

ESTABLISHED 1960





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Palestine Market And Financial Sector Overview



PALESTINE TOTAL POPULATION: 13.05 M

In Palestine: 6.48M (49.7%)

In the Diaspora: 6.57M (50.3%)

LITERACY RATE

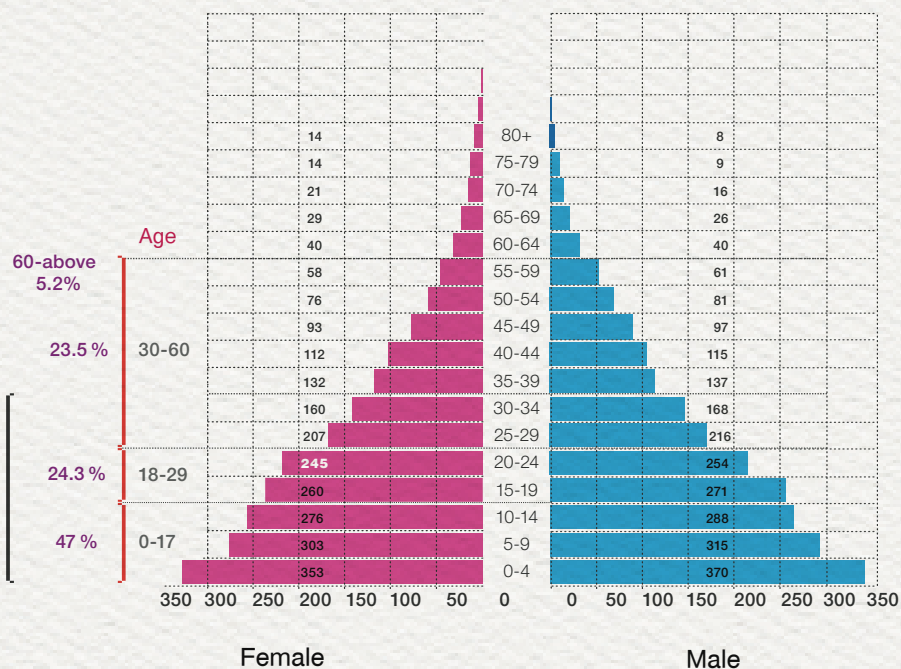
97%

CURRENCY

Jordanian Dinar **JOD**

American Dollar **USD** Dollar

Israeli Shekel **ILS**





GDP | Capita

2009	2010	2011	2012	2013	2014	2015	2016	2017
\$1,815	\$2,185	\$2,664	\$2,787	\$2,992	\$2,973	\$2,865	\$2,943	\$3,094

GDP \$14.49 billion (2017)

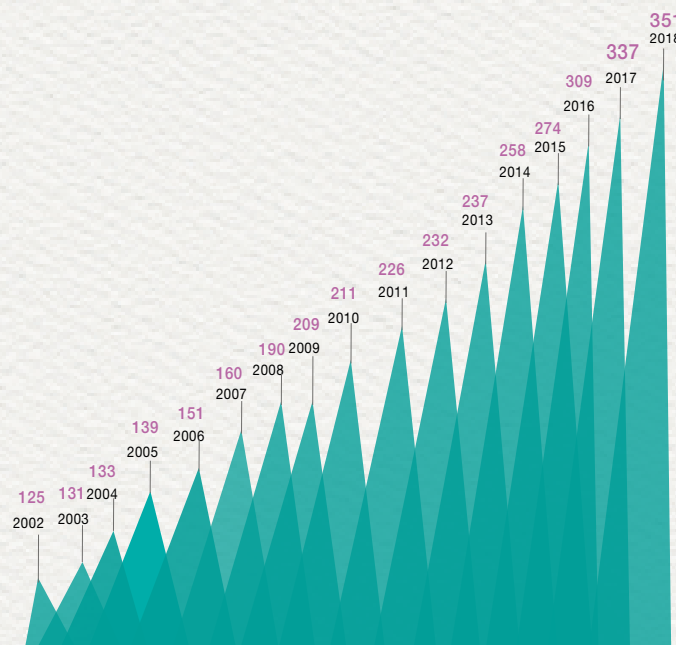
- New potential could unleash \$5 billion/ year infusion to GDP according to World Bank estimates



14 Banks Operating in Palestine

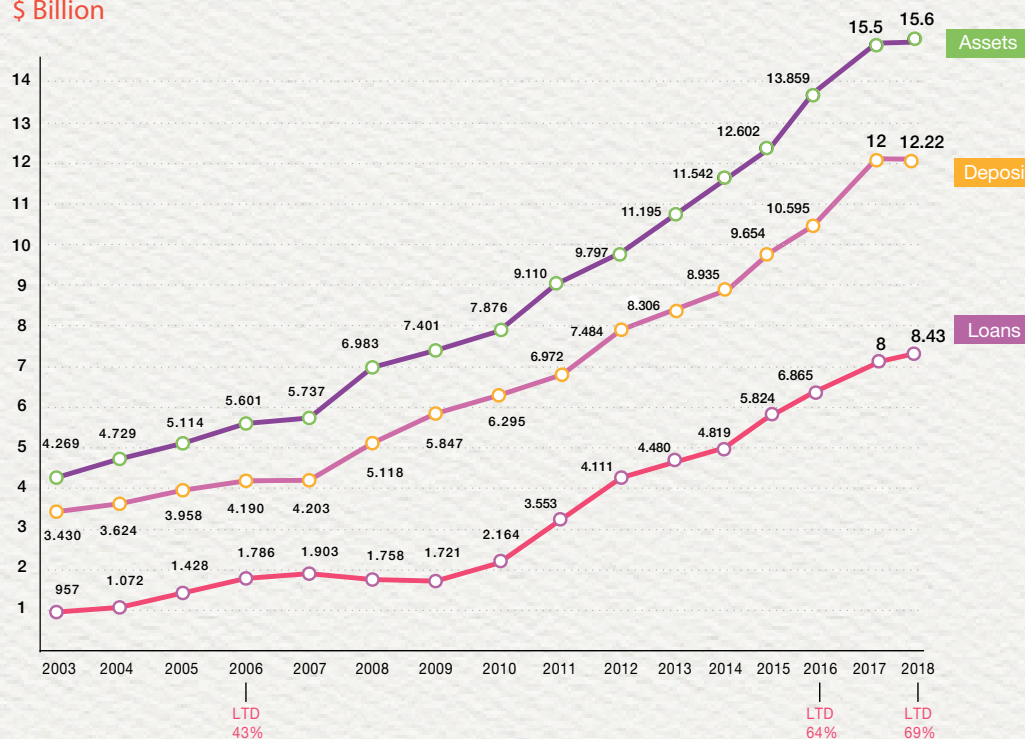
No. of Branches

Local Banks (7)	Foreign Banks (7)
Commercial Banks (4)	Jordanian (6)
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)	Jordan Commercial Bank
Palestine Islamic Bank (ISBK)	Jordan Kuwaiti Bank
AL-Safa Bank (SAFA)	Other Foreign Banks (1)
	Egyptian Arab Land Bank





