






Palestine Securities Exchange Listed banks

Operating Banks in Palestine

-  **Highest first quarter's profits since 2008**
-  **Assets grow by \$310 million**
-  **Net credit facilities register \$2.60 billion**
-  **Significant growth in total deposits**
-  **Paid up capital constitutes %77 of total equity**

Currently, there are 19 banks operating in Palestine through a network of more than 200 branches and representative offices. Of this total, there are nine local banks that include two Islamic banks and 10 foreign banks that comprise of eight Jordanian banks, one Egyptian bank in addition to one branch for the HSBC.

Highest first quarter profits since 2008

Operating banks in Palestine reported the highest earnings in Q1 2010 comparing to the same periods in 2008 and 2009, when banks profits settled at \$42 million in Q1 2010 increasing approximately by %55 versus \$27 million in Q1 2009.

Assets grow by \$310 million

Aggregate assets of the operating banks in Palestine increased by %4 in Q1 2010 – a value of \$310 million-when hit \$8.20 billion, where cash at banks and PMA contributed by \$4 million in Q1 2010 constituting %48 of total assets. Among this growth, banks' investments declined by a value of \$10 million in Q1 2010.

Net credit facilities reach \$2.60 billion

Credit facilities stood at a figure of \$2.60 billion in Q1 2010 increasing significantly by %16 comparing to 2009, where private sector contributed by %66. Loans constituted %72 from total facilities.

Significant growth in total deposits

Total deposits in the operating banks in Palestine stood at \$6.96 billion in Q1 2010, banks and PMA deposits contributed to this figure by \$457 million growing by %20 comparing to 2009, while customer deposits reached \$6.50 billion in Q1 2010 showing a net positive change of %3 opposed to 2009.

Paid up capital constitutes %77 of total equity

Total shareholders' equity increased by %15 million in Q1 2010 to reach \$970 million, where reserves contributed by %13 of this figure and paid up capital reached \$745 million constituting %77 of total equity in Q1 2010.

Palestine Securities Exchange Listed Banks

- **FINANCIAL STATEMENTS ANALYSIS**

- **Balance Sheet Analysis**

- **Total Assets**

The banking sector's total assets rose slightly by %3.77 – a value of \$103 million – in Q1 2010 to reach \$2.85 billion comparing to \$2.74 billion at the end of 2009.

This growth was attributed mainly to the increase by %25.25 in net credit facilities and investments portfolio by %2.75, against a drop in cash on hand and at banks by %8.55.

- **Net Credit Facilities**

Net credit facilities stood at \$1.01 billion in Q1 2010 growing by \$203 million comparing to 2009, and constituted %35.38 of total assets.

This growth in credit facilities was driven mainly by *Bank of Palestine (BOP)* which attained an increase of \$99.64 million, contributing by %49.05 of total change in banking sector's credit facilities, followed by *Al Quds Bank (QUDS)* which in turn added up %24.46.

In general net credit facilities formed %49.92 of total deposits of the banking sector in Q1 2010.

Granted facilities to Palestine national Authority – PNA amounted to \$216 million in 2009 constituting approximately %26 of total credit facilities.

Lending to Real Estate Sector constituted %5.25 of banking sector's total assets in 2009.

- **Investments Portfolio**

Banking sector's total investments portfolio settled at \$406 million in Q1 2010, rising by \$10.88 million comparing to the end of 2009 and constituting %14.26 of total assets.

The major contributor to this change was *Bank of Palestine (BOP)* which its investments grew by \$8.95 million in the same period, to comprise alone %82.27 of the aggregate increase in the banking sector's investments portfolio, followed by *Palestine Investment Bank (PIBC)*.

On the other hand, *Arab Islamic Bank (AIB)* reported a significant drop of \$3.41 million in the value of its investments in Q1 2010 in effect of liquidation to some of its investments in Sukuk, while *Palestine Islamic Bank (ISBK)* showed a slight decline in its investments portfolio by \$0.38 million in Q1 2010 due to a negative change in the value of trading securities.

➤ **Cash on Hand & at Banks**

Total cash in banking sector declined by %8.55 in Q1 2010, to reach \$1.30 billion opposing to \$1.42 billion in 2009.

The major source to this change was *Bank of Palestine (BOP)* by %47.92 – a value of \$58.12 million – attributed to extending the bank’s credit facilities and investments.

➤ **Deposits**

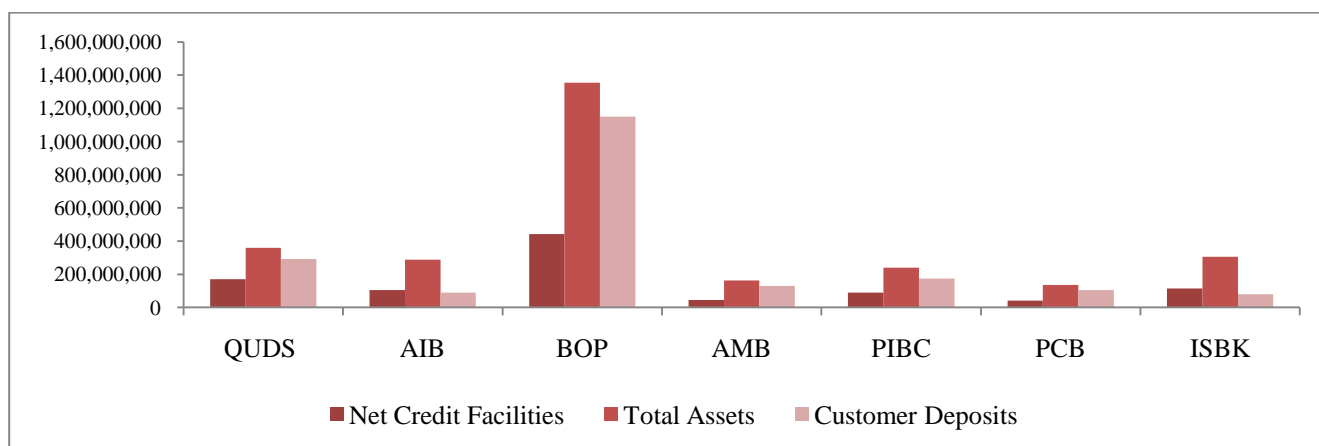
Total deposits which include (PNA’s, Banks & Financial Institutions’, Customers’ and Cash Collaterals) increased by %4.00 and stood at \$2.02 billion in Q1 2010 compared to \$1.94 billion in 2009.

Four banks contributed to this increase positively; *Bank of Palestine (BOP)* by %81.64, *Al Quds Bank (QUDS)* by %18.53, *Palestine Islamic Bank (ISBK)* by %8.29 and *Palestine Commercial bank (PCB)* by %4.28.

➤ **Shareholders’ Equity**

Total Shareholders’ equity grew by of \$13.51 million; a net change of %3.37 in Q1 2010 when reached \$414.51 million opposing to \$400.99 million in 2009.

6 out of 7 banks contributed to this increase, driven mainly by *Bank of Palestine (BOP)* which contributed by %65.24 to this change, and its equity grew by %5.84 and constituted %38.53 of total banks’ equity.



• **Income Statement Analysis**

➤ **Total Revenues**

Total banks’ revenues settled at \$31.85 million in Q1 2010 comparing to \$29.68 million in Q1 2009; showing an increase by %7.32 that amounted to \$2.17 million.

