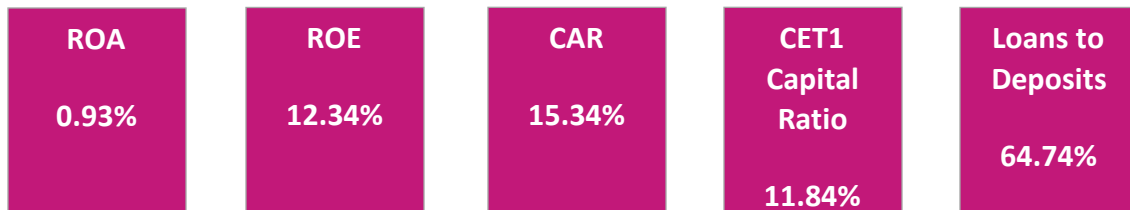


For Immediate Release
Bank of Palestine Group
October 31, 2021

THIRD QUARTER 2021 RESULTS AND KEY METRICS



NET REVENUE (GROSS PROFIT) OF \$194.5 MILLION

NET PROFIT OF \$44.8 MILLION

EARNINGS PER SHARE OF \$0.19

Key Messages & Highlights

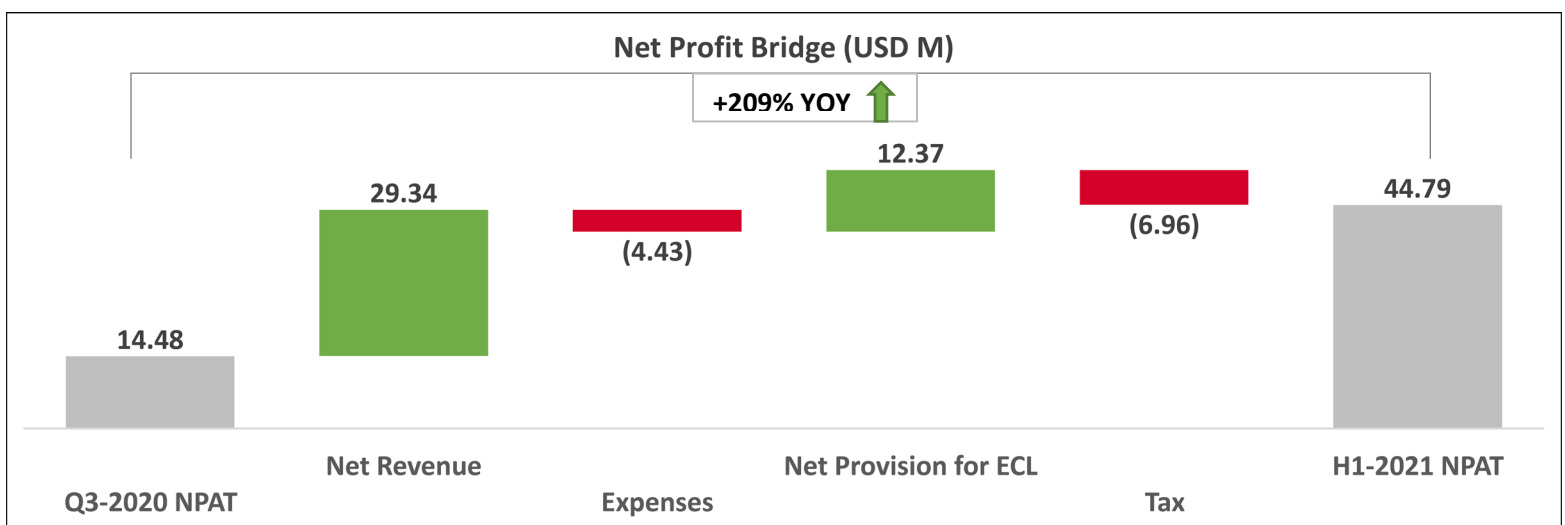
- Revenues increased by 17.8% from USD 165.2 million in Q3 2020 to USD 194.5 million in Q3 2021.
- Interest income increased as a result of growth in the Bank's credit portfolio.
- Profit before tax increased by 132.5% from USD 28.1 million in Q3 2020 to USD 65.4 million in Q3 2021.
- There was a significant gain in foreign exchange due to the increase in the volume of the opening of the economy.
- Furthermore, improved gains were realized from investment portfolio due to better dividends payout and the recovery of stock exchanges in the region.
- Better control of operating expenses and enhanced collection also contributed to higher profits.
- Enhanced collection and follow-up in addition to better NPL management also resulted in improved cost of risk.
- Net profit increased by 209.3% from USD 14.5 million in Q3 2020 compared to USD 44.8 million in Q3 2021.
- Total assets increased by 10.1% from USD 5.8 billion at the end of 2020 to USD 6.4 billion in Q3 2021.
- Net Loans increased by 4.0% from USD 3.3 billion at the end of 2020 to USD 3.4 billion in Q3 2021.

