



بنك فلسطين  
BANK OF PALESTINE

# Resilient Foundations for Growth & Prosperity

Banking for All  
Annual Report 2025



# Table of Content

## 03

### Overview

- 03. Bank of Palestine Group at a Glance
- 09. Key Financial Highlights
- 10. Chairman's Statement
- 13. CEO's Statement
- 18. Highlights of 2025
- 20. Awards and Memberships
- 21. Branches and Network Footprint
- 22. Banking Sector Overview

## 26

### Corporate Governance

- 26. Board of Directors and Board Committees
- 42. Executive Management
- 44. Risk Management
- 58. Anti-Money Laundering and Compliance
- 64. Disclosures
- 65. Investor Relations and Shareholders' Information

## 75

### Strategic Review

- 75. The Bank's Five-Year Strategic Plan
- 80. Customer Service
- 82. Our Approach to Sustainability
- 92. Our Digital Transformation Strategy

## 95

### Operational Review

- 95. Business Banking
- 101. Retail Banking
- 110. Our Employees

## 115

### Bank of Palestine Group

- 115. The Arab Islamic Bank
- 118. Al Wasata Securities Company
- 120. PalPay Company
- 123. Qudra Renewable Energy Solutions Company
- 124. Intersect Innovation Hub
- 126. Ibtikar Fund – Youth and Startups

## 128

### Financial Statements



### About Bank of Palestine Group

Bank of Palestine was established in 1960 as a leading financial institution that seeks to upgrade banking services in Palestine, while focusing on financing small and medium-sized enterprise. The Bank developed its operations and expanded its services to respond to the financial needs of various Palestinian sectors and segments.

With its headquarters in Ramallah, Bank of Palestine stands today as the largest national banking institution in terms of assets, customer deposits, credit facilities, historical profits, number of employees, and market value. The Bank operates a comprehensive network of 100 branches and offices spread across Palestine, providing banking services to over one million customers through a wide and diverse range of distinguished banking and digital services. It plays a key role in promoting financial inclusion, sustainability and entrepreneurship, while working on expanding its international presence in the United Arab Emirates and the Arab Republic of Egypt as part of its regional expansion and growth strategy.

# A Glimpse of Our Journey

**1960**

Establishment of Bank of Palestine



**1981**

The first bank in Palestine to use computers



**1994**

Relationship building with global banks

**1995**

**SWIFT**

The first bank in Palestine to adopt SWIFT

**1998**

**VISA |**

The first and only bank in Palestine to establish a Visa and MasterCard center for banking card transactions



**2000**

Introduced ATMs and Points of Sale (POS)

**2002**

Established an International Trade Department and began doing business with the Global Banking Network

**2005**

Listed Bank of Palestine shares on the Palestine Exchange



**2006**

Established Al Wasata Securities Company, the investment arm of Bank of Palestine Group



**2009**

Launched the GPRS and the first drive-thru ATM



**2010**

Established PalPay Company for electronic payment solutions

**2015**

- Launched the first Bank of Palestine Representative Office in Dubai, UAE
- Launched the Felestineya Program for women's empowerment & financial inclusion



**2016**

- Merged with the Palestine Commercial Bank
- Joined the Global Alliance for Banking on Values (GABV)
- Acquired a majority shares in the Arab Islamic Bank



**2017**

Launched the second Bank of Palestine Representative Office in Santiago, Chile

**2018**

- Participated in global environmental and community initiatives in cooperation with the International Finance Corporation (IFC) and the French Agency for Development (AFD)
- Launched the mobile branch – Banke Rahhal

**2019**

- Launched the USSD service
- Launched the automated banking service
- Launched the WhatsApp banking channel
- Launched the PointCom campaign to promote electronic banking services
- Launched the "Mahfazati" electronic wallet app



**2020**

- Upgraded corporate and retail banking services
- Established Qudra Renewable Energy Solutions in partnership with NAPCO
- Established Intersect Innovation Hub
- Signed USD 50 million loan agreements with the European Investment Bank and USD 15 million with EBRD to support SMEs and women-in-business

**2021**

- Completed the customer segmentation project
- FISEA, the AFD Group Investment Vehicle advised by Proparco, became a strategic partner and investor in Bank of Palestine



**2022**

- Invested in Mada Al Arab to advance digital transformation
- Launched the Climate Risk Conference in cooperation with EBRD
- Signed the SUNREF II (green loan) agreement with Proparco and the European Union
- Launched the first sustainability report

**2023**

- Signed an agreement with the Japan International Cooperation Agency (JICA) to invest \$30 million in BOP's Additional Tier 1 Capital
- Joined CitiGroup's Sustainable Deposits Solution
- Completed its five-year strategic plan



**2024**

- The IFC and the EBRD acquired an 8.92% stake in BoP through a special share issuance
- Strategic partnership with Bank of Africa, through which BOA acquired 1.2% equity stake in BoP
- Signed a \$65 financing agreements with IFC, Proparco and SANAD fund. other agreements were signed with the Arab Fund for \$30 million; with DFC for \$80 million; and with MEII for \$20 million, all aimed at supporting SME financing.



# 2025

- Opened a representative office in Cairo, Arab Republic of Egypt, to serve the Palestinian diaspora
- Established Taqa Company in partnership with APIC and Massader to develop sustainable energy projects
- Obtained In-principle approval for a Category 1 (CAT1) full banking license from ADGM, Abu Dhabi - UAE

- Increased the Bank's capital by USD 11.8 million through a special share issuance led by Proparco, with additional investments from EBRD and IFC to maintain their ownership stakes.
- Ranked among the top 100 banks in the Arab world by total assets in 2024

## We draw our strength from...

**The Strength of Our Financial Position**

- Capital Adequacy Ratio **%16.29**
- Total Assets (\$) **10.7 billion**
- Liquidity Coverage Ratio **%899**
- Largest Customer Base **over 1 million customers**
- Credit Facilities (\$) **4.0 billion**
- Customer Deposits (\$) **9.1 billion**

## Our Widespread Presence



100

Branches and offices **Locally**  
 Representative office in Dubai **Regionally**  
 Representative office in Cairo

Obtained in-principle approval for a Category 1 (CAT1) full banking license from ADGM

- Advancing financial inclusion in Palestine
- Adhering to global standards and ESG principles
- Participating in Citi Group's Sustainable Deposits Program
- The largest lender to SMEs
- Investing in renewable energy projects
- Fostering an innovation-driven ecosystem

## Our Approach to Sustainability



## Our Regional and Global Strategic Partnerships

- Strategic engagements and investments with leading international financial and development institutions
- A broad and diversified network of correspondent banks

## A Tribute to Our Founders



Late Mr. **Hashim Atta Shawa**

Founder of Bank of Palestine

The late Hashim Atta Shawa managed to build a great economic edifice when he founded the Bank with an aim to support farmers and orchard owners in the Gaza Strip and encourage them to grow and expand their businesses. Shawa used the orange tree as a symbol to reflect the Bank's identity and that of Palestine. He devoted his life in service of his people and his homeland, and until his last days, worked persistently to develop and expand the Bank.

Late Dr. **Hani Hashim Shawa**



The late Hani Shawa continued along the path of building and developing Bank of Palestine by adopting an expansion strategy, staying abreast with technological advancements and elevating the level of business practices and professional performance. His footprints and legacy of wise and sound management live on until today, reflected in the Bank's will to best serve its customers, shareholders and stakeholders.

Former Chairman of Bank of Palestine



## Our Vision

We aspire to be distinguished as the values-based, sustainable, modernized financial and banking institution on both the local and international levels.

## Our Mission

Bank of Palestine undertakes a mission rooted in a value system dating back to 1960, encompassing the best sustainable global practices and modern digital banking, to impact economic and social development in Palestine, through innovative banking while preserving shareholders' rights and providing value to all stakeholders in a national partnership, with connections extending to the region and the world within a shared responsibility approach.



## Our Values

- ◆ Pioneer
- ◆ Resilience
- ◆ Pride
- ◆ Trust
- ◆ Sustainability

## Key Financial Highlights

### Change in Key Performance Indicators (KPIs) during the last five years

USD / Million	2021	2022	2023	2024	2025
Gross Income Before Provisions	262.5	299.2	327.8	354.0	389.5
Gross Income After Provisions	237.9	271.1	192.1	127.5	259.6
Profit Before Tax	84.6	107.3	17.9	-45.5	66.3
Net Profit	56.3	66.6	16.5	-27.9	57.0
Total Assets	6,508	6,488	7,126	8,360	10,651
Customer Deposits	5,305	5,267	5,808	7,022	9,118
Credit Facilities	3,453	3,572	3,839	3,843	4,012
Shareholders' Equity	496.1	545.9	560.4	573.6	670.8
Paid-up Capital	217.4	224.0	230.7	260.6	268.8
Net Interest and Commission Income	223.6	256.3	290.0	305.9	315.1

Number of Customers (All Customers)	881,499	999,827	1,089,513	1,083,268	1,159,584
Number of Employees	2,430	2,577	2,572	2,653	2,626
Number of Branches	100	103	103	102	100
Market Share – Deposits	31.72%	31.78%	33.02%	37.40%	41.71%
Market Share – Credit Facilities	33.92%	34.21%	34.20%	34.81%	35.36%

## Chairman's Statement



**» Bank of Palestine will continue to advance responsible, purpose-driven banking, helping shape a sustainable future for generations to come and upholding its enduring mission since its establishment. For sixty-five years, we have been, and will remain, Banking for all ... at all times**



Esteemed Bank of Palestine Shareholders,

In 2025, Bank of Palestine marked the sixty-fifth anniversary of its establishment, an occasion that coincided with a period of heightened challenges and adversity. Despite these conditions, the Bank remained steadfast in fulfilling its role, drawing strength and resilience from the core principles upon which it was founded, its deep-rooted connection to its land and people, and its unwavering commitment to its responsibilities toward the national economy. This has reinforced its ability to sustain growth and expansion through sound governance, prudent management, and a comprehensive sustainability approach.

As we build on a journey spanning more than six decades, we renew our commitment to delivering best-in-class banking services, contributing to economic development, and supporting our Palestinian community. We continue to enhance our services and advance the founders' vision embedded in the foundations of this institution, towards achieving a global presence. This is pursued through expanding into regional markets, strengthening our digital offerings, adopting international best practices, and leveraging advanced technologies to enhance our ability to anticipate the future and ensure the Bank's resilience for decades to come. At the core of our mission lies financial inclusion and strengthening connections with all segments of Palestinian society, both within Palestine and across the diaspora.

### Our Customers and Community at the Core of Our Focus

Amid these complex circumstances, we have stood firmly alongside our customers and community. The Bank ensured the continuity of essential banking services while accelerating the development of digital services across all regions. We also significantly expanded our digital capacity and payment systems, enhancing access to banking services through digital platforms, enabling large number of customers to conduct their transactions securely and at any time.

The Bank continued to serve all customer segments by supporting businesses and providing appropriate financing, while maintaining acceptable asset quality and effective liquidity management. This was accompanied by sustained growth in the deposit base, reflecting continued customer confidence despite the second consecutive year of war and the resulting uncertainty.

### Ensuring Business Continuity Amid Challenges

Bank of Palestine maintained operational continuity as an integral part of the Palestinian banking sector, which continued to function despite exceptional conditions, economic contraction, and increased operational risks. This required operating within a robust risk management framework that ensures business continuity under various scenarios, while further strengthening all financial indicators.

### Continued Strengthening of the Capital Base

In reinforcing its financial position, the Bank continued to strengthen its capital adequacy to support its role in sustaining economic activity. This contributes to advancing economic recovery and reconstruction efforts, while moving forward with regional expansion plans. The Bank successfully increased its capital through private share issuances to its existing strategic partners, with Proparco (the investment arm of the French Development Agency, AFD) increasing its stake to become the second-largest institutional investor, while the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) made additional investments to maintain their strategic ownership levels.

### A Strategic Milestone Toward Regional Expansion

In 2025, the Bank progressed in executing its regional expansion strategy, achieving key milestones. It inaugurated its representative office in Cairo, aiming to serve Palestinians abroad while strengthening its regional presence and engagement with investors. As a further strategic step toward international expansion, the Bank obtained in-principle approval (IPA) for a Category 1 (CAT-1) full banking license from Abu Dhabi Global Market (ADGM). This represents a pivotal milestone in expanding regionally and diversifying income streams by providing banking services to the global Palestinian community.

## Strong International Partnerships

Over the years, the Bank has built solid strategic partnerships with leading financial and development institutions at the local, regional, and international levels. We take pride in these long-standing relationships and extend our sincere appreciation to all our partners. We deeply appreciate their continued support, particularly during this challenging period, as these partnerships have contributed to mobilizing financing, strengthening capital, and developing innovative financial instruments that support the sustainability of economic activity.

## Looking Ahead: Supporting Recovery and Reconstruction

We look to the future with determination and confidence, committed to our responsibilities and to playing a leading role in supporting economic recovery and reconstruction efforts. Our priorities include mobilizing international financing, supporting private sector recovery, financing infrastructure and productive sectors, expanding digital financial services, and directing development finance toward the most vulnerable sectors and communities.

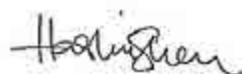
## Banking for All... at All Times

Despite the surrounding challenges, our vision remains clear. Supported by our strong principles and trusted partnerships, Bank of Palestine will continue to play its role in sustainable development, as a pillar of stability and a driver of growth and prosperity. The Bank will continue to advance responsible and purposeful banking that meets the aspirations of its shareholders and partners, and the needs of its customers and community, both locally and internationally, working across all sectors to help shape a sustainable future for generations to come. For sixty-five years, we have been, and will remain committed to banking for all... at all times.

In closing, and in light of our achievements despite the challenges, I extend, on behalf of the Board of Directors, our sincere appreciation to the regulatory authorities, our shareholders, partners, employees, and customers for their continued trust and support. Their contributions have been instrumental in achieving these important milestones under exceptional circumstances, enabling us to continue serving our community and economy.

Hashim Shawa

Chairman of Bank of Palestine Group



## CEO's Statement



Mr. Mahmoud Shawa

» **Our Group has delivered remarkable achievements under unprecedented conditions, with a return to profitability, supported by the strength of our financial position. We are committed to move forward towards growth and prosperity** «

Dear Shareholders,

I am pleased to present to you the 2025 Annual Report, summarizing a year that marked a pivotal milestone in Bank of Palestine's journey. Throughout the year, we continued to operate with resilience and confidence amid unprecedented challenges, drawing on a deeply rooted legacy of values, national responsibility, prudent risk management, and a firm commitment to supporting the national economy and enhancing its stability.

Over the years, the Bank has demonstrated its ability to adapt to change and transform challenges into opportunities, maintaining its leading position within the Palestinian banking sector while reaffirming its developmental role under the most difficult conditions. The year 2025 witnessed a continuation of the war, with its ongoing humanitarian, social, and economic repercussions, which significantly impacted the Palestinian economy, leading to a sharp decline in economic activity and heightened instability.

Amid complex geopolitical conditions and the resulting structural challenges facing the banking sector, most notably the continued accumulation of excess ILS cash and developments related to correspondent banking relationships with Israeli banks, the Bank addressed these pressures through prudent risk management and strict adherence to the highest standards of compliance and transparency. These principles remain fundamental to maintaining trust and stable relations across all stakeholders, including customers, partners, and shareholders. The Bank ensured uninterrupted delivery of essential banking services across its network, stood firmly by its customers during exceptional circumstances, and preserved the strength of its financial position. Through a robust governance framework, disciplined risk management practices, and

sound capital management, we were able not only to withstand these challenges, but also to strengthen the Bank's role as a key economic enabler in Palestine and a vital lifeline for many sectors and communities. In parallel, the Bank continued to fulfill its social responsibility by supporting the healthcare sector, emergency relief efforts, education, and entrepreneurship, while advancing financial inclusion across all segments of society.

**Strength of Our Financial Position**

Bank of Palestine Group maintained a strong and resilient financial foundation, enabling it to navigate challenging conditions. During the past year, the Group announced its return to profitability following exceptional credit provisions related to the Gaza portfolio, particularly the cash losses incurred in 2024. Total assets grew by 27.4% to reach approximately USD 10.7 billion by the end of 2025. Customer deposits increased by 29.9% to USD 9.1 billion, reflecting continued customer confidence. Net credit facilities recorded a growth of 4.4% to reach USD 4.0 billion, driven by a selective lending policy focused on sectors with greater resilience and sustainability, as well as core economic activities.

The operational cost-to-income ratio stood at 49.63%, indicating sound operational efficiency. The capital adequacy ratio reached 16.29% at year-end, demonstrating the Bank's strength and robustness. The Bank also maintained strong liquidity levels, underscoring its ability to meet its obligations even under stressed scenarios. These indicators reflect not only the strength of financial performance, but also the continued trust of depositors and partners.

**Our Strategic Priorities - Strengthening the Capital Base**

As highlighted by the Chairman, one of the key milestones in 2025 was the continued strengthening of the Bank's capital base. Proparco increased its stake to 5.53%, reaffirming its long-term commitment to supporting the Bank and the Palestinian financial sector. In addition, both IFC and EBRD increased their investments in the Bank. These increases represent not only additional capital injections, but also a strong vote of confidence from international development finance institutions in the Bank's governance framework, transparency, and future strategic direction.

**Digital Transformation**

Digital transformation remains a core pillar of our strategy and a key driver of operational resilience and efficiency. In 2025, more than 56 million customer transactions were executed through digital channels, reflecting a growth of 310% compared to 2024. The number of users of the mobile banking application increased by 68%, driven by enhancements in user experience and the expansion of digital services. PalPay, one of the Group's subsidiaries, continued to play a central role in advancing financial inclusion through its expanding digital payments ecosystem. Its platform facilitated secure transactions for individuals, merchants, and humanitarian organizations, while extending services to unbanked and underbanked segments, thereby improving access to essential financial services. During this period, digital payments proved critical in ensuring business continuity and facilitating the distribution of aid. Financial inclusion is not a peripheral initiative for us, but a core component of our

institutional mission and our humanitarian and developmental role.

**Regional Expansion**

In July 2025, we opened a representative office in Cairo, reinforcing our presence within the Egypt market. Egypt serves as a key commercial gateway and a vital link for Palestinian businesses and diaspora communities. Our presence in Cairo enhances our ability to facilitate cross-border trade flows and expand investment opportunities.

In December 2025, the Bank achieved another strategic milestone by obtaining in-principle approval for a Category 1 full banking license from Abu Dhabi Global Market. This marks a turning point in our regional expansion journey, enabling the Bank to access investors across the Gulf and global markets, and to strengthen its presence in international capital markets.

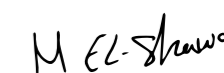
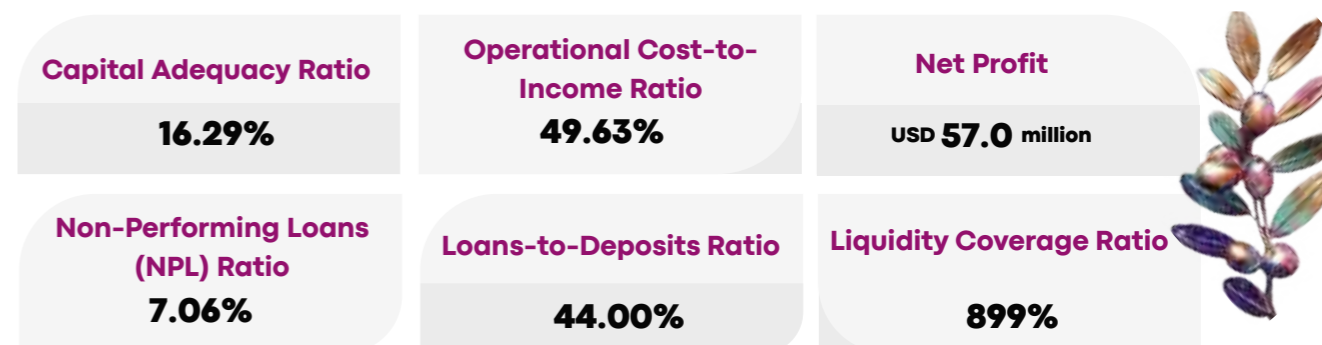
**Looking Ahead**

We entered 2026 with strong determination to implement our strategic plans, while recognizing that economic stability remains closely tied to broader geopolitical developments. Accordingly, we are preparing for a gradual recovery phase through a growth strategy focused on supporting small and medium-sized enterprises, enhancing retail banking services, strengthening capital, and accelerating digital transformation, while maintaining a proactive risk management approach. Our regional expansion efforts in Egypt and Abu Dhabi Global Market will contribute to diversifying revenue streams and enhancing our strategic resilience, with the objective of delivering sustainable long-term value to our shareholders and stakeholders.

In closing, I extend my sincere appreciation to our employees for their exceptional dedication under unprecedented circumstances. I also thank our shareholders for their continued trust and support, and the regulatory authorities, namely the Palestine Monetary Authority and the Capital Market Authority, for their guidance and support. We further extend our gratitude to our international and local partners for their steadfast collaboration.

We renew our commitment to continuing our journey of growth and prosperity

Mahmoud Shawa  
CEO

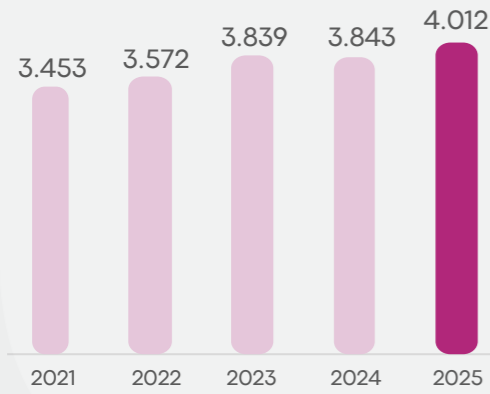



### Financial Performance Analysis | 2025

#### Credit Facilities

USD 4.012 billion

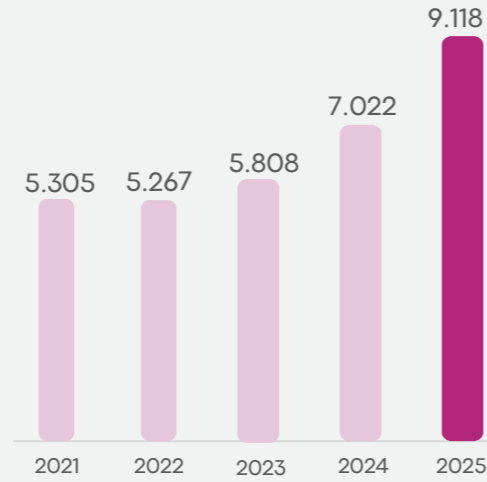
Annual growth | 4.4%



#### Customer Deposits

USD 9.118 billion

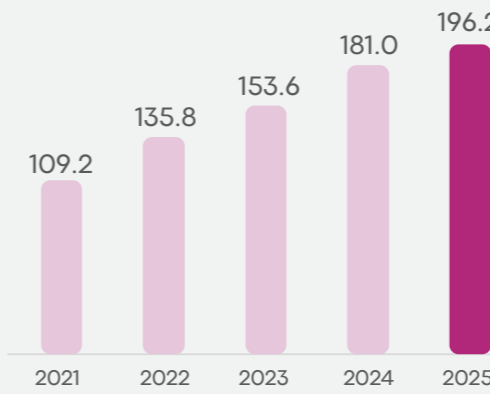
Annual growth | 29.9%



#### Profit Before Provisions and Tax

USD 196.2 million

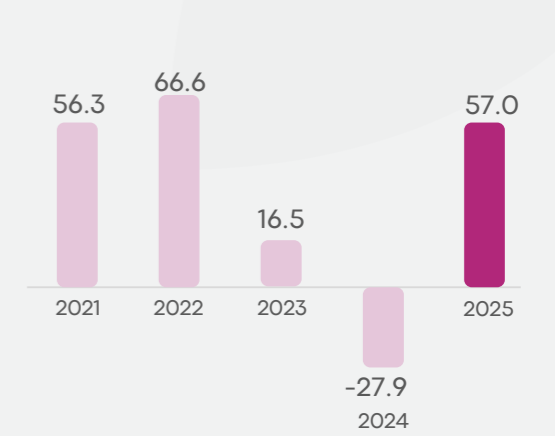
Annual growth | 8.4%



#### Net Profit

USD 57.0 million

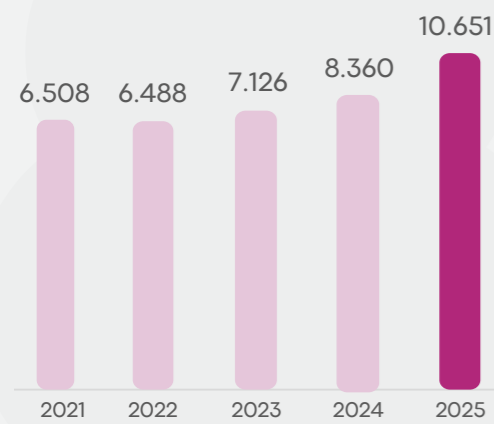
Annual growth | 304.2%



#### Total Assets

USD 10.651 billion

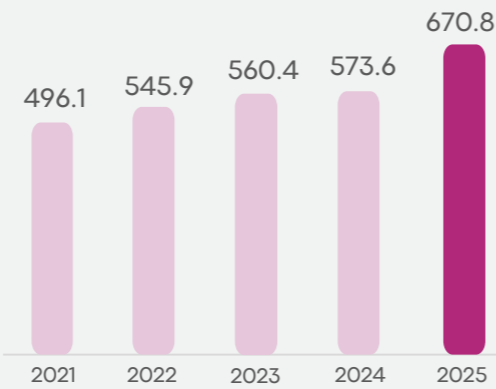
Annual growth | 27.4%



#### Shareholders' Equity

USD 670.8 million

Annual growth | 17.0%



Market Share  
Customer Deposits

**41.71%**

Market Share  
Credit Facilities

**35.36%**

Market Capitalization  
Palestine Exchange

**8.80%**

# Highlights of 2025

- Introduced monthly prizes to encourage customers to use electronic payment cards

- Participated in the launch of the 14<sup>th</sup> Palestinian Model United Nations Conference

- Provided hundreds of insulin pens to diabetes patients in Jenin in partnership with the Augusta Victoria Hospital

- Issued the second Sustainability Report for 2022–2023

- Launched campaigns to encourage customers to use cards for payments and benefit from cashback rewards

- Sponsored the Medical Hackathon at An-Najah National University

- Participated in Banking Week activities for children and youth

- Increased the Bank's capital through a special share issuance valued at USD 11.8 million, including increased investments from Proparco, IFC, and EBRD to maintain their ownership stakes

- Participated in Sibos 2025 exhibition and conference

- Launched the 8<sup>th</sup> cohort of the Palestine Mini MBA program

- Obtained in-principle approval to grant the Bank a Category 1 full banking license from Abu Dhabi Global Market (ADGM)

- Provided support for the rehabilitation of the Children with Disabilities Department at Abu Raya Center

- Sponsored the "Your Health Matters 2025" event

## January February March April May June July August September October November December

- Signed the first agreement to implement the "Israr" program to finance student tuition installments, in cooperation with the Palestine Monetary Authority and Al Quds University

- PalPay sponsored the "Artificial Intelligence Horizons" Forum and the "Digital Palestine" Conference

- Received two awards: Best Bank in Palestine, and Best Bank for Corporate Responsibility from Euromoney

- Achieved growth across key financial indicators despite the impact of the war on Gaza

- Sponsored Palestinian Heritage Day

- Opened a representative office in Cairo, Arab Republic of Egypt, to serve the Palestinian diaspora

- Provided emergency food assistance in Gaza in partnership with Taawon

- Established Taqa company in partnership with the Arab Palestinian Investment Company (APIC) and Massader to develop sustainable energy projects

- Provided mobile housing units for patient companions at the Augusta Victoria Hospital

- Ranked among the top 100 banks in the Arab world by total assets, according to First Bank

- Signed an agreement with the Augusta Victoria Hospital to support the diabetes mobile clinic

Awards and Memberships

## Awards 2025-2024



**Best Bank in Palestine 2025**  
Presented by Euromoney



**Best Bank for Corporate Social Responsibility 2025**  
Presented by Euromoney



**Best Bank in Palestine 2025**  
Presented by EMEA finance



**Best IR Film Award 2024**  
Presented by the Middle East Investor Relations Association (MEIRA)



**STP Excellence Award 2024**  
Presented by Citi Bank

**Ranked 77<sup>th</sup> among the top 100 banks in the Arab world, according to First Bank**

## Memberships

- Member of the Global Alliance for Banking on Values (GABV)  
**First bank in the Arab World and the Middle East to obtain such membership**
- Member of the Middle East Investor Relations Association (MEIRA)
- Member of the World Economic Forum (WEF)
- Member of the Global Banking Alliance for Women
- Member of the United Nations Global Compact
- Member of the Palestine Green Building Council
- Member of the Global Impact Investing Network (GIIN)
- Member of the United Nations Environment Programme Finance Initiative (UNEP FI)
- Member of the Institute of International Finance (IIF)
- Member of the Chairman's Circle the Milken Institute
- Member of the Future Investment Initiative (FII) of PIF, KSA



## Our Branches and Offices | 71 Branches and Offices

General Management: **893 Employees**  
Branches and Offices: **865 Employees**

### Northern West Bank

#### Jenin Governorate

- Jenin Branch
- Maythalun Office
- Yaabad Office
- Al Yamun Office
- Arab American University Office

#### Qabatiya Branch

#### Tubas Governorate

- Tubas Branch

#### Nablus Governorate

- Nablus Branch
- Al Hisba Office
- Huwara Office
- Tulkarm Street Office
- Northern Assira Office

#### Rafeedya Branch

#### Tulkarm Governorate

- Tulkarm Branch
- Khaduri Office
- Downtown Branch – Tulkarm

#### Qalqilya Governorate

- Qalqilya Branch
- Azun Office

#### Representative Offices

- Dubai
- DIFC, Park Tours A
- Cairo
- Cairo, Cairo Festival City – Compound I

#### Mobile Branch – Banke Rahhal

### Central West Bank

#### Ramallah & Al Bireh Governorate

- Ramallah Branch
- Tormosaya Office
- Nalin Office
- Deir Dibwan Office
- Al Manara Office

#### Al Irsal Branch

#### Birzeit Office

#### Silwad Office

#### Al Masyun Branch

#### Bedo Office

#### Beitunya Office

#### Al Bireh Branch

#### Al Tireh Office

#### Lacasa Mall Office

#### Al Qasaba Branch

#### Jericho & the Valleys Governorate

#### Jericho Branch

#### Al Istiraha Office – Jericho

#### Salfit Governorate

#### Salfit Branch

#### Bidya Office

#### Jerusalem District

#### Al Ram Branch

#### Abu Dees Branch

#### Al Quds University (Abu Dis) Office

#### Dahyet Al Bareed Branch

### Southern West Bank

#### Hebron Governorate

- Hebron Branch
- Hebron University Office
- Saer Office
- Bab Al Zawiya Office
- Al Salam Office

#### Tarqumia Branch

#### Dura Office

#### Yatta Office

#### Al Thahiriya Office

#### Bethlehem Governorate

#### Bethlehem Branch

#### Beit Jala Office

#### Beit Sahur Office

#### \* Gaza Strip

#### Northern Gaza Governorate

#### Jabalia Branch

#### Beit Lahia Office

#### Beit Hanun Office

#### Gaza Governorate

#### Al Rimal Branch

#### Al Sarayah Office

#### Tal Al Hawa Office

#### Main Branch

#### Omar Al Mukhtar Office

#### Al Nasr Branch

#### Central Governorates

#### Deir Al Balah Branch

#### Al Nusseirat Branch

#### Al Zahra City Office

#### Northern Governorates

#### Khan Yunis Branch

#### Bani Suhaila Office

#### Rafah Branch

#### Western Rafah Office

\* There are currently four branches operating in Gaza

Banking Sector Overview

## The Banking Sector in Palestine

The banking sector constitutes one of the core pillars of the financial and economic system in Palestine, given its central role in supporting financial stability, providing financing across various economic sectors, and facilitating payment transactions and commercial exchange.

