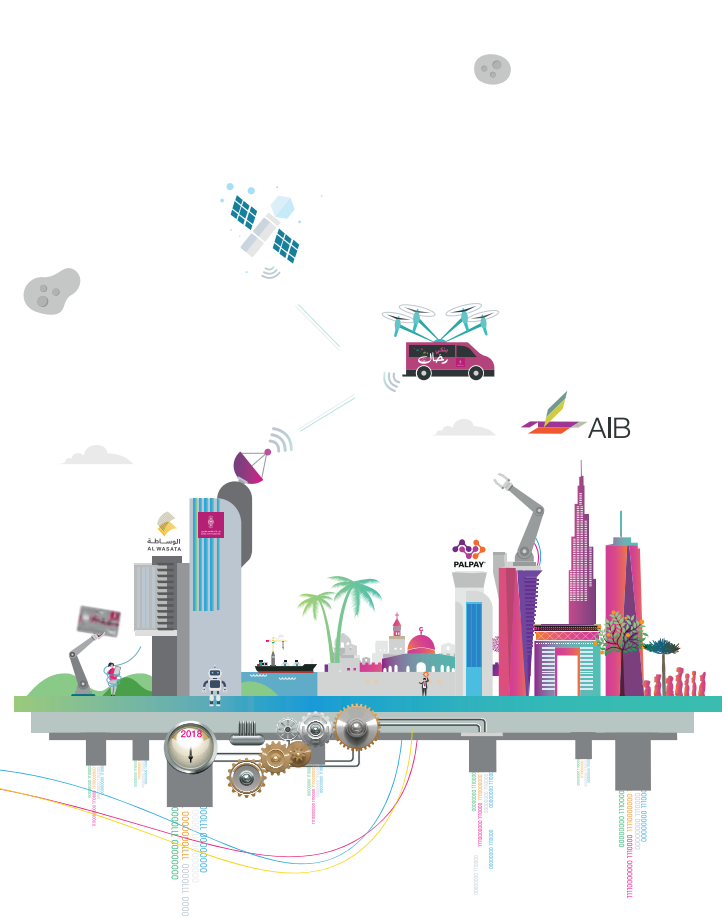




1960
BANK OF PALESTINE

Investor Presentation

Investing in Digital Innovation





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Palestine Market And Financial Sector Overview

PALESTINE TOTAL POPULATION: 13.05 M

In Palestine: 5.25M (40.3%)

In the Diaspora: 7.8M (59.7%)

LITERACY RATE

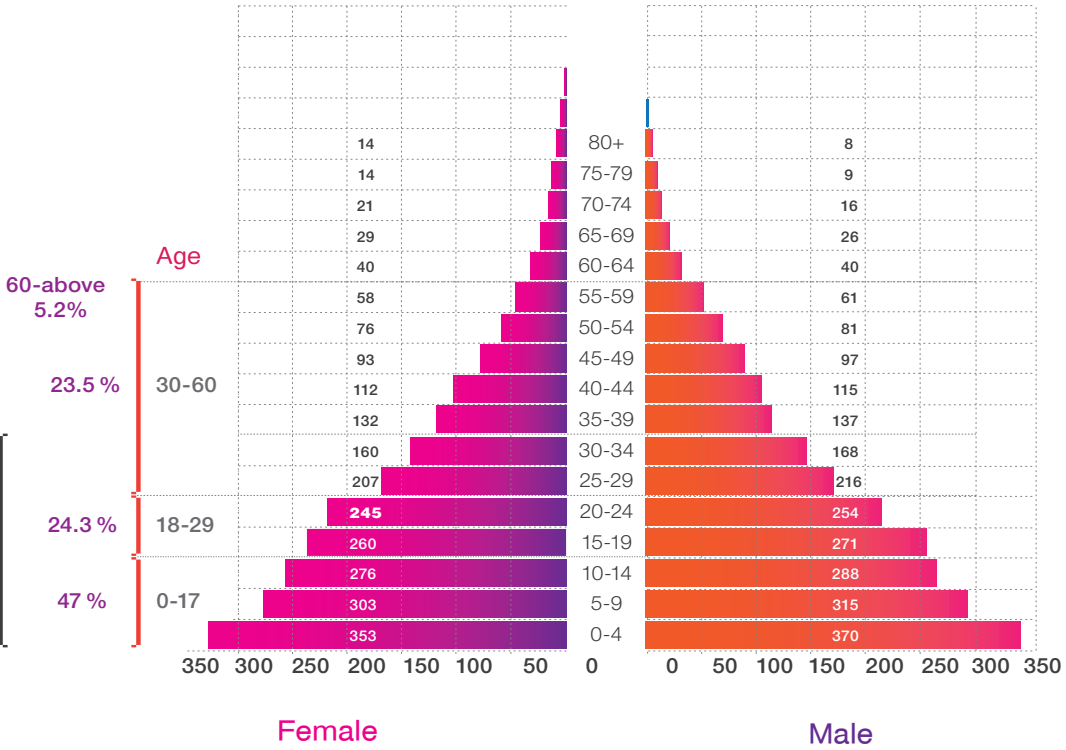
97%

CURRENCY

Jordanian Dinar JOD

American Dollar USD Dollar

Israeli Shekel ILS





GDP | Capita

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$1,815	\$2,185	\$2,664	\$2,787	\$2,992	\$2,973	\$2,865	\$2,943	\$3,094	\$3,198	\$3,562

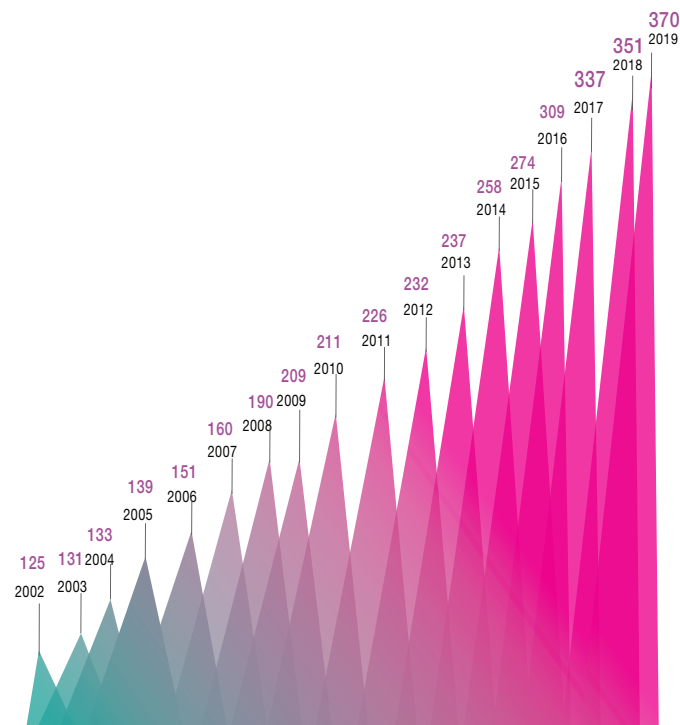
GDP 15.61 billion (2019)

