

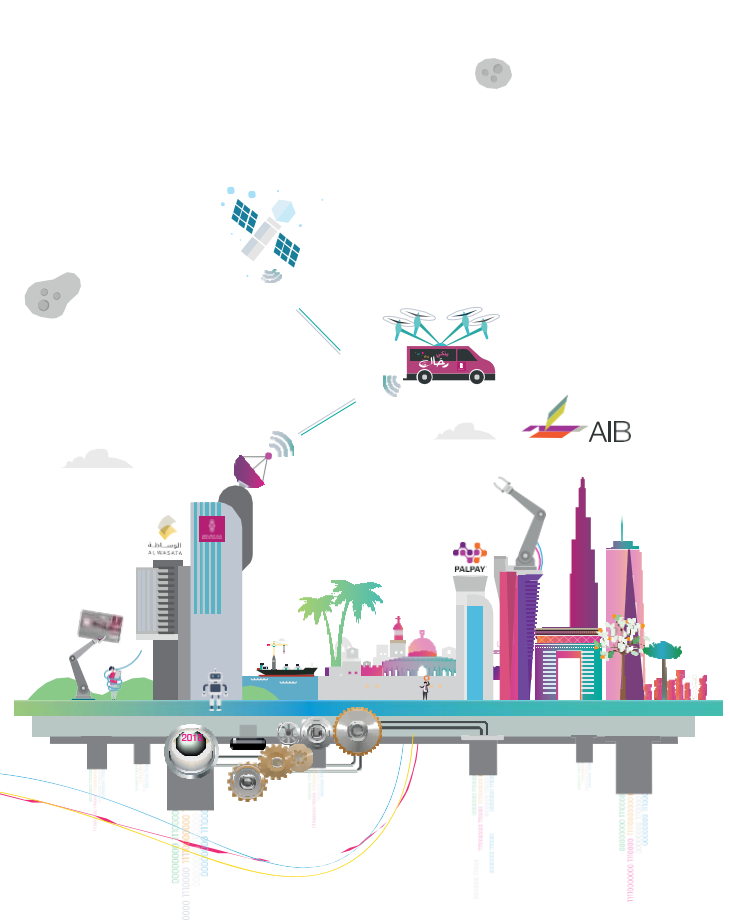


Bank of Palestine Group



INVESTOR PRESENTATION

Investing in Digital Innovation





The information and opinions contained in this document have been compiled or arrived at by Bank of Palestine from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. The information contained in this document is published for the assistance of recipients, but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. The bank does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.



Hashim Shawa

Chairman
Bank of Palestine Group

“We are proud to say that our banking group was able to maintain both shareholder and stakeholder value at the same footing, throughout its journey, but especially during this pandemic in the year 2020. We have planted deep rooted seeds of trust with our community and we see hope in the resilience this community has shown. We are confident that our customers, our stakeholders and our community will shield us from the economic downturn because of the trust we have built and the values we have displayed during the covid-19 crisis. Together we shall continue this journey of growing our business, attracting investors and serving our stakeholders”



Palestine Market And Financial Sector Overview

MARKET REVIEW- DEMOGRAPHICS



PALESTINE TOTAL POPULATION: 13.6 M

In Palestine: 5.2M (38%)

In the Diaspora: 8.4M (62%)

LITERACY RATE

97%

CURRENCY

Jordanian Dinar JOD

American Dollar USD Dollar

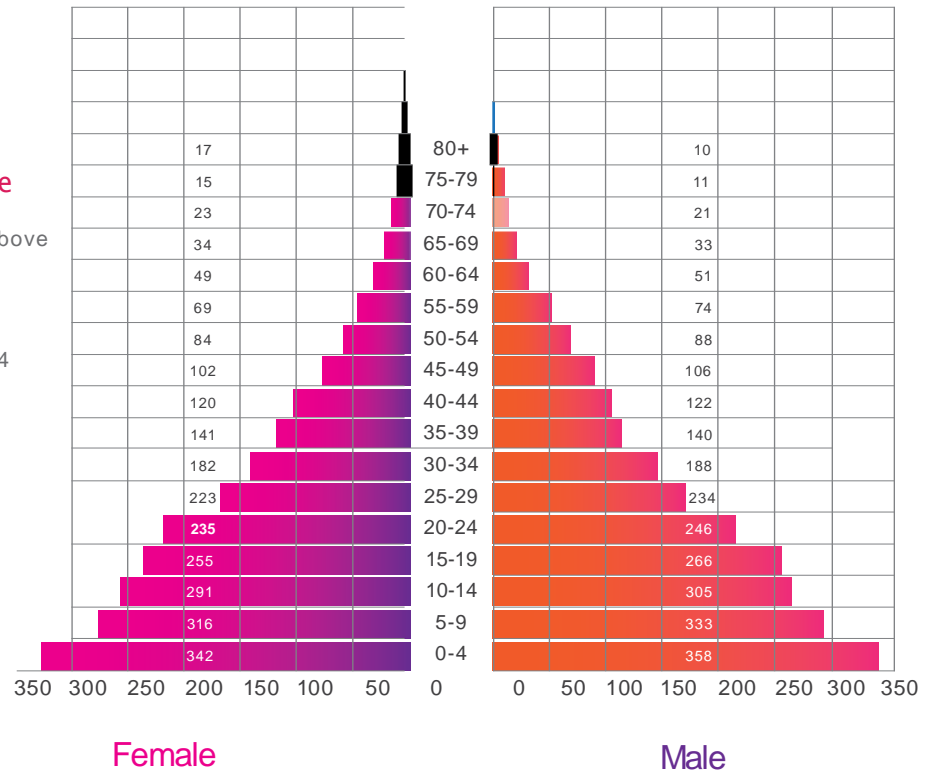
Israeli Shekel ILS

Age

3% 65-above

22% 35-64

75% 0-34





GDP | Capita

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$1,815	\$2,185	\$2,884	\$3,071	\$3,320	\$3,357	\$3,277	\$3,534	\$3,620	\$3,562	\$3,640	\$2,787

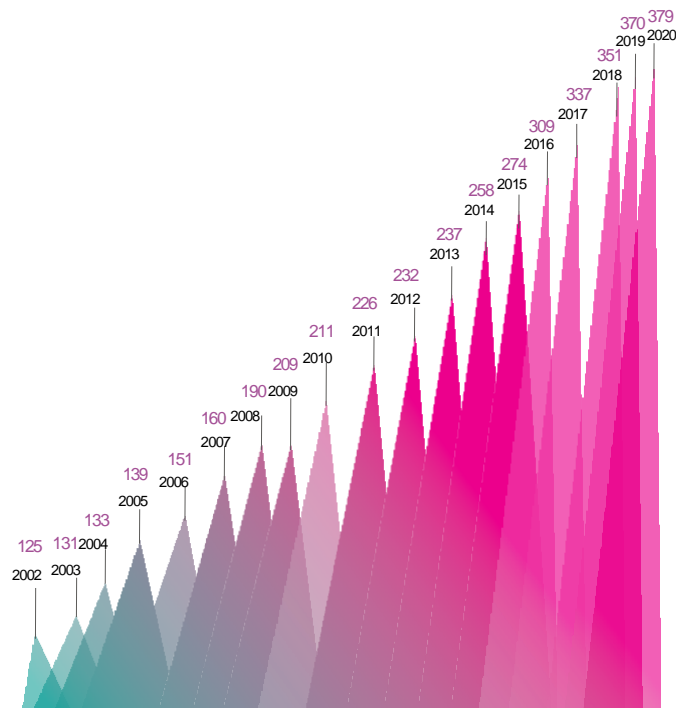
GDP 14 billion (2020)