The sector comprises a range of local commercial banks and Jordanian and Egyptian banks, alongside Islamic banks that offer financing services in compliance with Sharia principles. These banks provide a broad spectrum of banking services, including current accounts, savings accounts, deposits, credit facilities (including mortgage facilities), as well as payment and transfer services, in addition to the growing expansion of digital banking services.

Despite the challenges imposed by the economic and political landscape, including the absence of a national currency, the banking sector has demonstrated a high degree of resilience and stability. It has continued to support the private sector, provide credit facilities to small and medium-sized enterprises, and promote financial inclusion.

## Bank of Palestine – Banking for All

### Serving All Segments

- Individuals
- Corporates
- Small and medium enterprises (SMEs)

### A Key Pillar in Supporting the Palestinian Economy

- Financing small and medium-sized enterprises
- Contributing to economic recovery and reconstruction

### Digital Financial Services

- Banke mobile application
- Virtual assistant
- Point of Sale (POS) services
- SMS banking services
- USSD services
- IVR services

### Innovation and Entrepreneurship

- Intersect Innovation Hub
- Ibtikar Fund

## The Largest and Most Widespread Bank

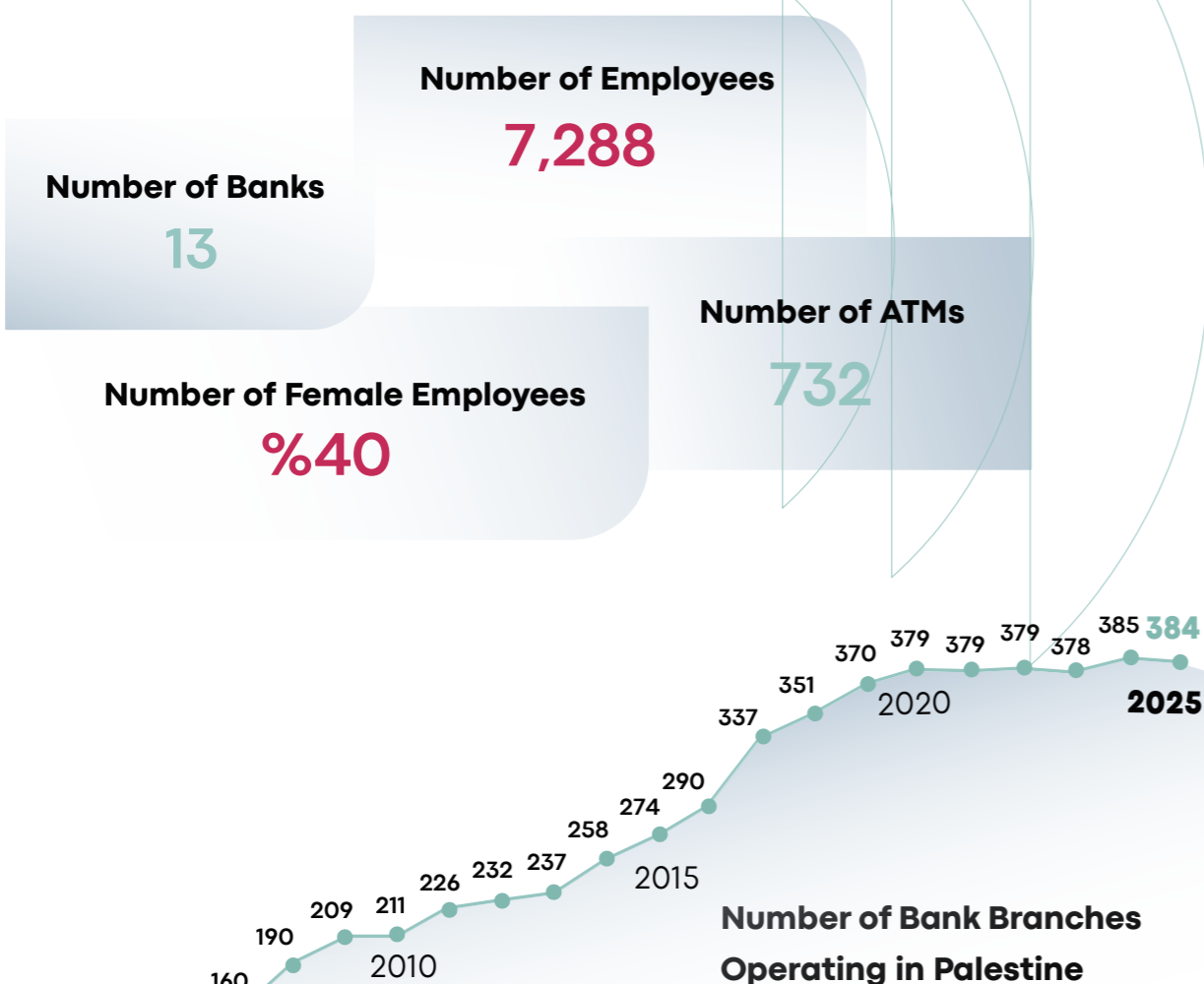
### Regional Expansion

- Largest banking network in Palestine
- Largest customer base

## Leadership in Social Responsibility

Highest level of social contribution among banks operating in Palestine

USD 4.2 million



**Growth Indicators in the Banking Sector**



**Growth in Assets, Deposits and Credit facilities (year by year)**

Total Assets	2021	2022	2023	2024	2025
Banking Sector	8.99%	-1.24%	1.69%	6.38%	14.92%
Bank of Palestine	12.02%	-0.31%	9.84%	17.32%	27.40%
Customer Deposits	2021	2022	2023	2024	2025
Banking Sector	9.70%	-0.93%	6.14%	6.75%	16.43%
Bank of Palestine	9.75%	-0.72%	10.27%	20.90%	29.86%
Credit Facilities	2021	2022	2023	2024	2025
Banking Sector	6.63%	2.77%	9.12%	-0.17%	4.97%
Bank of Palestine	6.03%	3.65%	9.09%	1.62%	6.60%

# 26

## Corporate Governance

- 26. Board of Directors and Its Committees
- 42. Executive Management
- 44. Risk Management
- 58. Anti-Money Laundering and Compliance
- 64. Disclosures
- 65. Investor Relations and Shareholders' Information

## The Board of Directors and Board Committees



**Mr. Hashim Shawa**  
Chairman  
Bank of Palestine Group

### Experience

- 2017 – Present Chairman of Bank of Palestine Financial Group
- 2007 – 2017, General Manager of Bank of Palestine
- 2005 – 2007, Associate Director Middle East Gulf Region, HSBC Private Bank - Switzerland
- 2002 – 2005, Vice President, Middle East Region, Citigroup Private Bank, Geneva -Switzerland
- 1997 – 2002, Assistant Vice President Operations & Technology - Citigroup, London, UK

### Academic Qualifications

- Bachelor of Engineering "University College London" 1997  
Date of Birth: 25/01/1976  
Membership Date: 2007

### Memberships

- Chairman - Bank of Palestine Financial Group.
- Chairman - PalPay Electronic Payments
- Chairman - Alwasata Securities Company
- Chairman - Ibtikar Fund.
- Board Member - Arab Palestinian Investment Company (APIC) Palestine Board.
- Board Member - Pharmicare Company.
- Board Member - the Emerging Markets Advisory Council (EMAC)/ Institute of International Finance (IIF)



**Mr. Tarek Aggad**  
Board Member  
Representative of the Arab  
Palestinian Investment  
Company (APIC)

### Experience

- Chairman & CEO - Arab Palestinian Investment Company (APIC) Palestine
- Executive Director - Aggad Investment Company (AICO) Saudi Arabia

### Academic Qualifications

- B.A – Economics - Harvard University – 1992  
Date of Birth: 24/01/1971  
Membership Date: 2014

### Memberships

- Chairman - Siniora Food Industries Jordan/ Palestine
- Chairman - Unipal General Trading Company - Palestine
- Chairman – Gulf Taled Commercial services Company – Saudi Arabia

- Chairman - Palestine Automobile Company - Palestine
- Chairman - Medical Supplies and Services (MSS) - Palestine
- Board Member - Palestine Electric Company (PEC)- Palestine
- Board Member - Palestine Power Generation Company (PPGC) - Palestine
- Member of the Board of Trustees and Board of Directors - The King Hussein Cancer Foundation - Jordan
- Mr. Aggad sits on the Board of Directors of several prominent investments, manufacturing, distribution and services companies in Palestine, Jordan and Saudi Arabia.



**Mr. Abdullah Al Ghanim**  
Vice Chairman  
Representative of Al Muhalab  
Kuwaiti Real Estate Company

### Experience

- 2016 - Consultant
- 2015 - 2016 – Assistant General Manager – Gulf Bank - Kuwait
- 2012 – 2015 - Director - ASIYA Investment Co - Kuwait
- 2011 - 2012 – GCC Business Development - International Finance Corporation - UAE
- 2010 - 2011 – Executive Manager- Boubyan Bank - Kuwait
- 2006 – 2010 – Associate Director - HSBC Private Bank - Kuwait
- 2001 – 2006 – Managing Director -Al-Muhalab Kuwaiti Real Estate – Kuwait

### Academic Qualifications

- MBA - The Thunderbird School of Global Management - 2005
- B.S.- Boston University - 1996  
Date of Birth: 08/02/1976  
Membership Date: 2014

### Memberships

- Board Member – Arab Islamic Bank – Palestine
- Board Member – Alwasata Securities Exchange Company – Palestine
- Board Member - Coretava



**Dr. Tafeeda Jarbawi**  
Board Member

### Experience

- 2011-to date Director General of Taawon (Welfare Association)
- 2010-2011 Deputy Director General of Taawon (Welfare Association)
- 2008-2010 Directors of Operations-Taawon (Welfare Association)
- 2006-2008 Director of Research and Planning - Taawon (Welfare Association)
- 1995-2006 Associate Prof. Director of Ramallah Women's' College comprised of: Teacher Education as well as Vocational and Technical Training - UNRWA
- 1995 Visiting Research Professor for - University of Bonn/ Germany
- 1987 Visiting Research Professor- University of Minnesota /USA
- 1981-1994 Assistant Professor of chemistry/ Head of Chemistry Department -Birzeit University
- Author of more than 40 publications in chemistry, education, sustainability, and women's affairs

### Academic Qualifications

- PhD in Analytical Chemistry, minor in Biochemistry, Ohio, USA  
University of Cincinnati  
Date of Birth: 08/03/1955  
Membership Date: 2019

### Memberships

- Founder "Teach for Palestine" organization and its board chair
- Vice chair of Palestine Technical university Kadoorie
- Member of the Board of Trustees - Al-Quds University
- Member of the Board of Trustees - Al- Taawon organization.
- Member of the advisory board - Bard-Al Quds University
- Member of the advisory board - Global ambassadors of Sustainability
- Member of the Advisory Board - the Palestinian Anti-Corruption Commission
- Advisory Member to MEPLI Professional Education Program, Harvard Graduate School of Education
- Board Member - the Gov. Education Reform Committee
- Higher Council for Vocational and Technical Education
- Accreditation and Quality Assurance for Higher Education
- UNESCO-World Commission of the Ethics of Scientific Knowledge and Technology (COMEST)
- Bioethics Network on Women's Issues in the Arab Region



**Mrs. Lana Abu Hijleh**  
Board Member  
Representative of  
Minority Shareholders

### Experience

- 2003 - 2025: Country Director of Global Communities (Formerly known as CHF International – Palestine)
- 1986 – 2003: Assistant Resident Representative of the United Nations Development Program/Program of Assistance to the Palestinian People (UNDP/PAPP)

### Academic Qualifications

- B.SC- Civil Engineering, University of Iowa, Iowa, USA – 1985
- MBA - leadership and Sustainability, University of Cumbria – United Kingdom  
Date of Birth: 03/07/1963  
Membership Date: 2014

### Memberships

- Board Member - the Board of Directors - Palestine Investment Fund
- Chairwoman - the Board of Directors-Amaar Group and Massader
- Chairwoman - the Board of Directors of Palestine Power Generation Company
- Founding Member - Intersect Innovation Hub
- Board Member - Palestinian Businesswomen Forum
- Board Member - Business and Professional Women Network-Palestine
- Founder and Chairwoman - Shiam-Youth Make the Future Organization
- Board Member - Young Presidents' Organization (YPO/ WPO)
- Fellow of the Aspen Institute Middle East and Global Leadership Network



**Mrs. Maha Awad**  
Board Member

#### Experience

- 1988 - Present: General Manager – Abu Shousheh contracting Co.
- 1997 – 2008: Chairwoman & General Manager – Abu Shousheh Trading Co.
- 2008 - present: Board Member Autozone Trading Co.
- Board Member - Izdehar Investing Co.
- Chairwoman - Riwaq (the Palestinian association for the preservation of architectural heritage)
- Honorary Consul of the State of Indonesia

#### Academic Qualifications

- B.SC- Economics – Birzeit University
- Date of Birth: 27/04/1962
- Membership Date: 2018

#### Memberships

- Board Member - Palestinian Business Women Forum
- Board Member - Medical Relief Association
- Board Member - Council of Arab Business Women
- Board Member - the Palestinian Shippers Council
- Founding Partner in several Private Sector companies
- Member of the Board of Trustees - Al Quds University



**Mr. Tewfic Habesch**  
Board Member

#### Experience

- Member of the board, Al-Mashreq Insurance Co.
- Member of the board, Pharmacare
- Vice Chairman, The Arab Chamber of Commerce & Industry – Jerusalem until February 2023.
- Member of the board, The French Arab Chamber of Commerce – Paris until February 2023.
- Vice Chairman, Aqariya Commercial & Investment Company-2022
- The Palestinian Securities Co. Ltd, Ramallah, Founder and Managing Director, September 1998 – August 2000
- Union Bank for Savings and Investment, Ramallah, Regional Manager Palestine, September 1997 – September 1998
- Arab Development and Credit Co., Jerusalem, General Manager, 1992 – 1996
- Arab Bank Limited, New York Branch, N.Y., Credit Officer, March 1988 – August 1990

#### Academic Qualifications

- New York University, Graduate School of Business Administration. New York - M.B.A. Finance/International Business, June 1987
- The American University, Washington, D.C. , BS/BA Finance and Computers Systems applications in management, May 1984
- Date of Birth: 06/07/1962
- Membership Date: 2022

#### Memberships

- National Insurance Co. founding committee member.
- Ex-chair of the Internal Audit committee of the National Insurance Co.
- Ex-member of the Advisory Committee of the Latin Patriarchate of Jerusalem.
- Ex-member of the board of directors of the Jerusalem International YMCA.
- Ex-member of the board of directors of the 3 Arches Hotel – Jerusalem.

#### Experience

- Executive Director – Private Banking, August 2024 – Current - EFG Bank (Middle East) Limited - Private Banking
- Executive Director, Wealth Management, April 2022 – June 2024 - Hauberk Capital – ADGM Authority
- Consultant, April 2021 – February 2022 - Azura Asset Management - SAM
- Executive Director, Senior Relationship Manager, April 2017 – April 2019- Julius Bär MEA - Dubai, Key Client Team - Private Banking.
- Director, Senior Relationship Manager, November 2011 – March 2017 - Credit Suisse - Private Banking
- First Vice President, November 2010 – November 2011 - BSI Bank
- Executive Director: Wealth Management, November 2004 – November 2010 - Capinvest Equitable Alliance
- Relationship Manager: Investment & Treasury, April 1999 – October 2004 - Saudi Hollandi Bank
- Investment Marketing Manager: Ladies Banking Davison, August 1998 – April 1999 - The National

#### Commercial Bank

- Investment Marketing Officer: Private Banking Division, March 1996 – June 1998 - Al Bank Al Saudi Al Faransi

#### Academic Qualifications

- Diploma of Management 1987, S.S. College, UK
- Anti Money Laundering Training 2009, Capinvest, Bahrain
- High Net Worth Relationship Skills 2005 Euro Money London, UK
- Anti Money Laundering Training 2005, BIBF, Bahrain
- Banking Products, 2003 Saudi Hollandi Bank, Riyadh, Saudi Arabia
- Intensive Course in FX, 2002, BIBF, Bahrain
- Foreign Exchange Markets 1996, Al Bank Al Saudi Al Faransi, Riyadh, Saudi Arabia
- Date of Birth: 24/03/1969
- Membership Date: 2022

#### Memberships

- Board Member - Hauberk Capital, under the ADGM Authority



**Mr. Adel Dajani**  
Board Member

#### Experience

- 2004-2026 Maghreb Venture Partners/ Emergence Partners, Founding Partner Regional Investment Bank Tripoli 2009-2014 Aman Bank Libya/ Banco Espirito Santo Group Independent Member of the Board of Directors Private Commercial Libyan Bank
- Tunis 1995-2002 International Maghreb Merchant Bank (IMBank) Founder & Managing Director (1995-2002) Advisor to the Board of Directors (2000-2002)
- London 1985-1994 London Court Ltd. Founder & Managing Director Member and Registered Representative of the Financial Services Authority (U.K.)
- Hong Kong 1981-1985 Corporate Finance Division of Investment Banking Subsidiary of HSBC Executive Vice President

- London 1979-1980 HSBC International Officer Credit training course and operational departmental experience

#### Academic Qualifications

- Barrister at Law, Inns of Court School of Law, Member of the UK Bar Association
- Honours Degree Bachelor of Laws in International and Comparative Laws (LLB), London University (School of Oriental & African Studies)
- Degré de langue et de Civilisation Française & Premier Degré Pédagogique (Alliance Française), Université de Paris (Sorbonne)
- 9 O Levels, 3 A Levels, 1 AS Level Eton College, (UK) Date of Birth: 29/07/1955
- Membership Date: 2022

#### Memberships

- Founding member of the Arab Bankers Association in London since 2012



**Mr. Emad Eric Shehadeh**  
Board Member

#### Experience

- 2025- Group Head of Al Futtaim Financial Services Dubai, UAE
- 2024-2025 Founder of SH Capital Group – Advising family offices Dubai, UAE
- 2023-2023 Group Head of M&A at First Abu Dhabi Bank Abu Dhabi, UAE
- 2017-2022 President & CEO of My Money Group Paris, France.
- 1998 -2017 Global Executive roles at General Electric Company Chief Executive Officer GE Money Bank France & DOMs Paris, France. Chief Financial Officer Mubadala GE Capital Abu Dhabi, UAE. Managing Director & CFO - M&A, GE Capital Middle East Dubai, UAE. Chief Financial Officer, GE Money Thailand,

- Bangkok, Thailand. Chief Financial officer, GE Money New Zealand, Auckland, New Zealand Finance Mgr. & Assistant Controller GE Healthcare Europe Paris, France Finance Six Sigma Black Belt GE Healthcare Europe Paris, France Financial Management Program (FMP) – GE Healthcare Europe

#### Academic Qualifications

- 2008 Harvard Business School Boston, USA Executive Education Program Consumer Banking & Finance for Senior Executives
- 1995 – 1998 ESCP Business School Paris, France Masters in finance
- 1991 – 1995 Point Park University Pittsburgh, USA BA in Political Science

- Date of Birth: 29/05/1971
- Membership Date: 2020

#### Experience

- Group Chief Transformation Officer. Capital Bank of Jordan - Dubai, UAE, July 2022 to 2025
- Executive Vice President – Head of Digital, MASHREQBANK – Dubai, UAE. Nov 2013 to 2022
- Vice President – Lean Practice / Business Excellence. MASHREQBANK – Dubai, UAE. Nov 2010 to Nov 2013
- Senior Manager – Transformation Approach & Methodology / Sustainability
- MASHREQBANK – Dubai, UAE. Nov 2006 to 2010
- Vice President – Program Head of Outsourcing (AOM Program)

- Vice President – Manager Operations Excellence
- Financial Analyst. JUMEIRAH CAPITAL – Dubai, UAE Sept 2005 to Oct 2006
- Assistant Manager – GTS Consulting Group, CITIGROUP – London, UK Sept 1998 to Jan 2005

#### Academic Qualifications

- Master of Mechanical Engineering, (1992-1996)
- Imperial College of Science, Technology & Medicine – London, UK. Date of Birth: 05/01/1974
- Membership Date: 2022
- Resignation Date: 03/07/2025

## Board of Directors and Board Committees

## Attendance of Board Members 2025

Session Dates	9/0/22	03/02	04/05	02/06	03/07	10/08	14/09	23/10	22/11	21/12	Attendance per Member
Name	1	2	3	4	5	6	7	8	9	10	
Mr. Hashim Shawa	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mr. Abdullah Al Ghanim	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mr. Tarek Aggad	Attended	-	Attended	Attended	-	Attended	Attended	Attended	Attended	Attended	8
Mrs. Lana Abu Hijleh	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mrs. Maha Awad	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Dr. Tafeeda Jarbawi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mr. Eric Shehadeh	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mrs. Lama Kanaan	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mr. Adel Dajani	Attended	Attended	Attended	Attended	Attended	-	Attended	Attended	Attended	Attended	9
Mr. Tewfic Habesch	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	10
Mrs. Linda Tarazi *	Attended	Attended	Attended	Attended	Attended	-	-	-	-	-	5
<b>Total Attendance per Session</b>	<b>11</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	

\* Mrs. Linda Tarazi resigned from Board membership on 03/07/2025.

## Board Members Remuneration for 2025 and 2024 in USD

Name	Position	2025 Remuneration	2024 Remuneration
Mr. Hashim Shawa	Chairman of the Board	186,236	-
Mr. Abdullah Al Ghanim	Vice Chairman of the Board	117,624	-
Dr. Tafeeda Jarbawi	Board Member	107,822	-
Mr. Emad Eric Shehadeh	Board Member	88,218	-
Mrs. Lana Abu Hijleh	Board Member	107,822	-
Mrs. Maha Awad	Board Member	88,218	-
Mr. Tewfic Habesch	Board Member	88,218	-
Mr. Adel Dajani	Board Member	68,614	-
Mr. Tarek Aggad	Board Member	88,218	-
Mrs. Lama Kanaan	Board Member	49,010	-
<b>Total</b>		<b>990,000</b>	<b>-</b>

\* In accordance with the Bank's Bylaws, no remuneration was paid to the Board of Directors for the year 2024 as there were no profits.

## Board Committees

## The Board of directors

The Board shall take on full responsibility of the Bank's performance. Its members are elected by shareholders to oversee and guide management with the ultimate goal of increasing long-term shareholder value, taking the interest of other stakeholders into account. Following are the duties and activities assumed by the Board:

- Review, approve and monitor BOP's long-term strategic objectives and business plans of the Executive Management.
- Monitor the overall performance of the Bank and progress towards achieving its strategic objectives.
- Assess the major risks confronted by the Executive Management and the steps taken to monitor and control them.
- Set the level of 'Risk Appetite' and ensure the existence of a risk culture at the Bank.
- Oversee the integrity of financial statements to ensure compliance with legal and regulatory requirements, and ensure the qualitative performance and independence of the internal and external auditors.
- Review and approve major business transactions, including significant credit decisions, capital allocations and expenditures, in accordance with the approved chart of authorities.
- Oversee investment and financing activities and take major investment and financing decisions accordingly.
- Oversee and approve the policies and frameworks of human resources and corporate governance.
- Select and recommend BOD nominees to be elected by shareholders.
- Select, develop and evaluate potential candidates for senior Executive Management positions and oversee the development of succession plans.
- Determine remuneration policies for the Board of Directors and Senior Executives.
- Evaluate the overall performance and effectiveness of the Board and its members and take corrective actions as needed.
- Oversee the Bank's Corporate Governance framework and ensure compliance with agreed upon policies and provisions.
- Ensure that proper shareholder relations are maintained and their rights protected, and that shareholder meetings are conducted in accordance with applicable laws and regulations.
- Ensure shareholder interests are taken into consideration.

## The Board Chairman and Vice-Chairman

The Board shall elect from among its members a Chairman and a Vice-Chairman, whereby the latter acts on behalf of the former in his/her absence in terms of exercising authorities and assuming duties. The Chairman shall be primarily responsible for the activities of the Board and its Committees, and he/ she shall be the official spokesperson on behalf of the Board, and shall head the Board and the General Assembly.

The Chairman of the Board shall ensure the following:

- The participation of Board Members, upon appointment, in the employee induction program and in additional education or training programs, if necessary.
- The Board implements the tasks entrusted to it.
- Board Members receive all information necessary to perform tasks assigned to them.
- Determine the agenda of the Board's meetings, preside over those meetings, and ensure the issuance of meeting minutes.
- Provide sufficient time for the Board to consult and make decisions.
- The Board Committees correctly perform the tasks assigned to them.
- Evaluate the performance of Board Members at least once a year.
- The Board elects a Vice-Chairman.

## Board Committees

**The Audit Committee****Committee Members**

Mr. Tewfic Habesch – Chairman

Mrs. Lana Abu Hijleh – Member

Mr. Eric Shehadeh – Member

Dr. Tafeeda Jarbawi – Member

The role of the Audit Committee is to assist the Board in overseeing the Bank's financial controls with particular emphasis on the following:

- The integrity of internal controls and financial reporting.
- The qualification and independence of the external auditor
- The performance of the internal audit and compliance functions and the Bank's external auditor.

