



Bank of Palestine Group



Investor Q3 2024 Presentation

Updated November 2024

- Bank of Palestine Group & Market Overview
- Vision, Growth Strategy & Capital Plan
- Regional Expansion
- Group Financial Highlights
- Sustainability & ESG

Bank of Palestine (BOP) Overview



Established in 1960, Privately Owned & Publicly Listed Bank using USD as its Main Currency



Diversified Shareholder Base with International Institutional Investors & Strong Ties with Multilateral Development Banks - MDBs



35% Market Share, Largest Network, Leader in SME Lending & Digital Services. Driving Growth across all Segments



Market Potential of 20 M Global Palestinians. USD 500 B - USD 1 T Net Worth



Regional Expansion in UAE, KSA, Egypt and Jordan



Strong Operational Financial Performance Despite Adversity



Diversified Board with 50% Gender Equality committed to ESG and Corporate Governance



Poised to play a significant role in Economic Recovery and Reconstruction Efforts Post War

Market Overview – Untapped Growth Potential in Palestine and Worldwide

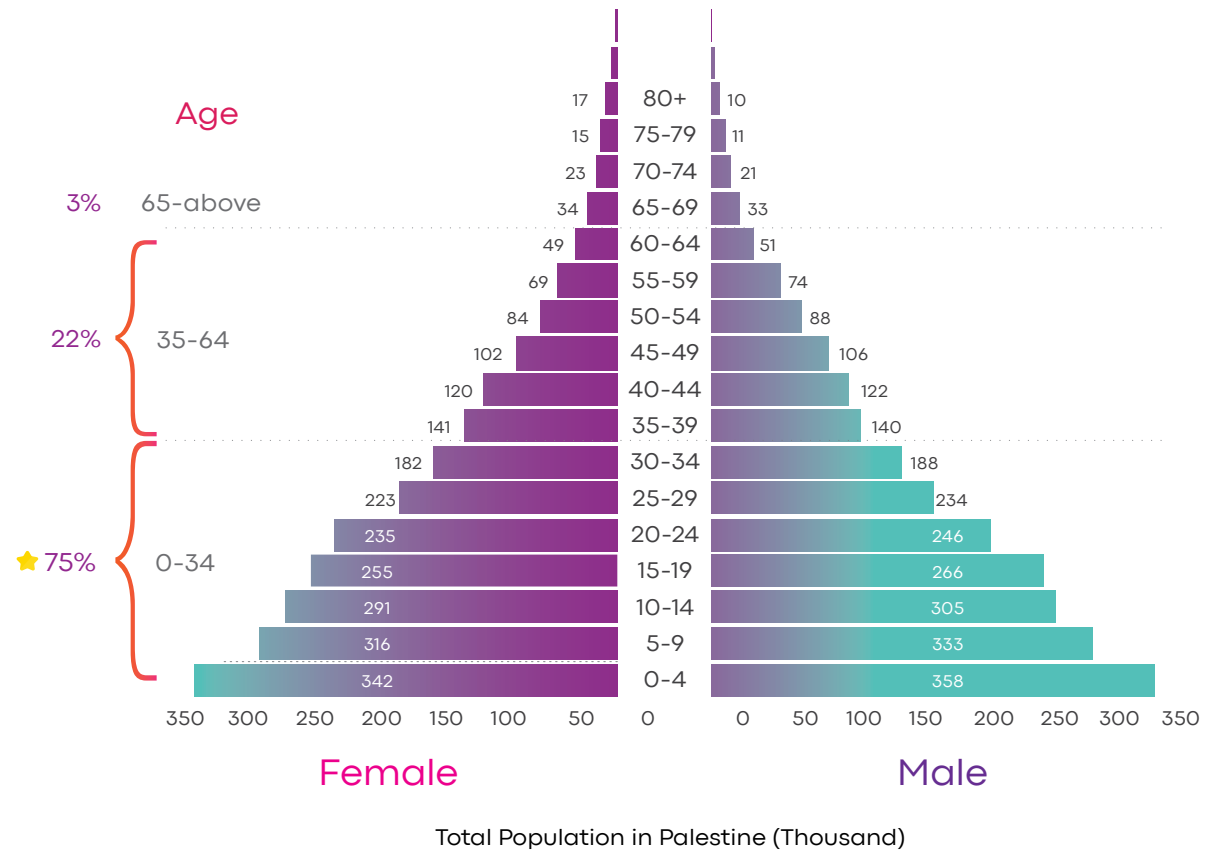
Palestine Total Population **5.5 M**

50% of Palestinian Population remains unbanked

Global Palestinian Population **20 M**
 Wealth estimated **USD 500 B - USD 1 T**

★ **Ranked Amongst the World's Youngest**

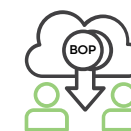
Literacy Rate: 97.8%
 ★ **Ranked Amongst the World's Highest**



World Bank projects lifting restrictions could boost GDP by USD 5 Billion annually (30% growth), excluding post-war recovery resources.

Diversified Shareholding Structure

"Renowned Regional and International Institutions"



Number of Shareholders

Up to **5,000**

More than

45.23%
Institutional Investors

More than

41.1%
International Investors

*Hashim Shawa shares and the Late Hashim Ata Shawa Orphans Fund's which are under his trusteeship.