PSE Listed Banks

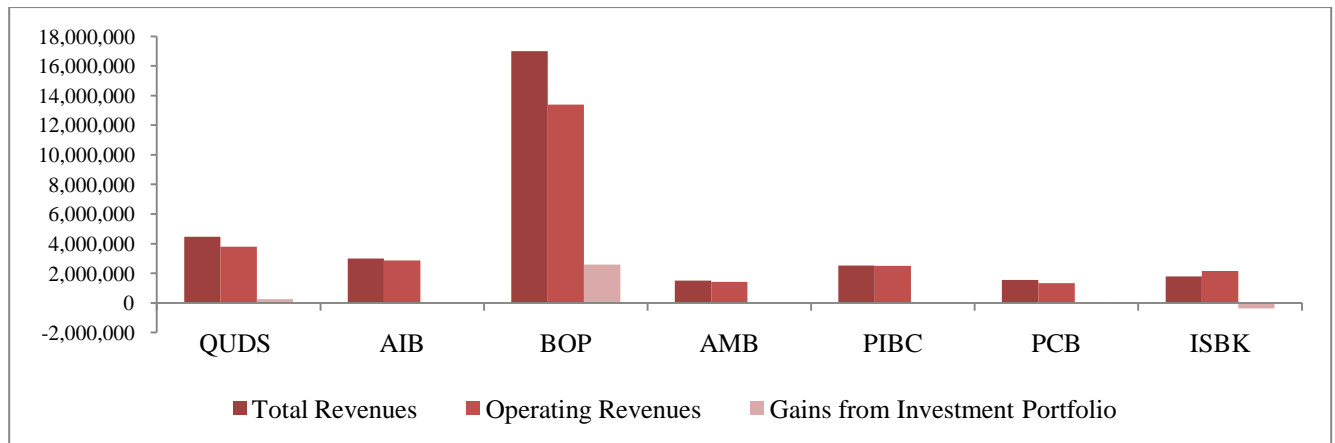
This increase was attributed to a growth in the revenues of four banks opposing to a decline in *Palestine Islamic Bank (ISBK)* by %27.38, *Al Rafah Microfinance Bank (AMB)* by %27.37 and *Arab Islamic bank (AIB)* by %12.34.

It should be mentioned that *Bank of Palestine (BOP)* revenues constituted %53.39 of total banks revenues followed by *Al Quds Bank (QUDS)* by %14.02.

➤ Operating Revenues

Total banks operating revenues constituted %86.16 of the banks' total revenues, when reached \$27.44 million in Q1 2010 growing by %4.93, stimulated by *Palestine Commercial Bank (PCB)* reported a growth in operating revenues by %30.55 followed by *Al Quds Bank (QUDS)* by %29.49 and *Palestine Investment Bank of %23.69*.

On the other hand, *Palestine Islamic Bank (ISBK)* and *Arab Islamic bank (AIB)* witnessed a drop in their operating revenues, while *Bank of Palestine (BOP)* and *Al Rafah Microfinance Bank (AMB)* registered a slightly increase.



➤ Gains from investment Portfolio

Investment portfolio gains increased by 108.21% in Q12010 to amount \$2.60 million constituting 8.17% of total bank revenues ; *Bank of Palestine (BOP)* was the major source to this increase , when its gain constituted 99% of total gains from banks investment portfolio

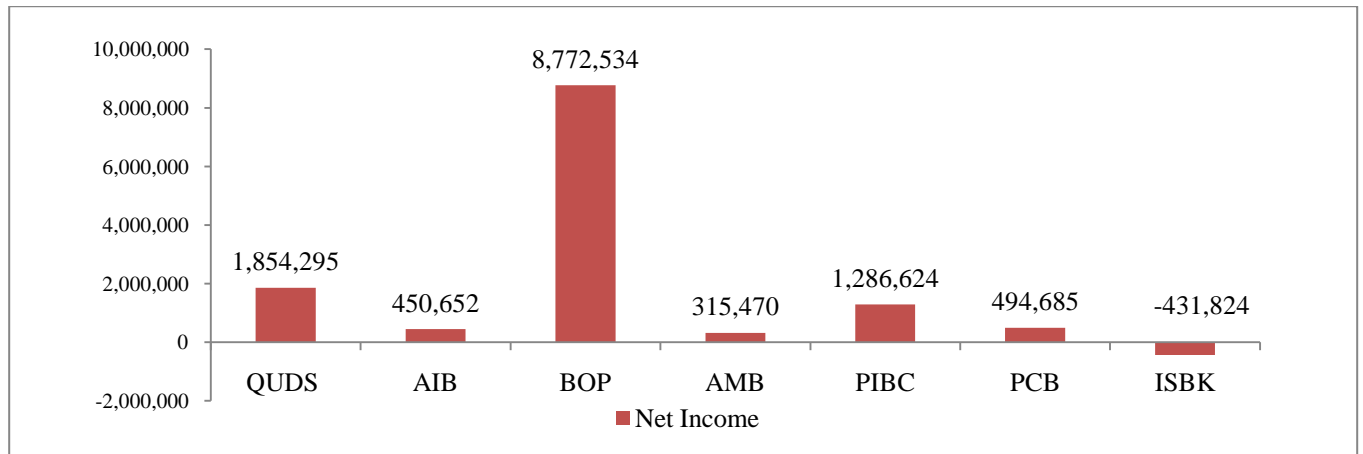
➤ Net Income

Total net income in bank showed an approximate stability in Q12010 opposing to Q1 2009, when reached \$12.74 million in 31 March 2010.

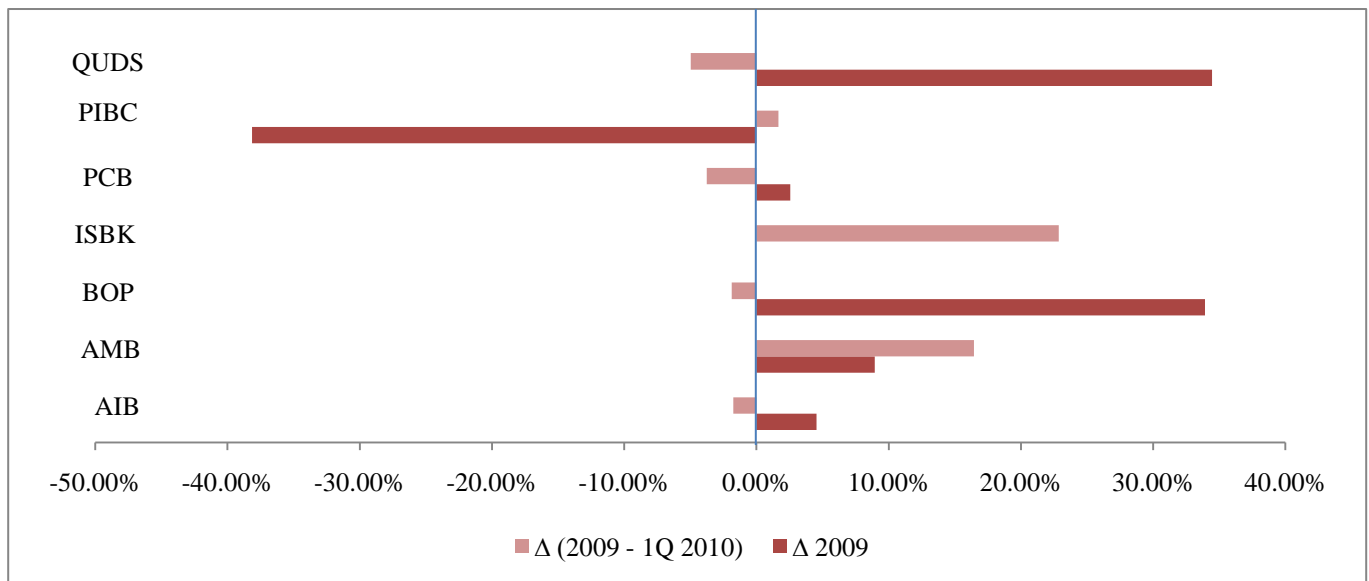
The major contributor to this figure was *Bank of Palestine (BOP)* by an amount of \$8.77million followed by *Al-Quds Bank (QUDS)* by a value of \$1.85 million.

