



Press Release:

IFC sells its equity share in Bank of Palestine

Ramallah, Palestine, June 23, 2021: Bank of Palestine (BOP) and the International Finance Corporation (IFC) announced today IFC's selling of its equity share in BOP following the completion of IFC's development mandate after a 13-year tenure.

IFC continues its investment in Bank of Palestine's Tier 2 capital in the form of a USD\$75 million subordinated debt issued in 2016 with a tenure till year 2027. BOP was the first bank in Palestine to have this capital instrument, which is essential to the bank's growth strategy.

IFC first invested in BOP in 2008 and worked closely with BOP management to enhance financial inclusion, particularly for women, and risk management among other areas. Today, BOP is the leading financial entity in the West Bank and Gaza, with assets above USD\$5 billion and a banking market share of 30 percent.

"After 13 years of progress and sustained development, IFC will be making a planned sale of its equity stake in the bank while maintaining a significant investment of USD\$75million subordinated debt, we would like to express our gratitude for its commitment to developing the bank and our programs in accordance with sustainability practices and economic development goals," said **Hashim Shawa, Chairman of Bank of Palestine Group**.

"This was a journey of growth and development in the smaller business sector, in women's financial inclusion, and digital channels. Our work with IFC will continue after this exit as we continue to partner in national economic development initiatives," Shawa continued.

"We are delighted to see the bank's growth over the last decade," said **Youssef Habesch, IFC's resident representative in the West Bank and Gaza**. "We are committed to continue our support for financial institutions in the West Bank and Gaza through our investment and advisory solutions. This includes supporting the Palestinian Monetary Authority in developing its five-year microfinance strategy and the Capital Markets Authority in developing a road map for Islamic financing."

During its investment tenure, IFC worked with BOP on a host of advisory programs including trade finance, risk management and financial inclusion, as well as digital technology with PalPay, a subsidiary of Bank of Palestine, and an investment in the Tech Eco System via Ibtikar Innovation Fund.

BOP continues to enjoy diversified institutional and individual shareholders, including Palestinian investors, and others from the region, and the globe as it embarks on a sustainability journey to create value for its shareholders and stakeholders.

About Bank of Palestine (BOP):

Bank of Palestine has a long-embedded presence and experience in Palestine dating back to 1960. The bank has the most widespread branch network in Palestine (74 branches), a paid-up capital of USD\$ 210 million, and assets of USD\$ 5.81 billion, with 1,749 employees serving more than 1 million customers. BOP is engaged in retail, corporate, micro & SME, and Diaspora banking operations. BOP is the sole agent for issuing and acquiring Visa and MasterCard in Palestine with over 6,000 Point of Sale merchant terminals nationwide. It adopts a holistic sustainability strategy and has been the leader in Corporate Social Responsibility (CSR) in Palestine dedicating 5% of its net profit to community & human development. Bank of Palestine's stock (PEX: BOP) has been listed on the Palestine Exchange (PEX) since 2005. It is among the market's blue-chip stocks and represents more than 12% of total PEX market capitalization, visit www.bankofpalestine.com

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2020, we invested \$22 billion in private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

For further details:

Bank of Palestine

Kamel Hussein

Chief Strategic Engagements & Relations Officer

Kamel.husseini@bankofpalestine.com

International Finance Corporation:

Olena Harmash

Communication Officer

oharmash@ifc.org