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



13 Banks Operating in Palestine

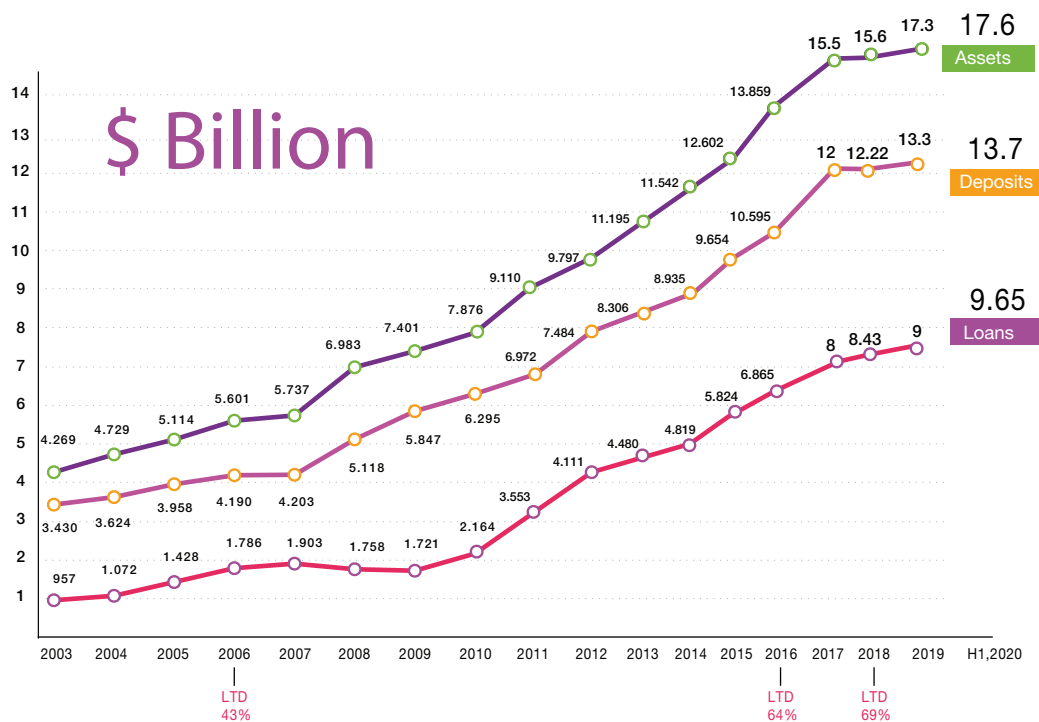
Local Banks (7)	Foreign Banks (6)
Commercial Banks (4)	Jordanian (5)
Bank of Palestine (BOP)	Arab Bank
Palestine Investment Bank (PIBC)	Cairo Amman Bank
Al Quds Bank (QUDS)	Jordan Ahli Bank
The National Bank (TNB)	Bank of Jordan
Islamic Banks (3)	The Housing Bank for Trade & Finance
Arab Islamic Bank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