\$ Billion



Bank of Palestine Market Share Palestine Exchange

12.42%

Deposits

30.5%

Loans

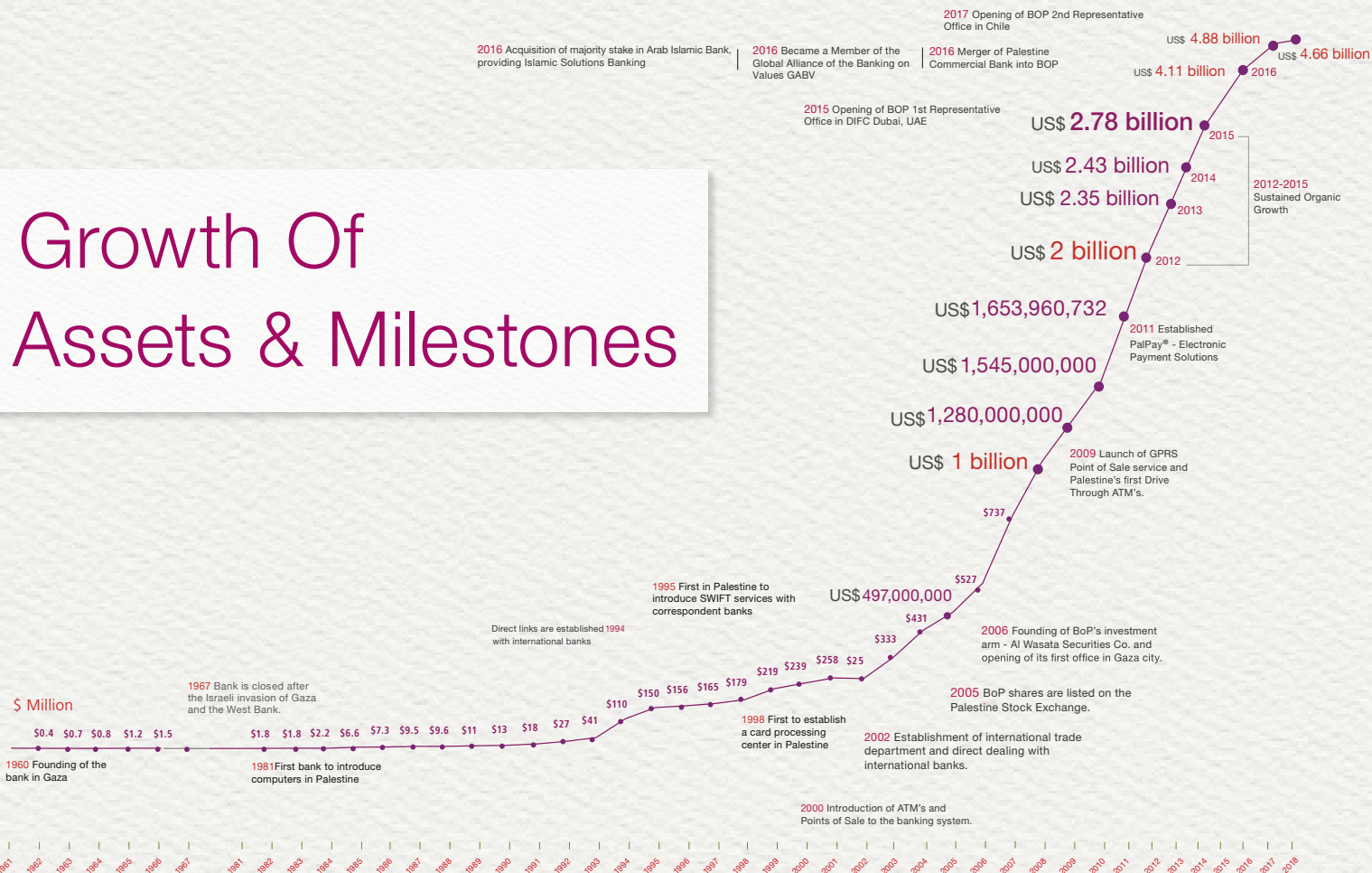
32.97%



BANK OF PALESTINE OVERVIEW

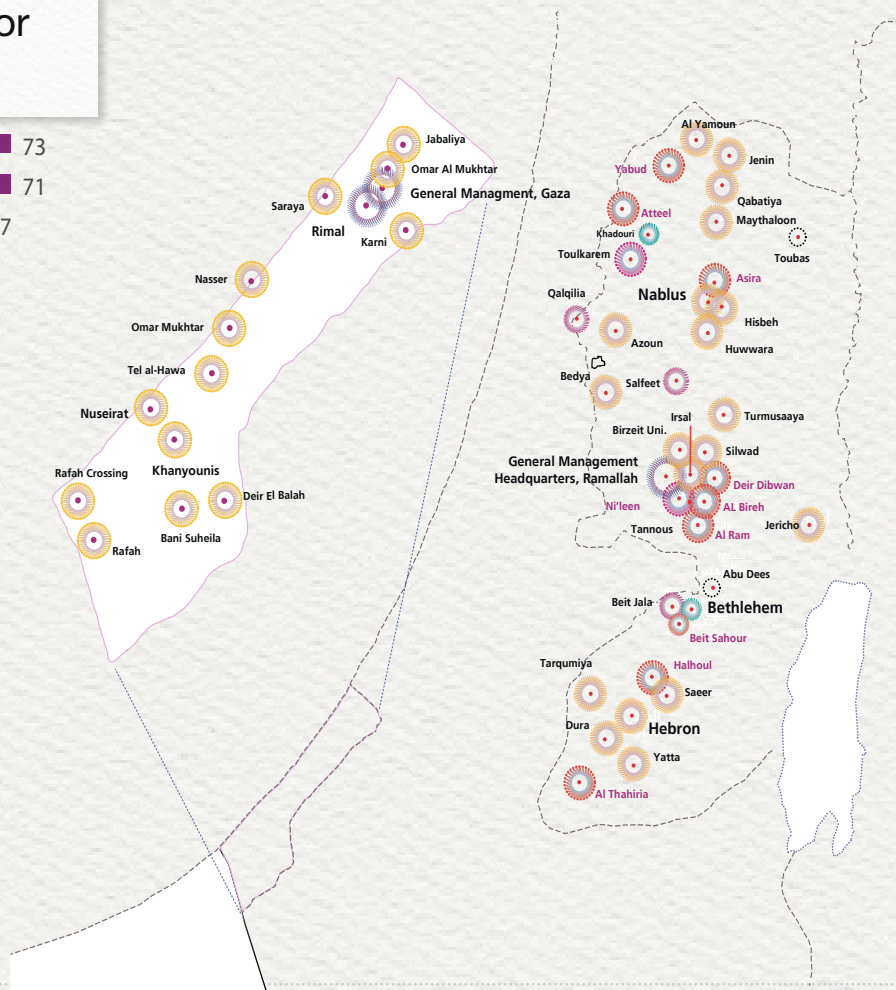
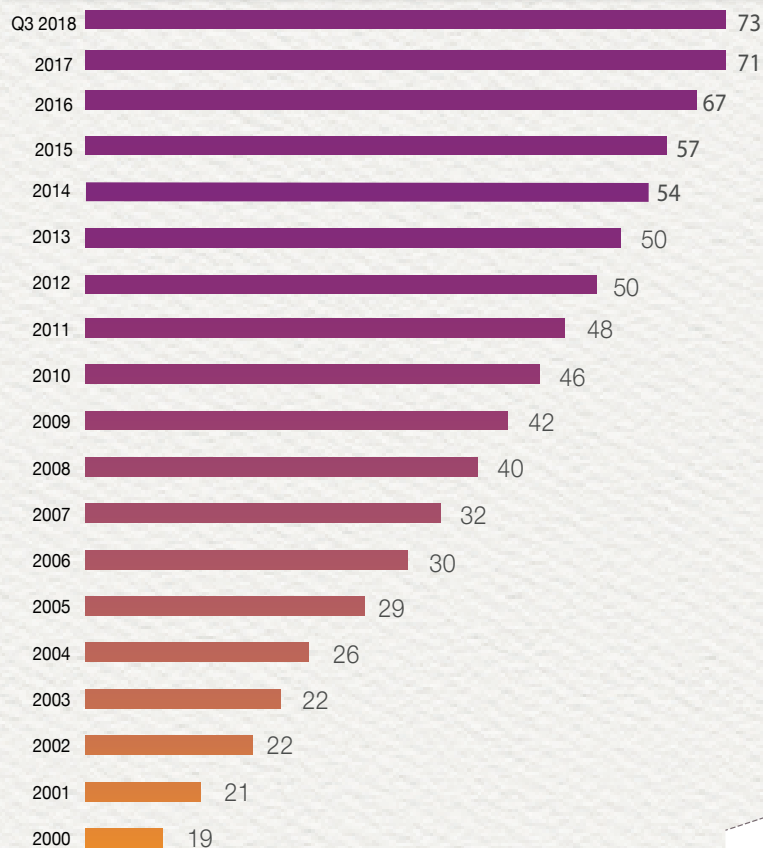
2018 - BOP group

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BANK OF PALESTINE





Palestine's largest banking network with
73 BRANCHES across all major cities & underbanked areas



BOP - FLAGSHIP BUILDINGS

