



For Immediate Release
Bank of Palestine Group
December 15th, 2025

Q3 2025 RESULTS AND KEY METRICS

| | | | |
|---------------------------|-----------------------------|--|--|
| LCR 896% | CAR 16.14% | OPERATING C/I% 49.52% | NET LOANS TO DEPOSITS% 46.57% |
|---------------------------|-----------------------------|--|--|

TOTAL REVENUE (GROSS PROFIT) OF USD 280 MILLION
PROFIT BEFORE COST OF RISK AND TAX USD 141 MILLION
NET PROFIT USD 44.6 MILLION

Ramallah, Palestine December 15th, 2025 - Bank of Palestine Group (PEX: BOP) announced its third quarter financial results reporting revenues of USD 280.2 million compared to revenues of USD 263 million for the same period ended September 30th, 2024. Profitability for the first nine months of 2025 increased to USD 44.6 million compared to a loss of USD 17.9 million for the same period last year. Total assets increased by 26.1% from USD 8.36 billion at the end of 2024 to USD 10.55 billion at the end of the third quarter 2025. The Bank's total shareholders' equity increased by 11.7% from USD 574 million at the end of 2024 to USD 641 million at the end of the third quarter of 2025.

Key Messages & Highlights

- Total Revenues increased by 6.6% from USD 263 million for Q3 2024 to USD 280.2 million for Q3 2025.
- Profits before cost of risk and tax increased by 3.73% from USD 136 million for Q3 2024 to USD 141 million for Q3 2025.
- Profitability increased by 148.2% from USD 17.9 million losses for Q3 2024 to USD 44.6 million for Q3 2025.
- Bank of Palestine Group's market share reached 41.22% and 34.71% in customer deposits and credit facilities, respectively.
- The Bank maintains a solid capital adequacy ratio of 16.14% in Q3 2025 which is a testament of the Bank's ability to overcome the impact of the current situation.
- The Bank has a strong deposit franchise and solid liquidity buffers. Our customer deposits increased from USD 6.99 billion at the end of 2024 to reach USD 8.78

billion at the end of the third quarter of 2025 resulting in 25.5% growth. This increase continued even during these uncertain times of the war, which shows a high level of confidence and trust from our clients.

- Total Assets increased by 26.1% from USD 8.36 billion at the end of 2024 to USD 10.55 billion at the end of the third quarter 2025.
- Net loans increased by 6.3% from USD 3.84 billion at the end of 2024 to USD 4.09 billion at the end of the third quarter 2025.
- Total shareholders' equity increased by 11.7% from USD 574 million at the end of 2024 to USD 641 million at the end of the third quarter 2025.

