

Flash Result—1Q 2010

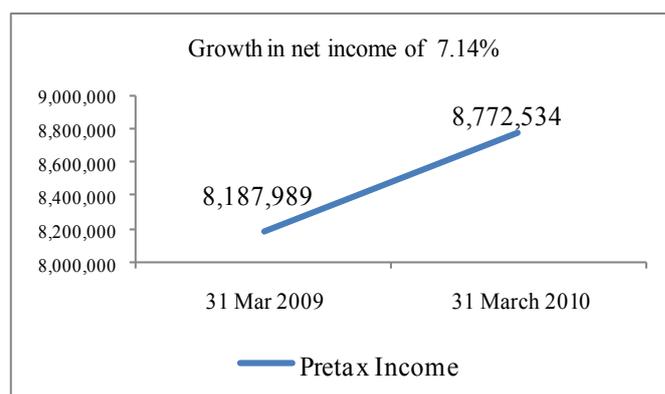
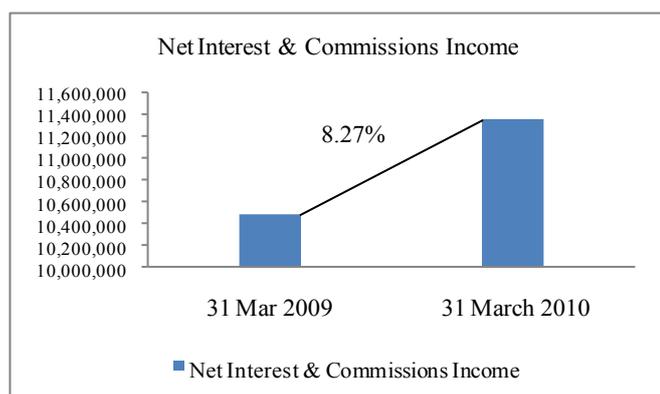
Bank of Palestine

Ticker	ISIN	Current price (\$)	Market Capitalization (\$)	52 Week High	52 Week Low
BOP	PS1004112600	3.65	365,000,000	3.85	2.8

Growth of %7.14 in pretax income

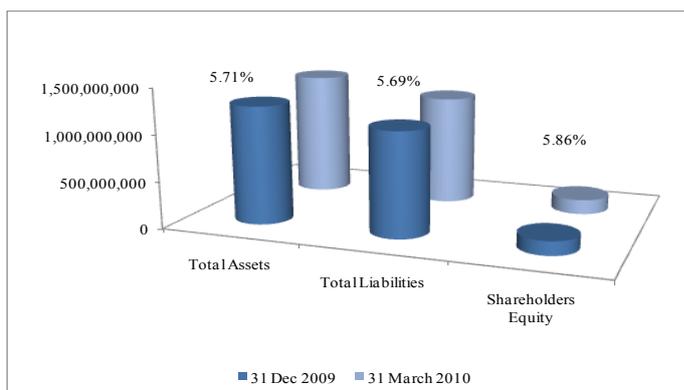
Item (\$)	31 Mar 2009	31 March 2010	Growth
Net Interest & Commissions Income	10,483,827	11,350,930	8.27%
Non- Interest Income	4,063,021	5,656,268	39.21%
Total Expenses	6,358,859	8,234,664	29.50%
Pretax Income	8,187,989	8,772,534	7.14%
EPS	0.082	0.088	7.14%

- Net Interest & Commission Income grew by %8.27 and constituted %66.74 from the bank's total revenues; attributed to a main increase in the net commission income by \$1.03 million, while non-Interest income increased by %39.21 and constituted %33.26 from total revenues.
- Net Interest & Commission Income amounted %2.56 from net credit facilities, and Interest Expense dropped by %30.32 when amounted to \$1.09 million in the first quarter of 2010, and constituted %0.09 from the bank's total deposits.
- Total expenses increased noticeably by %29.50 due to an increase of \$0.93 million in the general & administrative expenses.
- On aggregate, pretax income grew by %7.14 to reach \$8.77 million at the end of March 2010, to attain an EPS of \$0.088 comparing to \$0.082 in the same quarter of the previous year.

