Bank of Palestine announces Q3 2017 Preliminary Financial Results

Net Profit of USD 38.54 million is recorded with a focus on diversification of credit portfolio capturing new segments

Preliminary Financial Results Highlights

- Gross Income of USD 163.78 million for Q3 2017, up by 29.08%, compared with USD 126.88 million in the same period of 2016.
- Profit before tax up by 8.66% with USD 53.82 million compared with USD 49.53 million in the same period of 2016.
- Net profit of USD 38.54 million for half year 2017 with a 1% increase compared with USD 38.19 million in the same period of 2016.
- Total assets up by 15.48% at USD 4.75 billion compared with USD 4.11 billion at year end of 2016.
- Loans at USD 2.48 billion, up by 12.34% compared to USD 2.21 billion at year end of 2016.
- Customer deposits at USD 3.62 billion, up by 15.2% from USD 3.14 billion at year end of 2016.
- Total equity reached USD 431 million, with an increase of 6.88%, compared with USD 403 million at year end of 2016.
- NPL Ratio at around 2.51%

Ramallah, Palestine (November 1st, 2017): Bank of Palestine (BOP), announced its third quarter of year 2017 preliminary financial results reporting a gross income of USD 163,784,378 in Q3 2017, compared with USD 126,880,602 for the same period in 2016, reflecting an increase of 29.08%. The bank’s Profit before tax is up by 8.66% with USD 53,823,551 compared with USD 49,532,591 in the same period of 2016, with a net profit achieved of USD 38,541,624. Total assets grew by 15.48% reaching USD 4,756,385,240 compared with USD 4,118,629,230 at the end of 2016. The Bank’s total equity reached USD 431,350,486 with an increase of 6.88% compared with USD 403,574,797 at the end of 2016.

Commenting on the results, Mr. Hashim Shawa - Chairman and General Manager of Bank of Palestine said: “As we are about to inaugurate our Representative Office in Santiago Chile November 2017 we are continuing to focus on consistent strategy of growth and inclusion of all our stakeholder base at home and abroad. We continue to strengthen our fundamentals through streamlining and centralization of operations, digitization of more channels and diversification of credit portfolios in search of less concentration of risk."
Growth was witnessed in customer deposits, loans, assets with a healthy capital adequacy for the bank at 13.46%. With a Loan to deposit ratio of 68.67% Bank of Palestine continues to have a strong liquidity position for further lending following a diversification and segmentation strategy including retail campaigns.

"Physical branch expansion will be targeting unserved areas and new industrialized and urban centers while digital banking will be augmented by the advent of Mobile Banking Bank e version for corporates enhancing customer experience for SMEs and institutional clients", added Mr. Shawa.

Customer deposits reached USD 3,621,110,346 at Q3 of 2017, marking an increase of 15.2% compared with USD 3,143,151,591 at end of 2016. The loan portfolio increased to USD 2,486,733,121 compared to USD 2,213,463,765 at the end of 2016 with a growth of 12.34%. In tandem with the growth in the Bank's loan portfolio, the bank is keeping a very acceptable Non-Performing Loan Ratio at around 2.51% while sustaining such organic growth.

Mr. Shawa concluded that the bank looks with a positive outlook into the recent developments in Gaza vis a vis the Palestinian Consensus Government regaining control of key government functions in Gaza. Such a situation; will enhance economic stability reducing uncertainty and pressure on Gaza; with a direct bearing on consumer confidence, donor spending and the banking industry.

**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 (70 branches), a paid up capital of $200 million, and assets of over USD 4.75 billion, with 1,696 employees serving more than 890,000 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 6,600 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.

Subsidiary Companies

**PalPay® – Palestine Payments** – As the leading payment platform company PalPay has been 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 10.2 million, an increase of 3% compared with last year. The company also continued to sign agreements with additional utility companies in Palestine to allow their clients to make e-payments through the PalPay® system. PalPay® has raised to 52 entities the number of service customers using its platform. The company also promoted its services regionally, as it was one of the main sponsors of the Cards and Payments Middle East conference that took place in Dubai. PalPay also was proudly the winner for the biggest worldwide contest in the field of “crisis management and aid” launched by Citi bank (MasterCard, Facebook, Microsoft, IBM and others). 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, where 103 finalists representing 25 countries vied for awards at six Demo Days. Overall, applicants came from more than 70 countries and 300 cities.

**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 26.83% market share in terms of number of investors, USD 103 million trading volume in local & regional markets, and more than USD 486 million worth of shares under management.

**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 977 million, with net profits in Q3 2017 of USD 5.83 million. Benchmarked against the banking sector AIB’s assets grew by 18.89% 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 a capital raise in 2017 to meet its growth potential.
Please find web link to Q3 2017 Preliminary Financial Statements in English:

& web link to Q3 2017 Preliminary Financial Statements in Arabic:

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Date: November 1st, 2017