- New potential could unleash \$5 billion/ year infusion to GDP according to World Bank estimates

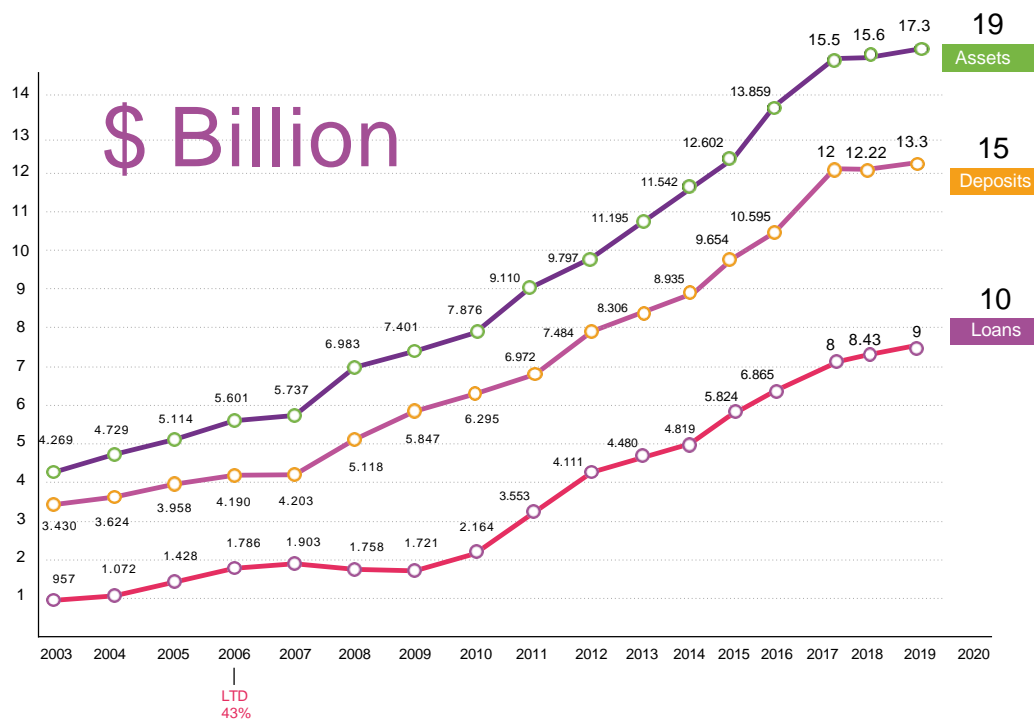


13 Banks Operating in Palestine

Local Banks (7)	Foreign Banks (6)
Commercial Banks (4)	Jordanian (5)
Bank of Palestine (BOP)	Arab Bank
Palestine Investment Bank (PIBC)	Cairo Amman Bank
Al Quds Bank (QUDS)	Jordan Ahli Bank
The National Bank (TNB)	Bank of Jordan
Islamic Banks (3)	The Housing Bank for Trade & Finance
Arab Islamic Bank (AIB)	Other Foreign Banks (1)
Palestine Islamic Bank (ISBK)	Egyptian Arab Land Bank
AL-Safa Bank (SAFA)	