No. of Branches

BANKING SECTOR OVERVIEW - ASSETS | DEPOSITS | LOANS |

بنك فلسطين
BANK OF PALESTINE



Bank of Palestine Market Share Palestine Exchange

11%

Deposits

30%

Loans

32%



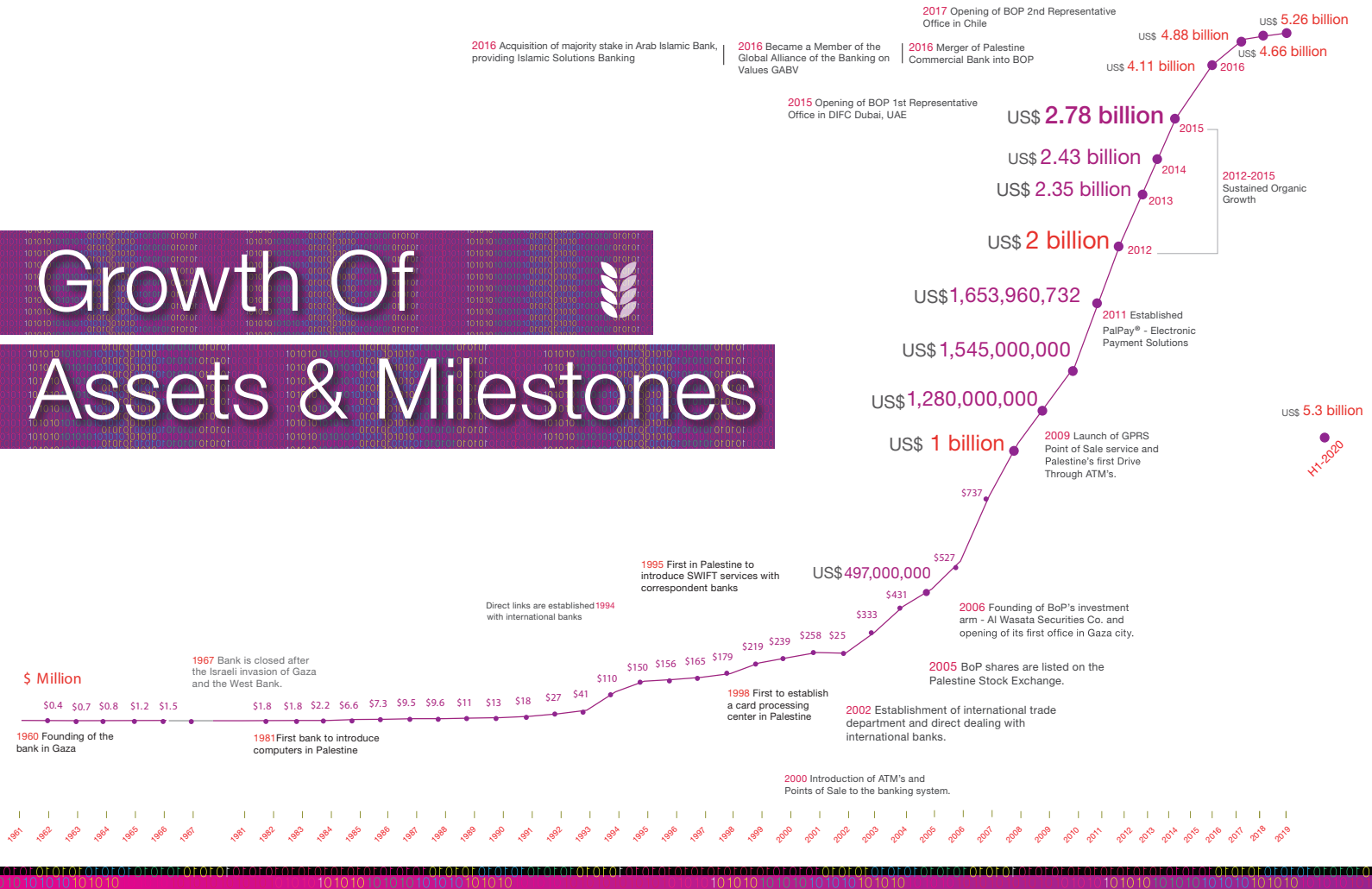
BANK OF PALESTINE OVERVIEW

2018 - BOP group

بنك فلسطين
BANK OF PALESTINE



Growth Of Assets & Milestones

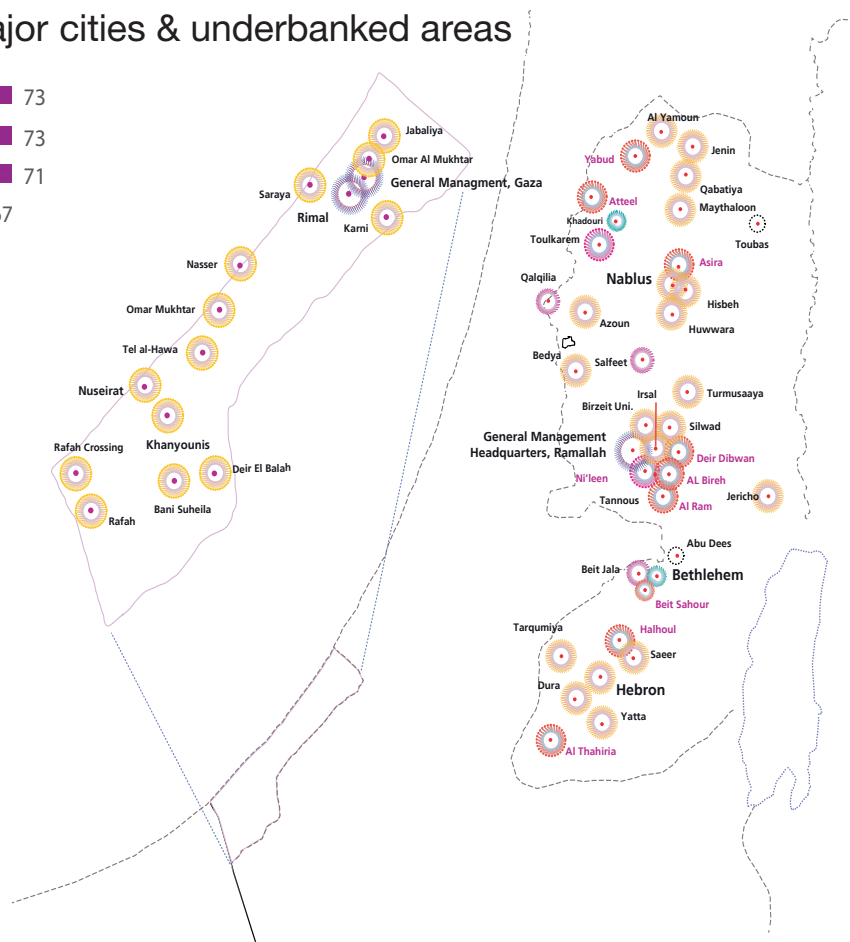
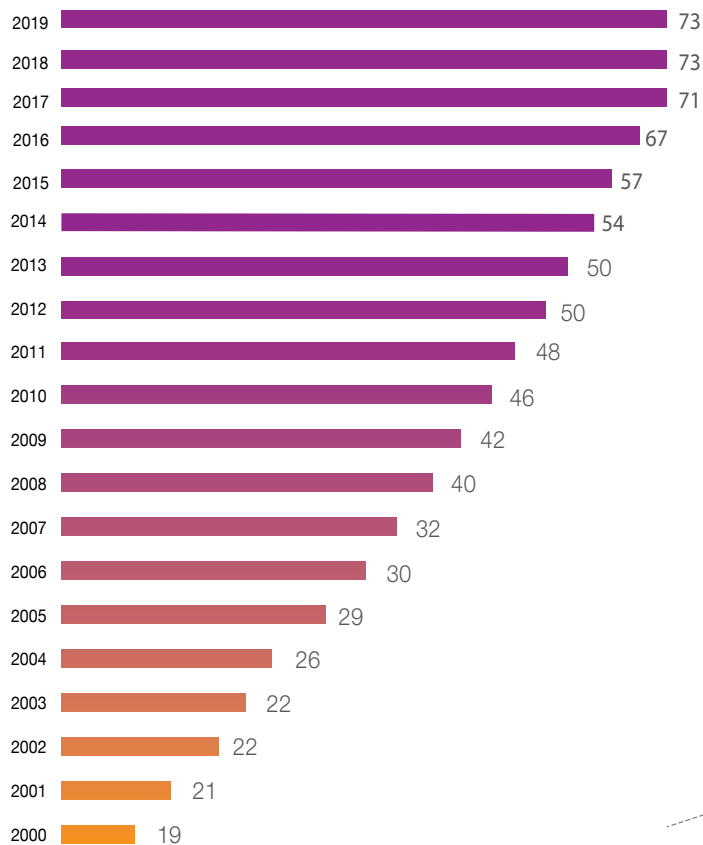




Palestine's largest banking network with

73 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

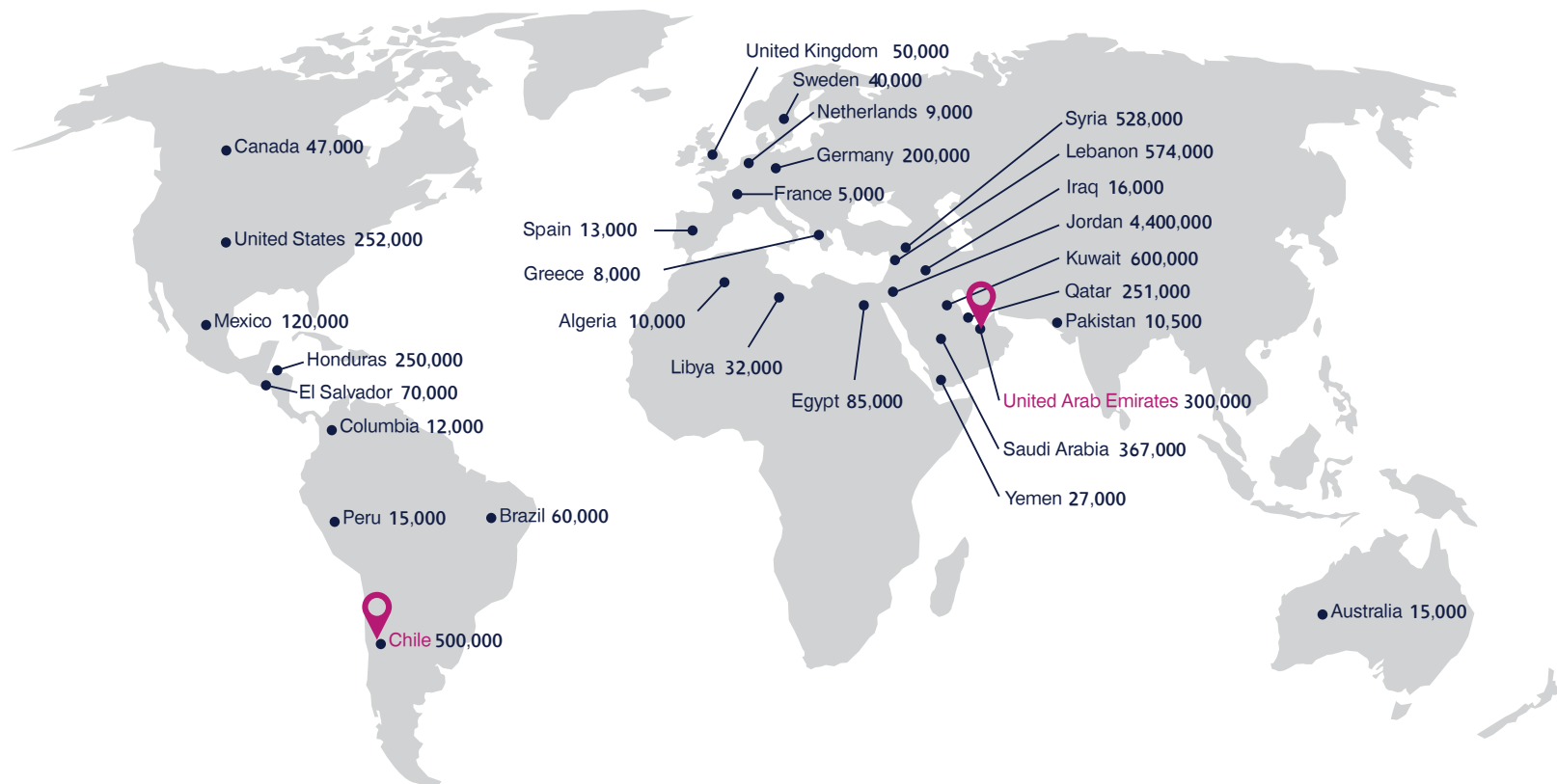
BOP - FLAGSHIP EAST JERUSALEM - DAHIYAT ALBARID BRANCH

