بنك فلسطين
BANK OF PALESTINE

For Immediate Release
Bank of Palestine Group
August 16th, 2026

SECOND QUARTER/HALF YEAR 2026 RESULTS AND KEY METRICS

LCR	CAR	OPERATING C/I%	NET LOANS TO DEPOSITS%
619%	19.86%	53%	44%

TOTAL REVENUE (GROSS PROFIT) OF USD 217.2 MILLION
PROFIT BEFORE COST OF RISK AND TAX USD 102.3 MILLION
NET PROFIT USD 50.3 MILLION

Ramallah, Palestine August 16th, 2026 - Bank of Palestine Group (PEX: BOP) announced its financial results for H1 2026 reporting revenues of USD 217.2 million compared to revenues of USD 186.5 million for the six - month period ended June 30, 2025. Profitability for the first half of 2026 increased to USD 50.3 million compared to net profit of USD 29.6 million for the same period last year. Total assets increased by 8.8% from USD 10.7 billion at the end of 2025 to USD 11.6 billion at the end of the first half 2026. The Bank's total shareholders' equity increased by 6% from USD 670.8 million at the end of 2025 to USD 711.2 million at the end of the first half 2026.

Key Messages & Highlights

- Total Revenues increased by 16.5% from USD 186.5 million for H1 2025 to USD 217.2 million for H1 2026.
- Profits before cost of risk and tax increased by 5.8% from USD 96.7 million for H1 2025 to USD 102.3 million for H1 2026.
- Profitability increased by 70.3% from USD 29.6 million for H1 2025 to USD 50.3 million for H1 2026.
- The Bank maintains a solid capital adequacy ratio of 19.86% in H1 2026 which is a testament of the Bank's financial strength and ability to overcome the impact of potential losses resulting from the current economic and geopolitical 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 9.8 billion at the end of the first half of 2026 resulting in 7.8% 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 8.8% from USD 10.7 billion at the end of 2025 to USD 11.6 billion at the end of the first half 2026.
- Net loans increased by 7.6% from USD 4.01 billion at the end of 2025 to USD 4.32 billion at the end of the first half 2026.
- Total shareholders' equity increased by 6.0% from USD 670.8 million at the end of 2025 to USD 711.2 million at the end of the first half 2026.

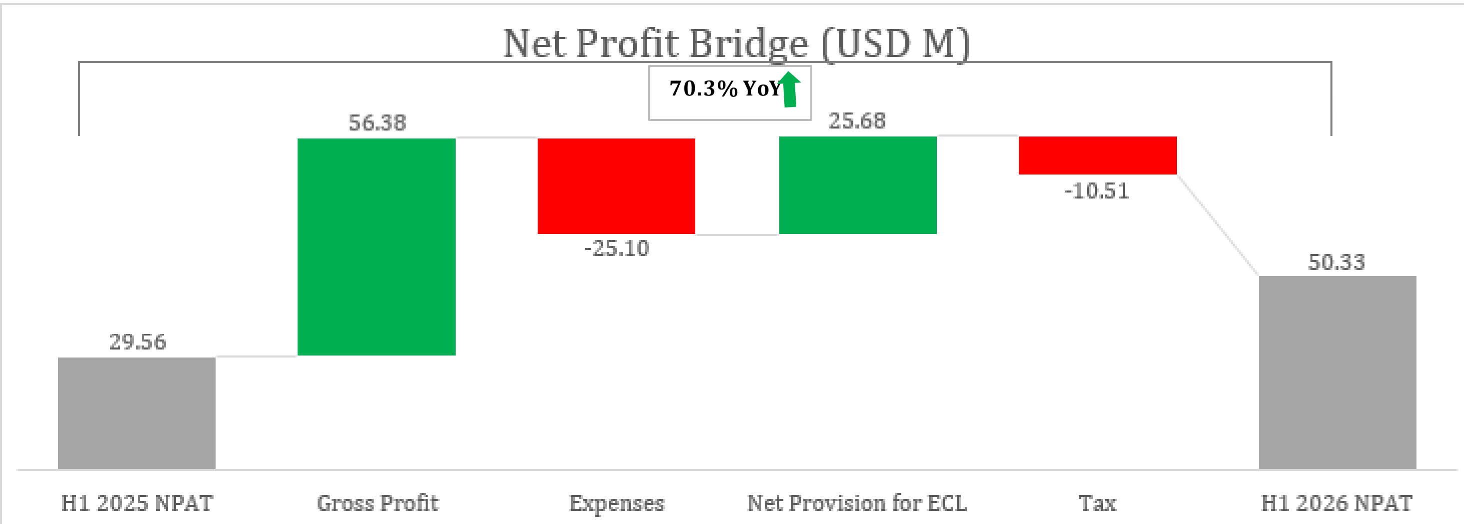

Table: Net Profit Bridge

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 net profit of USD 50.3 million, underscoring the resilience of its business model. This 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 continues to apply a conservative and prudent approach to provisioning and risk assessment, particularly with respect to its West Bank loan portfolio, cushioning against the current economic and geopoltical challenges and any resulting potential credit losses.

