



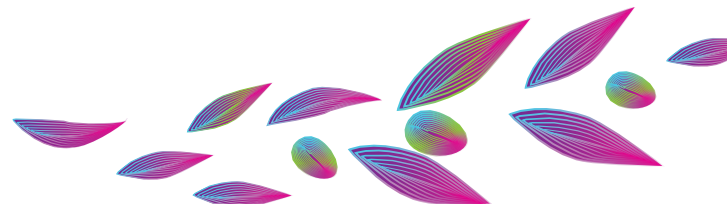
Bank of Palestine Group



# INVESTOR PRESENTATION



عاماً من الإستدامة المصرفية  
*Years of Sustainable Banking*





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**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



PALESTINE TOTAL POPULATION: 13.6 M

In Palestine: 5.2M (38%)

In the Diaspora: 8.4M (62%)

LITERACY RATE

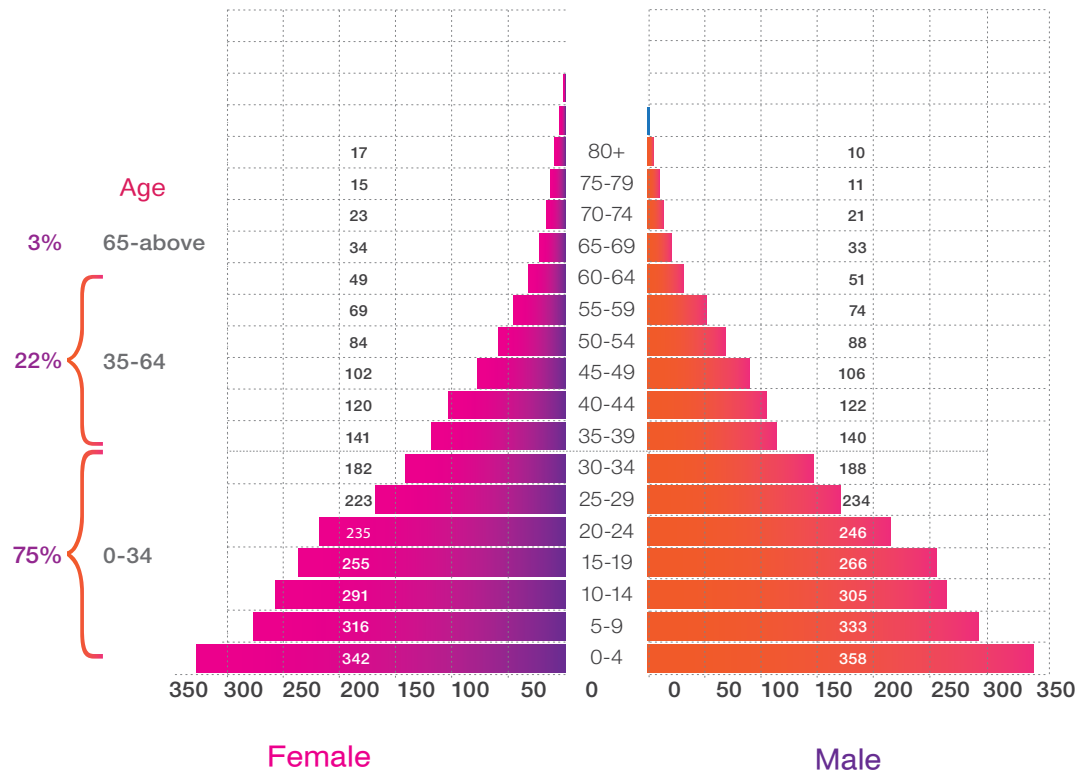
97%

CURRENCY

Jordanian Dinar JOD

American Dollar USD Dollar

Israeli Shekel ILS





## 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

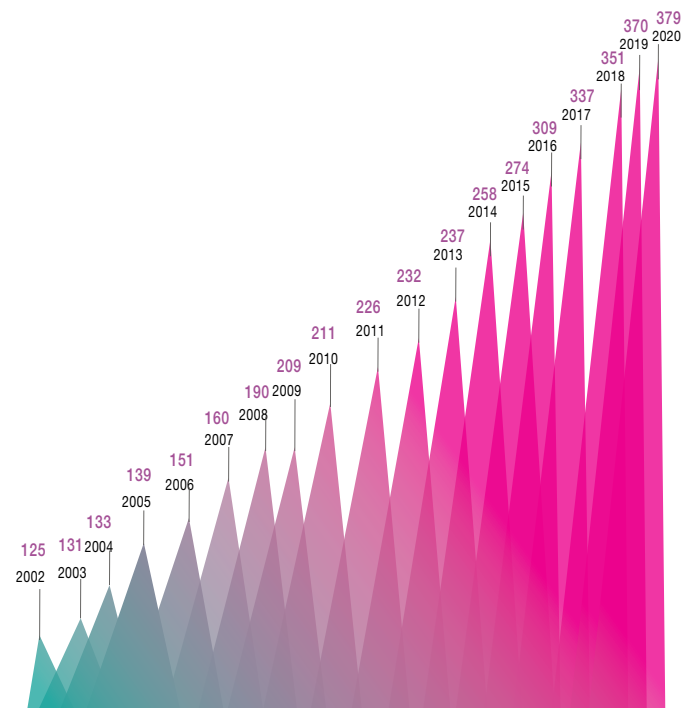
## GDP 14 billion (2020)

