



Bank of Palestine Group



INVESTOR PRESENTATION - H1 2021





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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

MARKET REVIEW- DEMOGRAPHICS

بنك فلسطين
BANK OF PALESTINE



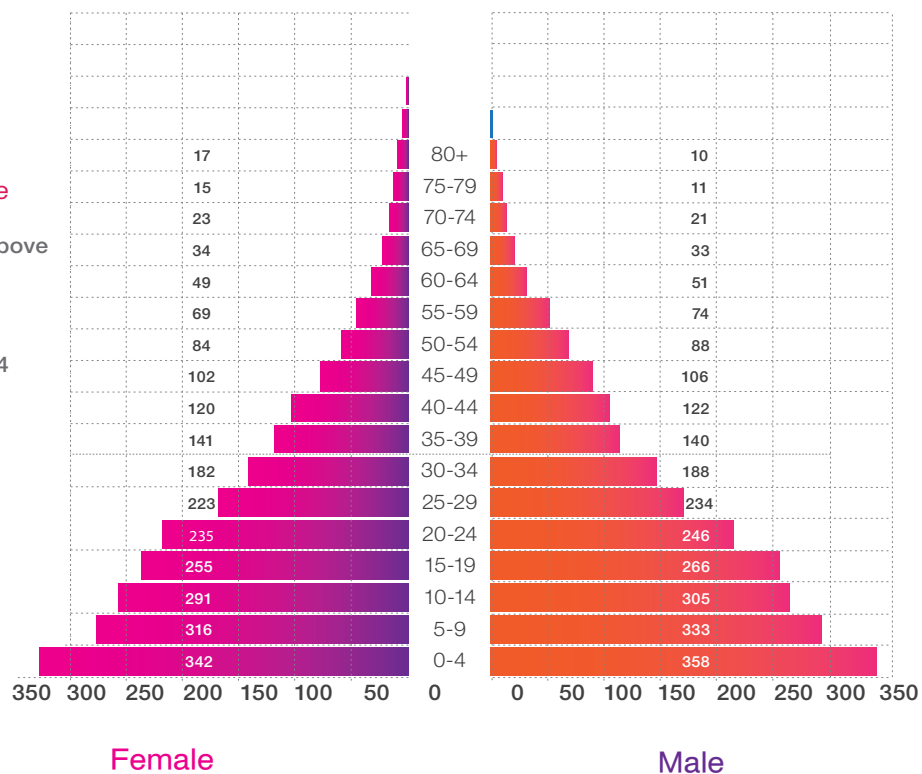
PALESTINE TOTAL POPULATION: 13.6 M
In Palestine: 5.2M (38%)
In the Diaspora: 8.4M (62%)
LITERACY RATE
97%
CURRENCY
Jordanian Dinar JOD
American Dollar USD Dollar
Israeli Shekel ILS

Age

3% 65+above

22% 35-64

75% 0-34



Total population in Palestine (thousand)



GDP | Capita

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2191	2557	2880	3067	3315	3352	3272	3527	3620	3562	3656	3239

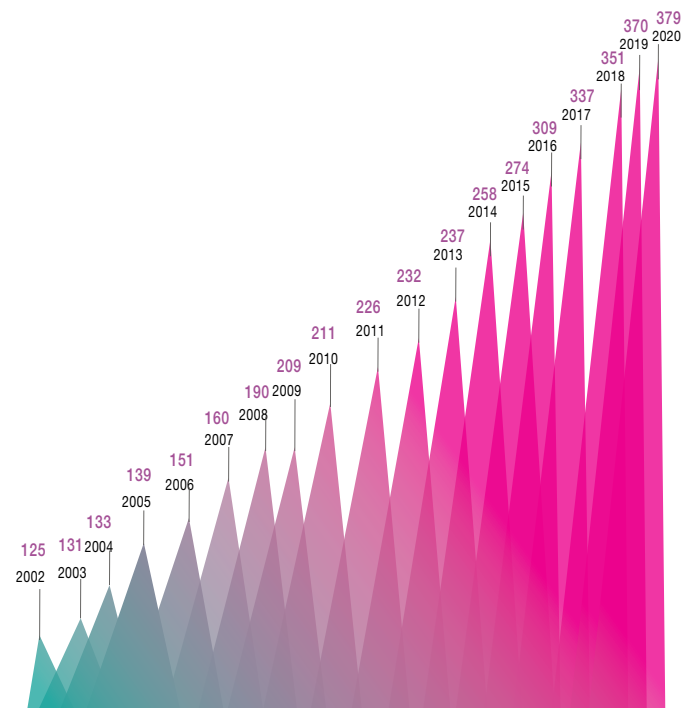
GDP 15.56 Billion (2020)