بنك فلسطين
BANK OF PALESTINE



OPENED 2017







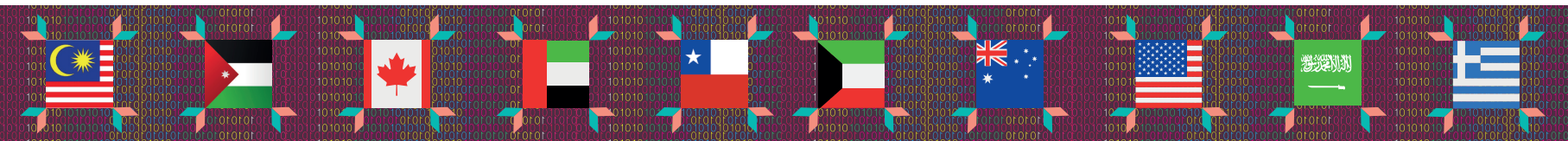
DIASPORA DEPARTMENT

There are around 7.8 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

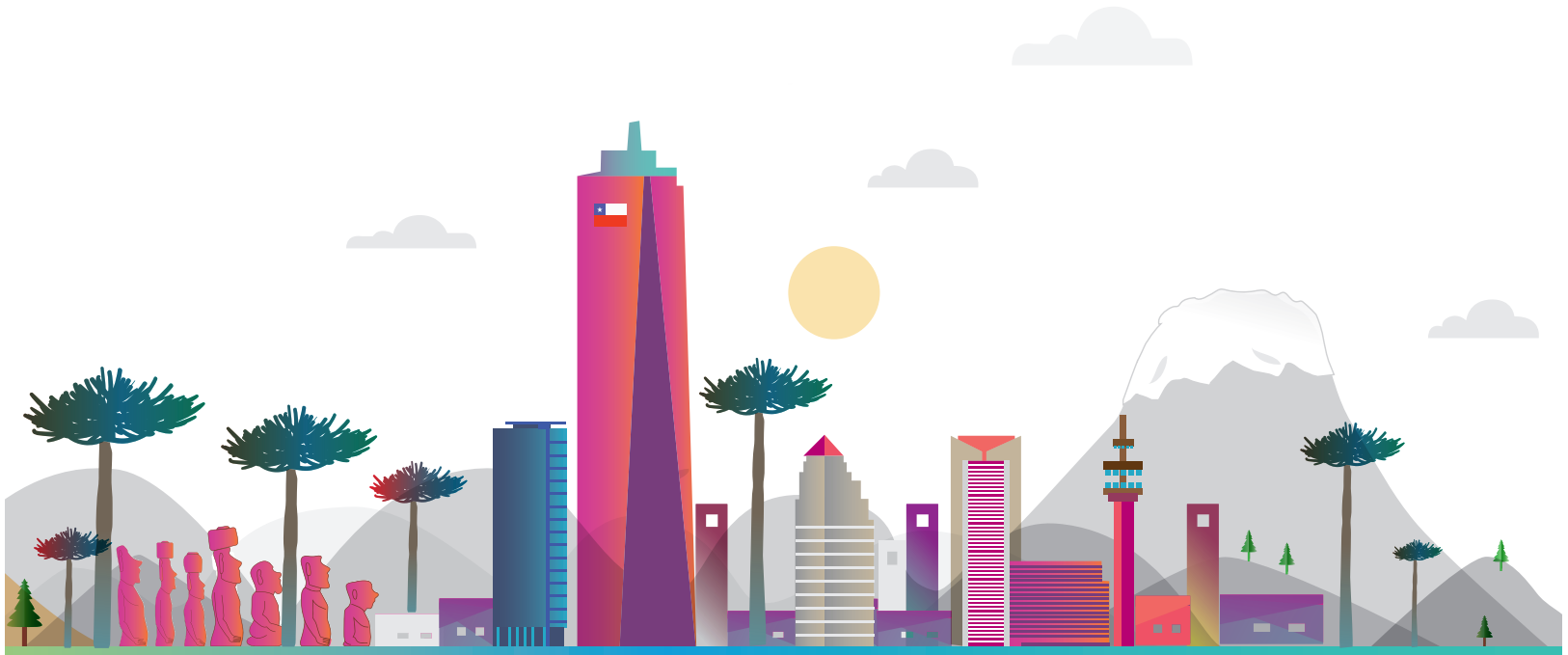
REPRESENTATIVE OFFICE SERVICES:

- 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

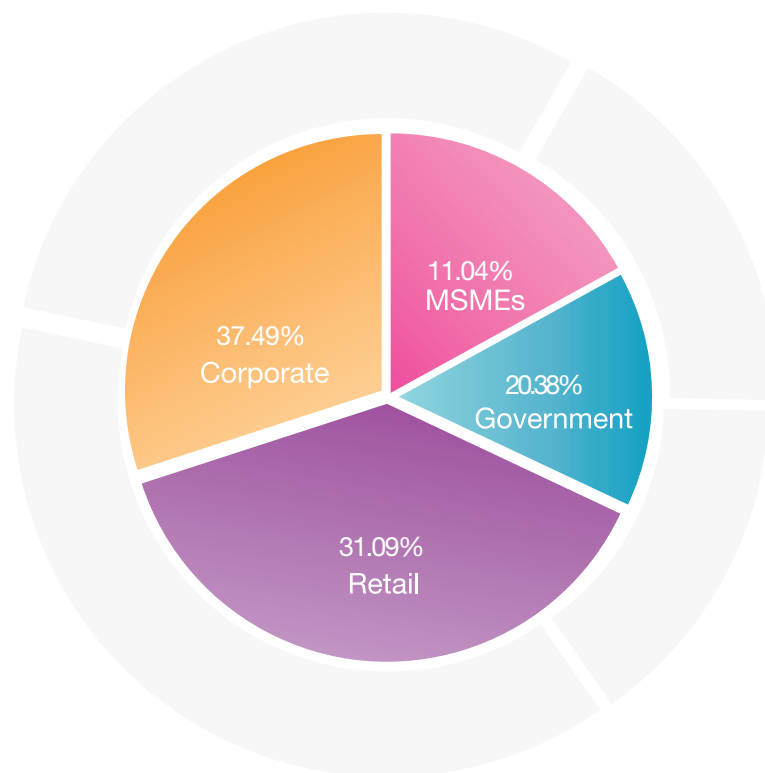
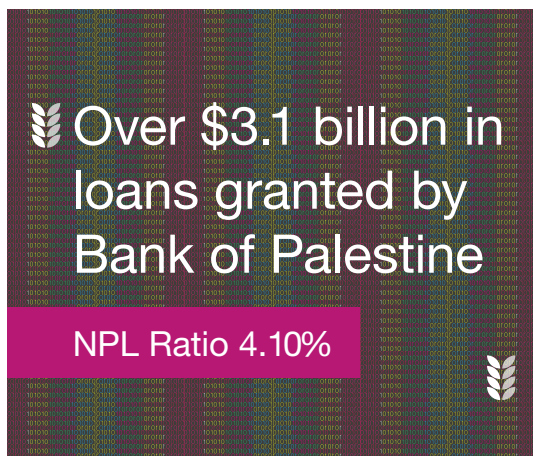
Representative Office- Chile 2017





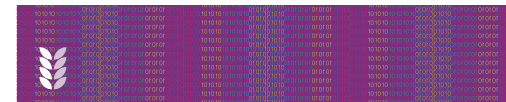
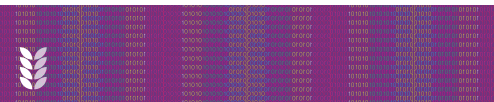
Diversefied Loan Portfolio

