

Report Date: 15-May-25

Invest Bank

ASE: INVB



Price as of 13-May-25

JD 1.59/Share

RATING:



Initiated Coverage 13/03/2024

We recommend Buying INVB, given its solid profitability, attractive valuation, and strengthening technical position. This assessment is grounded in our analysis of four critical factors influencing common stock performance: (1) relative valuation, (2) earnings strength, (3) financial stability, and (4) price movement.

Target Price

JD 1.65

Previous Rating					52- Week Price Range	Market Capitalization	Dividend Yield	Last Dividends
1	2	3	4	5	29/03/2025 JD 1.29- JD 1.66	JD 198.75 M	6.29%	JD 0.10 / share
Founded: 1982		Shares Outstanding: 125.0 M		Employees: 526		Volume(3m): 97.797 K		Ex-DIV Date: Apr 24, 25
P/BV: 0.79x		Forward P/E: 6.73x		Volatility(annual): 30.20%		Public Float: 18.0 M		Sector: Banking

Invest Bank (“INVB” or the “Bank”) a publicly listed Jordanian financial institution founded in 1982 and headquartered in Amman, offers comprehensive financial services across corporate, retail, investment banking, and asset management. The Bank operates an extensive branch network in Jordan and leverages digital platforms to enhance customer accessibility. Its four subsidiaries provide leasing and credit financing, including Islamic banking services. During 2024, INVB increased its paid-in capital by JD 25 million to strengthen its financial position and support growth, aligning with its strategic focus on innovation and market expansion. This move highlights the Bank's commitment to delivering advanced financial solutions to individual and corporate clients.

Recommendation Summary

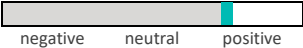
We issue a **BUY** recommendation on INVB, supported by strong Q1 2025 performance, including double-digit growth in net interest and net income, as well as robust return metrics. The stock trades in line with the sector's P/E average while delivering above-average ROE and offering a healthy dividend yield, highlighting its strong value proposition. With improving technical momentum and a solid operational foundation, INVB stands out as a well-positioned opportunity for investors seeking stable returns and dividend income. Investors are advised to monitor upcoming results to reassess positioning accordingly.

Relative Valuation



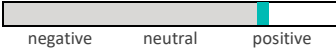
negative neutral positive
INVB's pricing appears potentially **undervalued** based on its P/E ratio, while its P/BV ratio suggests **overvaluation**. However, the Bank's dividend yield is **below** the banking industry average.

Earnings Strength



negative neutral positive
INVB delivered solid Q1 2025 results, with a strong year-over-year increase in **net interest income** and **net income**, reflecting healthy core operations. Key profitability metrics remain well above the sector average, reinforcing the Bank's efficient capital deployment and earnings strength.

Financial Stability



negative neutral positive
INVB has strong efficiency and capital adequacy metrics. However, its low CASA ratio and moderate coverage ratio are areas of concern. The credit/deposit ratio is on the high side but not necessarily problematic, suggesting the need for closer monitoring.

Price Movement



negative neutral positive
Based on technical indicators, the stock is rated a **Hold** at its current 14-week RSI level and a **Buy** at its 200-Day Moving Average.

Major Risks & Rewards

- **Dividend Income:** INVB has a strong track record of consistently distributing dividends.
- **Regulatory Oversight:** INVB operates under regulatory oversight, enhancing investor confidence in the stability and integrity of its operations within the financial system.
- **Diversification:** Including INVB stock in a diversified portfolio can mitigate risk and potentially enhance overall performance.
- **Digital Innovation:** INVB launched **Apple Pay** for its customers in 2024, continuing its focus on providing innovative, secure banking solutions
- **Credit Quality Risks** INVB could face potential challenges regarding credit quality, stemming from the risk of borrowers defaulting on loans or failing to meet credit obligations. Economic downturns and changes in market conditions could exacerbate these risks.
- **Regulatory Risks:** INVB faces risks associated with changes in banking regulations and compliance requirements, influencing its operations and financial performance.
- **Interest Rate Risks:** Fluctuations in interest rates can impact the profitability of INVB, influencing stock prices.
- **Liquidity Risks:** Due to lower trading volumes and limited liquidity, investors may encounter challenges in buying or selling INVB shares without impacting the stock's price and may face higher transaction costs as a result.