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

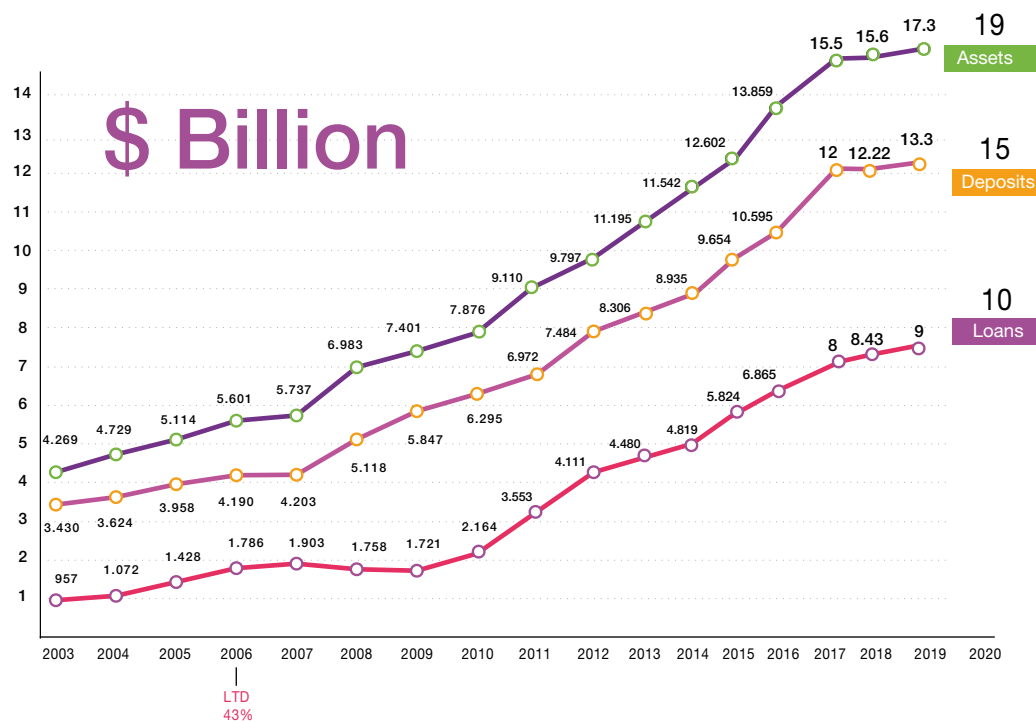


## 13 Banks Operating in Palestine

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