No. of Branches



Bank of Palestine Market Share Palestine Exchange

10%

Deposits

31.93%

Loans

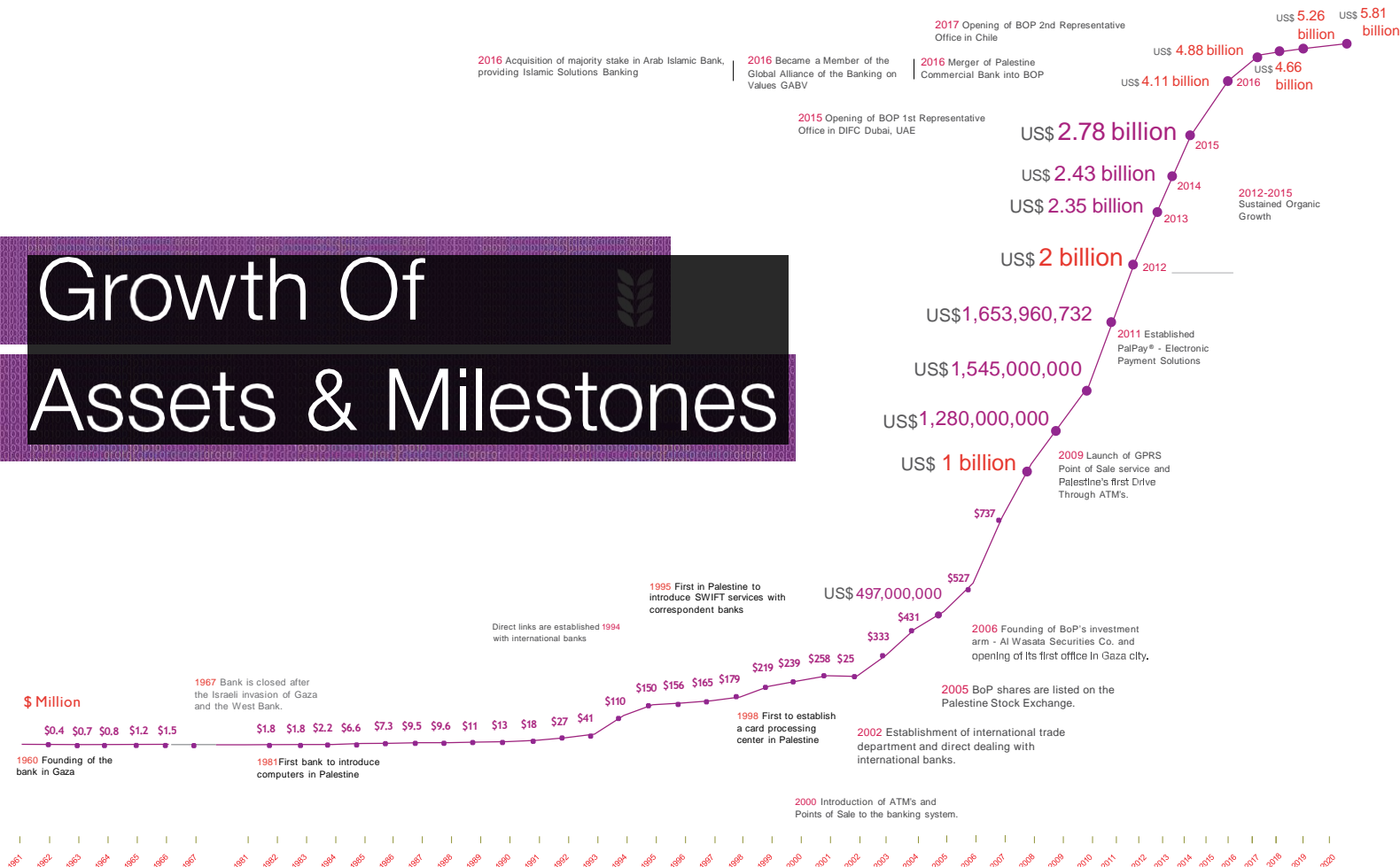
34.12%



BANK OF PALESTINE OVERVIEW



Growth Of Assets & Milestones

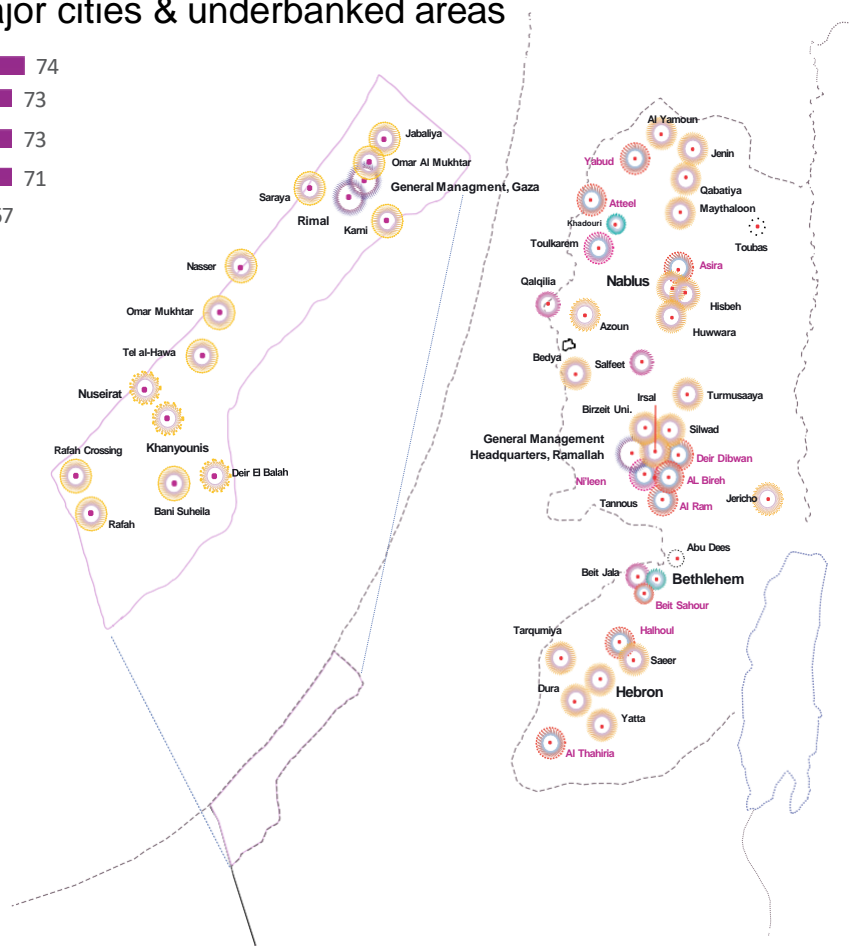
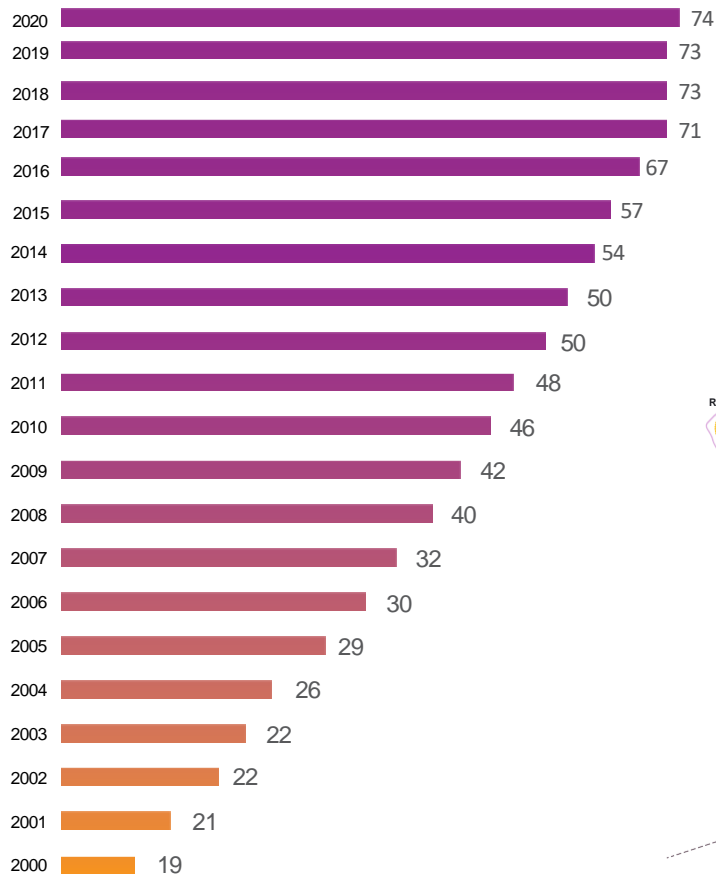




