

2024 A Year of Unparalleled Resilience

Rising above with growth hope and transformation



Dear Valued Shareholders and Stakeholders,

As 2024 concludes, we reflect on a year shaped by the devastating war in Gaza and escalations in the West Bank, profoundly affecting the Palestinian economy and our operations. In these times of extreme adversity, we demonstrated unparalleled resilience, maintained operations, supported our customers and staff under severe conditions, and advanced strategic projects and expansions. Significant provisions were taken to address credit impairments and cash losses in Gaza, leading to the first losses in our history. Nevertheless, our liquidity ratios remain exceptionally robust, depositor confidence has strengthened, and deposits have reached historic highs. We also focused on strengthening our capital base through new investments and strategic financial instruments.

In 2024, we raised over \$270 million through equity investments, senior loans, credit lines, subordinated debt, and guarantees. Highlights include \$70 million in primary and secondary equity investments from IFC, EBRD, Morocco's Bank of Africa, and other partners—demonstrating strong support and confidence in our resilience and growth strategy.

We secured funding for SME lending programs from EBRD, DFC, Arab Fund, IFC, Proparco, EIB and SANAD, bolstering our efforts toward economic recovery.

The bank is accelerating its regional expansion to tap into the immense potential of the 20-million-strong global Palestinian community, with an estimated net worth of USD 1 trillion.

A key milestone is the application for a Category 1 banking license at the Abu Dhabi Global Market (ADGM), positioning the bank to attract financial and human capital from the global Palestinian diaspora and establish a strong presence in Abu Dhabi. ADGM will serve as a global banking center and launch pad for further growth.

The bank also secured a license from Egypt's Central Bank to open a Representative Office in Cairo, supporting over 200,000 Palestinians displaced from Gaza and paving the way for deeper market penetration. These initiatives reinforce the bank's commitment to serving the global Palestinian community and expanding its regional footprint.

Moving forward, we aim to raise additional capital in 2025, position the bank to play a key role in post-war economic recovery and development, and enhance our operations in key regional markets. We also anticipate reversing some provisions as the economic situation stabilizes.

I extend my heartfelt gratitude to our staff, board, shareholders, regulators, and partners—including Arab Fund, IFC, EBRD, Proparco, EIB, DFC, JICA, Bank of Africa, and others—for their unwavering support during these challenging times.

Looking ahead with hope, we remain steadfast in our commitment to delivering value and impact to all our stakeholders, achieving operational excellence, and fostering sustainable growth. On behalf of the board and management team, I extend my heartfelt appreciation for our valued partnerships and collaboration, along with my best wishes for your continued success, a peaceful New Year, and freedom for Palestine.

Hashim Shawa

Chairman
Bank of Palestine Group