Report Date: 15-May-25

Invest Bank

ASE: INVB

Price as of 13-May-25

JD 1.59/Share

Peers Group Comparison

Ticker	Peer Name	Price 13/5/2025	Mkt Cap* 13/5/2025	EPS (TTM)	P/E (Forward)	P/BV (MRQ)	Yield (TTM)	ROE (TTM)	NIM (TTM)	Credit/Deposits (MRQ)
INVB	Invest Bank	JD 1.59	198,750	JD 0.059	6.73x	0.79x	6.29%	11.88%	2.65%	87.71%
AJIB	Arab Jordan Investment Bank	JD 1.27	190,500	JD 0.030	10.59x	0.89x	7.87%	8.23%	2.32%	47.36%
CABK	Cairo Amman Bank	JD 1.10	220,000	JD 0.037	7.49x	0.46x	5.45%	6.15%	3.19%	89.69%
AHLI	Jordan Ahli Bank	JD 1.00	200,655	JD 0.030	8.34x	0.62x	8.00%	7.32%	2.91%	75.32%
Peer Group Weighted Average					8.74x	0.65x	7.11%	7.18%	2.83%	71.78%
Sector Weighted Average (excluding INVB)					6.95x	0.70x	6.96%	10.61%	3.07%	69.90%
Sector Median					8.18x	0.66x	7.79%	9.11%	2.89%	69.84%

* In JD Thousands

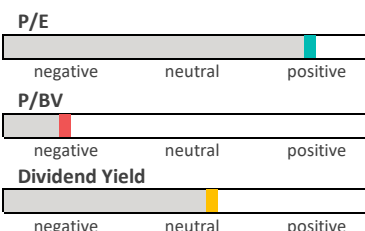
Past Performance

	2021	2022	2023	2024	1Q24	1Q25
Net Interest Margin	2.85%	3.09%	3.25%	2.86%	2.64%	2.65%
Dividend/Share (JD)	0.10	0.10	0.10	0.10	-	-
Earnings/Share (JD)	0.174	0.200	0.246	0.212	0.055	0.059
Return on Equity	9.64%	10.67%	12.29%	11.67%	13.07%	11.88%

Relative Valuation is **NEUTRAL**

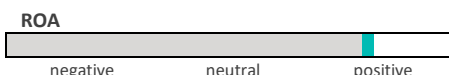
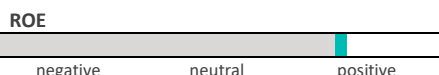
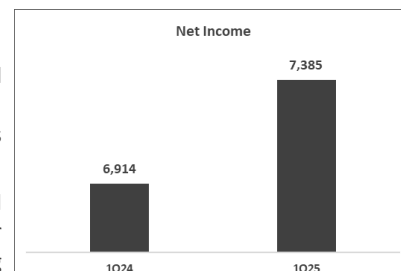
Last Price 13/5/2025	Market Cap 13/5/2025	EPS (TTM)	P/E (Forward)	BV/Share (MRQ)	P/BV (MRQ)	DPS (2024)	Div. Yield 13/5/2025
JD 1.59	JD 198.75 M	JD 0.06	6.73x	JD 2.01	0.79x	JD 0.10	6.29%

- **P/E vs Industry:** suggests that INVB is potentially undervalued compared to the weighted average and median P/E for the banking sector in Jordan as well as its peers.
- **P/BV vs. Industry:** suggests that INVB is potentially overvalued compared to its peers and the weighted average and median P/BV for the banking sector in Jordan.
- **Dividend Yield** is below its peers and the banking sector average and median.

Earning Strength is **POSITIVE**

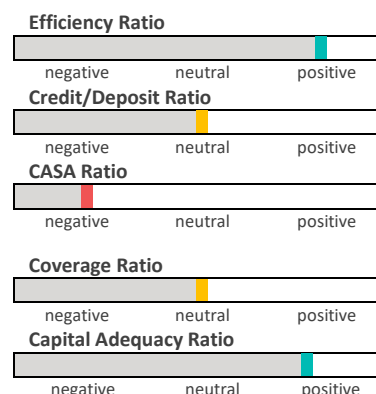
1Q25 Results (TTM)	Net Interest Income	Net Income	NIM	ROE	ROA
	JD 14.4 M (+17.55%)	JD 7.38 M (+6.81%)	2.65%	11.88%	1.36%

- **Return on Equity** indicates favorable profitability, though slightly lower than Q1 24. This is still considered acceptable but shows a minor decline likely caused by the lower NIM.
- **Return on Assets:** implies that the Bank efficiently employs its assets to generate profits. This indicates effective management in utilizing resources to enhance profitability.
- **Net Interest Margin (NIM)** is relatively low, especially given the declining trend observed compared to the 3.25% in 2023 and 2.86% at the end of 2024. This suggests either higher funding costs, increased competition, or a shift in asset composition to lower-yielding instruments.