**In order to fulfill its role, the Audit Committee shall have the following authorities and responsibilities:**

- Review internal controls.
- Review reports issued by the Inspection and Audit Department, Internal Auditor, and the Compliance Control Department, including financial and non-financial issues, and remedial procedures and means of controlling the risks faced by the Bank.
- Review and approve the annual plans of the Audit Department, the Compliance Department, and the Anti-Money Laundering Officer
- Review the accuracy of financial statements presented to the Board, shareholders and other stakeholders
- Review the Bank's commitment to laws and regulations of the Palestine Monetary Authority, the Board, and other regulations applicable in Palestine.
- Review the External Audit plan and ensure that it includes all activities implemented by the Bank.
- Ensure the accuracy and integrity of accounts and compliance with laws and regulations applicable to Bank activities.
- Develop disclosure and transparency standards and submit them to the Board for approval.
- Review notes mentioned in the PMA's reports and follow up on corrective measures adopted to ensure their implementation and offer relevant recommendations to the Board on the appropriate remedial steps.
- Coordinate with the Risk Management Committee to present the Bank's financial standing and performance.
- Study the financial system applied at the Bank and present recommendations to improve it, and ensure that these recommendations fairly represent the situation and that no false data are recorded.
- Apply a system that allows employees to report confidentially their concerns about potential violations and in a manner that makes it possible to independently investigate and follow up on such violations without being punished by their superiors or ill-treated by colleagues. The Audit Committee shall monitor the implementation of these procedures.
- Act as a liaison between the Board of Directors and the External Auditor, between the Board of Directors and the Internal Auditor, and between the Internal and External Auditors.
- Follow up on the Bank's adherence to its internal Code of Professional Conduct.

- Notify the Board of Directors on issues that require its immediate intervention and offer recommendations on the appropriate remedial steps.
- The audit committee shall submit reports to the Board of Directors on all matters that fall within its scope of work, thereby enabling it to carry out its function of monitoring the management of the Bank and submitting to shareholders and investors factual and documented information.
- Provide the Board of Directors with independent and objective advice regarding the adequacy of measures related to auditing, compliance, and the combating money laundering and terrorism financing.

## Board Committees

**The Risk and Compliance Committee****Committee Members**

Mr. Eric Shehadeh – Chairman

Mr. Adel Dajani – Member

Mr. Tewfic Habesch – Member

Mrs. Linda Tarazi – Member (until 03/07/2025)

**The role of the Committee is to assist the Board of Directors in overseeing the following:**

1. The risks inherent in Bank activities and the control processes with respect to such risks.
2. The assessment and review of all forms of risks, including credit, Treasury, and operational risks.
3. In terms of procedures related to risk management at the Bank and its subsidiary branches, and to enable the Committee to implement its role, it shall have the following responsibilities:

**To fulfill its role, the Committee is entrusted with the following authorities and responsibilities:**

- Approve general risk management policies and ensure the existence of an effective risk management framework to proactively identify, measure, mitigate, and monitor all types of risks and promote continuous dialogue about risk management throughout the Bank (i.e. promoting a 'Risk Culture').
- Determine the overall risk appetite of the Bank and ensure that the size of risks and level of their acceptance are in line with the approved level.
- Obtain assurance from the Executive Management and the Internal Auditor that risk management systems and processes are operating effectively, through sound control tools and adherence to approved policies.
- Ensure the Bank's compliance with effective laws and regulations related to risk management policies and procedures.
- Review the Bank's capital adequacy and provisions to ensure their compliance with regulatory guidelines and in line with the Bank's risk profile.
- Review reports received from the Executive Management on the state of the risk portfolio on a quarterly basis (at least) or as needed, and highlight the areas, trends and forecasts of major risks, and measures adopted by management to address particular ones.
- Review significant risk exposures and the steps taken by Management to follow up, monitor and record all types of risks, including credit, market, operational, liquidity, compliance, reputation and strategic risks, and all types of internal and external risks that affect the Bank.
- Provide direction and guidance to Management, as needed, to help it improve risk management practices and/or mitigate particular risks, and ensure the existence of qualified personnel at the managerial level to effectively carry out risk management activities.
- Notify the Board of Directors on a regular basis about the status of the risk portfolio, and immediately report substantial changes affecting it.
- Review the appointment, performance, and replacement of the Chief Risk Officer and monitor the efficiency of Risk Management departments in general.
- With the assistance of the Risk Management Officer, support the efforts of the Audit Committee in conducting monitoring and evaluation in accordance with the instructions set forth by the Palestinian Monetary Authority.

## Board Committees

**The Executive Committee****Committee Members**

Mr. Hashim Shawa – Chairman

Mrs. Maha Awad – Member

Mr. Abdullah Al Ghanim – Member

Mr. Tarek Aggad – Member

- The Executive Committee is primarily responsible for overseeing activities, operations and business to ensure the Bank's continuous achievement of its long-term strategic goals. As such, the Committee directly supervises the main duties and functions of asset and liability management, asset growth, business development, annual budgets, capital adequacy, mergers and acquisitions, new markets, international agreements and representations, and social responsibility programs.
- The Committee reviews loan requests, investment decisions and all financial obligations to be construed upon the Bank from any other activities that exceed the authorities of the Executive Management, and accordingly, the entire Board is notified to take the appropriate decision. In the event that the requests are higher than the powers of the Committee, the latter reviews and evaluates them, and submits recommendations to the Board to take a decision accordingly.
- The Committee reviews and submits recommendations to the Board on business or restructuring plans, including material changes in key functions and positions, geographical distribution of branches and operations, and relations with correspondent banks.
- In this context, the Committee executes the aforementioned plans based on the reports submitted by the Bank's General Manager and Executive Team.
- The Committee determines its scope of work, programs, objectives and annual plans in a manner that enables it to define its responsibilities and evaluate the works and activities it supervises or takes decisions in respect of.

## Board Committees

**The Human Resources and Corporate Governance Committee****Committee Members**

Mrs. Lana Abu Hijleh – Chairwoman

Dr. Tafeeda Jarbawi – Member

Mr. Hashim Shawa – Member

Mr. Adel Dajani – Member

The role of the Committee is to monitor the Bank's corporate governance framework, the Board member nomination process and remuneration policies, evaluation of Board members and Executive Management, succession planning and human resource development policies. In order to carry out its role, the Committee is assigned the following powers and responsibilities:

- Review and approve major HR policies to ensure they are fair, competitive, complete, and in the best long-term interest of Bank of Palestine.
- Assist in monitoring major changes and improvements in the HR function to ensure their alignment with the Bank's strategy
- Prepare a chart of Management authorities and delegations to be reviewed annually and raised to the Board of Directors for approval.
- Consider possible conflicts of interest between Board Members and agreements with relevant parties, and raise recommendations to the Board of Directors in accordance with the Bank's Corporate Governance instructions
- Review all change in status (including fulfilment of member independence requirements) and the professional affiliation of current members, and make relevant proposals to the Board in accordance with the Bank's Corporate Governance instructions.
- Supervise the implementation of the induction process of new Board members and the continuous development and education program for current members, as necessary.
- Review Corporate Governance policies and practices throughout the Bank and raise relevant proposals to the Board to improve their efficiency and effectiveness.

**Evaluation of Committees**

The Human Resources and Corporate Governance Committee shall take charge of evaluating all Board Committees.

## Board Committees

**The Sustainability Committee****Committee Members**

Dr. Tafeeda Jarbawi – Chairwoman

Mr. Hashim Shawa – Member

Mrs. Lana Abu Hijleh – Member

Mrs. Lama Kanaan – Member

**Committee Roles and Responsibilities:**

- Adopt a governance structure for sustainability, its framework, policy and procedures, and the associated strategic sustainability priorities and agreed upon objectives, to guide the proper implementation of sustainability in all stages and functions of the Bank and the Group, and amend and/or update this structure periodically and when needed, in line with sustainability trends, risks, and up-to-date opportunities, according to the internationally recognized governance principles and foundations.
- Deep-root the concept and practice of sustainability in the Bank's strategy, policies, procedures, administrative systems, activities and culture, and ensure the application of best practices vis-à-vis the social and environmental dimension.
- Identify and support the most effective and impactful sustainability initiatives that aim to improve performance at the level of the Bank and the Group.
- Provide support and direction for the Sustainability Department and ensure that the latter completes its duties Bank-wide.

**Specific Actions:**

- Review and evaluate the short- and long-term sustainability goals, which include the most important sustainability issues in order of priority, a performance indicator record, and stakeholder expectations chart, and ensure that they are included in the Bank's annual business plan
- Approve sustainability policies and procedures necessary for the implementation and success of the Bank sustainability framework and plans.
- Measure and review performance, taking into consideration indicators on an annual and quarterly basis, and follow up on the implementation of the Committee's recommendations.
- Evaluate the Bank's response to major sustainability issues on an annual basis, with an aim to improve performance
- Discuss and approve sustainability programs and budgets that exceed the authorities of the relevant departments, and raise recommendations to the Board about the required annual program budgets.
- Review sustainability reports prepared by the competent Bank department, and prepare periodic reports for the Board on sustainability performance on a quarterly and annual basis, and approve the final annual report format before it is approved and published.
- Launch an ongoing and sustainable internal campaign, and engage stakeholders in sustainability issues.
- Verify that the Bank's policies and procedures, including risk management and credit lending policies.
- Comply with the sustainability principles approved by the Board of Directors.

**Other Responsibilities:**

- Verify that the objectives and elements of sustainability are reflected in all aspects of business performance, Bank management and governance, which include, for example, the governance structure, the structure of the Board of Directors and its Committees, the integration of sustainability into corporate governance and responsible business, growth and economic impact, risk assessment and risk management practices, compliance, monitoring commitment and transparency, and preparing a governance structure for the practice of responsible sustainability towards employees, the code of conduct, customers, society and the environment.
- Verify the Bank's commitment to design banking products that meet the needs of customers, protect the environment, and finance projects that support the community
- Monitor the Bank's commitment to consultation, participation and partnership with stakeholders in order to determine the issues that are most important to them and the materiality matrix, according to the classification of external and internal stakeholders, which is agreed upon during workshops, to include persons with special needs.
- Conduct continuous follow up to achieve "leadership in business and governance" and "contribute to sustainable economic development," and strive, as part of responsible business practices, to improve and develop operational activities, innovative projects and digital transformation, including but not limited to, robotic process automation, mobile banking services, online banking services, I Hub platform, etc.
- Strengthen the environmental protection policy as one of the Bank's most vital priorities by ensuring commitment to environmental responsibility, evaluating the environmental aspects of business activities, managing operations in a manner that contributes to water and electricity conservation, adopting trends for environmentally friendly buildings, heating/cooling systems, energy saving, and reducing the use of electricity and water and ensuring their optimum usage by means of automatic shutdown technologies, energy efficient heating and cooling , and energy saving lights.
- Promote and follow up on the participation (minimum 50% of total employees) of women in various Bank positions, including in leadership positions and in the Board of Directors.
- Ensure the Bank's commitment to the respect and development of employees at many levels including: talent management, gender diversity, inclusion, involvement in training and development programs, health and safety preservation, continuous communication, participation in community initiatives, participation in a diverse and inclusive selection of trainings, rehabilitation and development programs, and participation in the Innovation and Excellence Hub.
- Verify the Bank's keenness to achieve sustainable growth, contribute to the Palestinian National Development Plan, support initiatives and innovations, and finance micro, small and medium size enterprise.
- Enhance the Bank's pursuit and effective contribution to the development of the local community and maximize its social impact, within the framework of its solid and continuous track record in community giving, in accordance with its approved policy for social responsibility, which includes health care, youth and education, community participation, awareness, environment, sports and culture, and sponsorship of special activities and initiatives.

**Governance and Risk Management**

The Risk Management function at Bank of Palestine aims to establish mechanisms to effectively identify, measure, manage, control and monitor risks. The purpose of managing these risks is to enhance the principle of return - risk in Bank results by ensuring that the surrounding risks are within the parameters of the risk appetite set forth by the Board of Directors and which are included in the Bank's policies and procedures, have been hedged to maximize shareholder ownership over the long run and to protect relevant parties, including customers, suppliers, investors, employees and the Palestine Monetary Authority.

Risk management does not imply avoiding risks completely, as they form an intrinsic part of the banking business. Therefore, Bank of Palestine accepts a certain risk level as part of its strategy, but at the same time, expects financial and nonfinancial returns proportionate with the degree of these risks.

**Risk Governance****The following principles define the Risk Governance structure at Bank of Palestine:**

- The Risk Management function is an independent function at the Bank, and operates closely with all relevant units to ensure effective operations throughout the Bank.
- The Risk Management function uses its own independent information sources (Management Information Systems, Bloomberg, credit assessment reports/cards, and audited financial data).
- The Risk Management function may propose means to attain returns - based on the degree of risk, such as attaining optimum liquidity and optimum limits for the distribution of the credit portfolio
- The methodologies and tools that have been developed by the Risk Management function are considered compatible with the Bank's business environment.
- Risk Management represents the second line of defense in the control system of the Bank, and has a clear role in ensuring the effectiveness of controls in the first line of business units.

**The Responsibilities of the Board of Directors**

Setting the Risk Management Policy is one of the powers of the Board of Directors, which is responsible for approving the strategy and degree of risk appetite, as well as conduct the annual review. The Board delegates oversight of all Risk Management activities to the Board-level Risk Committee. Although this authority is delegated, the responsibility for effective Risk Management and adherence to this policy rests with the Board. The Board of Directors reviews the Risk Management framework at least once annually or as needed and according to internal and external incidents.

**The Board of Directors' Risk Management responsibilities include the following aspects:**

- Developing a business strategy based on draft proposals for the budget and capital planning (internal capital adequacy assessment).
- Adopting Risk Management policies and clarifying/detailing the degree of risk appetite as part of this policy, including limits and tolerances. Establishing the Risk Governance framework as part of the Risk Management policy.
- Reviewing cases with high risk levels highlighted by the Risk Committee at the level of the Board of Directors.
- Delegating authority to the Board-level Risk Committee for continuous review of the effectiveness of the Risk Management framework.
- Reporting to shareholders on the Risk Management function as part of the annual report on Bank activities.
- Approving public disclosures.

## Governance and Risk Management

### The Board delegates the following responsibilities to the Board level Risk Committee:

- Ensuring the application and development of the general framework for Risk Management at the Bank.
- Monitoring the effectiveness of Risk Management and following up on corrective actions.
- Reviewing the package of reports submitted by the Risk Management at least quarterly.
- Reviewing the Risk Management policy at least once a year and raise recommendations for amendments if necessary.
- Continuous monitoring of the exposure of significant risks in the bank.
- Monitoring compliance with the Risk Management policies at the Bank, compliance with the instruction of the Palestine Monetary Authority, and all other Risk Management requirements.
- Approving the appointment of the Risk Manager and the main officers in Risk Management and approving the organizational structure of Risk Management.

### Risk Management Committee at the Executive Level

The Assets and Liabilities Committee

The Assets and Liabilities Committee at Bank of Palestine plays the role of the Risk Management Committee at the level of the Executive Management. The Committee takes charge of the banking risk control function by presenting the latest developments in the Bank's risk profile to Committee Members.

#### Following is a summary of the Committee's responsibilities:

- Review, at least once a year, the overall Risk Management framework (including policies, procedures, reports, and methodologies).
- Ensure that the Bank remains within an acceptable level of banking risk as defined in the Risk Management policy, approved by the Board, and recommend corrective actions in case deviation from this policy is observed.
- Analyze Risk Management reports and take administrative measures accordingly in order to maintain acceptable and optimum levels of risks at the Bank.
- Carry out assessment, supervision and management of basic risks across the Bank, including but not limited to risks pertaining to credit, operations, interest rates, liquidity and market risks – Treasury
- Annual review of the risk-based budget and capital planning, in connection with the Bank's financial budget.
- Study the relationship between economic, political and market variables and the competitive environment and their impact on BoP banking risks.
- Monitor and follow up on compliance with the requirements of the Palestine Monetary Authority and set time limits for compliance with this requirements.
- Report to the Board of Directors on important issues resulting from the review process.
- Develop awareness of the importance of Risk Management at the level of Management and staff and assist the Risk Management function in spreading the culture of banking risks Bank-wide.
- Recommend/supervise official training provided to Bank staff on banking risk management.

- Review the Bank Risk Management Policy prior to obtaining approval from the Board of Directors.
- Discuss/review important procedures, policies, products and operations that impact the banking risk file prior to obtaining final approval from the Board of Directors.

### Risk Management Departments

- The Bank Risk Management departments report to the Risk Officer. These departments and are responsible for implementing and developing the general framework for banking risk management, and their responsibilities are limited to the following:
  - Develop procedures, methodologies and tools for managing risks throughout the Bank.
  - Monitor the banking risks file throughout the Bank and prepare reports accordingly
  - Conduct a pre and/or post review of some banking operations in accordance with the parameters indicated in the Risk Management Policy.
  - Submit a risk-based assessment of some procedures and submit results and recommendations to the Risk Committee
  - Support a Bank-wide risk culture, develop a common language based on this culture, and provide the necessary support and training to achieve this.
  - Provide explanations for risk-related regulations and practices and disseminate them at the level of business units.
  - Provide training for business branches and units on Risk Management and the strict monitoring of operations.
  - Review important procedures, policies, products and operations that impact the banking risk file prior to obtaining final approval.

### Responsibilities of Business Units

Business units at BoP Headquarters take charge of the daily Risk Management process, and their responsibilities include the following:

- Identify, measure, evaluate, monitor and report on the various risks related to the business unit.
- Assess the effectiveness of systems and controls used to monitor daily work, and design, operate and monitor systems compatible with the nature of business operations.
- Recommend business proposals that are consistent with the degree of risk appetite stipulated in business policies.
- Report cases and incidents related to risks (losses related to operations) to the concerned risk departments on a regular basis.

## Executive Management



**Mr. Mahmoud Shawa**  
Chief Executive Officer

MS Finance and Banking  
University of Wales  
Date of Birth: 24/07/1982  
Joined BOP in: 2005



**Mr. Naser Bakeer**  
Chief Business Banking Officer

BS Accounting  
Al Mansura University  
Date of Birth: 23/07/1969  
Joined BOP in: 1994



**Mr. Salim Hodali**  
Chief Retail Banking Officer

BS Business Administration,  
Bethlehem University  
Date of Birth: 19/01/1984  
Joined BOP in: 2005



**Mr. Najeeb Yasser**  
Chief Treasury Officer

MBA  
University of South California  
Date of Birth: 30/05/1978  
Joined BOP in: 2017



**Mr. Ayman Jbail**  
Chief Financial Officer

BS Accounting  
Birzeit University  
Date of Birth: 21/10/1987  
Joined BOP in: 2023



**Mr. Sakhr Nammari**  
Chief Strategy and Transformation Officer

BS Accounting and Business Administration  
The University of Edinburgh  
Date of Birth: 17/12/1978  
Joined BOP in: 2018



**Mrs. Randa Musa**  
Chief Human Resources Officer

MBA  
Birzeit University  
Date of Birth: 14/05/1974  
Joined BOP in: 2011



**Mr. Kamel Hussein**  
Chief Strategic Relations and Engagements Officer

MBA  
The American University of Washington D.C  
Date of Birth: 11/02/1966  
Joined BOP in: 2016



**Mr. Yazan Al Masri**  
Chief Business Development for Regional Expansion

BS Finance and Banking  
Birzeit University  
Date of Birth: 08/05/1990  
Joined BOP in: 2012



**Mr. Hanna Sahar**  
Chief Credit Officer

MBA  
Northwestern University  
Date of Birth: 06/10/1972  
Joined BOP in: 2020



**Mrs. Amal Massis**  
Chief Operations Officer

MBA  
Birzeit University  
Date of Birth: 20/02/1978  
Joined BOP in: 2014



**Mr. Suleiman Naser**  
Chief Compliance and AML/CFT Officer

MBA  
Birzeit University  
Date of Birth: 25/10/1978  
Joined BOP in: 2000



**Mrs. Zeina Hudieb**  
Chief Risk Officer

PhD in Economics – Finance and Banking Sciences  
University of Sousse  
Date of Birth: 22/03/1984  
Joined BOP in: 2007



**Mr. Ibrahim Bani Shamsheh**  
Chief Audit Officer

BS Computer Science  
Birzeit University  
Date of Birth: 04/03/1981  
Joined BOP in: 2016



**Mrs. Dureen Abu Dayeh**  
Chief Information Technology Officer

MBA  
Birzeit University  
Date of Birth: 24/03/1985  
Joined BOP in: 2016

## Risk Management

### Operating Framework of Risk Management Departments

The Bank adopts an integrated risk management framework through a group of specialized risk management departments that operate independently from executive and operational units, in line with best practices and sound governance. Each department is assigned clear responsibilities related to identifying, measuring, monitoring, and controlling risks within its respective scope, while adhering to approved policies and risk limits set by the Board of Directors. These departments operate in close coordination with the relevant units within the Bank, ensuring a comprehensive view of risks across the Bank and supporting informed decision-making.

These departments contribute to the development of assessment models, early warning indicators, and stress testing, as well as the preparation of periodic reports submitted to executive management and relevant risk committees. This enhances the Bank's financial resilience and its ability to navigate various economic conditions and scenarios. The departments include, among others, Operational Risk, Credit Risk, Treasury Risk, and Information Security Risk.

### Operational Risk

Bank of Palestine places primary emphasis on the early identification and assessment of operational risks, enabling timely mitigation. This is complemented by the preparation of effective management reports and the continuous enhancement of the control environment. Operational risks refer to potential losses resulting from inadequate or failed internal processes, people, systems, or external events. Such risks may arise from all activities and operations conducted by the Bank. The Bank gives particular attention to managing operational risks and monitoring them proactively, ensuring that they remain within acceptable levels in line with the Bank's strategic objectives.

### Governance

In line with its focus on operational risk management, the Bank has adopted policies that define the overall approach to managing operational risks. These policies are overseen by the Risk and Compliance Committee, a committee emanating from the Board of Directors. The Committee supervises the development of strategies for identifying, assessing, and monitoring risks in alignment with acceptable risk levels, and oversees the risk management framework in accordance with recommendations issued under Basel standards.

### Three Lines of Defense

To establish a robust risk governance environment, the Bank adopts a model based on three lines of defense. This model defines management responsibilities and roles in managing risks and strengthening the control environment. It supports the Bank's risk management approach by clarifying accountability, promoting collaboration, and facilitating effective coordination between risk management and control activities.

### Risk Culture and Awareness

A sound risk culture and effective communication across the three lines of defense are key attributes of effective operational risk management. At Bank of Palestine, operational risk culture is based on enhancing awareness among all employees of the importance of managing operational risks.

### Best Practices in Risk Management

Risk management is considered one of the key pillars contributing to the sustainability of banking operations and the enhancement of the Bank's financial stability. This process requires a comprehensive approach and coordinated efforts, including the development of effective strategies for identifying, assessing, and managing potential risks faced by the Bank. Below are some of the best practices adopted by the Bank to strengthen governance and improve risk management methodologies:

**1. Risk Identification:** The Bank ensures the identification of various types of risks that may affect its operations, including operational, financial, and marketing risks. This step is recognized as the first and fundamental stage in building a comprehensive risk management approach.

**2. Risk Assessment:** The Bank recognizes the importance of assessing the likelihood of risks occurring and their impact on the institution. It employs quantitative and qualitative analysis techniques to provide a clear view of the severity and potential impact of risks.

**3. Response Strategies:** A range of available options is considered to mitigate, transfer, or adapt to risks. This includes defining preventive measures and operational frameworks required to reduce potential risks.

**4. Continuous Monitoring and Review:** Ongoing monitoring and periodic review of the risk profile are integral parts of risk management. These processes play a critical role in continuous development and improvement, as well as in the periodic formulation of policies and procedures to ensure effectiveness in addressing emerging challenges.

**5. Governance Activation:** The Bank is committed to strengthening governance culture by developing effective organizational structures and clear policies that guide decision-making processes, ensuring clearly defined roles and responsibilities.

**6. Enhancing Risk Awareness Culture:** Risk awareness is a fundamental component of risk management. The Bank promotes this awareness through continuous engagement, including organizing workshops and training programs to raise employees' understanding of risks and the importance of adhering to preventive measures.

**7. Leveraging Technology:** Technology contributes to improving risk management through the provision of data analysis tools that enhance the ability to continuously identify and assess risks, support ongoing review of the Bank's risk profile, and enable data-driven decision-making.

**8. Collaboration and Coordination:** The Bank promotes collaboration across different departments, contributing to a comprehensive and effective response to risks by ensuring open communication channels among various teams.

## Risk Management

**9. International Standards:** Bank of Palestine is committed to applying international standards in risk management and adapting to the surrounding environment. This includes adopting Risk Control Self-Assessment (RCSA) methodologies, in alignment with Basel requirements and sound practices in operational risk management. These approaches aim to establish an integrated control environment where risks are identified and measured based on the likelihood of occurrence and potential impact, as well as assessing the effectiveness of control and supervisory procedures. Through this approach, the Bank can accurately identify weaknesses and areas for improvement. The Bank also ensures the engagement of a number of employees in evaluation processes, enhancing their initiative in risk assessment and reporting. This supports sound communication of risk-related events and reinforces risk management concepts across various levels within the Bank, making them an integral part of the Bank's organizational culture.

## Risk Management

Risk management constitutes an integral part of the Bank's strategy to achieve sustainable growth and financial stability. The Bank is committed to continuously enhancing and developing its risk management approaches to ensure the delivery of high-quality services and to maintain the trust of its customers and partners.

## Risk Indicators

The Operational Risk Department, through the implementation of the SAS EGRC system, has defined a set of risk indicators that enable the Bank to anticipate potential risks and future losses. These indicators vary in nature; some provide predictive signals of the likelihood of future risks, thereby supporting risk avoidance, while others serve as early warning signals that detect risks at their initial stages, enhancing the speed of response. Certain indicators are corrective in nature, helping to document the recurrence of such risks and their associated impact. Continuous monitoring of key risk indicators allows business units to respond promptly to any changes in the institution's risk and control environment.

## Business Continuity Assurance

With respect to the development and updating of business continuity plans, Bank of Palestine adopts a methodology aligned with the complexity of banking operations and the potential scenarios within a region characterized by significant volatility. This approach is also aligned with the Bank's growing market position and its classification as a systemically important bank.

Business Impact Analysis (BIA) models have been designed in accordance with international standards and tailored to the local environment. These models assess potential risks in terms of operational and financial impact, as well as interdependencies among units. They also support the identification of strategies aligned with the Bank's risk appetite and the development of actionable plans to address these risks.

The Bank ensures that preparedness levels are aligned with the severity of potential incidents through testing and drills, including the testing of network readiness, systems, applications, and critical reports, as well as executing key

tasks from the alternative site. In addition, the Bank conducts full business continuity simulations at its primary site (Head Office in Ramallah) and verifies the successful execution of operations from the backup site located in Bethlehem – Bank of Palestine building.

## Risk-Based Audit

In line with the integration between the Operational Risk Department and the Internal Audit and Inspection Department, and to activate a risk-based audit approach, the Risk Management System provides the Internal Audit and Inspection Department with access to risk profiles across all business units, key risk indicators (KRIs), and recorded incidents (Incident Register). This enables the development of audit plans that target high-risk units and operations, ensuring that these areas are prioritized within audit plans, in addition to the optimal allocation of departmental resources.

and recorded incidents (Incident Register). This enables the development of audit plans that target high-risk units and operations, ensuring that these areas are prioritized within audit plans, in addition to the optimal allocation of departmental resources.

## Information Security Risk Management

As part of its risk management efforts, the Bank places strong emphasis on protecting its digital systems and services from cyber threats. Centralized security vulnerability management systems, a centralized monitoring system, and Security Information and Event Management (SIEM) solutions have been implemented in accordance with international standards. Encryption and protection measures are applied across all services to ensure the confidentiality and security of data and to safeguard against cyber fraud and theft risks.

The Bank has also strengthened its information security infrastructure through a robust network protection framework and high-quality communications systems, preventing unauthorized external access to internal banking systems. In addition, encryption protocols are applied to electronic payment card data to ensure its security.

To ensure that all premium services comply with international security standards (Visa & MasterCard, 3D Secure, E-Commerce), the Bank maintains full adherence to global protection requirements. The Information Security Risk Department has also been updated to implement and apply information security standards in accordance with ISO 27001, and to adopt information security policies derived from ISO 27002. This supports the application of governance in line with international best practices, contributes to achieving the Bank's digital transformation objectives, and ensures continuous monitoring, review, and ongoing development.

## Payment Card Industry Data Security Standard (PCI DSS) Compliance Certification

Bank of Palestine has obtained certification confirming its compliance with information security standards for electronic payment cards as a financial institution fully committed to applying payment card data security

## Risk Management

standards since 2018. This certification is issued by the Payment Card Industry Data Security Standards Council (PCI DSS), based in the United States.

This achievement reflects the Bank's commitment to implementing a strategic plan to protect customers and ensure the confidentiality of their information, placing it among its top priorities. The certification covers the protection and security of information at the Bank's primary and backup data centers, as well as all branches and offices in the West Bank and Gaza Strip. It also extends to the largest ATM network and all direct sales points across both regions, in addition to internet banking, mobile banking, payment cards, and e-commerce services.

This certification complements the Bank's broader achievements and those of its subsidiaries in the field of electronic services, by providing best-in-class solutions that reinforce customer trust. It supports the Bank's mission through the delivery of advanced services aligned with Visa and MasterCard requirements, strengthens the protection of cardholders' data, and ensures secure payment channels.