Palestine's largest banking network with

74 BRANCHES

across all major cities & underbanked areas



BOP - FLAGSHIP BUILDINGS

بنك فلسطين
BANK OF PALESTINE



BOP - RAMALLAH GENERAL
MANAGEMENT HEADQUARTERS



BOP - BETHLEHEM
FLAGSHIP BUILDING



BOP - JERICHO
FLAGSHIP BUILDING

TRAINING,
WORKSHOPS,
& NON-FINANCIAL
SERVICES

BUSINESS BANKING

RETAIL BANKING

DIGITAL BRANCHES

BOP - FLAGSHIP EAST JERUSALEM - DAHIYAT ALBARID BRANCH

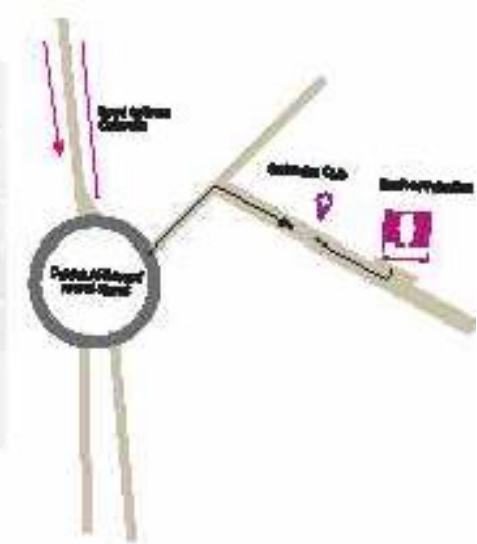
بنك فلسطين
BANK OF PALESTINE



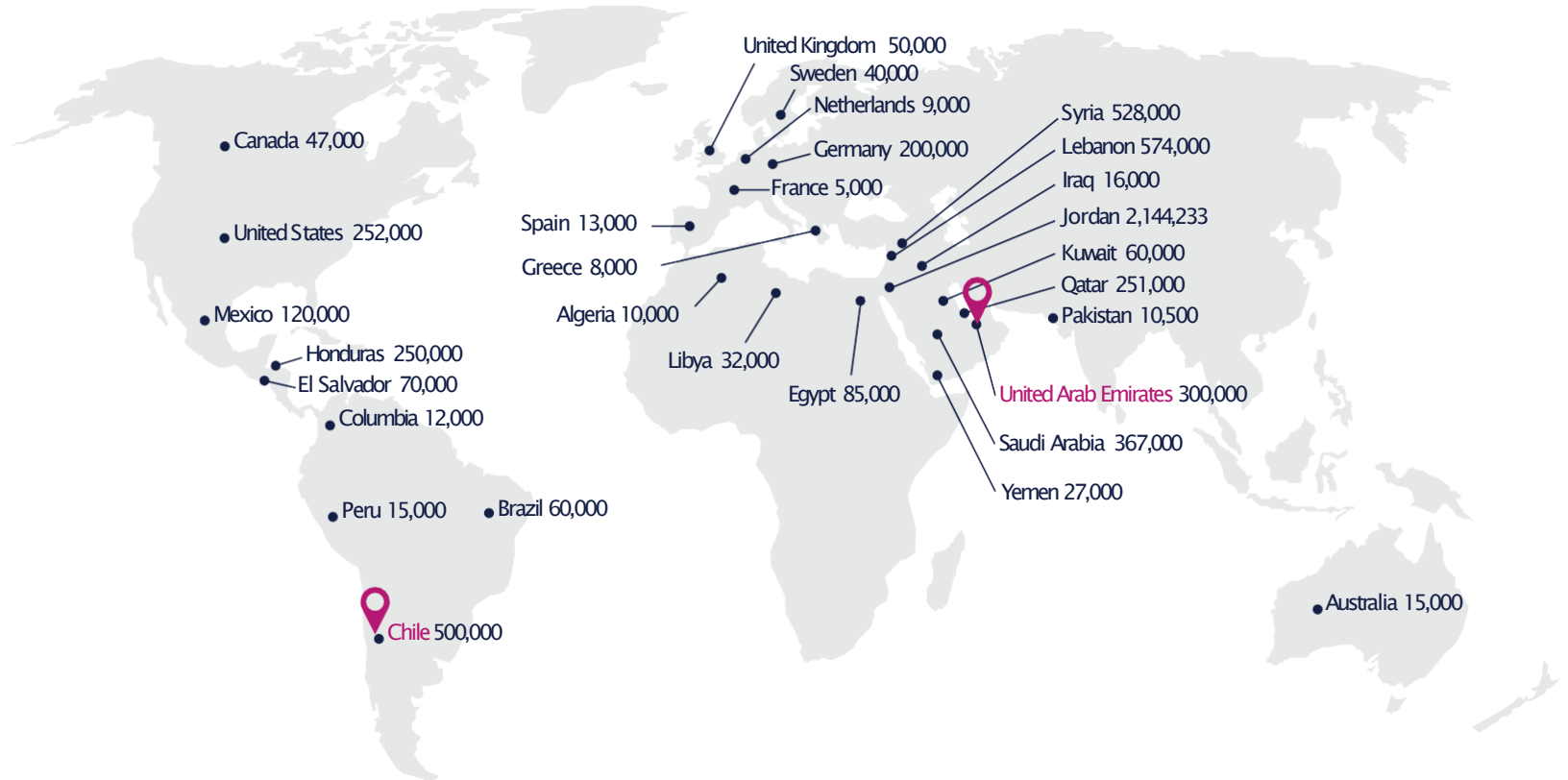
OPENED 2017



Branch Location - EAST JERUSALEM - DAHIYA ALBARID
756 08 330000



Dahiya Al-Barid Branch





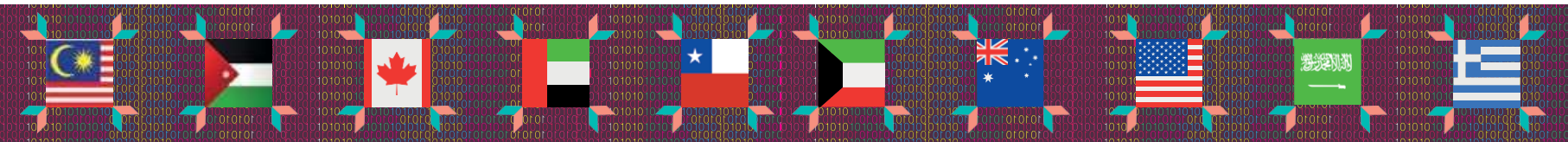
DIASPORA DEPARTMENT

There are around 8.4 million Palestinians living in Diaspora with an estimated GDP of \$100 billion.

BOP has established a dedicated Diaspora Department, with the purpose of strengthening bonds with Palestinians living in Diaspora, in addition to offering them competitive services in:

- Retail Banking
- Corporate Banking
- Business Advisory Services
- Investment and Brokerage Services

BOP has two representative offices one in Dubai and one in Chile.





Dubai International Financial Center (DIFC) 2015



Representative Office Chile 2017



REPRESENTATIVE OFFICE SERVICES:

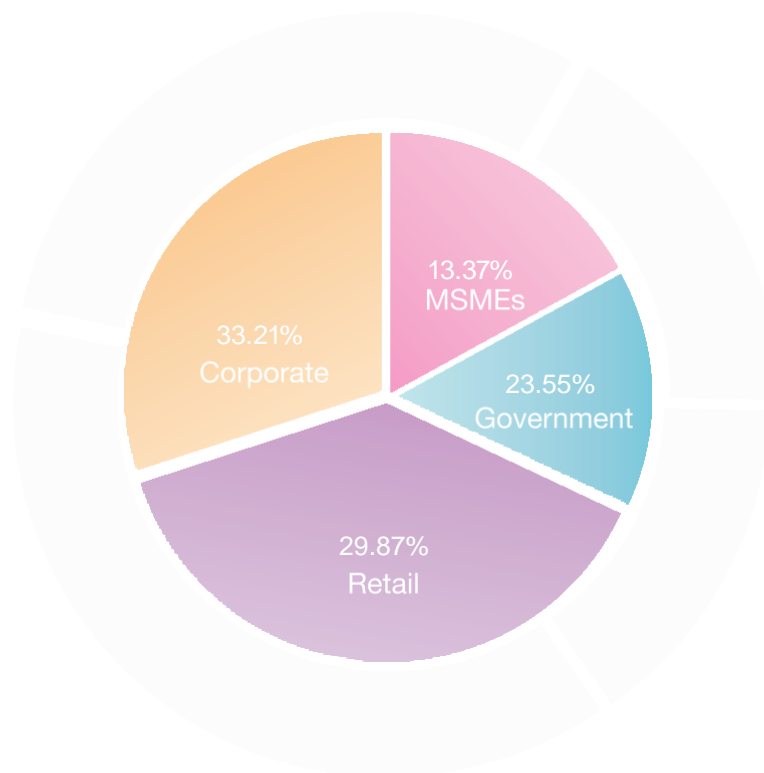
- FINANCIAL ADVISORY SERVICES.
- INVESTMENT ADVISORY SERVICES.
- NETWORKING AND RELATIONSHIP MANAGEMENT AMONG DIASPORA PALESTINIANS.
- FACILITATION OF FINANCIAL SERVICES IN PALESTINE (ACCOUNT OPENING, FIXED TIME DEPOSITS AND CREDIT CARDS).
- MORTGAGE LOANS AND OTHER LOANS IN PALESTINE.
- TREASURY SERVICES AND CUSTODY SERVICES FOR INVESTMENTS IN THE PALESTINE STOCK EXCHANGE (PEX) .



Diversefied Loan Portfolio


Over \$3.44 billion
in loans granted by
Bank of Palestine

NPL Ratio 4.86%





Largest SME Portfolio in Country

 \$460 million

Specialized teams and programs
servicing Micro, Small, & Medium Sized
Enterprises (MSMEs)





Falestineya Women inclusion program:

- 12,500 Female Beneficiaries
- 130 Mini MBA Women Graduates
- 34% increase in Women client base

Focus on gender inclusion and Women empowerment through a comprehensive program:

- Product Development
- Non-financial services
- Digital marketing skills
- E-commerce
- Financial literacy





- Digital Banking
- Mobile Banking – e-Bank
- Cards
- E Commerce
- Cyber Security



e-Bank
on my mobile

Online **Banking**





Green Loans

BOP created a distinctive programme entitled Green Loans to enable residents of rural areas to invest in renewable access to energy and resources such as:

- Solar Energy
- Greywater Recycling
- Rainwater Harvesting
- Other environmentally friendly projects

A holistic sustainability strategy:

- Promoting Sustainable Finance
- Developing a Sustainable Economy
- Gender Inclusion
- Investing in Youth
- BOP – A Sustainable Business
- Corporate Social Responsibility (CSR)

