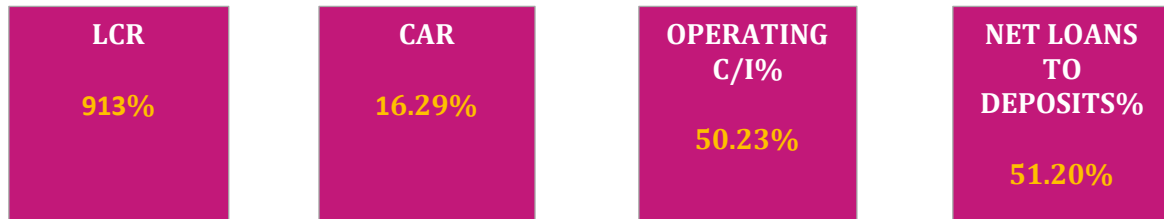


For Immediate Release
Bank of Palestine Group
May 15th, 2025

First QUARTER RESULTS AND KEY METRICS



TOTAL REVENUE (GROSS PROFIT) OF \$86.0 MILLION
PROFIT BEFORE COST OF RISK AND TAX \$42.8 MILLION
NET PROFIT \$19.6 MILLION

Key Messages & Highlights

- Total Revenues increased by 2.65% from USD 83.8 million for Q1 2024 to USD 86.0 million for Q1 2025.
- Profit before cost of risk and tax increased by 4.53% from USD 40.9 million for Q1 2024 to USD 42.8 million for Q1 2025.
- Profit before tax increased by 66.17% from USD 15.1 million for Q1 2024 to USD 25.1 million for Q1 2025.
- Profitability increased by 52.95% from USD 12.8 million for Q1 2024 to USD 19.6 million for Q1 2025.
- Bank of Palestine Group's market share reached 39.76% and 31.97% in customer deposits and credit facilities, respectively.
- The Bank sustained an acceptable capital adequacy ratio of 16.29% in Q1 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 7.44 billion at the end of the first quarter 2025 resulting in 6.40% 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 4.61% from USD 8.36 billion at the end of 2024 to USD 8.75 billion at the end of the first quarter 2025.
- Flat Net loans – slightly changed by -0.91% from USD 3.84 billion at the end of 2024 to 3.81 billion at the end of the first quarter.

- Enhanced collection and follow-up processes in addition to better NPL management.
- Total shareholders' equity increased by 3.58% from USD 574 million at the end of 2024 to USD 594 million at the end of the first quarter 2025.

Ramallah, Palestine May 15th 2025 - Bank of Palestine Group (BoP) announced its financial results reporting revenues of USD 86.0 million compared to revenues of USD 83.8 million for the three - month period ended March 31, 2025. Profitability for the first quarter of 2025 increased to USD 19.6 million compared to net profit of USD 12.8 million of same period last year. Total assets increased by 4.61% from USD 8.36 billion at the end of 2024 to USD 8.75 billion at the end of the first quarter 2025. The Bank's total shareholders' equity increased by 3.58% from USD 574 million at the end of 2024 to USD 594 million at the end of the first quarter 2025.

Other Messages

- The bank achieved historical growth in operating income, assets and deposits despite the economic challenges imposed by the war on the Gaza.
- The bank reported a return to profitability in Q1 2025, demonstrating the resilience of our business model after recording extra credit impairment provisions and cash losses in the previous financial year to cushion against the impact of the war. This robust organic growth is driven by enhanced operational revenue.
- The bank continues to focus on its regional expansion strategy; 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 provided many 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.

Chairman and CEO Commentary

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

"We are happy to report organic growth and profitability again after a period of distress which required applying strict impairment provisions. Our mission to grow at home and re-establish our operational ability to weather the storm continues, while diversifying and expanding regionally in Egypt through the Representative Office and later in the UAE and other markets. The bank has been heavily applying digitization in its operations as part of its 5-year strategy; achieving efficiency while delivering value to all stakeholders. The bank continues its pivotal role in supporting Palestinian SMEs and was able to raise capital to ensure it maintains its strong and solid position. We shall continue to look forward to being well positioned to play an active role in economic recovery and reconstruction post the war."