BOP Internationally Renowned

"Impact on the Real Economy"

Financial Times "The Banker" Award:
"Best Bank in the World for Financial and Digital Inclusion"



تأسس عام 1960 Established



Biggest Lender
USD 3.86 B
in gross loans

Investing in the Real Economy:

Largest SME Portfolio in the Country

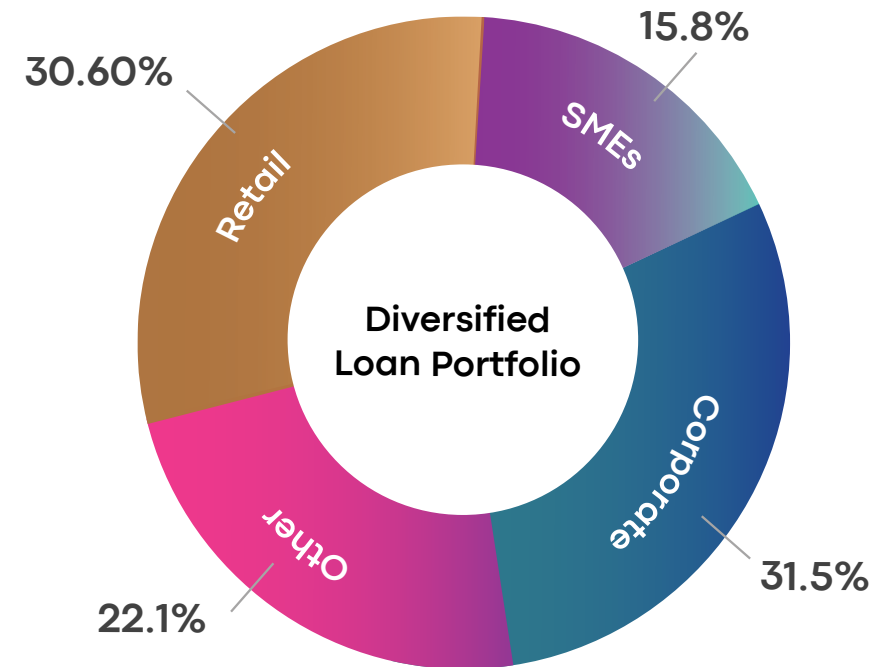
USD 659 M

- Leader in Youth Inclusion
- Leader in Women Inclusion
 - 50% Women at Board Level
 - 46.56% Women at Staff Level

Consistently Low NPL Ratio

2019	2020	2021	2022	2023	Q3 2024
4.60%	4.90%	4.49%	4.62%	5.21%	4.97%

Remarkable Performance Despite Adversity



50% Unbanked Population Presents Growth Opportunity Especially Digital and Islamic Banking



- Largest Islamic Bank
- 10% Market Share
- Fastest Growing Islamic Bank



- Leading Brokerage Firm
- Access to International and Regional Markets: USA, UAE, Jordan
- Custody Services



- Qudra Leads in Solar Energy in Palestine
- Targeting 100 MW for Underserved Communities Power Needs



- Jordan Natural Regional Expansion Market for BoP
- 10% Stake in Mid-Tier Bank and Positioned for Potential Consolidation Acquisition
- Recognized as Best Bank for Digital Services
- 25% Profit Increase in 2024



- First E-Wallet and Leader in Digital Payments Targeting the Unbanked
- Preferred Payments Provider for International Humanitarian Organizations
- Partnered with the UN to Strengthen Digital Financial Solutions in Gaza During UNGA 2024



- Mada Telecommunications is a Leader in Broadband Internet in Palestine
- Expands Connectivity in Underserved Areas in West Bank & Gaza



صندوق ابتكار
IBTIKAR FUND

- +500 direct, active jobs created
30% women, 50% youth
- ~20 M mobilized in additional funding rounds

- Palestine’s only venture capital fund, investing in Palestinian-founded tech startups from both Palestine and the MENA region (reconnecting Global Palestinians through hiring and economic activity)
- BOP is the anchor limited partner in both Funds I and II; in addition to investments from the IFC, Dutch Good Growth Fund and EBRD.
- Ibtikar’s companies span several sectors, including marketing technology, real estate, green energy, health and wellness, and e-commerce.



Intersect is a tech and startup ecosystem enabler dedicated to fostering innovation and sustainable entrepreneurship in Palestine and is at the forefront of Bank of Palestine’s social impact and innovation efforts.

Locations: Nablus, Ramallah, Hebron, and regionally UAE - Intersect Dubai LLC

Programs:

- STEP a pre-incubation program that guides aspiring entrepreneurs through the ideation journey
- STIR: a 6-months incubation program that has graduated 37 startups, 93% of which remain operational, and have raised \$4,810,000 in funding
- OCIF: A 6-year program providing startups with finance through grants and loans
- SAFE: an emergency initiative providing liquidity to 29 high growth startups, preserving over 365 jobs and creating new ones
- RISE: an emergency initiative providing essential financial support to Gazan freelancers, tech companies, and startups