Obtaining PCI DSS certification is expected to yield significant benefits for Bank of Palestine and the broader e-commerce sector in Palestine. This is achieved by safeguarding the confidentiality of payment card data used by the Bank and the e-commerce sector, alongside the Bank's ongoing commitment to investing in the latest technological systems and keeping pace with developments related to protecting customer data. It also contributes to the development of modern systems that support the execution of banking operations through efficient, secure, and reliable mechanisms.

## Adoption of Advanced Systems for Cyber Risk Management

During the past year, the Bank implemented the Group-IB system as part of its cybersecurity enhancement strategy. This included training the relevant teams to efficiently operate the system. These efforts have improved the Bank's ability to detect threats and respond effectively, contributing to maintaining operational stability and protection.

## Group-IB System

The Group-IB system is considered one of the leading solutions in cybersecurity and data protection, offering a comprehensive suite of tools aimed at combating cybercrime and protecting digital assets of financial institutions. The following highlights the importance and benefits of adopting the Group-IB system in strengthening the Bank's cybersecurity posture:

- 1. Early Threat Detection:** The system relies on artificial intelligence and data analytics technologies to identify cyber threats and electronic crimes at an early stage, enabling the Bank to take proactive measures to protect its assets.
- 2. Rapid Incident Response:** The Group-IB system enables the security team to respond quickly and effectively to cyber incidents, reducing their impact and minimizing potential damage.

- 3. Advanced Threat Analysis:** The system provides advanced tools for analyzing cyber threats, enabling a deeper understanding of the patterns and tactics used by attackers and supporting the development of tailored defensive strategies.

- 4. Compliance with International Standards:** The Group-IB system supports compliance with international cybersecurity standards, ensuring the Bank's adherence to global best practices.

## Benefits of Using the Group-IB System:

- 1. Increased Trust:** The system enhances customer and partner confidence in the Bank's ability to protect their data and assets, supporting long-term relationships.
- 2. Improved Operational Efficiency:** The Group-IB system enables the security team to focus on strategic tasks rather than handling recurring incidents, thereby enhancing operational efficiency.
- 3. Strengthening the Bank's Reputation:** By adopting advanced cybersecurity solutions, the system contributes to reinforcing the Bank's reputation as a secure and reliable financial institution.

## Crisis Recovery

### Disaster Recovery Site

Bank of Palestine has developed a disaster recovery site and conducted the necessary technical testing. The site is equipped with the latest technologies that enable the Bank to restore services within less than one hour through the backup site in the event of a disruption at the primary site. These capabilities are the result of the Bank's investment in advanced technologies that ensure the immediate transfer and storage of data at the backup site, thereby maintaining the continuity and reliability of electronic services in line with international standards for business continuity and disruption risk management.

The Bank places strong emphasis on maintaining uninterrupted service delivery to customers, ensuring that services remain consistently available and reliable at all times.

### Recovery Plan

The Bank's Recovery Plan: The development of a recovery plan is considered one of the critical steps to maintaining the Bank's stability and avoiding operational and financial challenges. The plan aims to establish strategies and procedures necessary to manage crises and risks, ensuring the continuity of banking operations smoothly and efficiently.

### Objectives of the Recovery Plan:

- 1. Protecting the Interests of Depositors and Shareholders:** By providing clear and effective procedures for handling crises and financial risks and ensuring the safety of depositors' funds.
- 2. Enhancing Business Continuity:** Through the adoption of alternative plans that ensure the uninterrupted delivery of banking services, even in emergency situations.

## Risk Management

**3. Reducing Operational Risks:** By identifying potential risks and developing strategies to address and mitigate their impact.

**4. Ensuring Regulatory Compliance:** By aligning with the requirements of regulatory authorities and providing the necessary reports to ensure transparency and credibility.

## Challenges and Achievements

During the past year, the Bank conducted a comprehensive review of the recovery plan, through which it identified and assessed risks associated with banking operations and made the necessary adjustments to the plans and procedures in place. The recovery plan reaffirms the Bank's commitment to providing secure and reliable services, maintaining the stability of the financial system, and contributing to the development of the national economy. It also reflects Bank of Palestine's continued dedication to ensuring readiness to address any future challenges, while preserving the trust of its customers and partners.

## Credit Risk Management

The Bank works diligently to mitigate credit risks, as they represent a primary source of risk and a direct threat to banking activities. This is achieved through the adoption of best practices and methodologies, as well as the implementation of appropriate tools and procedures.

A dedicated department is responsible for credit risk management, staffed by a highly qualified team with strong expertise in this field. The team relies on a range of risk management tools, including monitoring and steering the credit portfolio in alignment with the Bank's strategic sectors, while taking into account the risks surrounding the operating environment. This is complemented by the application of statistical methods, tracking default exposures, reviewing prohibited lending, controlling the credit cycle, and conducting periodic reviews of portfolio limits. The Bank also evaluates credit products and subjects the credit portfolio to stress testing exercises. In addition, it assesses the impact of emergency events, such as wars, disasters, and crises, on the credit portfolio.

As a systemically important bank within the Palestinian banking sector, Bank of Palestine continued, during the past year, to enhance its operations through the implementation of several procedures, updates, and initiatives that engage all relevant stakeholders.

In this context, the Credit Risk Department updated and developed the credit risk management policy and the business procedures manual to keep pace with local, regional, and international developments. To support this, the department prepared a risk appetite statement for key credit risk indicators based on sound scientific principles, which was approved by the Board of Directors. The document defines limits subject to periodic monitoring and is designed to reduce the level of credit risk exposure to the lowest possible level, in alignment with the Bank's strategic objectives.

The department also seeks to establish a comprehensive credit risk management system by developing and enhancing early warning indicators. This aims to support a proactive risk management approach and enable

management to detect any potential deterioration in the quality of the credit portfolio at an early stage. The framework relies on an integrated set of indicators tailored to each geographic region and sector, as well as customer-level indicators, including macroeconomic indicators for each region, sector performance indicators, and borrower repayment behavior. These indicators support credit decision-making processes and periodic portfolio reviews, ensuring timely intervention and reducing default rates.

The early warning indicators framework is subject to ongoing review and development by the specialized department under the supervision of the relevant risk committees. This contributes to strengthening the Bank's credit position and maintaining the sustainability of its financial performance.

Consistent with its proactive role in risk management and its demonstrated flexibility in adapting to changes in the operating environment and given the importance of the credit portfolio as the backbone of the Bank's revenues and activities, the department, together with senior management, continued to develop mechanisms for the periodic evaluation of the credit portfolio, particularly during periods of heightened uncertainty such as wartime conditions. The assessment also extends to the granular level of the Bank's customer portfolios, with a focus on certain high-risk segments, in addition to reassessing products linked to geopolitical developments.

In line with Basel Committee guidance and the stress testing instructions issued by the Palestine Monetary Authority, the Credit Risk Department conducted updated internal stress testing exercises in coordination with the Bank's portfolio. This included simulating new scenarios and conditions not previously covered under the Monetary Authority's guidelines, with the aim of assessing the impact of such scenarios under worst-case conditions on the Bank's capital adequacy and profitability.

## Treasury Risk

The Treasury Risk Department conducts direct and effective monitoring of all treasury activities, including liquidity, investments, placements, and foreign exchange operations. This is carried out using internationally recognized measurement tools, in addition to assessing counterparty risk to regulate relationships with all counterparties. In this context, international standards are applied in identifying, assessing, and managing treasury risks to ensure transparency and accuracy in performance, and to control any risks arising from market price fluctuations or political conditions.

Recognizing the importance of monitoring treasury-related risks, the Department established a middle office tasked with overseeing risks arising from the daily operations of the treasury front office. The Bank's internal systems were also developed in line with the requirements and procedures of the middle office, thereby strengthening the Bank's protection against risks arising from treasury activities as a second line of defense.

The Treasury Risk Department has also developed internal stress testing scenarios, which serve as proactive indicators of market and liquidity risks that may affect the Bank. These scenarios assess the Bank's ability to withstand such risks if they materialize. The scenarios were designed to cover low-, moderate-, and high-severity situations and were incorporated into the emergency funding plan. These include available funding lines during

## Risk Management

liquidity stress conditions, ensuring the Bank's ability to provide the required liquidity for all operations and to mitigate potential future risks arising from unexpected liquidity crises.

The Bank has also defined its risk appetite, which serves as a key metric for measuring all risks arising from treasury operations, including concentration risk, counterparty risk, interest rate risk, foreign exchange risk, and liquidity risk. This framework plays an early warning role in identifying additional risks that may result from excessive or unplanned exposure, and it is periodically approved by the Board of Directors.

As part of its efforts to maintain financial liquidity and meet customer requirements, the Treasury Risk Department, in collaboration with other risk departments, developed a comprehensive recovery plan aimed at strengthening the Bank's financial liquidity. This was achieved by designing stress testing scenarios related to liquidity and linking them to appropriate recovery measures.

### Risk Management Team Expertise

The competencies of the Risk Management team have been enhanced in line with the highest international training and qualification standards. Team members have obtained internationally recognized certifications in risk management, including Certified Risk Specialist (CRS), ISO 27001 Certified Lead Auditor, Certified Information Security Professional (CISSP), and Certified Governance Risk Management. In addition, team members have obtained the Certified Governance, Risk and Compliance Specialist (CGRCS) certification, the Certified Risk Professional (CRMP) certification, and have completed specialized training programs in ISO 31000 (Risk Management Professional), awarded by relevant international bodies.

### Executive Risk Management Committee

As part of Bank of Palestine's commitment to embedding a risk-aware culture across all banking activities, strengthening sound governance, and adopting a risk-based approach to achieve the highest levels of efficiency and effectiveness, the Bank has established an Executive Committee for Risk and Compliance Management. This committee is responsible for aligning the Bank's objectives with acceptable risk levels, overseeing risks, and ensuring that they remain within approved thresholds, in addition to supervising compliance risks.

### Reporting to the Board of Directors

Reports are submitted to the Board of Directors through the Risk and Compliance Management Committee, enabling the Board to maintain continuous and comprehensive oversight of the risk management system, the Risk Profile, the risk register, and internal procedures related to control and monitoring. This system constitutes a key reporting mechanism that ensures the Board's understanding of the Bank's risk environment and its readiness to make informed and effective decisions. Through these reports, the Board is able to develop a clear view of current risk levels and the preventive measures adopted to address them.

This process enhances transparency and accountability within the Bank, supports financial and operational

stability, and contributes to safeguarding the interests of depositors and shareholders alike.

## Role of Risk Management in Crisis Management During the War in the Gaza Strip

### Crisis and Emergency Management Committee

Following the outbreak of war on 7 October 2023, Bank of Palestine promptly activated the Crisis and Emergency Management Committee. This committee comprises department heads, directors, and various business units, each with clearly defined roles and responsibilities, contributing significantly to effective crisis management. From the initial stages of the crisis, the committee focused on conducting analytical assessments of the developments and their impact on business continuity across the Bank's branches and departments. Despite the challenges arising from the war and its widespread negative effects across all sectors of life, the committee developed and implemented multiple scenarios addressing various aspects, including: analysis of the credit portfolio, evaluation of security and protection systems, assessment of infrastructure readiness, evaluation of employee safety and well-being, liquidity assessment, implementation of regulatory control measures requiring adjustments, managing communication disruptions and cyber threats, continuous coordination with sector employees, where possible, to ensure uninterrupted service delivery in Gaza, in addition to other operational, technical, and security-related factors affecting the Bank's activities.

### Business Continuity

As part of its proactive operational risk management measures, the Bank prepared detailed contingency plans simulating a war scenario in Gaza, noting that similar events had occurred in previous years. The Bank maintained readiness to address such events by ensuring the continuity of critical banking operations and minimizing direct impacts on customers.

This included enabling customers to withdraw cash through ATMs and ensuring the execution of banking transactions through electronic channels. This also included USSD services that do not rely on internet connectivity, among others. A key feature of these plans was their dynamic adaptation to changing conditions, whether related to disruptions in the West Bank or the escalation of events in the Gaza Strip, which intensified with the continuation of the war.

In this context, the Risk Management Department conducted a Business Impact Analysis (BIA) in collaboration with the Bank's various business units, adopting a proactive approach. The objective was to analyze and assess the potential consequences of disruptions, using a set of criteria focused on measuring the impact of crises on business continuity and the expected financial implications of operational interruptions. This also included assessing the degree of interdependency among business units and with external entities, ensuring the availability of appropriate work teams and communication channels. This process represents a critical step, as its outputs define the key elements required for developing business continuity and crisis management plans, as well as the main considerations to be taken into account during crisis response, as summarized below:

## Risk Management

### Pre-Crisis Preparedness Phase

- Identifying critical banking operations provided to customers.
- Identifying critical systems.
- Determining primary and backup teams to ensure continuity of operations from the West Bank, along with the necessary training.
- Assigning roles and responsibilities across departments.
- Assessing the need to redistribute critical tasks among departments and staff.
- Establishing remote work teams, ensuring close coordination between Risk Management and department heads to assess workload, provide guidance, and allocate required resources.
- Assessing interdependencies among business units and with external institutions and defining appropriate communication channels and mechanisms.

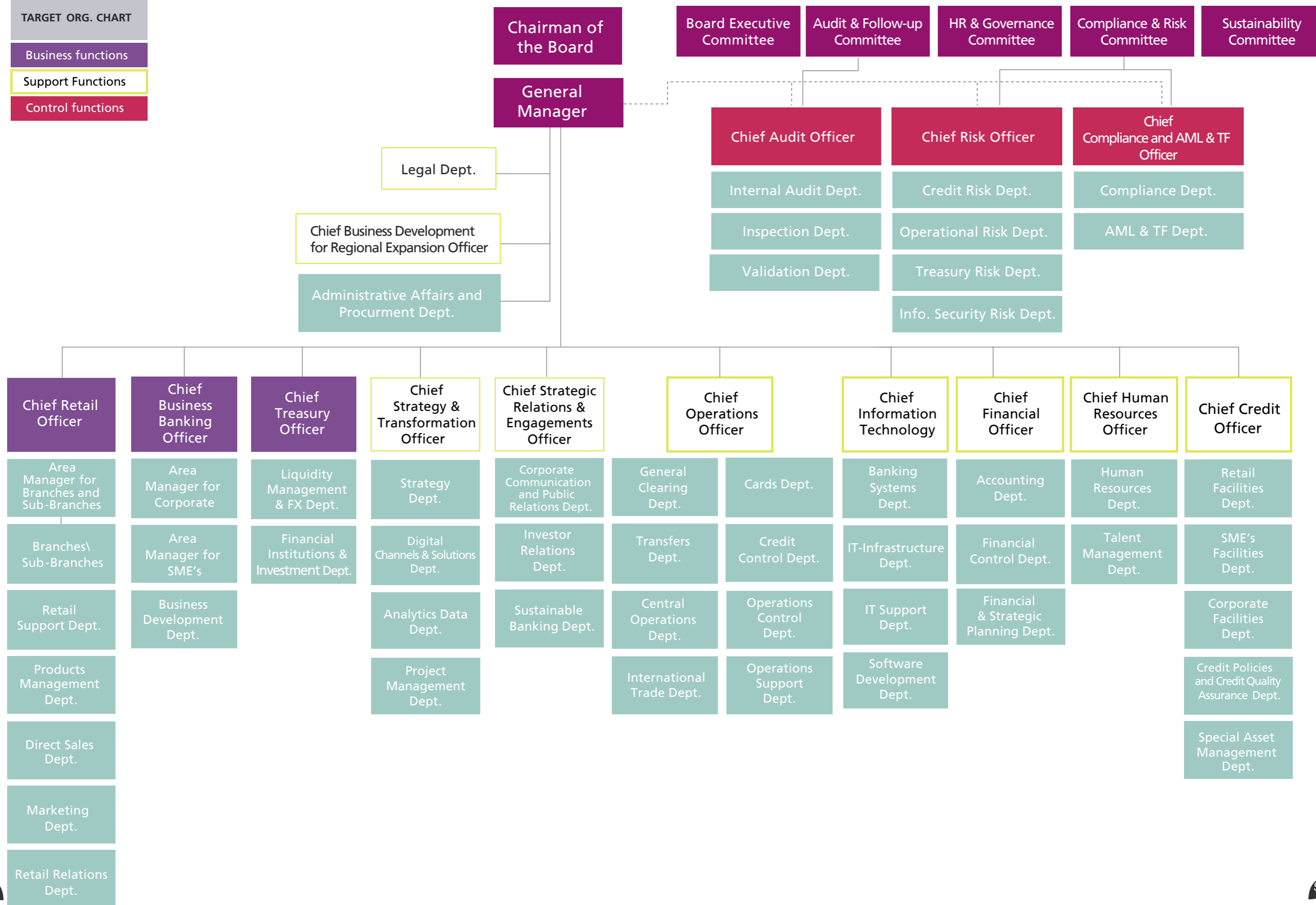
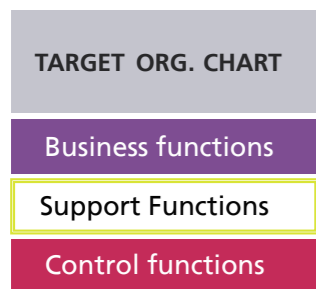
### Crisis Management and Business Resumption Phase within Business Continuity Plans

- Activating remote work mechanisms, including expanding VPN capacity and procuring laptops, while ensuring the implementation of all security controls and continuous evaluation to maintain service activation.
- Defining the roles and responsibilities matrix for the Crisis and Emergency Management Committee.
- Providing accommodation arrangements for employees.
- Enabling staff to work from locations close to their residences by utilizing nearby Bank facilities, and equipping these locations with the necessary resources, including computers, offices, and telecommunication tools.
- Activating the monitoring center in the West Bank to oversee ATMs and Bank locations in Gaza.
- Establishing procedures and workflows to ensure effective communication.
- Assessing pressure and demand on electronic channels.
- Assessing the validity of expired cards.
- Leveraging point-of-sale (POS) devices to deliver services.
- Activating the call center to serve Gaza customers and expanding its scope to meet diverse customer needs.
- Continuous monitoring of ATMs, including cash replenishment, maintenance, and fuel supply to ensure their operation.
- Ongoing monitoring of cyberattacks and implementation of protection systems to counter threats.

- Monitoring developments and responses, whether through adjustments to operational procedures or in response to directives issued by the Monetary Authority.
- Strengthening the role of the central control room in monitoring the Bank's locations.
- Tracking updates from external parties, including correspondent banks, insurance companies, guarantee funds, and key service providers.
- Activating communication channels with international institutions, shareholders, and partners.
- Providing donations and assistance as part of humanitarian response efforts.
- Identifying and assessing various risks and monitoring their occurrence.
- Conducting gap assessments in departmental operations and strengthening required expertise and staffing.
- Monitoring damages and losses.

These measures have collectively established a solid framework to ensure reliability and business continuity within the Bank during crises

Organizational Structure



## Anti-Money Laundering and Compliance

### Anti-Money Laundering, Counter-Terrorism Financing and Sanctions Policy

An organized approach to risk mitigation and the protection of the Bank and its customers constitutes a fundamental component of banking sustainability. Accordingly, Bank of Palestine is committed to safeguarding its services and products from being exploited in money laundering or terrorist financing activities. This is achieved through its approved internal policies and procedures in this field, which are updated and developed annually, and whenever necessary, to align with local regulatory requirements and international recommendations, such as those issued by the Financial Action Task Force (FATF), the Basel Committee guidelines, and leading practices in anti-money laundering and counter-terrorist financing.

In compliance with the Palestinian Anti-Money Laundering and Counter-Terrorism Financing Law, the instructions issued thereunder, and relevant international standards and recommendations, the Bank applies Know Your Customer (KYC) and Customer Due Diligence (CDD) policies. Accordingly, Bank of Palestine:

- Does not maintain accounts for anonymous persons or those using fictitious names.
- Does not maintain or open accounts for pass-through (transient) customers.
- Does not maintain or deal with shell banks or institutions.
- Does not open accounts or conduct banking transactions for customers listed on sanctions or blacklists.
- Conducts periodic screening of customer accounts to ensure none are listed on sanctions or blacklists.

The Bank also refrains from dealing with customers engaged in any of the following:

- Manufacturing, storing, or trading in weapons illegally.
- Human trafficking.
- Narcotic substances.
- Online gambling without a local license.
- Deliberate or attempted violations of laws, regulations, or policies related to financial crimes and/or fraud.
- Repeated unintentional or incidental violations of laws, regulations, or policies related to financial crimes and/or fraud.
- Misuse of accounts for money laundering, terrorist financing, or fraud.
- Facilitating business activities that may be interpreted as tax evasion.
- Refusal to provide sufficient information or documentation required by the Bank.
- Bribery and corruption.

- The Bank performs customer identification and verification (natural and legal persons), as well as beneficial owners, by verifying their identities through official documents and/or supporting data before and during account opening. In cases of doubt regarding the accuracy or completeness of identification data, the Bank seeks to verify the customer's identity prior to establishing any business relationship. In cases of suspicion of money laundering or terrorist financing, enhanced due diligence measures are applied.
- The Bank collects information regarding the purpose of current and expected account activity and the intended nature of the business relationship, using the approved account opening forms in accordance with KYC requirements and the instructions of the Palestinian Monetary Authority. This is in addition to specialized forms for various types of transactions conducted on customer accounts (such as deposits, withdrawals, transfers, etc.).
- The Bank identifies and assesses risks at the customer and account levels and manages them based on customer classification according to risk level, account type, customer profile, nature of activity, and countries of operation. Enhanced due diligence is applied to high-risk customers through obtaining information on sources of income, wealth, and residence, in addition to securing the necessary managerial approvals in line with the risk level.
- The Bank issues instructions, guidelines, and clarifications on the mechanisms for implementing Know Your Customer (KYC) policies and the requirements for opening accounts and conducting any transactions or establishing relationships with customers.
- The Bank applies KYC standards and due diligence measures for cross-border relationships with correspondent banks by collecting relevant information, assessing the reputation of the counterparty institution, and obtaining supervisory approval. This includes securing senior management approval prior to establishing such relationships and evaluating the counterparty's controls related to anti-money laundering and counter-terrorist financing.
- The Bank screens all incoming and outgoing transfers against sanctions and blacklist databases using the latest systems to ensure that customer accounts and beneficiary and/or remitting parties are not listed. Any transfer is rejected if any party involved is found to be listed.
- The Bank utilizes advanced systems to analyze customer accounts and monitor account activity and continuously updates these systems to align with developments in transaction monitoring. This is done through dedicated scenarios designed to detect patterns associated with money laundering and/or terrorist financing.
- The Bank applies a range of criteria to monitor transactions and activities using both primary and general alert indicators. These controls are applied at account opening and throughout the execution of various transactions, including incoming and outgoing transfers, deposits and cash withdrawals, granting of credit facilities, leasing of safe deposit boxes, investments, share purchases, bond transactions, trade finance activities, letters of credit and guarantees, activation of dormant accounts, and execution of electronic transactions.
- The Bank retains customer records and documentation for the legally required period in accordance with applicable laws and regulations.
- The Bank refrains from executing financial transactions suspected to involve money laundering, terrorist financing, or any predicate offenses, and reports such cases immediately to the Financial Follow-Up Unit.
- The Bank submits suspicious transaction reports promptly where reasonable grounds for suspicion exist that funds constitute proceeds of crime or that an activity may be linked to money laundering, terrorist financing, or any predicate offense.

## Anti-Money Laundering and Compliance

- The Bank conducts training programs and discussion sessions on the standards and indicators of anti-money laundering and counter-terrorist financing, particularly for newly hired staff.
- The Bank ensures the dissemination of circulars and instructions issued by regulatory authorities to all departments and branches upon receipt, along with the necessary explanations and clarifications.
- The Bank maintains the independence of the Anti-Money Laundering function, which reports directly to the Audit and Review Committee of the Board of Directors. While its work intersects with compliance, internal audit, and risk management functions, it remains subject to internal audit review in a manner that does not compromise the confidentiality of suspicious transaction reporting.



**We safeguard the interests of customers, shareholders, and stakeholders in accordance with the highest standards, policies, and practices of compliance and anti-money laundering.**

## Development

Driven by Bank of Palestine's commitment to maintaining a strong regulatory environment that deters money laundering, and to safeguarding customer deposits, as well as meeting the expectations of regulatory and global authorities, investors, correspondent banks worldwide, and ensuring the sustainability of its services, the Bank has worked to enhance the following areas in line with international best practices and leading external audit benchmarks:

- Developing the Anti-Money Laundering, Counter-Terrorism Financing, and Sanctions Policy.
- Enhancing the methodology for assessing customer risk in accordance with international best practices.
- Developing a methodology for assessing financial crime risks at the institutional level across all the Bank's products, services, and channels, including mechanisms for assessing inherent and residual risks.
- Enhancing reporting procedures for suspicious transaction reports in line with international best practices.
- Strengthening screening procedures against sanctions and prohibition lists in accordance with global standards.
- Developing transaction monitoring procedures and oversight of financial movements and patterns related to money laundering and terrorist financing, in addition to designing monitoring scenarios that incorporate globally recognized typologies of such activities.
- Enhancing account opening procedures to align with a risk-based approach.
- Upgrading banking systems to align with the risk management framework.

## Compliance and Anti-Money Laundering

- The Compliance Department ensured close follow-up on the instructions and circulars issued by the Palestine Monetary Authority concerning the continuity of the economic cycle, including certain provisions related to the current situation in the Gaza Strip. It also monitored all sound banking procedures to ensure compliance with the requirements of those instructions.
- In line with the Department's plan and in harmony with the Bank's strategy, efforts are underway to follow up on the completion of the Bank's acquisition of the necessary licenses from regulatory authorities in host countries. This includes updating the instructions governing branch operations as issued by the regulatory authorities in those host countries, as well as developing policies and procedures that support a balance between regulatory compliance and the provision of secure and distinguished banking services.
- Protecting the Bank and ensuring the continuity of its services requires regulatory action that ensures the Bank's compliance with the instructions of supervisory authorities, as well as the handling of customer and employee complaints in a professional and independent manner. Accordingly, the Bank adopts an effective compliance system to identify and manage compliance requirements in order to meet the various regulatory requirements.
- Compliance risks are managed proactively, and the Bank remains fully committed to conducting banking activities in a manner consistent with all applicable regulations and laws in Palestine.
- The Bank is fully committed to preventing the use of the Bank in any unlawful activities, through the establishment of policies specifically dedicated to combating financial crimes, money laundering, and terrorist financing. These are complemented by Know Your Customer policies, through which the Bank ensures fulfillment of all legal requirements related to due diligence on an ongoing basis in order to determine the true identity and beneficial owner of the Bank's customers, verify customer names against prohibited persons lists, and report unusual activities that may threaten the environment and society, particularly money laundering crimes that threaten the security and safety of society. Environmental crimes and the financial proceeds arising from predicate offenses criminalized under Palestinian law are considered predicate offenses. The Bank reports any financial proceeds that may originate from such predicate offenses.
- The Compliance and Anti-Money Laundering units submit a report at least semi-annually, which includes an assessment of the Bank's procedures with reference to supervisory instructions, an evaluation of the degree of compliance, and the measures taken to reduce the risks identified.
- Training programs are provided on best practices related to anti-money laundering, counter-terrorist financing, and sanctions compliance, given their impact on business sustainability and continuity, the protection of stakeholders' and shareholders' interests from crime-related risks, and the preservation of the Bank's reputation from involvement in any suspicious activities.
- The Anti-Money Laundering Department focuses on managing exposure to money laundering and terrorist financing risks and protecting assets. This is achieved through assessing inherent and potential future risks to which the Bank's products, services, and channels may be exposed in relation to money laundering and terrorist financing risks. It also develops a plan to calculate residual risks and reduce these crimes to the minimum possible level, in a manner that ensures the achievement of the Bank's strategic objectives and the protection of stakeholders.
- Developing plans to expand outreach to all segments of society in order to promote financial inclusion, thereby contributing to overall economic stability. This is achieved by encouraging marginalized and low-income groups to open accounts and access financial services, and by simplifying procedures. This approach supports account opening for these segments while applying a risk-based approach, thereby

## Anti-Money Laundering and Compliance

enhancing financial stability and avoiding the termination of business relationships without a proper understanding of customer risk or the Bank's risk appetite.

- The Compliance function addresses customer complaints and protects their interests by reviewing and handling complaints appropriately in a manner that satisfies the customer without exposing the Bank to risk. Mechanisms are in place to allow the public to submit complaints to an independent body separate from executive management, while ensuring follow-up on corrective actions and proper resolution of complaints. Complaints are also leveraged to improve the quality of services, products, and related operational procedures.
- The Bank maintains an internal whistleblowing mechanism through a dedicated committee that receives internal reports from employees regarding any violations they observe, without exposing them or their roles to risk. This aims to safeguard the internal environment, prevent any violations that could expose the Bank to risk, and develop preventive measures and procedures to address fraud, misconduct, violations, or suspicious activities.
- Policies and procedures are continuously updated to ensure their adequacy and alignment with developments arising from the instructions and circulars issued by supervisory authorities.
- Awareness messages on various risks are disseminated on an ongoing basis, reflecting day-to-day operational realities, to ensure that employees remain continuously informed of the risks that may affect the Bank.
- Training programs on compliance are delivered to all Bank employees across all managerial levels, with the objective of promoting and strengthening a culture of compliance throughout the Bank.



