

Flash Result—1Q 2010

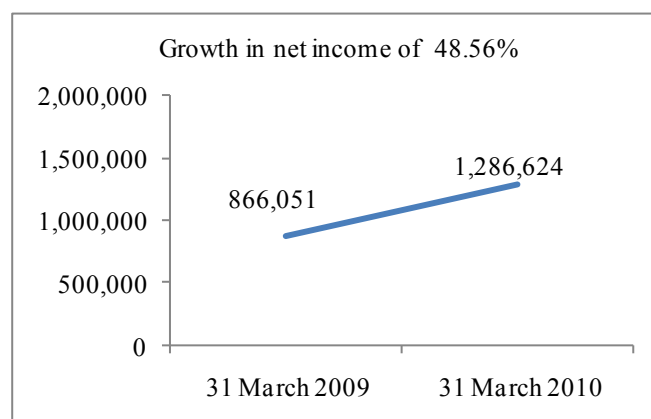
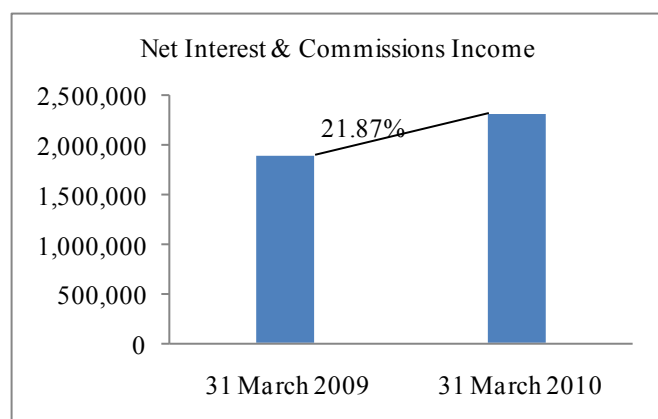
Palestine Investment Bank

Ticker	ISN	Current price	Market Capitalization (\$)	52 Week High	52 Week Low
PIBC	PS1001112942	1.02	51,000,000	1.32	1.00

Significant growth of %48.56 in net income

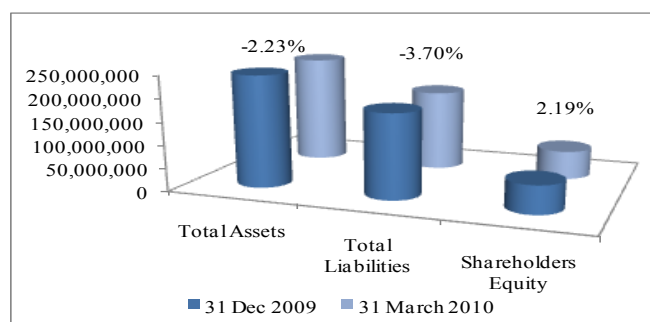
Item	31 March 2009	31 March 2010	Growth
Net Interest & Commissions Income	1,903,704	2,320,036	21.87%
Revenues Other Than Interests & Commissions	167,196	200,723	20.05%
Total Expenses	1,204,849	1,234,135	2.43%
Net Income	866,051	1,286,624	48.56%
EPS	0.022	0.032	48.56%

- Net Interest & Commission Income grew by %21.87 in Q1 2010 compared to Q1 2009 and constituted %92.04 from the bank's total revenues; attributed to an increase in interest revenues & commissions revenues by %14.15 and %66.27 respectively. Net Interest & Commission Income amounted %2.59 from net credit facilities, and comprised to %0.97 from the bank's total assets.
- Non Interest Income increased by %20.05 ; due to a growth in revenues from currency trading & gains from spread in currency exchange versus a sharp drop in investment revenues.
- Total expenses increased slightly by %2.43 attributed to a balanced rise in employees expenses and a decrease in general & administrative expenses.
- On aggregate, net income grew by %48.56 to reach \$1.29 million at the end of March 2010, to attain an EPS of \$0.032 comparing to \$0.022 in the same quarter of the previous year, recording a profit margin of %51.38.