Palestine Launchpad | Google
3,500 Learners / 7 Cohorts

Startups-in-Residence | STIR
135+ Training Sessions / Cohort

Community Engagement
50+ Networking Event

BOP Group - Trusted Institution of Choice; Locally and Globally



Equity Investment (5%)
& Subordinated Loan \$ 94 M



Equity Investment (3.05%)
& SME, Green Loans and
Loan Guarantees \$ 102 M



Loan Portfolio
Guarantee \$ 80 M



Equity Investment (3.92%)
& SME, Women and Trade
Facility \$ 70 M



SME Loan & Portfolio
Guarantee \$ 100 M



Additional Tier 1 Capital \$ 30 M



Loan Guarantees \$ 118 M



SME Loan &
Subordinated Loan \$ 60 M



Housing Loans \$ 10 M



Equity Investor 1.13%



Loan Guarantee
Program \$ 78 M

- Investments mobilized up to the war

\$ 500 M

- Investments mobilized since the war broke out

\$ 250 M

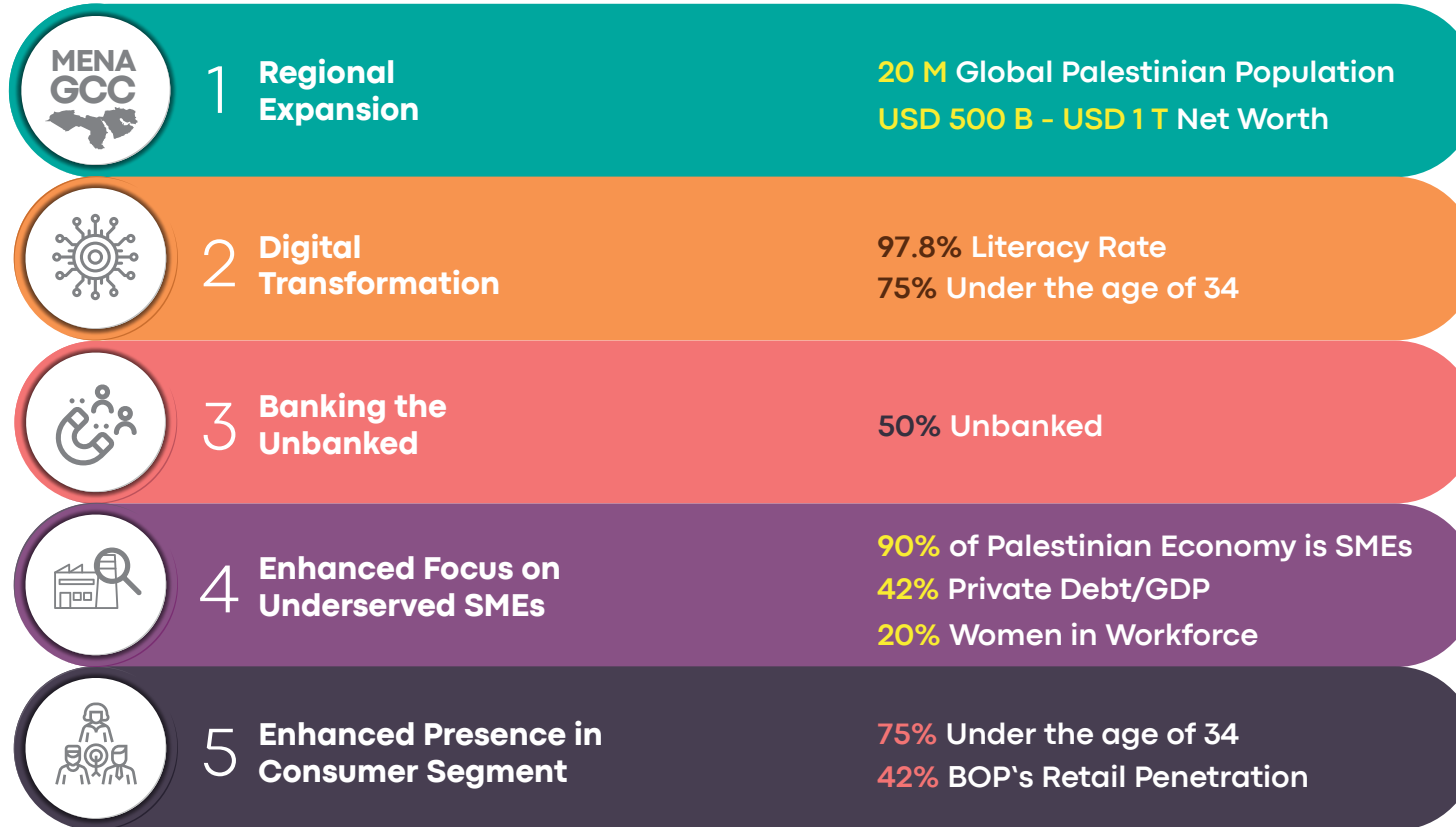
Equity (Primary and Secondary),
AT1, Sub Debt, Credit Lines, Loan
Guarantees

Vision, Growth Strategy & Capital Plan

"Positive Growth Outlook: Favorable Demographics & Market Dynamics Supporting BOP Strategy"

Vision A unique, values-based, resilient, forward-thinking financial group on a local and international level with sustainability at its core.

