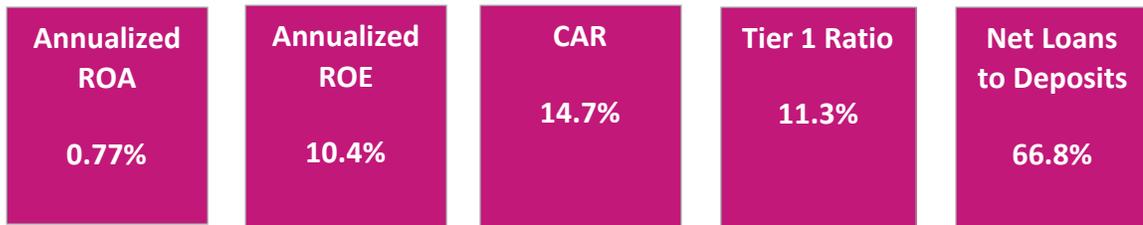


For Immediate Release
Bank of Palestine Group
June 8th, 2021

FIRST QUARTER 2021 RESULTS AND KEY METRICS



Gross Profit OF \$61.5 MILLION

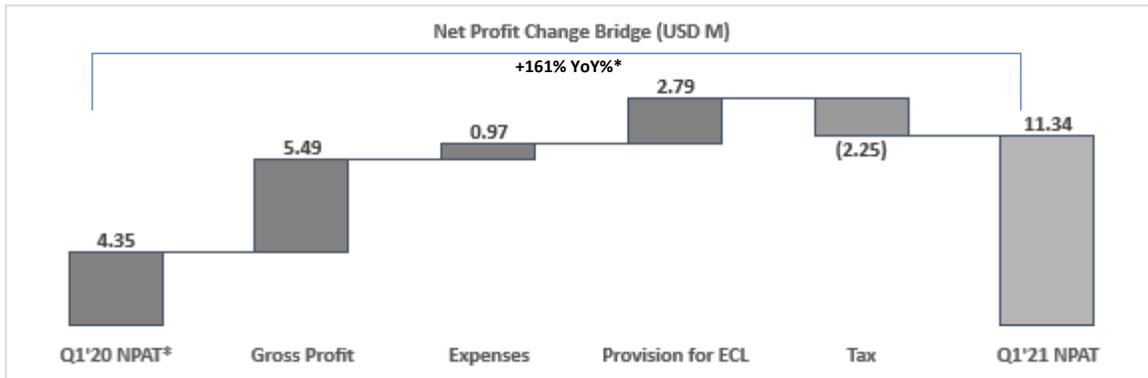
NET PROFIT OF \$11.3 MILLION

EARNINGS PER SHARE OF \$0.048

Key Messages

- Gross profit increased by 10% from USD 56.0 million in Q1 2020 to USD 61.5 million in Q1 2021.
- Profit before tax increased by 114% from USD 8.1 million in Q1 2020 to USD 17.3 million in Q1 2021.
- Net profit increased by 161% from USD 4.3 million in Q1 2020 compared to USD 11.3 million in Q1 2021.
- Total assets increased by 2% from USD 5.80 billion at the end of 2020 to USD 5.90 billion in Q1 2021.
- Net Loans remained flat at USD 3.26 billion in Q1 2021.
- Customer deposits increased by 1% from USD 4.83 billion at the end of 2020 to USD 4.88 billion in Q1 2021.
- Total shareholders' equity increased by 0.7% from USD 433.5 million at the end of 2020 to USD 436.5 million in Q1 2021.

Ramallah, Palestine May 31, 2021- Bank of Palestine Group (BoP) announced its financial results reporting net profit for the first quarter of 2021 of USD 11.3 million and gross profit of USD 61.5 million compared to net profit of USD 4.3 million and gross profit of USD 56.0 million for the first quarter of 2020. Total assets increased to USD 5.90 billion compared with USD 5.80 billion at the end of 2020. The Bank's total shareholders' equity also increased to USD 436.5 million compared with USD 433.5 million at the end of 2020.



NOTE:

Q1 2020 results were adjusted to reflect a provision of USD 3.4 million due to COVID-19 postponement of installments as per PMA instructions No. (4/2020) for our subsidiary – Arab Islamic Bank. The provision was booked originally in Q2 2020 following the bank’s assessment of the NPV effect of the postponement in accordance with IFRS 9, however following the Audit review in Q1-2021 it was deemed more appropriate to include it in Q1 2020 retrospectively. This adjustment does not affect the disclosed results of future quarters nor the Annual Financial statements for the year 2020. The net profit after tax growth year-on-year prior to the adjustment is 47% vs 161% in the final results. For more details, please refer to notes 32 and 33 in our reviewed interim condensed consolidated financial statements for March 31, 2021.

Chairman and CEO Commentary

Commenting on the results, Mr. Hashim Shawa, Bank of Palestine Group Chairman said: “The financial results of Q1 2021 are promising and reflects our strategy of ensuring sustained growth. It also reflects concerted efforts by the Bank to improve performance, internal efficiency while maintaining strong relationships with our clients, strengthening our credit portfolio as we witness a speedy recovery of the slowing economy post COVID 19 pandemic.” Mr. Shawa also highlighted the Bank’s efforts in supporting the SME sector in Palestine in alignment with the Bank’s continued commitment towards this vibrant economic sector which represents the backbone of the Palestinian economy.

Mr. Mahmoud Shawa, the Bank’s CEO commented: “Throughout the first quarter of 2021, the Bank has increased its efforts towards enhancing the follow up unit of the credit department which resulted in a decrease in the NPLs ratio. As part of the Bank’s strategic goals, it has implemented a new HR structure with the aim of empowering its employees and inspire their innovative skills through working with them to explore growth and career paths, based on their leadership and skills while focusing on promoting the youth and women to high level positions. The Bank also created a new sustainability board committee and department emphasizing the growing importance of ESG (Environment, Social and Governance). Furthermore, the Bank continuously assesses and improves its business development and product lines in order to satisfy our clients’ changing needs while remaining keen on providing digital banking services and focusing on segmentation in a changing operating landscape.

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