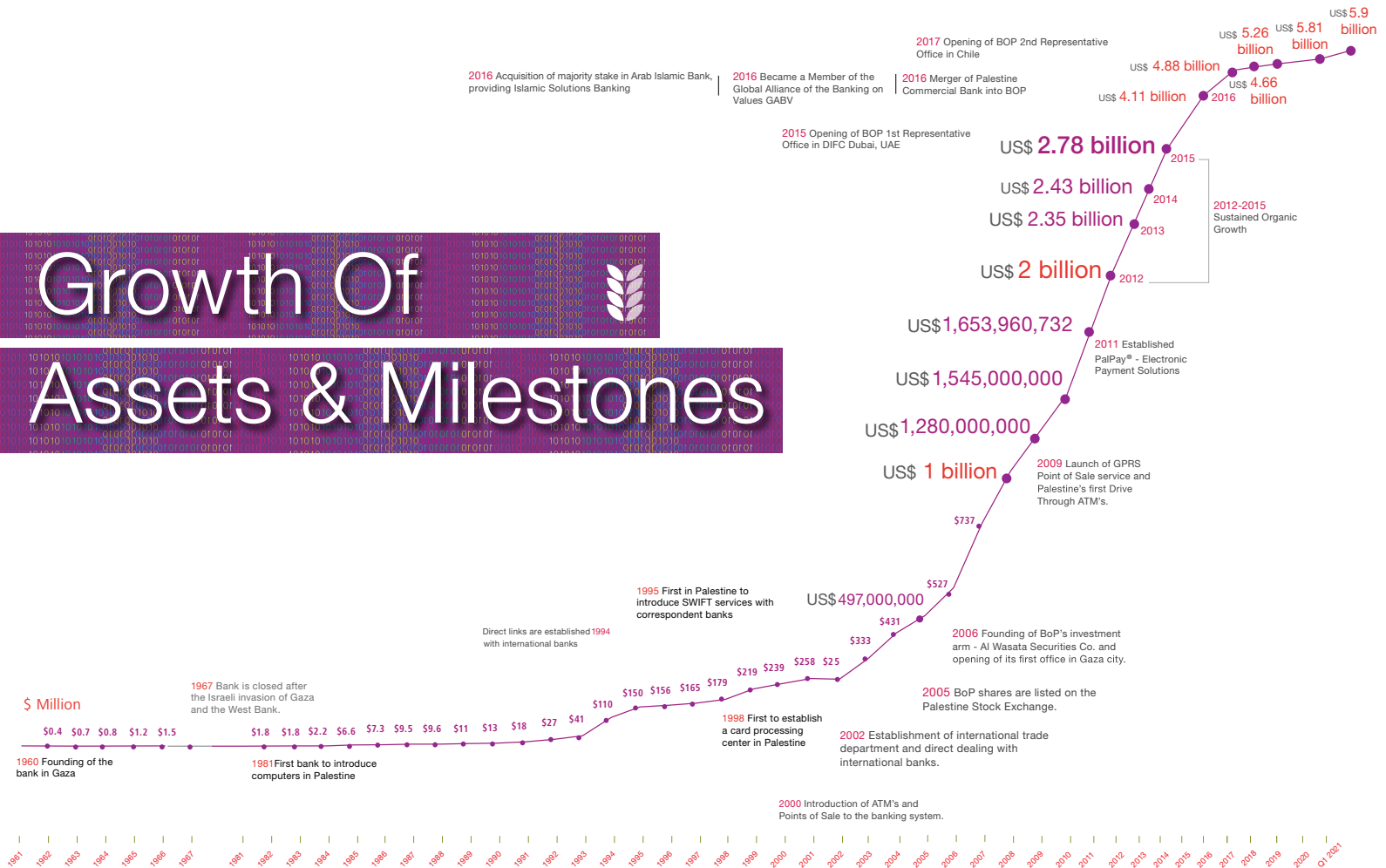
34.12%



# BANK OF PALESTINE OVERVIEW



## Growth Of Assets & Milestones



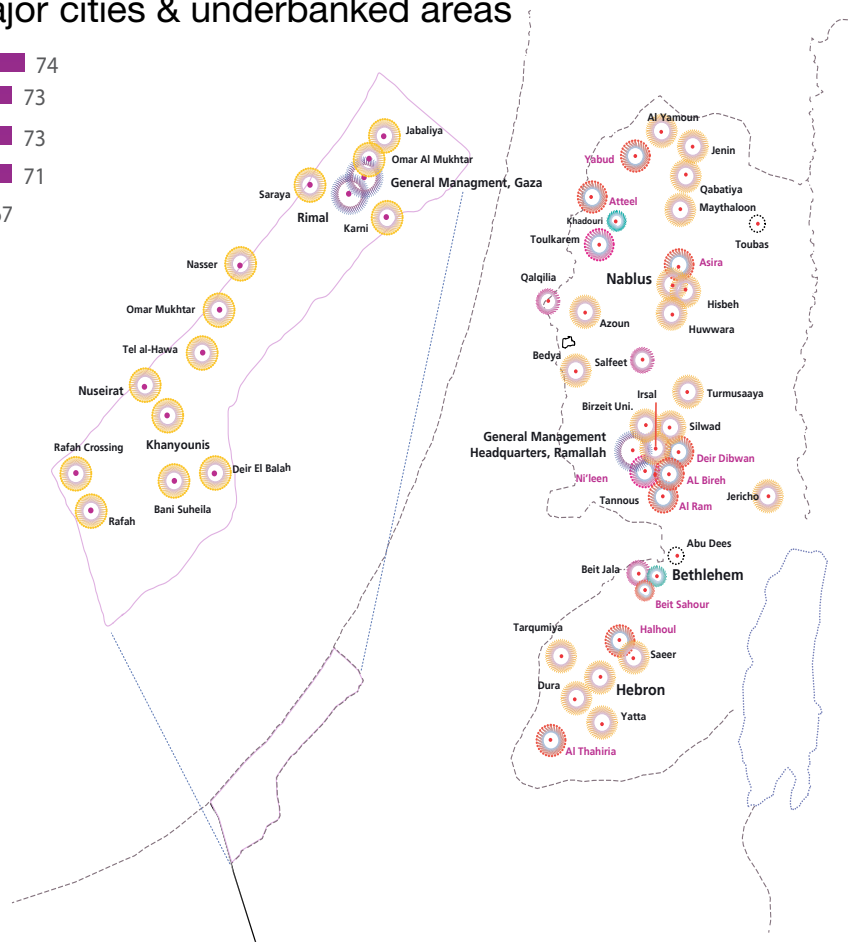
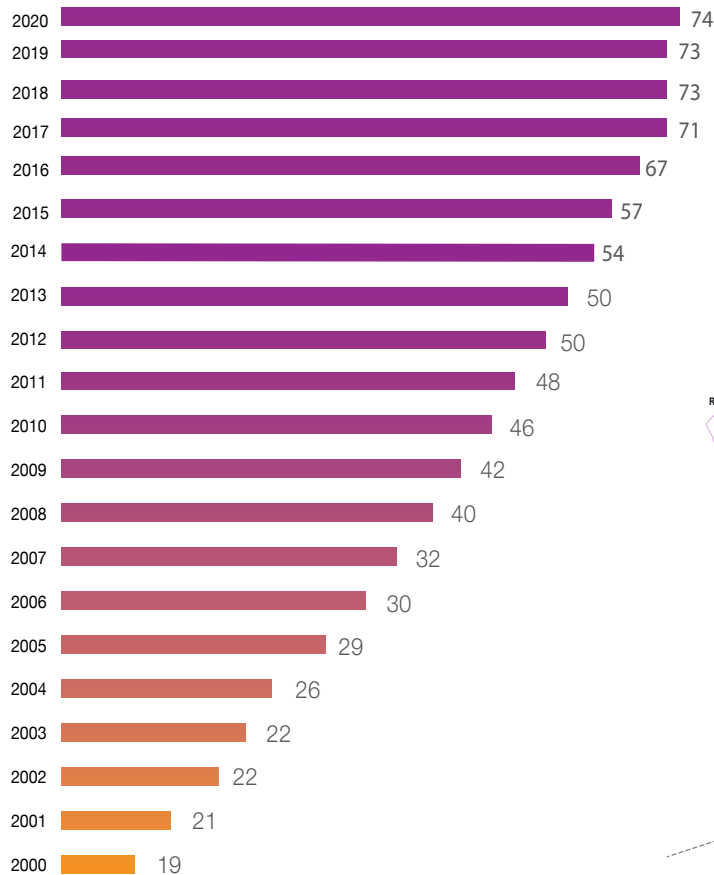