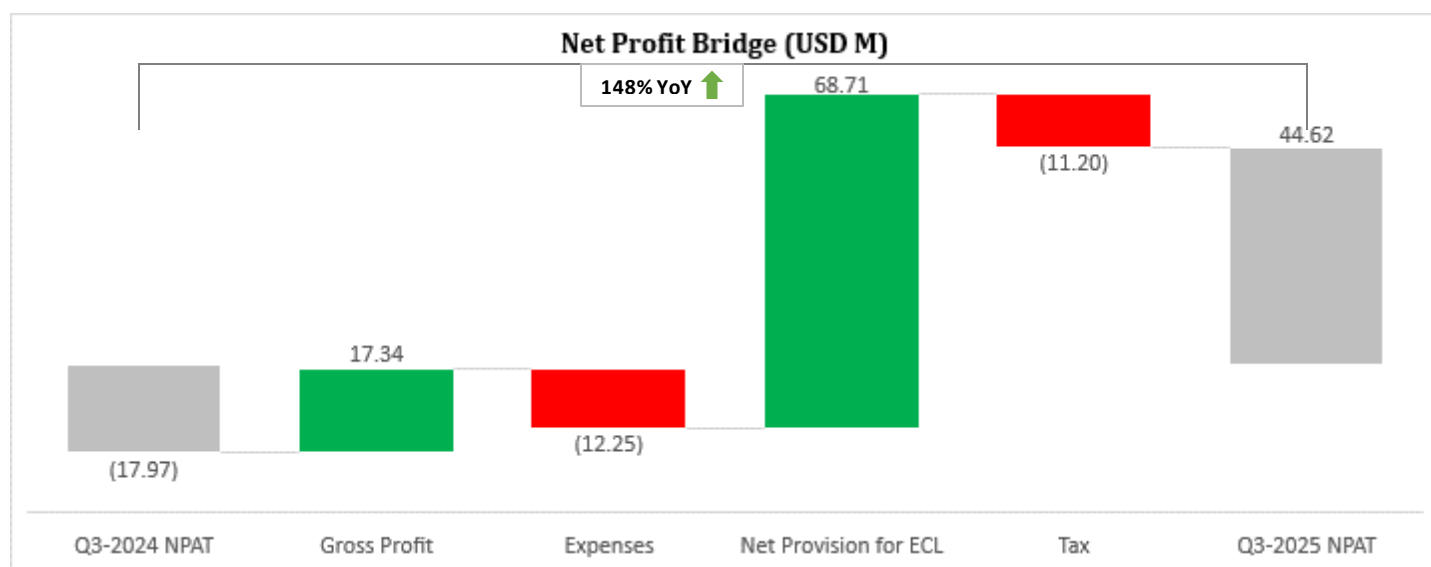


Table: Net Profit Bridge

Other Messages

- The Bank continues its growth in operating income, assets and deposits despite the economic challenges imposed by the war on Gaza and the escalations in the West Bank.
- The Bank reported a return to profitability since the beginning of the year, demonstrating the resilience of our business model. This robust organic growth is driven by enhanced operational revenue and places the Bank in a good position to become active in post war economic recovery and reconstruction in Gaza. However,



the Bank will continue to make credit impairment provisions due to the economic situation. The Bank recorded extra credit impairment provisions last year resulting in year-end losses because of the provisions made for the theft of cash in Gaza.

- The Bank raised additional capital in Aug 2025 through a special issuance of shares by which Proparco further increased its equity stake in BoP by investing \$ 10.8 million reaching 5.53% in ownership – becoming one of the largest institutional investors. Both IFC and EBRD participated in the special issuance of shares to maintain their current ownership percentage. The total additional investment amount by the three investors during Q3 was USD11.8 million of which USD 7.8 million in shares.
- The Bank continues to focus on its regional expansion strategy, which is expected to open new investment opportunities and diversify income sources. In July, the Bank officially opened its Representative Office in Cairo after obtaining the license from the Central Bank of Egypt. Another important milestone underway is the impending application for a Category 1 license at the Abu Dhabi Global Markets (ADGM) in the UAE providing the Bank with a regional launch pad to attract business from the global Palestinian community.
- The Bank is moving ahead with implementing its strategy in digital transformation with a focus on enhancing customer experience. During this period, the Bank has also provided multiple digital solutions and channels to all customer segments across all geographic areas, which have reduced reliance on traditional payment methods, especially when most needed during these challenging times. Palpay, our Fintech subsidiary has played a pivotal role in digitization and financial inclusion to BoP customers in Gaza and the West Bank in addition to the unbanked.
- The Bank is engaging with the different Multilateral Development Banks for Gaza reconstruction and economic recovery.



Chairman and CEO Commentary

Mr. Hashim Shawa, Bank of Palestine Group Chairman's statement:

"Returning to strong profitability is a testament to the extraordinary resilience of our institution, our dedicated employees, and the steadfast trust of our customers. This achievement comes after navigating one of the most challenging periods in our history at BoP, underscoring our unwavering commitment to the economic stability and future prosperity of Palestine.

However, the banking sector and the Palestinian economy are increasingly strained by the complexities surrounding the CBR/indemnity letter renewal with Israeli banks and the excess cash issue, putting more pressure and elevating both operational and financial risks.

Nevertheless, our focus remains on prudent governance, strategic growth, and fostering an environment of sustained value creation for our shareholders. Bank of Palestine will continue its growth strategy further boosting its capital and will be committed to playing a pivotal role in the reconstruction and recovery phase. While we remain committed to our operations at home, we are exploring regional expansion targeting the global Palestinian community as we diversify and expand via regional presence. The region is promising, and our value proposition is timely."

Mr. Mahmoud Shawa, Bank of Palestine CEO's statement:

"The financial results for Q3 2025 clearly demonstrate the successful execution of our strategic priorities and the strength of our core banking operations amidst adversity. Our return to profitability is driven by robust net interest income, healthy fee generation, and disciplined cost management, reflecting the hard work and resilience of every member of the BoP family. However, the Bank will continue recording credit impairment provisions as needed due to the economic situation. It is worth mentioning that the challenges the Palestinian banks are facing because of the indemnity letter renewal with Israeli banks, and the ILS cash accumulation are putting us in extreme pressure.

Despite all challenges, we have maintained a strong balance sheet, with solid capital adequacy and liquidity ratios, ensuring our ability to support our customers and weather potential future shocks. Our focus on asset quality and proactive management of our loan portfolio has been critical in this recovery phase. We are particularly encouraged by the continued growth in customer deposits, which reflects the profound trust placed in us.

The huge jump in digitization through both the Bank and Palpay has made a big impact on our retail, SMEs and Corporate clients. Looking ahead, we remain committed to empowering our customers through innovative digital solutions and enhancing our service offerings. We will maintain our vigilant attention to compliance and risk mitigation while actively seeking opportunities to support sustainable development and create long-term value for all our stakeholders."