Non performing loans





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



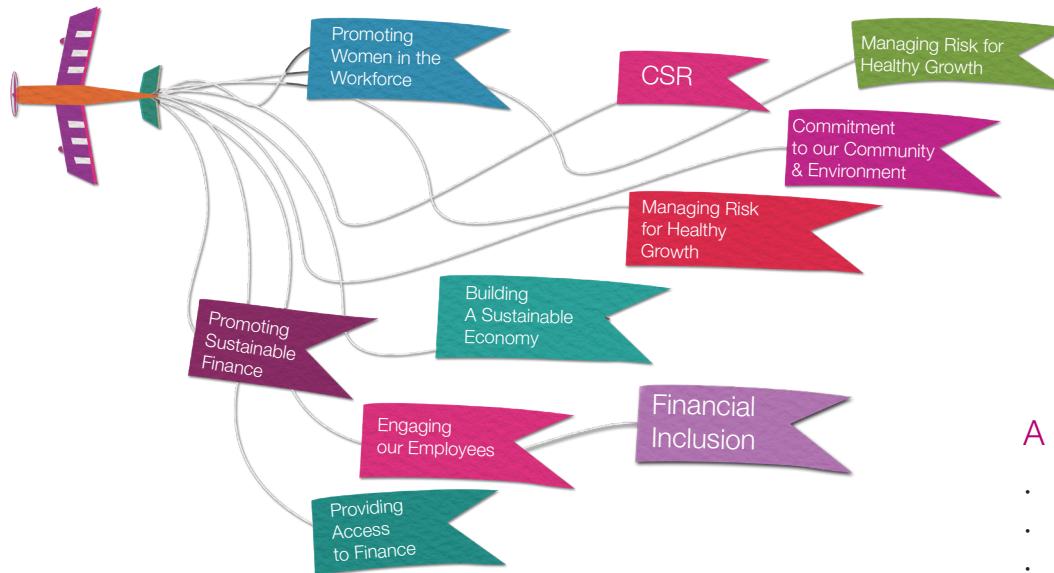
- Digital Banking
- Mobile Banking – e-Bank
- Cards
- E Commerce
- Cyber Security



e-Bank
on my mobile

Online **Banking**





A holistic sustainability strategy:

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



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

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 | ahlī

**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%	Interim Annual Report (2016)	
Financially literate population (age 15+)	27.0%		

Source: World Bank, Palestine Ministry of Planning, Palestinian Central Bureau of Statistics

FINANCIAL INCLUSION STRATEGIES

Learned lessons from the literature:

- 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 composed of persons with disabilities. As 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 providing legal assistance, where it is often normal for women to lack legal wealth in general.
- Create a structure for female employees - Bank of Palestine created a structure for female employees and a dedicated company has launched a professional education in Cybersecurity and IT. The company has launched a professional education in Cybersecurity and IT. The company has launched a professional education in Cybersecurity and IT. The company has launched a professional education in Cybersecurity and IT.
- Build banking literacy - The bank has launched a program to build banking literacy among women. Such a program is essential for building trust, but also a relationship with bank employees and providing them with the necessary skills to use financial services.



Bank of the Year for Financial Inclusion



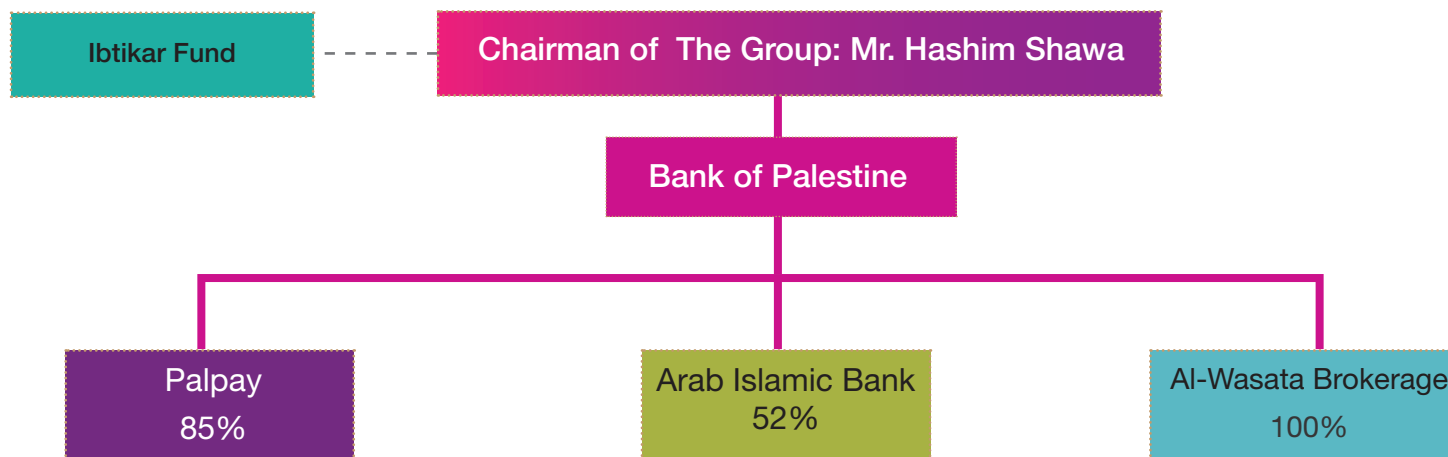
Global Alliance for Banking on Values



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 27 branches Islamic Banking solutions to a growing segment of customers requiring such sharia' compliant solutions. The bank has assets of USD 1,469,074,940 with net profits in H1 2020 of USD 4,045,374 . Benchmarked against the banking sector AIB's assets grew by 15% while the assets growth in the entire banking sector was 1.5% 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 \$81 million in the local, regional and US markets, more than USD 510 Million assets under management, as well as having the highest registered capital between the Palestinian brokerage firms being USD 5 million.



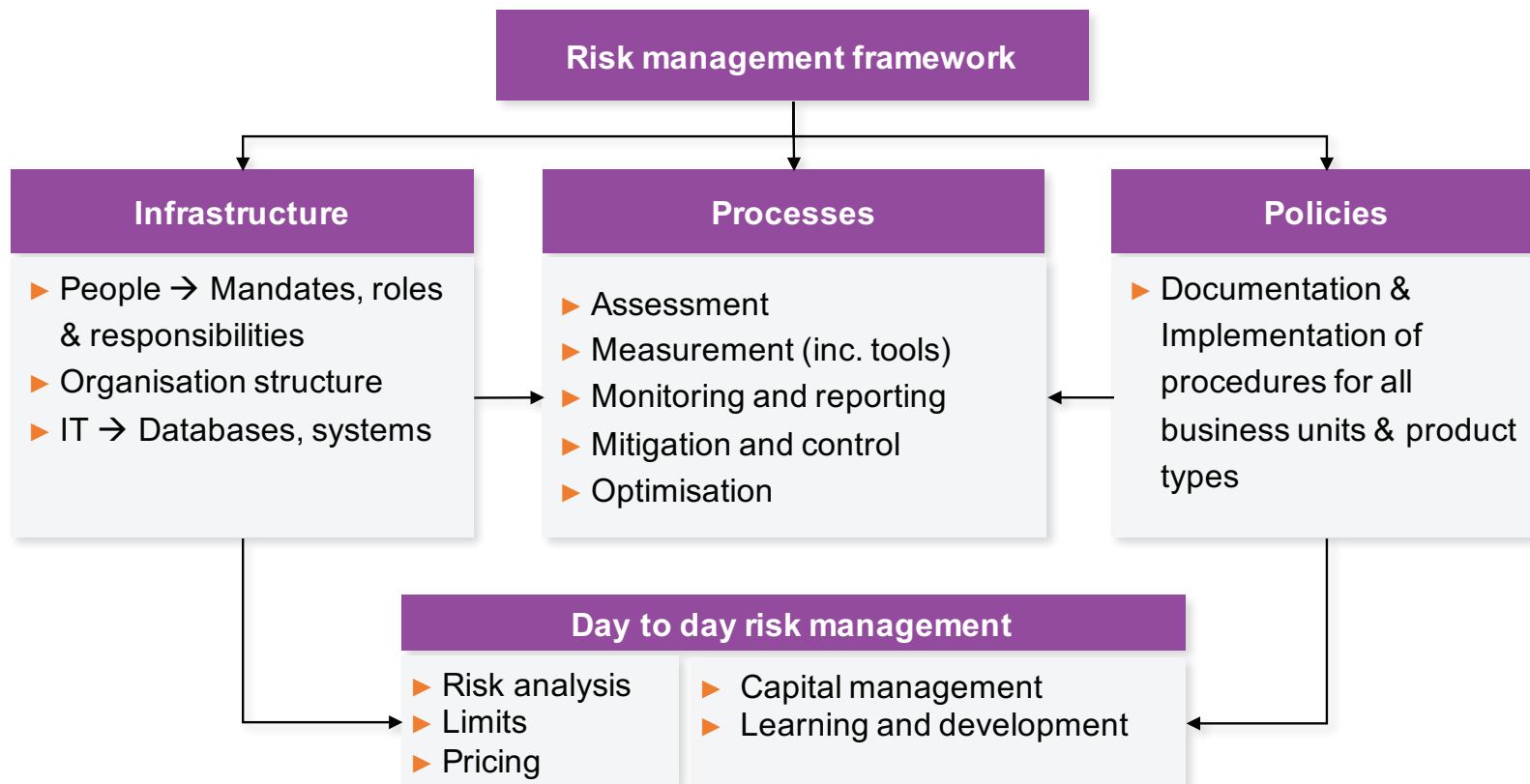
PalPay® – Palestine Payments – As the leading payment platform company PalPay has been successful since inception utilizing the many POS machines and enabling payment of bills from various outlets revolutionizing the payment systems in Palestine. The number of electronic transactions conducted during the year through PalPay® reached more than 16.44 million, an increase of 6% compared with 2017. 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.