## Regulatory Authorities



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## Disclosures

### Salaries and Bonuses for Executive Management

Total salaries and bonuses paid to the Group's Senior Executive Management amounted to USD 4,453,450.

**Travel and Seminar Expenses for Executive Management** Travel and seminar expenses for executive management totaled USD 412,899 during 2025.

**Facilities Granted to Executive Management** Total credit facilities granted to senior executive management amounted to USD 5,158,465.

### Proposed Bonuses to Board Members

The proposed bonus for Board members for 2025 amounted to USD 990,000.

### Dependence on Key Suppliers and Customers

The Bank has no local or international suppliers or customers that account for 10% or more of its total purchases or sales.

### Privileges and Government Protection

The Bank and its products are not entitled to any governmental protections or privileges under applicable laws or regulations. The Bank also holds no patents or franchise rights.

### Non-Recurring Transactions

The Bank's audited financial statements disclose the full financial impact, both actual or anticipated, of any non-recurring transactions that occurred during the fiscal year and fall outside the scope of the Bank's core activities, in light of recent developments.

### Legal Proceedings

The number of cases filed against the Bank and its subsidiaries reached 205 cases and 198 cases as of December 31, 2025 and December 31, 2024 respectively, within the normal course of the Bank's operations.

The total value of these cases amounted to USD 86,848,592 and USD 83,809,062, respectively.

According to management and legal counsel, no liabilities are expected from these cases beyond the provisions already allocated.

### Significant Decisions with Financial Impact

Israeli military decisions are considered one of the main constraints affecting the Bank's operations, particularly the blockade imposed on the Gaza Strip and the military checkpoints that disrupt connectivity between parts of the West Bank. Nevertheless, Bank of Palestine, through its operational capabilities, has been able to adapt to these conditions. The Bank, being the largest banking network in the Palestinian territories, has maintained the continuity of its operations under these circumstances.

### Corporate Control

There are no entities exercising direct or indirect control over the company.

### Board of Directors' Activities for 2025

The Board of Directors held 10 meetings during 2025 to carry out its assigned duties as stipulated in the Bank's Corporate Governance Code and internal regulations.

### Shareholder Voting Items

There were no matters deferred or postponed for voting by shareholders during 2025.

### Preliminary Financial Statements

There were no discrepancies between the preliminary financial statements previously disclosed and the final audited statements.

### External Auditors

The financial statements for 2025 were audited by Ernst & Young.

### Information Dissemination Mechanism

The annual report will be sent electronically to all shareholders at their registered addresses, along with the invitation to attend the General Assembly meeting. The report will also be available on the Bank of Palestine website.

## Investor Relations and Shareholders' Information

### Investor Relations

Given its pivotal and strategic role in strengthening relationships with investors, and in line with its commitment to transparency, the Investor Relations Department works to keep investors informed of all developments and updates related to the Bank. The Department translates its role into an effective two-way communication channel between the Bank and its current and potential investors, as well as the broader investment community. This is achieved by providing accurate, comprehensive, and clear information on the Bank's performance, achievements, and strategic direction, in addition to the latest developments and events, whether positive or negative.

### Communication and Building Long-Term Relationships Based on Transparency

During 2025, the Investor Relations team continued its efforts to strengthen and enhance relationships with shareholders through ongoing communication and engagement with the Bank's shareholders and investors. The aim was to keep them informed of all key developments at the Bank, including its various activities, events, and achievements, as well as its financial and non-financial results.

The Department ensured continuous engagement with shareholders through diverse communication channels and tools, including the issuance of press releases, dissemination of news via email, publication of announcements on local, regional, and international news platforms, and sharing updates across the Bank's social media platforms such as LinkedIn and Facebook. In addition, both in-person and virtual meetings were organized with shareholders.

### Communication During the War

In light of the challenging circumstances resulting from the war in the Gaza Strip, the Department maintained continuous communication with shareholders, reinforcing their confidence in the Bank's financial strength, resilience, and ability to adapt to crises, as well as its flexibility in addressing the implications of the war. The Department remained committed to providing periodic updates on the Bank's status and key developments, in addition to holding meetings with a large number of investors to keep them informed of the Bank's measures and to respond to their inquiries.

### Achievements During 2025

Ongoing and effective communication with shareholders contributed to the successful establishment of new strategic partnerships during 2024 and 2025. A number of international development finance institutions joined the Bank's investor base, thereby strengthening the Bank's capital adequacy position and enhancing its capacity to address the implications of the war and move forward with its regional expansion strategy.

This was complemented by the signing of several strategic agreements with regional and international partners aimed at financing small and medium-sized enterprises, particularly those affected by the war.



### Investor Relations and Shareholders' Information

Based on these agreements, during 2025, the Bank was able to increase its capital through a special share issuance to the following entities: FISEA (a subsidiary of PROPARCO – the investment arm of the French Development Agency (AFD), which increased its investment in Bank of Palestine by USD 10.8 million; in addition to the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), both of which increased their investments by USD 1.042 million, in order to maintain their ownership percentages at the levels of their initial investment in 2024.

Bank of Palestine Shares Prospectus	
27 July 2025	
<b>Investors</b>	<ul style="list-style-type: none"> <li>FISEA (5.53%)</li> <li>International Finance Corporation (IFC) (5%)</li> <li>European Bank for Reconstruction and Development (EBRD) (3.81%)</li> </ul>
<b>Investment Value</b>	USD <b>11,842,994</b>
<b>Number of Shares Issued</b>	<b>7,843,041</b> shares
<b>Share capital before issuance</b>	USD <b>260,943,026</b>
<b>Share capital after issuance</b>	USD <b>268,786,067</b>


### Regional Expansion Towards Growth and Prosperity

As part of its regional expansion strategy, and leveraging its extensive network of relationships, the Bank seeks to broaden avenues of cooperation and strengthen its ambitious regional presence in a manner that benefits both the Bank and its partners. Through this expansion strategy, the Bank aims to facilitate communication and networking with regional and international partners, as well as to attract a broad segment of Palestinian diaspora. This includes plans to open new offices and branches, expand investment horizons, attract strategic investors to invest in its capital, and diversify sources of income.

The Bank has already achieved significant milestones in its regional expansion efforts. In July 2025, it opened a representative office in Cairo, Arab Republic of Egypt. It also obtained in-principle approval to license a fully integrated bank classified as Category 1 (CAT-1) within the Abu Dhabi Global Market (ADGM). The branch is expected to commence operations and provide services to customers by the end of 2026.

### Our Investors and Strategic Partners

**PROPARCO – AFD Group**



- Equity investment of \$ 22.8 million, representing 5.53 % (through FISEA)
- \$ 44.5 million in financing under the SUNREF I & II Green Loan Programs
- \$ 50 million in financing to support SMEs under the ARIZ agreement
- \$ 20 million in financing to support SMEs

**International Finance Corporation (IFC) – World Bank Group**



- Subordinated loan of \$ 75 million
- Loan in the amount of \$ 35 million to support SMEs
- Equity investment of \$ 20.3 million, representing a 5 % ownership stake

**European Bank for Reconstruction and Development (EBRD)**



- \$ 45 million in loans to support SMEs and women-led businesses
- Equity investment of \$ 15.5 million, representing a 3.81 % ownership stake
- \$ 15 million under the International Trade Finance Program to enhance import/export activities and expand the Bank's correspondent banking network

**European Investment Bank (EIB)**



- Agreements totaling \$ 100 million to finance SMEs

**Japan International Cooperation Agency (JICA)**



- \$ 30 million investment in the Bank's Additional Tier 1 Capital to support SME development

**Arab Fund for Economic and Social Development**



- \$ 30 million loan to support SMEs
- \$ 30 million subordinated loan to further strengthen SMEs financing

**U.S. International Development Finance Corporation (DFC)**



- \$ 80 million in loan portfolio guarantee

**SANAD Fund for SMEs**



- \$ 10 million loan to support SMEs

**KfW IPEX-Bank**



- Agreements totaling \$ 118 million to finance SMEs

**Middle East Investment Initiative (MEII)**




- \$ 78 million in financing to guarantee SME loan portfolios

**Islamic Development Bank (IsDB)**



- \$ 10 million in financing under the Murabaha Program to support SME development

**Bank of Africa (BMCE Group)**



- Strategic shareholder with a stake of 1.06 %

## Investor Relations and Shareholders' Information

## Financial data and Events Calendar for 2025–2026

15 May 2025	Announcing the financial results for the first quarter of 2025
14 August 2025	Announcing the financial results for the first half of 2025
15 December 2025	Announcing the financial results for the third quarter of 2025
15 February 2026	Announcing the preliminary financial results for the year 2025
7 April 2026	The last day to participate in the dividends distribution for the year 2025
8 April 2026	Annual General Assembly Meeting

## Bank of Palestine Share information

Listing Date:	22 September 2005
Exchange:	Palestine Exchange
Symbol:	BOP
ISIN:	PS1004112600
Number of shares issued:	268,786,067 shares
Par Value per share:	USD 1
Closing price as of 31/12/2025:	USD 1.61
Free float as of 31/12/2025	74.20%

## Major Shareholders Ownership

## Major Shareholders above 5% or more

Name	2024		2025	
	Number of Shares	Ownership %	Number of Shares	Ownership %
Al Muhalab Kuwaiti Real Estate Company	18,208,142	6.99%	18,232,782	6.78%
Hashim Hani Shawa*	17,976,166	6.90%	17,976,166	6.69%
FISEA	7,715,706	2.96%	14,868,023	5.53%
International Finance Corporation (IFC)	12,663,742	4.86%	13,439,302	5.00%

\* Hashim Shawa shares and the shares under his trusteeship.

## Shares owned by the members of the Board of Directors and their Relatives

## Board Members' Ownership

Citizenship	Member of the Board of Directors	2024		2025	
		Number of Shares	Ownership %	Number of Shares	Ownership %
Palestinian	Hashim Hani Shawa	11,141,432	4.28%	11,141,432	4.15%
Kuwaiti	Al Muhalab Kuwaiti Real Estate Company	18,208,142	6.99%	18,232,782	6.78%
Palestinian	Arab Palestinian Investment Company (APIC) Group	13,331,131	5.12%	13,331,131	4.96%
Palestinian	Maha Awad	141,238	0.05%	141,238	0.05%
Palestinian	Tafeeda Jarbawi	412,000	0.16%	412,000	0.15%
Palestinian	Lana Abu Hijleh	65,499	0.03%	65,499	0.02%
Palestinian	Imad Eric Shehadeh	687,338	0.26%	687,338	0.26%
Palestinian	Tewfic Habesch	96,159	0.04%	96,159	0.04%
Palestinian	Lama Kanaan	16,480	0.01%	16,480	0.01%
Palestinian	Linda Tarazi*	16,480	0.01%	16,480	0.01%
British	Adel Dajani	16,480	0.01%	16,480	0.01%

\* Resignation date: 03/07/2025

## Shares owned by first and second degree relatives of the members of the Board of Directors

Citizenship	Name	2024		2025	
		Number of Shares	Ownership %	Number of Shares	Ownership %
Palestinian	Huda Hani Shawa	6,307,316		6,307,316	
Palestinian	Dina Hani Shawa	2,110,142		2,110,142	
Swiss	Bernardita Vigano Shawa	200,037		200,037	
Kuwaiti	Nabil Hani Qaddoumi	3,532,525		3,532,525	
Kuwaiti	Yasmine Nabil Qaddoumi	1,652,983		1,652,983	
Kuwaiti	Laila Nabil Qaddoumi	1,664,149		1,664,149	
Palestinian	Omar Baha'a El-Din Bahig	112,158		112,158	
Palestinian	Ali Bassam Jarbawi	515,000		515,000	
Palestinian	Bassam Ali Jarbawi	68,500		75,000	
Palestinian	Suad Ali Jarbawi	231,750		231,750	
Palestinian	Claudette Tewfic Habesch	132,195		132,195	
Palestinian	Nathalie Tewfic Habesch	2,710		2,710	
Palestinian	Christine Tewfic Habesch	6,250		6,250	

Investor Relations and Shareholders' Information

Shares owned by the Executive Management

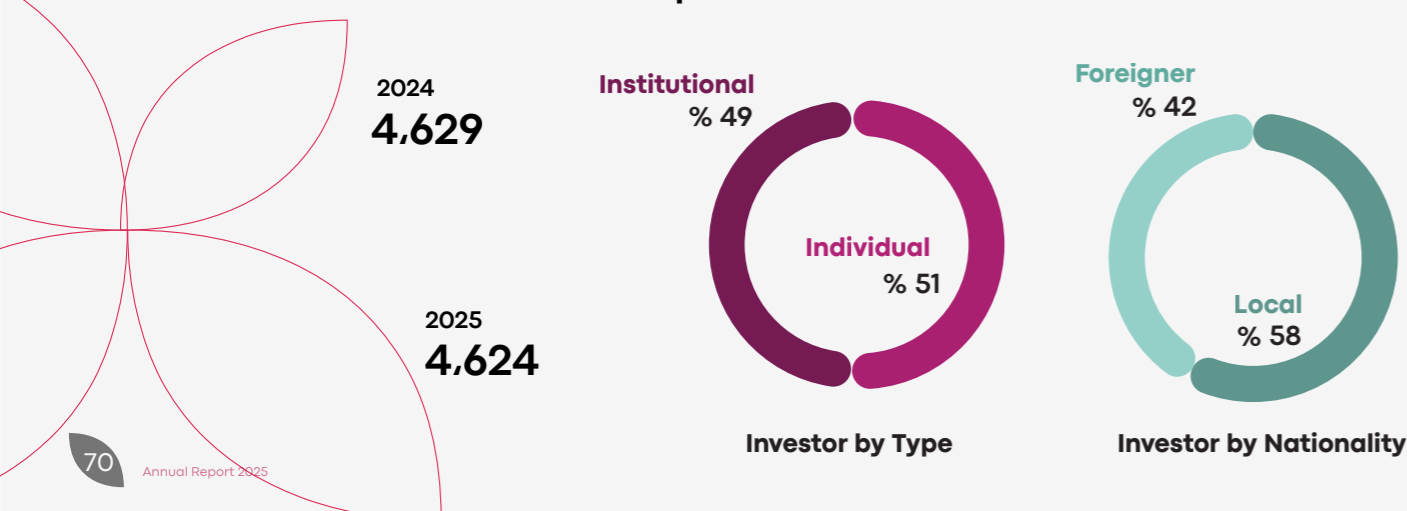
Shares owned by the Executive Management

			2024	2025
Citizenship	Name	Position	Number of Shares	Number of Shares
Palestinian	Mahmoud Maher Shawa	CEO	11,883	11,883
Palestinian	Sakhr Rustom Nammari	Chief Strategy & Transformation Officer	4,652	4,652
Palestinian	Kamel Aref Hussein	Chief Strategic Relations & Engagements Officer	23,252	24,566
Palestinian	Najeeb Jasser Yaser	Chief Treasury Officer	30,000	30,000
Palestinian	Yazan Hani Al Masri	Chief Business Development for Regional Expansion Officer	10,000	10,000
Palestinian	Naser Mohammad Bakir	Chief Business Banking Officer	20,598	20,598
Palestinian	Randa Saliba Abdallah	Chief Human Resources Officer	3,430	3,430
Palestinian	Amal Patricia Massis	Chief Operations Officer	5,475	5,475
Palestinian	Hanna Basil Sahhar	Chief Credit Officer	11,314	11,314
Palestinian	Suleiman Mohammad Nasr	Chief Compliance and AML/CTF Officer	14,000	15,148

Bank Capital Development during 2024-2025

Type of Corporate Action (A.C)	Registration Date	Outstanding shares before .C.A	No. Of New Shares	Outstanding shares after .C.A	Percentage
Special Issuance	29/07/2025	260,943,026	7,843,041	268,786,067	3%
Special Issuance	24/02/2025	260,559,617	383,409	260,943,026	0.147%
Special Issuance	26/12/2024	253,274,850	7,284,767	260,559,617	2.43%
Special Issuance	27/08/2024	230,677,334	22,597,516	253,274,850	8.92%

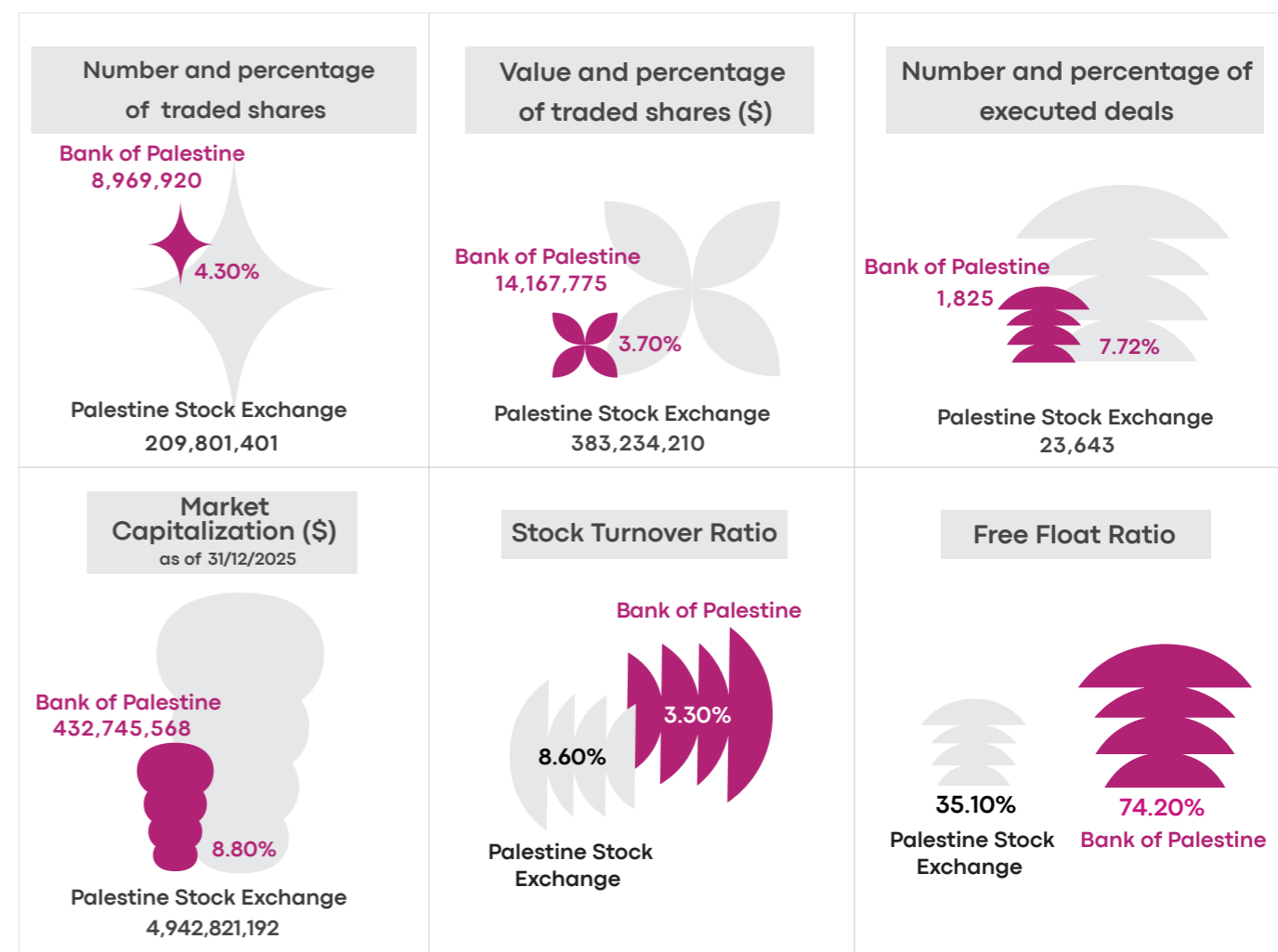
Number of Shareholders and Ownership Structure



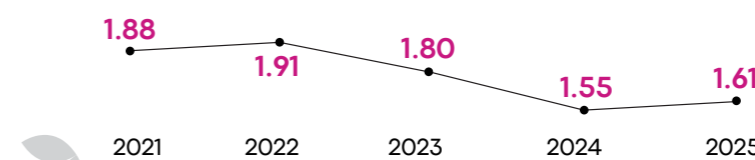
Distribution of Shareholders by Ownership Size as of 31/12/2025

Category	Number of Shareholders	Number of Shares Owned	% of Total Share Capital
Less than 10,000	3,533	6,698,052	2.49%
From 10,000 to less than 100,000	873	25,654,671	9.54%
From 100,000 to less than 500,000	150	27,940,680	10.40%
From 500,000 to less than 1,000,000	21	14,219,416	5.29%
More than 1,000,000	47	194,273,248	72.28%
<b>Total</b>	<b>4,624</b>	<b>268,786,067</b>	<b>100%</b>

Trading Activity for 2025

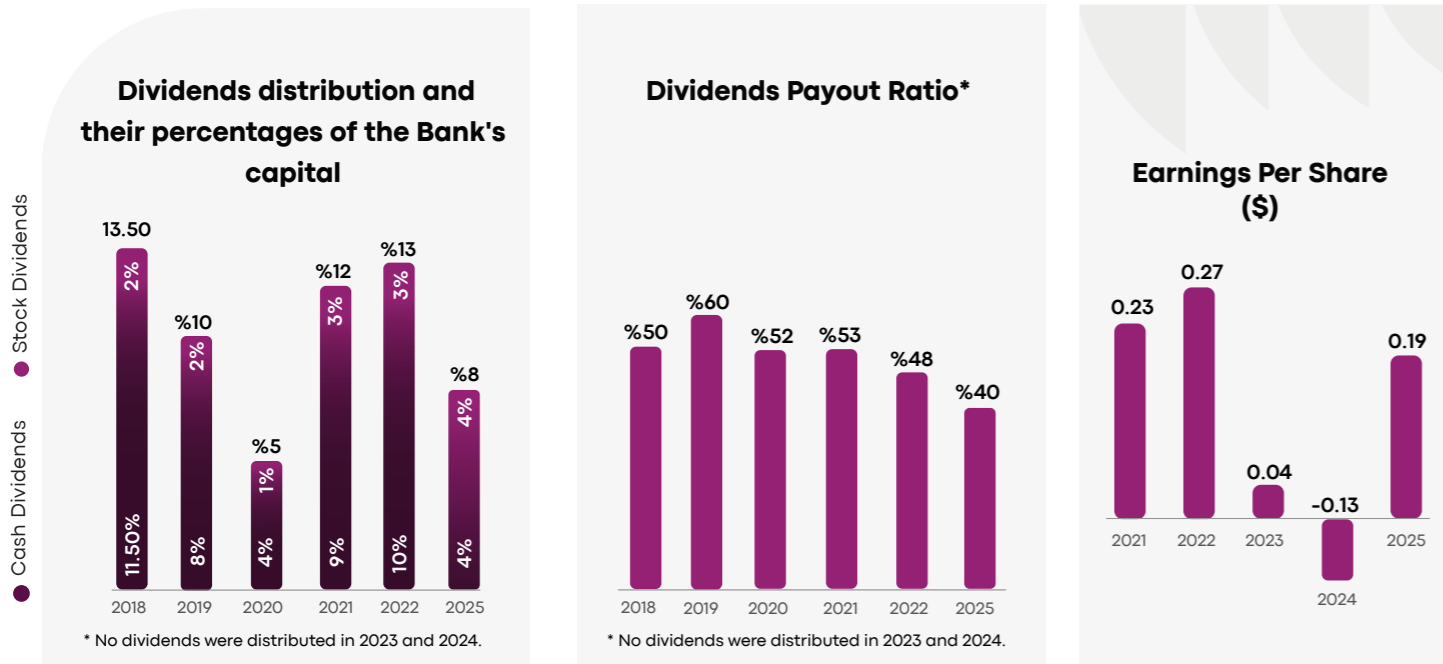


Diluted Share Price (\$) Over the Last Five Years



Investor Relations and Shareholders' Information

AGM Agenda



\* The dividend payout ratio was calculated using total dividends, which include both cash and stock dividends.



Ordinary Meeting Agenda and Recommendations of the Board of Directors:

- Presenting, discussing and approving the Board of Directors' Report.
- Presenting the external auditor's report, discussing and endorsing the financial statements of the company for the financial year ended on 31/12/2025.
- Absolving the Chairman and Members of the Board of Directors from liability for the financial year ended on 31/12/2025.
- Appointing an external auditor for the financial year 2026 and appropriating their fees or authorizing the board to do so.
- Approving the recommendation of the Board of Directors to pay a bonus to the members of the Board of Directors for the year 2025.
- Discussing the Board of Directors' recommendation to distribute USD 21,502,886 as dividends for the year 2025, a percentage of 8% of the bank's paid-up capital for members in the general assembly and registered at the Palestine Exchange on April 7<sup>th</sup>, 2026 in proportion to each shareholder's share in the company's capital as follows:
  - USD 10,751,443 as cash dividends, equivalent to 4% of the paid-up capital;
  - USD 10,751,443 as stock dividends, equivalent to 4% of the paid-up capital.
- Electing a new Board of Directors for the next four years.



The bank recorded extraordinary impairment provisions to mitigate against credit risk and cash losses in Gaza from the ongoing war. These exceptional and temporary provisions have resulted in a significant decline in net profits for the years 2023 and 2024.

# 75

## Strategic Review

- 75. The Bank's Five-Year Strategic Plan
- 80. Customer Service
- 82. Our Approach to Sustainability
- 92. Our Digital Strategy

### The Bank's Five-Year Strategic Plan

The Bank completed its Five-Year Strategy, which involved the following pillars:

## 1 Regional Expansion

## 2 Digital Transformation

Expanding digital footprint across services and branches

## 3 Targeting the Unbanked

## 4 Strengthening Focus on the SMEs

## 5 Enhancing Retail Banking Services

by dividing them into segments and following up on them by specialized staff.



# Regional Expansion

## Dubai Representative Office 2015

## Cairo Representative Office 2025

Obtained an In-Principle approval for a full banking license under from Abu Dhabi Global CATI Market (ADGM)

2025

# Cairo Representative Office

Since its establishment, Bank of Palestine has sought to strengthen its role in serving its customers and expand its presence as a full-service bank offering comprehensive banking solutions that meet the diverse needs of customers across different segments and sectors. This has formed a key pillar in supporting the Palestinian economy, particularly through financing small and medium enterprises.

As part of its commitment to serving Palestinians abroad, the Bank opened a representative office in Cairo, the capital of the Arab Republic of Egypt. The office serves as a vital link between expatriates and their homeland, contributing to business networking domestically and internationally, and fostering cooperation to enhance trade exchange.

### Achievements and Outlook

- The Cairo Representative Office was inaugurated in July 2025, marking the Bank's first step toward expansion and regional growth in Egypt. The office aims to study the Egyptian market, identify key banking and financial sectors, and build connections with leading business figures, companies, investors, and financial institutions. This supports the development of strategic banking relationships with the Egyptian market, attracting investors and encouraging investment in Bank of Palestine.
- The Office successfully mobilized deposits from Diaspora customers and attracted new shareholders to invest in the Bank's shares, amounting to approximately USD 1.2 million since its launch in July 2025. This reflects the confidence of Diaspora Palestinian expatriates in the Bank and is expected to drive further achievements and growth across various performance indicators, benefiting all stakeholders.
- The Representative Office contributes to enhancing trade exchange between Palestine and Egypt, particularly in the import and export of various raw materials, while opening new avenues for collaboration between Palestinian and Egyptian business communities.
- During 2026, the Bank aims to establish a fully-fledged banking branch in Cairo to serve the Palestinian community, estimated at around 500,000 individuals, facilitating their banking transactions and attracting Palestinian expatriate customers.
- The importance of establishing both the Representative Office and the future banking branch in Egypt lies in supporting Gaza reconstruction efforts, through cooperation with government institutions and companies expected to lead reconstruction initiatives in the Gaza Strip.



# Dubai Representative Office

## Key Achievements During 2025

Despite the current circumstances arising from the war in the Gaza Strip and the deteriorating conditions in the West Bank, the representative office of Bank of Palestine in the United Arab Emirates remained committed to strengthening communication with expatriates. Staff maintained outreach with customers for the purpose of opening new accounts and updating existing account information, thereby ensuring continuity of customer engagement, promoting the Bank's products, and attracting deposits from both individuals and institutions. These efforts contributed to the achievement of significant results during 2025.