PSE Listed Banks

On other hand, *Palestine Investment Bank (PIBC)* and *Palestine commercial Bank (PCB)* registered the highest growth rates in net income by 48.56% and 38.58% respectively, Opposing to a drop in the net income of *Arab Islamic Bank (AIB)* by 52.15%, while *Palestine Islamic Bank (ISBK)* reported a loss by a value of \$0.43 million.



Share Performance



From years 2008 to 2009, the Banking Sector Index experienced an increase of 30.59%. It then maintained a stable performance during 2010.

PSE listed banks' market capitalization reached \$599.82 million at the end of Q1 2010 and constituted 24.78% of the total PSE's market capitalization.

The banks shares performance varied in terms of change, fluctuating sharply in the stock market. In 2009, Bank of Palestine (BOP)-the largest national bank by market capitalization and Al-Quds Bank (QUDS) dominated the banking sector's performance when the two shares experienced an increase of 33.93% and 34.44% respectively, and then sustained a horizontal trend during the Q1 2010.

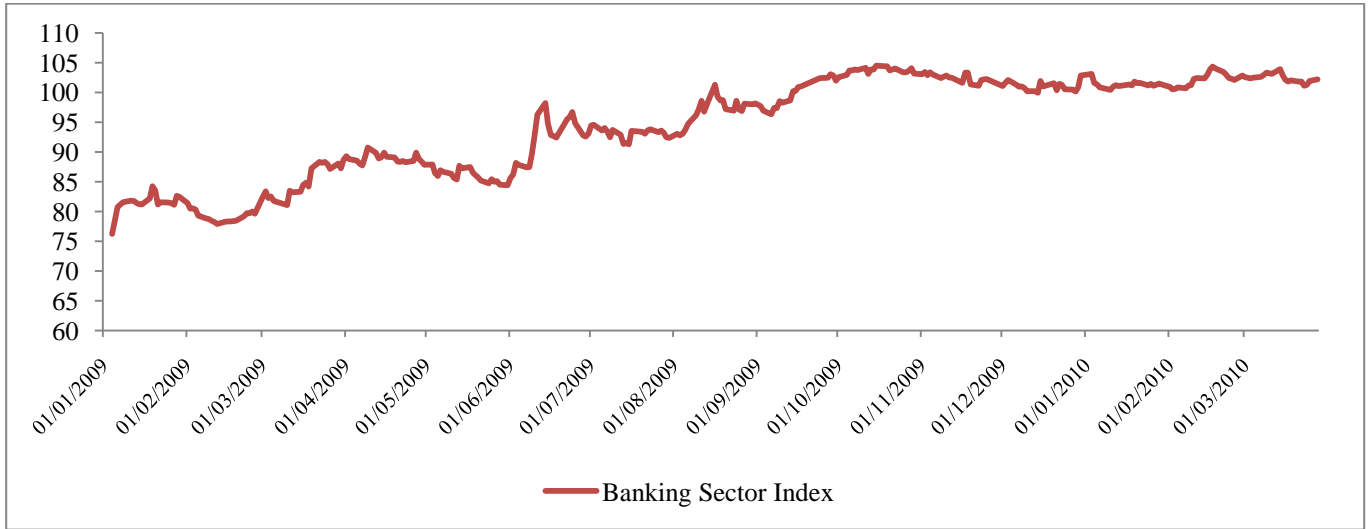
On the other hand, Al Rafah Microfinance Bank (AMB) ended the year 2009 with reasonable capital gains. During Q1 2010, however capital gains soared registering a growth rate of 16.44%. The growth was stimulated by an active trading volume that constituted 18.22% of the total banking sector's trading volume.

The latest listed bank was Palestine Islamic Bank (ISBK), ending Q1 2010 with an increase of 22.86%, therefore constituting of 10% of the total banking sector trading value.

Arab Islamic Bank (AIB) and Palestine Commercial Bank (PCB)experienced narrow fluctuations from the end of year 2008 to the end of Q1 2010, showing a slight decrease of 1.74% and 3.75% respectively at 31/03/2010 in comparison to 2009. The banks hold relatively small trading volumes in comparison to other banks.

Palestine Investment Bank (PIBC) constituted the largest proportion of the total banking sector trading volume during Q1 2010. It ended with a slight increase of 1.67% in Q1 2010 comparing to the end of 2009, an increase that sharply contrasts with the severe drop (PIBC) experienced at the end of 2009.