MAJOR SHAREHOLDERS	PERCENTAGE
Al Muhalab Real Estate Kuwaiti Co.	7.21%
International Finance Corporation IFC	4.72%
Hashim Hani Shawa	3.74%







- ▶ 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 light gray binary code pattern (0s and 1s) on a white background. A solid black horizontal rectangle spans the width of the slide, positioned in the middle. Inside this rectangle, the title text is displayed in white. The text is centered and consists of two lines: "BANK OF PALESTINE" on the top line and "FINANCIAL HIGHLIGHTS" on the bottom line. The font is a clean, sans-serif typeface.

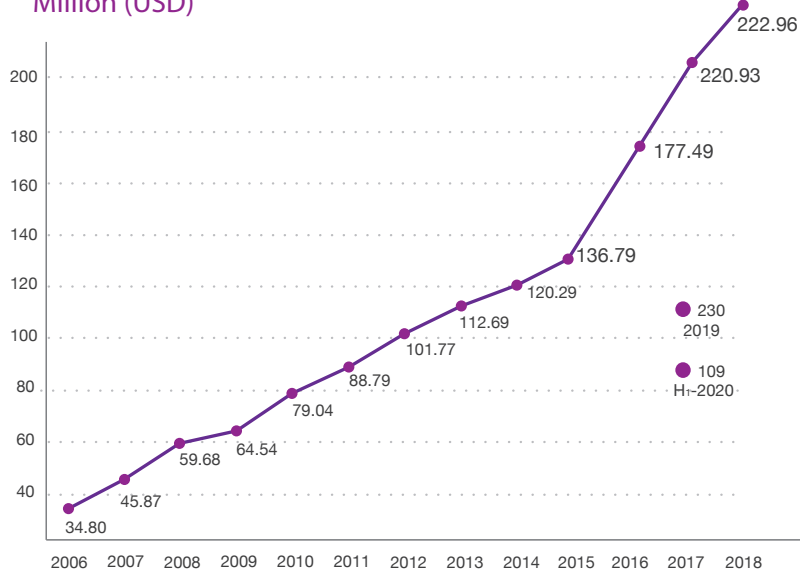
BANK OF PALESTINE FINANCIAL HIGHLIGHTS

BOP - KEY PERFORMANCE INDICATORS



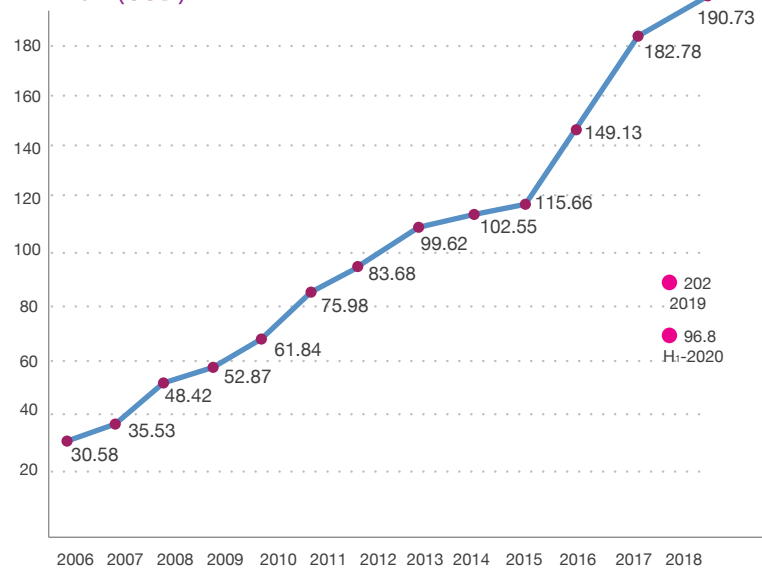
Total Revenue

Million (USD)



Net Interest & Commissions Income

Million (USD)



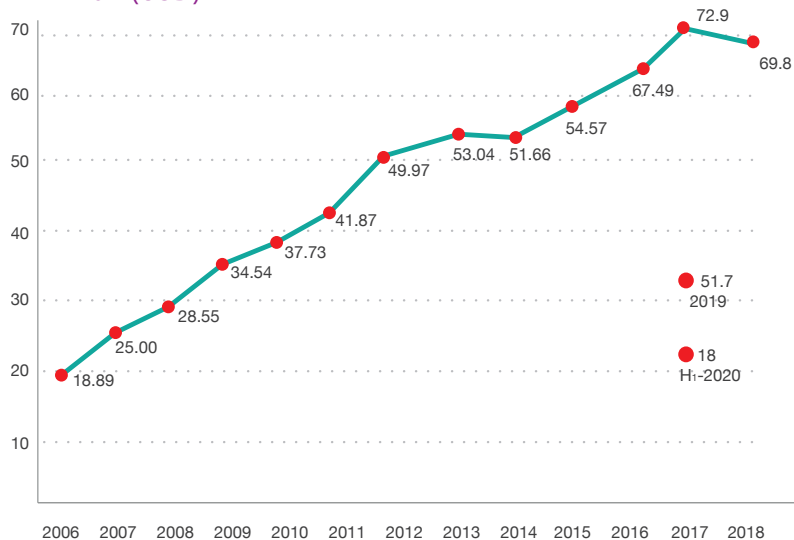
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE



Profit Before Tax

Million (USD)



Net Profit

Million (USD)



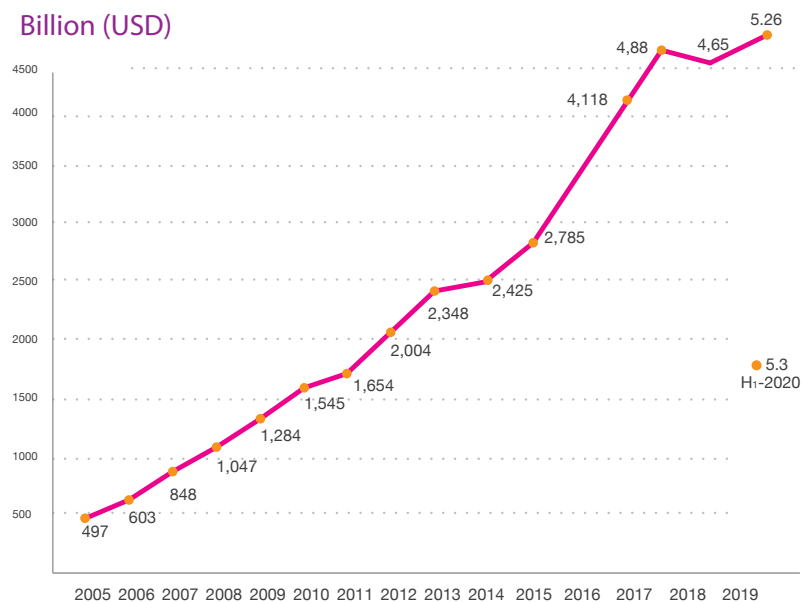
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE



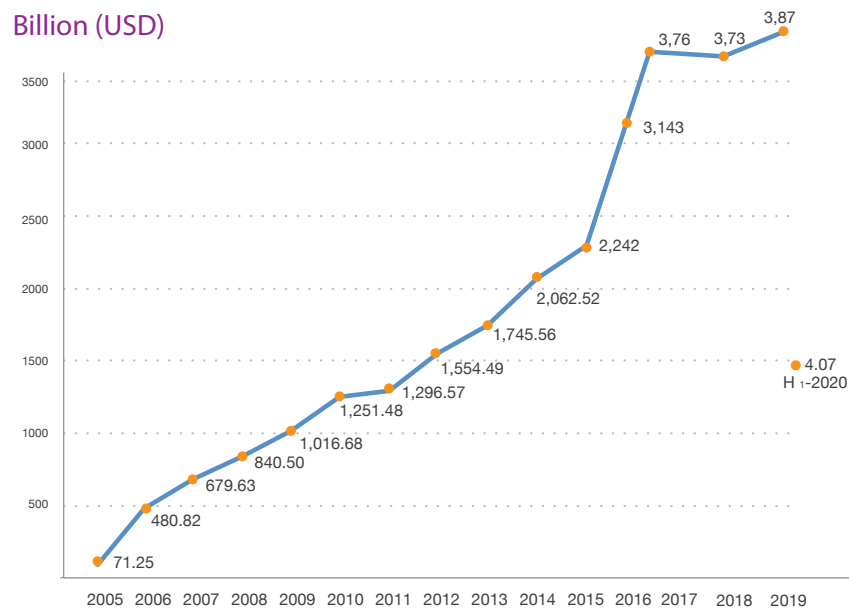
Assets

Billion (USD)



Customer Deposits

Billion (USD)

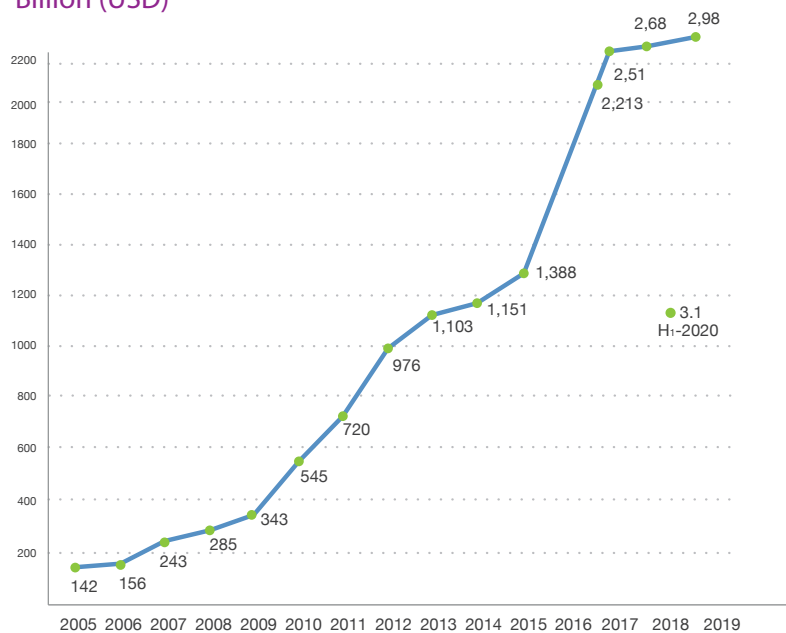


BOP - KEY PERFORMANCE INDICATORS



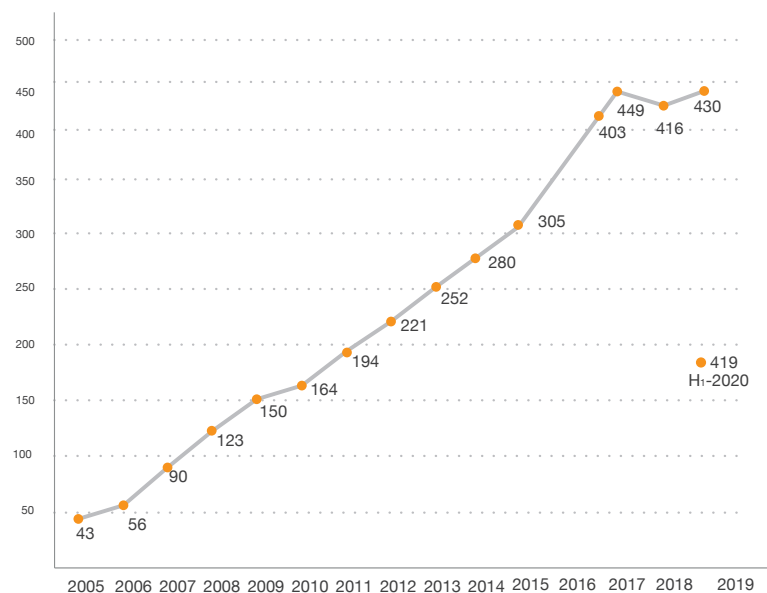
Net Loans

Billion (USD)



Shareholders' Equity

Million (USD)

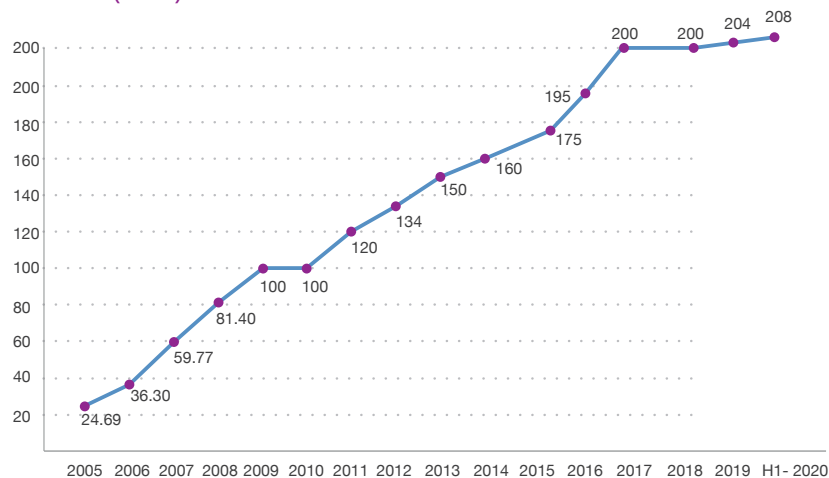


BOP - KEY PERFORMANCE INDICATORS

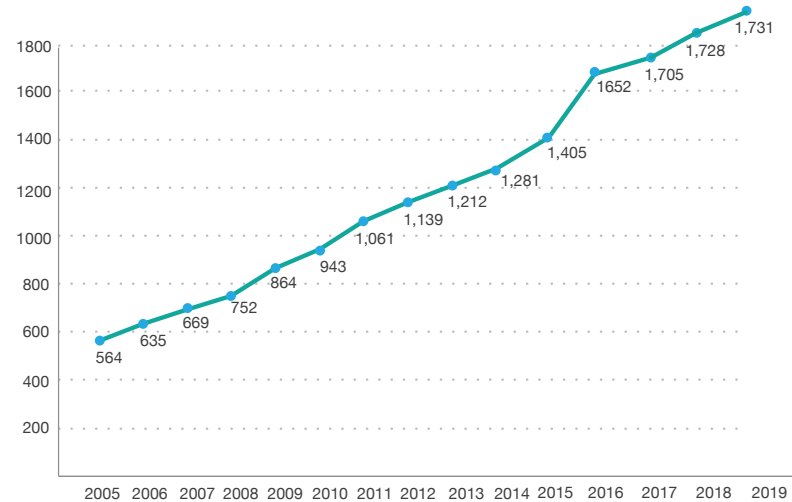


Paid-Up Capital

Million (USD)