The number of customers contacted exceeded 3,500, contributing to growth in the number of new and renewed customers, as 485 requests were completed to update account information, 150 card requests were processed, and 200 transfer requests were submitted by customers, with a total value of approximately USD 2 million. In addition, nearly 800 requests were received from expatriate customers around the world.

In line with Bank of Palestine's vision toward digital transformation and the deployment of financial technology solutions to facilitate customer access and reduce the cost of banking transactions, the Dubai representative office continued to provide customers with a variety of digital services via email and SMS. This was intended to encourage greater use of digital banking services, particularly mobile banking, which contributed to a noticeable increase in the volume of deposits and transfers during 2025, reaching approximately USD 5 million, distributed among investments, deposits, and customer accounts.

The representative office in Dubai also achieved notable results in the area of investor relations, as it maintained communication with existing investors and attracted new investors residing in the United Arab Emirates, in cooperation with the Investor Relations Department to engage with them and provide shareholder services. These efforts contributed to an increase in the number of shareholders residing in the UAE, who represent 5.2% of the Bank's total shareholders, while the number of shares sold reached 1 million shares with a total value of approximately USD 1.5 million. All transactions were executed through the Bank's affiliated brokerage company for securities.

## Regional Expansion

The Representative Office supported early days assistance in implementing the Bank's plan for regional expansion from Abu Dhabi, particularly through preparing the application for a Category 1 financial services license at Abu Dhabi Global Market, which the Bank obtained in-principle approval for at the end of 2025 from the Financial Services Regulatory Authority of Abu Dhabi Global Market (ADGM). This will enable the Bank to operate a fully integrated banking branch and conduct banking business, including deposit-taking, financing, and financial asset management. The office also oversaw logistical arrangements, including securing and preparing the Bank's premises.

## Receiving Delegations and Networking

The Representative Office continued to coordinate and receive delegations of Palestinian businesspeople and representatives of Bank of Palestine during their visits to the United Arab Emirates, in addition to networking such delegations with our network in the UAE. This included coordinating, the mission Chairman of the Board of Directors of Bank of Palestine Group, to the United Arab Emirates, where high-level meetings were held with

businesspeople and a number of international financiers. These meetings aimed to explore avenues for joint cooperation and expand the Bank's presence beyond national borders

## Representing the Bank Locally and Regionally

As part of its efforts to strengthen Bank of Palestine's presence in the United Arab Emirates, the Dubai representative office is keen to represent the Bank at conferences, seminars, and events held across the UAE. This includes actively engaging with participating entities at such events to promote awareness of the Bank, its strategic vision, and its future direction, as well as to highlight its achievements at both the local and international levels. These efforts contribute to showcasing the Bank's effective role in advancing sustainable development in Palestine. Among the most prominent of these events:



Abu Dhabi Finance Week



Gulfood 2025



MEIRA 2025 Oman



Dubai FinTech Summit



Future Sustainability Forum- Dubai

The Representative Office of Bank of Palestine, headquartered in the Dubai International Financial Centre (DIFC), seeks to consolidate the Bank's presence and expansion in the United Arab Emirates and across the Gulf Cooperation Council (GCC) countries. This aligns with the Bank's strategic vision to expand its regional relationships and strengthen engagement with Palestinian expatriates residing in the Gulf.

The Representative Office was established in August 2015 as a Foreign Recognized Company, conducting its activities as a representative office. The office was officially inaugurated in April 2016.

## Customer Service

### Exceptional Performance Despite Challenges in 2025

Amid unprecedented conditions, the Treasury Department maintained its exceptional performance throughout 2025, leveraging innovative financial solutions, strengthening partnerships with international banks, and expanding digital transformation initiatives. The Department also continued to invest in human capital as a key driver of success. Despite political and economic challenges, the Department achieved strong financial performance by diversifying income streams and increasing external revenues, through expansion in international markets and strengthening banking relationships with global financial institutions, alongside improving the efficiency of financial operations.

**Growth in treasury revenues stood at**

**43.7%**



**Total treasury revenues reached USD 121.6 million**

**Treasury profits accounted for 38% of the Bank's total profits**



### Enhanced Foreign Exchange Pricing and Competitive Margins Supporting Customers

The Bank continuously reviews foreign exchange pricing on an ongoing basis to ensure the most competitive rates for customers in the market. During 2025, the Bank maintained competitive FX pricing margins, enabling individuals and corporates to improve their financial performance and strengthen their competitiveness in both local and international markets.

In addition, the Bank introduced a range of pricing quotes from international correspondent banks, providing customers with broader options and more flexible pricing structures. The Bank also maintained its leading position among banks in terms of trading volume, reflecting its continued commitment to delivering competitive and customer-oriented financial solutions.

### Effective Liquidity Management and Excellence in Risk Management

The Treasury Department achieved significant results during 2025, particularly in maintaining exceptionally strong liquidity levels that exceeded sector benchmarks. This enabled the Bank to navigate challenges effectively, while supporting its capacity for regional expansion and sustainable growth. The Bank also enhanced its readiness to contribute to economic recovery and reconstruction efforts, while strengthening compliance with regulatory standards and implementing robust risk control frameworks, supported by advanced analytical tools for risk management. These strategies contributed to strong and sustainable financial performance, reflecting the Bank's ability to manage financial challenges efficiently and ensure continued growth amid evolving economic conditions.

### Digital Transformation: More Efficient and Sustainable Financial Services

The Bank made notable progress in digitizing banking operations and centralizing them, with the aim of strengthening financial sustainability and advancing digital transformation. Approximately 30% of total foreign exchange transactions were executed through digital channels, demonstrating the effectiveness of digital solutions in delivering sustainable financial services that meet customer needs under varying conditions.

## The Bank's International Banking Network and Partnerships

During the past year, the Bank continued its efforts to strengthen and expand its international banking relationships network by signing a number of agreements and strategic partnerships with banks and reputable global financial institutions. These agreements included the development and expansion of the range of services offered in cooperation with correspondent banks, including advanced digital solutions, investment services, international trade services, and foreign exchange services, in line with the rapid developments in the banking sector and in response to the evolving needs of customers.

As part of its leading strategy to expand its global banking relationships network, the Bank entered into new agreements with a number of international banks aimed at diversifying cooperation channels and enhancing integration in the provision of financial services. This supports cross-border transactions and enables the delivery of comprehensive and integrated financial solutions to various customer segments.

The Bank also sought to strengthen its international presence through active participation in specialized global banking events and conferences. In this regard, it participated in a number of prominent international conferences, foremost among them the Sibos Conference held in Germany, which is considered one of the world's leading conferences in the financial and banking sector. This participation helped deepen the Bank's relationships with international financial institutions, facilitate the exchange of expertise, and provide exposure to global best practices and the latest innovations in the banking field.

In recognition of the Bank's excellence in treasury services and its commitment to applying the highest standards of operational efficiency, the Bank received the STP Excellence Award from The Bank of New York, in addition to an award it recently received from Citi Bank. This recognition came as a result of the Bank's achievement of high rates of fully automated transaction processing, which contributed to faster execution, reduced operational errors, and enhanced accuracy and reliability in the services provided, reflecting the Bank's continued commitment to delivering high-quality banking solutions in accordance with best international standards.

## Outlook

Building on its significant achievements and strong performance, the Treasury Department aims to reinforce its investment strategies and expand the scope of treasury instruments through investing in opportunities available in financial markets to achieve further growth and sustainability.

The Department also continues to innovate in digital services and financial solutions to ensure the delivery of the best possible banking experience for customers.

## Our Approach to Sustainability

### Sustainability at Bank of Palestine During 2025

Bank of Palestine initiated its sustainability journey in 2021 as part of a strategic framework to embed sustainable development principles across its operations and core business activities, while strengthening its economic, social, and environmental impact. The Bank considers robust governance a foundational pillar of institutional sustainability and has therefore adopted an integrated sustainability framework aligned with stakeholder expectations and long-term value creation objectives.

### Sustainability Strategy Framework

The Bank's sustainability strategy is structured around five core pillars:

- Sustainability Governance
- Creating Shared Value
- Environmental Responsibility and Commitment
- People-Centered Approach (Human Capital Development)
- Community Investment

In parallel, the Bank integrates Environmental, Social, and Governance (ESG) considerations as a cross-cutting framework underpinning decision-making and risk management, supporting its vision of a low-carbon, inclusive, and sustainable economy, in alignment with the UN Sustainable Development Goals (SDGs).

### Governance and Disclosure

The Bank is committed to high standards of transparency and accountability through the issuance of periodic sustainability reports in accordance with the Global Reporting Initiative (GRI) Standards. These disclosures are subject to independent assurance, reinforcing the Bank's adherence to international best practices in ESG reporting, governance, and non-financial disclosure.

### Environmental and Climate Performance

Despite macroeconomic pressures and exceptional operating conditions in Palestine, the Bank continued to advance its environmental agenda, achieving measurable progress in resource efficiency and operational footprint reduction. Key initiatives include:

- The commissioning of the Jammala Clean Energy Station in Jammala village (north of Ramallah), representing a strategic investment in renewable energy infrastructure and supporting the transition toward a low-carbon economy.
- The development and implementation of an Environmental and Social Management System (ESMS) to systematically identify, assess, and monitor environmental and social risks within the Bank's financing portfolio. This framework strengthens the Bank's commitment to responsible lending, ESG risk integration, and sustainable finance practices.

## Social Dimension and Corporate Social Responsibility

### Human Capital

The Bank places strong emphasis on human capital development, fostering an inclusive work environment and increasing female representation in leadership roles and decision-making positions. This is supported by sustained investment in training and institutional capacity building.

### Corporate Social Responsibility

Corporate social responsibility remains a strategic priority for Bank of Palestine, with a commitment to allocate no less than 5% of annual profits to community and development initiatives. During the year, interventions focused on emergency response and strengthening community resilience in Palestine, alongside supporting projects aligned with the Sustainable Development Goals (SDGs).

### Memberships and Strategic Partnerships

Bank of Palestine is a member of several leading international and regional platforms in sustainability and responsible finance, reflecting its commitment to global best practices. Key memberships include:

- United Nations Global Compact (UNGC)
- UN Environment Programme Finance Initiative (UNEP FI)
- Global Alliance for Banking on Values (GABV)
- World Economic Forum (WEF)
- Palestinian Green Building Council

### Sustainability Ambassadors

To strengthen its internal sustainability culture, the Bank launched the "Sustainability Ambassadors" initiative, engaging employees across departments to embed sustainability principles into day-to-day operations, enhance internal alignment, and ensure long-term institutional impact.

The Bank is currently preparing its third sustainability report at the Bank level (its second at the Group level), as part of its ongoing commitment to strengthening ESG disclosure frameworks and stakeholder engagement.

The report will be published on the Bank's official website, in line with its practice of ensuring transparent access to information and reinforcing institutional accountability.

## Our Approach to Sustainability

### Responsibility Toward Our Community

Since its inception, the Bank has positioned community service as a core priority, recognizing that meaningful progress cannot be achieved in isolation from society. Corporate social responsibility has evolved into a substantive, institutional commitment and a central pillar of the Bank’s strategy.

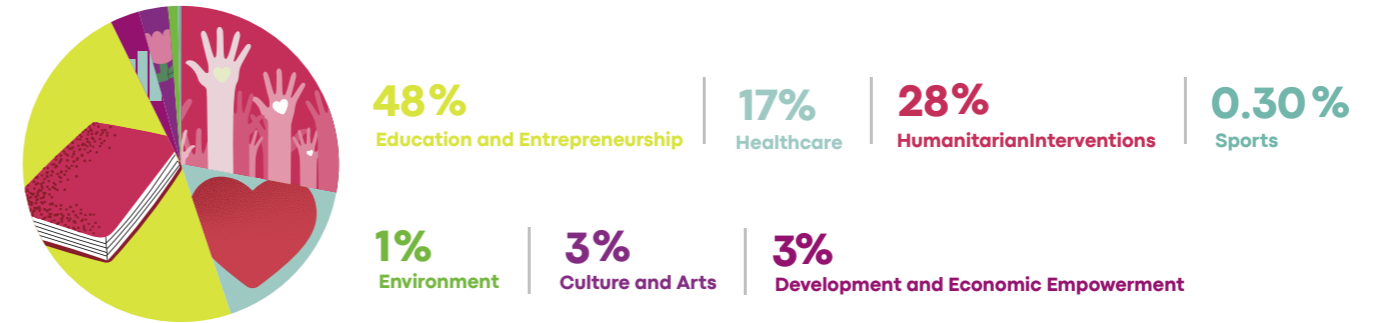
In 2025, the Bank strengthened its community impact through partnerships with a broad network of local and international institutions. Interventions spanned key sectors, including education, environment, entrepreneurship, culture, and sports. In response to prevailing conditions in Palestine, priorities were recalibrated toward humanitarian support, addressing escalating needs across different governorates.

The Bank reaffirms its commitment to financial inclusion, targeting all segments of society without exception, including women, youth, children, and persons with disabilities. Program reach was expanded across the country, reinforcing the Bank’s position as a leading national financial institution and deepening its developmental role across diverse geographic and social contexts.

### Alignment with the Sustainable Development Goals (SDGs)

As part of its integrated sustainability framework, the Bank embeds the UN Sustainable Development Goals (SDGs) into its core operations and community investment strategy. This approach reflects a structured methodology for impact measurement and management, ensuring that social and environmental contributions generate measurable, long-term value aligned with global sustainability priorities.

### Corporate Social Responsibility Allocation by Sector | 2025



### Impact of CSR Interventions during 2025

- Over 250,000 indirect beneficiaries
- More than 100 women entrepreneurs supported
- More than 50 schools reached (directly and indirectly)
- Over 55,000 direct beneficiaries
- More than 50 job opportunities created through supported projects

### Total Contribution to CSR Initiatives – 2025



**\$ 4,174,731**

Bank of Palestine was awarded “Best Bank for Corporate Responsibility in Palestine” by Euromoney as part of its Awards for Excellence 2025, in recognition of its leading role in implementing impactful CSR programs.



## Our Approach to Sustainability

### Humanitarian and Relief Interventions

The Bank continued its efforts to support communities in Gaza and the West Bank, implementing a range of humanitarian interventions during the holy month of Ramadan. These initiatives targeted multiple areas, with a focus on the most vulnerable communities and families affected by ongoing conditions in Palestine.

#### Key interventions included:



### “Noor” Program for Orphan Care – Gaza

The Bank continued its support for the “Noor” orphan care program in Gaza, which aims to provide assistance to 20,000 orphans who have lost one or both parents during the ongoing conflict.

#### Support covered:

- Provision of essential humanitarian needs
- Access to healthcare services
- Psychosocial support and protection
- Education support



### Strengthening the Health Sector as Part of Community Sustainability

- Support to St. Joseph Hospital (French Hospital) in Jerusalem through the establishment of an endoscopy unit serving approximately 30,000 patients annually.
- Provision of two mobile housing units to accommodate families of patients receiving treatment at Al Makassed Islamic Charitable Hospital in Jerusalem.
- Distribution of 500 insulin injections to diabetic patients from displaced families in Jenin, in partnership with Augusta Victoria Hospital.
- Contribution to establishing a rehabilitation unit for children with physical disabilities in partnership with Khalil Abu Rayyaa Rehabilitation Center in Ramallah.
- Organized a recreational activity for 140 children from SOS Children’s Villages in Bethlehem on the occasion of International Children’s Day, contributing to emotional relief and the provision of psychosocial support.
- Contributed to the 2025 diabetes campaign in partnership with Augusta Victoria Hospital and Juzoor for Health and Social Development, reaching over 5,000 beneficiaries through mobile clinic visits and outreach activities.
- Donated neonatal hearing screening devices to support early detection of hearing impairments, benefiting more than 900 newborns annually, in partnership with Think Palestine.

### Supporting the Education and Entrepreneurship Sectors

- Sponsored the 12th Model United Nations Conference with the participation of 600 students.
- Supported Teach for Palestine in providing educational supplies to 10 schools across the West Bank and Jerusalem.
- Provided scholarships to Palestinian university students in refugee camps in Lebanon, benefiting approximately 80 students annually.
- Donated laptops to Tawjihi secondary students from Gaza receiving treatment at An-Najah National University Hospital in Nablus.
- Established a learning space in the village of Al-Nabi Saleh (northwest of Ramallah), benefiting more than 600 children, in partnership with Abdul Mohsen Al-Qattan Foundation.
- Distributed school bags to over 6,000 students in partnership with local institutions across various governorates in the West Bank.
- Supported various activities in partnership with the Lycée Français.
- Supported the establishment of an interactive learning lab in partnership with the Smart University College for Modern Education – Hebron, which will serve more than 800 students.

### Preserving Our Cultural Identity

- Continued support for the Palestinian Museum programs for the seventh consecutive year.
- Partnered with Dar El Funoun Palestinian Popular Dance Troupe to support the production of artistic performances and activities for 2025–2026.
- Supported the traveling exhibition entitled “Bethlehem Reborn: The Wonders of the Nativity,” held in Vatican City.

## Our Approach to Sustainability

### Economic Empowerment and Development

- Launched “A Bite Made by Palestinian Hands” initiative in partnership with the Palestinian Businesswomen’s Association – Asala and Al Shini Extra Supermarket, under the campaign “Together, We Support Products Made by Palestinian Women,” generating income for 12 women entrepreneurs and creating additional indirect employment opportunities.
- Supported the Best Entrepreneur Award 2025 in partnership with the Businesswomen Forum.
- Supported an economic empowerment program in partnership with the Charitable Society of Tubas, targeting 30 women.
- Supported the “habkeh” initiative in partnership with Ruwwad Foundation to build the skills of more than 70 women entrepreneurs.
- Donated production equipment to Ma’an lil-Hayat Association, which supports persons with disabilities in Bethlehem.



### Environmental Stewardship

- Established an eco-park in Um Al-Tut Nature Reserve in partnership with Ma’an Development Center, including more than 100 trees and diverse plant species, contributing to biodiversity conservation.
- Supported Qalqilya Zoo through the construction of new bird enclosures, contributing to wildlife preservation.
- Supported a vocational training center in Dura (south of Hebron) through the establishment of an educational greenhouse under a sustainable agriculture program, which will serve 120 students annually.
- Supported a school environmental improvement program in partnership with the Directorate of Education in Qabatiya (south of Jenin), benefiting more than 40 schools.
- Supported a sustainable agriculture program at Al Quds University, benefiting 50 students and local farmers.

### Sports for Better Health

- Supported the participation of the Palestinian national team in the UAE Taekwondo Championship, with 35 players across different age groups.
- Supported the women’s football team at the Palestinian Football Association, contributing to the development of more than 15 players.
- Supported the “Sports for Development” program in partnership with the Palestine Association for Children’s Encouragement of Sports (PACES) to promote children’s participation in sports and benefiting 240 children and 24 coaches.



### In-Kind Contributions | 2025

- In line with the Bank’s sustainability strategy across its operations, and its commitment to reducing its carbon footprint, the Bank implemented several environmental measures, most notably donating reusable items instead of disposing of or selling them.
- The Bank continued its 2022 initiative to donate surplus in-kind assets, including furniture, equipment, and electronic devices, to local community institutions, following technical inspection to ensure functionality and usability.
- The Bank ensured branch participation in the donation process through coordinated nomination of beneficiary entities. In 2025, approximately 131 items were donated to six institutions across various sectors, including government entities and non-profit organizations across multiple locations in the West Bank.

### Financial Inclusion Programs and Strategic Partnerships | 2025

Efforts in financial inclusion this year shifted toward more targeted, outcome-driven interventions, with a strong focus on women’s economic empowerment, financial literacy among youth, and improving access to formal financial services, in line with the Bank’s regulatory commitments and sustainability objectives.

#### 1. Empowering Women Entrepreneurs Economically

**Focused on strengthening the financial and managerial capabilities of women entrepreneurs, enhancing the sustainability of their businesses and their readiness to engage with formal financial services, through the delivery of the seventh cohort of the Felestineya Mini-MBA Programme for Business Management, benefiting more than 30 women entrepreneurs. The program featured:**

- Participation from women entrepreneurs across the West Bank and Jerusalem.
- Measurable improvement in business management and financial decision-making skills.
- Expansion of professional networks through structured networking and partnership-building components.
- Integration of private-sector partners to translate knowledge into practical opportunities and facilitate market and financial linkages.
- Direct contribution to advancing women’s economic participation and supporting the sustainability of SMEs.

#### 2. Financial Literacy and Financial Inclusion

Expanding access to financial knowledge for underserved segments and reinforcing the Bank’s position as a leading financial institution in advancing financial inclusion, through:

### Our Approach to Sustainability

- Implementation of seven national and international awareness campaigns aligned with Global Money Week, targeting diverse segments including women, youth, and persons with disabilities.
- Contribution of these campaigns to raising awareness, building trust, and enhancing engagement with the Bank's services and initiatives.
- Transition from general awareness campaigns to content focused on behavioral change in financial practices and linking knowledge to practical banking services.
- Promotion of financial literacy and the principle of equitable access to financial services.

### 3. Program Delivery through Strategic Partnerships

Maximizing the impact of financial inclusion programs through local and international partnerships, and expanding outreach to target segments more effectively.

#### Global Communities Foundation:

- Implementation of a comprehensive financial inclusion program, including:
  - The eighth cohort of the Mini-MBA Program, with the participation of 20 women entrepreneurs from across the West Bank and Jerusalem.
  - Financial literacy sessions benefiting 80 women entrepreneurs.
- The program contributed to strengthening participants' managerial and financial capabilities and supporting the sustainability of their businesses

#### European Bank for Reconstruction and Development (EBRD):

Implementation of four specialized training interventions focused on crisis management and resilience, targeting 102 women entrepreneurs, including:

- Financial management with coaching and follow-up sessions (12 participants).
- A workshop on risk management and crisis response (30 participants).
- A workshop on financial management during crises (30 participants).
- A workshop on mental health and coping with stress (30 participants).

These interventions strengthened business resilience and the capacity of enterprises to navigate economic challenges, while also improving financial literacy levels, with program design tailored to the needs of women entrepreneurs in Palestine.

#### INJAZ Palestine and the Young Women's Christian Association (YWCA):

- Promoted early financial awareness and responsible use of financial services among youth.



- Delivered financial literacy workshops across several Palestinian universities, reaching more than 290 students, in addition to recent graduates.

#### Qader for Community Development:

- Delivered financial literacy sessions for 10 persons with disabilities, aimed at facilitating access to financial services and strengthening their economic inclusion.

#### Ruwwad Development Association:

- Delivered targeted financial literacy sessions for 42 women from rural areas, contributing to reducing geographic and awareness gaps in access to financial services.



### 4. Overall Impact and Reach

#### Target segments:

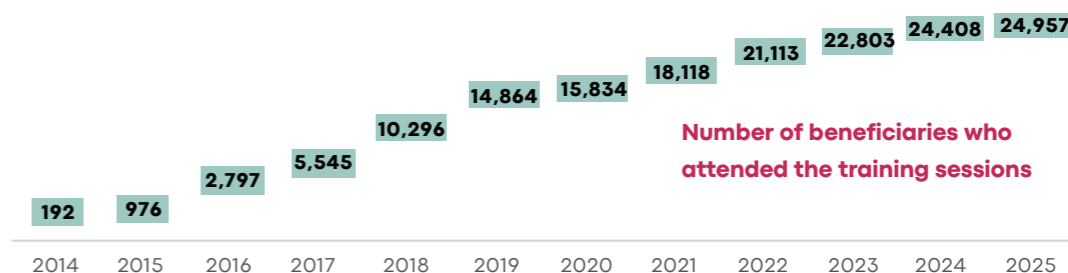
- Women entrepreneurs
- Youth and students
- Women in rural areas
- Persons with disabilities

#### Session outcomes:

- Measurable improvement in financial literacy and confidence in engaging with financial services.
- Expanded financial inclusion to underserved and marginalized groups.
- Efficient program delivery through partnerships, avoiding duplication of efforts.

### 5. Strategic Value to the Bank

- Strengthened the Bank's social performance within the ESG framework through measurable outcomes.
- Provided data and evidence supporting regulatory reporting requirements.
- Reinforced the Bank's position as a trusted partner in economic and social development programs.



### Our Digital Transformation Strategy

Bank of Palestine continues to convert its digital vision into tangible, on-the-ground outcomes, keeping pace with digital leadership to ensure the sustainability of its operations. Digital services have become an integral part of the Bank's offering, increasingly relied upon by a large segment of its customers, particularly in light of the challenging conditions faced by the Palestinian people. Customers now depend heavily on digital channels to execute a wide range of financial transactions without the need to visit branches.

### Artificial Intelligence Technologies

In 2025, the Bank introduced artificial intelligence technologies across its digital contact center channels, including WhatsApp, the Bank's website, Facebook Messenger, and the mobile application. This has driven a qualitative shift in how customer inquiries are handled. With approximately 85,000 monthly conversations conducted via chat, the smart assistant now provides instant responses to recurring and routine queries through a continuously updated knowledge base.

The AI system engages with customers immediately at the start of each interaction and currently handles more than 80% of total chat interactions without human intervention. More complex or exceptional cases are seamlessly escalated to specialized staff.

The team continuously monitors and enhances the AI system to ensure accuracy and alignment with the Bank's policies. This first phase of chatbot automation has significantly improved operational efficiency, reduced pressure on staff, and established a scalable foundation for future expansion of AI use, supporting the Bank's broader digital transformation strategy.

### Bank-e Application

Bank of Palestine has ensured that all services traditionally provided at branches are accessible and executable through digital channels. This has contributed to a marked reduction in customers' reliance on branch visits and a corresponding increase in digital banking usage. This is clearly reflected in the number of registered users on the Bank-e application, which has grown steadily from 11.42% in 2018 to 68.30% in 2025.

**80%** of total chat interactions without human intervention



Growth in the number of registered users of the Bank-e application



user growth rate in 2025 %68.30

The table below illustrates the significant shift toward digital channels, with transactions executed via the mobile application surpassing those conducted through branches, beginning in 2019. The gap has widened markedly in subsequent years in favor of the Bank-e application. Transactions primarily include transfers to other customers within the Bank, transfers between a customer's own accounts, foreign currency transfers, and cheque book requests.

Year	Transactions via Branches	Transactions via Bank-e Application
2018	41,249	40,776
2019	44,310	94,847
2020	135,725	829,133
2021	405,802	3,396,694
2022	362,699	4,601,011
2023	359,010	4,826,721
2024	327,829	9,975,967
2025	378,677	30,573,348

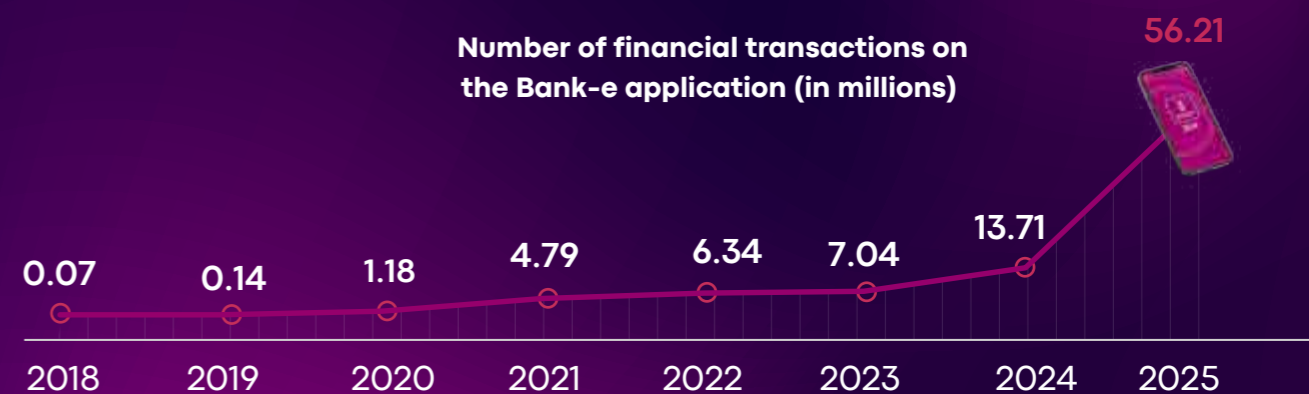
**206%**

Transactions Executed via Branches vs. Bank-e App  
Growth rate of transactions executed via the Bank-e app compared to 2024



The chart below shows the accelerated growth in the number of transactions executed through the application, particularly in 2025, reflecting the increasing reliance on digital banking services.

Number of financial transactions on the Bank-e application (in millions)



# 95

## Operational Review

**95. Business Banking**

**101. Retail Banking**

**110. Our Employees**

### Business Banking

#### Large Corporates and SMEs

Within its national commitment and central role in supporting the Palestinian economy, the Corporate Banking Segment at Bank of Palestine continues to deliver on its development mandate as a key partner in sustaining economic momentum and strengthening the private sector's capacity for growth and expansion. The Bank provides integrated banking and financing solutions tailored to the needs of companies across different sizes and sectors, grounded in a deep understanding of the Palestinian economic landscape and its challenges—thereby contributing to investment stimulation, production support, and job creation.