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

"Bank of Palestine demonstrated operational resilience and efficiency throughout a tough and unprecedented period. Our Q1 2025 results show a strong rebound from the losses we experienced last year as a result of the provisions we made in 2024 in response to the war's impact, and we are now seeing the benefits of those proactive measures including our responsiveness in crisis management. In 2025, we will continue our prudent provisioning policy to guard against uncertainty. The overall organic growth in our key performance indicators such as the operational revenues, deposits, and total assets while maintaining a high capital adequacy ratio is a testament of our ambitious mission. Our focus remains on sustainable growth and delivering value to our shareholders."



Bank of Palestine
Consolidated Statement of Financial Position
As of March 31, 2025

	31/03/2025	31/12/2024
	USD	USD
Assets		
Cash and balances with Palestine Monetary Authority	2,445,787,575	2,236,071,862
Balances and investments at banks and financial institutions	1,600,705,716	1,719,713,863
Financial assets at fair value through profit or loss	5,761,889	5,445,800
Direct credit facilities and Islamic financing	3,807,690,758	3,842,640,449
Financial assets at fair value through other comprehensive income	66,168,363	63,636,115
Financial assets at amortized cost	507,546,995	195,345,429
Investment in associates and a joint venture	11,872,572	12,011,817
Investment properties	40,676,948	40,676,948
Property, plant and equipment and right of use assets	117,292,880	119,181,208
Deferred Taxes - Assets	56,374,134	52,098,683
Projects in progress	1,614,340	1,352,535
Intangible assets	13,846,508	14,388,305
Other assets	70,240,586	57,510,684
Total Assets	8,745,579,264	8,360,073,698
Liabilities and Equity		
Liabilities		
Palestine Monetary Authority's deposits	127,069,460	241,791,321
Banks and financial institutions' deposits	69,763,061	111,077,678
Customers' deposits	7,149,386,739	6,714,389,212
Cash margins	287,539,360	275,219,509
Subordinated loan	60,000,000	60,000,000
Loans and borrowings	105,195,045	104,927,195
Istidama loans from Palestine Monetary Authority	51,756,375	48,446,863
Deferred Taxes - Liabilities	4,135,563	4,135,563
Lease liabilities	17,882,432	19,193,970
Sundry provisions	60,621,680	59,702,555
Taxes provisions	6,639,263	-
Other liabilities	211,455,512	147,587,439
Total Liabilities	8,151,444,490	7,786,471,305
Equity		
Paid-in share capital	260,943,026	260,559,617
Additional paid-in capital	44,938,948	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	(1,200,211)	(2,214,932)
Retained earnings	73,386,943	55,584,071
Total equity holders of the Bank	525,975,157	506,578,616
Non-controlling interests	68,159,617	67,023,777
Total Equity	594,134,774	573,602,393
Total Liabilities and Equity	8,745,579,264	8,360,073,698

Bank of Palestine
Consolidated Income Statement
For the Period ended March 31, 2025

	31/03/2025	31/03/2024
	USD	USD
Interest income	65,718,515	61,439,741
Interest expense	(11,594,116)	(10,434,020)
Net interest income	54,124,399	51,005,721
Net financing and investment income	14,525,902	15,087,500
Net commissions	5,497,998	7,413,365
Net interest, financing, investment and commissions income	74,148,299	73,506,586
Foreign currencies gains	9,201,350	7,171,003
Net gains from financial assets	37,879	136,509
Bank's share of results of associates and a joint venture	(139,245)	11,837
Gain or (loss) from Real estate investment valuation	-	-
Other revenues, net	2,725,003	2,929,298
Gross profit before expected credit losses provisions	85,973,286	83,755,233
Provision for expected credit losses on direct credit facilities and Islamic financing and other receivables, net	(17,673,687)	(23,810,312)
Provision for expected credit losses on investments, and indirect credit facilities and Islamic financing, net	2,876	(2,007,221)
Gross profit	68,302,475	57,937,700
Expenses		
Personnel expenses	(21,217,448)	(23,150,932)
Other operating expenses	(17,925,868)	(15,203,939)
Depreciation and amortization	(4,042,554)	(4,468,032)
Palestine Monetary Authority's fines	-	-
Total expenses	(43,185,870)	(42,822,903)
Profit before taxes	25,116,605	15,114,797
Taxes expense	(5,474,478)	(2,272,652)
Profit for the period	19,642,127	12,842,145
Attributable to:		
Equity holders of the Bank	18,749,439	11,708,126
Non-controlling interests	892,688	1,134,019
	19,642,127	12,842,145
Basic and diluted earnings per share	0.07	0.05

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

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