Bank of Palestine announces Q3 2016 Financial Results

Net Profit of USD 38.19 million up by 14.67% post-Merger of Palestine Commercial Bank & Consolidation of Arab Islamic Bank results

Focus set on efficiency enhancement for upcoming period

Preliminary Financial Results Highlights

• Net profit of USD 38.19 million for the third quarter of year 2016 with a 14.67% increase compared to 2015.
• Gross Income of USD 126.88 million for Q3 2016, up by 22.18%, compared with USD 103.84 million in 2015
• Total assets up by 52.72% at USD 4.25 billion compared with USD 2.785 billion at the end of 2015
• Loans at USD 2.141 billion, up by 54.22% compared to USD 1.388 billion at the end of 2015.
• Customer deposits at USD 3.205 billion, up by 42.94% from USD 2.242 billion at the end of 2015
• Total shareholders’ equity reached USD 385 million, an increase of 26.24% compared with USD 305 million at the end of 2015.
• NPL Ratio at around 2%

Ramallah, Palestine (November 3, 2016): Bank of Palestine (BOP), announced its third quarter financial results for the year 2016 reporting a gross income of USD 126,880,603 in Q3 2016, compared with USD 103,844,785 for the same period in 2015, reflecting an increase of 22.18%. The bank’s net profit reached USD 38,190,626 achieving a 14.67% increase in comparison with USD 33,305,409 at the same period in 2015.

Commenting on the results, Mr. Hashim Shawa - Chairman and General Manager of Bank of Palestine said: “We have accomplished the Palestinian Commercial Bank (PCB) merger successfully with impact on our balance sheet affecting positively all our operational key performance indicators; assets, deposits, loans, branch network and client base have all increased concurrently. Additionally the consolidation of the Arab Islamic Bank (AIB) results have equally impacted both the Balance Sheet and P&L statement of BOP. Today Bank of Palestine is acting as a group with additional resources and full coverage of banking services including Islamic Banking Solutions. There are plans to impact profits at AIB with more expansion and capital plans. As a result of the merger, paid in capital increased to USD 195 million impacting positively our capital base enabling confident growth in business for the future outlook.”
Customer deposits in Q3 2016 stood at USD 3,205,825,367, marking an increase of 42.94% compared with USD 2,242,782,298 at end of 2015. Deposits naturally increased in response to the PCB merger and consolidation of AIB results into accounts. With a customer base of approximately 1 million, Bank of Palestine continued to develop its products, and services to meet various client needs with continued enhancement of the customer’s experience, additional treasury services, rigorous savings campaigns, and a push towards more plastic card business utilizing the widespread POS presence with new premium and signature cards on offer. The Bank in Q3 signed an agreement with Royal Jordanian (RJ) airline for issuing a co-branded Titanium MasterCard allowing card holders to earn air miles with RJ every time they use the card. Additionally, Visa Electron cards were switched to Visa Debit cards enjoying instant issuing ability of these Debit Cards at all branches helping to further promote more plastic business and improving customer experience via more e channels and instant digital banking services.

“Bank of Palestine is continuing expanding its own branch network in pursuit of customer financial inclusion, to serve the 50% of the population that remain unbanked. The bank is focusing on developing e channels and delving more into digital banking to support efficient growth in line with new technology trends and customer segmentation, with 70% of the population under age of 34. As a bank committed to women inclusion inside the bank and outside, we have asked UN Women and the ILO to conduct a gender audit on the bank. We are happy with the results revealed in Q3 showing BOP’s gender inclusion practices as far reaching. Today women employees at senior and all levels make up 32% of the bank’s total staff with an aim to reach the equilibrium level of 50% males- 50% females as part of our self-imposed Gender Equity inclusion policies,” added Mr. Shawa.

The Bank’s total assets grew by 52.72% reaching USD 4,253,676,431 compared with USD 2,785,203,240 at the end of 2015. The Bank’s total shareholders' equity reached USD 385,978,789 with an increase of 26.24% compared with USD 305,756,304 the end of 2015.

“Cognizant of the fact that growth in assets and size is not our sole target, BOP is working on efficiency enhancement post-merger to improve profits. During Q3 our board of directors conducted a strategic retreat, providing the bank with a directive towards achieving sustainable profitable growth. As such, we have started strengthening our risk management, the bank recently appointed a senior manager position as Assistant GM with sole focus on Credit Follow Up and Monitoring. This
efficiency enhancement will be carried across our operations and business lines, concluded Mr. Shawa.”

About Bank of Palestine (BOP)

Bank of Palestine has a long embedded presence and experience in Palestine dating back to 1960. Bank of Palestine is constantly growing to be financially inclusive, and socially responsible at the cutting edge of global financial practice and innovation. The bank has the most widespread branch network in Palestine (66 branches), a paid up capital of $195 million, and assets of over USD 4.253 billion, with 1,600 employees serving around 780,000 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 5,900 Point of Sale merchant terminals nationwide. BOP is involved in large project finance loan syndications. It adopts a holistic sustainability strategy; and has as such worked with the International Finance Corporation (IFC) to develop a stringent risk management & governance structure. BOP has been the leader in Corporate Social Responsibility (CSR) in Palestine dedicating 6% 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 15% of total PEX market capitalization. The Bank today has increased its subsidiary holdings and is acting as a group providing complementarity and synergy to its core banking services.

Subsidiary Companies

PalPay® – Palestine Payments – PalPay® – Palestine Payments – was very active and successful since inception utilizing the many POS machines and enabling payment of bills from various outlets revolutionizing the payment systems in Palestine. The number of electronic transactions conducted during the year through PalPay® reached more than 8.6 million, an increase of 36% compared with last year. 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 also promoted its services regionally, as it participated in GITEX Technology week 2016 that took place in Dubai.

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 30% market share in terms of number of investors, USD 225 million trading volume in local & regional markets, and more than USD 500 million worth of shares under management. In 2015, Al-Wasata won the **EMEA Finance and the Global Investor ISF awards** for Best Broker in Palestine for the third 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 11 branches Islamic Banking solutions to a growing segment of customers requiring such sharia’ compliant solutions.

**Please find web link to Q3 2016 Financial Statements in English:**


**And web link to Q3 2016 Financial Statements in Arabic:**

https://bop.ps/ar/ir/financial-docs

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