PSE Listed Banks

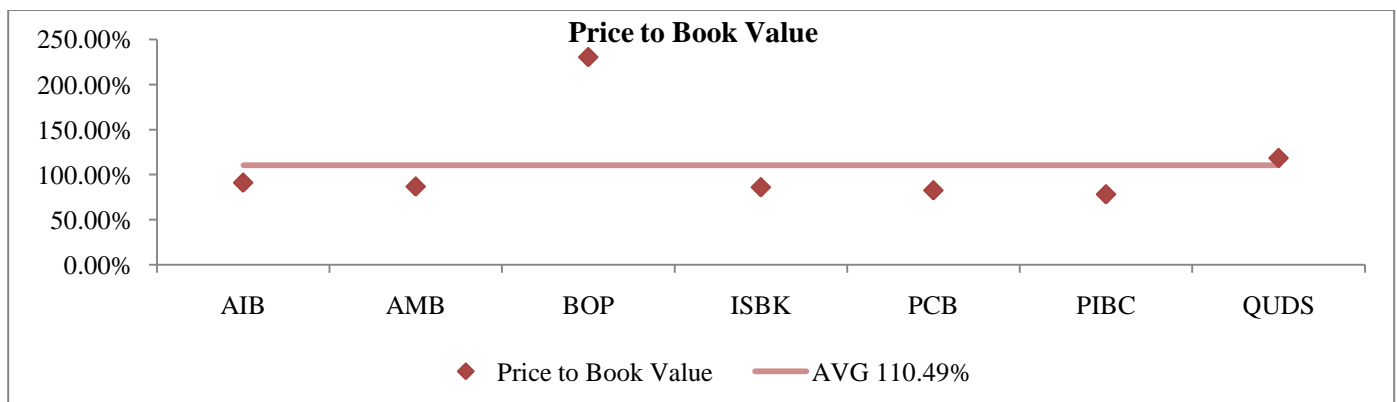
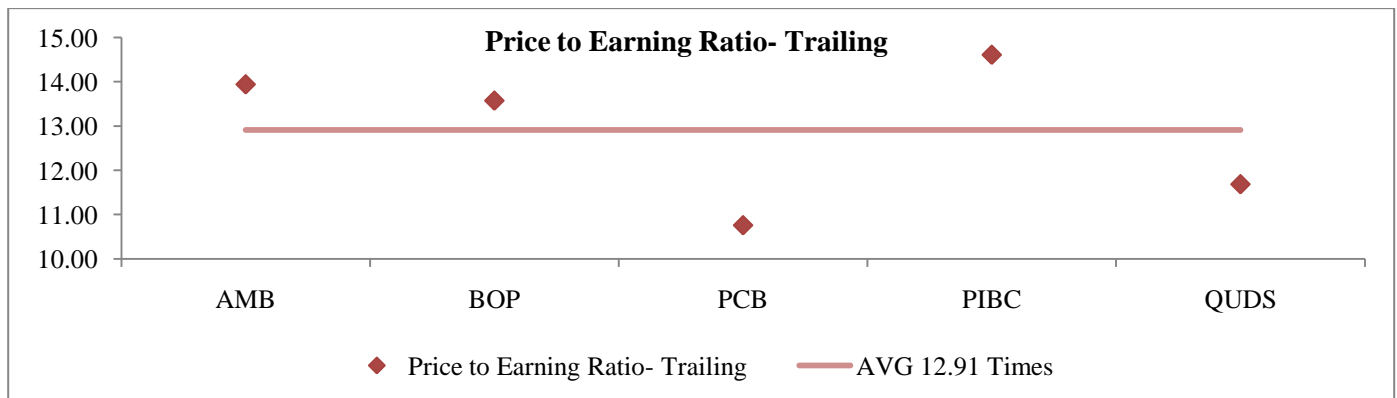
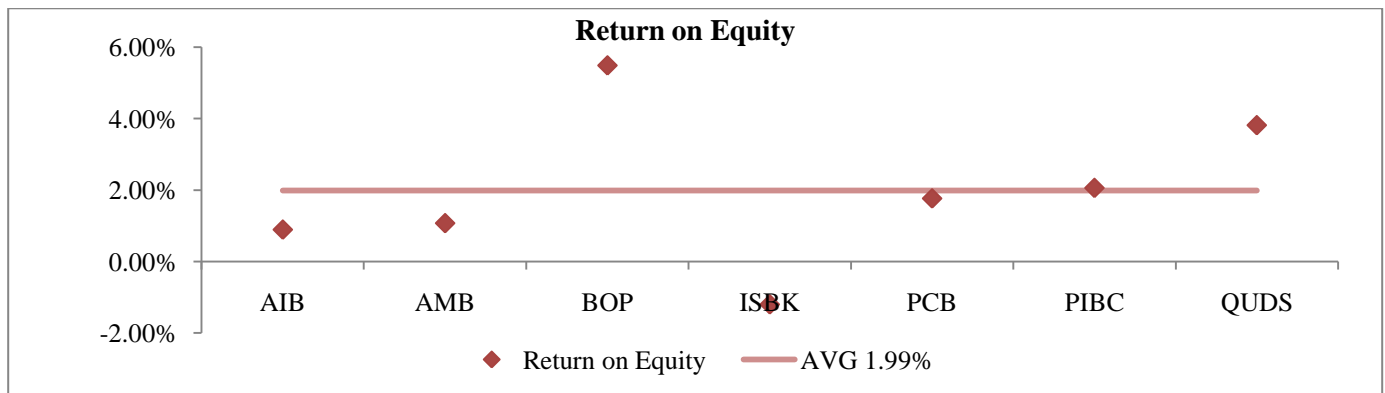


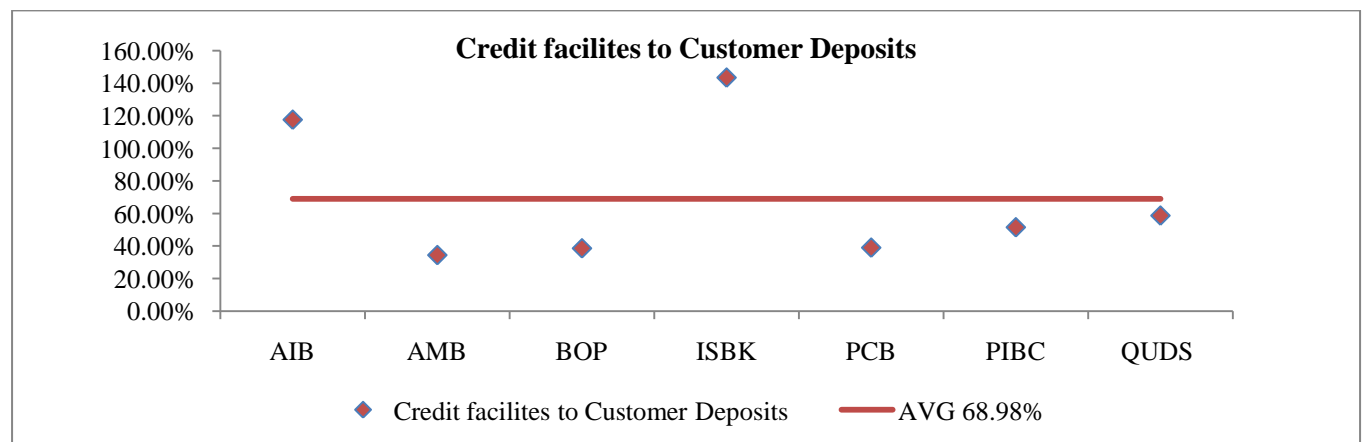
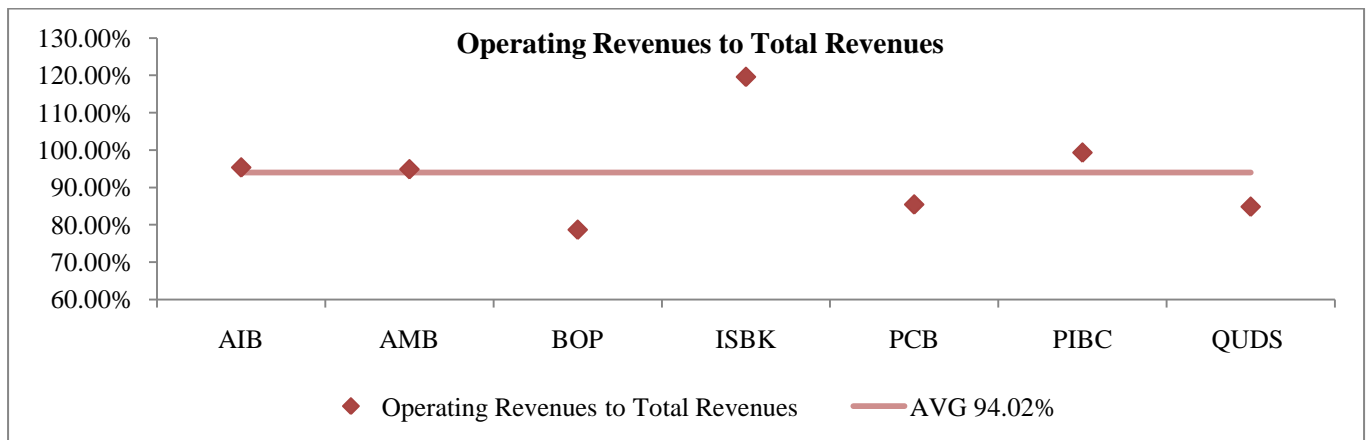
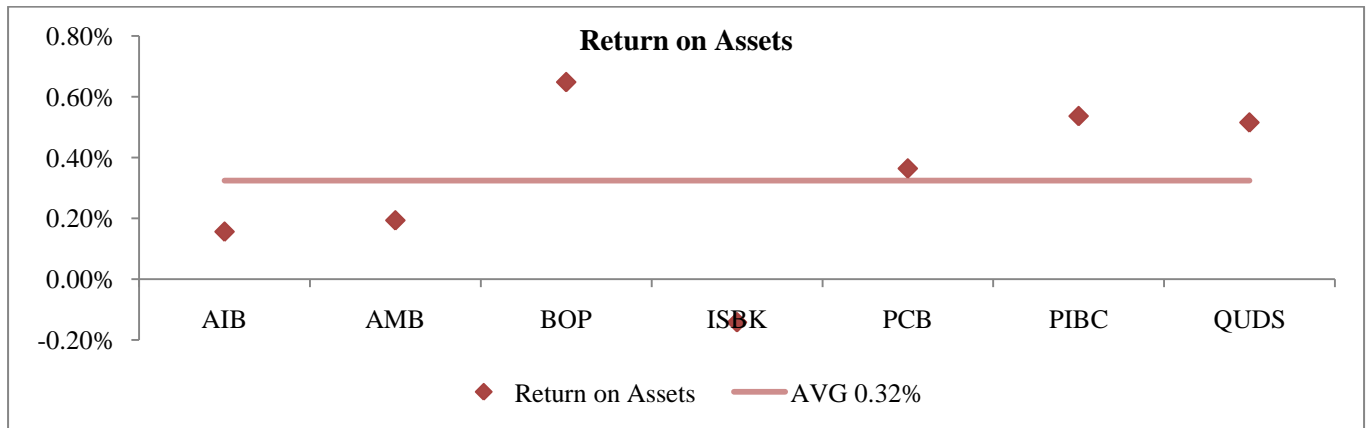
Financial Highlights