We contribute 5% of our annual profits towards CSR

We hire 6% of all staff – Persons with Disabilities





Achieving Balance

Mobile Clinic

Breast Cancer

Providing mammogram tests to more than **2,500 women annually**



Mobile Bank

Financial Inclusion

Serving 50% unbanked population in Palestine in rural areas



BOP'S - CORRESPONDENT BANKS

بنك فلسطين
BANK OF PALESTINE



citibank

COMMERZBANK

Santander
Corporate & Investment Banking

UniCredit

KBC

BBVA

ABN-AMRO

BCP
BANQUE DE COMMERCE ET DE PLACEMENTS

INTESA SANPAOLO

Bank of Sydney

DNB

KEB Hana Bank

الوطني QNB

الوطني NBK

بنك الإمارات دبي الوطني Emirates NBD

Al Rajhi Bank مصرف الراجحي

البنك الأهلي المصري NATIONAL BANK OF EGYPT

TÜRKİYE BANKASI

aktif bank

bank hapoalim

INVESTBANK
البنك الاستثماري

BankABC

الأهلي | ahli

بنك الإسكان Housing Bank

بنك الاتحاد Bank al Etihad

AJIB
بنك الاستثمار العربي الأردني

Bank 鄭州銀行 Wuzhou Bank

浙江稠州商业银行 ZHEJIANG CHOUZHOU COMMERCIAL BANK

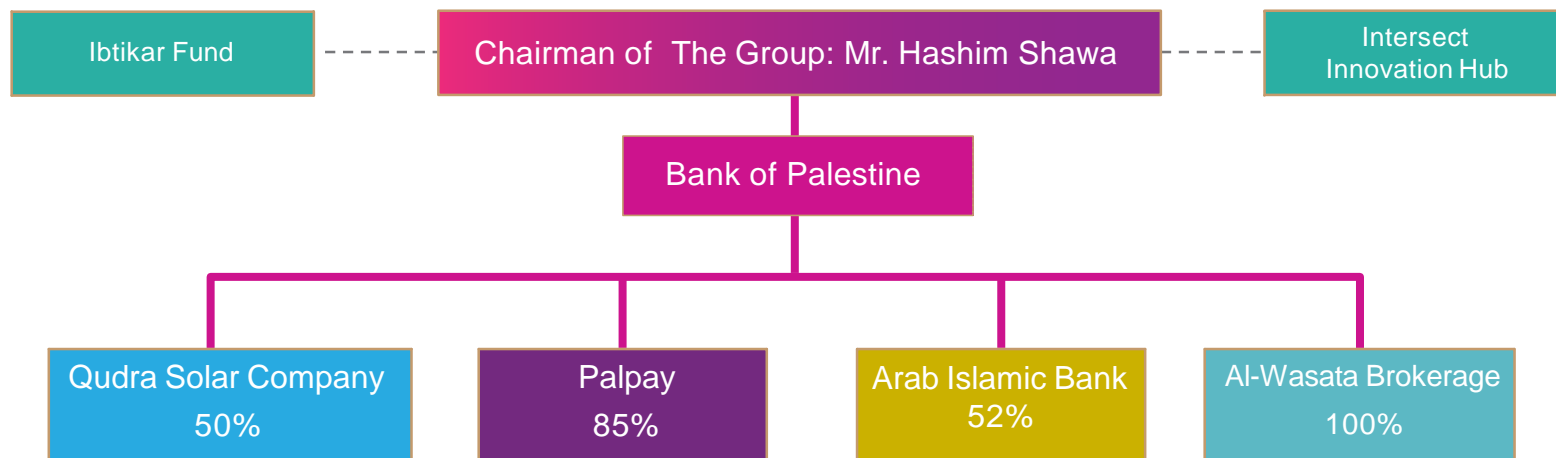
BOP - MEMBERSHIPS & RECOGNITIONS

بنك فلسطين
BANK OF PALESTINE



Bank of the Year
for Financial Inclusion







البنك الإسلامي العربي
ARAB ISLAMIC BANK

ARAB ISLAMIC BANK (AIB), is the latest subsidiary addition to Bank of Palestine Group, and in essence is the Islamic banking arm for Bank of Palestine, allowing it to provide with its 28 branches Islamic Banking solutions to a growing segment of customers requiring such sharia' compliant solutions. The bank has assets of USD 1,557,048,782 with net profits in 2020 of USD 8,014,336 . Benchmarked against the banking sector AIB's assets grew by 23% while the assets growth in the entire banking sector was 10.93% clearly indicating the potential for growth for AIB in the coming years.





الوساطة للأوراق المالية



Al-Wasata Securities has been one of the fastest growing brokerage companies in Palestine, playing a major role in the acquisition of new investors into the Palestinian market, and adding new markets to its dealing platform. The company is continuously committed to provide the latest technologies, noting that the company has launched its mobile trading application where it enables its clients to trade in the local, regional, and US markets via one platform, making Al Wasata Securities Co. the first broker in Palestine to provide us a service. The company's Trading volume is around \$79 million in the local, regional and US markets, more than USD 450 Million assets under management, as well as having the highest registered capital between the Palestinian brokerage firms being USD 5 million.



PalPay® – Palestine Payments – As the leading payment platform company PalPay has been successful since inception utilizing the many POS machines and enabling payment of bills from various outlets revolutionizing the payment systems in Palestine. The number of electronic transactions conducted during the year through PalPay® reached more than 1 Billion, an increase of 12% compared with 2020. The company also continued to sign agreements with additional utility companies in Palestine to allow their clients to make e-payments through the PalPay® system. PalPay® has raised to 80 entities the number of service customers using its platform. The company also promoted its services regionally, as it was one of the main sponsors of the Cards and Payments Middle East conference that took place in Dubai. PalPay also was proudly the winner for the biggest worldwide contest in the field of “crisis management and aid” launched by Citi bank (MasterCard, Facebook, Microsoft, IBM and others).

PalPay E-Voucher and cash assistance Platform won the first place in the Citi Tech for integrity challenge; a global competition among 2000 international companies, where 103 finalists representing 25 countries vied for awards at six Demo Days. Overall, applicants came from more than 70 countries and 300 cities.





PALPAY E-WALLET

First E-wallet in Palestine



Targeting the unbanked



Qudra

for Renewable Energy Solutions

Qudra for Energy solutions is a joint venture between NAPCO and Bank of Palestine Group, to provide renewable energy solutions with the highest specifications quality at international standards, Qudra will enhance the founder's joint values of sustainability. Qudra seeks to achieve sustainable development by diversifying local electrical energy production sources reducing the import of electrical energy from abroad, working with all local and international partners in the energy sector.



Target capacity of 100mw





INNOVATE

A COMMUNITY OF SOCIAL
AND FINTECH ENTREPRENEURS

info@intersecthub.org | @intersect_hub | www.intersecthub.org

- 1 FINTECH
- 2 CYBERSECURITY
- 3 DIGITAL INNOVATION
- 4 SOCIAL IMPACT



Ibtikar Innovation Fund

- Ibtikar Fund, Palestine's only active investor in startups, is an early stage venture capital fund of which Bank of Palestine was the anchor investor and limited partner.
- Ibtikar continued to make a strong impact in the Palestinian entrepreneurial ecosystem by investing in the top Palestinian tech startups. Ibtikar provides the funds with hands-on support necessary for such startups to expand, within and outside Palestine.
- Several of Ibtikar investments reached major revenue milestones, raised money from international investors (many of whom are investing in Palestinian startups for the first time), and won many regional and international awards and competitions. New Ibtikar's companies span several sectors, including marketing technology financial technology, real estate, health and wellness, and e-commerce.
- Ibtikar's portfolio companies have created over 250 employment opportunities for highly-skilled Palestinians, nearly %30 of whom are women, and over %50 of whome are under the age of 30.
- In 2020, Ibtikar will be raising its second fund, in order to build on this momentum and continue to support the most promising Palestinian tech startups.