Growth Strategy



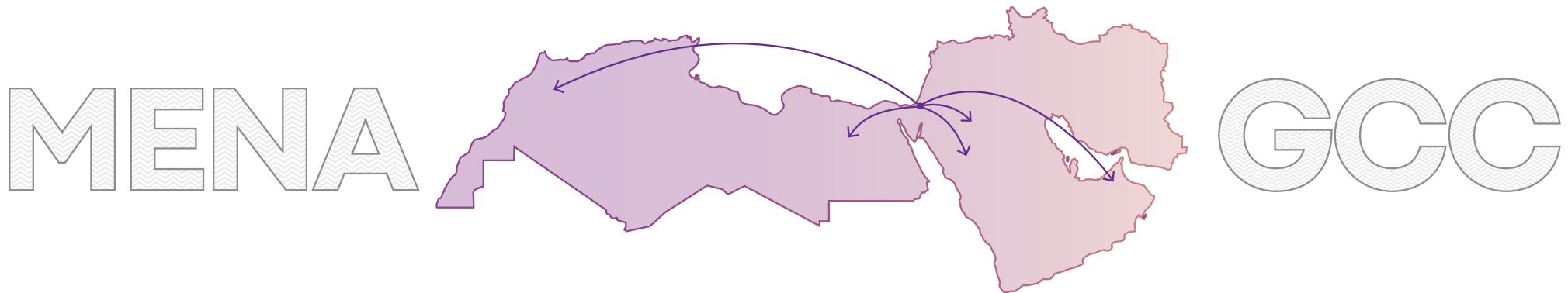
Capital Plan USD **50 M** Additional Capital Raised in 2024. USD **100 M** to Raise by Q1 2025.

Bank of Palestine Regional Expansion

Abu Dhabi, Riyadh, Cairo & Amman - An integrated Approach leveraging each Hub's offering

Drivers for regional expansion:

- Diversification
- Leveraging the 20 million global Palestinian Community & their estimated USD 500 Billion - 1 Trillion wealth into each hub across the region and the globe
- Leveraging the human talent of the global Palestinian Community into each hub
- Providing value added services to global Palestinian customers
- Attracting capital and business to regional hubs and markets
- Acting as a bridge with home market in Palestine
- Enhancing trade and business across markets

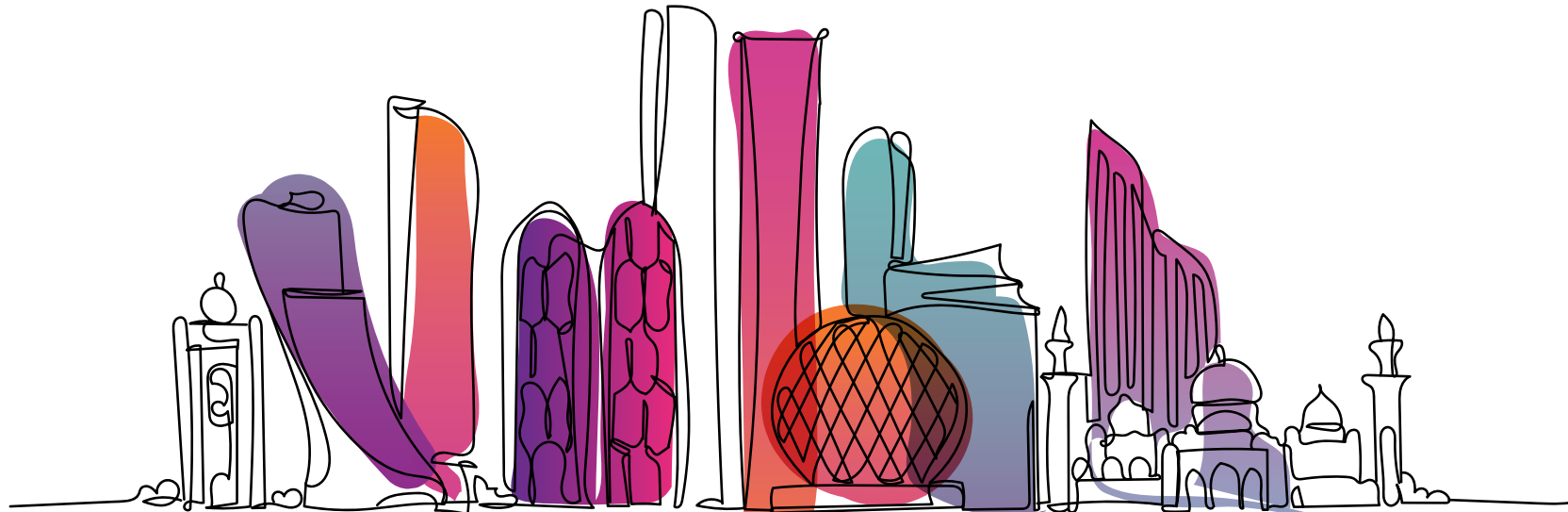


Abu Dhabi, United Arab Emirates

- Full Banking License (CAT1) application underway for Abu Dhabi Global Markets (ADGM)
- A Global Financial Gateway for Palestinians worldwide
- Align with Abu Dhabi's vision attracting financial & human capital
- Tap into a market potential of global Palestinian wealth into Abu Dhabi
- Leverage a well-regulated global banking hub
- Act as one of the springboards for global and regional banking services

Core Business Offering from ADGM

- Premier/Private Banking and Wealth Management
- Global Trade Finance
- Access to investment products through strategic partnerships
- Gateway for investment and payment channels to Palestine