Bank of Palestine
Consolidated Statement of Financial Position
As of September 30, 2025

| | 30/09/2025 | 31/12/2024 |
|---|-----------------------|----------------------|
| | USD | USD |
| Assets | | |
| Cash and balances with Palestine Monetary Authority | 3,752,090,327 | 2,236,071,862 |
| Balances and investments at banks and financial institutions | 1,590,869,755 | 1,719,713,863 |
| Financial assets at fair value through profit or loss | 6,305,415 | 5,445,800 |
| Direct credit facilities and Islamic financing | 4,086,351,319 | 3,842,640,449 |
| Financial assets at fair value through other comprehensive income | 79,825,722 | 63,636,115 |
| Financial assets at amortized cost | 700,669,838 | 195,345,429 |
| Investment in associates and a joint venture | 11,565,960 | 12,011,817 |
| Investment properties | 40,676,948 | 40,676,948 |
| Property, plant and equipment and right of use assets | 117,144,226 | 119,181,208 |
| Deferred Taxes - Assets | 80,502,466 | 52,098,683 |
| Projects in progress | 1,759,451 | 1,352,535 |
| Intangible assets | 13,886,445 | 14,388,305 |
| Other assets | 63,028,233 | 57,510,684 |
| Total Assets | 10,544,676,105 | 8,360,073,698 |
| Liabilities and Equity | | |
| Liabilities | | |
| Palestine Monetary Authority's deposits | 429,963,190 | 241,791,321 |
| Banks and financial institutions' deposits | 85,536,229 | 111,077,678 |
| Customers' deposits | 8,436,869,831 | 6,714,389,212 |
| Cash margins | 338,305,760 | 275,219,509 |
| Subordinated loan | 52,500,000 | 60,000,000 |
| Loans and borrowings | 98,327,809 | 104,927,195 |
| Istidama loans from Palestine Monetary Authority | 47,852,680 | 48,446,863 |
| Deferred Taxes - Liabilities | 4,135,563 | 4,135,563 |
| Lease liabilities | 19,017,703 | 19,193,970 |
| Sundry provisions | 58,753,754 | 59,702,555 |
| Taxes provisions | 22,836,024 | - |
| Other liabilities | 310,009,238 | 147,587,439 |
| Total Liabilities | 9,904,107,781 | 7,786,471,305 |
| Equity | | |
| Paid-in share capital | 268,786,067 | 260,559,617 |
| Additional paid-in capital | 48,938,899 | 44,743,409 |
| perpetual loans | 30,000,000 | 30,000,000 |
| Statutory reserve | 69,285,414 | 69,285,414 |
| Voluntarily reserve | 246,361 | 246,361 |
| General banking risks reserve | 8,374,676 | 8,374,676 |
| Pro-cyclicality reserve | 40,000,000 | 40,000,000 |
| Fair value reserve | 10,178,206 | (2,214,932) |
| Retained earnings | 93,723,005 | 55,584,071 |
| Equity attributable to the Bank's shareholders | 569,532,628 | 506,578,616 |
| Non-controlling interests | 71,035,696 | 67,023,777 |
| Total Equity | 640,568,324 | 573,602,393 |
| Total Liabilities and Equity | 10,544,676,105 | 8,360,073,698 |



Bank of Palestine
Consolidated Income Statement
For the Period ended September 30, 2025

| | 30/09/2025 | 30/09/2024 |
|---|----------------------|----------------------|
| | USD | USD |
| Interest income | 201,484,217 | 194,257,297 |
| Interest expense | (36,587,468) | (33,870,824) |
| Net interest income | 164,896,749 | 160,386,473 |
| Net financing and investment income | 46,310,990 | 46,695,117 |
| Net commissions | 20,032,092 | 22,373,538 |
| Net interest, financing, investment and commissions income | 231,239,831 | 229,455,128 |
| Foreign currencies gains | 35,913,224 | 24,783,614 |
| Net gains from financial assets portfolio | 3,939,013 | 2,555,775 |
| Bank's share of results of associates and a joint venture | (130,114) | 171,183.0 |
| Gain or (loss) from Real estate investment valuation | - | - |
| Other revenues, net | 9,224,430 | 5,880,522 |
| Gross profit before expected credit losses provisions and other losses | 280,186,384 | 262,846,222 |
| Provision for expected credit losses on direct credit facilities and Islamic financing and other receivables, net | (90,684,680) | (53,370,275) |
| Provision for expected credit losses on investments, and indirect credit facilities and Islamic financing, net | (1,115,903) | (107,139,136) |
| Gross profit | 188,385,801 | 102,336,811 |
| Expenses | | |
| Personnel expenses | (64,900,410) | (64,651,268) |
| Other operating expenses | (60,757,710) | (48,528,223) |
| Depreciation and amortization | (13,066,657) | (13,303,475) |
| Palestine Monetary Authority's fines | (10,000) | - |
| Total expenses | (138,734,777) | (126,482,966) |
| Profit before taxes | 49,651,024 | (24,146,155) |
| Taxes expense | (5,029,575) | 6,171,678 |
| Profit for the year | 44,621,449 | (17,974,477) |
| Attributable to: | | |
| Equity holders of the Bank | 40,789,634 | (18,477,672) |
| Non-controlling interests | 3,831,815 | 503,195 |
| | 44,621,449 | (17,974,477) |
| Basic and diluted earnings per share | 0.15 | (0.09) |



For the full set of financial statements, please visit our [website](#). For more information, please contact:

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