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

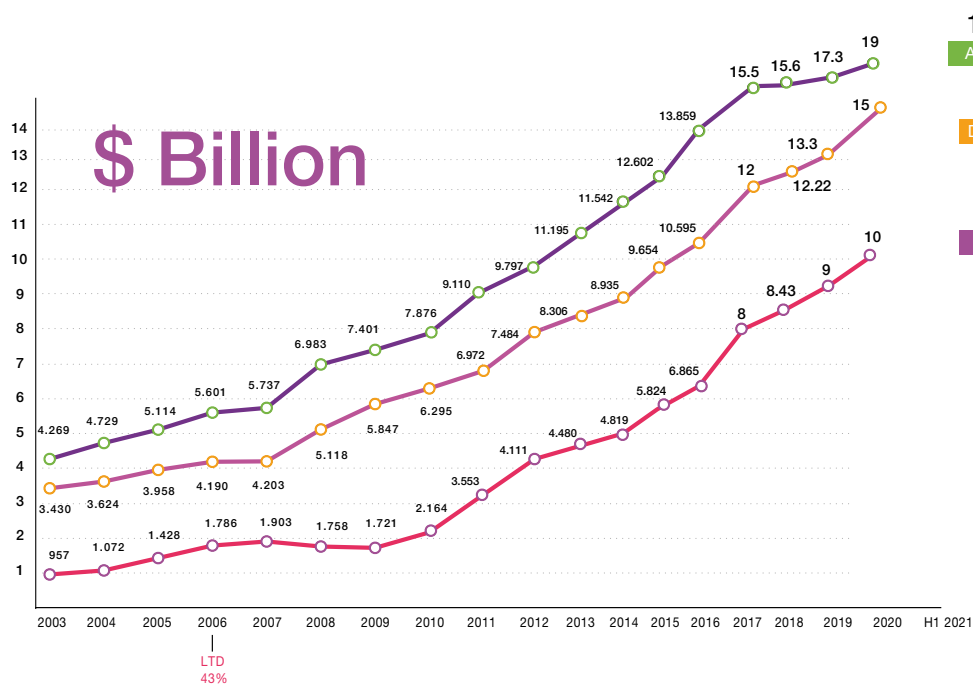


13 Banks Operating in Palestine

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

9.37%

Deposits

32.42%

Loans

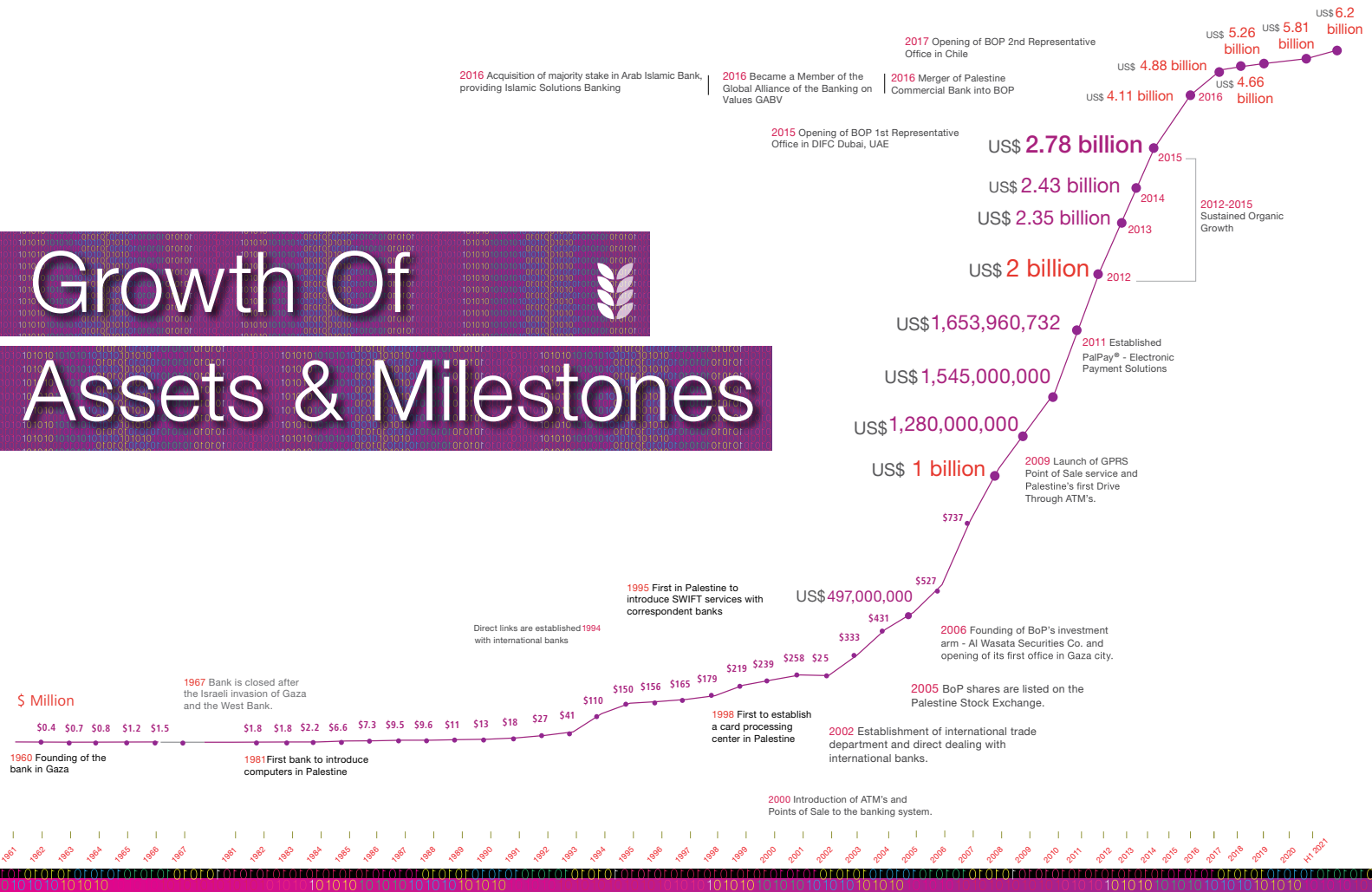
33.55%



BANK OF PALESTINE OVERVIEW