Riyadh, Kingdom of Saudi Arabia

- Exploring Opportunities in KSA through presence via Offshore Banking at King Abdullah Financial District-KAFD in Riyadh
- Leveraging Saudi Arabia's Palestinian Diaspora: home to one of the largest and wealthiest Palestinian communities in the Middle East, with over 500,000 members contributing significantly to the Kingdom's economy through prominent business and professional roles
- Engaging Saudi entities and regulators for strategic partnerships and investment in KSA by bringing Palestinian Global Wealth & Capital to KSA in line with Vision 2030:
 - Ministry of Economy and Planning
 - Ministry of Investment
 - Public Investment Fund - PIF
 - The Saudi Central Bank - SAMA
 - Capital Markets Authority - CMA



Regional Expansion

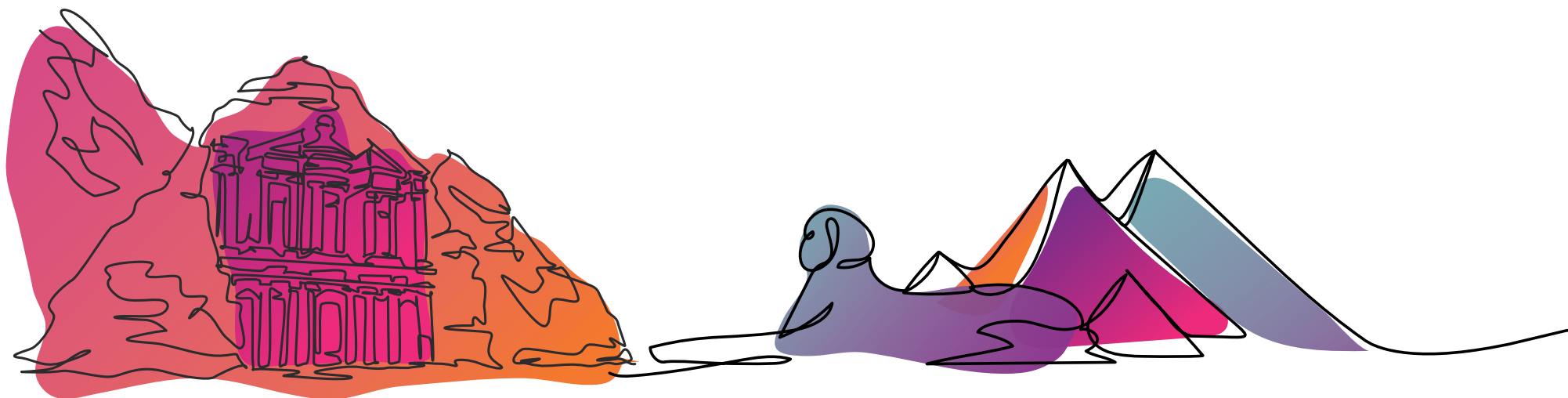
Egypt & Jordan

Cairo, Republic of Egypt

- Obtained Central Bank of Egypt license in 2024 to launch banking operations starting a representative office
- Future development into a full-fledged banking operation capturing growth potential in the Egyptian market
- Serving Palestinians in Egypt for their banking needs in Palestine
- Acting as a hub for aiding reconstruction efforts and facilitating trade and economic development of Gaza post war

Amman, Hashemite Kingdom of Jordan

- Plans to establish banking services for our clients facilitating trade between the two countries
- Providing Palestinians with banking services & products in Jordan and Palestine



BOP Group Financial Highlights Q3 2024

"Resilience in Adversity"

Strong Balance Sheet & Asset Quality

Assets

USD 7.85 B 10.1% YTD

Net Loans

USD 3.86 B 0.7% YTD
34.5% Market Share

Customer Deposits

USD 6.51 B 12.2% YTD
35.6% Market Share

NPLs%

4.97%

Profitability

Profit before Tax & War
Impairment Provisions¹

USD 136 M 22% YoY

USD 153.6 M 2023
USD 135.8 M 2022

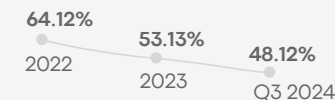
Net Profit

USD (17.9) M -169.6% YoY

USD 16.5 M 2023
USD 66.6 M 2022

Operating Cost/Income%

48.12%



Strong Liquidity² & Capital Adequacy

Capital Adequacy

16.01%

Tier 1 %

11.92%

Loans/Deposits

59.32%

LCR%

770%

NSFR%

170%

Market CAP

USD 377 M
9.5% of PEX

Branches

100 Local Branches
2 Representative Offices

Employees

> 2,641
46.56% Female (BoP)

