

TNB الوطني

Sustainability Report (ESG)

2022

1. Introduction

About this Report

Welcome to The National Bank’s (TNB) inaugural Environmental, Social, and Governance (ESG) report. This comprehensive report showcases TNB’s ESG performance across all areas of its operations throughout 2022. As a pioneering bank in Palestine, TNB is dedicated to leading the way in sustainability and transparency. By releasing this report, the Bank demonstrates its commitment to ESG and its determination to contribute to a sustainable future for all stakeholders, including the communities in which TNB operates.

Reporting Frameworks

This report demonstrates TNB’s support for the principles and objectives of the UN Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI), and World Federation of Exchanges (WFE). Nationally and regionally, the Bank is guided by the Palestine Monetary Authority (PMA).

TNB aligns with UN SDGs that consist of 17 global objectives established to address a wide range of social, economic, and environmental challenges. These goals aim to promote equitable and sustainable development while preserving the planet for future generations. Each SDG has specific targets and indicators to measure progress toward achieving a more sustainable world by 2030. This year’s report is aligned with the following SDGs:



Reporting Boundaries

Unless stated otherwise, all financial and non-financial data in this report is for The National Bank, which covers all operations in Palestine.

Feedback

TNB welcomes all feedback on this report and the Bank’s sustainability performance via any of the channels below:

- ✉ digitalsupport@tnb.ps
- 🌐 www.facebook.com/TNBPalestine
- 🌐 <https://ps.linkedin.com/company/tnbpalestine>
- ☎ 180011100
- 📍 Al-Masyoun, Ramallah, P.O. Box 700, PS

Cautionary Message

This report contains statements that may be deemed as “forward-looking statements” that express the way in which The National Bank intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as “plans”, “aims”, “assumes”, “continues”, “believes”, or any variations of such words that certain actions, events or results “may”, “could”, “should”, “might”, “will”, or “would” be taken or be achieved.

The National Bank has made every effort to ensure that this report is as accurate and truthful as possible. However, by their nature, forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond the Bank’s ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

Reporting in Accordance with the GRI Standards

This report follows the GRI reporting standards to ensure its effectiveness and quality. It focuses on the key ESG issues that hold significance for both TNB and its stakeholders.

Reporting Principles for Defining Report Quality	TNB’s Response
Accuracy	The qualitative and quantitative data presented in this report have undergone thorough review, analysis, and approval.
Balance	This report provides a comprehensive and transparent view of the Bank’s performance by demonstrating both positive and negative aspects.
Clarity	All TNB’s internal and external stakeholders will find the information published to be simple to understand. The Bank has provided a clear description of the data calculation methodology, wherever is needed. TNB provided the GRI content index on pages 54 – 57 and defined the abbreviations used on page 52 to ensure the clarity of disclosures.
Comparability	Unless stated otherwise, the reporting boundaries in this report pertain to TNB’s operations in Palestine. All monetary values in this report are expressed in USD, unless otherwise stated.
Completeness	TNB comprehensively presented the material topics, and indicators, and provided an overview of its activities, events, and impacts throughout the year 2022, considering both short-term and long-term impact.
Sustainability Context	This report offers a detailed description of TNB’s initiatives and partnerships aimed at promoting sustainability in Palestine.
Timeliness	This report provides an overview of our performance from 1 January 2022 to 31 December 2022 and allows stakeholders to assess the Bank’s sustainability performance.
Verifiability	This report has not been independently assured by a third party.

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Salameh Khalil
Chief Executive Officer

Message from our CEO

I am delighted to present TNB’s first ESG report, which showcases our transition towards a more comprehensive ESG management approach and demonstrates our commitment to protecting the environment and promoting sustainable practices. This report marks a significant milestone for the Bank and establishes our position as an advocate of sustainable banking practices in Palestine.

TNB is dedicated to safeguarding the environment and understands the pressing need to tackle climate change. The Bank has made great strides this year to reduce our environmental impact, reducing both GHG emissions and grid electricity by 10% compared to 2021. In addition, TNB has also acquired a stake in the Noor Jericho Park, a strategic project which allows the Bank to fulfil the energy requirements of numerous branches in the central and Jerusalem regions, as well as in our headquarters. This project not only plays an active role in addressing our dependency on Israel’s energy supply, but also helps us reduce our reliance on fossil fuels and ensure we play our part in the fight against climate change.

At our core, we understand that incorporating ESG considerations into all aspects of the Bank’s operations is essential for securing a prosperous future for our society. Guided by the best practices in ESG principles, we have taken meaningful steps towards integrating sustainability into our decision-making processes. Moving forward, we will continue to look for new and innovative ways to improve our operations to ensure that we are promoting sustainable practices, benefiting not only our clients but also the wider community.