Growth Of Assets & Milestones

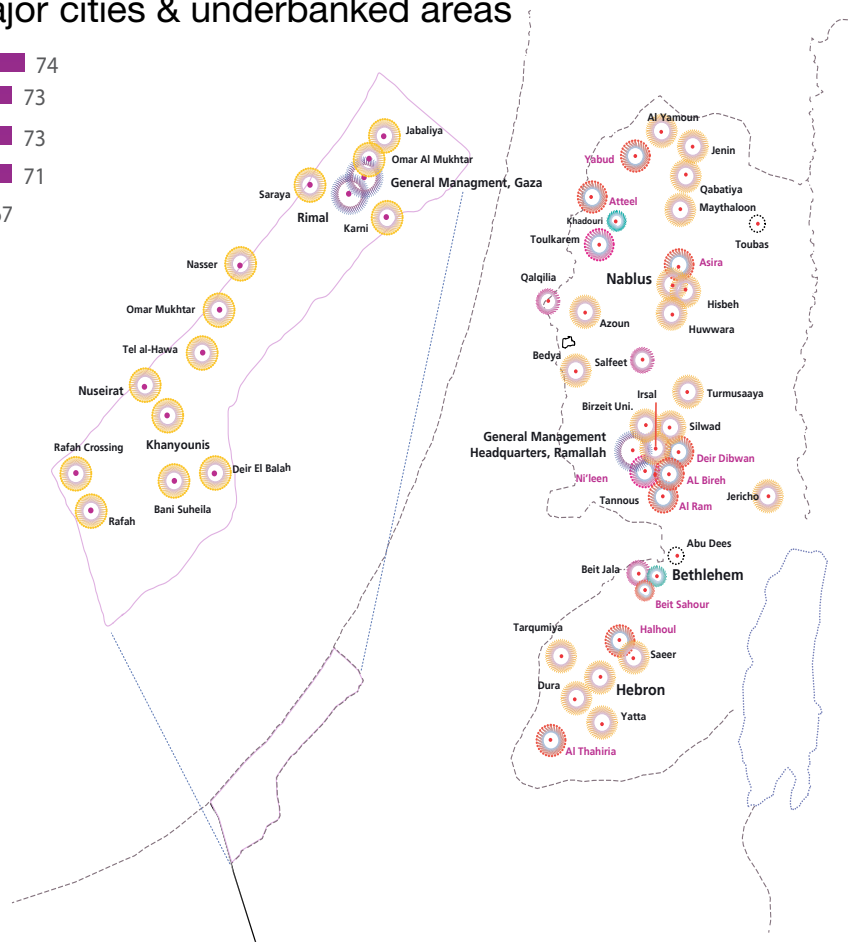
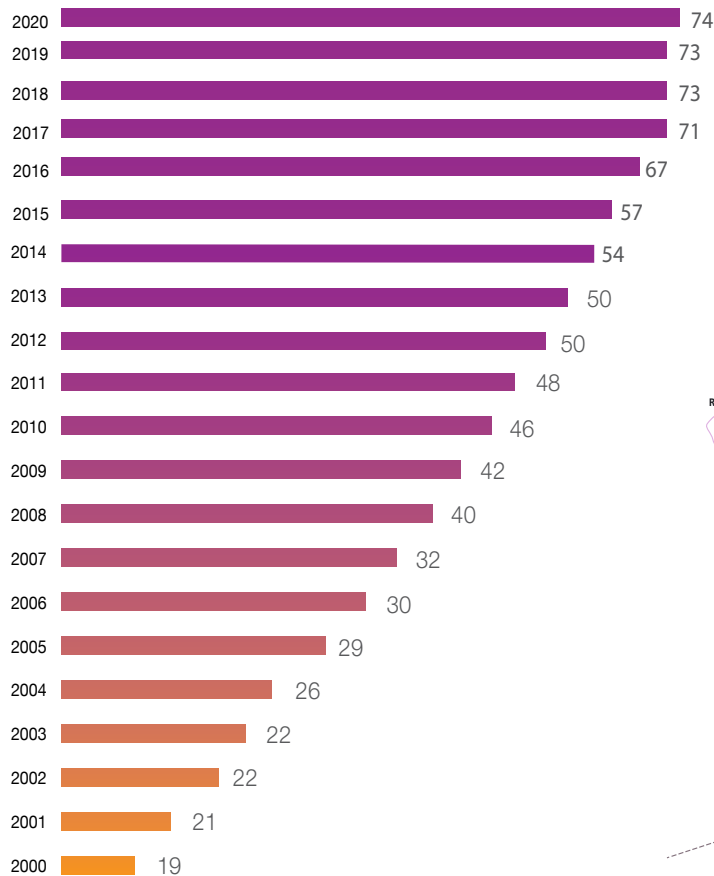




Palestine's largest banking network with

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

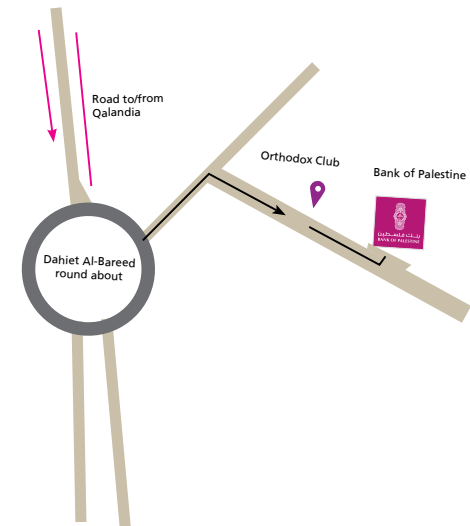
BOP - FLAGSHIP EAST JERUSALEM - DAHIYAT ALBARID BRANCH