No. of Employees

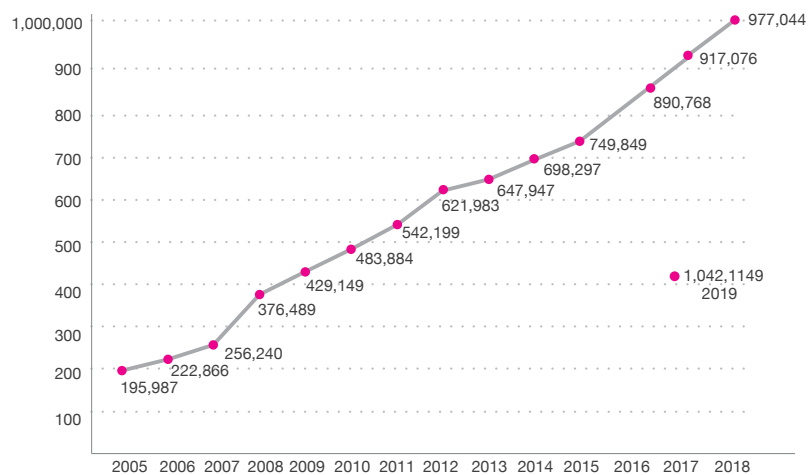


BOP - KEY PERFORMANCE INDICATORS

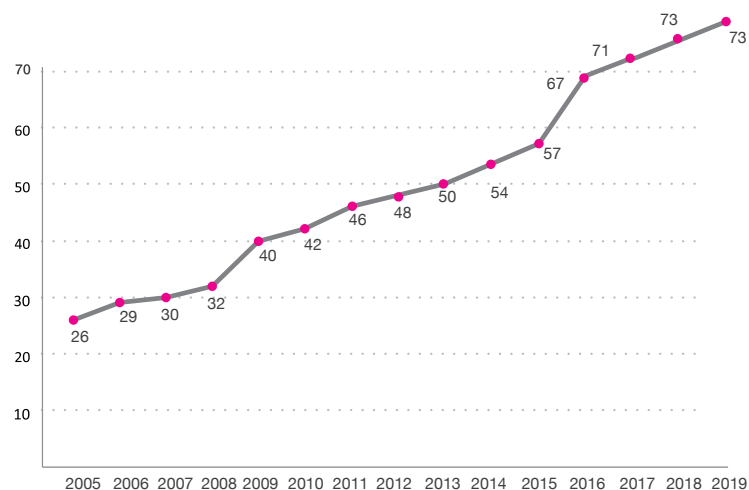
بنك فلسطين
BANK OF PALESTINE



No. of Customers



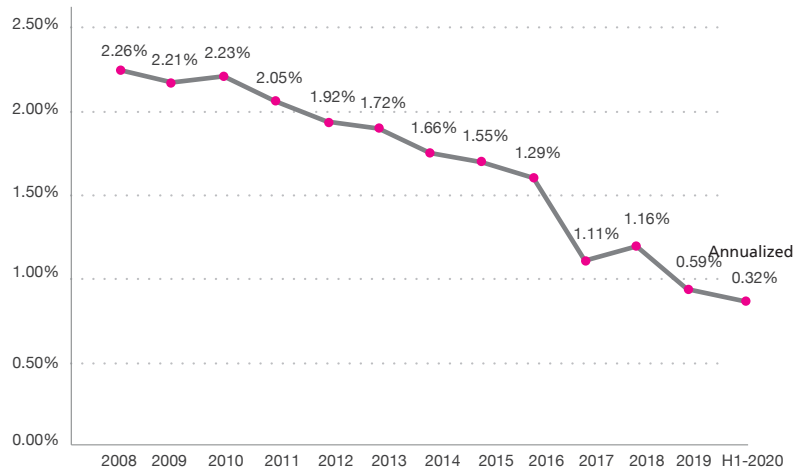
No. of Branches



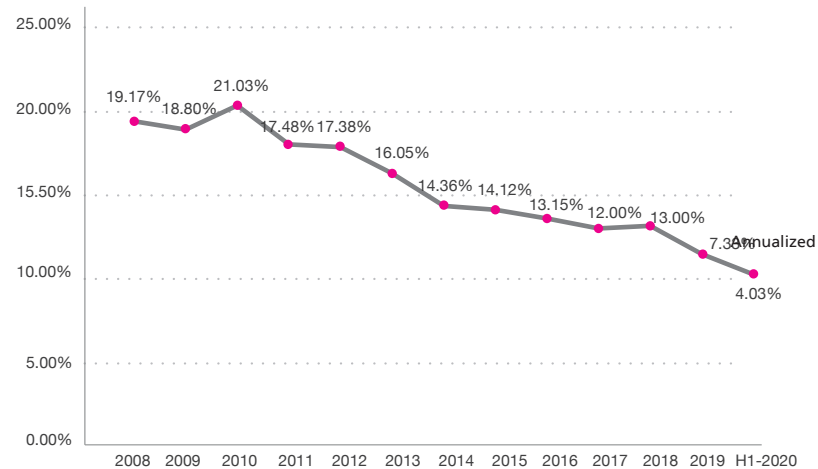
BOP - KEY PERFORMANCE INDICATORS



ROA



ROE





Annualized - ROA	0.32%
Annualized - ROE	4.03%
Net Interest and Commissions Income/Total Revenues	88.75%
Cost to Income Ratio	83.35%
Market Share - Deposits	31.40%
Market Share - Loans	33.70%
NPLs%	4.10%
Loans/Deposits Ratio	71.81%
Capital Adequacy Ratio	14.54%
Coverage Ratio	64.86%
Dividend Yield 2019	4.00%
Book value	2.02\$
(EPS) Earning Per Share	0.08\$
PE Ratio	22.13 x
P/B Value	0.88 x

BOP - INVESTOR RELATIONS- CORPORATE ACTIONS AND DIVIDENDS

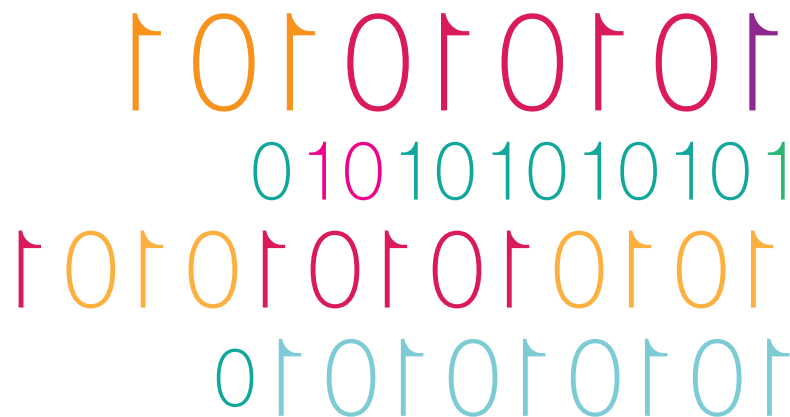
بنك فلسطين
BANK OF PALESTINE



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%



- 70% Young Population
- 89% mobile penetration
- 80% Internet Penetration
- Major opportunity for infrastructure projects
- 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



www.bop.ps/en/ir



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Bank of Palestine
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