- The bank continues to work with the Palestine Monetary Authority (PMA) and international stakeholders to mitigate against external challenges facing the Palestinian economy and the banking sector, mainly issues surrounding the correspondent banking relations (CBR)/indemnity letter renewal with Israeli banks and the excess trapped cash. We believe that through proactive stakeholder engagement and disciplined execution of our strategic priorities these challenges shall be overcome.

- The Bank is advancing aggressively on its digital transformation strategy with a strong emphasis on enhancing customer experience. It introduced a range of digital solutions and channels -though its mobile App and Fintech Company- Palpay- across all customer segments and geographic areas, reducing reliance on traditional payment methods. This investment was translated into excellent growth in digital transactions across both the West Bank and Gaza.

- BoP has also launched targeted campaigns offering cash rewards to encourage customers to adopt digital payment methods. This initiative reinforces the Bank's strategic vision of promoting sustainable banking services while delivering innovative digital solutions and decreasing reliance on cash transactions.

- On April 23, 2026, the Bank signed a subordinated loan agreement with Palestine Monitory 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 contributed 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.

- Expleo and Intersect Innovation Hub, backed by Bank of Palestine, signed a memo to advance digital innovation and workforce transformation to build a home-grown, job-ready tech talent pipeline for deployment on Expleo-led projects in Palestine and across the Middle East.

- 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.

Chairman and CEO Commentary

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

"Bank of Palestine has continued to deliver growth across its core financial indicators despite challenging and complex operating environment and unprecedented geopolitical situation. During these periods of significant adversity, the Bank continuously demonstrates its ability to adapt, navigate, and develop innovative solutions— supported by scenario planning and crisis management frameworks. The broader Palestinian economy continues to face significant headwinds, and the banking sector in particular is operating under conditions that remain far from ordinary. In light of the ongoing external challenges, the Bank remains committed to finding solutions through proactive stakeholder engagement and disciplined execution of our strategic priorities.

Against this backdrop, we take considerable confidence in the results delivered in H1 2026. These results reflect not only the strength of our balance sheet, but the resilience of our institution, our people and business model.

We remain firmly committed to supporting the Palestinian economy through this period, while continuing to strengthen the Bank's governance, risk management, and long-term strategic positioning. We will continue to monitor developments affecting the correspondent banking landscape and broader macroeconomic conditions closely and will support management in taking the actions necessary to protect the Bank's stability and its ability to serve its customers and deliver sustainable long-term value to our shareholders.

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

"Bank of Palestine delivered steady, broad-based growth across its principal performance indicators in H1 2026 — a result we view with modesty, given the difficult conditions facing the Palestinian economy and banking sector, and one that reflects the discipline and commitment of our teams throughout. The Group achieved a net profit of 50.3 million representing a 70.3% YoY growth. The results reflect the strength of our franchise and the discipline of our teams in an operating environment shaped by several material external headwinds.

Amid these challenges, we have continued to move aggressively on digitization across all channels and touchpoints, viewing it as a core pillar of our resilience and long-term strategy. This continued investment has translated into excellent growth in digital adoption and engagement across both the West Bank and Gaza, reinforcing our ability to serve customers reliably and efficiently regardless of physical constraints, and reducing our operational reliance on cash processes.

Despite ongoing market and economic uncertainty, the Bank successfully maintained strong capital adequacy 19.86% and liquidity ratios (LCR 619%), reinforcing the Bank's financial strength and capacity to support customers and the broader economy. Revenue grew by 16.5% while customer deposits increased by 7.8%, reflecting continued customer confidence.

As we move into the second half of 2026, we remain focused on prudent balance sheet management, continued investment in digital transformation, and close engagement with regulators and international partners as the correspondent banking and liquidity challenges facing the sector continue to evolve."