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BANK OF PALESTINE



BOP - RAMALLAH GENERAL
MANAGEMENT HEADQUARTERS



BOP - BETHLEHEM
FLAGSHIP BUILDING



BOP - JERICHO
FLAGSHIP BUILDING

TRAINING,
WORKSHOPS,
& NON-FINANCIAL
SERVICES

BUSINESS BANKING

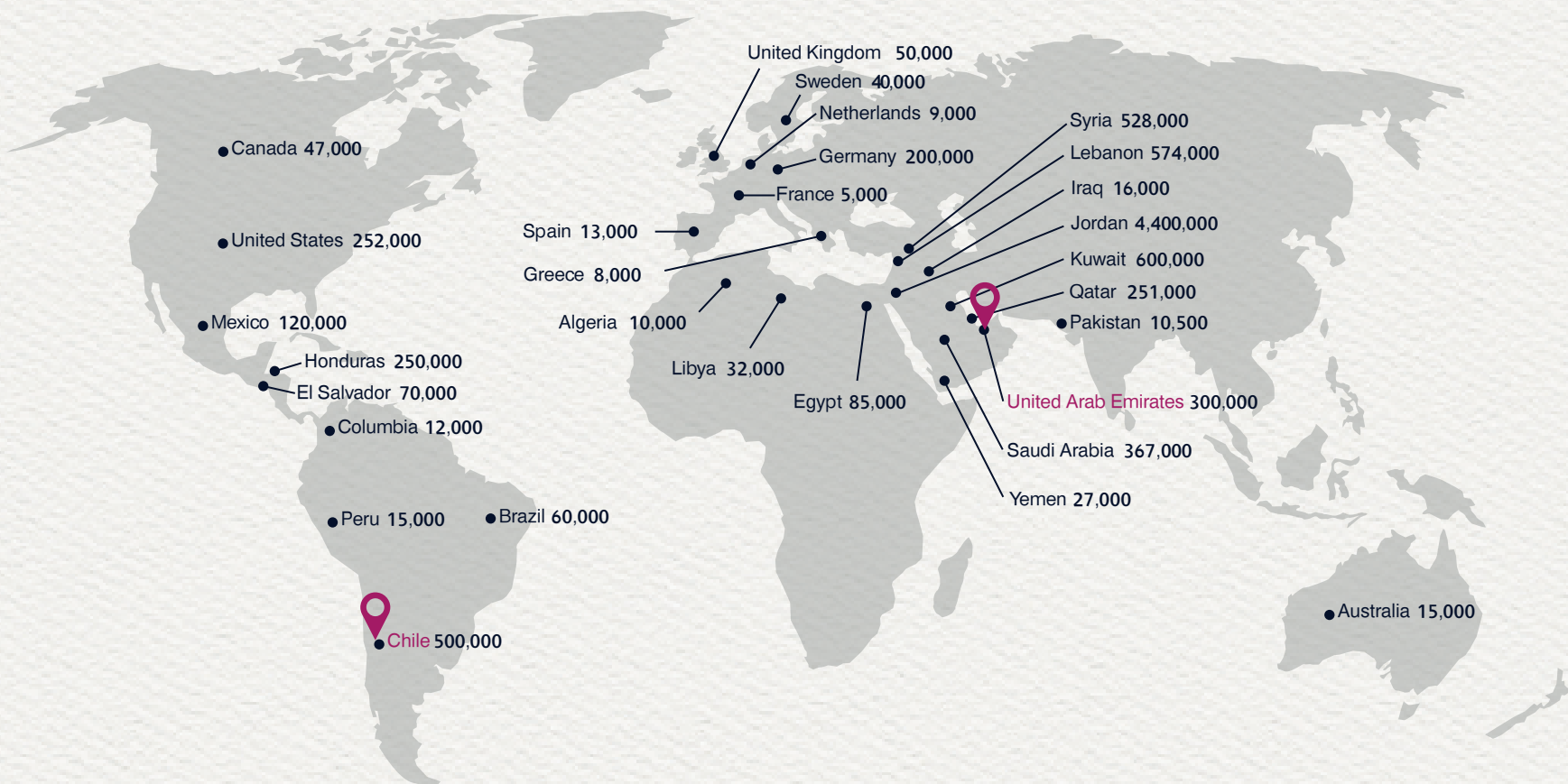
RETAIL BANKING

DIGITAL BRANCHES



OPENED 2017







DIASPORA UNIT

There are around 8.01 million Palestinians living in Diaspora with an estimated GDP of \$100 billion.