Item	QUDS	AIB	BOP	AMB	PIBC	PCB	ISBK
Cash on Hand and At Banks	165,421,203	68,566,718	606,319,106	97,720,187	123,477,916	64,470,619	172,028,012
Net Credit Facilities	170,888,637	104,480,380	442,957,102	44,817,618	89,739,656	40,518,073	114,259,991
Investment Portfolio	5,949,518	99,026,652	241,390,790	12,013,228	16,841,167	23,303,978	7,746,339
Total Assets	360,268,697	288,841,913	1,354,985,583	163,330,599	240,136,983	136,045,770	304,701,476
Deposits	291,448,978	88,892,121	1,149,831,962	130,403,892	174,400,147	104,068,200	79,316,530
Capital	50,000,000	40,696,939	100,000,000	30,000,000	40,000,000	30,026,056	35,941,087
Change in Fair Value of AFS Investments	-507	4,351,955	-1,053,366	342,876	-1,623,480	818,811	-
Shareholders' Equity	48,563,970	50,480,951	159,714,261	29,385,590	62,421,201	28,002,102	35,939,514
Total Revenues	4,467,025	3,006,284	17,007,198	1,504,086	2,520,759	1,553,578	1,795,605
Operating Revenues	3,790,433	2,866,646	13,382,048	1,427,011	2,503,979	1,327,469	2,147,523
Gains from Investment Portfolio	259,527	57,479	2,577,845	21,515	12,140	47,301	-371,957
Net Income	1,854,295	450,652	8,772,534	315,470	1,286,624	494,685	-431,824
Return on Assets	0.51%	0.16%	0.65%	0.19%	0.54%	0.36%	-0.14%
Return on Equity	3.82%	0.89%	5.49%	1.07%	2.06%	1.77%	-1.20%
Operating Revenues to Total Revenues	84.85%	95.36%	78.68%	94.88%	99.33%	85.45%	119.60%
Income from Investment Portfolio to Net Income	14.00%	12.75%	29.39%	6.82%	0.94%	9.56%	86.14%
EPS	0.037	0.011	0.088	0.011	0.032	0.016	-0.012
BV	0.971	1.240	1.597	0.980	1.561	0.933	1.000
PE(x)	11.68	97.90	13.57	13.94	14.61	10.76	0.00
PBV(x)	118.40%	91.10%	230.41%	86.78%	78.18%	82.57%	86.00%
Share Price	1.15	1.13	3.68	0.85	1.22	0.77	0.86
Credit facilities to Customer Deposits	58.63%	117.54%	38.52%	34.37%	51.46%	38.93%	143.40%
Net Income Margin	41.51%	14.99%	51.58%	20.97%	51.04%	31.84%	-24.05%
Market Cap	57,500,000	45,987,541	368,000,000	25,500,000	48,800,000	23,120,063	30,909,335
Capital Adequacy Ratio	13.88%	14.09%	7.38%	18.37%	16.66%	22.07%	11.80%
Free Float	41.96%	31.48%	63.51%	64.68%	24.97%	48.46%	82.18%
Interest Expense / Interest Income	17.35%	7.52%	11.94%	17.34%	41.31%	14.42%	14.13%
Equity / Total Assets	13.48%	17.48%	11.79%	17.99%	25.99%	20.58%	11.79%
Equity / credit Facilities	28.42%	48.32%	36.06%	65.57%	69.56%	69.11%	31.45%

Performance of Listed Banks

The following graphs demonstrate each of the banks' performance versus the banking sector average according to selected ratios.





Listed Banks Scorecard

In this section, we have scaled the listed PSE banks according to specific financial and market ratios, giving equal weight to each ratio in order to derive an overall ranking.

Capital Adequacy Ratio

Symbol	Value	Rank
AIB	14.09%	4
AMB	18.37%	2
BOP	7.38%	7
ISBK	11.80%	6
PCB	22.07%	1
PIBC	16.66%	3
QUDS	13.88%	5

Growth In Customer Deposits

Symbol	Value	Rank
AIB	-3.91%	7
AMB	-0.35%	5
BOP	5.83%	2
ISBK	8.29%	1
PCB	3.30%	4
PIBC	-3.23%	6
QUDS	5.19%	3

Growth In Credit Facilities

Symbol	Value	Rank
AIB	13.35%	5
AMB	-2.25%	7
BOP	29.02%	2
ISBK	28.54%	3
PCB	26.67%	4
PIBC	10.66%	6
QUDS	41.01%	1

Investments to Shareholders' Equity

Symbol	Value	Rank
AIB	196.17%	7
AMB	40.88%	4
BOP	151.14%	6
ISBK	21.55%	2
PCB	83.22%	5
PIBC	26.98%	3
QUDS	12.25%	1

Dividend Yield

Symbol	Value	Rank
AIB	0.00%	2
AMB	0.00%	2
BOP	5.82%	1
ISBK	0.00%	2
PCB	0.00%	2
PIBC	0.00%	2
QUDS	0.00%	2

Price to Earnings Ratio- Trailing

Symbol	Value	Rank
AIB	97.90	6
AMB	13.94	4
BOP	13.57	3
ISBK	0.00	7
PCB	10.76	1
PIBC	14.61	5
QUDS	11.68	2

Return on Assets

Symbol	Value	Rank
AIB	0.16%	6
AMB	0.19%	5
BOP	0.65%	1
ISBK	-0.14%	7
PCB	0.36%	4
PIBC	0.54%	2
QUDS	0.51%	3

Lending to Real Estate Sector to Total Assets

Symbol	Value	Rank
AIB	6.04%	6
AMB	4.54%	4
BOP	6.29%	7
ISBK	2.15%	2
PCB	5.87%	5
PIBC	2.88%	3
QUDS	1.79%	1

Return on Equity

Symbol	Value	Rank
AIB	0.89%	6
AMB	1.07%	5
BOP	5.49%	1
ISBK	-1.20%	7
PCB	1.77%	4
PIBC	2.06%	3
QUDS	3.82%	2

PSE Listed Banks



Price to Book Value

Symbol	Value	Rank
AIB	91.10%	5
AMB	86.78%	4
BOP	230.41%	7
ISBK	86.00%	3
PCB	82.57%	2
PIBC	78.18%	1
QUDS	118.40%	6

Liquid Assets to Total Assets

Symbol	Value	Rank
AIB	26.45%	7
AMB	63.72%	2
BOP	47.49%	5
ISBK	58.29%	4
PCB	64.52%	1
PIBC	58.43%	3
QUDS	47.33%	6

