Bank of Palestine announces Q1 2017 Financial Results

Net Profit of USD 12.34 million up by 18.74%

Results indicative of sustained customer confidence

Preliminary Financial Results Highlights

- Net profit of USD 12.34 million for the 1st quarter of the year 2017 with a 18.74% increase compared to USD 10.39 million for the same period in 2016.
- Gross Income of USD 52.85 million for Q1 2017, up by 43.38%, compared with USD 36.86 million for the same period in 2015
- Total assets up by 14.06% at USD 4.69 billion compared with USD 4.11 billion at the end of 2016
- Loans at USD 2.27 billion, up by 2.8% compared to USD 2.21 billion at the end of 2016.
- Customer deposits at USD 3.54 billion, up by 12.73% from USD 3.14 billion at the end of 2016
- Total shareholders’ equity reached USD 415.93 million, an increase of 3.06% compared with USD 403.57 million at the end of 2016.
- Consolidated NPL Ratio at: 2.12%

Ramallah, Palestine (May 2nd, 2017): Bank of Palestine (BOP), announced its First quarter preliminary financial results for the year 2017 reporting a gross income of USD 52,859,864 in Q1 2017, compared with USD 36,867,780 for the same period in 2016, reflecting an increase of 43.38%. The bank’s net profit reached USD 12,346,175 achieving a 18.74% increase in comparison with USD 10,397,246 at the same period in 2016.

Commenting on the results, Mr. Hashim Shawa - Chairman and General Manager of Bank of Palestine said: “we have continued our focus on healthy organic growth in addition to continued diversification of income, remaining the hallmark for our 2017 strategy. A key indicator that we are monitoring is the 12.73% growth in customer deposits. This is indicative of sustained customer trust in the bank and in its network of branches and digital channels, as part of the impact from BOP’s financial inclusion strategy. 2017 will also witness the second international expansion for BOP outside Palestine, and the first for an Arab Bank in Chile, with the Chilean Banking Authorities
granting BOP official approval for its representative office in Chile coming into operation later on this year.”

Customer deposits in Q1 2017 stood at USD 3,543,412,883, marking an increase of 12.73% compared with USD 3,143,151,591 at end of 2016. Deposits naturally increased in response to a myriad of reasons as mentioned before including the continued efforts to improve BOPs digital channels in support of the organic growth strategy serving the 50% of the population that remain unbanked. Loans grew by 2.85% to USD 2,276,556,662 in first quarter 2017 compared to USD 2,213,463,765 at the end of 2016. The loan to deposit ratio for the bank remains at 63% providing good liquidity for further lending.

Recognizing that 70% of the population under age of 34, the bank in first quarter 2017 focused on the youth segment via a special financial inclusion program promoting saving programs targeting children from birth till age 17 with a special incentive to encourage children to save from an early age.

The Bank’s total assets grew by 14.06% reaching USD 4,697,909,596 compared with USD 4,118,629,230 at the end of 2016. The Bank’s total shareholders' equity reached USD 415,938,296 with an increase of 3.06% compared with USD 403,574,797 the end of 2016.

Bank of Palestine concluded a successful AGM last month endorsing the recommendation of the bank’s board of directors to distribute $25,351,129 million in dividends for the bank’s profits in 2016, a percentage of 13% of the bank’s paid up capital as of April 5th, 2017 as follows:

- $20,359,814 million as cash dividends, equivalent to 10.44% of the nominal value of the share.
- $4,991,315 million as stock dividends, equivalent to 2.56% of the nominal value of the share.

Based on the results of FY 2016, Bank of Palestine today stands at the forefront of the Banking industry in Palestine:

- The number one bank in authorized paid capital of USD$ 200 million
- Market share of 34%, making it the number one bank in Palestine among all peers
- A network of 68 Branches
Subsidiary Companies

**PalPay® – Palestine Payments** – PalPay continued to revolutionize the payment systems in Palestine making use of the many POS machines enabling payment of bills from various outlets continuing to. The number of electronic transactions conducted during the first quarter of this year through PalPay® reached 3,260,649 with the amount of 172,835,669.35 ILS. The company also continued to sign agreements with additional various types of billers in Palestine to allow their clients to make e-payments through the PalPay® system. PalPay® has raised to 60 entities the number of service customers using its platform. The company was able to enter the important e voucher market serving international relief agencies.

**Al-Wasata Securities**, has been the fastest growing brokerage company in Palestine playing a major role in the acquisition of new investors into the Palestinian market. The company ranked number one (out of eight brokerage companies) in Palestine with respect to attracting new investors. It now has a 21% market share in terms of number of investors, USD 342 million trading volume in local & regional markets, and more than USD 509 million worth of shares under management. In 2016, Al-Wasata won the EMEA Finance and the Global Investor ISF awards for Best Broker in Palestine for the fourth consecutive year.

**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 16 branches Islamic Banking solutions to a growing segment of customers requiring such sharia’ compliant solutions. The bank has assets of USD 920 million, deposits of USD 705 million with net profits in Q1 2017 of USD 2.25 million. Benchmarked against banking sector AIB’s assets grew by 16% while the assets growth in the entire banking sector was 10% clearly indicating the potential for growth for AIB in the coming years. AIB AGM approved capital raise in 2017 to meet its growth potential.

Please find web link to Q1 2017 Preliminary Financial Statements in English:
And web link to Q1 2017 Disclosure and preliminary Financial Statements in Arabic:
We are please do include the web link for the 2016 English Annual Report:

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