



Ramallah and Paris, July 15th, 2021

Proparco invests in Bank of Palestine to foster inclusive growth in Palestine

Bank of Palestine (BOP) and Proparco jointly announced today the signing of an agreement that will see FISEA (the AFD Group fund advised by Proparco), invest USD 12 million in Bank of Palestine through a special issuance of shares. BOP is the leading banking group in Palestine with a deep commitment to financial inclusion, lending to Small and Medium-sized Enterprises (“SME”) and women empowerment. This investment, which comes along a EUR 340,000 technical assistance program to support BOP’s impact-driven projects, will support Bank of Palestine’s efforts to expand financial inclusion and help economic and social development in a fragile market, where economic woes were further exacerbated by the Covid-19 health crisis.

Bank of Palestine – a publicly listed company on the Palestine Stock Exchange – is the largest financial institution in Palestine with a market share of 30% and a footprint that covers the entire geography of the West Bank and Gaza, as well as representative offices in Chile and UAE. BOP has a deep-rooted commitment to inclusive finance to achieve sustainable social and economic development in the Palestine. It plays an important role in the Palestinian economy, by serving over 1 million customers including in underserved areas such as the Gaza Strip, by putting SMEs at the heart of its strategy and by promoting green finance. The bank has also been investing significantly in digital innovation, women empowerment, and corporate social responsibility.

This agreement comes after an extensive due diligence process conducted by Proparco and is in line with Bank of Palestine’s Extraordinary General Assembly approval to raise the capital of the bank to USD 250 million. After the special issuance of shares, BOP’s paid in capital will become USD\$ 217,433,527 in conformity with the bank’s capital adequacy plans for growth. The bank has received all necessary regulatory approvals for the investment and special issuance.

This equity investment will expand access to finance to more than 200 SMEs and corporates, thus impacting indirectly up to 10,000 jobs, and will stimulate the growth of the bank’s credit offer to individuals. It will be accompanied by a multi-annual technical assistance program of up to EUR 340,000 funded by a French government grant, through which Proparco will support BOP’s initiatives to invest in financial and digital inclusion and to develop its systems and policies.

Agence Française de Développement and Proparco, a subsidiary focused on private sector development (AFD Group), have had a long outstanding relationship with Bank of Palestine, providing essential financing and technical assistance to SME through the ARIZ guarantee facilities and renewable energy with the [SUNREF](#) program, through which BOP was a pioneer in green finance in Palestine.

“BOP is a strategic partner of the AFD Group, and the bank has demonstrated many times its profound impact on the economic and social development of Palestine. This investment demonstrates our

continued confidence in Bank of Palestine and in the strong economic potential of Palestine despite the challenges it faces. This capital increase will allow the bank to reinforce its high-impact lending activities serving Palestinian SMEs and corporates, while the technical assistance program will help it further its commitments to financial inclusion, green finance, gender equality, and innovation, all of which are at the heart of our mission.” said Grégory Clemente, CEO of Proparco during the signing ceremony.

Mr. Hashim Shawa, Chairman of Bank of Palestine Group said on the occasion of the signing of this agreement: “We welcome the entry of Proparco through FISEA as a strategic partner into Bank of Palestine. We see this as a vote of confidence in the bank’s development mission by the esteemed France Development Agency. We will continue to work towards creation of stakeholder and shareholder value as we enhance our sustainability strategy in line with SDGs and ESG principles. The entry of Proparco and the expertise the agency brings onboard will be instrumental in our growth and development strategy, especially in digital transformation, women and youth inclusion, innovation and sustainable finance.”

This equity investment is taking place in a complex economic and political context. It demonstrates the AFD Group’s commitment to supporting the private sector in fragile countries.

This project will contribute to SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth). It qualifies for the [2X Challenge](#), a multilateral initiative to support projects that empower women as entrepreneurs, company managers, employees, and consumers.

Press contact

BOP : Catherine Halteh: +972599390429 / Catherine.Halteh@bankofpalestine.com

Proparco : Florence Priolet: +33 1 53 44 47 32 / +33 6 20 11 02 04 / presse@proparco.fr

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/en

About Proparco

Proparco is the private sector financing arm of Agence Française de Développement Group (AFD Group). It has been promoting sustainable economic, social and environmental development for over 40 years. Proparco provides funding and support to both businesses and financial institutions in Africa, Asia, Latin America and the Middle-East. Its action focuses on the key development sectors: infrastructure, mainly for renewable energies, agribusiness, financial institutions, health and education. Its operations aim to strengthen the contribution of private players to the achievement of the Sustainable Development Goals (SDGs) adopted by the international community in 2015. To this end, Proparco finances companies whose activity contributes to creating jobs and decent incomes, providing essential goods and services and combating climate change. For a World in Common. For further information: www.proparco.fr/en and [@Proparco](https://twitter.com/Proparco)