

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	March 31,	
	2024	December 31, 2023
	(Not audited)	(Audited)
	U.S. \$	U.S. \$
ASSETS		
Cash and balances with Palestine Monetary Authority	1,773,885,266	1,787,611,742
Balances, deposits and investments at banks and financial institutions	1,239,615,464	1,005,207,710
Financial assets at fair value through profit or loss	8,003,302	7,793,301
Direct credit facilities and Islamic financing	3,800,418,573	3,839,008,227
Financial assets at fair value through other comprehensive income	59,962,149	60,898,466
Financial assets at amortized cost	132,187,452	159,354,233
Investment in associates and a joint venture	11,869,958	11,858,121
Investment properties	24,562,752	24,776,440
Property, plant and equipment and right of use assets	100,893,860	102,657,226
Deferred tax assets	33,084,742	29,084,742
Projects in progress	2,256,129	2,268,294
Intangible assets	14,672,197	14,735,600
Other assets	63,918,396	80,806,646
Total assets	7,265,330,240	7,126,060,748
LIABILITIES AND EQUITY		
Liabilities		
Palestine Monetary Authority's deposits	179,112,145	203,422,416
Banks and financial institutions' deposits	65,265,752	204,538,769
Customers' deposits	5,742,102,641	5,478,560,065
Cash margins	319,652,222	329,167,229
Subordinated loans	75,000,000	45,000,000
Loans and borrowings	78,280,264	74,045,601
Istidama loans from Palestine Monetary Authority	30,295,556	23,405,534
Deferred tax liabilities	2,686,546	2,686,546
Lease liabilities	25,726,535	27,094,674
Sundry provisions	55,435,502	53,091,860
Taxes provisions	14,461,417	21,960,224
Other liabilities	106,618,561	102,727,448
Total liabilities	6,694,637,141	6,565,700,366
Equity		
Paid-in share capital	230,677,334	230,677,334
Additional paid-in capital	29,575,688	29,575,688
Perpetual bonds	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	(1,759,725)	(106,169)
Retained earnings	97,187,708	86,452,694
Equity attributable to the Bank's shareholders	503,587,456	494,505,998
Non-controlling interests	67,105,643	65,854,384
Total equity	570,693,099	560,360,382
Total liabilities and equity	7,265,330,240	7,126,060,748

Bank of Palestine P.L.C

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month period ended March 31, 2024

	For the three-month period ended March 31	
	2024	2023
	(Not audited)	(Not audited)
	U.S. \$	U.S. \$
Interest income	61,439,741	54,002,292
Interest expense	(10,434,020)	(8,140,375)
Net interest income	51,005,721	45,861,917
Net financing and investment income	15,087,500	14,122,801
Net commissions income	7,413,365	10,439,178
Net interest, financing, investment and commissions income	73,506,586	70,423,896
Foreign currencies gains	7,171,003	7,767,670
Net gains from financial assets portfolio	136,509	819,206
Bank's share of results of associates and a joint venture	11,837	94,470
Other revenues, net	2,929,298	2,971,827
Gross profit before expected credit losses provisions and other losses	83,755,233	82,077,069
Provision for expected credit losses on direct credit facilities and Islamic financing, net	(23,810,312)	(7,110,008)
Provision for expected credit losses on investments, indirect credit facilities and Islamic financing, and other assets impairments, net	(2,007,221)	844,056
Gross profit	57,937,700	75,811,117
Expenses		
Personnel expenses	(23,150,932)	(23,203,238)
Other operating expenses	(15,203,939)	(17,474,956)
Depreciation and amortization	(4,468,032)	(4,486,871)
Palestine Monetary Authority's fines	-	(20,000)
Total expenses	(42,822,903)	(45,185,065)
Profit before taxes	15,114,797	30,626,052
Taxes expense	(2,272,652)	(10,035,002)
Profit for the period	12,842,145	20,591,050
Attributable to:		
Equity holders of the Bank	11,708,126	18,516,286
Non-controlling interests	1,134,019	2,074,764
	12,842,145	20,591,050
Basic and diluted earnings per share attributable to equity holders of the Bank	0.05	0.08

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended March 31, 2024

	For the three-month period ended March 31	
	2024	2023
	(Not audited)	(Not audited)
	U.S. \$	U.S. \$
Profit for the period	12,842,145	20,591,050
Items of other comprehensive income:		
<u>Items not to be reclassified to the consolidated income statement in subsequent periods:</u>		
Change in fair value of financial assets through other comprehensive income items	(1,536,316)	294,256
Other comprehensive income items for the period	(1,536,316)	294,256
Total comprehensive income for the period	11,305,829	20,885,306
Attributable to:		
Equity holders of the Bank	10,054,570	18,850,684
Non-controlling Interests	1,251,259	2,034,622
	11,305,829	20,885,306

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended March 31, 2024

	Paid-in share capital	Additional paid-in capital	Perpetual bond	Reserves					Equity holders of the Bank	Non-controlling interests	Total equity	
				General banking risks		Fair value	Retained earnings	Statutory				Voluntarily
				Pro-cyclicality								
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	
March 31, 2024												
Balance, beginning of the period	230,677,334	29,575,688	30,000,000	69,285,414	246,361	8,374,676	40,000,000	(106,169)	86,452,694	494,505,998	65,854,384	560,360,382
Profit for the year	-	-	-	-	-	-	-	-	11,708,126	11,708,126	1,134,019	12,842,145
Other comprehensive income items	-	-	-	-	-	-	-	(1,653,556)	-	(1,653,556)	117,240	(1,536,316)
Total comprehensive income												
for the year	-	-	-	-	-	-	-	(1,653,556)	11,708,126	10,054,570	1,251,259	11,305,829
Interest on perpetual bond	-	-	-	-	-	-	-	-	(973,112)	(973,112)	-	(973,112)
Balance, end of the period (not audited)	230,677,334	29,575,688	30,000,000	69,285,414	246,361	8,374,676	40,000,000	(1,759,725)	97,187,708	503,587,456	67,105,643	570,693,099