Customers

> 1.1 M

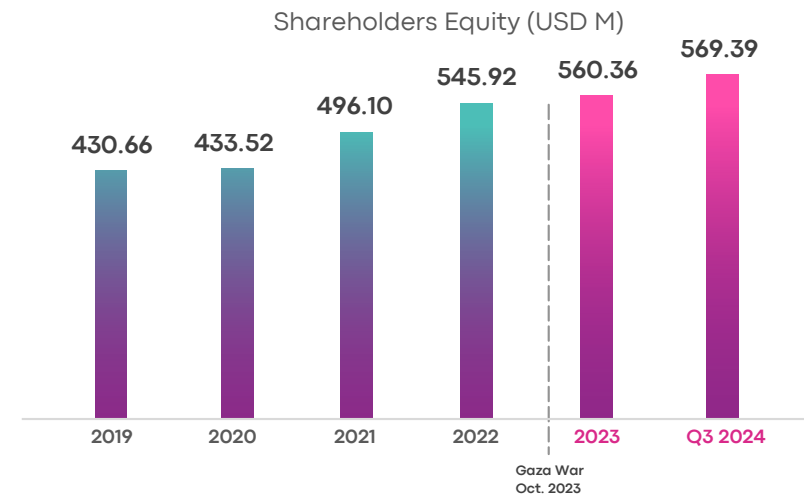
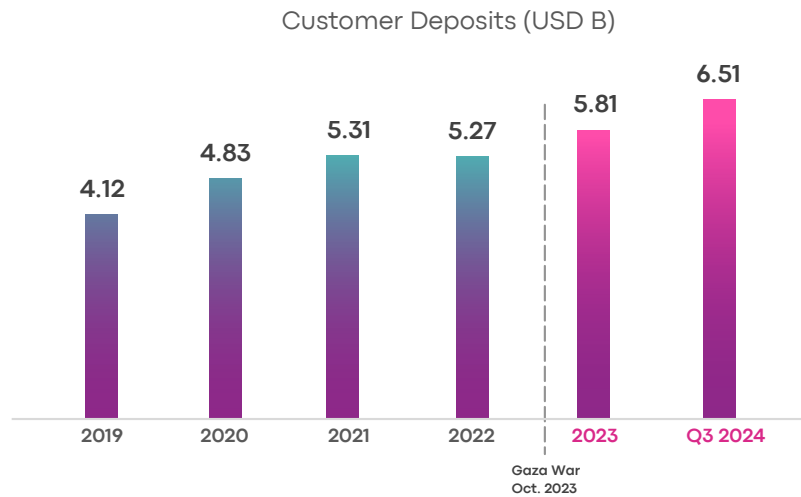
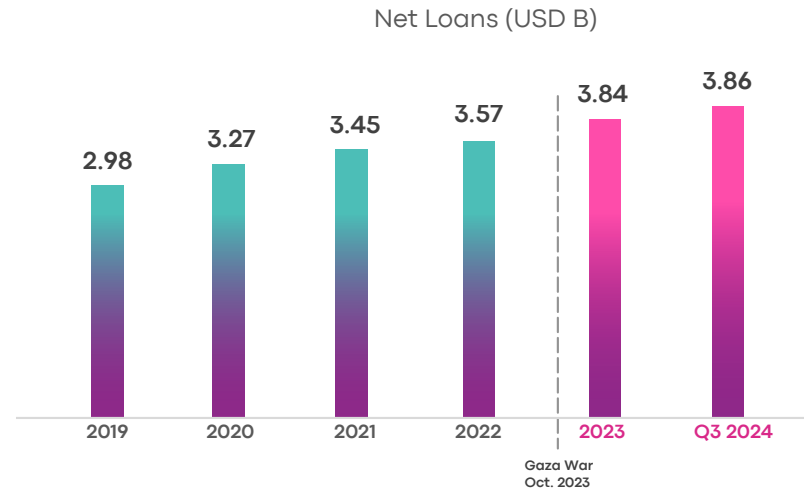
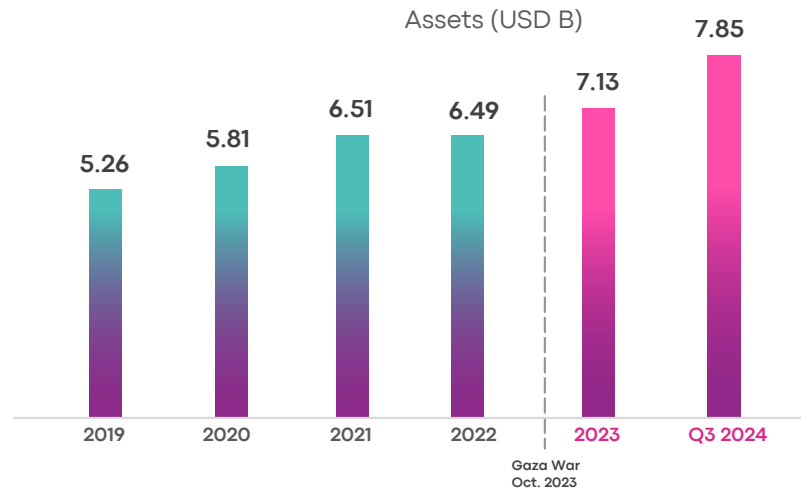
BOP Group Financial Statements Audited by Ernst & Young

¹ Net profit decreased by 169.6% from USD 25.8 million for Q3 2023 compared to USD (17.9) million loss for Q3 2024. This decrease in net profit is mainly due to recording extra credit impairment provisions to cushion against any risk associated with the war on Gaza.

² Despite the war and the impairment provisions recorded, the Bank maintains high liquidity ratios.

Balance Sheet Q3 2024

“Consistent and Resilient Performance”

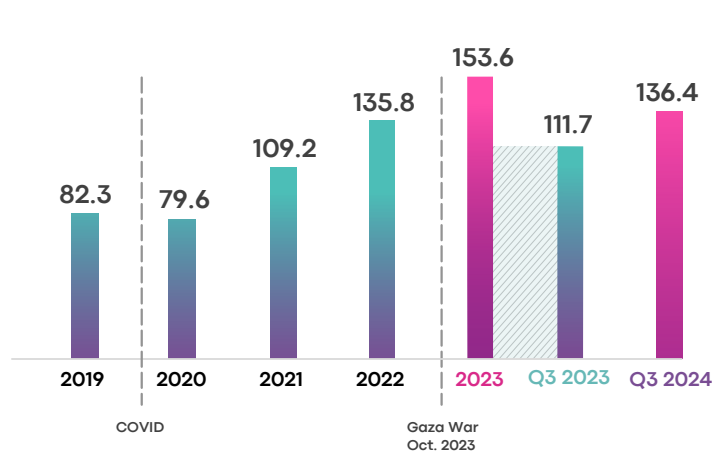


* 2023 & 2024 Financial Ratios are not indicative of BOP's strong historical financial performance because of the war implications.