BOP has established a dedicated Diaspora Unit, 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 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) .



Bank of Palestine

Representative Office- Chile

2017

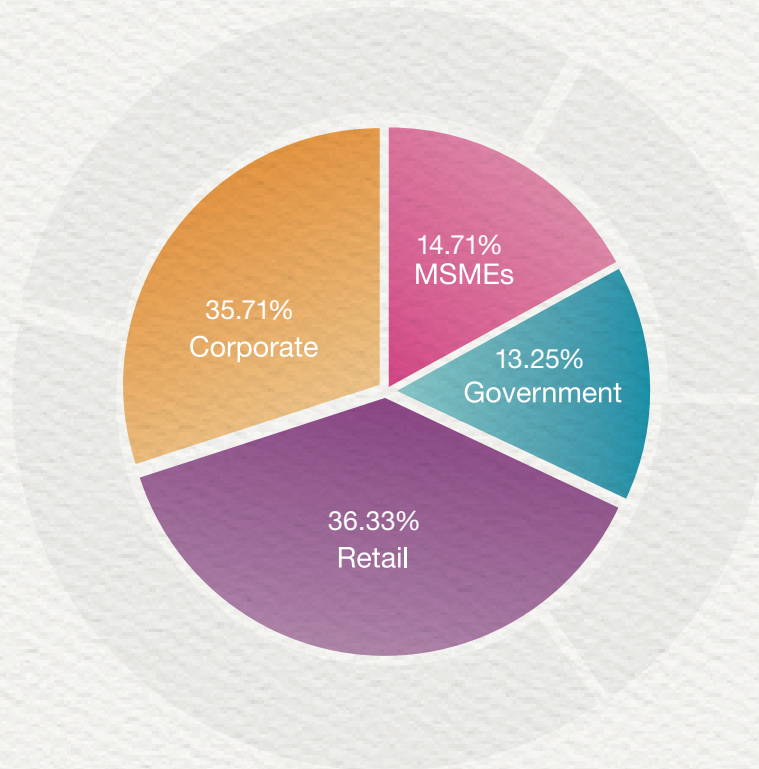




Over \$2.6 billion in
loans granted by
Bank of Palestine

NPL Ratio 3.6%

Diversefied Loan Portfolio





صندوق ابتكار
IBTIKAR FUND

Early stage investment
vehicle in youth and
entrepreneurship



Specialized programs and
employees to service Micro,
Small, & Medium Sized
Enterprizes (MSMEs)

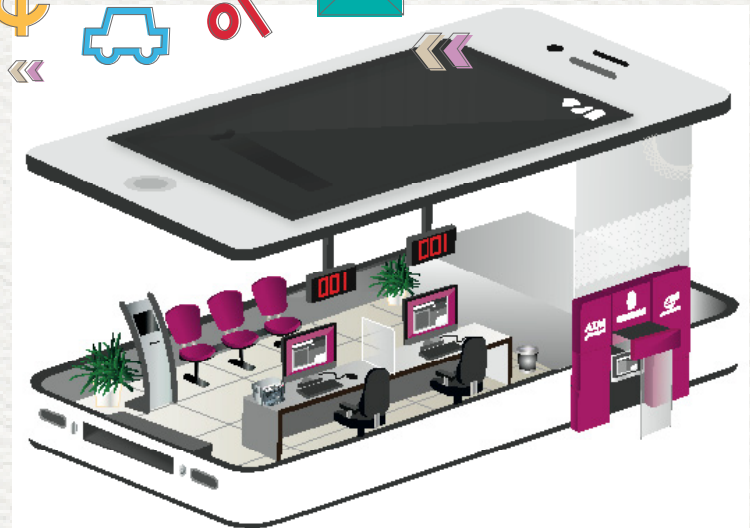


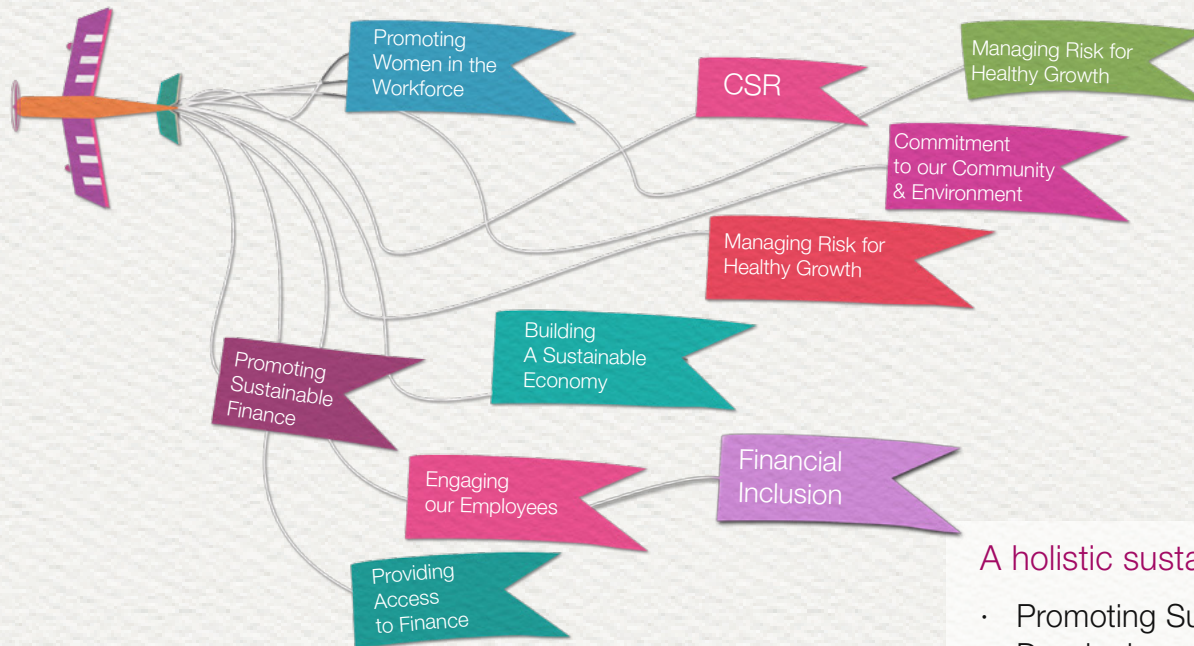
Gender inclusion and women
empowerment through a
comprehensive program:

- Products
- Non-financial services
- Awareness
- CSR



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





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



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



Achieving Balance

Mobile Clinic

Breast Cancer

Providing mammogram tests to more than **2500 women annually**



Mobile Bank

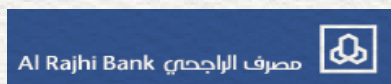
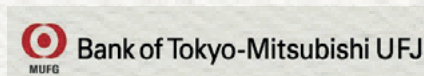
Financial Inclusion

Serving 50% unbanked population in Palestine in rural areas



BOP'S - CORRESPONDENT BANKS

بنك فلسطين
BANK OF PALESTINE



BOP - MEMBERSHIPS & RECOGNITIONS

THE BUSINESS OF FINANCIAL INCLUSION: INSIGHTS FROM BANKS IN EMERGING MARKETS

BANK OF PALESTINE (PALESTINE)

"It's high time we get more serious about financial inclusion. We can do much more to position banks at the core of people's lives so that we are meeting their real needs and the needs of the community as a whole."

— Haniyeh Haniyeh, Chairman and General Manager

PALESTINE: FINANCIAL INCLUSION DATA		BANK OF PALESTINE: KEY STATISTICS (2016)	
Population (age 15+)	5,847,208	No. of branches	97
GDP per capita (USD)	2,760.9	No. of ATMs	117
Commercial bank branches per 100,000 adults	53.4	No. of agents (POS agents)	3,074
ATM per 100,000 adults	21.1	No. of customers (POS accounts)	529,847
Mobile cellular service (per 100 people)	111.8	No. of mobile banking customers	10,000
Smartphone penetration (adults, 2016)	76.0%	No. of microfinance customers	7,462
Access to a financial institution (age 15+)	24.3%	Major role in change of financial inclusion	Business Development and Financial Inclusion
Mobile banking (per account, age 15+)	7.3%	Microfinance impact	
Financially literate population (age 15+)	27.0%		

Source: World Bank, Palestine Ministry of Planning, Palestinian Central Bank, etc.

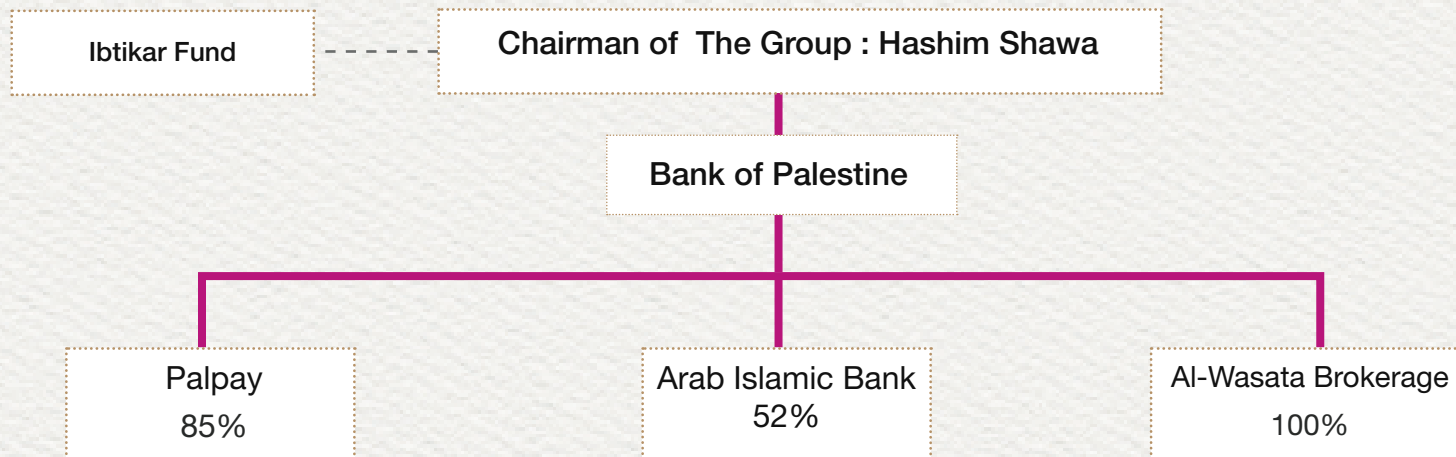
FINANCIAL INCLUSION STRATEGIES

- Start a financial inclusion strategy in 2010. When the Bank of Palestine set a target to serve underserved women, it first held gender sensitivity training for its staff and recruited female staff from 17% to 52%. Likewise, when it set a target of serving persons with disabilities, it started with training employees on sign language, making branch facilities more accessible, and so on. The bank noted that at least 8% of its staff was comprised of persons with disabilities. At a recent employee orientation, the bank noted that 60% of new hires were women, and 12% were persons with disabilities. These internal steps set it up for successful outreach to those most in need of services.
- Re-examine to address unmet legal barriers. Bank of Palestine has found several ways to meet the needs of women able to handle Sharia law, including creating collaborative loans for women in a culture where inheritance is typically passed to male descendants, allowing women to open bank accounts in their children's names, in an environment where children can only open an independent account with their father's approval, and accepting cheques deposited where it is often normal for women to carry cash in jewelry.
- Create a solution for banks in emerging markets. The bank has been a leader in creating a solution for banks in emerging markets. It has been a leader in creating a solution for banks in emerging markets. It has been a leader in creating a solution for banks in emerging markets.
- Build banking literacy. The bank has been a leader in building banking literacy. It has been a leader in building banking literacy. It has been a leader in building banking literacy.



Bank of the Year
for Financial Inclusion







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 20 branches Islamic Banking solutions to a growing segment of customers requiring such sharia' compliant solutions. The bank has assets of USD 1,061,184,764, with net profits in 2018 of USD 7,103,320. Benchmarked against the banking sector AIB's assets grew by 30% while the assets growth in the entire banking sector was 10% clearly indicating the potential for growth for AIB in the coming years.



الوساطة للأوراق المالية

Al-Wasata Securities has been the fastest growing brokerage company in Palestine playing a major role in the acquisition of new investors into the Palestinian market. The company ranked number one (out of eight brokerage companies) in Palestine with respect to attracting new investors. It now has a 26.83% market share in terms of number of new investors, USD 115 million trading volume in local & regional markets, and more than USD 502 million worth of shares under management. .



