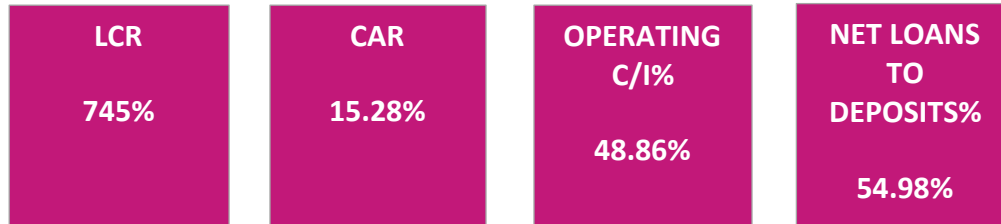


For Immediate Release
Bank of Palestine Group
March 20th, 2025

FOURTH QUARTER AND FULL YEAR 2024 PRELIMINARY RESULTS AND KEY METRICS



TOTAL REVENUE (GROSS PROFIT) OF \$354 MILLION
PROFIT BEFORE COST OF RISK AND TAX \$181 MILLION

Key Messages & Highlights

- Bank of Palestine achieved historical growth among its main financial indicators: Assets, Customer Deposits, Operating Revenues, Capital and Shareholders' equity despite the challenges and difficulties faced as a result of the war. Because of its strong financial fundamentals and performance, the bank was able to navigate through these challenges and operate in exceptional circumstances sustaining its operations with solid capital and high liquidity ratios.
- The bank recorded extraordinary credit impairment and cash losses provisions to cushion against any risks associated with the war on Gaza resulting in a net loss. These provisions were fully provided for 2024 and will not affect year 2025 financials.
- Total Revenues increased by 8.0% from USD 327.8 million for FY 2023 to USD 354.0 million for FY 2024.
- Operating cost/income ratio reached 48.9% achieving high levels of efficiency in operations.
- Profit before cost of risk and tax increased by 17.83% from USD 153.6 million for FY 2023 to USD 181.0 million for FY 2024.
- Net profit decreased from USD 16.5 million for FY 2023 to USD (27.9) million for FY 2024.
- Bank of Palestine Group's market share reached 37.23% and 34.74% in customer deposits and credit facilities, respectively.
- The Bank sustained a solid capital adequacy ratio of 15.28% in FY 2024.
- Our customer deposits increased by 20.4% from USD 5.81 billion at the end of 2023 to reach USD 6.99 billion at the end of 2024.
- Total assets increased by 17.3% from USD 7.13 billion at the end of 2023 to USD 8.36 billion at the end of 2024.
- Net loans increased by 0.1% from USD 3.83 billion at the end of 2023 to 3.84 billion at the end of 2024.

- Total shareholders' equity increased by 2.4% reaching USD 573.6 million at the end of 2024 compared to USD 560.4 million at the end of 2023.

Ramallah, Palestine March 16th 2025 - Bank of Palestine Group (BoP) announced its financial results reporting revenues of USD 354.0 million compared to revenues of USD 327.8 million for the same period ended December 31th 2023. Profitability for the period ended December 31th 2024 decreased to reach USD (27.9) million in losses compared to net profit of USD 16.5 million of same period last year due to exceptional credit impairments and cash losses provisions as a result of the Gaza war. Total assets increased by 17.3% from USD 7.13 billion at the end of 2023 to USD 8.36 billion at the end of 2024. The Bank's total shareholders' equity amounted to USD 573.6 million at the end of 2024 compared to USD 560.4 million at the end of 2023.

- Achieving historical growth in operating revenues despite the war ramifications is a testament of all solid foundations and the bank's resilience and crisis management plans.
- The bank maintained high and solid liquidity ratios even in tough times depicting a high level of trust among its clients.
- Shareholders' equity increased despite challenges as the bank managed successfully to attract new investors such as IFC, EBRD and other institutions.

Other Messages

- The bank has strengthened its capital base through strategic investments by international development institutions and local investors investing in BOP shares which reflects the trust of shareholders and partners in the bank's performance and its ability to manage crisis.
- IFC and EBRD joined forces in a consortium and invested in BOP through a special issuance of shares in an amount of \$ 34 million.
- Bank of Africa invested in an amount of \$ 5 million in BOP shares through the Palestine Stock Exchange.
- Aswaq and APIC also invested in BOP through a special issuance of shares in an amount of \$ 11 million.
- The bank has signed several agreements with MDBs and international financial institutions to provide credit lines and support SMEs. The bank signed loan agreements with EBRD (\$ 30 million) and a syndicated loan with IFC (\$35 million), Proparco (\$ 20 million) and SANAD Fund (\$ 10 million). The Bank has also signed loan portfolio guarantees with MEII (\$20 million) and DFC (\$80 million).
- The bank is working on regional expansion, which is expected to open new investment opportunities and diversify income sources. The bank secured a license from Egypt central bank to open a Representative Office in Cairo, and 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 has been immensely investing in digital payments and broader digitalization initiatives. Its commitment to digital transformation aims to create a seamless, secure ecosystem and bolster operational efficiency.