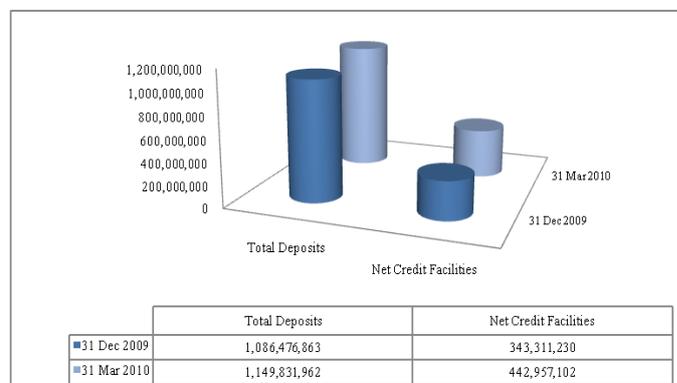


Total deposits increased by %5.83 and net credit facilities grew by %29.02

Item (\$)	31 March 2010	Growth
Current Assets	1,325,067,480	5.77%
Non-current assets	29,918,103	3.02%
Total Assets	1,354,985,583	5.71%
Current Liabilities	1,195,271,322	5.69%
Non-current liabilities	-	-
Total Liabilities	1,195,271,322	5.69%
Capital	100,000,000	0.00%
Shareholders' Equity	159,714,261	5.86%



- Bank of Palestine's current assets increased by %5.77, ascribed to the growth in the net credit facilities, held to maturity investments and other assets by %29.02, %3.91 and %172.97 respectively, while cash and balances at Palestine Monetary Authority dropped by %1.24 and balances at banks & financial institutions declined by %14.32. Non-Current assets grew by %3.02 that is represented by the fixed assets of the net Property, Plant & Equipment.
- Total liabilities -that is characterized by current liabilities only- increased by %5.69 due to an increase of %5.83 in the total deposits that amounted \$63.35 million; total deposits reached \$1.15 billion at the end of the first quarter of 2010.
- Shareholders' equity rose by %5.86; when the quarter's profit has been added to the retained earnings which in turn grew by %38.12.
- Net Credit Facilities reached %38.52 from the bank's total deposits, and %32.69 from total assets at the end of the first quarter of 2010.
- Total deposits constituted %96.20 from the bank's total liabilities, and %84.86 from its total assets.
- In the first quarter of 2010, shareholders' equity constituted %13.89 from the bank's total deposits.



Recent News

- The ordinary general assembly of Bank of Palestine approved in its meeting on April 30, 2010 to distribute cash dividends to the shareholders of \$21.40 million -%21.40 from the bank's capital – for the year ended on December 2009. This amount will be reduced from the retained earnings in the coming quarter's results after adding the realized profit in this period.
- The extraordinary general assembly of the bank on April 30, 2010 approved raising the nominal capital to \$200 million in accordance to the Palestinian Monetary Authority's new instructions.

Market indicators

- According to the reported shareholders' equity on Mar 31,2010 , the share's book value reached \$1.60 rising by \$0.09 comparing to the realized book value on Dec 31,2009.
- The share is currently trading on a PE ratio below the overall market's PE.

Market Indicators	31 March 2010
Price	3.68
Book value	1.60
Price/book value	230.41%
PE e	10.49
Market Capitalization	368,000,000
Turnover	2.35%

Ratio Analysis

Ratio Analysis	30 December 2009	31 March 2010
ROA	0.64%	0.65%
ROE	5.43%	5.49%
Equity to Assets	11.77%	11.79%
Current Ratio	1.11	1.11
Equity/Deposits	13.89%	13.89%
Facilities/Deposits	31.60%	38.52%
Facilities/Assets	26.78%	32.69%
Deposits/Assets	84.76%	84.86%
Equity/Facilities	43.95%	36.06%
Deposits/Liabilities	96.07%	96.20%
Net Interest & Commissions Income/Facilities	3.05%	2.56%
Interest Expense/Deposits	0.14%	0.09%
Interest Income & Commission/Assets	0.82%	0.84%
Interest Income/Total Income	72.07%	66.74%
Non-Interest Income/Assets	0.32%	0.42%
Non-Interest Income/Total Income	27.93%	33.26%
Working Capital	121,839,506	129,796,158
Net Working Capital Ratio	9.51%	9.58%
Profit Margin	58.42%	58.29%

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