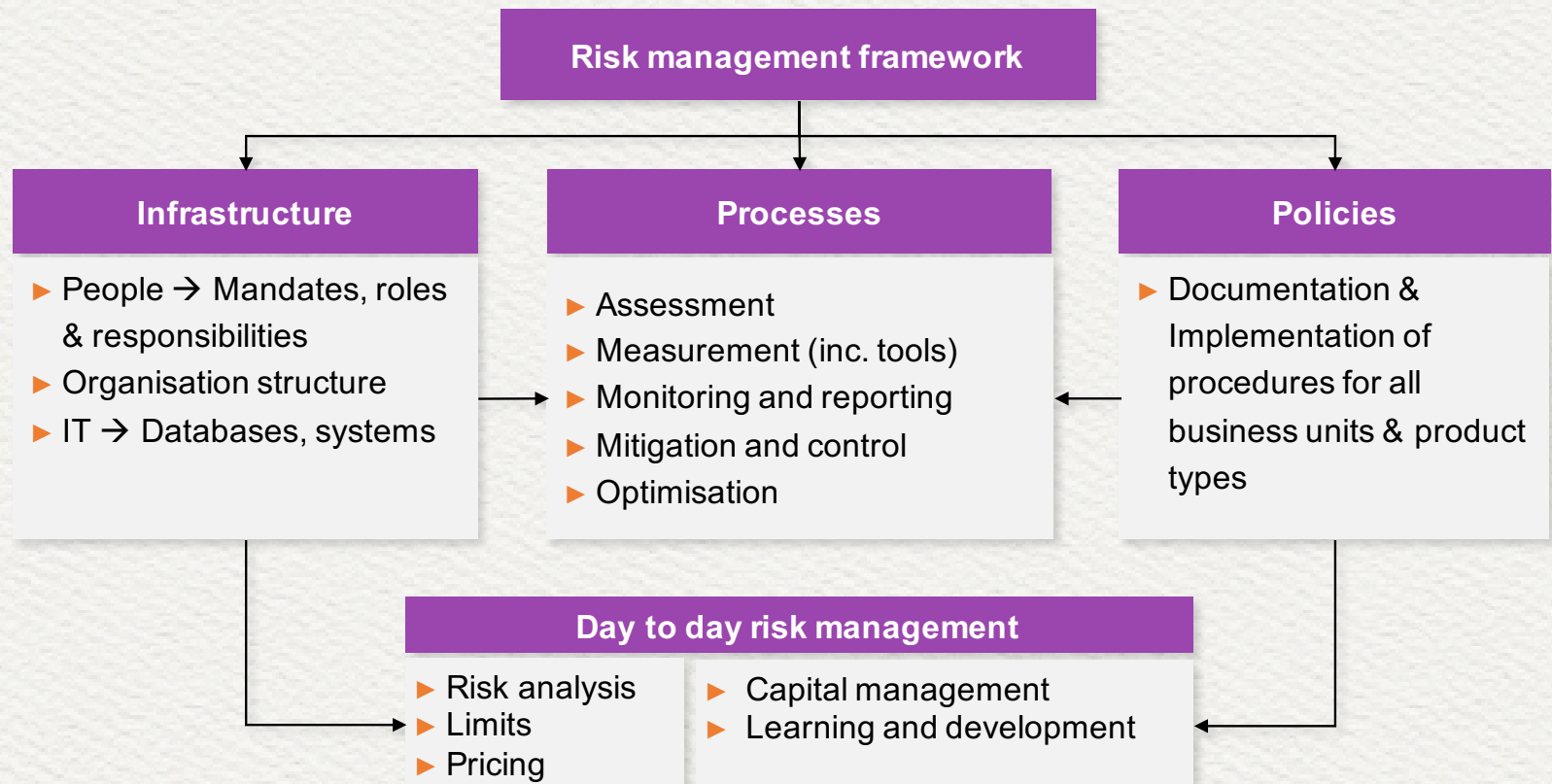


PalPay® – Palestine Payments – is a leading payment platform, PalPay has been successful since inception utilizing more than 3000 POS machines and different payment outlets to enable bill and fees payment, mobile recharge, loans repayment among many other services from various services providers, revolutionizing payment systems in Palestine. The number of electronic transactions conducted during the first half of the year through PalPay® reached more than 16.44 million, an increase of 6% compared with 2017. The company also continued to sign agreements with additional service providers in Palestine to allow their clients to make e-payments through the PalPay® system. PalPay® currently has 100 services available to customers to use through all payment outlets.

Palpay® creates the first E-government payment platform for paying all tickets, this will help to collect small and big tickets for the government. This will lead to a huge transactions and banking services, this step and the entry of 3G to Palestine will enhance BOP strategy toward E-Banking through mobiles and online banking.

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

MAJOR SHAREHOLDERS	PERCENTAGE
Al Muhalab Real Estate Kuwaiti Co.	7.02%
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 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.