Palestine's largest banking network with

**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

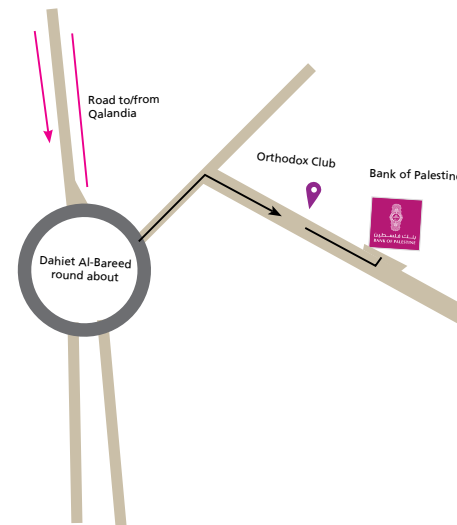
بنك فلسطين  
BANK OF PALESTINE



OPENED 2017

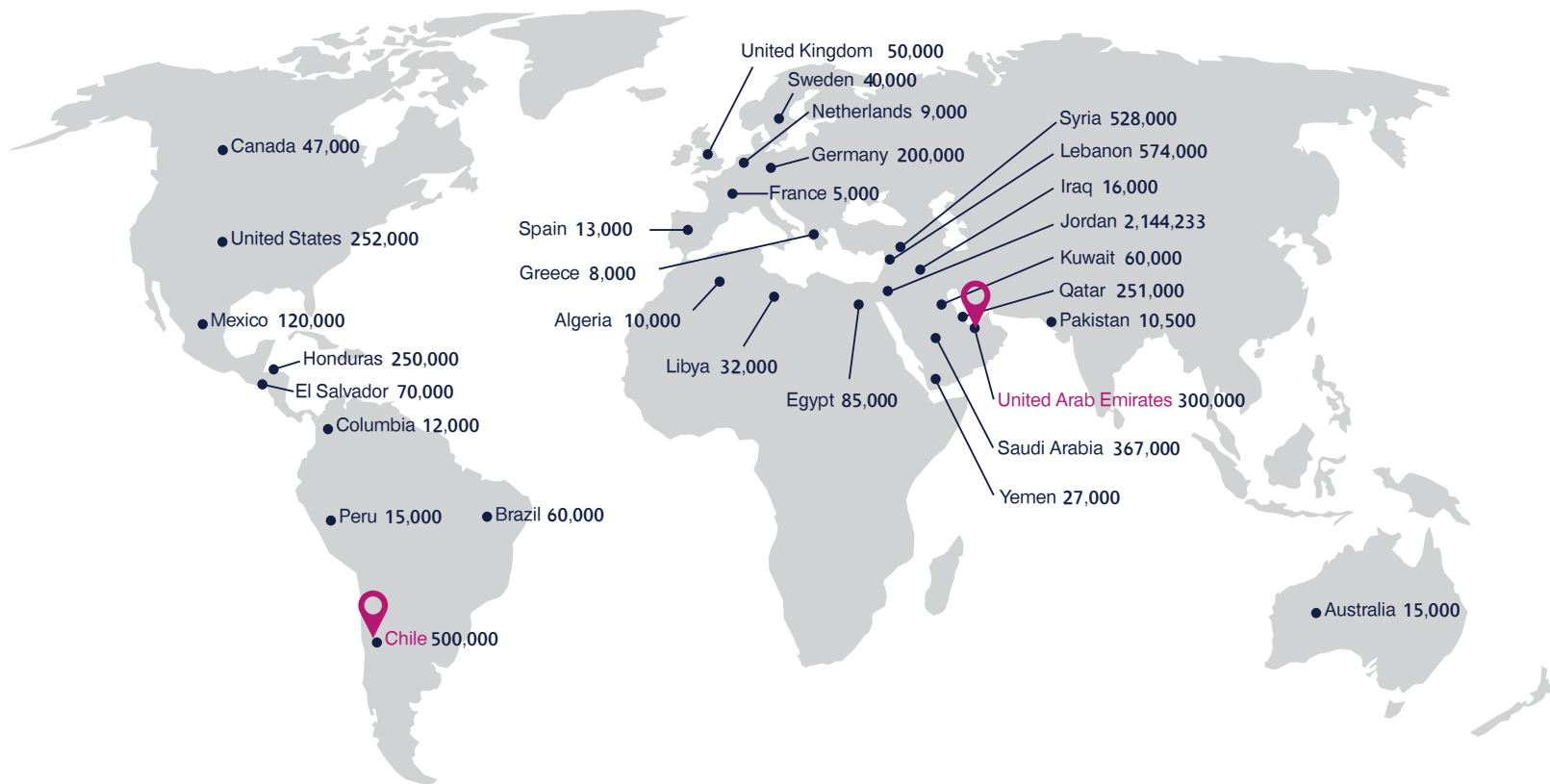


Branch Location: 31.844204,35.230846  
Tel: 02` 2366700



East Jerusalem, Beit hanina, Dahiyat Albarid Branch







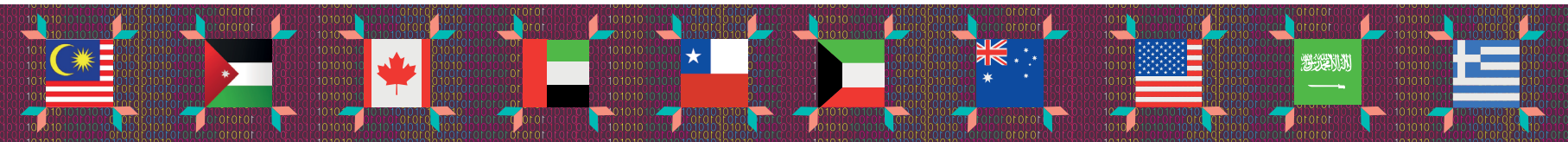
# DIASPORA DEPARTMENT

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



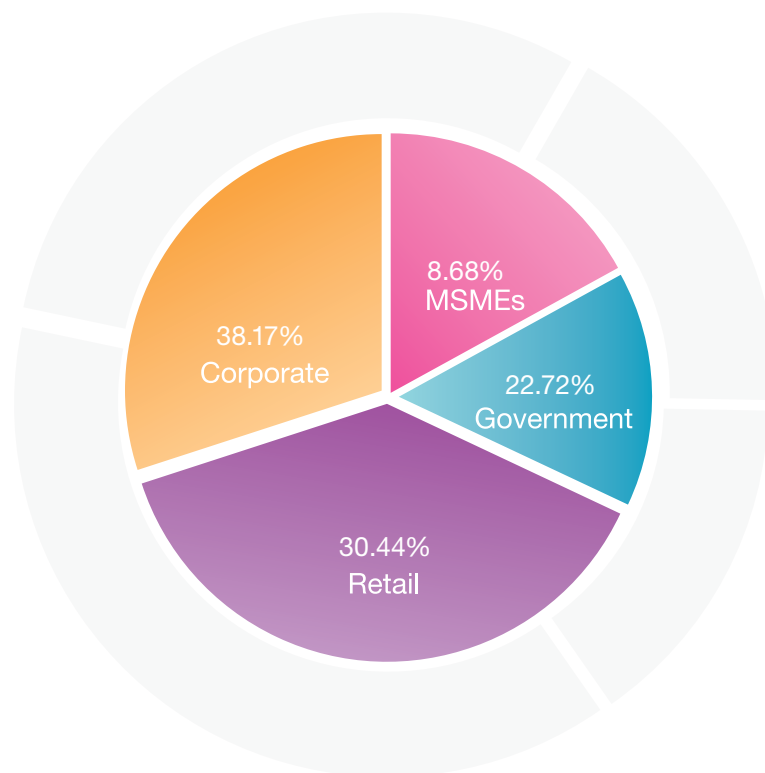
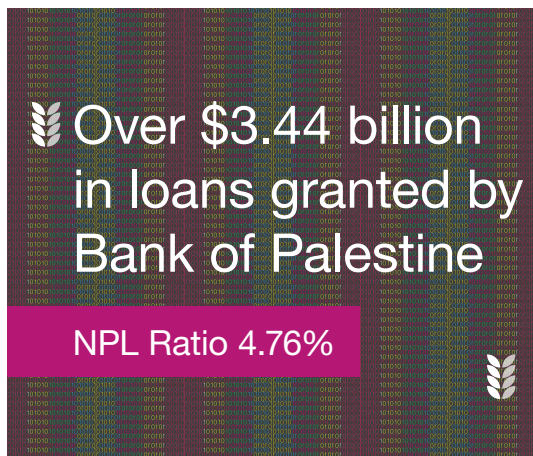
### REPRESENTATIVE OFFICE SERVICES:

- 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 Q1 2021





## Largest SME Portfolio in Country

 \$460 million

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



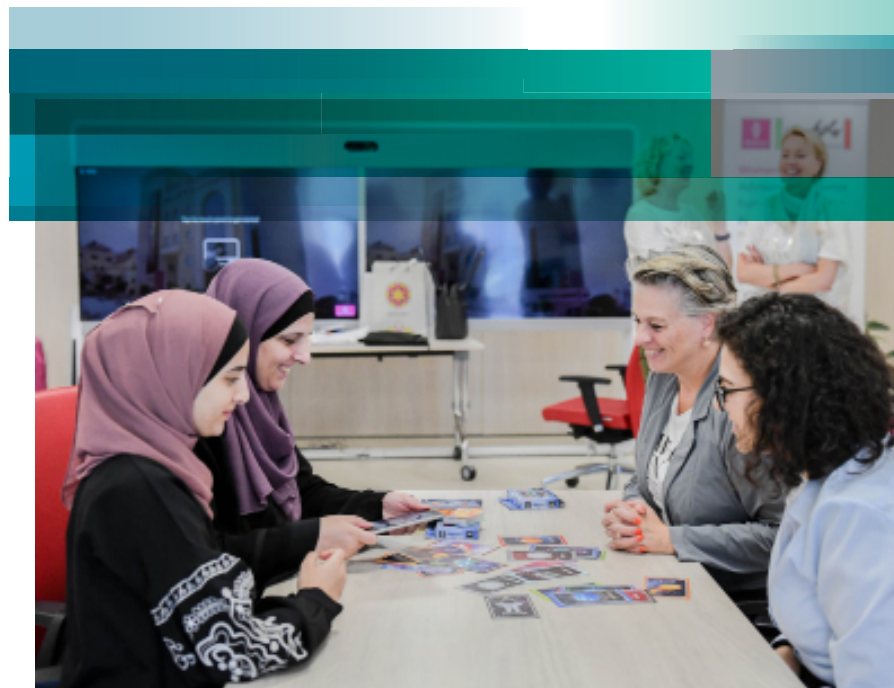


### Falestineya Women inclusion program:

- 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**

**QNB الوطني**

**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 الإستثماري

**Bank ABC**

**الأهلي | ahli**

**بنك الإسكان  
Housing Bank**

**بنك الاتحاد  
Bank al Etihad**

**AJIB**  
بنك الإستثمار العربي الأردني

**Bank 鄭州銀行 Yinzhou Bank**

**浙江稠州商业银行  
ZHEJIANG CHOUZHOU COMMERCIAL BANK**

# BOP - MEMBERSHIPS & RECOGNITIONS

بنك فلسطين  
BANK OF PALESTINE



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."

— Hashim Hani Shawa, Chairman and General Manager

PALESTINE: FINANCIAL INCLUSION DATA		BANK OF PALESTINE: KEY STATISTICS (2015)	
Population (age 15+)	2,647,200	No. of branches	57
GDP per capita (current US\$)	2,565.9	No. of ATMs	117
Commercial bank branches per 100,000 adults	10.6	No. of agents (POS agents)	5,914
ATMs per 100,000 adults	21.1	No. of customers (All accounts)	749,849
Mobile cellular subscriptions per 100 people	72.0	No. of mobile banking customers	35,000
Smartphone penetration (adults, 2015)	44.0%	No. of microcredit customers	7,602
Account at a financial institution (age 15+)	24.2%	Main unit in charge of financial inclusion: Business Development and Financial Inclusion	
Mobile banking (both accounts, age 15+)	7.2%	Source: World Bank, Palestine Ministry of Planning, Palestinian Central Bureau of Statistics	
Financially literate population (age 15+)	27.0%	Interview: Annual Report (2016)	

**FINANCIAL INCLUSION STRATEGIES**

Learned lessons from the interview:

- Start internally with any transformation – When the Bank of Palestine set a target to serve underserved women, it first held gender sensitivity training for its staff and increased female staff from 17% to 32%. Likewise, when it set a target of serving persons with disabilities, it started with teaching employees sign language, making branches handicapped accessible, and ensuring that at least 4% of its staff was comprised of persons with disabilities. At a recent employee orientation, the bank noted that 60% of its new hires were women, and 15% were persons with disabilities. Those internal steps set it up for successful outreach to these new market segments.
- Be creative in seeking around legal barriers – Bank of Palestine has found several ways to meet the needs of women while honoring Sharia law, including creating collateral-free loans for women in a culture where inheritance is typically passed to male descendants, allowing women to open sub-accounts in their children's names, in an environment where children can only open an independent account with their father's approval, and accepting women's signatures as collateral, where it is often required for women to bring a male guarantor.
- Create a structure for female employees – Bank of Palestine created a substructure where female employees can work in a more comfortable environment. The company has launched a professional education in (e)commerce and (e)business for women, and a women's entrepreneurship network. The network is a platform for women to share their experiences, using cards or cash.
- Build banking literacy – The bank has been working to build financial literacy among women, and has been successful in doing so. Such efforts build trust, but also a relationship with bank employees who are able to help them to overcome their financial challenges.

**IIF INSTITUTE OF INTERNATIONAL FINANCE**

## Bank of the Year for Financial Inclusion



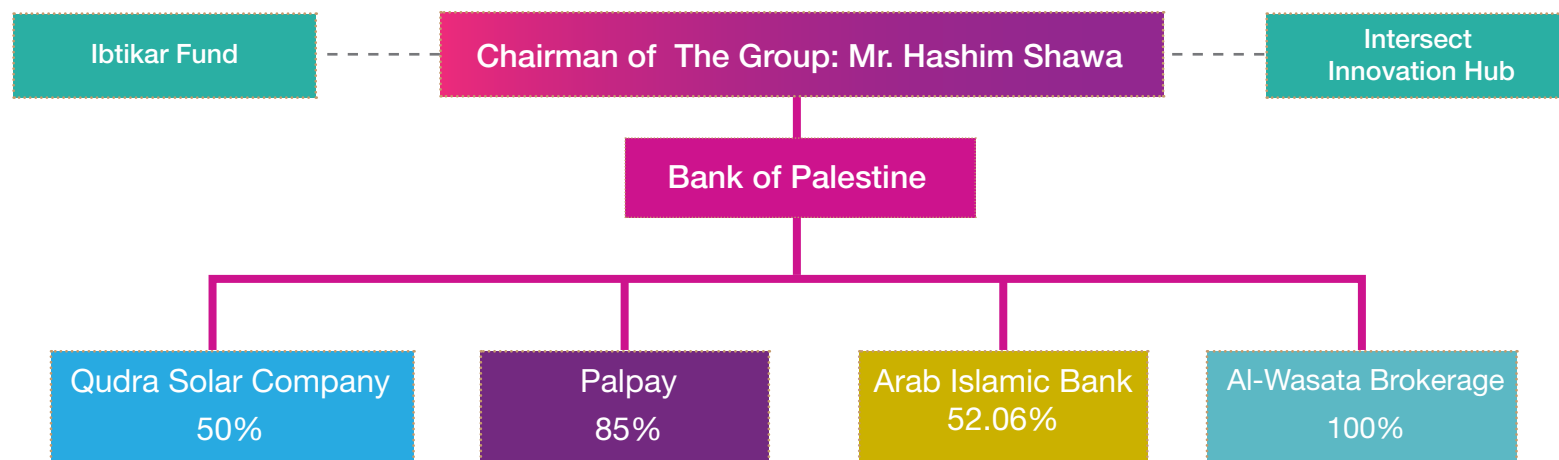
Global Alliance for  
Banking on Values



Global Banking  
Alliance for Women  
BUILDING WOMEN'S WEALTH WORLDWIDE

WORLD  
ECONOMIC  
FORUM







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 1,610,205,692 with net profits in Q1 2021 of USD 3,222,196.





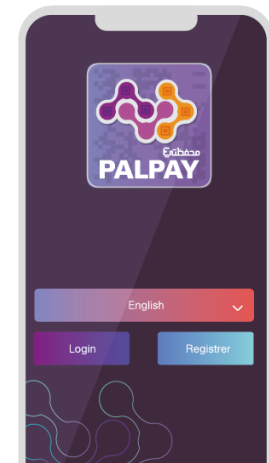
## PALPAY E-WALLET

First E-wallet in Palestine

- PalPay® – Palestine Payments – The leading payment platform company in Palestine.
- Ability to pay all bills through over 6,000 POS machines.
- Over ILS 1 Billion in payment transactions.
- 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.