Chairman and CEO Commentary

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

"2024 marked a year of achievements despite all challenges faced by the war. The bank was able to demonstrate historical growth among its main financial indicators. We navigated these difficulties through maintaining our operations and attracting international investors to further boost our capital and support our ambitious strategy in regional expansion and our role in the post-war reconstruction and rebuilding. Looking ahead, we are optimistic and confident about the opportunities to contribute to sustained growth".

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

"Bank of Palestine demonstrated operational resilience and efficiency during a tough and exceptional year. The bank was able to sustain its operational capacity against all the pressures of the past period achieving growth in all indicators. During such a challenging year it is only natural that as a systemic bank we take extra prudent decisions to mitigate against credit impairments and account for lost cash in Gaza due to the war. The impact on net profit is directly related to the extra provisioning the bank had to take as a result of unprecedented challenges of the war on Gaza and its wider impact on the economy. We remain focused on our 5-year strategy including digital transformation and customer service. We continue our mission to support our economy especially SMEs. We believe that we will overcome all challenges and continue our efforts while being the preferred choice of investment. I am immensely proud of our team's resilience and unwavering commitment and look forward to continuing this journey we started 65 years ago".

Bank of Palestine
Consolidated Statement of Financial Position
As of December 31, 2024

	31/12/2024	31/12/2023
	USD	USD
Assets		
Cash and balances with Palestine Monetary Authority	2,236,071,862	1,787,611,742
Balances and investments at banks and financial institutions	1,719,713,863	1,005,207,710
Financial assets at fair value through profit or loss	5,445,800	7,793,301
Direct credit facilities and Islamic financing	3,842,640,449	3,839,008,227
Financial assets at fair value through other comprehensive income	63,636,115	60,898,466
Financial assets at amortized cost	195,345,429	159,354,233
Investment in associates and a joint venture	12,011,817	11,858,121
Investment properties	40,676,948	24,776,440
Property, plant and equipment and right of use assets	119,181,208	102,657,226
Deferred Taxes - Assets	52,098,683	29,084,742
Projects in progress	1,352,535	2,268,294
Intangible assets	14,388,305	14,735,600
Other assets	57,510,684	80,806,646
Total Assets	8,360,073,698	7,126,060,748
Liabilities and Equity		
Liabilities		
Palestine Monetary Authority's deposits	241,791,321	203,422,416
Banks and financial institutions' deposits	111,077,678	204,538,769
Customers' deposits	6,714,389,212	5,478,560,065
Cash margins	275,219,509	329,167,229
Subordinated loan	60,000,000	45,000,000
Loans and borrowings	104,927,195	74,045,601
Istidama loans from Palestine Monetary Authority	48,446,863	23,405,534
Deferred Taxes - Liabilities	4,135,563	2,686,546
Lease liabilities	19,193,970	27,094,674
Sundry provisions	59,702,555	53,091,860
Taxes provisions	-	21,960,224
Other liabilities	147,587,439	102,727,448
Total Liabilities	7,786,471,305	6,565,700,366
Equity		
Paid-in share capital	260,559,617	230,677,334
Additional paid-in capital	44,743,409	29,575,688
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	(2,214,932)	(106,169)
Retained earnings	55,584,071	86,452,694
Total equity holders of the Bank	506,578,616	494,505,998
Non-controlling interests	67,023,777	65,854,384
Total Equity	573,602,393	560,360,382
Total Liabilities and Equity	8,360,073,698	7,126,060,748

Bank of Palestine
Consolidated Income Statement
For the Year ended December 31, 2024

	31/12/2024	31/12/2023
	USD	USD
Interest income	261,103,916	228,394,210
Interest expense	(46,317,418)	(37,566,523)
Net interest income	214,786,498	190,827,687
Net financing and investment income	59,934,728	61,077,325
Net commissions	31,164,485	38,099,503
Net interest, financing, investment and commissions income	305,885,711	290,004,515
Foreign currencies gains	33,920,602	26,709,780
Net gains from financial assets	1,688,461	2,627,960
Bank's share of results of associates and a joint venture	153,696	177,013
Other revenues, net	12,342,311	8,284,544
Gross profit before expected credit losses provisions	353,990,781	327,803,812
Provision for expected credit losses on direct credit facilities and Islamic financing and other receivables, net	(87,661,411)	(99,711,340)
Provision for expected credit losses on investments, and indirect credit facilities and Islamic financing, net	(138,851,186)	(36,000,828)
Gross profit	127,478,184	192,091,644
Expenses		
Personnel expenses	(85,644,404)	(88,436,910)
Other operating expenses	(69,690,123)	(67,667,316)
Depreciation and amortization	(17,614,235)	(17,991,164)
Palestine Monetary Authority's fines	0	(60,000)
Gross expenses	(172,948,762)	(174,155,390)
(Loss) Profit before taxes	(45,470,578)	17,936,254
Taxes (recovery) expense	17,559,122	(1,445,740)
(Loss) Profit for the period	(27,911,456)	16,490,514
Attributable to:		
Equity holders of the Bank	(28,901,957)	13,105,203
Non-controlling interests	990,501	3,385,311
	(27,911,456)	16,490,514
Basic and diluted earnings per share	(0.13)	0.04

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

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