Interest Earning Assets to Total Assets

Symbol	Value	Rank
AIB	90.25%	7
AMB	94.62%	5
BOP	95.20%	3
ISBK	95.85%	1
PCB	94.30%	6
PIBC	95.80%	2
QUDS	95.00%	4

Interest Spread

Symbol	Value	Rank
AMB	3.02%	1
BOP	1.96%	3
PCB	2.89%	2
PIBC	1.73%	4
QUDS	1.63%	5

Overall Ranking

Ratio	PCB	QUDS	PIBC	BOP	ISBK	AMB	AIB
Capital Adequacy Ratio	1	5	3	7	6	2	4
Growth In Customer Deposits	4	3	6	2	1	5	7
Growth In Credit Facilities	4	1	6	2	3	7	5
Investments to Shareholders' Equity	5	1	3	6	2	4	7
Dividend Yield	2	2	2	1	2	2	2
Return on Assets	4	3	2	1	7	5	6
Lending to Real Estate Sector to Total Assets	5	1	3	7	2	4	6
Return on Equity	4	2	3	1	7	5	6
Price to Earnings Ratio- Trailing	1	2	5	3	7	4	6
Price to Book Value	2	6	1	7	3	4	5
Liquid Assets to Total Assets	1	6	3	5	4	2	7
Interest Earning Assets to Total Assets	6	4	2	3	1	5	7
Interest Spread	2	5	4	3	N/A	1	N/A
Relative Score	3.15	3.15	3.31	3.69	3.75	3.85	5.67
Overall Rank	1	2	3	4	5	6	7

Palestine commercial Bank (PCB) came in the first place to maintain higher liquidity assets to total assets, standing at 64.52%. In addition, the bank showed a conservative policy in financing its assets, when its capital adequacy ratio settled at 22.07%. In term of market indicators, PCB's trailing PE ratio recorded the lowest ratio among other listed banks and currently the book's share is trading under its book value when it came second in this ratio.

Al Quds Bank (QUDS) settled at the same rank of Palestine Commercial Bank (PCB), but varied in ranking measures, in which came the first in terms of registering the highest growth in credit facilities, and the lowest in investments proportion to shareholders equity; lower risk. Al Quds Bank (QUDS) also adopted a conservative lending strategy to real estate sector.

Palestine Investment Bank (ISBK) came in the third in the overall ranking, when it ranked as first in terms of price to book value; the lowest. The bank also reported an acceptable ROA when it stood at 0.54%.

Bank of Palestine (BOP) preceded in profitability indicators; ROA at 0.65% and ROE at 5.49%. It should be mentioned that Bank of Palestine (BOP) is the only listed which distributed cash dividends to its shareholders. Dividend yield amounted to 5.82%.

Listed Banks Profiles

Al Quds Bank (QUDS)	2009	Q12010
Cash on Hand and At Banks	174,893,734	165,421,203
Net Credit Facilities	121,188,598	170,888,637
Investment Portfolio	5,739,794	5,949,518
Total Assets	330,132,209	360,268,697
Deposits	277,068,637	291,448,978
Capital	50,000,000	50,000,000
Change in Fair Value of AFS Investments	49,296	-507
Shareholders' Equity	46,759,478	48,563,970
Total Revenues	3,828,269	4,467,025
Operating Revenues	2,927,244	3,790,433
Gains from Investment Portfolio	0	259,527
Net Income	1,882,758	1,854,295
Profitability		
Return on Assets	0.70%	0.51%
Return on Equity	4.11%	3.82%
Operating Revenues to Total Revenues	76.46%	84.85%
Income from Investment Portfolio to Net Income	0.00%	14.00%
Valuation		
EPS	0.038	0.037
BV	0.917	0.971
PE(x)	8.08	11.68
PBV(x)	87.28%	118.40%
Share Price	0.8	1.15

Recent Developments

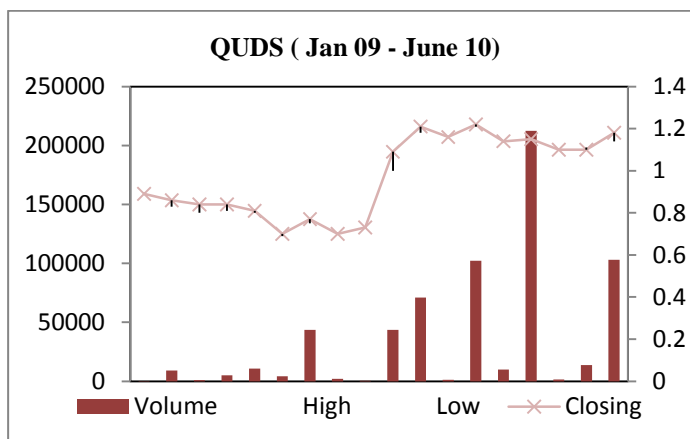
- The ordinary and extraordinary general assembly for Al Quds Bank (QUDS) had been held on 01/07/2010, where it approved the financial statements for 2009 and amended some articles in the bank's memorandum of association and bylaws.

Share Information

Change 2010	-4.96%
Q-o-Q	43.75%
52 week High	1.25
52 Week low	0.69
Dividend Yield	0
Free Float	41.96%

Trading Information

Volume Traded Q12010	584,955
Value Traded 2008	676,531
Average Daily Trading Volume	9,285
% of Sector Volume Traded	2.11%
Average Daily Trading Value	10,739
% of Sector Value Traded	1.91%



PSE Listed Banks



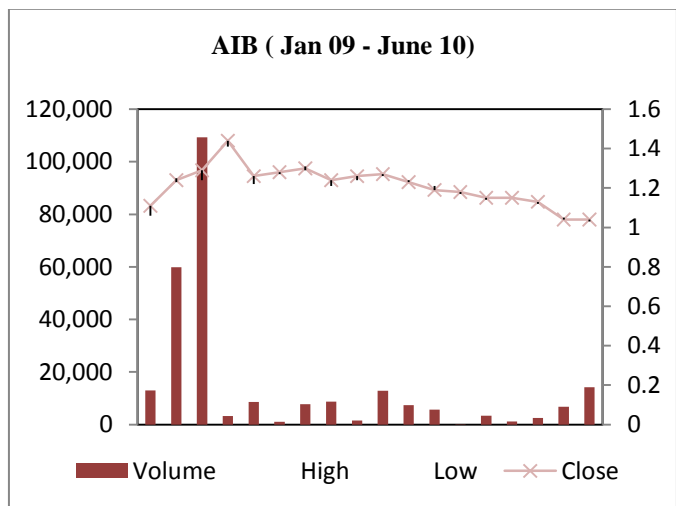
Arab Islamic Bank (AIB)	2009	Q12010
Cash on Hand and At Banks	81,977,336	68,566,718
Net Credit Facilities	92,173,018	104,480,380
Investment Portfolio	102,440,732	99,026,652
Total Assets	293,436,666	288,841,913
Customer Deposits	92,507,715	88,892,121
Capital	40,696,939	40,696,939
Change in Fair Value of AFS Investments	4,313,481	4,351,955
Shareholders' Equity	49,991,825	50,480,951
Total Revenues	3,429,491	3,006,284
Operating Revenues	3,340,515	2,866,646
Gains from Investment Portfolio	56,337	57,479
Net Income	941,834	450,652
Profitability		
Return on Assets	0.30%	0.16%
Return on Equity	1.93%	0.89%
Operating Revenues to Total Revenues	97.41%	95.36%
Income from Investment Portfolio to Net Income	5.98%	12.75%
Valuation		
EPS	0.025	0.011
BV	1.272	1.240
PE(x)	57.60	97.90
PBV(x)	113.24%	91.10%
Share Price	1.44	1.13