Targeting the  
unbanked







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.



## 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](mailto:info@intersecthub.org) | [@intersect\\_hub](https://www.instagram.com/intersect_hub) | [www.intersecthub.org](http://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	4%





- 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 Nations 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 slide features a central black rectangular area with a vibrant, multi-colored digital rain effect, where binary digits (0s and 1s) are scattered in various colors like red, green, blue, and yellow. The title "BANK OF PALESTINE" is written in a large, bold, white sans-serif font across the top of this central area, and "FINANCIAL HIGHLIGHTS" is written in the same style across the bottom. Above and below the central black area are horizontal bands of a lighter, grayish-white background, each containing a single line of faint, light-gray binary code. The overall design is modern and tech-oriented.

# **BANK OF PALESTINE**

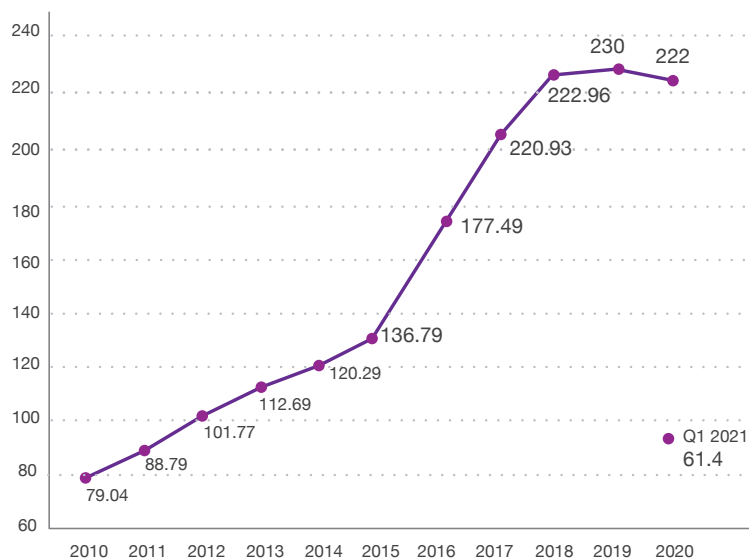
## **FINANCIAL HIGHLIGHTS**

## BOP - KEY PERFORMANCE INDICATORS



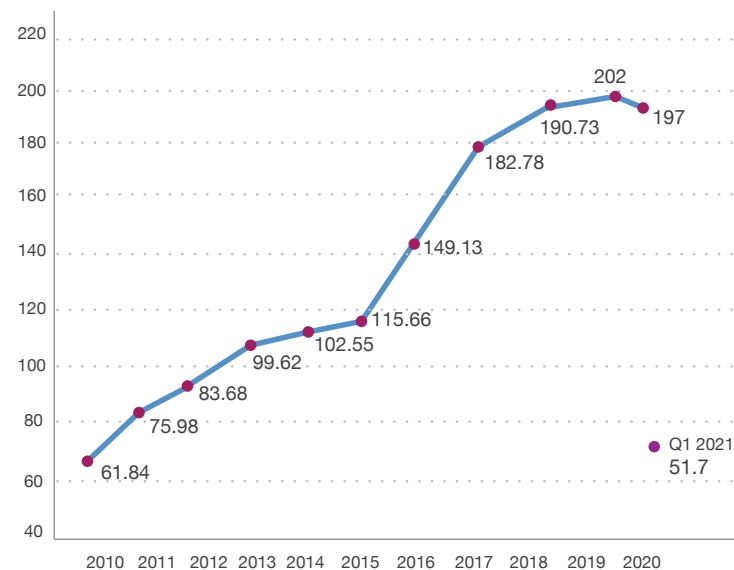
### Total Revenue

Million (USD)



### Net Interest & Commissions Income

Million (USD)



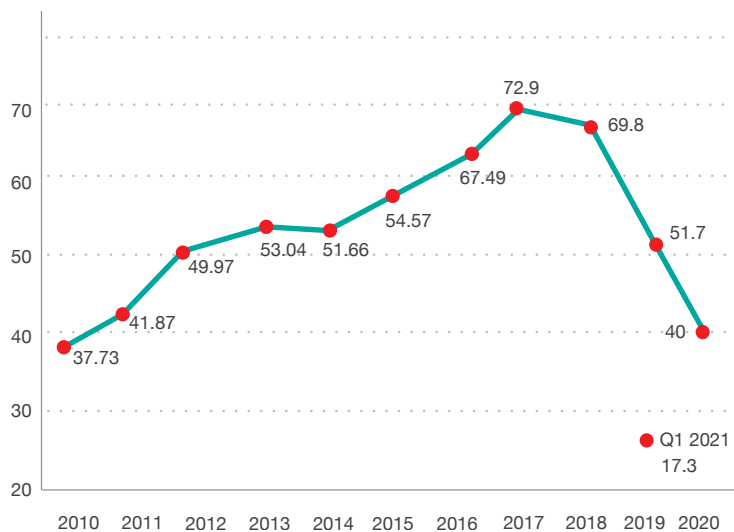


## BOP - KEY PERFORMANCE INDICATORS



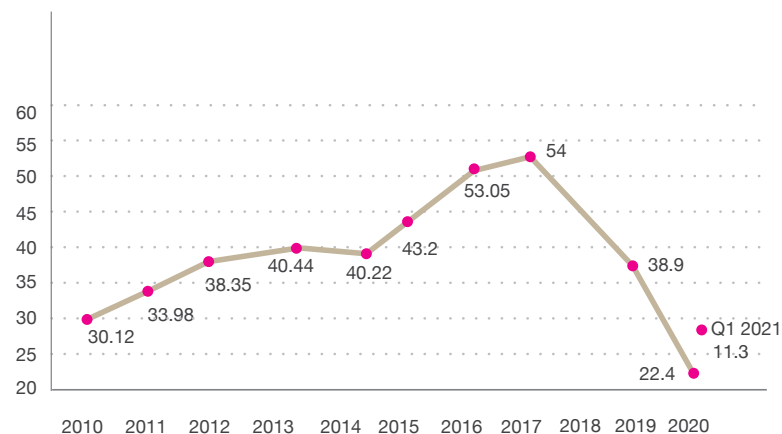
### Profit Before Tax

Million (USD)



### Net Profit

Million (USD)



"Net profit after tax for Q1-2020 was restated. Please refer to notes 32 and 33 in our financial statements disclosure for March 31, 2021 for more details"