Operations Indicators is **POSITIVE**

1Q25 Ratios (MRQ)	Efficiency	Credit/Deposit	CASA	Coverage	CAR	Leverage
	26.49%	87.71%	NA	72.82%	16.08%	NA

- **Efficiency Ratio** demonstrates optimal operational efficiency, as an efficiency ratio of 50% or lower is considered ideal.
- **Credit/Deposit Ratio:** A high credit/deposit ratio (above 75.0%) indicates that a significant portion of the Bank's deposits are being utilized for lending efficiently.
- **CASA Ratio** is not available for Q1 25, but was 20.82% at the end of 2024, which shows that only a small portion of the bank's deposits are low-cost current and savings accounts, which could mean a higher cost of funds. Improving this ratio could positively impact the NIM. Typically, a CASA ratio above 45-50% is viewed favorably for banks.
- **Coverage Ratio:** indicates an acceptable buffer against potential credit losses but below the 100% threshold. This figure represents the provisions set aside as a percentage of stage 3 loans, which is considered conservative.



Report Date: 15-May-25

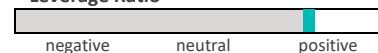
Invest Bank

ASE: INVB

Price as of 13-May-25
JD 1.59/Share

- **Capital Adequacy Ratio:** INVB reported a CAR of 16.08% at the end of 2024, indicating a good capital buffer, that aligns with the regulatory requirements set by the CBJ.
- **Leverage Ratio** is not available for Q1 25, but was 9.79% at the end of 2024, which is generally considered healthy. It suggests a moderate level of risk, but this is on the higher end, indicating a significant portion of assets are financed through debt.

Leverage Ratio



Price Movement is NEUTRAL

Annual Volatility: +/- 30.20% 14-Weeks RSI: 58.408 200-Day MA: 1.452

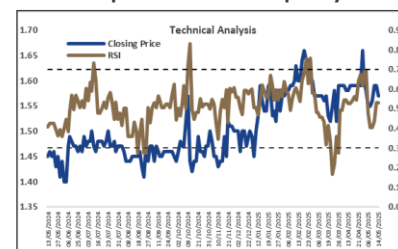
- **Volatility** reflects moderately high price fluctuations, which is typical for a mid-sized financial institution in the Jordanian market and suggests opportunities for tactical trading within defined ranges.
- **14-Weeks RSI:** observed over a 14-week period, which places the stock within the neutral to slightly overbought range. It indicates steady buying pressure but is not yet at a level suggesting overvaluation or an imminent correction. Traditionally, an RSI exceeding 70 signifies overbought conditions, while a value below 30 suggests oversold conditions.
- **200-Day Moving Averages:** The stock is currently trading above its 200-day MA, which is a **bullish signal**, suggesting positive sentiment and momentum in the stock.

As of mid-May 2025, INVB is trading above its 200-day MA. This technical setup suggests positive price momentum and growing investor confidence. The 14-week RSI indicates that upward momentum is building without excessive speculation.

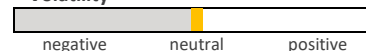
From a price action perspective, the stock faces its next resistance around JD 1.62–1.65, a level tested in previous rallies, with a psychological barrier at JD 1.70. On the downside, JD 1.52 serves as the nearest support, underpinned by the 200-day MA and recent consolidation levels, with stronger support at JD 1.45. A sustained close above JD 1.60 could trigger a move toward JD 1.70, especially if accompanied by stronger trading volumes and broader market strength.

UFICO recommends a **Hold with a short-term bullish bias**. INVB's current technical setup reflects improving sentiment, but the stock remains near key resistance levels. Investors may consider holding existing positions and monitoring for a breakout above JD 1.62 as a trigger for potential upside. Caution is advised if the stock falls below JD 1.52, which could shift the bias back to neutral. Continued tracking of both technical movement and upcoming financial results is essential for re-assessing entry or exit points.

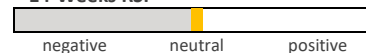
Price up 9.66% over the past year



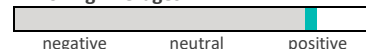
Volatility



14-Weeks RSI



Moving Averages



UFICO Stock Ratings: UFICO's coverage of stocks uses a quantitative model that evaluates a company's relative valuation, earnings strength, financial stability, and its recent price movement. UFICO's five recommendation ratings include strong buy, buy, hold, sell, strong sell. For all stocks in our coverage universe, ratings are generated each week and reflect the fundamental and price data as of the last trading day of the week.

1	2	3	4	5	Strong Buy	Significantly Satisfactory
1	2	3	4	5	Buy	Satisfactory
1	2	3	4	5	Hold	Average
1	2	3	4	5	Sell	Unsatisfactory
1	2	3	4	5	Strong Sell	Significantly Unsatisfactory

Relative Valuation: Relative valuation is a weighted combination of factors that measure a company's current stock price valuation vs industry. These include the company's price-to-earnings vs. industry, and its price-to-book vs. industry. UFICO also measures the rank of a company's dividend yield among dividend payers on the Amman Stock Exchange. A stock may stay undervalued or overvalued for a long period of time. For this reason, it is important to combine dividend yield rank factor with shorter-term predictive factors such as earnings momentum or price momentum to identify more imminent valuation adjustments. In addition, UFICO also measure a company's dividend payments growth over the past 10 years and the degree its dividend payments are covered by earnings.