OPENED 2017

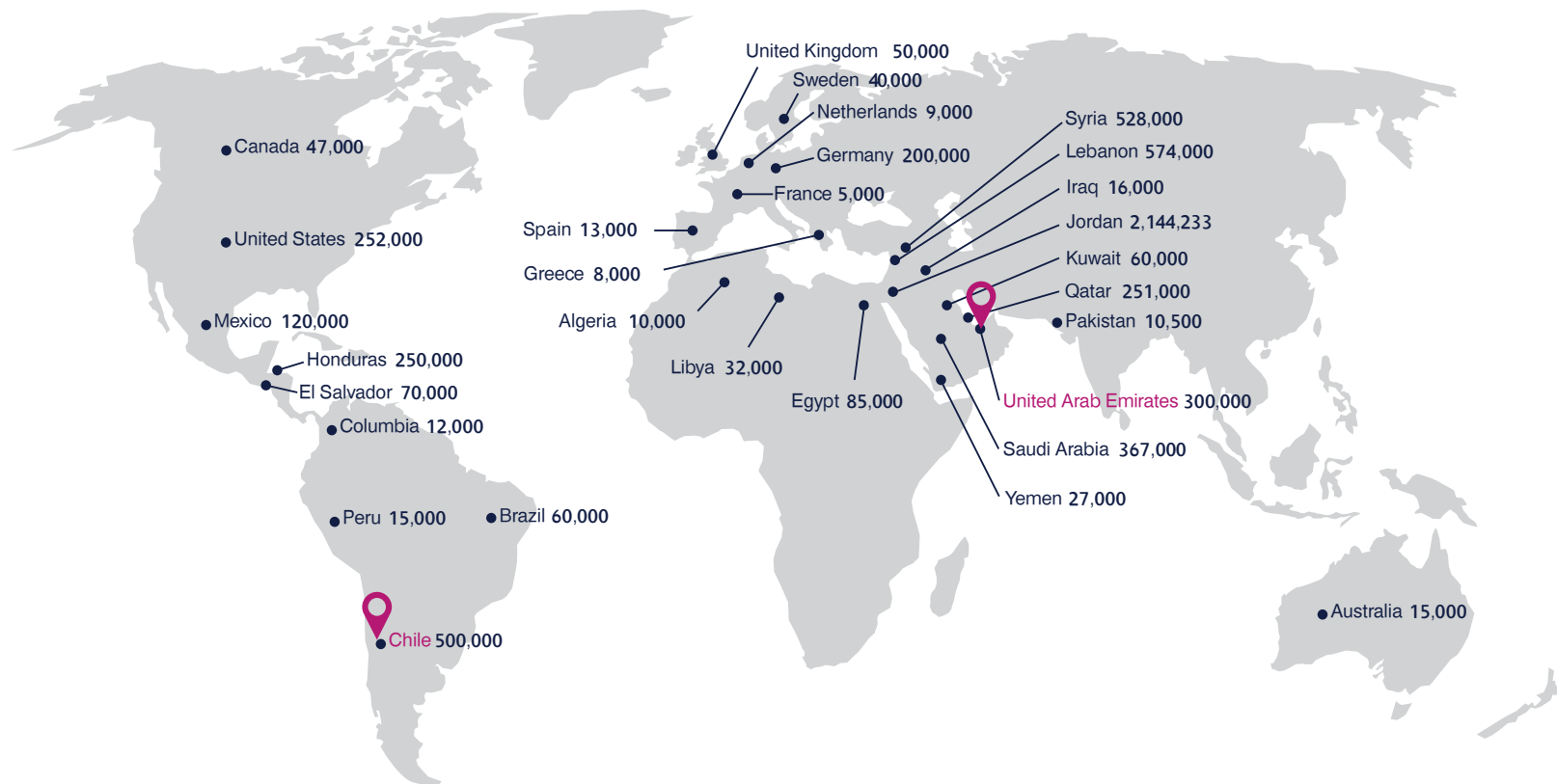


Branch Location: 31.844204,35.230846
Tel: 02` 2366700



East Jerusalem, Beit hanina, Dahiyat Albarid Branch







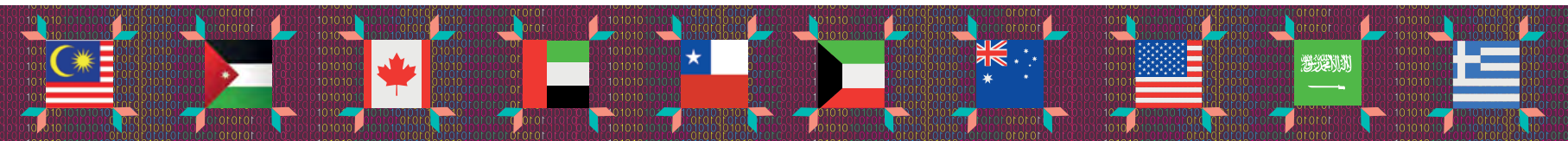
DIASPORA DEPARTMENT

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

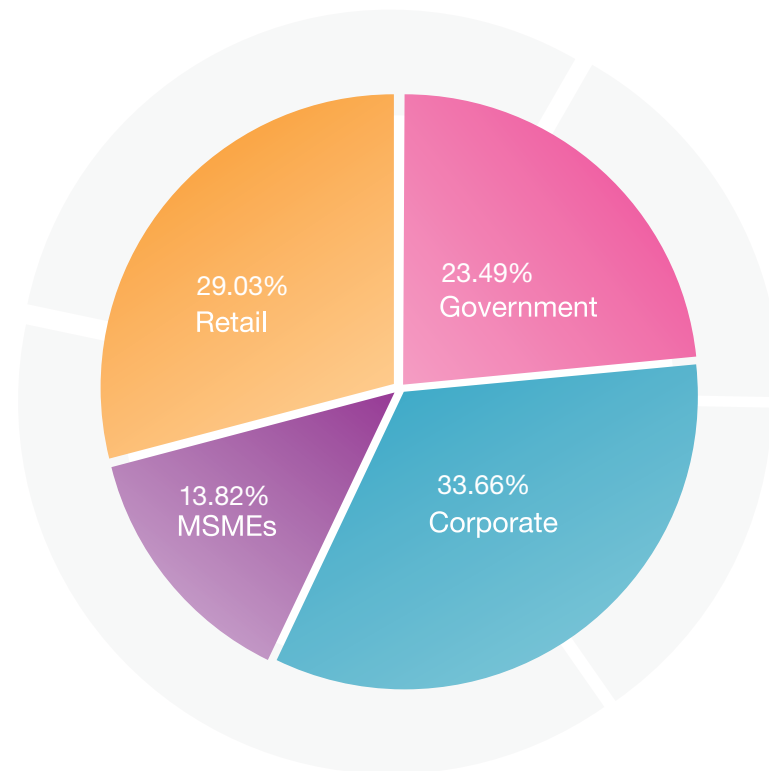


REPRESENTATIVE OFFICE SERVICES:

- 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) .