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Bank of Palestine
Consolidated Statement of Financial Position
As of June 30, 2026

	30/06/2026	31/12/2025
	USD	USD
Assets		
Cash and balances with Palestine Monetary Authority	4,801,366,180	4,115,920,889
Balances and investments at banks and financial institutions	1,817,251,126	1,772,936,462
Financial assets at fair value through profit or loss	5,560,483	5,828,030
Direct credit facilities and Islamic financing, net	4,315,716,610	4,012,032,827
Financial assets at fair value through other comprehensive income	103,701,096	98,634,819
Financial assets at amortized cost	195,727,772	316,712,192
Investment in associates and a joint venture	12,179,277	12,194,180
Investment properties	38,535,939	38,535,939
Property, plant and equipment and right of use assets	118,218,580	122,270,038
Deferred Taxes - Assets	83,765,146	61,972,648
Projects in progress	2,111,664	1,766,656
Intangible assets	15,595,740	14,117,420
Other assets	83,129,352	78,001,106
Total Assets	**11,592,858,965**	**10,650,923,206**
Liabilities and Equity		
Liabilities		
Palestine Monetary Authority's deposits	408,195,881	392,737,564
Banks and financial institutions' deposits	54,965,175	35,596,213
Customers' deposits	9,421,830,184	8,773,595,388
Cash margins	409,546,519	344,815,360
Subordinated loan	187,500,000	45,000,000
Loans and borrowings	84,923,605	92,778,959
Istidama loans from Palestine Monetary Authority	48,685,178	46,963,540
Deferred Taxes - Liabilities	4,348,364	4,348,364
Lease liabilities	17,808,347	18,723,527
Sundry provisions	56,933,679	61,473,601
Taxes provisions	27,526,357	-
Other liabilities	159,368,459	164,058,525
Total Liabilities	**10,881,631,748**	**9,980,091,041**
Equity		
Paid-in share capital	279,537,510	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	30,622,918	28,713,092
Retained earnings	122,971,504	100,055,051
Equity attributable to the Bank's shareholders	**635,313,059**	**599,735,337**
Non-controlling interests	75,914,158	71,096,828
Total Equity	**711,227,217**	**670,832,165**
Total Liabilities and Equity	**11,592,858,965**	**10,650,923,206**

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Consolidated Income Statement
For the Period ended June 30, 2026

	6/30/2026	6/30/2025
	USD	USD
Interest income	138,313,644	136,986,387
Interest expense	(24,876,299)	(24,996,457)
Net interest income	**113,437,345**	**111,989,930**
Net financing and investment income	30,677,646	30,780,459
Net commissions income	31,172,723	14,578,771
Net interest, financing, investment and commissions income	**175,287,714**	**157,349,160**
Foreign currencies gains	35,849,050	22,800,781
Net gains from financial assets portfolio	2,748,288	2,579,450
Bank's share of results of associates and a joint venture	(14,903)	(55,215)
Other revenues, net	3,308,399	3,810,504
Gross profit before expected credit losses provisions and other losses	**217,178,548**	**186,484,680**
Financial assets losses – direct credit facilities and Islamic financing, net	(29,150,332)	(58,915,731)
Provision for other expected credit losses and other assets losses, net	(4,569,149)	(485,458)
Gross profit	**183,459,067**	**127,083,491**
Expenses		
Personnel expenses	(51,186,447)	(43,958,547)
Other operating expenses	(54,373,811)	(37,436,409)
Depreciation and amortization	(9,355,634)	(8,424,219)
Total expenses	(114,915,892)	(89,819,175)
Profit before taxes	68,543,175	**37,264,316**
Taxes expense	(18,210,165)	(7,703,153)
Profit for the period	**50,333,010**	**29,561,163**
Attributable to:		
Equity holders of the Bank	45,822,403	27,246,662
Non-controlling interests	4,510,607	2,314,501
	50,333,010	29,561,163
Basic and diluted earnings per share attributable to equity holders of the Bank	0.16	0.09

For the full set of financial statements, please visit our website. For more information, please contact:

Kamel Husseini

Chief Strategic Relations & Engagements Officer

Tel: +970 2 2946700 | Ext: 9114 | Fax: +970 2 2964703 | Mobile: +970 599 205630

Email: kamel.husseini@bankofpalestine.com|www.bankofpalestine.com

Catherine Halteh

Head of Investor Relations

Tel: +970 2 2946700 | Ext: 3465| Fax: +970 2 2955236 | Mobile: +970 599 390429

Email: catherine.halteh@bop.ps|www.bankofpalestine.com

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