



Press Release [For Immediate Release]

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## IFC & EBRD Invest in Bank of Palestine's Capital to Support the Bank in Local Economic Recovery, Growth & Regional Expansion

**Ramallah, August 27<sup>th</sup>, 2024:** The International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) joined forces in a consortium to invest in Bank of Palestine (BOP). The investment is a strategic bid by the two Development Finance Institutions (DFIs) to further boost the capital base of Bank of Palestine in support of its role in economic recovery and reconstruction efforts in Palestine in addition to intended regional expansion by the bank in the GCC, North Africa and the Levant.

The investment agreements were signed between IFC, EBRD and BOP where IFC will invest up to 5% stake in the shares of BOP and EBRD invest up to 3.92% through a special issuance of shares.

In addition to growing BOP's capital, this investment will deepen the partnership between the two entities with the bank and will allow transfer of knowhow and provision of advisory and technical assistance programs to support BOP's impact-driven projects, in support of the bank's efforts to expand financial inclusion and help economic and social development in a fragile market with political and economic challenges.

Bank of Palestine – a publicly listed company on the Palestine Stock Exchange – is the largest financial group in Palestine with a market share of 33% and a footprint that covers the entire geography of the West Bank and Gaza, as well as a representative office in Dubai, UAE with expansion in the MENA region as part of its five-year strategy plan. BOP has a deep-rooted commitment to inclusive finance to achieve sustainable social and economic development in Palestine. It plays an important role in the Palestinian economy, by serving over 1 million customers including underserved areas, by putting SMEs at the heart of its strategy and by promoting green finance. The bank has also been investing significantly in digital innovation, women empowerment, youth and sustainability.

This agreement comes after a due diligence process conducted by the DFIs and is in line with the Bank's Extraordinary General Assembly approval to raise the authorized capital of the bank to USD 300 million. After the special issuance of shares, BOP's paid in capital will become USD 253 million in conformity with the bank's capital adequacy plans for supporting growth and expansion. The bank has received all necessary regulatory approvals for the investment and special issuance.

Francis Malige, EBRD Managing Director for Financial Institutions said: "We are fully committed to supporting the Palestinian economy and we aim through this investment to support BoP maintaining its role as the leading local institution to be well positioned to capture any future growth from potential reconstruction efforts. Bank of Palestine is not only systemic for the Palestinian banking sector; it is key pillar of the local economy."

Hashim Shawa, Chairman of Bank of Palestine Group, said: “Today heralds an important testament in the mission of Bank of Palestine, two strategic International Development Institutions, of the caliber of IFC and EBRD joined forces to invest in the bank to enable us to be well capitalized to assist in economic recovery in Palestine post the devastating war and economic crisis our country is undergoing. This investment is a testimony of confidence in the Bank’s resilience and management of the crisis caused by the war in Gaza, and it is a message of hope and trust in the bank’s future role in the local economic recovery and planned regional expansion. On behalf of Bank of Palestine family, I thank and salute the leaderships of IFC and EBRD.”

#### **About the World Bank Group in the West Bank and Gaza**

The World Bank Group has long provided support to help build better lives and opportunities for the people of the West Bank and Gaza. Against the backdrop of the current humanitarian emergency in Gaza, the World Bank Group is working in close collaboration with development partners to provide lifesaving interventions such as food, water and medical supplies. World Bank Group programs are also supporting the continuity of basic public services such as education, healthcare and municipal delivery for people in the West Bank. IFC, the Group’s private sector arm, is further supporting small businesses to maintain jobs and financial services to bolster the economy. The World Bank Group’s programs are designed to respond to the immediate needs of people in the West Bank and Gaza and help build a path towards recovery for the Palestinian territories.

#### **About EBRD**

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 73 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well-governed, green, resilient and integrated. Follow us on the web, Facebook, LinkedIn, Instagram, Twitter and YouTube.

#### **About Bank of Palestine**

Established in 1960 and headquartered in Ramallah, BANK OF PALESTINE (BOP) is a commercial private bank listed on the Palestine Stock Exchange (PEX) and regulated by the Palestine Monetary Authority. With total assets of USD 7.126 billion, BOP holds the largest market share in the sector accounting for over a third of customer deposits and credit facilities. It is the largest of the 13 financial institutions operating in Palestine. BOP operates the country’s leading banking network with 101 branches nationwide, serving over 1 million customers across retail, corporates, SME and public sectors. Offering a wide range of services – including retail, corporate, digital, and mobile banking – the bank is a leader in SME lending and plays a significant role in promoting financial inclusion, sustainability and entrepreneurship in Palestine.

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