Earnings Strength: Over 20 years of research have shown that the change in the growth of earnings per share is an important factor that drives stock price performance. UFICO measures earnings momentum to get an early indication of changing earnings patterns. Earnings strength is a weighted combination of factors that measure a company's earnings growth performance. These include the company's 5-year average earnings growth rate, its 1-year earnings growth rate vs its 5-year average earnings growth rate, its 1-year earnings growth rate vs. industry, its relative strength of ROE, and its y-o-y profit margin growth rate.

Financial Stability: Financial stability is a weighted combination of factors that measure a company's ability to pay its debts in the short and long terms. UFICO looks for a company's capital structure where its total liabilities do not exceed 40% of its equity. For a company's solvency strength, we look for an interest coverage of at least 3x, indicating a company's ability to cover its interest payments through its operating income, and a debt coverage of at least 200%, indicating a company's ability to cover its loans and interest payments through its operating income. For liquidity strength, we look for a company's current ratio of at least 1.25x, indicating current liabilities are sufficiently covered by current assets. Companies in the banking sector are analyzed using assets/equity ratio, loans/deposits ratio, loans/assets ratio, and level of bad loans. For assets/equity ratio, we look for a ratio below 10x, indicating adequate reliance on debt to fund the bank's operations. For loans/deposits ratio, we look for a ratio below 125%, indicating high liquidity and low exposure risk to cover unexpected funding requirements. For loans/asset ratio, we look for a ratio below 110%, indicating high liquidity and low exposure risk to defaults. For the level of bad loans, we look for a ratio below 5.00%, indicating lower provisions are required and, hence, increases bank profitability.

Recent Price Movement: Historical price action of a company's stock is an especially helpful measure used to identify intermediate and short term performance potential. Long term historical performance is a good predictor of future price performance, but much more importantly, large price movements over the intermediate and short term tend to reverse themselves. UFICO's price momentum measure integrates historical long, intermediate and short term price changes, creating ratings that are highest for stocks with strong twelve-month price performance that have had a price consolidation in the past quarter and month. Price movement is an evaluation based on a company's relative share price strength in the past 1-quarter, 14-day and 1-year period. In UFICO's analysis, positive price strength in the past 200-day period is a favorable indication of near-term price gain. Conversely, positive price changes in the past quarter or 14-day period can indicate a short-term overbought condition resulting in negative near-term price change.

Disclaimer

The statements, opinions and analyses presented in this report (collectively, "Information") are for informational purposes only. Any opinions or probabilities expressed in this report are those of the author as of the report date and are subject to change without notice. United Financial Investments ("UFICO") makes no guarantee as to the completeness or accuracy of the Information, nor can it accept any responsibility for any errors in the report. Other events that were not taken into account may occur, and any opinions or probabilities should not be construed to be indicative of the actual events that may occur. The Information contained herein is not an offer to sell or the solicitation of an offer to buy any securities. Nothing contained herein is intended to be investment advice, nor is it to be relied upon in making any investment or other decision. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment will be profitable or equal any historical performance level(s). Neither UFICO, any of its affiliates, nor each of their respective officers, directors, members, agents, representatives, employees, or contractors (collectively, "UFICO Parties"), are liable for investment decisions based upon, or the results obtained from, the Information provided. UFICO Parties or their clients may at times own positions in the companies described in these reports. You assume all risks of loss resulting, directly or indirectly, from the use of the Information contained in this report. By accepting receipt of this report, you agree to hold harmless the UFICO Parties from any and all claims, actions, damages, losses, liabilities, costs and expenses of any kind whatsoever, including any claims of negligence, arising out of, resulting from, by reason of, or in connection with the use of the Information contained in this report. This report contains certain "forward-looking statements," which may be identified by the use of such words as "believe," "expect," "anticipate," "should," "planned," "estimated," "potential" and other similar terms. Examples of forward-looking statements include estimates with respect to financial condition, market developments, and the success or lack of success of particular investments (and may include such words as "crash" or "collapse"). All are subject to various factors, including general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors that could cause actual results to differ materially from projected results. Comparable companies, strategies, portfolios and indices may be included in this report only as a context reflecting general market results during the depicted period or as of the specified date. The comparison of any company, strategy, portfolio or index to a single other portfolio may be inappropriate because the portfolio's assets, strategies and level of risk may vary materially from the comparable company, strategy, portfolio or index as a whole. This report is provided to you on a confidential basis and is intended solely for the use of the person to whom it is provided. It may not be modified, reproduced or redistributed in whole or in part without the prior written consent of UFICO.