by a global and regional financial crisis which reflects clearly on the weak volume trading in the Amman Stock Exchange and Company results. AFIN has managed to maintain its leading position among other brokerage firms in the market, combined with an overall reduction and control of the company expenses and overheads, which resulted in improvement in the company profit Margin.

The following financial highlights summarize AFIN results:

- Brokerage Revenue witnessed a retreat of 42.58% during 2009 while total revenue decreased by 28.63%. Nonetheless, AFIN managed to increase its market share during 2009 to 10.4% in comparison to 8.7% registered at the end of 2008.
- Amman Stock Exchange Volume for 2009 was JOD 19.34 Billion compared to JOD 40.64 Billion for the same period 2008, a decrease of 52.4%. Whereas AFIN volume dropped by only 43.2% for the same period.
- General & Administrative expenses dropped by 39.03% during 2009 settling at JD 1.303 million in comparison to JD 2.138 million recorded during the same period of 2008.
- Total expenses reached JD 2.22 million at the end of 2009 relative to JD 3.82 million registered a year earlier, posting a decline of 41.85%.

We thank you for all your continuing support during 2009 and we look forward to serve you in the future and keep AFIN as a leader for years to come.



The Arab Financial Investment Co.  
الشركة العربية للإستثمارات المالية

## **Balance Sheet**

| <b>Description</b>                | <b>2008</b>       | <b>2009</b>       | <b>% Change</b> |
|-----------------------------------|-------------------|-------------------|-----------------|
| <b>Assets</b>                     |                   |                   |                 |
| Cash                              | 16,312,226        | 18,710,400        | 14.70%          |
| Financial Assets Held for Trading | 56,455            | 6,131,621         |                 |
| Account Receivables(Net)          | 21,892,046        | 14,460,912        | -33.94%         |
| Other Receivables                 | 2,193,641         | 759,128           | -65.39%         |
| Building under construction       |                   | 2,800,000         |                 |
| Fixed Assets                      | 99,548            | 50,713            | -49.06%         |
| Settlement Account                | 3,769,137         | 1,391,954         | -63.07%         |
| <b>Total Assets</b>               | <b>44,323,053</b> | <b>44,304,728</b> | <b>-0.04%</b>   |
| <b>Liabilities</b>                |                   |                   |                 |
| Account Payables                  | 236,831           | 346,457           | 46.29%          |
| Customers Accounts Payable        | 8,196,081         | 3,762,711         | -54.09%         |
| Settlement Account                |                   |                   |                 |
| Income Tax Provision              | 2,059,332         | 1,435,000         | -30.32%         |
| Other Payables                    | 1,599,064         | 1,968,253         | 23.09%          |
| <b>Total Liabilities</b>          | <b>12,091,308</b> | <b>7,512,421</b>  | <b>-37.87%</b>  |
| <b>Shareholder's Equity</b>       | <b>32,231,745</b> | <b>36,792,307</b> | <b>14.15%</b>   |
| <b>Capital</b>                    | <b>15,000,000</b> | <b>15,000,000</b> | <b>0.00%</b>    |



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## **Profit & Loss**

| <b>Description</b>                                  | <b>2008</b>        | <b>2009</b>        | <b>% Change</b> |
|---|--------------------|--------------------|-----------------|
| <b>Revenues</b>                                     |                    |                    |                 |
| Brokerage Revenue                                   | 9,831,673          | 5,644,938          | -42.58%         |
| Interest Revenue                                    | 1,332,573          | 1,885,790          | 41.51%          |
| Profit(Loss) from Financial Assets Held for Trading | 110,144            | 510,003            | 363.03%         |
| Other Revenue                                       | 16,024             | 16,997             | 6.07%           |
| <b>Total Revenue</b>                                | <b>11,290,414</b>  | <b>8,057,728</b>   | <b>-28.63%</b>  |
| <b>Expenses</b>                                     |                    |                    |                 |
| G & A Expenses                                      | 2,138,214          | 1,303,659          | -39.03%         |
| Portfolio Management Expenses                       | 300,000            | -                  | -               |
| Interest Expenses                                   | 567,829            | 100,325            | -82.33%         |
| Depreciation & Amortization Expenses                | 84,967             | 51,317             | -39.60%         |
| Margin Accounts Provisions                          | 350,000            | 250,000            | -28.57%         |
| (Excess ) in Credit Provision                       | 176,100            | 350,000            | 98.75%          |
| Other Expenses                                      | 200,001            | 139,299            | -30.35%         |
| BOD Remuneration                                    | -                  | 25,000             | -               |
| <b>Total Expenses</b>                               | <b>3,817,111</b>   | <b>2,219,600</b>   | <b>-41.85%</b>  |
| <b>Income Before Tax</b>                            | <b>7,473,303</b>   | <b>5,838,128</b>   | <b>-21.88%</b>  |
| <b>Tax Expenses</b>                                 | <b>(2,000,000)</b> | <b>(1,277,566)</b> | <b>-36.12%</b>  |
| <b>Net Income</b>                                   | <b>5,473,303</b>   | <b>4,560,562</b>   | <b>-16.68%</b>  |



