



For Immediate Release
Bank of Palestine Group
May 17th, 2026

FIRST QUARTER 2026 RESULTS AND KEY METRICS



TOTAL REVENUE (GROSS PROFIT) OF USD 101.0 MILLION
PROFIT BEFORE COST OF RISK AND TAX USD 45.1 MILLION
NET PROFIT USD 16.4 MILLION

Ramallah, Palestine May 17th, 2026 - Bank of Palestine Group (PEX: BOP) announced its financial results for Q1 2026 reporting revenues of USD 101.0 million compared to revenues of USD 86.0 million for the three-month period ended March 31, 2025. Profitability for the first quarter of 2026 decreased to USD 16.4 million compared to net profit of USD 19.6 million of the same period last year. Total assets increased by 2.4% from USD 10.7 billion at the end of 2025 to USD 10.9 billion at the end of the first quarter 2026. The Bank's total shareholders' equity increased by 1.9% from USD 670.8 million at the end of 2025 to USD 683.6 million at the end of the first quarter 2026.

Key Messages & Highlights

- Total Revenues increased by 17.5% from USD 86.0 million for Q1 2025 to USD 101.0 million for Q1 2026.
- Profits before cost of risk and tax increased by 5.30% from USD 42.8 million for Q1 2025 to USD 45.1 million for Q1 2026.
- Profitability decreased by 16.3% from USD 19.6 million for Q1 2025 to USD 16.4 million for Q1 2026.
- The Bank maintains a solid capital adequacy ratio of 16.05% in Q1 2026 which is a testament of the Bank's financial strength and ability to overcome the impact of potential losses resulting from the current geopolitical and economic situation.
- The Bank has a strong deposit franchise and solid liquidity buffers. Our customer deposits increased from USD 9.1 billion at the end of 2025 to reach USD 9.4 billion at the end of the first quarter of 2026 resulting in 3.06% growth. This increase continued even during these uncertain and challenging times, which shows a high level of confidence and trust from our clients and community.



- Total Assets increased by 2.4% from USD 10.7 billion at the end of 2025 to USD 10.9 billion at the end of the first quarter 2026.
- Net loans increased by 0.5% from USD 4.01 billion at the end of 2025 to USD 4.03 billion at the end of the first quarter 2026.
- Total shareholders' equity increased by 1.9% from USD 670.8 million at the end of 2025 to USD 683.6 million at the end of the first quarter 2026.