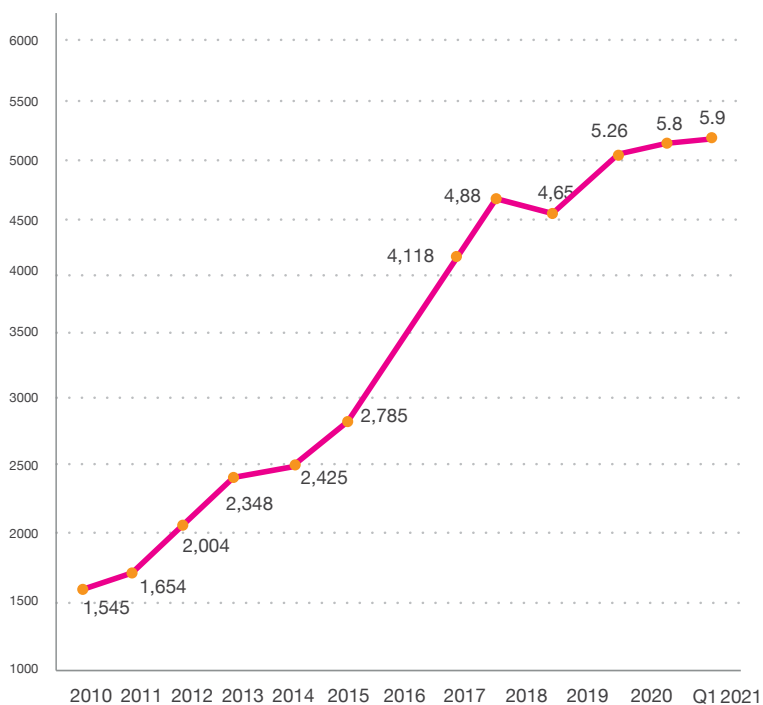
## BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين  
BANK OF PALESTINE



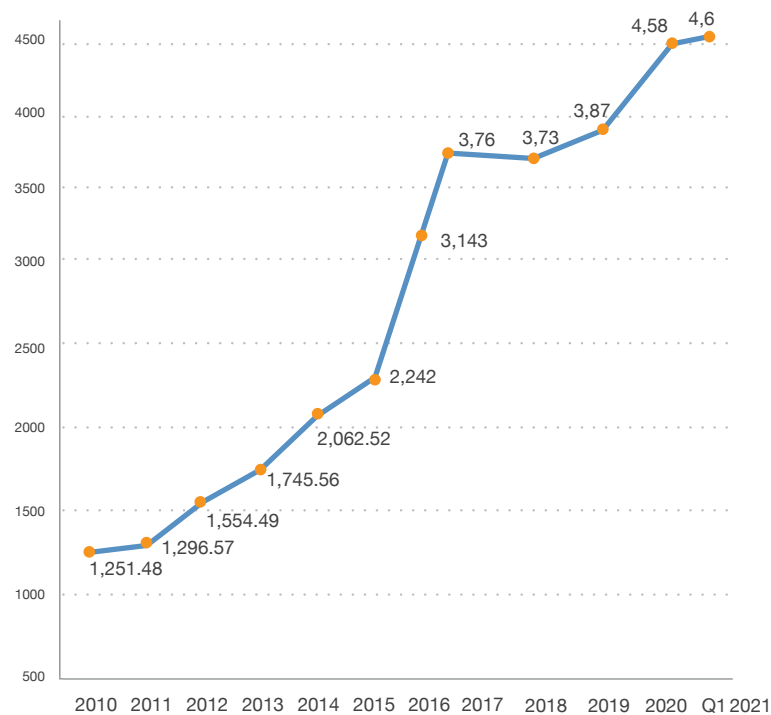
### Assets

Billion (USD)



### Customer Deposits

Billion (USD)



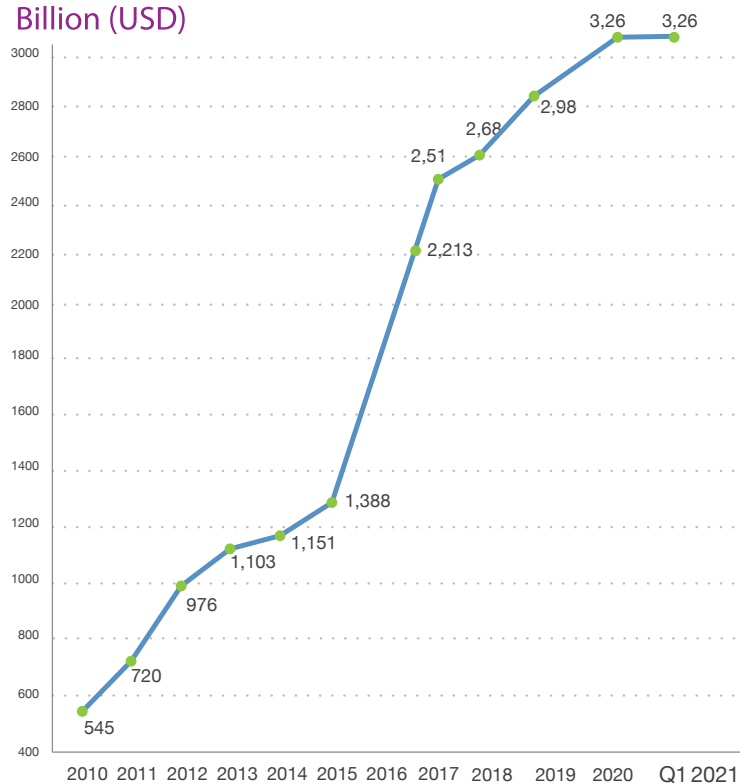
## BOP - KEY PERFORMANCE INDICATORS

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BANK OF PALESTINE



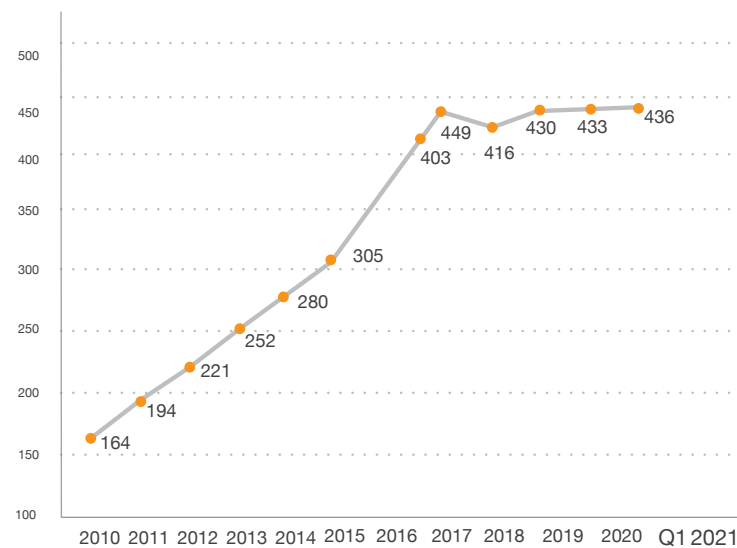
### Net Loans

Billion (USD)