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### Ratio Analysis

| Description                      | 2008    | 2009    |
|----------------------------------|---------|---------|
| Book Value Per Share             | 2.15 JD | 2.45 JD |
| Interest Expense/Interest Income | 43%     | 5%      |
| Net Profit Margin                | 48%     | 57%     |
| Brokerage Revenue/Total Revenue  | 87%     | 70%     |
| Total Expenses/Total Revenue     | 34%     | 28%     |
| ROAA                             | 15%     | 10%     |
| ROAE                             | 24%     | 13%     |
| Total liabilities/Total Assets   | 27%     | 17%     |
| Equity Multiplier                | 138%    | 120%    |
| EPS                              | 0.437   | 0.304   |
| P/E                              | 11.24   | 10.53   |

### VOLUME

| Description       | 2008           | 2009           | % Change |
|-------------------|----------------|----------------|----------|
| MARKET VOLUME     | 40,637,439,911 | 19,341,706,663 | -52.40%  |
| AFIN VOLUME       | 3,532,988,030  | 2,006,619,944  | -43.20%  |
| AFIN MARKET SHARE | 8.7%           | 10.4%          | 19.54%   |

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***Jordan Securities Commission (JSC)***  
***Disclosure Department***  
***Preliminary Results of Public Shareholding Companies***

***I- Main information:-***

**Name of the company:...** The Arab Financial Investment Co.....

**Sector:.....** Financial Services.....

**No. & date of registration: - .....**247.....18/05/1994.....

**Paid up capital: - .....**(15000000)JOD...Fifteen million.....

**Subscribed capital: - .....** (15000000)JOD...Fifteen million .....

**Authorized capital: - .....** (15000000)JOD...Fifteen million .....

**Name of Chairman of the Board:-...**Osama M. Khater.....

**Name of the General Manager: - ...** Tareq M. Khater .....

**Name of the external auditor: - ...** Ernst & Young .....

**Post address: - .....** POBox. 922634..... Postal Code .11192.....

**Tel: - ...+962(6)5002000.....**

**Fax: - ...+962(6)5692423.....**

**E-mail:- ...** info@arabinvestco.com .....

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- The issuing Company shall publish its preliminary business results after completion of a preliminary audit by its auditor, within forty-five days of the end of its fiscal year, and shall provide the commission with a copy thereof.  
 (Disclosure Directives - Article 3, paragraph A)

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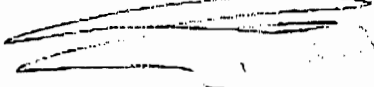
**II- Preliminary results (JD)**

|  | <u>2009</u> | <u>2008</u> |
|--|-------------|-------------|
| 1- Net revenue   | 8057728     | 11290414    |
| 2- Expected income before tax  | 5838128     | 7473303     |
| 3- Provision for expected income tax   | 1277566     | 2000000     |
| 4- Earning of minority interest  | 0           | 0           |
| 5- Net income after provision for<br>income tax & minority interest<br>5 = 2-(3+4) | 4560562     | 5473303     |

**6- Summary of the company's performance for the last fiscal year**

The Arab Financial Investment Company Maintained rank one for 2009 with market share reaching (10.4%) in caparison to (8.7%) in 2008 and value traded of over (2006) Million JD.

Signature of  
Chairman of the Board



signature of  
the external auditor

Date:-

24/01/2010

- The term **Publish** shall mean the publishing of the relevant information and data for one time in at least one daily newspaper in Arabic.  
The responsibility for any publication and for any contents thereof shall be that of the Chairman of the board of Directors or anyone assigned or authorized thereby in writing.
- **Minority interest** The apparent part in the consolidated financial statements of the net business results and net assets of a Subsidiary Company that are not held directly by the Parent Company through its subsidiary companies.
- For further information, please call the Disclosure Dept. at JSC on Tel No. 962-6 (5607171) or Fax No. 962-6 (5686830)