Building on its conviction that trust is the foundation of a sustainable banking relationship, the Bank places its corporate customers at the core of its strategy, focusing on long-term partnerships defined by transparency, flexibility, and service quality. Corporate Banking continues to develop innovative products and services, supported by specialized expertise and advanced banking systems, enabling companies to manage cash flows efficiently, access appropriate financing, and expand their operations with confidence and stability. This is reflected in the performance of credit facilities extended to corporates, which recorded growth of 1.82%. The Bank's financial resilience and capacity to navigate crises have further reinforced customer confidence, contributing to an increase in corporate deposits of 20.46%.

This approach reinforces the Bank's position as a leading national banking institution and a preferred partner for Palestinian corporates, not only in terms of business volumes and services delivered, but also in its tangible economic and developmental impact. Through balancing financial sustainability with social responsibility, Bank of Palestine continues to support economic resilience and advance inclusive development, in line with the aspirations of Palestinian society and the future of the business sector.

#### SME Financing Agreements

#### Arab Fund for Economic and Social Development

Bank of Palestine signed a subordinated loan agreement with the Arab Fund for Economic and Social Development to strengthen its strategic partnership, aimed at financing private-sector small and medium enterprises in Palestine. The facility amounted to USD 30 million and contributes to strengthening the Bank's capital base, enhancing its lending capacity to SMEs.



### Palestine Investment Fund

Bank of Palestine signed an agreement with the Palestine Investment Fund to strengthen their strategic partnership, aimed at financing small and medium enterprises and supporting the innovation ecosystem in Jerusalem. The agreement includes a USD 2 million facility to finance Jerusalem-based projects through the Bank.

### “Istidama” and Istidama Plus Programs

The Bank is committed to adopting policies and procedures that safeguard depositors’ rights, ensure credit quality oversight, promote transparency, and set ceilings for microfinance exposure per customers. These measures enabled the financing of 457 micro-enterprises in 2025 under the Istidama program, with a total portfolio of USD 37.8 million. The program also financed 21 women-led projects, with a total value of USD 804 thousand, reinforcing the Bank’s commitment to women’s economic empowerment and participation in the Palestinian labor market.

**Total financing of micro-enterprises under  
“Istidama” in 2025**

**USD 37.8 million**

### Sustainable Finance

Bank of Palestine is committed to advancing sustainable finance programs driven by its recognition of the need to equip various economic sectors with the capabilities required to remain resilient and continue growing despite the unprecedented challenges arising from the war. This contributes to strengthening the Palestinian economy and supporting the achievement of sustainable development, in line with the Bank’s comprehensive sustainability approach and its role as an active contributor to economic and social development efforts in Palestine. Within this framework, the Bank focused its efforts during 2025 on implementing and developing sustainable finance programs that respond to the needs of these sectors, particularly those considered vital to the Palestinian economy and capable of generating meaningful impact toward sustainable development in Palestine.

To ensure the achievement of sustainable impact, the Bank has worked to align its sustainable finance programs with internationally recognized sustainability standards, drawing on the three ESG pillars (environment, social, and governance), as well as relevant sustainable finance guidelines. The Bank is committed to embedding sustainability as an operational practice in its investment decisions and business activities.

### Green Finance Program (SUNREF)

Bank of Palestine continues to activate environmentally supportive systems and initiatives through its implementation of the SUNREF green finance program, in line with its policy of serving the Palestinian community. Building on the implementation of SUNREF I, the Bank is currently implementing SUNREF II, the second phase of the green lending program, in cooperation with PROPARCO, the European Union (EU), and the Palestinian Energy and Natural Resources Authority (PENRA). The program has a total envelope of USD 30 million and is implemented in partnership with ECONOLER and ESCOM, SUNREF program partners.

The Bank’s contribution to green financing for micro, small, and medium enterprises, as well as individuals, has grown steadily between 2019 and 2025 under the SUNREF I and SUNREF II agreements. Total financing reached approximately USD 38.8 million, benefiting 237 customers. In 2025, the number of beneficiaries increased to 237, with the program targeting individuals investing in energy-efficient electrical equipment supplied by Sbitany for electrical appliances, in line with the Bank’s commitment to strengthening financial support for sustainable green projects. The highest level of financing was recorded in 2022, reaching USD 15.9 million, disbursed to 38 beneficiaries.

## Business Banking

### Sustainable Finance to Support SMEs

Bank of Palestine continued to implement its sustainable finance programs, translating its commitment to sustainability into practice across all its banking operations and activities, as well as through its subsidiaries and partnerships. This includes its commitment to environmental protection and promoting reliance on renewable energy sources. In line with this commitment, the Bank has redirected its investments toward supporting technologies and sustainable projects that contribute to building an environmentally friendly economy, including efforts to reduce carbon emissions. The Bank has also maintained a clear focus on generating positive environmental impact and upholding sustainability principles to preserve natural resources for future generations.

To support business continuity under challenging conditions, the Bank has introduced a range of lending programs:

**457 micro-enterprises financed**

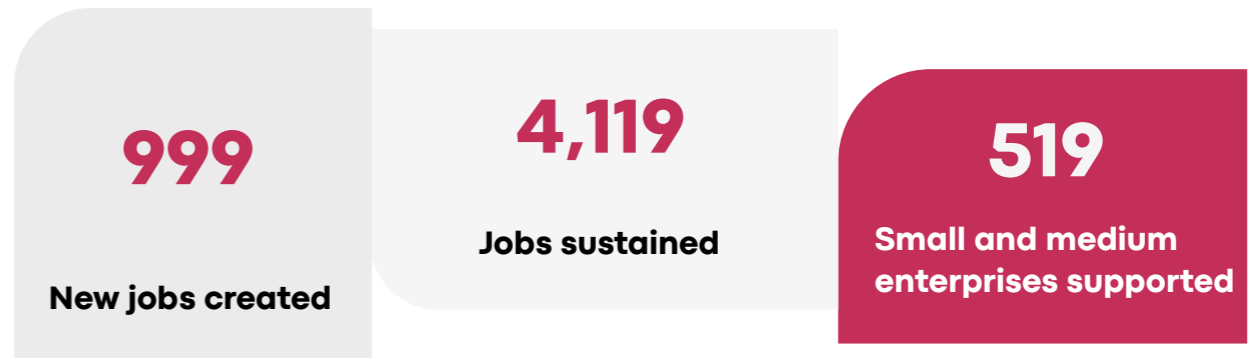
USD 37.8 million



- Bank of Palestine has adopted policies and procedures to safeguard depositors' rights, ensure prudent credit management, promote transparency, and set ceilings for microfinance exposure per customers. These policies enabled the financing of 457 micro-enterprises in 2025 under the Istitidama program, with a total value of USD 37.8 million.
- The Bank is taking proactive steps to expand financing for micro, small, and medium enterprises (MSMEs), including restructuring its financial policies to align with financial inclusion objectives. Despite the challenges associated with financing SMEs, this segment is expected, over the long term, to contribute to diversifying the Bank's income streams and funding sources.
- The credit facilities portfolio extended under the "Istitidama" microfinance program for SMEs reached USD 5.005 million, covering 591 projects.
- Total credit facilities disbursed under the "Istitidama" microfinance program to start-up projects and women-led enterprises in marginalized areas amounted to USD 5.95 million.
- Providing credit facilities to 21 women-led projects with a total value of USD 804 thousand, reinforcing the Bank's commitment to women's economic empowerment and participation in the Palestinian labor market.
- Providing credit facilities to 116 projects for persons with disabilities under the Istitidama microfinance program, with a total value of USD 871 thousand as of the end of 2025.
- Providing credit facilities to 7 projects in Jerusalem with a value of USD 199 thousand under the Istitidama program for SMEs.

- Providing credit facilities to 29 projects through the Istitidama Plus program for growth and recovery, targeting both affected and new projects, with a total portfolio of USD 26.3 million.
- Providing credit facilities to 101 projects through the green financing program under the SUNREF initiative, with a total portfolio of USD 1.61 million.
- Providing credit facilities to 107 projects affected by the war under the Istitidama program, with a total portfolio of USD 1.1 million.
- Providing credit facilities to 55 projects through the "Israr" program supporting university students, implemented under the Istitidama financing umbrella, with a total portfolio of USD 170 thousand.

### Enabling SMEs to sustain operations and generate employment



Within its commitment to supporting and enabling SMEs, the Bank has dedicated its programs to strengthening the capacity of these enterprises to sustain growth, expand operations, and generate employment opportunities, given their contribution to increasing employment rates and reducing unemployment—particularly under exceptional conditions and ongoing challenges. By the end of 2025, under the agreement with the Arab Fund for Economic and Social Development, the Bank contributed to sustaining 1,717 jobs (1,495 male; 222 female) and creating 622 new jobs (606 male; 16 female). The total financing under this program reached USD 30 million, supporting 280 MSMEs, of which 11.15% were start-ups.

Under an additional agreement with the Arab Fund, the Bank contributed to sustaining 2,402 jobs (1,946 male; 456 female) and creating 377 new jobs (309 male; 68 female). Total financing under this program also reached USD 30 million, supporting 239 MSMEs, of which 2.5% were start-ups.

## Business Banking

### Enhancing Knowledge and the Efficiency of the Workforce

As part of its efforts to strengthen knowledge across all parties involved in the credit process, particularly corporate banking teams that engage directly with customers, Bank of Palestine continued to deliver specialized training programs in credit and financial analysis. These programs aim to develop the professional competencies required to reinforce a partnership-based approach with customers and to ensure effective alignment among all stakeholders in the credit process.

The training programs covered both theoretical and practical aspects, including financial analysis tools, credit assessment, and corporate financing products. They also addressed applied skills related to identifying customer credit needs, structuring appropriate financial solutions, and presenting financing proposals tailored to customer requirements. This ensures the quality of the products offered, safeguards customer financial and credit positions, and reinforces a sustainable, partnership-driven relationship with the Bank.

In parallel, the Bank continued to update and develop its credit models and financial analysis tools used in conducting credit assessments and evaluating customers. This enhances the comprehensiveness, effectiveness, and reliability of credit evaluation outputs, supports informed credit decision-making, and contributes to reducing turnaround time for processing customer requests, while maintaining high levels of accuracy and robust analysis of financial and credit data required for sound credit decisions.

### Sustainable Financing to Support Economic Sectors

As part of its central role in supporting sustainable and inclusive development, Bank of Palestine intensified its efforts to embed the principles of sustainable finance across various economic sectors, aiming to generate long-term impact. The Bank continued along this path by reducing the cost of banking transactions, improving service quality, and offering products that respond to customer needs, thereby supporting the sustainability of financed projects and expanding its portfolio of financial solutions aligned with sectoral growth and development.

According to available data, the Bank has successfully directed financing toward micro, small, and medium enterprises operating in sectors with lower environmental and social risk profiles, in line with its sustainable finance strategy.

## Retail Banking

### Product Management

Bank of Palestine places strong emphasis on developing its programs and banking products, recognizing them as a core pillar of its service offering. These products are designed to meet the diverse needs of its customers and align with financial inclusion objectives, while supporting the Bank's goals of expanding its customer base and reaching a broader range of target segments. During 2025, Product Management focused on continuously updating and enhancing banking products, particularly by leveraging digital solutions to enable individual customers, merchants, and micro-entrepreneurs to access banking services easily, efficiently, and securely.

### Retail Banking Division

As part of its efforts to develop banking products tailored to the diverse needs of individual customers, the Bank implemented targeted programs focusing on university students and private sector employees, enabling them to meet their financial needs amid challenging economic conditions. These initiatives contributed to strengthening the Bank's retail customer base. Among the most notable offerings is the salary advance service available through the banking application for private sector customers classified under the Bank's A-LIST/B-LIST segments.

- Launch of the Israr program to finance university tuition for current and new students, in cooperation with the Palestinian Monetary Authority and Al Quds University, alongside signing and renewing agreements with several local universities to facilitate student lending and promote the program across campuses.
- Expansion of the private sector customer segment, including eligible customers for salary advances via the application, in addition to developing tailored offers for private sector employees to attract and grow this segment.
- Continued development of the retail portfolio, with expanded outreach to eligible customers across various sectors.

### Small Business Banking

Despite the economic challenges facing the sector, particularly for small business owners who were forced to suspend or scale down operations, Bank of Palestine continued to support and empower these businesses to sustain operations. This reflects their role as a key driver of economic growth, employment generation, and job creation in Palestine. Through partnerships and targeted programs, the Bank launched a range of products and initiatives in 2025 aimed at enabling small business owners to develop and expand their businesses across the West Bank and Jerusalem, including:

- A financing program for SMEs under the Arab Fund for Economic and Social Development portfolio.
- A Jerusalem-focused financing program in partnership with the Palestine Investment Fund.
- A financing program for war-affected businesses under the Istadama portfolio, in cooperation with the Palestinian Monetary Authority.
- Continued implementation of the Bader program, in cooperation with the Palestinian Monetary Authority, aimed at financing businesses of workers who lost their jobs or whose livelihoods were affected along the Green Line due to the impact of the war, while also targeting new customer segments.
- A financing program for entrepreneurs, implemented in collaboration with Intersect Innovation Hub, supporting the continuity and growth of entrepreneurial ventures.

## Retail Banking

- Continued rollout of diverse lending programs targeting women entrepreneurs, in addition to the Felestineya program packages, designed to address the full range of women's financing needs. These efforts form part of the Bank's broader initiatives to develop tools, programs, and services that support women entrepreneurs and business owners, strengthening their capacity to grow and scale their businesses.

## Digital Channels Support Division



As part of executing the Bank's digital transformation strategy and expanding electronic payment channels across all economic sectors, and in line with the Palestinian Monetary Authority's directives on financial inclusion and digital financial services, the Bank developed a dedicated digital workflow in 2025 to process all requests for electronic services from both existing and prospective merchants. The process was standardized across all branches, offices, and in coordination with PalPay, enabling full tracking of requests throughout all stages of the digital workflow and ensuring efficient deployment within the shortest possible timeframe.

Total requests for POS terminals reached 15,000, bringing the total installed base to 30,000 terminals, with a 62% market share.

In parallel, the Bank conducted a series of training workshops to guide customers on submitting requests electronically and correctly, replacing previously used manual processes, including submission via email and internal routing to the relevant departments.

**The division also continued to strengthen and expand electronic payment channels in 2025 through the following:**

- Ongoing assessment of merchant needs and completion of the infrastructure required for POS terminals (stands) to enable higher transaction volumes among merchants and newly onboarded merchants across key economic sectors. These stands are provided as a direct incentive to merchants to protect devices from damage or falls, while also improving usability for cashiers. The number of stands deployed in the market reached 5,000, with strong growth potential.
- Signing agreements to supply POS terminals to sales representatives of major companies operating in Palestine, as well as merchants in the food and supply sectors. This supports a shift away from cash usage toward electronic payments and ensures consistent utilization of the service. A steady increase in transaction volumes was observed following the rollout of these terminals.

- To maintain service quality and performance measurement, a digital survey was developed for merchants. It is administered during field visits by PalPay teams, whether for terminal installation, replacement, maintenance, or routine visits. The survey is designed to capture and address any issues, inquiries, or feedback related to merchants' banking experience, and to enhance the quality and deployment of electronic services across all governorates and economic sectors.
- In the last quarter of 2025, and in line with Palestinian Monetary Authority directives, a joint initiative was launched with the Ministry of Finance to implement one of the largest digital transformation projects at the national level. This included deploying POS terminals across all ministries, directorates, public service centers, and authorized offices under the Ministry of Finance, based on a comprehensive rollout plan developed in coordination with the Ministry of Telecommunications and Digital Economy. The plan was informed by a series of weekly meetings and specialized working committees, prioritizing digital transformation and reducing reliance on cash. It targets the deployment of more than 1,300 POS terminals, in addition to integrating institutional accounting systems with POS infrastructure to minimize manual input errors and reduce human intervention.
- As part of efforts to raise awareness of electronic payment channels and increase transaction volumes, the Bank collaborated with the Marketing Department to design targeted campaigns aimed at increasing adoption. This included providing curated merchant lists based on sector-specific analysis to maximize campaign impact, alongside ongoing engagement with merchants through relationship managers to ensure full understanding of campaign terms and benefits—ultimately driving higher transaction activity and increased sales.

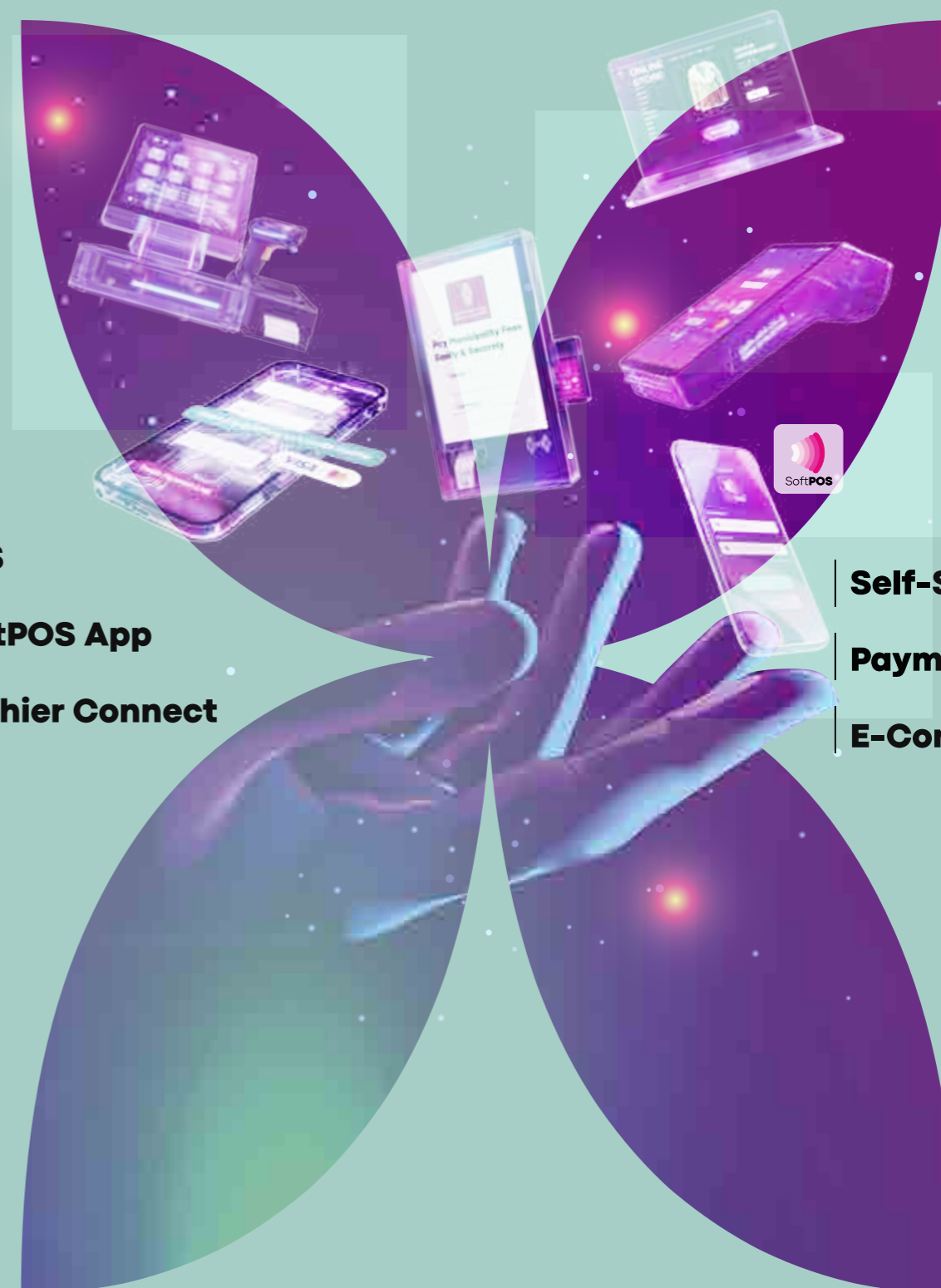
## Retail Banking

## Cards and Digital Services Products Division

As part of executing Bank of Palestine's digital transformation strategy and expanding the use of electronic payment instruments, 2025 saw the rollout and development of a range of key initiatives and projects within cards and digital services. These efforts focused on enhancing the customer experience, expanding electronic acceptance, and improving the efficiency of the digital payments infrastructure. Key initiatives included:

- Launch and implementation of multiple campaigns to promote electronic payments across various channels, including POS terminals, the e-payment gateway, the e-Sadad platform, and the Bank-e application. These campaigns varied in scope and objectives, covering seasonal campaigns, targeted campaigns for specific customer segments, sector-focused campaigns across different industries, and geographically targeted campaigns. The initiatives aimed to increase the adoption of cards and digital payment channels as a secure and efficient alternative to cash, in line with financial inclusion and digital transformation priorities, and contributing to reducing cash usage in the market.
- Development and enhancement of several digital services linked to the e-Sadad platform, including upgrades to the customer experience and improvements to merchant operational processes, ensuring greater flexibility and efficiency in service management and broader adoption among different customer segments.
- Continued development of the iDPlus service as a core component of digital identity verification, strengthening transaction security and linking it with multiple electronic services and digital channels offered by the Bank.
- On the transfers side, enhancements were implemented through the Bank-e application, including operational and functional improvements to iBuraq services, covering return payment processing (Return Payment), and the introduction of QR Code functionality within the Bank-e app, facilitating transfers and improving the overall digital customer experience.
- Ongoing review and enhancement of operational limits and controls, including foreign exchange limits (FX limits) within the Bank-e application, aligned with customer needs while maintaining an appropriate balance between operational flexibility and risk management requirements.
- For POS services, a project was implemented to reduce the volume of printed POS slips, including redesigning them in line with the Bank's new visual identity. This contributed to enhancing both the merchant and customer experience, while reducing operational costs associated with paper consumption.
- A comprehensive, unified agreement for digital payment solutions was developed, aimed at organizing relationships with partners and service providers, and standardizing legal and operational frameworks. This supports the future expansion of digital payment solutions and strengthens the Bank's readiness to keep pace with evolving technologies.

# DIGITAL PAYMENT SOLUTIONS



**POS**

**SoftPOS App**

**Cashier Connect**

**Self-Service Kiosk**

**Payment Links**

**E-Commerce**

# A Marketing Strategy That Reflects the Bank's Objectives

## Key Marketing Achievements in 2025:

- The Marketing Department at Bank of Palestine delivered a series of high-impact initiatives during 2025 as part of executing its strategic marketing plan, aimed at strengthening the Bank's positioning as a leading national financial institution, expanding engagement with customers, and enhancing communication across diverse segments of society.
- Strengthened the Bank's media and advertising presence across both traditional and digital channels, contributing to stronger relationships with existing customers and attracting new segments.
- Increased awareness of banking products and digital services and expanding the user base of electronic solutions.
- Launched and implemented marketing campaigns to promote modern digital banking services, particularly electronic payment solutions via mobile devices and POS terminals (POS and SoftPOS), positively impacting the experience of customers, merchants, and businesses.
- Executed targeted marketing and awareness campaigns for the Bank-e application, contributing to increased adoption rates and facilitating customer access to banking services.
- Sponsored and supported a wide range of marketing and national events across different governorates, with a focus on initiatives that promote local products and strengthen direct engagement with the public.
- Launched incentive-based promotional campaigns and reward programs to encourage the use of electronic payment channels and expand their adoption.
- Implemented targeted awareness campaigns to educate customers on the risks of electronic fraud and methods of prevention.
- Established strategic partnerships with leading institutions and companies across multiple sectors to promote the use of electronic payment solutions and strengthen the Bank's presence at key customer touchpoints.
- Sponsored specialized events for school and university students, reflecting the Bank's focus on youth and emerging segments, and offering tailored banking products and services that meet their needs.

# Conferences and Events With You Everywhere

**EasyLife Campaign**

**Christmas Event**

**Doctors' Conference**

**Conferences**

**Events**

**Fraud Awareness Campaigns**

**Cash Back Campaigns**

**"You and the Merchant Win" Campaign**

**School Activities**

**Awareness Campaigns**

**Children's Activities**

**Partnerships**

**University Activities**

**Mother's Day Campaign**

**Electronic Payment Promotion Activities with Municipalities**

**Banking for All**

**AI Photo booth**

**Breast Cancer Awareness Month Event**

**Electronic Payment Promotion Activities (Cards)**

Digital campaigns and online presence to strengthen the Bank's brand and raise awareness of banking services across social media platforms

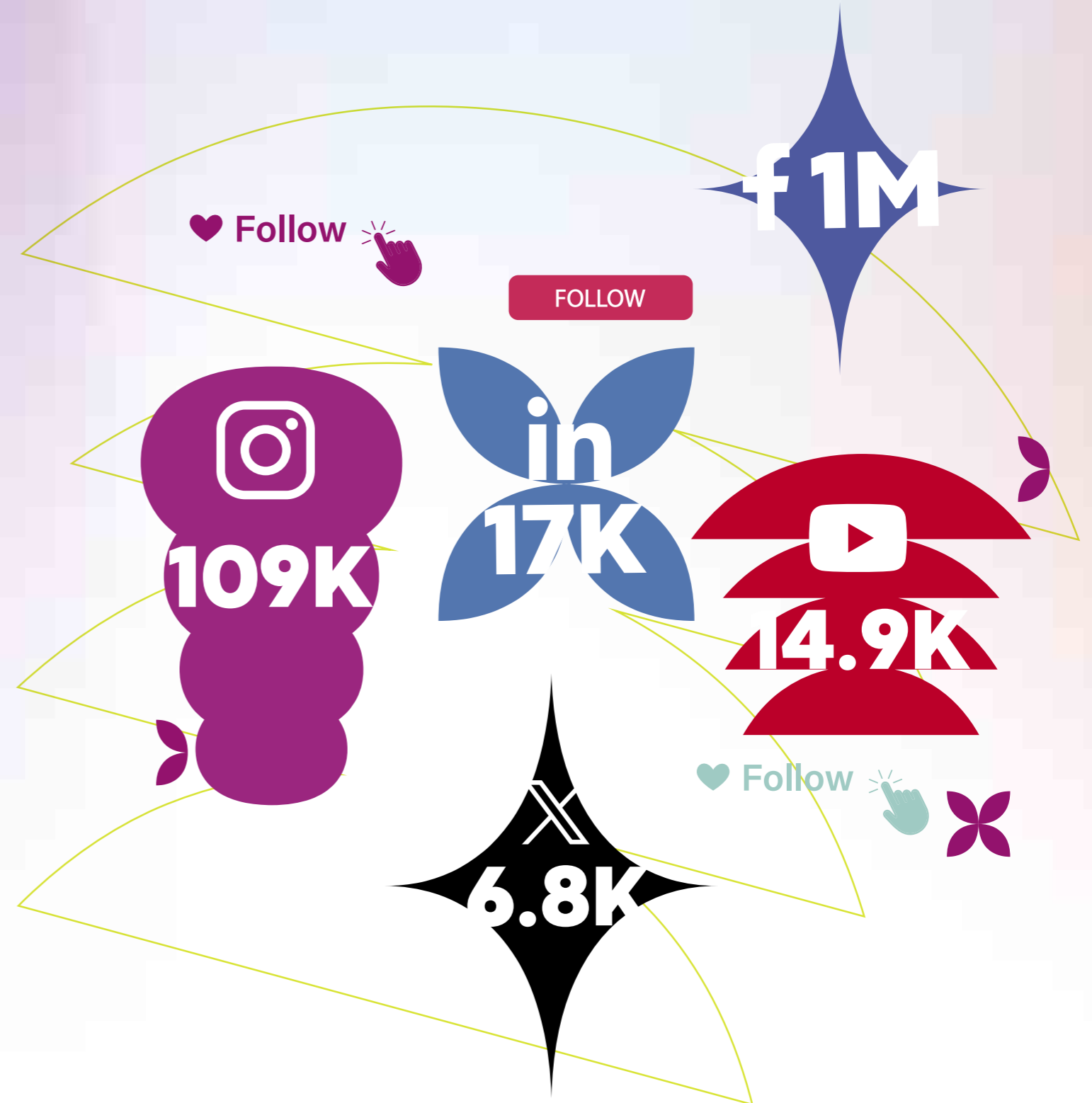
### Distinctive Cash Back Campaigns on Cards



### High-engagement video content



WE GROW EVERY DAY, THANKS TO YOU.



**Our Employees**

**Human Resources Management**

**A Flexible and Supportive Work Environment Aligned with Institutional Goals**

The Bank places strong emphasis on developing its human resources as a key driver of its strategic vision and ensuring the continuity of its operations. During 2025, the Human Resources Department continued to play a central role in supporting the institution and strengthening its readiness, particularly in light of the exceptional circumstances resulting from the Gaza war, where employees remained a top priority.