- Customer deposits increased by 8.6% from USD 4.8 billion at the end of 2020 to USD 5.2 billion in Q3 2021.
- Total shareholders' equity increased by 11.7% from USD 433.5 million at the end of 2020 to USD 484.1 million in Q3 2021.

Other Messages

- The Bank has increased its paid up capital to USD 217.4 million through a private placement with FISEA - the AFD Group Investment Vehicle advised by Proparco. FISEA is now a strategic partnership and shareholder of Bank of Palestine with an ownership of 3.34%. This partnership includes a technical assistance program to boost BOP's initiatives to invest in financial and digital inclusion.
- Bank of Palestine has won the World's Best Trade Finance Providers 2021 Country Award by Global Finance.
- Bank of Palestine signed a trade facilitation program with EBRD with a USD 5 million limit to support local exporters and importers while expanding its correspondent banking network.
- As part of the its sustainability goals towards the community and people, the Bank donated a medically fitted bus for Augusta Victoria Hospital in Jerusalem to facilitate the transportation of patients especially the disabled.

Ramallah, Palestine October 31, 2021- Bank of Palestine Group (BoP) announced its financial results reporting net profit for the third quarter of 2021 of USD 44.8 million and revenues of USD 194.5 million compared to net profit of USD 14.9 million and gross profit of USD 165.2 million for the third quarter of 2020. Total assets increased to USD 6.4 billion compared with USD 5.8 billion at the end of 2020. The Bank's total shareholders' equity also increased to USD 484.1 million compared with USD 433.5 million at the end of 2020.



Chairman and CEO Commentary

*Commenting on the results, **Mr. Hashim Shawa, Bank of Palestine Group Chairman** said: “The Bank’s standout performance shows robust results as it continues to play a significant role in supporting the economic recovery post COVID- 19. We are very proud of the Group’s achievements in terms of financial performance and also in terms of its engagements with its stakeholders as we attracted a new strategic and international partner and shareholder – FISEA/Proparco - in line with the Bank’s capital adequacy plan. The Bank continues to uphold its commitment to growing the economy despite the macroeconomic challenges in Palestine”.*

***Mr. Mahmoud Shawa, the Bank’s CEO** commented: “Throughout the nine months of 2021, the bank finalized its segmentation project for better customer service and being more efficient on operations and better risk management. The Bank continues to support SMEs and developing new product programs for Retail. Furthermore, the Bank will adopt a different mindset reference ESG and digital banking in all its operations as part of its sustainability strategy. As for our employees, the Bank has started a new project in performance evaluation in line with the new organizational restructuring and career development plans.”*