Diversified Loan Portfolio H1 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

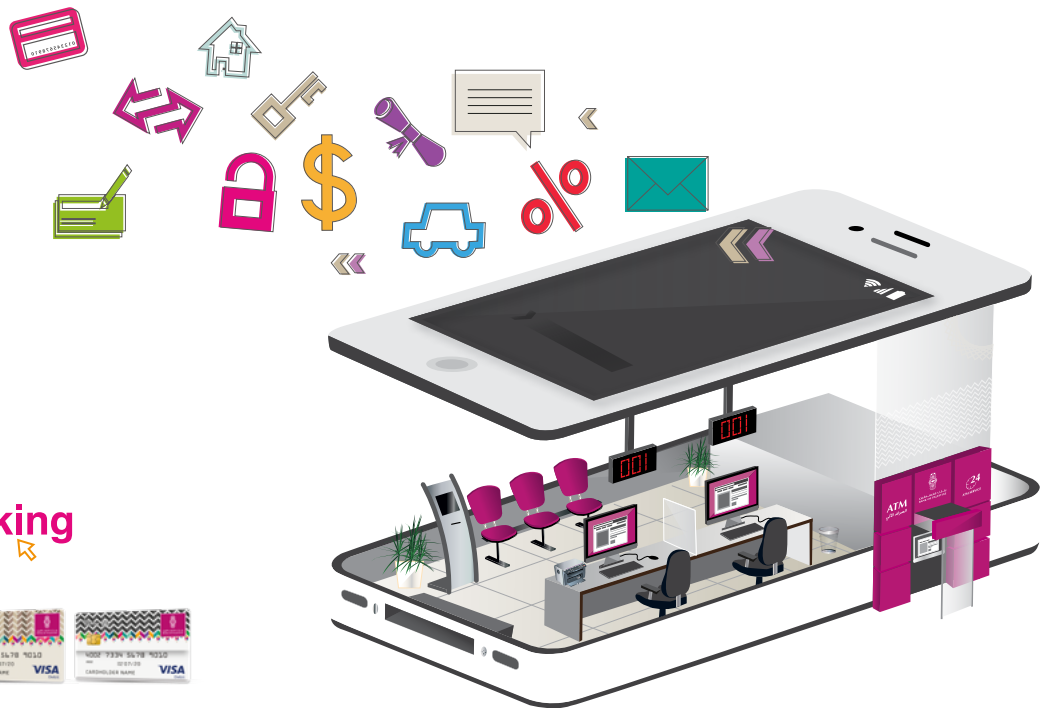
Focus on gender inclusion and Women empowerment through a comprehensive program:

- 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

الوطني QNB

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 الاستثمار العربي الأردني

Bank 鄞州銀行 Yinzhou Bank

浙江稠州商业银行 ZHEJIANG CHOUZHOU COMMERCIAL BANK

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Bank of the Year for Financial Inclusion

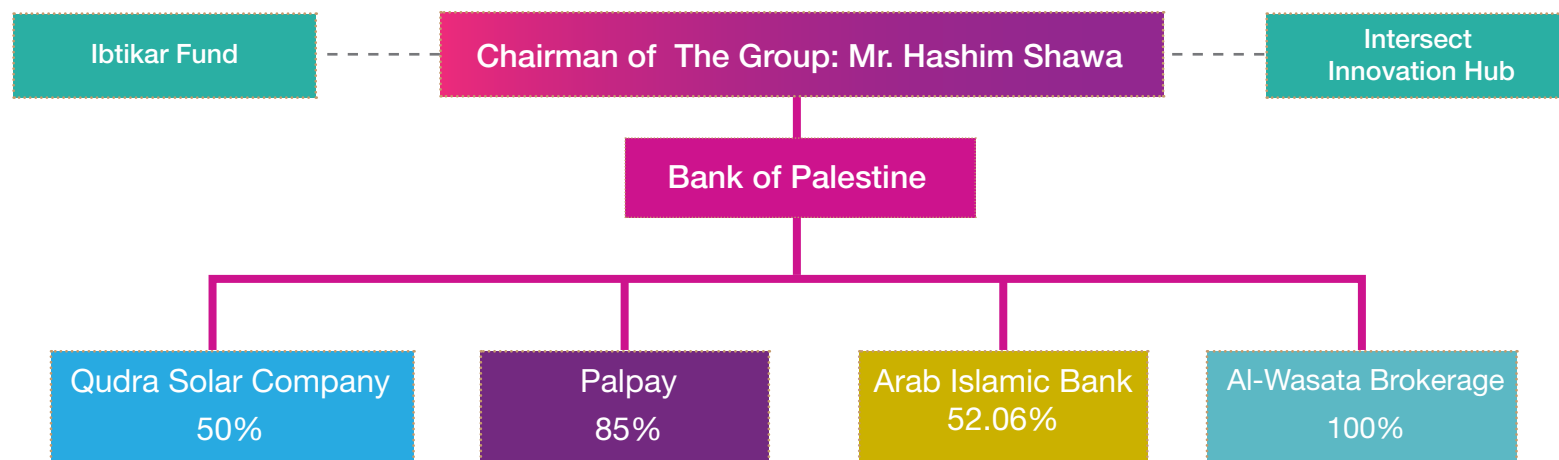


Global Alliance for Banking on Values



Global Banking Alliance for Women
BUILDING WOMEN'S WEALTH WORLDWIDE







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 1,666,861,572 with net profits in H1 2021 of USD 6,110,435.





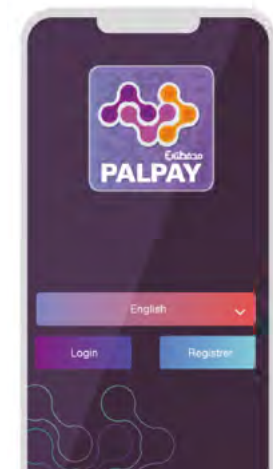
PALPAY E-WALLET

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 | @intersect_hub | 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 whom 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.	7.38%
Hashim Hani Shawa	4.10%





- 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 slide features a central dark blue rectangular area with a vibrant, multi-colored digital rain pattern of binary code (0s and 1s) in shades of red, green, yellow, and blue. The text "BANK OF PALESTINE" is displayed in a large, bold, white sans-serif font, with "FINANCIAL HIGHLIGHTS" below it in the same style. The background of the slide is white, with horizontal bands of binary code at the top and bottom. A thin, horizontal rainbow-colored bar runs across the slide, passing behind the central blue rectangle.