Share Information

Change 2010	-1.74%
Q-o-Q	-21.53%
52 week High	1.35
52 Week low	1
Dividend Yield	0
Free Float	31.48%

Trading Information

Volume Traded Q12010	368050
Value Traded 2008	420,447
Average Daily Trading Volume	5,842
% of Sector Volume Traded	1.33%
Average Daily Trading Value	6,674
% of Sector Value Traded	1.18%



Bank Of Palestine (BOP)	2009	Q12010
Cash on Hand and At Banks	664,439,375	606,319,106
Net Credit Facilities	343,311,230	442,957,102
Investment Portfolio	232,437,181	241,390,790
Total Assets	1,281,830,469	1,354,985,583
Deposits	1,086,476,863	1,149,831,962
Capital	100,000,000	100,000,000
Change in Fair Value of AFS Investments	-1,115,276	-1,053,366
Shareholders' Equity	150,897,817	159,714,261
Total Revenues	14,546,848	17,007,198
Operating Revenues	12,995,560	13,382,048
Gains from Investment Portfolio	1,152,246	2,577,845
Net Income	8,187,989	8,772,534
Profitability		
Return on Assets	0.76%	0.65%
Return on Equity	6.19%	5.49%
Operating Revenues to Total Revenues	89.34%	78.68%
Income from Investment Portfolio to Net Income	14.07%	29.39%
Valuation		
EPS	0.101	0.088
BV	1.625	1.597
PE(x)	13.03	13.57
PBV(x)	227.71%	230.41%
Share Price	3.7	3.68

Recent Developments

- The ordinary general assembly held on April 30 approved the board of director's recommendation to distribute 21.40% from the capital as cash dividends- \$21.40 million- to the shareholders.
- Bank of Palestine (BOP) announced that the bank purchased a strategic stake in Jordan Invest Bank (JIFB) of 6,779,960 as of %8.75 of its capital.

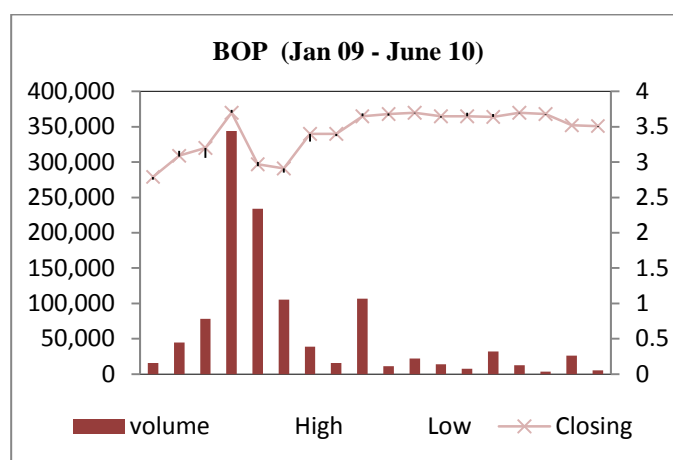
Share Information

Change 2010	-1.87%
Q-o-Q	-0.54%
52 week High	3.85
52 Week low	3.28
Dividend Yield	5.82%
Free Float	63.51%

Trading Information

Volume Traded Q12010	2,349,539
Value Traded Q12010	8,656,249
Average Daily Trading Volume	37,294
% of Sector Volume Traded	8.48%

Average Daily Trading Value	137,401
% of Sector Value Traded	24.38%



AlRafah Microfinance Bank (AMB)	2009	Q12010
Cash on Hand and At Banks	96,484,439	97,720,187
Net Credit Facilities	45,849,576	44,817,618
Investment Portfolio	11,850,430	12,013,228
Total Assets	162,661,833	163,330,599
Deposits	130,858,360	130,403,892
Capital	30,000,000	30,000,000
Change in Fair Value of AFS Investments	34,531	342,876
Shareholders' Equity	28,761,776	29,385,590
Total Revenues	1,405,322	1,504,086
Operating Revenues	1,379,083	1,427,011
Gains from Investment Portfolio	24,083	21,515
Net Income	346,264	315,470
Profitability		
Return on Assets	0.31%	0.19%
Return on Equity	1.33%	1.07%
Operating Revenues to Total Revenues	98.13%	94.88%
Income from Investment Portfolio to Net Income	6.96%	6.82%
Valuation		
EPS	0.012	0.011
BV	0.866	0.980
PE(x)	9.68	13.94
PBV(x)	69.29%	86.78%
Share Price	0.6	0.85

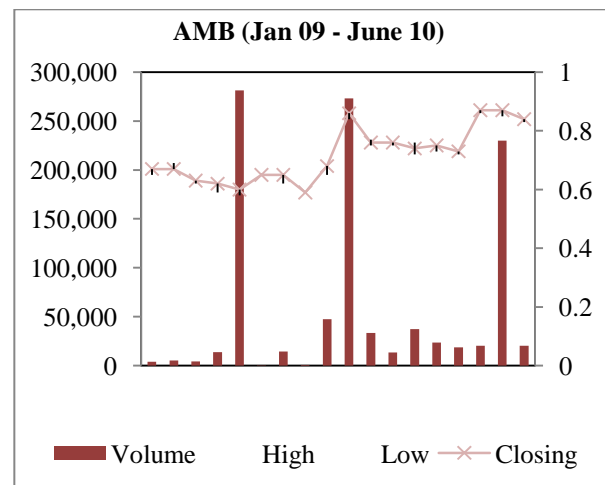


Recent Developments

- Alrafah Microfinance Bank (AMB) and Jordan Commercial Bank signed a memorandum of understanding to construct a merging agreement between them, where Mr Micheal Al Saegh Chairman of Jordan commercial bank and Mr Talal Naser chairman Al rafah microfinance bank assigned the general framework to implement the merge.

Share Price Information

Change in 2010	16.44%
Q-o-Q	41.67%
52 Week High	0.9
52 Week Low	0.58
Dividend Yield	0
Free Float	64.68%
Trading Information	
Volume Traded Q1 2010	5,051,809
Value Traded Q1 2010	4,068,806
Average Daily Trading Volume	80,187
% of Sector Volume Traded	18.22%
Average Daily Trading Value	64,584
% of Sector Value Traded	0.18%