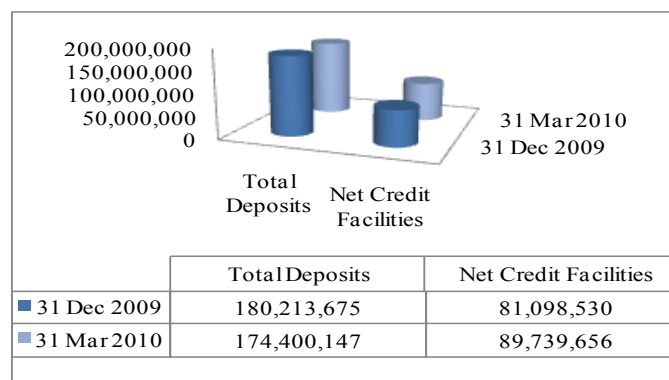
Total deposits dropped by %3.23 and net credit facilities grew by %10.66

Item	31 March 2010	Growth
Current Assets	235,956,968	-2.30%
Non-current assets	4,180,015	1.45%
Total Assets	240,136,983	-2.23%
Current Liabilities	177,715,782	-3.70%
Non-current liabilities	-	-
Total Liabilities	177,715,782	-3.70%
Capital	40,000,000	0.00%
Shareholders' Equity	62,421,201	2.19%



- Palestine Investment Bank's current assets dropped by %2.30, ascribed to the decline in balances in banks & financial institutions by an amount of \$14.79 million to reach \$47.57 million at the end of Q1 2010, in spite of the growth in: net credit facilities by \$8.64 million - which its effect has been also shown in the interest revenues-, and in financial assets available for sale by \$4.60 million. On the other hand, Non-Current assets grew slightly by %1.45 in effect of a slight growth in the net Property, Plant & Equipment.
- Total liabilities -that is characterized by current liabilities only- dropped by %3.70 as a result of a decrease by \$5.81 million in total deposits; when banks & institutions deposits fell by \$12.56 million while clients deposits grew by \$3.22 million and. Total deposits reached \$174.40 million at the end of Q1 2010, and constituted %98.13 from the bank's total liabilities.
- Shareholders' equity rose by %2.19; in effect of a growth in the retained earnings by \$1.25 million; a growth rate of %27.06 at the end of Q1 2010 compared to the end of year 2009. Consequently, equity to deposits reached %35.79 and equity to facilities reached %69.56.

- The bank's financial results indicates a book value of \$1.56 per share at the end of Q1 2010, rising by \$0.03 from the registered book value at the end of 2009.
- Net Credit Facilities reached %51.46 from the bank's total deposits, and %37.37 from total assets at the end of the first quarter of 2010.
- Total deposits constituted %72.63 from the bank's total assets.



- The bank's financial statements reported a current liquidity ratio of 1.33 times at the end of the first quarter of 2010 with a slight increase compared to the end of 2009; a good indicator for approaching a standard safety level.
- Working capital increased to amount \$58.24 million registering a growth of \$1.28 million compared to the end of 2009, and recording a net working capital ratio of %24.25; an indicator for the bank's good operation efficiency and financial health.

Market indicators

- The share is currently trading on an estimated PE ratio below the overall market's PE, but relatively higher than the PE's of the leading shares in the market.
- As of March 31, 2010, the share's market price comprises to %78.18 from the company's share recorded book value.

Market Indicators	31 March 2010
Price	1.22
Book value	1.56
Price/book value	78.18%
PE e	9.48
Market Capitalization	48,800,000
Turnover	35.42%

Recent News

- The ordinary general assembly of Palestine Investment Bank approved in its meeting on May 13, 2010 to distribute bonus shares to the shareholders of %25 from the bank's capital (10 million) – for the year ended on December 2009 – resulting an increase in the bank's capital s to \$50 million. The extraordinary general assembly of the bank approved raising the nominal capital to \$100 million in accordance to the Palestinian Monetary Authority's new instructions.

Financial Ratios

Item	31 March 2010	Item	31 March 2010
ROA	0.54%	Equity/Deposits	35.79%
ROE	2.06%	Deposits/Liabilities	98.13%
Equity to Assets	25.99%	Net Interest & Commissions Income/ Facilities	2.59%
Current Ratio	1.33	Interest Income & Commission/Assets	0.97%
Facilities/Deposits	51.46%	Interest Income/Total Income	92.04%
Facilities/Assets	37.37%	Non-Interest Income/Total Income	7.96%
Deposits/ Assets	72.63%	Working Capital	58,241,186
Equity/ Facilities	69.56%	Net Working Capital Ratio	24.25%
Debt Ratio	74.01%	Profit Margin	51.38%

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