Investments in Ibtikar Companies:

Ibtikar Fund portfolio company, Gamiphy, had secured a six-figure pre-series A investment round.

- Gamiphy offers businesses with plug and play tools that empower their strategies in different verticals, such as customer acquisition and loyalty, customer engagement through games, and workforce management and motivation through gamification.
- Ibtikar Fund portfolio company, Receet, secured a six-figure, pre-series A investment round.

MAJOR SHAREHOLDERS	PERCENTAGE
Al Muhalab Real Estate Kuwaiti Co.	7.30%
International Finance Corporation IFC	4.73%
Hashim Hani Shawa	3.75%





- Bank of Palestine has a dedicated Compliance and AML Department.
- Compliance and AML are independent and reports to the Board Audit Committee.
- Bank of Palestine is in compliance with Local AML and CFT regulations working with the Palestinian Monetary Authority (PMA) and Financial Follow Up Unit (FFU).
- New AML and CFT law signed by the president in December 2015. For the first time the Palestinian law addresses combating financing of terrorism.
- A presidential decree concerning the enforcement of UN security council resolutions.
- Bank of Palestine is in compliance with International AML and CFT regulations and Standards.
- Bank of Palestine as part of its compliance adheres to all correspondent banks' lists including United Nation list, Israeli list ,OFAC, EU regulations and other international lists.
- Bank of Palestine through the regulatory authorities works with US Treasury (FATCA compliant), IMF and FATF on enhancing the compliance system within the bank.
- AML and CFT program is continuously updated through technology and training.
- Adhering to a strict policy on updating clients data on a regular basis.
- Using advanced AML systems for monitoring accounts clients transactions to detect any potential suspicious transactions.
- A third of our employees get intensive training in AML and CFT on a yearly basis.

The background features a dense pattern of binary code (0s and 1s) in various colors (blue, green, yellow, red) on a black field. A horizontal rainbow gradient bar spans the width of the image, positioned behind the main title.

BANK OF PALESTINE FINANCIAL HIGHLIGHTS

BOP - KEY PERFORMANCE INDICATORS



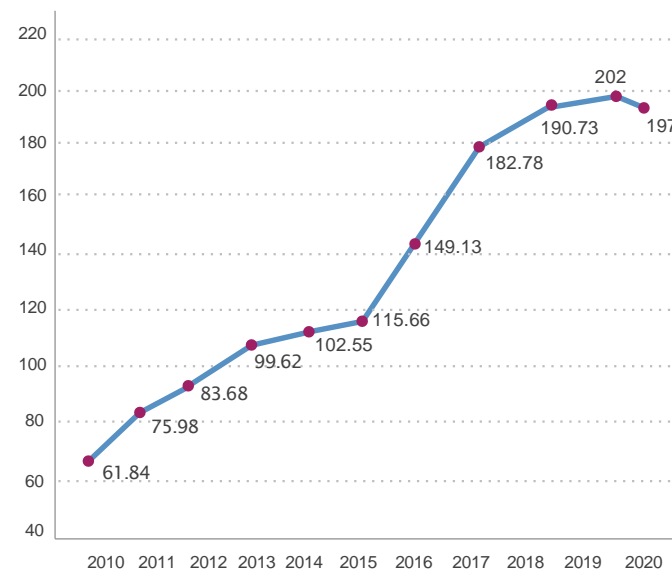
Total Revenue

Million USD



Net Interest & Commissions Income

Million USD



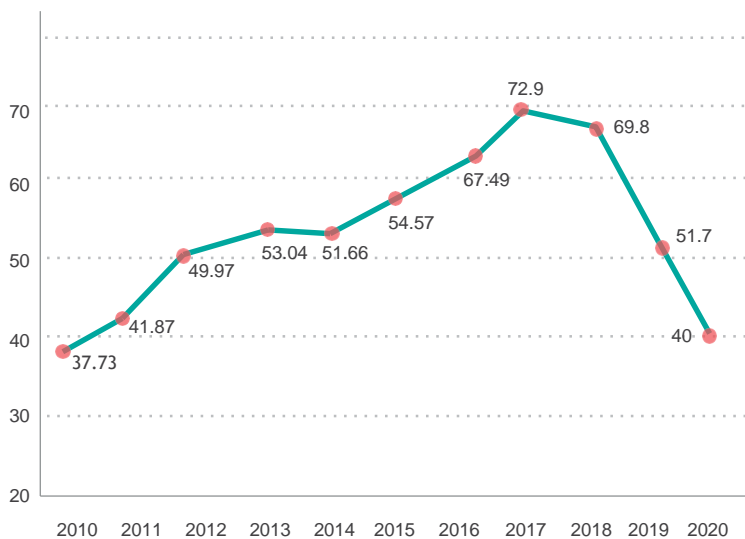
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE



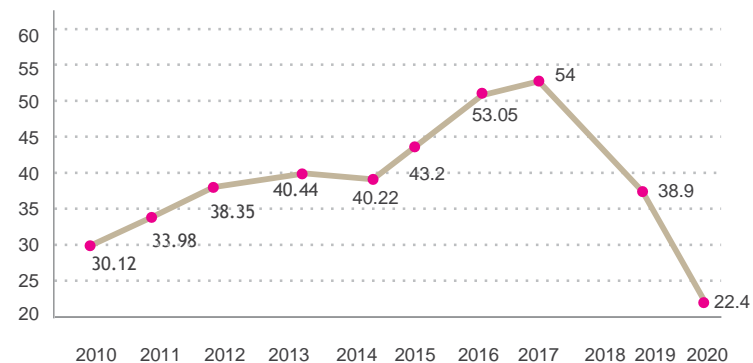
Profit Before Tax

Million USD



Net Profit

Million USD



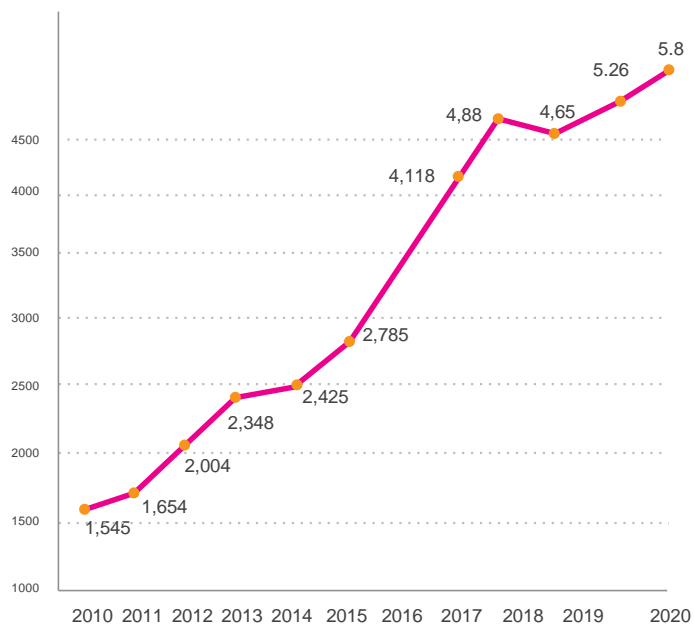
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE



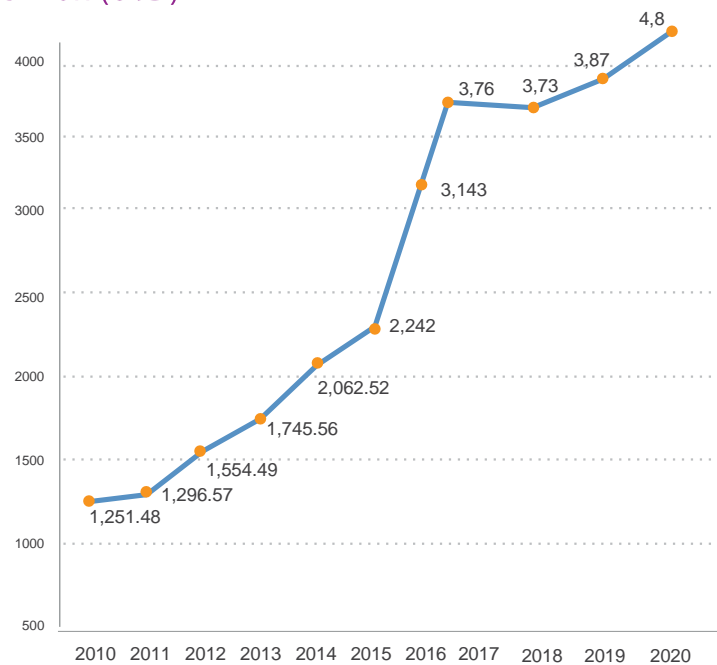
Assets

Billion (USD)



Customer Deposits

Billion (USD)



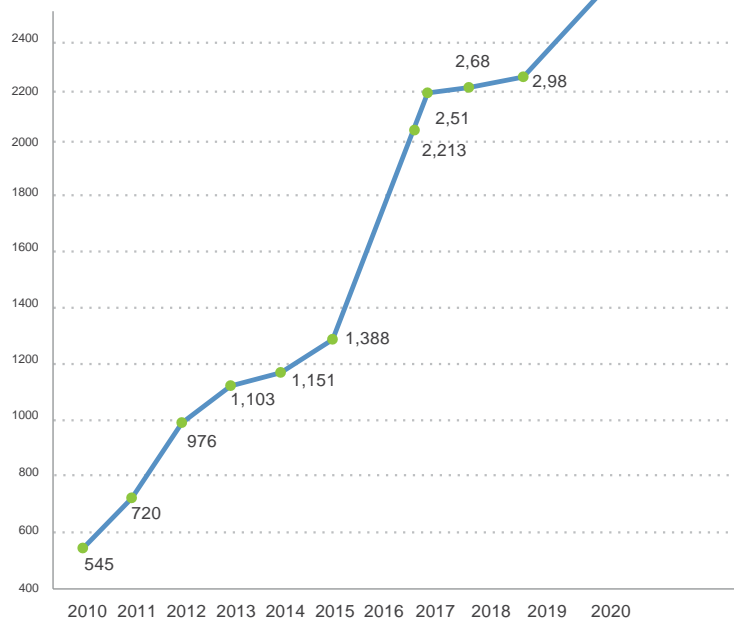
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE



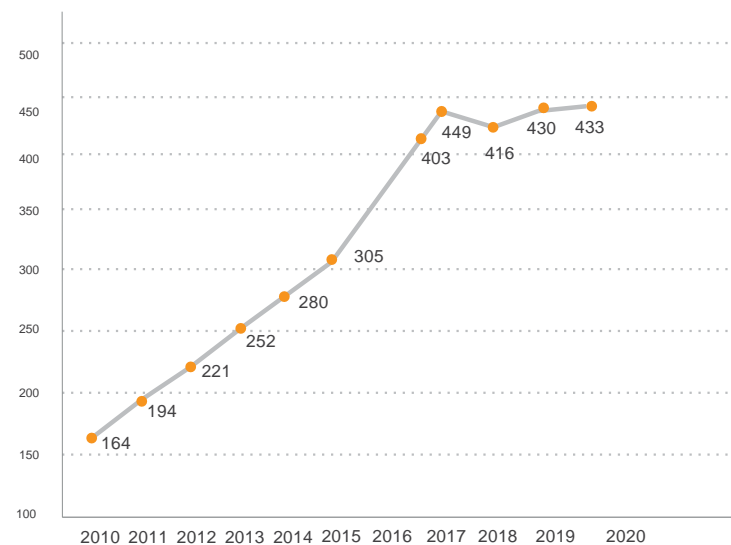
Net Loans

Billion (USD)



Shareholders' Equity

Million (USD)



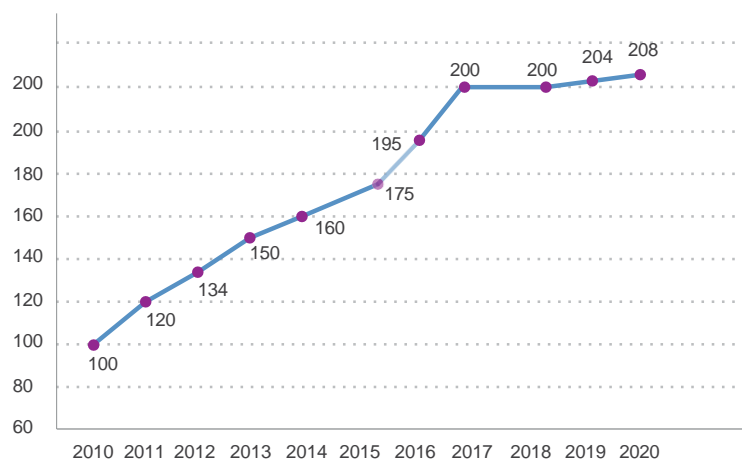
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE

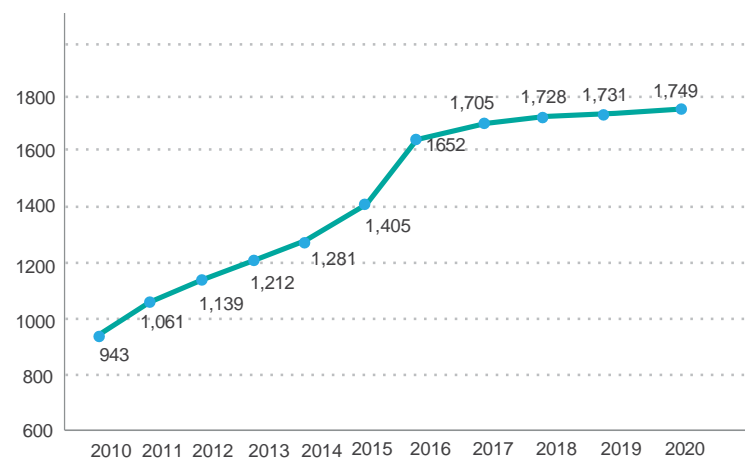


Paid-Up Capital

Million (USD)