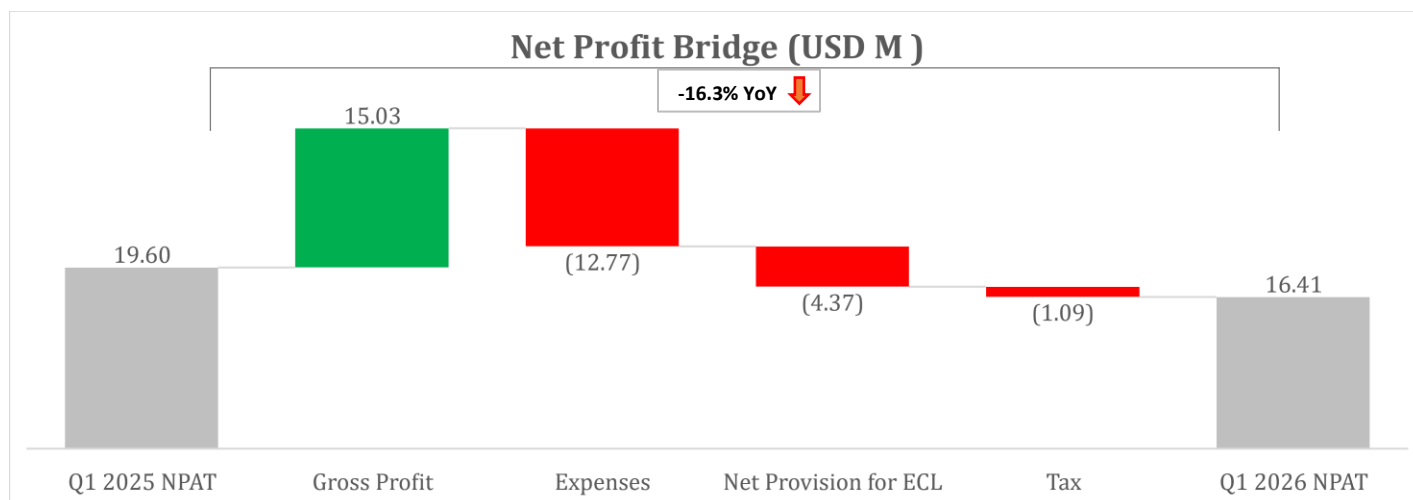


Table: Net Profit Bridge

Other Messages

- The Bank continues its growth in operating income, assets and deposits despite the economic challenges facing the Palestinian economy and the banking sector.
- The Bank recorded a profit of USD 16.4 million, underscoring the resilience of its business model. This strong organic growth, supported by increased operational revenue, positions the Bank well to participate actively in post-war economic recovery and reconstruction efforts in Gaza. Nevertheless, the Bank will continue to recognize credit impairment provisions in light of the prevailing economic conditions. The decrease in net profit compared to Q1 2025 was primarily driven by additional impairment provisions recorded under the Bank's prudent risk management policy.
- The Bank remains committed to its regional expansion strategy, aimed at unlocking new investment opportunities and diversifying income streams while serving the global Palestinian community.

- The Bank is advancing its digital transformation strategy with a strong emphasis on enhancing customer experience. It introduced a range of digital solutions and channels -through its mobile App and Fintech Company- Palpay- across all customer segments and geographic areas, reducing reliance on traditional payment methods.
- On April 23, 2026, and as a subsequent event to Q1 2026, the Bank signed a subordinated loan agreement with Palestine Monetary Authority (PMA) in an amount of USD 150 m to support SMEs. This sub-loan agreement was executed as part of a broader financing agreement between the PMA and the European Investment Bank (EIB). The subordinated financing is expected to contribute positively to the Bank's capital adequacy ratio through its recognition as Tier 2 capital, supporting overall balance sheet strength and regulatory capital buffers. Importantly, the enhanced capital capacity positions the Bank to scale financing to SMEs, supporting economic resilience, recovery, and long-term growth.



Chairman and CEO Commentary

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

"Bank of Palestine has consistently demonstrated resilience through periods of significant adversity, emerging each time with a stronger foundation and a more adaptive operating model. In the current environment, we continue to navigate external challenges, including the ongoing complexities related to the CBR/indemnity letter renewal with Israeli banks and the excess cash issue, through proactive stakeholder engagement and disciplined execution of our strategic priorities.

We are maintaining a clear focus on prudent risk management, operational continuity, and safeguarding the Bank's and the whole banking sector's financial stability while advancing initiatives that support sustainable expansion.

The anticipated role of the banking sector in enabling economic recovery and reconstruction across reinforces our confidence in the medium- to long-term outlook and the sector's capacity to gradually overcome current constraints. Against this backdrop, Bank of Palestine is prioritizing the strengthening of its capital base as a strategic enabler of future growth and resilience. This strategy pillar aims at ensuring compliance with regulatory capital adequacy requirements- as a systemic bank, supporting lending growth, and positioning the Bank for the next phase of recovery and reconstruction. A stronger capital position will enable us to expand financing to strategic sectors, increase support to SMEs as key drivers of economic activity, and further extend our regional presence serving the global Palestinian community.

Looking ahead, the Bank remains committed to delivering sustainable long-term value creation to shareholders.

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

"We are pleased to report Q1 2026 net profit of USD 16.4 million, reflecting the continued resilience of our business model. Our performance demonstrates the effectiveness of our prudent risk management framework, balanced growth strategy, and sustained focus on operational excellence in a challenging operating environment.

Despite ongoing market and economic uncertainty, the Bank successfully maintained strong capital adequacy 16.05% and liquidity ratios (LCR 556%), reinforcing the Bank's financial strength and capacity to support customers and the broader economy. Revenue grew by 17.5% while customer deposits increased by 3.06%, reflecting continued customer confidence.

At the same time, we are investing decisively in the future through targeted technology, AI, and capability-building initiatives designed to improve operational efficiency, strengthen decision-making, and enhance customer experience. These investments support our long-term strategic priorities focusing on elevating customer experience, accelerating digital transformation, expanding our regional presence and driving long-term shareholder value."