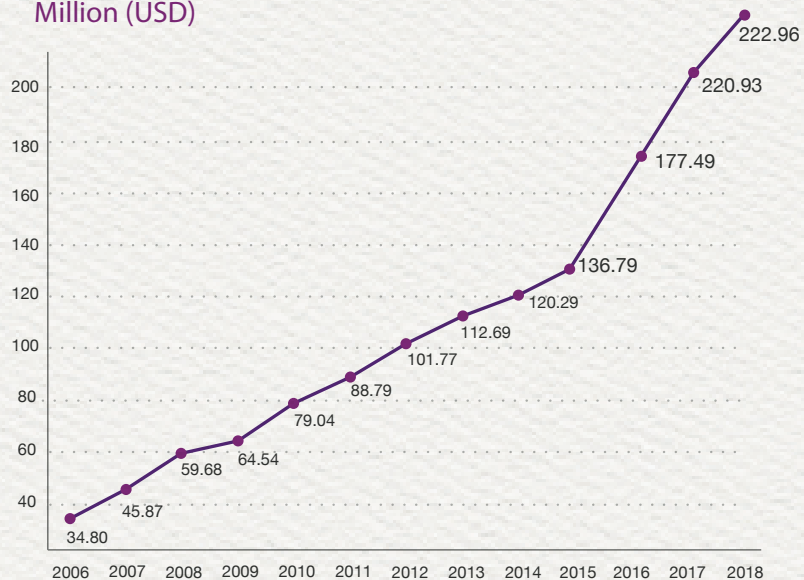
BANK OF PALESTINE FINANCIAL HIGHLIGHTS

BOP - KEY PERFORMANCE INDICATORS



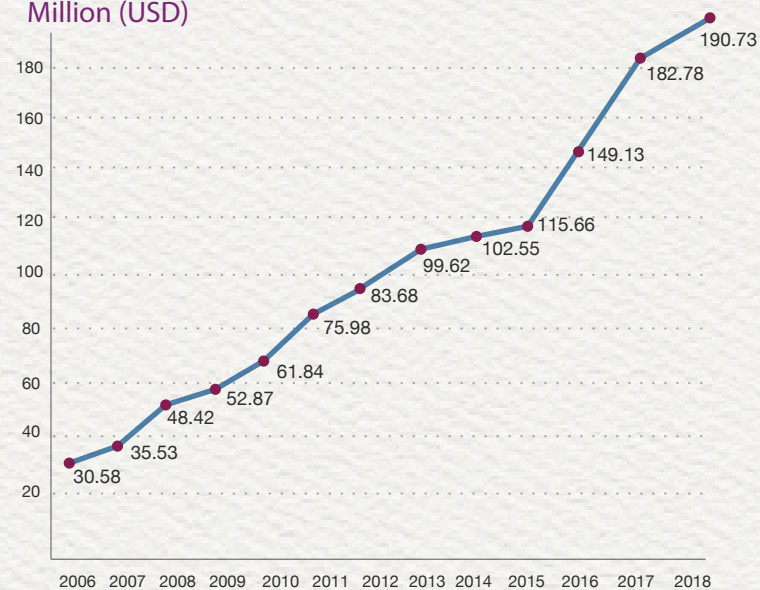
Total Revenue

Million (USD)



Net Interest & Commissions Income

Million (USD)

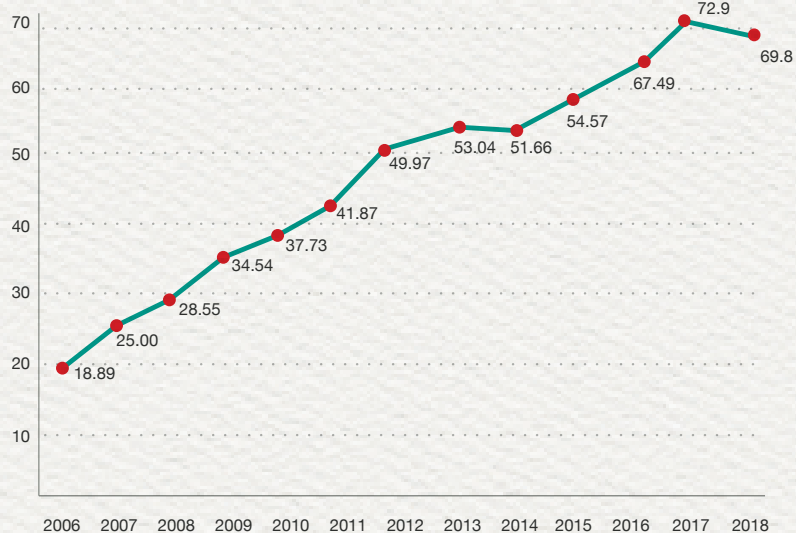


BOP - KEY PERFORMANCE INDICATORS



Profit Before Tax

Million (USD)



Net Profit

Million (USD)



BOP - KEY PERFORMANCE INDICATORS

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BANK OF PALESTINE



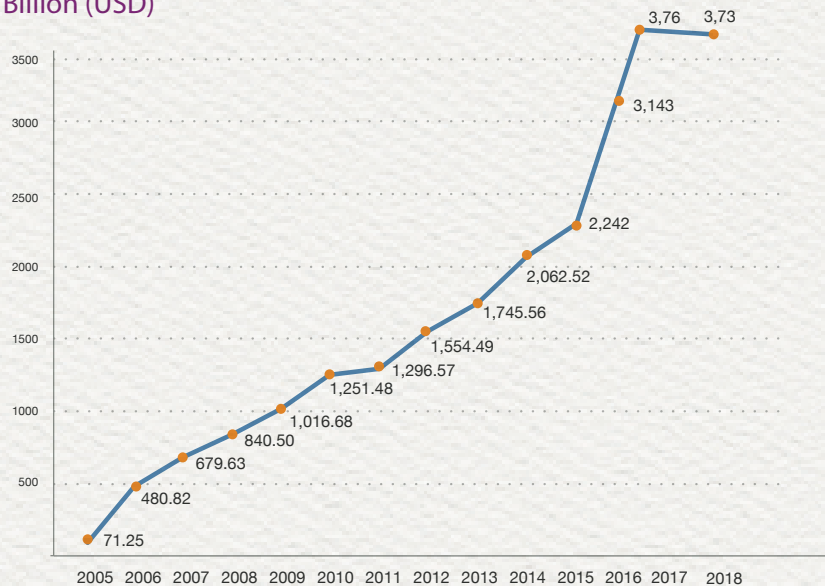
Assets

Billion (USD)



Customer Deposits

Billion (USD)

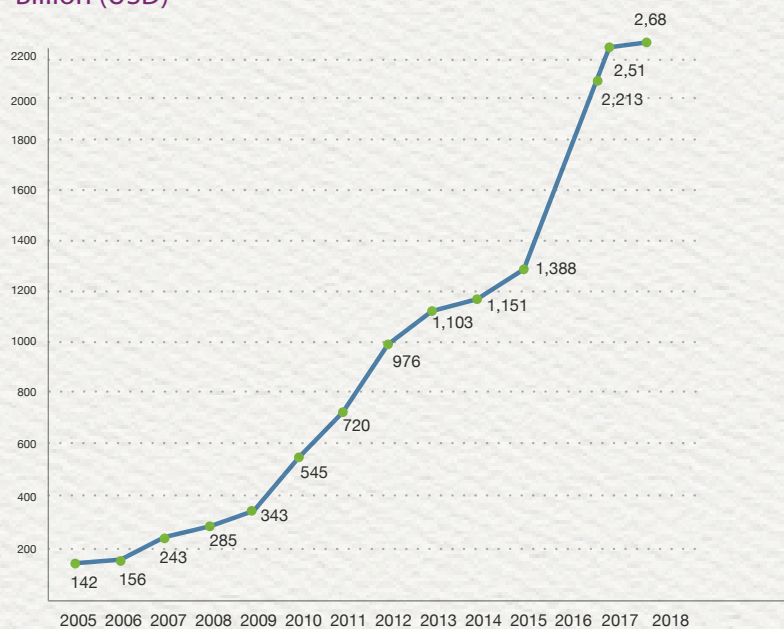


BOP - KEY PERFORMANCE INDICATORS



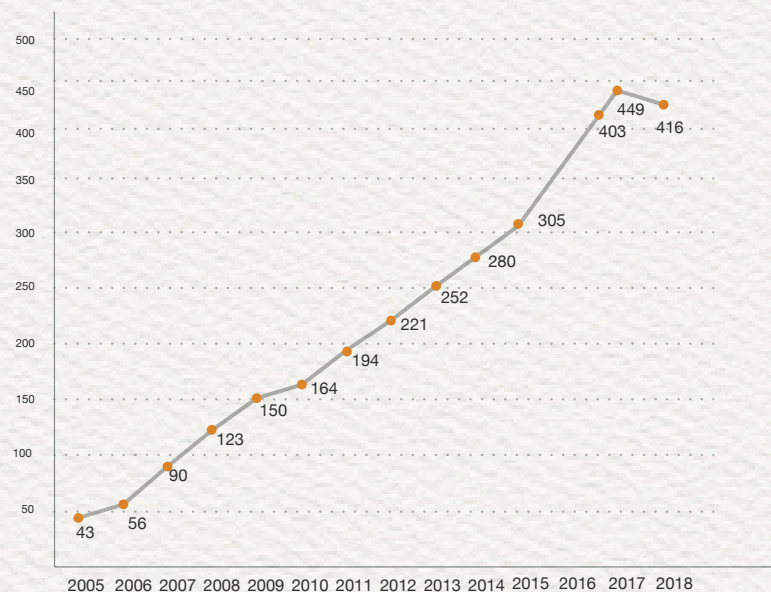
Loans

Billion (USD)