PSE Listed Banks

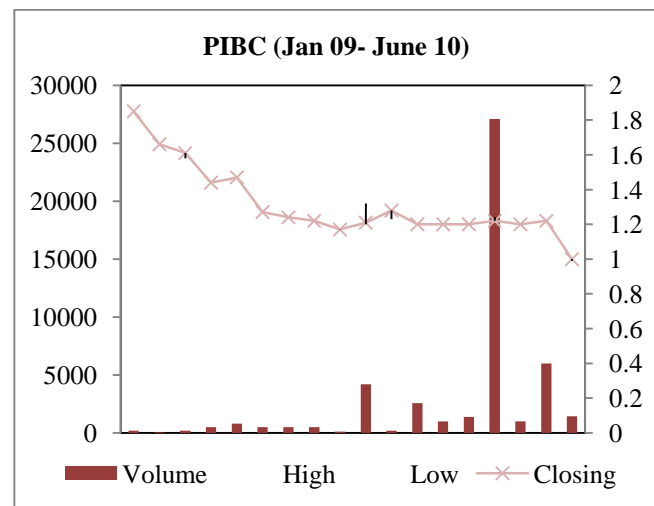


Palestine Investment Bank (PIBC)	2009	Q12010
Cash on Hand and At Banks	141,296,374	123,477,916
Net Credit Facilities	81,098,530	89,739,656
Investment Portfolio	12,872,100	16,841,167
Total Assets	245,620,515	240,136,983
Deposits	180,213,675	174,400,147
Capital	40,000,000	40,000,000
Change in Fair Value of AFS Investments	-1,694,995	-1,623,480
Shareholders' Equity	61,081,333	62,421,201
Total Revenues	2,070,900	2,520,759
Operating Revenues	2,024,441	2,503,979
Gains from Investment Portfolio	42,184	12,140
Net Income	866,051	1,286,624
Profitability		
Return on Assets	0.43%	0.54%
Return on Equity	1.35%	2.06%
Operating Revenues to Total Revenues	97.76%	99.33%
Income from Investment Portfolio to Net Income	4.87%	0.94%
Valuation		
EPS	0.022	0.032
BV	1.604	1.561
PE(x)	19.18	14.61
PBV(x)	87.30%	78.18%
Share Price	1.4	1.22

Recent Developments

- Palestine Investment Bank PIBC held its general assembly meeting on 13/05/2010 where it approved the board of directors recommendation to distribute 25% as stock dividends amounted of USD 10 Million (25% of the paid up capital); the bank's capital reached USD 50 million.

Share Price Information	
Change in 2010	1.67%
Q-o-Q	-12.86%
52 Week High	1.32
52 Week Low	0.98
Dividend Yield	0
Free Float	24.97%
Trading Information	
Volume Traded Q1 2010	14,166,440
Value Traded Q1 2010	17,283,634
Average Daily Trading Volume	224,864
% of Sector Volume Traded	51.11%
Average Daily Trading Value	274,343
% of Sector Value Traded	48.68%



Palestine Commercial Bank (PCB)	2009	Q12010
Cash on Hand and At Banks	69,786,112	64,470,619
Net Credit Facilities	31,987,045	40,518,073
Investment Portfolio	21,923,297	23,303,978
Total Assets	132,031,209	136,045,770
Deposits	100,747,569	104,068,200
Capital	30,026,056	30,026,056
Change in Fair Value of AFS Investments	441,970	818,811
Shareholders' Equity	27,130,576	28,002,102
Total Revenues	1,262,123	1,553,578
Operating Revenues	1,016,846	1,327,469
Gains from Investment Portfolio	-24,275	47,301
Net Income	356,976	494,685
Profitability		
Return on Assets	0.34%	0.36%
Return on Equity	1.43%	1.77%
Operating Revenues to Total Revenues	80.57%	85.45%
Income from Investment Portfolio to Net Income	-6.80%	9.56%
Valuation		
EPS	0.012	0.016
BV	0.834	0.933
PE(x)	10.30	10.76
PBV(x)	82.73%	82.57%
Share Price	0.69	0.77

Recent Developments

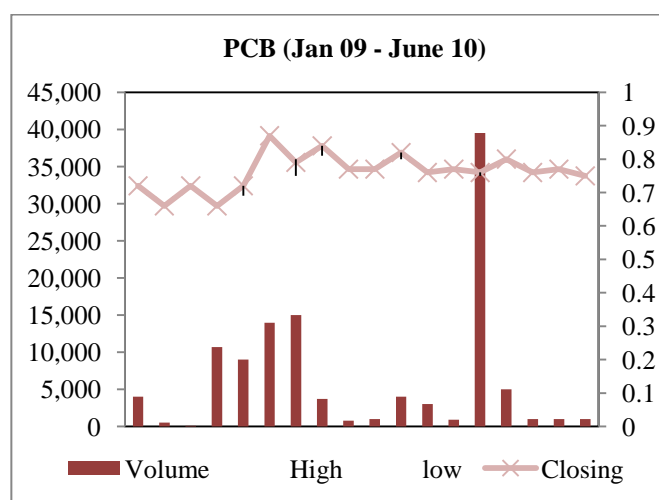
- Palestine Commercial Bank held its regular General Assembly meeting on 26 April 2010 where it's approved the financial statement of the previous, as noted that the bank plans to open new branches in different provinces also plan to raise the company's capital to \$35 million to arrive at a later stage to \$50 million.

Share Price Information

Change in 2010	-3.75%
Q-o-Q	11.59%
52 Week High	0.89
52 Week Low	0.65
Dividend Yield	0
Free Float	48.46%

Trading Information

Volume Traded Q1 2010	621,635
Value Traded Q1 2010	466,552
Average Daily Trading Volume	9,867
% of Sector Volume Traded	2.24%
Average Daily Trading Value	7,406
% of Sector Value Traded	1.31%

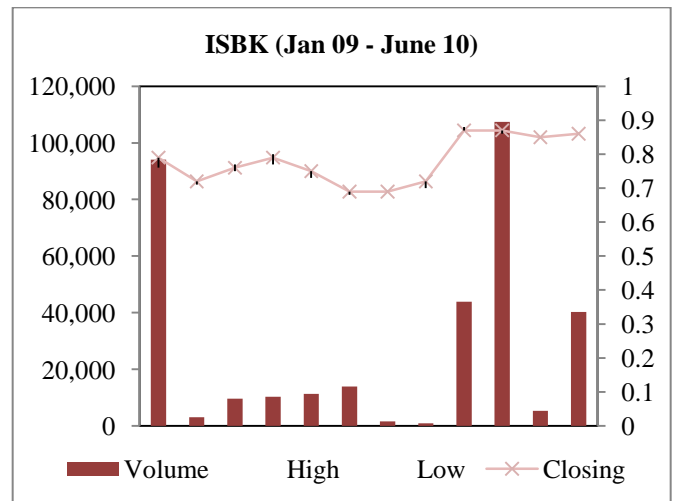


Palestine Islamic Bank (ISBK)	2009	Q12010
Cash on Hand and At Banks	190,411,285	172,028,012
Net Credit Facilities	88,889,517	114,259,991
Investment Portfolio	8,124,497	7,746,339
Total Assets	299,134,104	304,701,476
Deposits	73,244,036	79,316,530
Capital	35,941,087	35,941,087
Change in Fair Value of AFS Investments	-	-
Shareholders' Equity	36,371,337	35,939,514
Total Revenues	2,472,541	1,795,605
Operating Revenues	2,473,037	2,147,523
Gains from Investment Portfolio	-	-371,957
Net Income	293,324	-431,824
Profitability		
Return on Assets	0.10%	-0.14%
Return on Equity	1.34%	-1.20%
Operating Revenues to Total Revenues	100.02%	119.60%
Income from Investment Portfolio to Net Income	-	86.14%
Valuation		
EPS	0.136	-0.012
BV	0.610	1.000
PE(x)	0.00	0.00
PBV(x)	113.20%	86.00%
Share Price	0.69	0.86

 **Recent Developments**

- Palestine Islamic Bank (ISBK) decided to buy the portfolio of Al Aqsa Bank starting from 01/04/2010 in effect of the EGM decision of Al Aqsa bank to be liquidated on 31/03/2010.

Share Price Information	
Change in 2010	22.86%
Q-o-Q	24.64%
52 Week High	0.9
52 Week Low	0.65
Dividend Yield	0
Free Float	82.18%
Trading Information	
Volume Traded Q1 2010	4,464,465
Value Traded Q1 2010	3,550,279
Average Daily Trading Volume	70,865
% of Sector Volume Traded	16.11%
Average Daily Trading Value	56,354
% of Sector Value Traded	10.00%



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