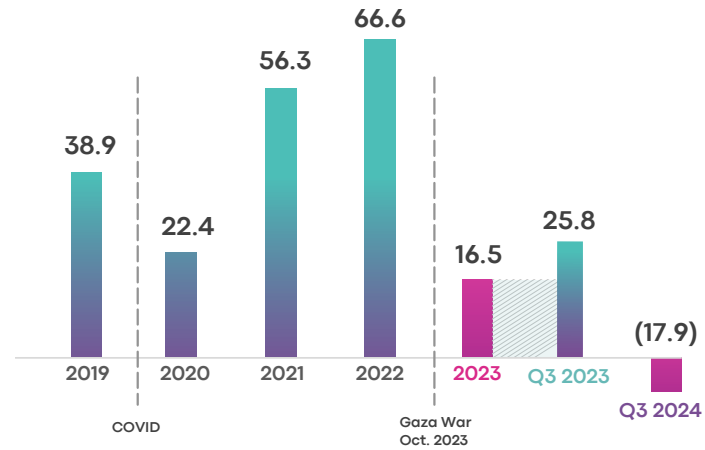
Income Statement Q3 2024

"Strong Operational Performance Despite Adversity"

Profit before taxes and provisions (USD M)



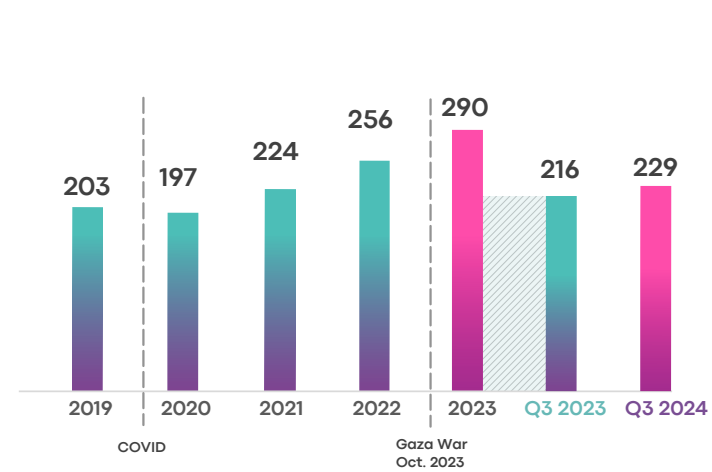
Net Profit (USD M)



Total Revenue (USD M)