Shareholders' Equity

Million (USD)



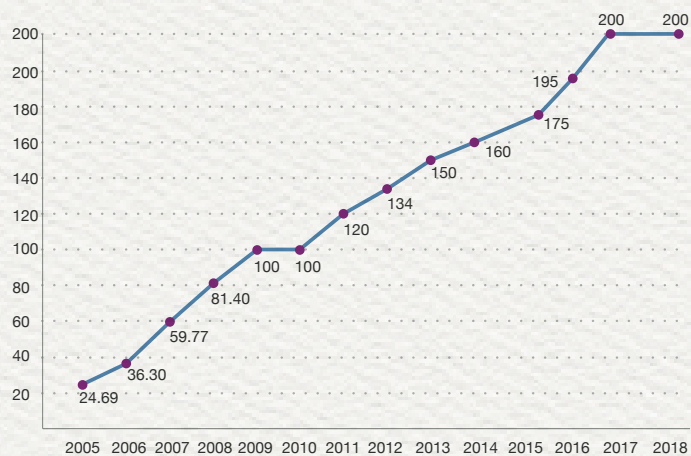
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE

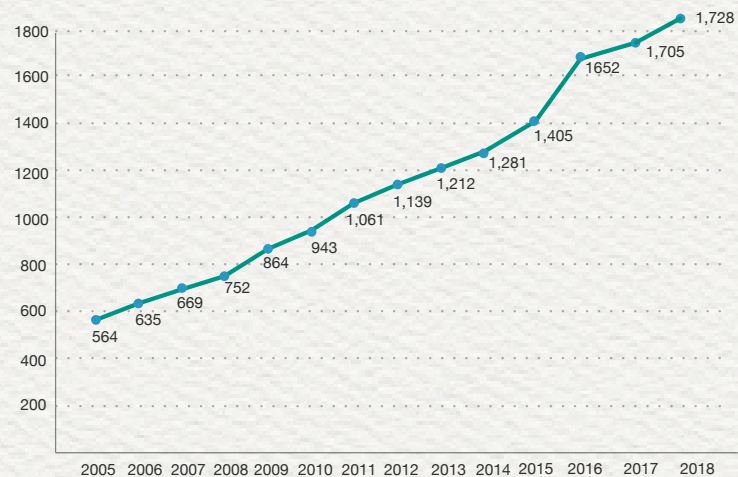


Paid-Up Capital

Million (USD)



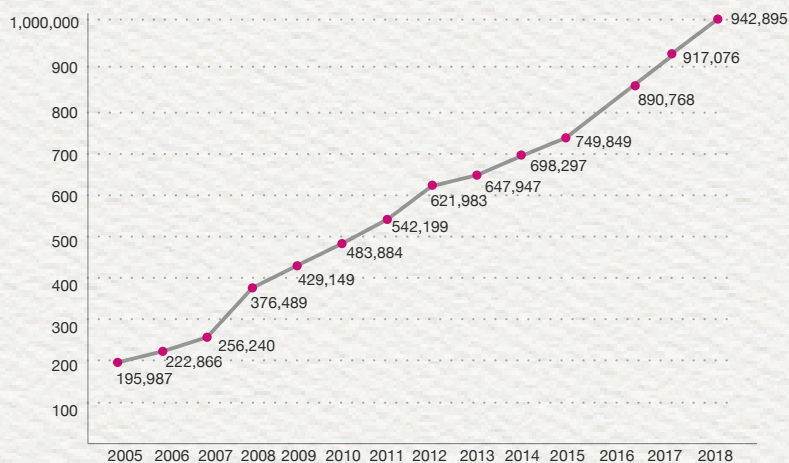
No. of Employees



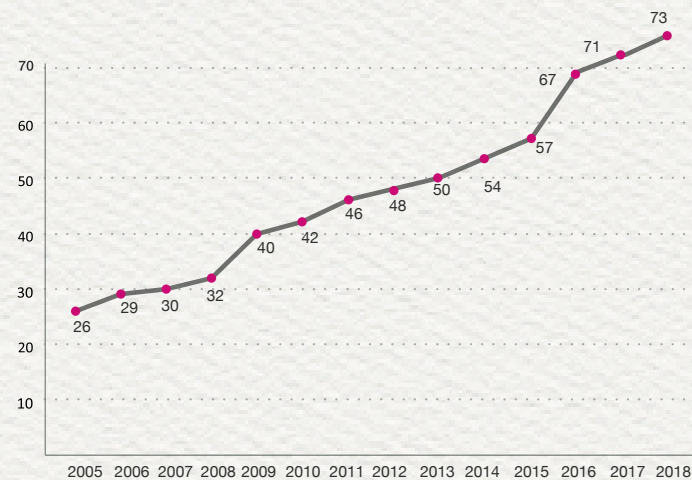
BOP - KEY PERFORMANCE INDICATORS



No. of Customers



No. of Branches





ROA	1.16%
ROE	13.00%
Net Interest and Commissions Income/Total Revenues	85.54%
Cost to Income Ratio	69.89%
Market Share - Deposits	30.55%
Market Share - Loans	32.97%
NPLs%	3.57%
Loans/Deposits Ratio	71.94%
Capital Adequacy Ratio	14.87%
Coverage Ratio	52.74%
Dividend Yield 2017	4.96%
Book value	1.83
(EPS) Earning Per Share	0.25
PE Ratio	9.15 x
P/B Value	1.27 x



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%
2019								
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
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								

- 70% Young Population
- 77.5% mobile penetration
- 61% Internet Penetration
- Major opportunity for infrastructure projects
- New potential could unleash \$5 billion/ year infusion to GDP according to World Bank estimates
- Reaching the Unbanked (PMA Data: 2018)
 - 22.7% of the population (age 15+) have accounts
 - 9.2% of the population (age 15+) have formal savings
 - 5.1% of the population (age 15+) have formally borrowed



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