BANK OF PALESTINE

FINANCIAL HIGHLIGHTS

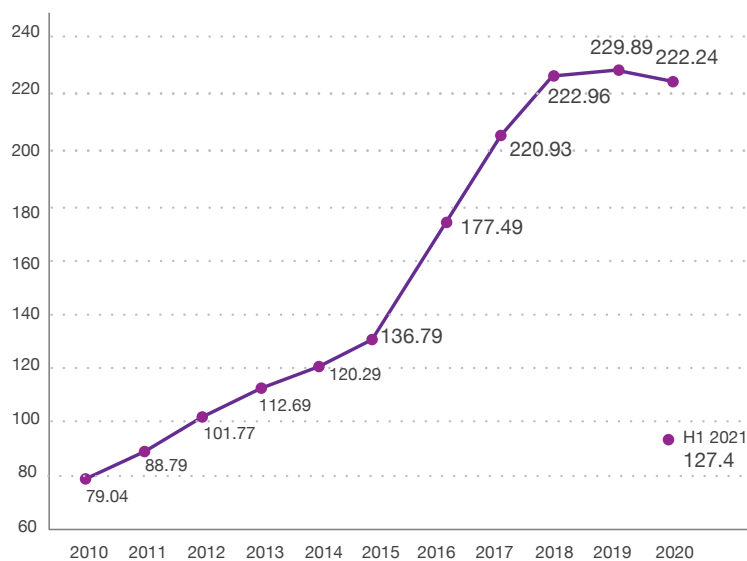
BOP - KEY PERFORMANCE INDICATORS

بنك فلسطين
BANK OF PALESTINE



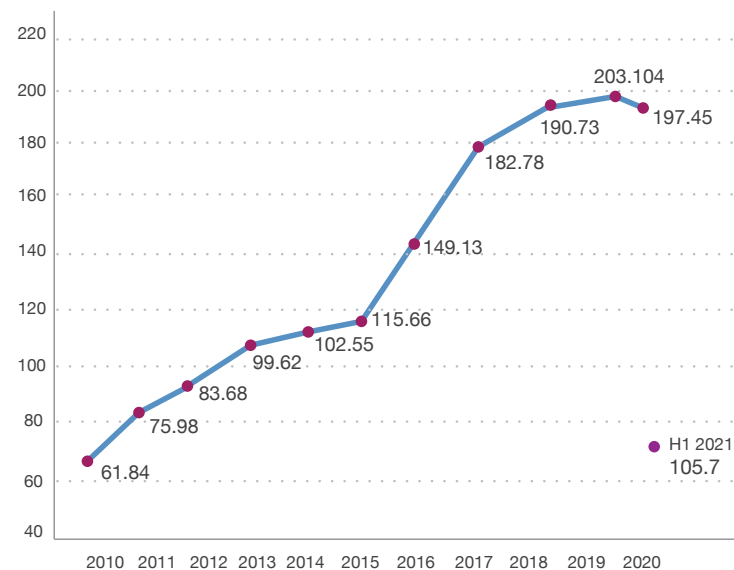
Total Revenue

Million (USD)



Net Interest & Commissions Income

Million (USD)



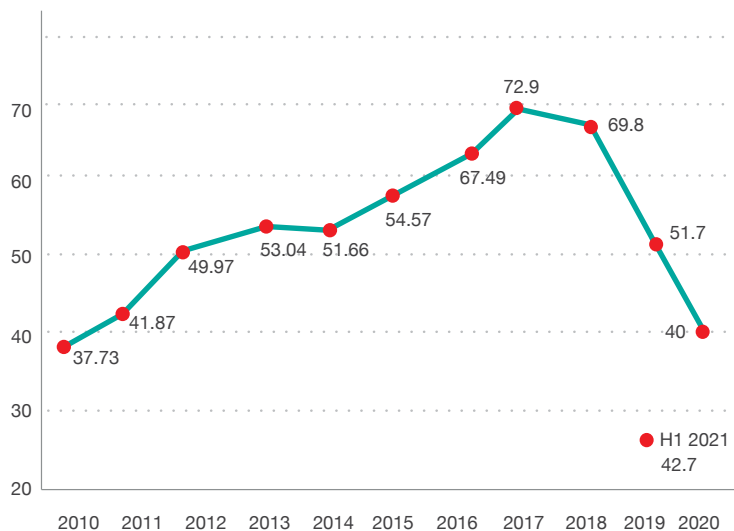
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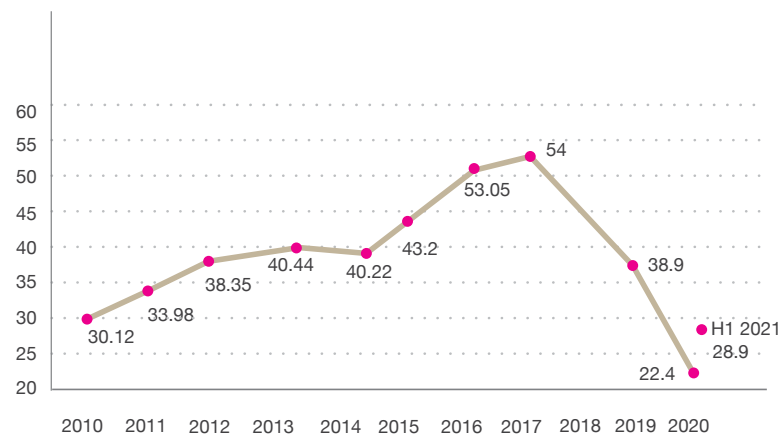
Profit Before Tax

Million (USD)



Net Profit

Million (USD)