No. of Employees

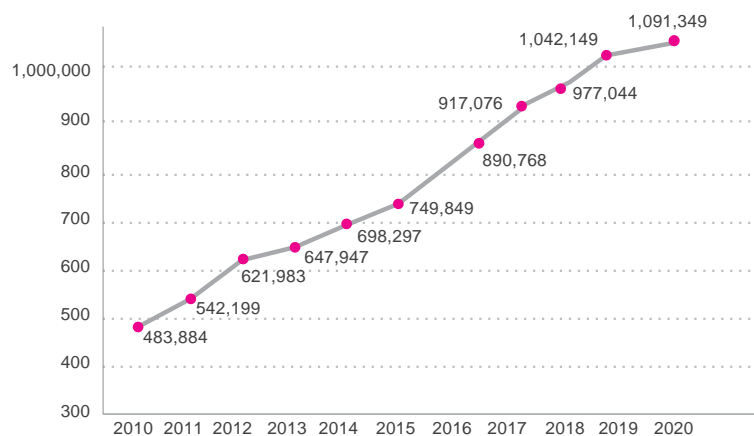


BOP - KEY PERFORMANCE INDICATORS

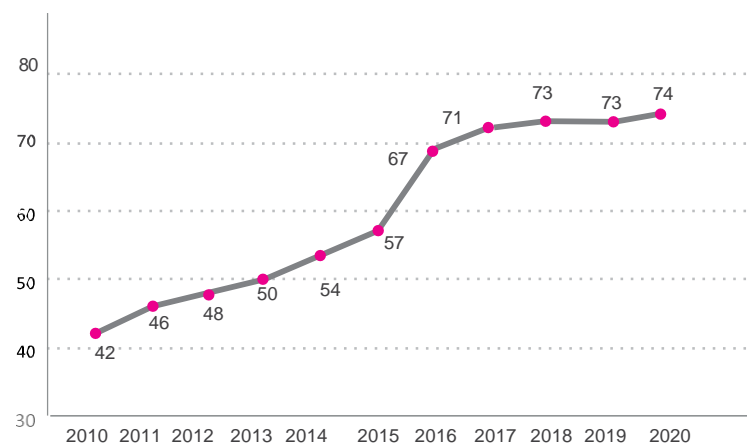
بنك فلسطين
BANK OF PALESTINE



No. of Customers



No. of Branches

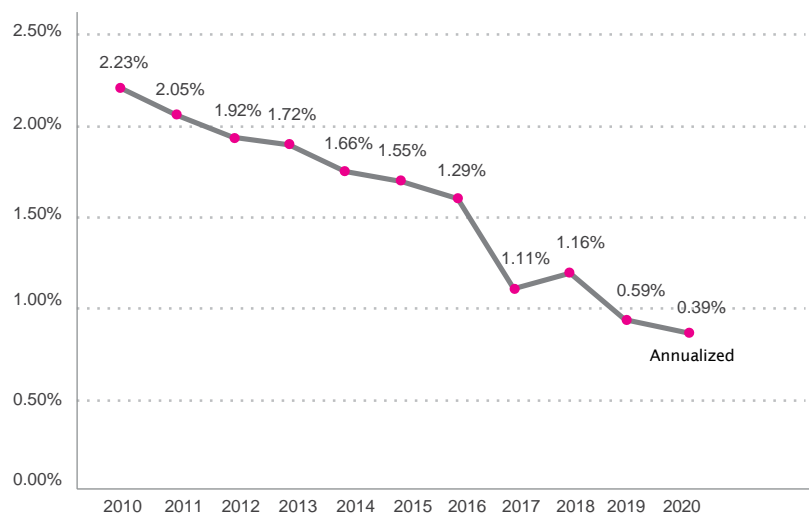


BOP - KEY PERFORMANCE INDICATORS

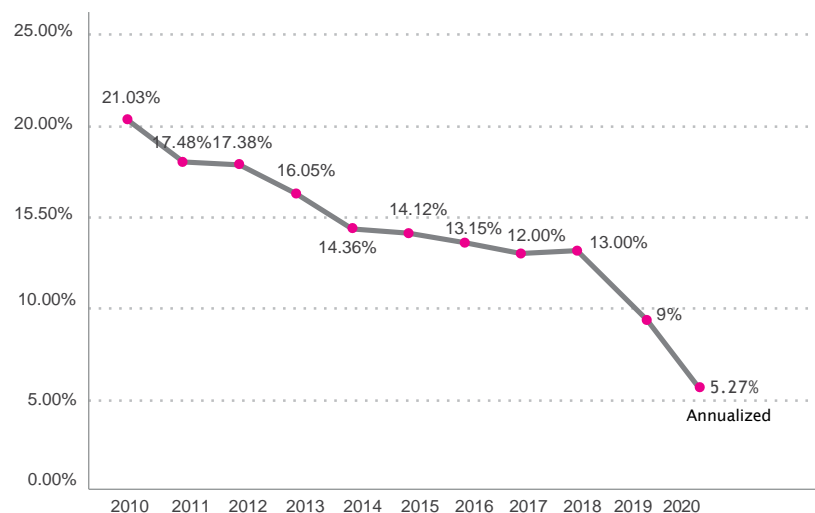
بنك فلسطين
BANK OF PALESTINE



ROA



ROE





Annualized - ROA	0.39%
Annualized - ROE	5.24%
Net Interest and Commissions Income/Total Revenues	88.85%
Cost to Income Ratio	81.93%
Market Share - Deposits	31.93%
Market Share - Loans	33.65%
NPLs%	4.86%
Loans/Deposits Ratio	71.19%
Capital Adequacy Ratio	14.29%
Coverage Ratio	58.97%
Dividend Yield 2019	2.50%
Book value	\$1.82
(EPS) Earning Per Share	\$0.10
PE Ratio	17.27x
P/B Value	0.91x



C.A. Type	Announcement Date/AGM Date	Dividend Date	Dividend Payment Date	Outstanding Shares Before C.A.	Cash Dividends- USD	No. of New Shares	Outstanding Shares After C.A.	% of Dividends
2020								
Stock Dividend	3/26/2020	4/29/2020	4/29/2020	204,000,000		4,080,000	208,080,000	2%
Cash Dividend-USD	3/26/2020	3/29/2020	3/29/2020		16,320,000		204,000,000	8%
2019								
Stock Dividend	28/3/2019	7/4/2019	7/4/2019	200,000,000		4,000,000	204,000,000	2%
Cash Dividend-USD	28/3/2019	31/3/2019	31/3/2019		23,000,000		200,000,000	11.5%
2018								
Cash Dividend-USD	29/3/2018	1/4/2018	1/4/2018	200,000,000	27,000,000		200,000,000	13.5%
2017								
Stock Dividend	6/4/2017	16/4/2017	16/4/2017	195,008,685		4,991,315	200,000,000	2.56%
Cash Dividend-USD	6/4/2017	6/4/2017	9/4/2017		20,359,814		195,008,685	10.44%
2016								
Stock Dividend	25/3/2016	4/4/2016	4/4/2016	175,000,000		10,000,000	185,000,000	5.71%
Cash Dividend-USD	25/3/2016	25/3/2016	27/3/2016		18,000,000		175,000,000	10.29%
2015								
Stock Dividend	4/24/2015	5/3/2015	5/3/2015	160,000,000		15,000,000	175,000,000	9.375%
Cash Dividend-USD	4/24/2015	4/26/2015	4/26/2015		19,200,000		160,000,000	12%
2014								
Stock Dividend	4/25/2014	5/4/2014	5/5/2014	150,000,000		10,000,000	160,000,000	6.66%
Cash Dividend-USD	4/25/2014	4/27/2014	4/27/2014		12,500,000		150,000,000	8.33%
2013								
Stock Dividend	4/26/2013	5/5/2013	5/2/2013	134,000,000		16,000,000	150,000,000	11.94%
Cash Dividend-USD	4/26/2013	4/28/2013	5/2/2013		10,050,000		134,000,000	7.50%
2012								
Stock Dividend	4/27/2012	4/29/2012	5/2/2012	120,000,000		14,000,000	134,000,000	11.66%
Cash Dividend-USD	4/27/2012	4/29/2012	5/2/2012		9,000,000		120,000,000	7.50%
2011								
Stock Dividend	4/29/2011	5/2/2011	40/05/2011	100,000,000		20,000,000	120,000,000	20%

www.bop.ps/en/ir



FOR FURTHER INFORMATION PLEASE CONTACT

Kamel Hussein
Chief International and Investors Relations Officer
Bank of Palestine
Mobile: +972 59 920 5630
Email: kamel.husseini@bankofpalestine.com

Doaa Bitawi
Senior Investor Relations Officer
Bank of Palestine
Mobile: +972 59 923 1150
Email: doaa.bitawi@bankofpalestine.com