Annex: Bank of Palestine Group Financials

Consolidated Statement of Financial Position

As of September 30, 2021

	9/30/2021	12/31/2020
	USD	USD
Assets		
Cash and balances with Palestine Monetary Authority	1,888,200,505	1,323,410,056
Balances and investments at banks and financial institutions	621,644,509	747,858,727
Financial assets at fair value through profit or loss	22,622,204	18,735,305
Direct credit facilities and Islamic financing	3,397,094,012	3,266,748,588
Financial assets at fair value through other comprehensive income	27,347,444	28,559,024
Financial assets at amortized cost	227,396,507	205,499,230
Investment in associates and a joint venture	9,765,638	5,946,380
Investment properties	26,106,919	25,884,919
Property, plant and equipment and right of use assets	114,942,559	121,430,377
Projects in progress	2,787,726	2,680,297
Intangible assets	14,598,706	15,428,395
Other assets	43,212,175	47,628,690
Total Assets	6,395,718,904	5,809,809,988
Liabilities and Equity		
Liabilities		
Palestine Monetary Authority's deposits	213,964,634	168,347,302
Banks and financial institutions' deposits	128,227,963	82,088,201
Customers' deposits	4,975,745,185	4,580,935,374
Cash margins	271,907,918	253,088,880
Subordinated loan	75,000,000	75,000,000
Loans and borrowings	39,507,500	27,636,180
Istidama loans from Palestine Monetary Authority	14,592,659	9,134,926
Lease liabilities	31,678,994	33,453,914
Sundry provisions	50,482,217	48,851,375
Taxes provisions	13,244,497	4,610,652
Other liabilities	97,303,331	93,142,513
Total Liabilities	5,911,654,898	5,376,289,317
Equity		
Paid-in share capital	217,433,527	208,080,000
Additional paid-in capital	29,575,688	24,848,415
Statutory reserve	56,970,341	56,970,341
Voluntarily reserve	246,361	246,361
General banking risks reserve	10,311,877	10,311,877
Pro-cyclicality reserve	40,000,000	40,000,000
Fair value reserve	(2,262,128)	(4,999,792)
Retained earnings	72,751,617	43,763,159
Total equity holders of the Bank	425,027,283	379,220,361
Non-controlling interests	59,036,723	54,300,310
Total Equity	484,064,006	433,520,671
Total Liabilities and Equity	6,395,718,904	5,809,809,988

Consolidated Income Statement

For the period ended Septemebr 30, 2021

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Interest Income	126,022,196	119,790,223
Interest Expenses	(30,244,103)	(31,191,463)
Net Interest Income	95,778,093	88,598,760
Net financing and investment income	35,184,868	24,966,904
Net commissions income	33,824,627	33,796,439
Net Interest and Commissions Income	164,787,588	147,362,103
Foreign Currency Gain	16,265,112	11,206,460
Net gains from financial assets portfolio	6,407,742	11,224
Bank's share of results of associates and a joint venture	318,194	337,458
Other revenues	6,764,411	6,290,194
Gross Profit	194,543,047	165,207,439
Expenses		
Personnel Expenses	(59,342,181)	(55,524,177)
Other operating expenses	(37,168,835)	(36,526,639)
Depreciation and amortization	(13,414,258)	(14,094,014)
Provision for expected credit losses, net	(17,711,711)	(30,082,971)
Credit facilities not previously provided for and written off	(1,494,988)	(820,740)
Palestine Monetary Authority's fines	-	(22,330)
Total Expenses	(129,131,973)	(137,070,871)
Profit before taxes	65,411,074	28,136,568
Tax expense	(20,618,511)	(13,653,745)
Profit after taxes	44,792,563	14,482,823

Comprehensive Income Statement

For the period ended September 30, 2021

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Profit for the period	44,792,563	14,482,823
Comprehensive Income Items:		
Change in the fair value of financial assets	3,272,059	(1,922,419)
Total Other Comprehensive Income items	3,272,059	(1,922,419)
Total comprehensive income for the period	48,064,622	12,560,404

For the full set of financial statements, please visit our [website](#). For more information, please contact:

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