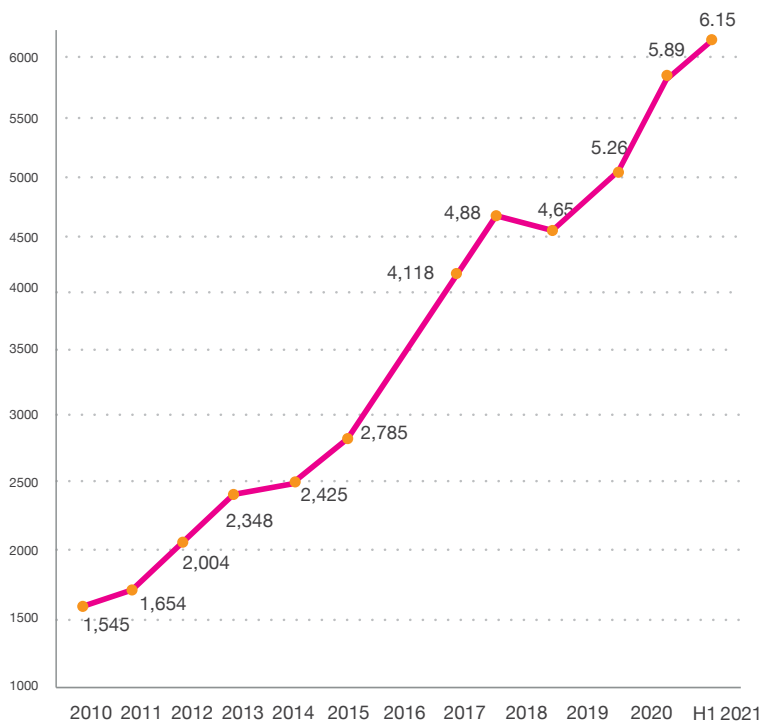
BOP - KEY PERFORMANCE INDICATORS

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BANK OF PALESTINE



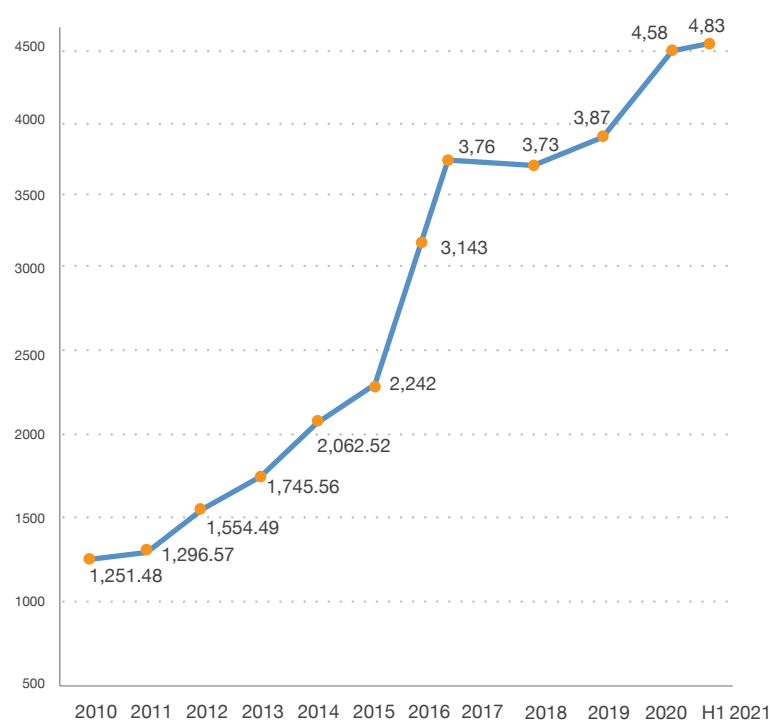
Assets

Billion (USD)



Customer Deposits

Billion (USD)



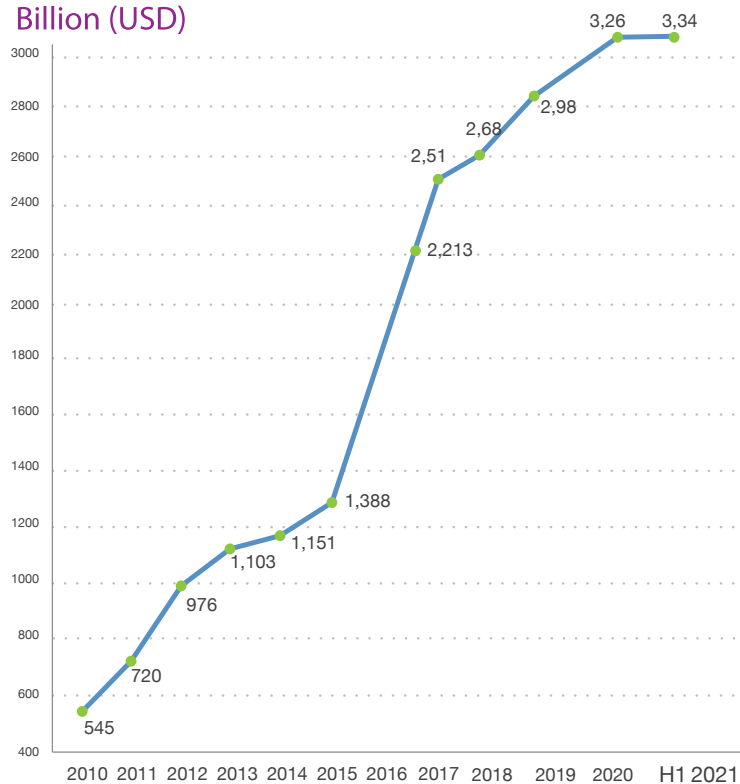
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BANK OF PALESTINE



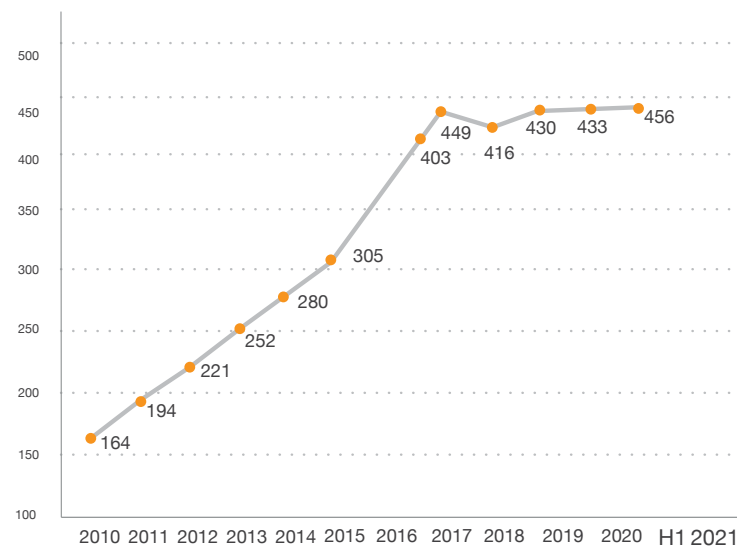
Net Loans

Billion (USD)