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Bank of Palestine
Consolidated Statement of Financial Position
As of March 31, 2026

	3/31/2026	12/31/2025
	USD	USD
Assets		
Cash and balances with Palestine Monetary Authority	4,084,776,360	4,115,920,889
Balances and investments at banks and financial institutions	2,111,057,196	1,772,936,462
Financial assets at fair value through profit or loss	5,873,326	5,828,030
Direct credit facilities and Islamic financing, net	4,033,900,399	4,012,032,827
Financial assets at fair value through other comprehensive income	93,584,216	98,634,819
Financial assets at amortized cost	223,036,650	316,712,192
Investment in associates and a joint venture	12,187,350	12,194,180
Investment properties	38,535,939	38,535,939
Property, plant and equipment and right of use assets	121,540,282	122,270,038
Deferred Taxes - Assets	66,111,815	61,972,648
Projects in progress	2,314,778	1,766,656
Intangible assets	14,126,304	14,117,420
Other assets	94,794,361	78,001,106
Total Assets	10,901,838,976	10,650,923,206
Liabilities and Equity		
Liabilities		
Palestine Monetary Authority's deposits	358,984,002	392,737,564
Banks and financial institutions' deposits	74,961,689	35,596,213
Customers' deposits	9,046,755,607	8,773,595,388
Cash margins	351,038,664	344,815,360
Subordinated loan	45,000,000	45,000,000
Loans and borrowings	90,508,757	92,778,959
Istidama loans from Palestine Monetary Authority	43,943,309	46,963,540
Deferred Taxes - Liabilities	4,348,364	4,348,364
Lease liabilities	17,109,906	18,723,527
Sundry provisions	55,535,696	61,473,601
Taxes provisions	605,531	-
Other liabilities	129,441,993	164,058,525
Total Liabilities	10,218,233,518	9,980,091,041
Equity		
Paid-in share capital	268,786,067	268,786,067
Additional paid-in capital	48,938,899	48,938,899
Perpetual bonds	30,000,000	30,000,000
Statutory reserve	74,621,191	74,621,191
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	25,222,537	28,713,092
Retained earnings	114,687,767	100,055,051
Equity attributable to the Bank's shareholders	610,877,498	599,735,337
Non-controlling interests	72,727,960	71,096,828
Total Equity	683,605,458	670,832,165
Total Liabilities and Equity	10,901,838,976	10,650,923,206



Bank of Palestine

Consolidated Income Statement

For the three - month period ended March 31, 2026

	3/31/2026	3/31/2025
	USD	USD
Interest income	65,814,099	65,718,515
Interest expense	(11,682,747)	(11,594,116)
Net interest income	54,131,352	54,124,399
Net financing and investment income	14,768,197	14,525,902
Net commissions income	14,793,171	6,753,070
Net interest, financing, investment and commissions income	83,692,720	75,403,371
Foreign currencies gains	15,411,171	9,201,350
Net (losses) gains from financial assets portfolio	(43,620)	37,879
Bank's share of results of associates and a joint venture	(6,830)	(139,245)
Other revenues, net	1,951,776	1,469,931
Gross profit before expected credit losses provisions and other losses	101,005,217	85,973,286
Provision for expected credit losses on direct credit facilities and Islamic financing, net	(21,640,534)	(17,673,687)
Provision for other expected credit losses and other assets losses, net	(397,986)	2,876
Gross profit	78,966,697	68,302,475
Expenses		
Personnel expenses	(25,886,709)	(21,217,448)
Other operating expenses	(25,503,721)	(17,925,868)
Depreciation and amortization	(4,561,570)	(4,042,554)
Total expenses	(55,952,000)	(43,185,870)
Profit before taxes	23,014,697	25,116,605
Taxes expense	(6,565,221)	(5,474,478)
Profit for the period	16,449,476	19,642,127
Attributable to:		
Equity holders of the Bank	15,200,352	18,749,439
Non-controlling interests	1,249,124	892,688
	<u>16,449,476</u>	<u>19,642,127</u>
Basic and diluted earnings per share attributable to equity holders of the Bank	<u>0.05</u>	<u>0.07</u>



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

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Date: May 17th, 2026