To ensure business continuity and enhance institutional readiness, the Human Resources Department worked on reorganizing and optimizing workforce distribution, strengthening human capital through internal mobility and recruitment, and expanding remote work arrangements. These efforts enabled the Bank to continue delivering its services efficiently while fostering a flexible and supportive work environment that helped employees adapt to changes and restore work-life balance.

At the strategic level, the Department continued to develop the Bank’s organizational structure through the establishment of new units and departments that supported institutional modernization. This was accompanied by the review and development of policies and procedures, and the implementation of development initiatives aligned with digital transformation requirements and technological advancements in the banking sector.

Among the key achievements in 2025 in enhancing operational efficiency and institutional sustainability, the Bank launched an integrated digital system for managing health and life insurance, and automated health fund services and workplace injury claims. This transition contributed to reducing reliance on paper-based transactions and adopting a unified digital system that ensures accuracy of information and streamlined procedures, supporting the Bank’s direction toward digital transformation and reducing environmental impact.



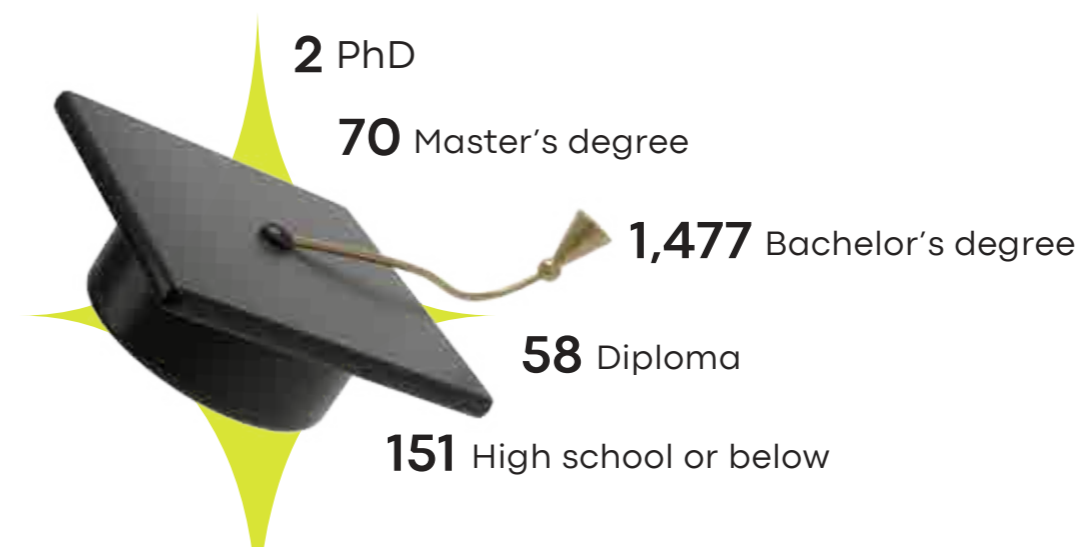
The Bank continued to invest in the development of its workforce, bringing the total number of employees to 1,758 by the end of 2025. This reflects its commitment to providing an attractive work environment and sustainable professional development programs, contributing to building a qualified workforce capable of supporting long-term growth and achieving institutional objectives.

In line with promoting equity and equal opportunity, the Bank made tangible progress in empowering women. Women represented 34.21% of leadership positions, and the overall share of women in the Bank reached 47.13%, reaffirming the Bank’s commitment to expanding women’s participation in decision-making roles and fostering an inclusive, diversity-driven institutional culture that supports sustainable success.

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**Educational Qualifications**



**Talent Management Department**

**Leadership in Development and Reinforcing Institutional Values**

In 2025, the Department achieved a comprehensive strategic shift in its operations, delivering qualitative improvements in training performance and workplace development, while effectively addressing surrounding challenges and reinforcing the concept of institutional flexibility. This progress was reflected in a significant increase in training outcomes, as the Department provided 7,118 training opportunities for employees through the implementation of 136 diverse training programs compared to previous years. This growth underscores the Bank’s firm commitment to investing in its human capital as a key driver of growth and sustainability.

## Our Employees

### 7,118 training opportunities for employees through 136 training programs

The table below shows the distribution of training programs and opportunities by training area:

Training Area	Number of Programs	Number of Training Opportunities
Finance and Investment	7	57
Compliance and Anti-Money Laundering	16	1,619
Credit and Lending	13	374
Technical and Logistics Services	2	35
Audit and Control	3	37
Banking Operations	24	1,095
Banking Risk	8	2,432
Administrative and Behavioral Skills	24	888
Human Resources	15	342
Information Technology	24	239
<b>Total</b>	<b>136</b>	<b>7,118</b>

### Investing in Human Capital as a Key Driver of Growth and Sustainability

To further strengthen both the quality and quantity of these achievements, the Department placed strong emphasis during the year on internationally recognized professional certifications. A total of 19 specialized certifications were provided, benefiting 63 employees, contributing to enhancing technical competencies and reinforcing the Bank’s position as a leading institution in developing specialized professional capabilities within the Palestinian banking sector, in line with best practices and international standards. In parallel, and to ensure consistent service quality and unified knowledge, the Department focused on advancing the knowledge base of employees across branches and offices, ensuring comprehensive familiarity with all banking products and services, thereby standardizing performance levels and enhancing the overall customer experience.



In line with advancing digital transformation and strengthening the Bank’s security posture, the Department, in collaboration with the Information Security Risk Department, implemented a broad initiative to promote a culture of risk management and information security. Leveraging advanced technologies, this included a specialized platform for security awareness and phishing simulation, which contributed to a noticeable improvement in risk awareness across the Bank. In parallel with technological developments, the Department intensified its efforts to foster innovation by activating the role of the “Leadership and Innovation Center” and launching a series of programs to develop creative thinking. At the same time, work progressed on developing an artificial intelligence–

based platform, which has undergone final testing stages in preparation for its launch as a smart assistant for employees. This initiative forms part of a broader direction toward building an integrated digital ecosystem for knowledge management and operational support.

At the employee level, and with a focus on workplace quality of life, the Department implemented a range of initiatives centered on mental health and work-life balance, alongside institutional culture programs aimed at reinforcing loyalty and a sense of belonging. It also introduced a specialized e-learning program focused on performance management systems, in addition to awareness initiatives on governance and controls related to employees’ personal financial transactions, ensuring a work environment grounded in transparency and compliance.

The Department also continued to strengthen its strategic partnerships with Palestinian universities, aiming to establish a mutually beneficial collaborative model. On one hand, the Bank leveraged academic expertise by delivering specialized training programs for its employees; on the other, it maintained its leading role in preparing students for the labor market through practical training programs. These partnerships contributed to creating real employment opportunities and attracting talent.



As part of its role in shaping institutional identity, the Department worked to embed the Bank’s core values of leadership, resilience, honor, reliability, and sustainability, by translating them into practical initiatives. A total of 19 volunteer initiatives were implemented, generating 3,150 volunteer hours, covering a wide range of humanitarian and environmental activities. In its ongoing efforts to enhance the employee experience, the Department also focused on improving the work environment and strengthening internal communication channels, contributing to a healthy and motivating workplace built on trust and productivity.

These efforts are closely aligned with the Bank’s strategic objectives, particularly in developing human capital, advancing digital transformation, and promoting sustainability, reinforcing the Bank’s position as a leading institution capable of adapting to change and sustaining growth and positive impact.

# 115

## Bank of Palestine Group

115. The Arab Islamic Bank

118. Al Wasata Securities Company

120. PalPay Company

123. Qudra for Renewable Energy Solutions

124. Intersect Innovation Hub

126. Ibtikar – Youth and Startups

### The Arab Islamic Bank



#### Overview

##### Establishment

The Arab Islamic Bank was established in 1995 as a public shareholding company under license No. 563201011. It commenced banking operations in early 1996 and conducts banking and investment activities in accordance with the principles of Islamic Sharia. The Bank operates through its headquarters in Ramallah and Al Bireh Governorate, with branches across Palestine, in addition to a representative office in the United Arab Emirates (Dubai). Its network comprises 82 branches and offices, including a mobile branch "Mobi Bank", as well as 62 ATMs distributed across Palestinian governorates. As of 31 December 2025, the Bank has no subsidiaries.

##### Vision

A distinguished national Islamic bank, driven by digital innovation, modernity, banking sustainability, and exceptional human capital, delivering secure and efficient high-quality Sharia-compliant banking services to customers, anytime, anywhere.

##### Mission

To provide high quality modern, comprehensive, and competitive Islamic banking solutions and services, while supporting and developing innovative solutions for future generations and entrepreneurs. This is grounded in our values rooted in finance, business, and Islamic banking, contributing to economic development and promoting the principles of solidarity, cooperation, and social responsibility in line with Islamic objectives.

##### Strategic Objectives

- Digital transformation
- Investment in human capital development
- Maximizing shareholder value
- Financial inclusion
- Enhancing retail and SME services
- Increasing market share
- Strengthening Islamic banking identity and sustainable development

##### Key Performance Indicators | 2025

The Bank maintained a strong asset base, with total assets increasing to approximately USD 233.8 million, approaching USD 2 billion, reflecting a growth rate of 13.7%. Direct financing reached USD 1.12 billion, recording an increase of USD 15 million (1.3%). Customer deposits rose by USD 135.7 million to reach USD 1.55 billion, with a growth rate of 9.6%, reflecting customers' growing confidence in the Bank.

At the profitability level, the Bank recorded a net profit of USD 5.4 million, compared to USD 1.12 million in the previous year. The Bank also continued adopting a prudent approach by maintaining credit provisions exceeding USD 28 million, reinforcing the strength of its financial position and enhancing its ability to withstand potential risks with confidence and stability.

## The Arab Islamic Bank

Item	2021	2022	2023	2024	2025
Assets	1,738	1,661	1,738	1,708	1,942
Customer Deposits	1,420	1,392	1,464	1,417	1,553
Direct Financing	1,012	1,028	1,108	1,104	1,119
Net Profit	11.7	13.1	5.52	1.12	5.4

(Amounts in USD millions)

### Market Share

The Bank maintained its strong market position and consistent financial performance. In terms of assets, its market share reached approximately 7% of the Palestinian banking sector. For direct financing, the Bank's share stood at around 10%, while its share of customer deposits was approximately 7%.

### Treasury and Financial Markets

Through its Treasury Department, the Bank provided financial services at competitive market rates to its customers, in compliance with Islamic Sharia principles. The Department offers foreign exchange services as well as investment and savings deposit products. It also achieved solid results in liquidity management, particularly amid challenging market conditions and liquidity constraints. In addition, the Department continued to generate strong returns through investments in capital markets, contributing to the Bank's overall performance and growth.

### Key Achievements and Activities in 2025

#### First: Projects and Products

As part of its commitment to digital transformation, enhancing operational efficiency, and strengthening information security and compliance, the Bank implemented a number of key initiatives during 2025, including:

#### Information Security and Compliance

- Launch of the SWIFT Digital Hub system, making the Bank the first in Palestine to adopt this global standard (ISO 20022).
- Implementation of advanced endpoint detection and response (EDR) solutions using SentinelOne (an AI-powered enterprise cybersecurity platform).
- Upgrade of the SafeWatch V5 monitoring system.
- Implementation of a Data Classification System.
- Implementation of a Data Loss Prevention (DLP) system.
- Deployment of digital brand protection solutions.
- Development of an access control and authorization system (AAA System).
- Strengthening security controls for cloud service providers (CSP Security).

#### Channels and Banking Services

- Launch of cardless cash withdrawal via ATMs (Contactless ATM).
- Development of a technical support system for ATM operations (ATM System).
- Implementation of an ATM monitoring system.

### Internal Systems and Operations / Digital Transformation

- Launch and development of a system for processing customer certificate requests and branch service requests.
- Implementation of a technical support system.
- Launch of a complaints management system.
- Implementation of a provisioning system.
- Implementation of an outgoing remittances management system.
- Implementation of an electronic archiving system.
- Launch of a courts and legal cases management system.

### Governance and Committees

Implementation of a system for managing committee minutes and electronic meetings, along with a task management system.

### Banking Systems

Implementation of a Customer Segmentation Reclassification project within the Bank's core system, R14 Core Banking System.

### Second: Awards and Certifications

During 2025, the Arab Islamic Bank received several key awards and certifications, including:

- Best Islamic Bank in Palestine 2025, awarded by EMEA Finance.
- Best Islamic Bank in Palestine, awarded by Islamic Finance News (IFN).
- Best Islamic Bank for Digital Services in Palestine, awarded by Islamic Finance News (IFN).
- PCI-DSS certification (Payment Card Industry Data Security Standard) for the second consecutive year, one of the leading global certifications in securing payment card data and enhancing the security of financial transactions.
- ISO 27001 certification for Information Security Management Systems.



## Al Wasata Securities Company



Over the past years, Al Wasata Securities Company has established itself as an active investment institution among brokerage firms in the local market and reinforced its presence across regional and international capital markets. The Company has successfully consolidated its presence in these markets and remains committed to meeting investor expectations and ensuring the success of their investments. In this context, it has focused on delivering optimal and advanced services that support sound investment decision-making, through:

- A professional and responsible team with a high level of competence and training.
- The use and optimal deployment of the best and latest trading technologies available regionally and globally.
- Providing investors with accurate information in a timely manner.
- Maintaining strict confidentiality in handling investors' data and trades.

### 2025 Achievements

- The Company acted as issuing agent for the Palestine Investment Fund bond issuance.
- Trading volume through Al Wasata in the Palestine Exchange and regional markets reached approximately USD 160 million, including USD 32 million traded on the Palestine Exchange. The value of client portfolios exceeded USD 500 million by the end of 2025. The Company also maintained growth in its annual revenues, which are characterized as operating revenues.
- The Company continued to expand its investor base, attracting 231 new accounts during 2025.

### Distinctive Investment Services and Products

In line with its vision to keep pace with the latest developments in investment services and to meet investor needs, Al Wasata continues to provide investors with timely access to the latest news and updates, in addition to offering distinctive investment services and products that enable them to make sound investment decisions.

To this end, the Company is committed to adopting the latest secure technologies, including Al Wasata app that is accessible on mobiles and personal computers, enabling it to deliver advanced electronic services with competitive commissions across multiple external markets (Multi Markets), including major U.S. markets as well as regional markets.

In addition, the brokerage company offers investors a range of free services, including SMS alerts on daily closing prices, daily reports, electronic account inquiries, and stock balance statements through Bank of Palestine's Bank-e application, as well as the ability to transfer electronically between the bank account and the trading account.

### Al Wasata at a Glance

Al Wasata Securities Company was established as a subsidiary of Bank of Palestine in 2005, with a paid-up capital of USD 5 million. The Company commenced operations at the beginning of 2007 after obtaining membership in the Palestine Exchange and securing a license from the Palestine Capital Market Authority,

the regulatory body governing the activities of member companies of the Palestine Exchange, to provide the following services:

- Brokerage on behalf of clients
- Brokerage for its own account
- Portfolio manager (licensed to carry out the business and activities of a financial advisor for managing investors' portfolios)
- Issuing agent

In addition to its core activity in securities brokerage for investors on the Palestine Exchange, the Company provides its clients with access to trading in a number of selected regional exchanges, including the Amman Stock Exchange, the Egyptian Exchange, Dubai Financial Market, Abu Dhabi Securities Exchange, the Saudi market, and U.S. exchanges.

In its efforts to reach all governorates across Palestine, Al Wasata leverages the branch network of Bank of Palestine Group, its parent company and the most widely distributed bank in Palestine. It also provides services to its clients outside Palestine through Bank of Palestine's representative offices in Dubai and Cairo, enabling it to reach Palestinians in the diaspora. This is in addition to the electronic trading program for the Palestine Exchange and the application for trading in external markets via mobile devices.

## PalPay Company



### About the Company

PalPay is a leading Palestinian company in providing electronic payment solutions. It was established in 2010 as a subsidiary of Bank of Palestine and was among the pioneering companies that launched an advanced system for collection and electronic payments, marking one of the first steps toward digital transformation and bill automation in Palestine.

In 2020, PalPay successfully expanded its multi-channel electronic payment solutions through the launch of Mahfazati, the PalPay wallet application licensed by the Palestinian Monetary Authority. This application enables users to meet all their electronic payment needs from a single platform, including transfers, deposits, withdrawals, bill payments, balance top-ups, purchases, and online payments through websites and smart mobile applications.

### Overall Performance

In 2025, PalPay continued to make tangible progress in developing the electronic payment ecosystem in Palestine by delivering advanced digital services and innovative financial solutions that contributed to supporting the national economy and enhancing financial inclusion. This was achieved within a clear strategy focused on expanding service offerings, improving user experience, and responding to the evolving needs of the market and customers.

PalPay also played a central role in supporting the Gaza Strip, particularly in light of the exceptional challenges imposed by the war, including damage to financial and technological infrastructure and a shortage of cash liquidity. The Company contributed to ensuring the continuity of electronic payment services and facilitating the disbursement of humanitarian aid within the Strip, helping to meet the essential needs of beneficiaries. This reflected PalPay's commitment to its national and community role and reinforced its position as a leading provider of trusted digital financial solutions serving various segments of society, especially the most vulnerable groups.

### Strategic Achievements and Service Development

PalPay implemented comprehensive enhancements to its e-wallet, focusing on improving user experience and increasing customer satisfaction and loyalty. It also updated pricing policies to become more flexible and dynamic in line with the needs of individuals, merchants, and institutions. This included the development of new digital products and features, the design of innovative business models, and the establishment of supportive partnerships to deliver an advanced generation of digital solutions.

### Digital Transformation, Technology, and Cybersecurity

The Company continued to play a key role in advancing digital transformation by developing the infrastructure of the electronic wallet to accommodate growing transaction volumes and improve system stability and performance. Key improvements were also implemented to financial transactions, including the automation of financial reconciliations, the management of reversal transactions, and enhancements to transaction details, in addition to launching financial aid disbursement services through the wallet.

The Company also completed source code reviews and penetration testing, addressing all identified observations, in addition to fulfilling the requirements of the Palestinian Monetary Authority.

As part of strengthening information security, PalPay adhered to the highest international standards and obtained certification in Payment Card Industry Data Security Standard (PCI DSS), issued by the PCI Security Standards Council (PCI SSC). This reflects the Company's commitment to providing secure and reliable electronic payment channels and enhancing customer and partner trust.

The Company also ensured alignment with the requirements of global payment networks such as Visa, supporting the growth of digital payments and e-commerce in Palestine.

As part of its commitment to protecting systems and technical services from cyberattacks, the Company strengthened its Information Security Risk Management function by adopting best practices and standards in information security. It implemented the ISO/IEC 27001 standard for Information Security Management Systems and adopted the related policies and procedures.

The Company also implemented a vulnerability management system to ensure data confidentiality and protect it from risks of breaches or theft. Within the framework of strengthening governance and secure digital transformation, it introduced security awareness and anti-fraud programs for employees to raise the level of security awareness and reduce risks associated with human factors, while ensuring continuous improvement and regular review of the information security framework.



### Digital Channels and Customer Experience

During the year, the Company launched a new website for PalPay with a modern design reflecting its corporate identity, in addition to developing service websites linked to the Company using advanced technologies and an enhanced user experience. The PalPay wallet application was also further developed with new features, along with the integration of Company systems with Bank of Palestine's systems. Additional channels were introduced to enhance customer engagement, including chatbots and social media platforms, contributing to improved service quality and reduced pressure on contact centers.

The Company also strengthened its integration with national payment systems, including the instant payment system and the E-Sadad platform, making them available to all eligible segments of customers. It also continued to implement integration with Bank of Palestine's card management systems in its initial phases, alongside the development and testing of new systems and payment solutions.

### Commercial Expansion and Merchant Services

PalPay continued expanding its merchant network and acceptance points. During 2025, 13,136 POS devices were installed, bringing the total number of devices to 29,717, in addition to expanding Soft POS applications. Field visits were also carried out for device maintenance, servicing, and replacement at merchant locations.

### PalPay Company

In the e-commerce sector, agreements were signed with hundreds of new websites to integrate them with electronic payment services, and integration with accounting system providers was strengthened. The Company also implemented the EKYC Merchant project in Gaza and expanded QR-based payment acceptance.

### Companies and Institutions

The Company strengthened its collaboration with local and international institutions, signing agreements with more than 50 institutions, in addition to cooperating with 20 institutions for salary transfers. This contributes to expanding the adoption of digital financial services and supports various economic sectors.



### Sponsorships and Events

PalPay seeks to support its strategic objectives through well-planned and effectively executed sponsorships and events that contribute to advancing digital transformation and promoting the culture of electronic payments. The Company also worked to build effective partnerships with various institutional entities in line with its vision of financial inclusion and support for innovation in digital financial services. It also ensures the effective utilization of events, initiatives, and communication platforms to strengthen the trust of users and partners, contributing to reinforcing the position of the electronic wallet as a reliable digital financial solution that meets the needs of both individuals and merchants.



### Future Outlook

PalPay confirms that a number of initiatives and products developed during 2025 have reached advanced stages of planning and implementation. Their rollout and expansion are expected to be completed during 2026, within a clear strategy aimed at achieving sustainable growth, fostering innovation, and delivering comprehensive and secure digital financial solutions that serve various segments of Palestinian society, in alignment with Bank of Palestine's vision for leadership and digital transformation.

### Qudra for Renewable Energy Solutions



Since its establishment, Qudra has worked to develop the renewable energy production sector in Palestine. To date, it has developed more than 19 megawatts of ground-mounted solar energy projects that generate electricity across several areas in Palestine.

The Company's largest plant is located in the village of Deir Abu Mish'al in the Ramallah Governorate, with a capacity of 8.3 megawatts, making it the largest in Palestine to date. It has been operational since September 2023. This is followed by the solar power plant in the village of Jammala, also in the Ramallah Governorate, with a capacity of 7.4 megawatts, which has been operational since mid-2024. Qudra holds the largest share in these projects and has signed several agreements to sell energy to local electricity distribution companies.

In 2025, a strategic partnership was established between APIC, Bank of Palestine, and Massader Company for the development of natural resources and infrastructure projects, resulting in the establishment of TAQA for Sustainable Projects Development, which is a private shareholding company that serves as the investment arm of the three entities in the renewable energy sector.

At a later stage, and following the completion of the required financial, technical, legal, and administrative procedures, ownership of Qudra - currently held by APIC and Bank of Palestine - will be transferred to TAQA. This will also include the transfer of Massader's shares in a number of solar energy projects and their affiliated companies.



## Intersect Innovation Hub



Operating in a context shaped by exceptional socio-economic and humanitarian challenges, Intersect intensified its efforts in 2025, deploying its full capacity and resources across the West Bank and Gaza Strip to generate tangible economic impact. This was achieved by empowering Palestinian startups, nurturing innovative tech talent, and mobilizing high-quality investments and financial resources to support their growth. These efforts contribute to strengthening resilience and sustainability among target groups and to fostering sustained, innovation-driven growth in entrepreneurship.

Throughout 2025, Intersect delivered a range of impactful programs, initiatives, and activities, including STIR, RISE Palestine, OCIF, SAFE Palestine, TAQAT, Link, and Tech Pathway. These initiatives played a direct role in enhancing the readiness of early-stage companies, strengthening their capacity for growth, expansion, and market entry, and reinforcing the presence of Palestinian innovation at both regional and international levels.

### STIR Incubation Program

#### 12 Startups Graduated in the Seventh Cohort

Launched in 2021 as part of Intersect's programs, the STIR incubation program aims to support technology startups in their early stages by transforming ideas into viable products (MVPs). The program includes an intensive incubation journey and a comprehensive training experience over six months, covering company formation, product development, and go-to-market strategies, while strengthening startups' readiness for funding and investment.

In 2025, the program graduated 12 startups in its seventh cohort (STIR7). A Demo Day was organized to showcase the startups' ideas and products to an audience of more than 50 investors and ecosystem partners. The cohort demonstrated clear gender balance, with women founding or co-founding approximately half of the graduating startups. The eighth cohort (STIR8) received around 206 applications, marking the highest number of applications since the program's inception, reflecting Intersect's expanding geographic reach, including startups from the Gaza Strip. Through a partnership with the TAQAT initiative, 21 startups from diverse economic sectors were selected and continued to receive support through group training sessions and specialized one-on-one mentoring, enhancing their growth and development.

### Orange Corners Innovation Fund | Palestinian Territories (OCIF-PT)

The OCIF-PT program is a technical financing initiative funded by the Kingdom of the Netherlands under the Orange Corners initiative and implemented locally by Intersect Innovation Hub, in partnership with Ibtikar Fund and Bank of Palestine. The program aims to bridge the early-stage financing gap through a blended model that combines performance-based funding with structured technical support, strengthening startups' investment readiness and improving their financial and operational performance.

In 2025, the program supported 34 startups through two complementary tracks. The first track provided grants exceeding EUR 120,000, while the second track supported 4 startups through financing packages exceeding EUR 175,000, combining grants with interest-free loans. Bank of Palestine played a key role in managing these loans, ensuring compliance and governance in line with banking standards. The total funding delivered through the program exceeded EUR 300,000 during the year.

### SAFE Palestine

#### 26 Companies Secured Investment

The SAFE Palestine program was launched as an innovative financing mechanism that combines grants and investment to address the funding gap faced by Palestinian startups. The program successfully mobilized more than USD 2.4 million in investments and grants to support 28 startups across diverse economic sectors.

During the second quarter of 2025, companies supported by SAFE attracted additional investments totaling approximately USD 2.9 million, and generated sales of nearly USD 2 million over the same period. These outcomes contributed to sustaining the operations of 26 companies out of the original 28, while preserving 272 full-time jobs within beneficiary companies. The performance of the SAFE portfolio reflects the program's central role in enhancing business continuity, resilience, and growth. It also strengthened the operational capacity of supported companies, improved their readiness for future investment rounds, and enabled them to navigate challenging economic conditions.

### RISE Palestine

#### 11 Startups and 12 Independent Contractors Benefited from Grants

In response to the war on Gaza, Bank of Palestine launched the RISE Palestine initiative in partnership with the Palestine Investment Fund, with implementation led by Intersect. The initiative primarily aims to support the technology sector in Gaza, which was severely impacted during the conflict. In 2025, the initiative disbursed approximately USD 91,450 in grants, benefiting 11 startups and 12 independent contractors, enabling them to sustain their operations and professional activities.

Since its launch, the program has received 1,375 applications, including 1,303 applications from Gaza. By the end of 2025, 52 applicants had been approved for support, while additional applications continue to be reviewed for 2026.

### Tech Pathways MENA

#### 468 Beneficiaries Graduated from the Program

Tech Pathways MENA is a regional initiative led by Village Capital with support from Google, with Intersect Innovation Hub serving as the local implementing partner in Palestine. The four-month program received 1,823 applications, of which 1,072 participants were enrolled. The program graduated a total of 468 beneficiaries, with women representing 72% of participants. Among them, 101 participants were from Gaza. The program also included a dedicated track implemented in partnership with the Ministry of Education, engaging 203 teachers and educators from the public sector.

#### An Integrated Model to Advance Entrepreneurship in Palestine

Intersect's programs in 2025 reflect a comprehensive model that brings together incubation, financing, and investment, alongside skills development and market access. These efforts have contributed to connecting Palestinian tech talent with regional and global markets. Despite complex and challenging economic conditions, these programs played a meaningful role in strengthening the readiness of beneficiary companies, supporting their business continuity, and expanding their regional footprint. This was achieved through direct and structured support, along with strategic partnerships with investors and sector stakeholders. Taken together, these initiatives have enhanced Intersect's role as a key enabler of entrepreneurship, reinforcing Palestine's position and competitiveness within the regional innovation ecosystem.

# صندوق ابتكار IBTIKAR FUND



Bank of Palestine is proud to have been among the founding investors of the Ibtikar Fund and continues to play an active role in advancing its mission. By strengthening connections between entrepreneurs and portfolio companies, the Bank contributes to the growth of Palestine's entrepreneurship ecosystem and the development of digital technology.

Ibtikar Fund seeks to generate meaningful impact within Palestine's entrepreneurial ecosystem by investing in high-potential startups in the digital technology sector. The Fund provides both capital and hands-on support to help these companies scale locally and expand into regional and international markets. It also aims to bridge critical funding gaps, particularly at the intersection between early-stage acceleration and subsequent venture capital investment rounds.

During the past year, Ibtikar invested in two new startups - MilkStraw and Quazelle - and continued to support a number of companies within its portfolio. In addition to Ibtikar's investment, these companies collectively succeeded in raising more than USD 4 million in 2025.

The Fund's portfolio companies contributed to the creation of more than 700 direct jobs for highly skilled talent, the majority of which (70%) were filled by youth, while women accounted for 30% of these roles.

Ibtikar's portfolio operates across a range of sectors, including financial technology, marketing technology, e-commerce, real estate, healthcare, and safety. These companies have successfully expanded their sales operations across the Middle East, as well as into North Africa, Europe, Latin America, and the United States.



# 128

## Financial Statements

Bank of Palestine P.S.C

### Consolidated Financial Statements

December 31, 2025