Shareholders' Equity

Million (USD)



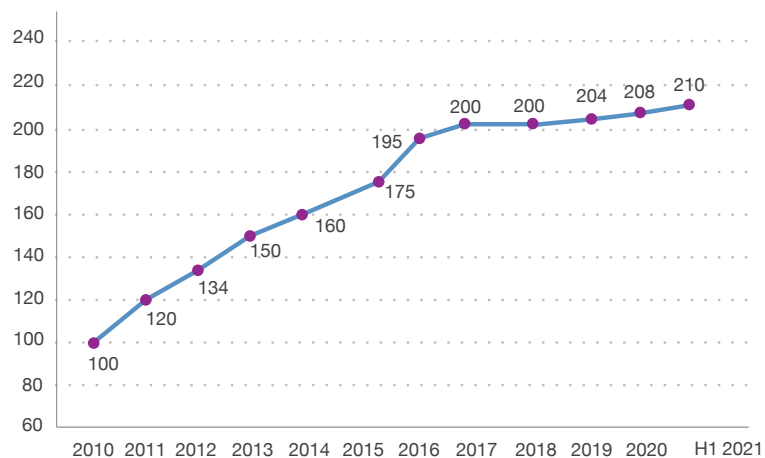
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BANK OF PALESTINE

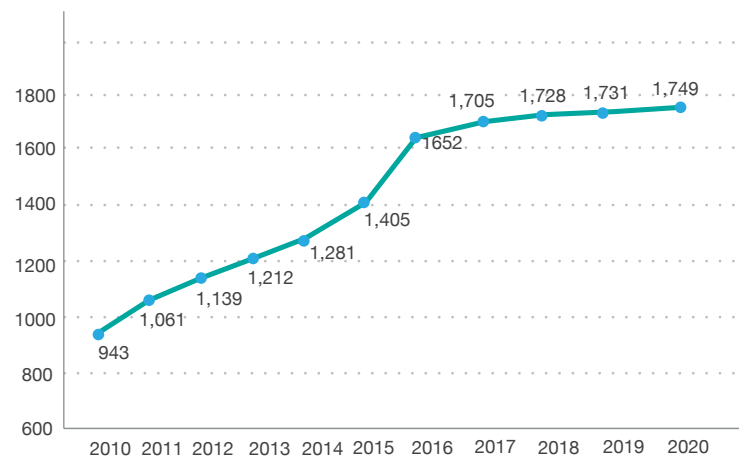


Paid-Up Capital

Million (USD)



No. of Employees

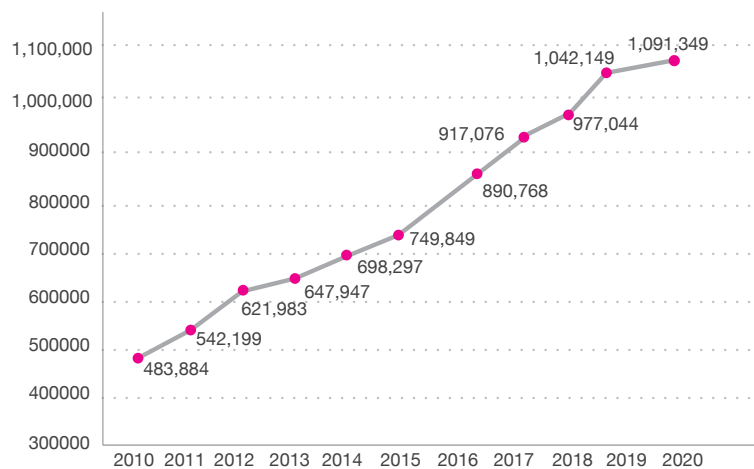


BOP - KEY PERFORMANCE INDICATORS

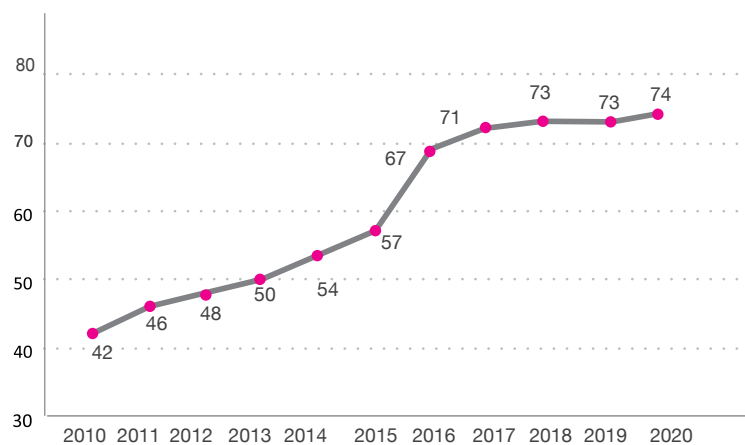
بنك فلسطين
BANK OF PALESTINE



No. of Customers



No. of Branches





ROA- Annualized (%)	0.94%
ROE-Annualized(%)	14.46%
Net Interest, Financing, Investment and Commissions Income/Total Revenues (%)	82.94%
Cost to income(%)	66.48%
Market Share - Deposits (%)	32.42%
Market Share - Net Loans (%)	33.55%
NPLs (%)	4.60%
Net Loans to Deposits (%)	65.54%
Capital Adequacy (%)	14.87%
Stage 3 -Coverage Ratio (%)	63.21%
Cash Dividend yield (%)	2.29%
Book value (\$)	\$1.90
Earnings Per Share (EPS) - Annualized (\$)	\$0.24
PE Ratio (x)	7.29x
Price to Book Value (x)	0.92x



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
2021								
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%
2020								
Stock Dividend	26/03/2020	29/04/2020	29/04/2020	204,000,000		4,080,000	208,080,000	2%
Cash Dividend-USD	26/03/2020	29/03/2020	29/03/2020		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%



www.bop.ps/en/ir



FOR FURTHER INFORMATION PLEASE CONTACT

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