	Paid-in share capital	Additional paid-in capital	Perpetual bond	Reserves					Equity holders of the Bank	Non-controlling interests	Total equity	
				General banking risks		Fair value	Retained earnings	Statutory				Voluntarily
				Pro-cyclicality								
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	
March 31, 2023												
Balance, beginning of the period	223,958,577	29,575,688	-	67,974,894	246,361	8,374,676	40,000,000	3,344,655	107,929,885	481,404,736	64,517,885	545,922,621
Profit for the year	-	-	-	-	-	-	-	-	18,516,286	18,516,286	2,074,764	20,591,050
Other comprehensive income items	-	-	-	-	-	-	-	334,398	-	334,398	(40,142)	294,256
Total comprehensive income												
for the year	-	-	-	-	-	-	-	334,398	18,516,286	18,850,684	2,034,622	20,885,306
Issuance of perpetual bond	-	-	30,000,000	-	-	-	-	-	-	30,000,000	-	30,000,000
Interest on perpetual bond	-	-	-	-	-	-	-	-	(869,250)	(869,250)	-	(869,250)
Perpetual bond issuance fees	-	-	-	-	-	-	-	-	(450,000)	(450,000)	-	(450,000)
Cash dividends	-	-	-	-	-	-	-	-	-	-	(1,917,512)	(1,917,512)
Balance, end of the period (not audited)	223,958,577	29,575,688	30,000,000	67,974,894	246,361	8,374,676	40,000,000	3,679,053	125,126,921	528,936,170	64,634,995	593,571,165



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2024

	For the three-month period ended March 31	
	2024	2023
	(Not audited)	(Not audited)
	U.S. \$	U.S. \$
Operating activities		
Profit for the period before taxes	15,114,797	30,626,052
Adjustments for:		
Depreciation and amortization	4,468,032	4,486,871
Net gains from financial assets	(136,509)	(819,206)
Finance cost on lease liabilities	162,289	191,421
Provision for expected credit losses and other losses, net	24,317,533	6,265,952
Sundry provisions	3,253,456	3,378,784
Bank's share of results of associates and a joint venture	(11,837)	(94,470)
Losses (gains) on disposal of property, plant and equipment	-	(182,791)
Other non-cash items	(1,011,381)	149,992
	46,156,380	44,002,605
Changes in assets and liabilities:		
Direct credit facilities and Islamic financing	14,993,030	(91,682,922)
Statutory cash reserve	(21,590,679)	(8,070,137)
Other assets	16,888,250	(4,038,277)
Customers' deposits	263,542,576	106,611,147
Istidama loans from Palestine Monetary Authority	6,890,022	(1,510,693)
Cash margins	(9,515,007)	8,897,831
Other liabilities	1,999,200	847,184
	319,363,772	55,056,738
Net cash flows from operating activities before taxes and paid provisions		
Taxes paid	(13,754,626)	(18,244,687)
Sundry provisions paid	(909,814)	(4,681,092)
Net cash flows from operating activities	304,699,332	32,130,959
Investing activities		
Purchase of financial assets at fair value through other comprehensive income	(600,000)	(1,999,717)
Purchase of financial assets at fair value through profit or loss	(20,000)	(60,000)
Sale of financial assets at fair value through profit or loss	21,202	1,280,921
Purchase of financial assets at amortized cost	(8,000,000)	(9,390,630)
Matured financial assets at amortized cost	35,092,022	49,134,929
Banks and financial institutions' deposits maturing in more than three months	-	(55,447,281)
Stock dividends received	63,125	1,039,310
Investments management commission	(76,133)	(115,805)
Deposits at banks and financial institutions maturing in more than three months	(41,152,097)	3,448,336
Restricted balances	3,892,401	46,788,008
Palestine Monetary Authority deposits for a period more than three months	(1,686,816)	(57,257,076)
Purchase of intangible assets	(399,212)	(21,654)
Projects in progress additions	(403,333)	(608,827)
Purchase of property, plant and equipment	(899,979)	(1,211,719)
Sale of property, plant and equipment	-	68,356
Net cash flows from used in investing activities	(14,168,820)	(24,352,849)
Financing activities		
Lease liabilities payments	(2,457,002)	(2,445,742)
Subordinated loan received	30,000,000	-
Loans and borrowings payments	(2,038,462)	-
Loans and borrowings received	6,500,000	-
Issuance of perpetual bond, net of issuances fees	-	29,550,000
Cash dividends paid	(82,441)	(72,773)
Net cash flows from financing activities	31,922,095	27,031,485
Increase in cash and cash equivalents	322,452,607	34,809,595
Cash and cash equivalents, beginning of the period	1,809,209,490	1,616,419,703
Cash and cash equivalents, end of the period	2,131,662,097	1,651,229,298
Interest expense paid	9,632,716	14,568,932
Interest revenue received	73,353,127	62,742,950