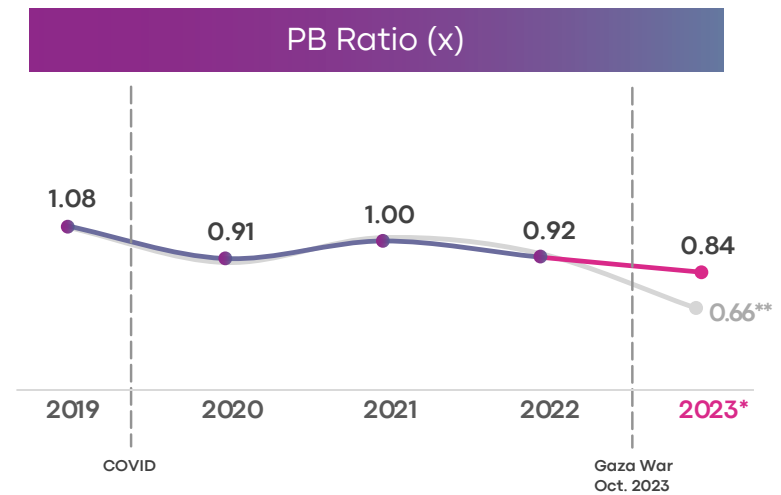
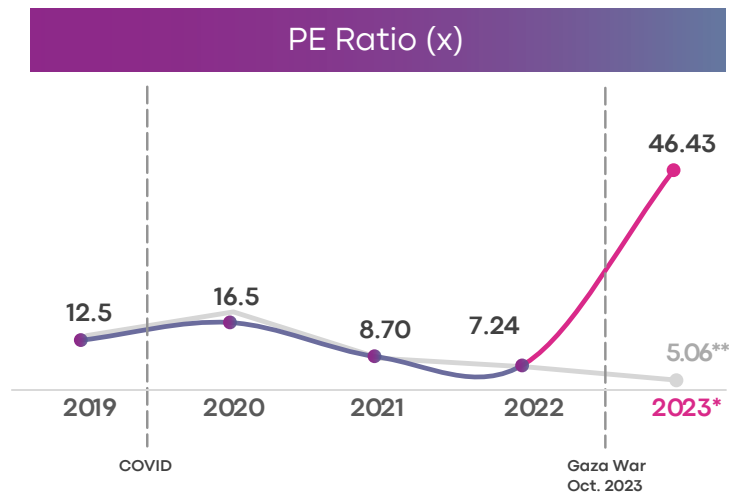
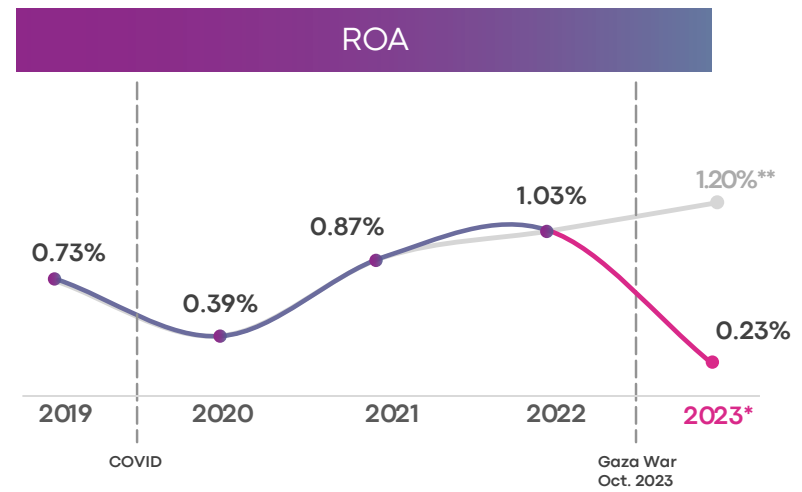
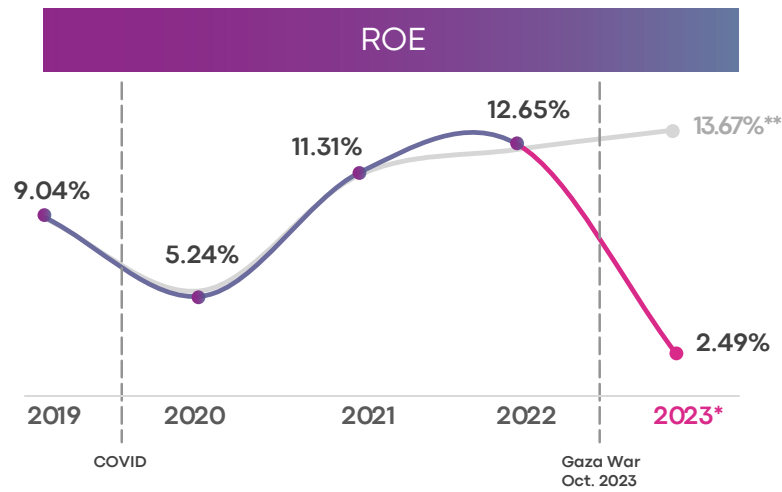
Net Interest & Commissions Income (USD M)



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Financial Ratios

"Weathering the Storm"



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** Adjusted KPIs to reflect BoP performance excluding the impact of the current war on Gaza.

BOP Share Overview¹ and Performance

“Consistent & Reliable Dividends to Shareholders”

Listed on Palestine
Stock Exchange

Symbol:
BOP

ISIN:
PS1004112600

Market Capitalization:
USD 377 M

Number of shares:
253,274,850

Closing Price:
USD 1.49

Item	Unit	2019	2020	2021	2022	2023	Q3 2024
Earnings per Share (EPS)	USD	0.16	0.10	0.25	0.27	0.04	0.00
Dividends Payout ratio	%	60	52	53	48	N/A	N/A
Dividend Yield ²	%	4.0	2.5	4.5	5.1	N/A	N/A
Market CAP	USD M	408	343	434	441	415	377
P/B ratio	x	1.1	0.9	1.0	0.9	0.8	0.75
Profit before taxes and provisions ³	USD M	82.2	79.6	109.2	135.8	153.6	136

¹Based on closing price as of September 30, 2024.

²Steady dividend yield. Exceptions in years 2020, 2023 and 2024 due to the pandemic and the war on Gaza.

³Good historical financial performance. Exceptions in 2023 and 2024 due to recording extraordinary impairment provisions as a result of the war.

Adopting a holistic sustainability strategy:

- ESG KPIs and commitment to SDGs
- Promoting Sustainable Finance
- Developing a Sustainable Economy
- Gender Inclusion
- First bank in MENA and Asia with 50% balance at the Board level
- Investing in Youth
- Corporate Social Responsibility (CSR) with 5% of annual profits allocated



Green Loans



Scan our
Sustainability
Report



Important Information

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Rounding

Rounding differences may appear throughout the presentation.

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2023



Annual Report

Q3 2024



Earnings Release

Q3 2024



Financial Statements

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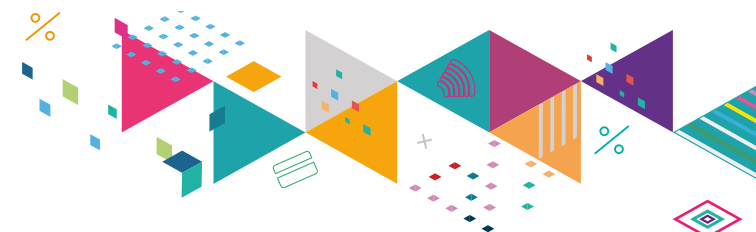
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Updated:27/11/2024

www.bop.ps/en/investor-relations