### Shareholders' Equity

Million (USD)



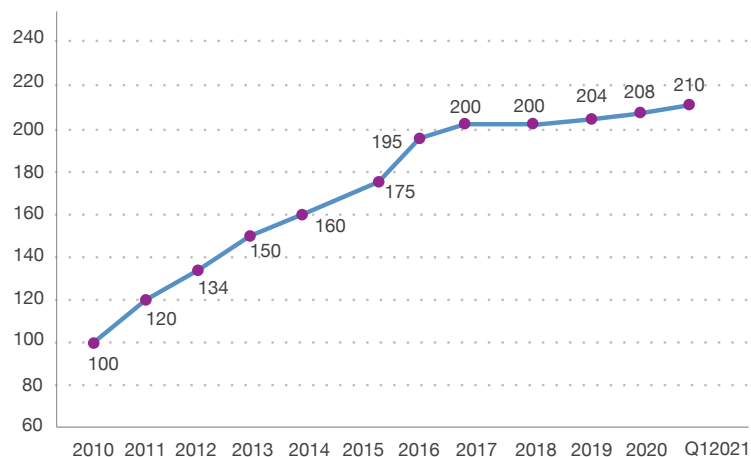
## BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين  
BANK OF PALESTINE

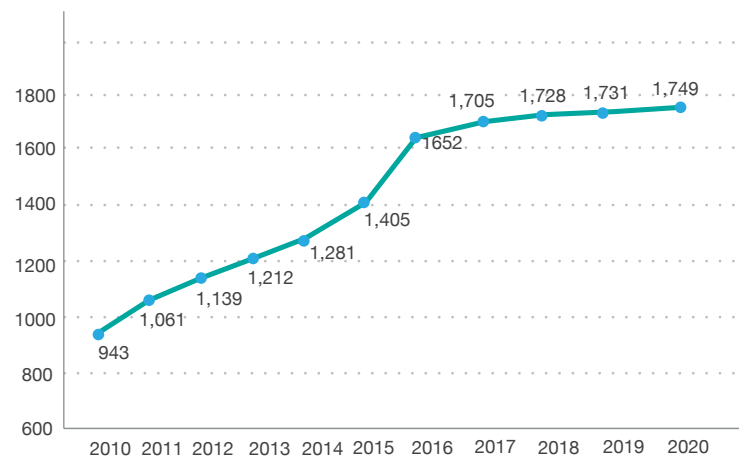


### Paid-Up Capital

Million (USD)



### No. of Employees

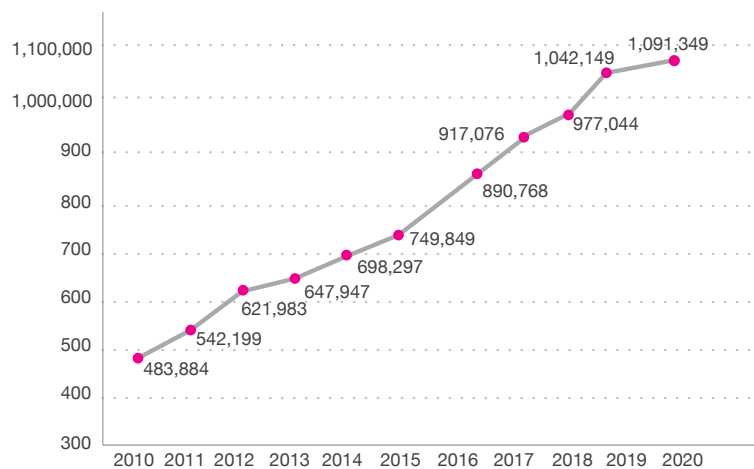


## BOP - KEY PERFORMANCE INDICATORS

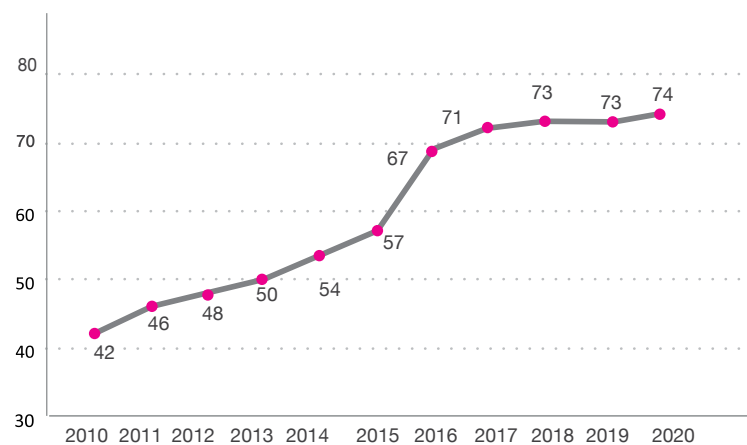
بنك فلسطين  
BANK OF PALESTINE



### No. of Customers



### No. of Branches





ROA- Annualized (%)	00.77%
ROE-Annualized (%)	10.49%
Net Interest and Commissions Income/Total Revenues (%)	84.24%
Cost to income (%)	71.83%
Market Share - Deposits (%)	32.17%
Market Share - Net Loans (%)	33.35%
NPLs (%)	4.76%
Net Loans to Deposits (%)	66.79%
Capital Adequacy (%)	14.70%
Stage 3 -Coverge Ratio (%)	61.43%
Cash Dividend yield (%)	3.10%
Book value (\$)	\$1.82
Earning Per Share(EPS) - Annualized (\$)	\$0.19
PE Ratio (x)	8.08x
Price to Book Value (x)	0.85x



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
<b>2020</b>								
Stock Dividend	31/03/2021	18/04/2021	18/04/2021	208,080,000		2,080,800	210,160,800	1%
Cash Dividend-USD	31/03/2021	01/04/2021	01/04/2021		8,323,200		208,080,000	4%
<b>2019</b>								
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%
<b>2018</b>								
Cash Dividend-USD	29/3/2018	1/4/2018	1/4/2018	200,000,000	27,000,000		200,000,000	13.5%
<b>2017</b>								
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%
<b>2016</b>								
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%
<b>2015</b>								
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%
<b>2014</b>								
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%
<b>2013</b>								
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%
<b>2012</b>								
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%
<b>2011</b>								
Stock Dividend	4/29/2011	5/2/2011	40/05/2011	100,000,000		20,000,000	120,000,000	20%



**FOR FURTHER INFORMATION PLEASE CONTACT**

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