At our Bank, we hold a firm belief in providing equal access to financial services and empowering underserved communities. We are committed to tirelessly working towards creating a more inclusive and equitable financial landscape. To support this vision, we have implemented various initiatives, including the Hayati Programme which actively

promotes gender equality and offers crucial support to Palestinian women, enabling them to thrive economically.

Financial organisations play a crucial role in supporting the communities they serve; therefore, we actively engage with our stakeholders to identify initiatives that align with their needs. TNB has supported several important initiatives in the wider community during 2022. I take immense pride in the Bank’s diverse array of initiatives dedicated to nurturing education, fostering innovation, and empowering women.

At our Bank, we prioritise the well-being of our employees, recognising that it is instrumental in cultivating a positive and dynamic work culture. This culture, in turn, fuels productivity, drives innovation, and strengthens employee retention. In 2022, we introduced a new salary scale that covers all job titles and positions at the Bank to promote financial stability. Additionally, we dedicated significant resources to training and development, delivering a total of 1,800 training hours. This reflects a remarkable 25% increase compared to the previous year. As a part of our commitment to promoting gender diversity, females make up approximately 40% of our staff and 20% of the Board.

TNB achieved significant milestones in promoting social and environmental responsibility. Notably, an SME programme was launched during the pandemic in collaboration with the European Investment Bank, providing a budget of USD 50 million for re-lending to our SME clients. Till now, the initiative supports the Palestinian economy, where SMEs account for 95% of businesses.

We have made substantial investments in pioneering the digital transformation of the banking sector, and through these efforts, we are proud to offer our customers a unique and advanced banking experience that is not only fast, easy, and effective but also safe and secure. In addition, we are actively developing financial digital technology tools to promote financial inclusion throughout Palestine. By doing so, we hope to bridge the gaps in access to banking services, ensure that every citizen can enjoy the benefits of our financial services and contribute directly to increasing the financial inclusion ratios in Palestine.

We are delighted to announce that our Bank successfully maintained a strong record of data security throughout 2022, without experiencing any data breaches. This achievement reflects our unwavering commitment to protecting the sensitive information entrusted to us by our valued customers.

This report marks the beginning of our ESG journey and demonstrates just how far we have come as well as the progress that we still need to make. We understand that the ESG landscape will continue to evolve, and by staying abreast of the latest developments we aim to ensure that we are at the forefront of responsible banking practices. Through collaborations and partnerships, we will strive to drive positive change, taking ESG to the next level, not only within TNB but across Palestine.

On behalf of the entire team at TNB, I would like to express our gratitude for your ongoing support and trust. We are privileged to serve you and remain dedicated to delivering value while upholding the principles of sustainability.

About TNB

The National Bank is the second-largest Palestinian bank in terms of capital, listed on the Palestine Securities Exchange under the ticker symbol "TNB". TNB is one of the fastest growing banks in the country and one of the most trusted providers of comprehensive, integrated financial services for multiple areas including the corporate, retail, investment, and MSME sectors.

TNB has 34 branches and offices across the West Bank and Jerusalem and is a leading provider of digital services including e-banking, mobile banking, a digital service centre, and a vast network of ATMs. In addition, TNB was the first bank to inaugurate a Palestinian branch inside Jerusalem following a 50-year absence of Palestinian banking operations in the city.

Watan Investment Company (WatanInvest) is a subsidiary of TNB and is one of Palestine's leading investment companies. WatanInvest has a broad portfolio of products and services. The company manages accounts for many of Palestine's largest companies.

Vision and Mission

- **Vision:** To be the most pioneering, innovative, and robust bank.
- **Mission:** Create opportunities for success for the community by being the most responsive bank.

Strategy

At the end of 2022, TNB's Board of Directors approved the Bank's general strategic plan for the next three years. This ambitious plan focuses on the growth of the Bank by increasing TNB's market share in multiple sectors. Moreover, the strategic plan incorporates the Bank's strategy to invest in digital technology, enabling it to keep pace with advances in the use of technology across the global banking industry and to provide a unique banking experience for its customers that is fast, safe, and easy to use. The strategic plan also focuses on incorporating sustainability into the business and its operations and promotes the Bank's environmental and social impact in Palestine and how TNB contributes to sustainable development events in the country.



Awards, Memberships, and Certifications

TNB is committed to excellence and has won numerous awards, including:

Awards:

- The Best Digital Banking Service/ Peacock Award 2022.
- Most Innovative Bank in Palestine Award, The International Finance Magazine, 2019
- International Finance Magazine Award in 2018 as the Most Innovative Bank in Palestine.
- The Fastest Growing Bank in Palestine Award by CPI Financial/Banker Middle East, 2014, 2016 and 2017.
- The Best Female Empowerment Bank, CPI Financial/ Banker Middle East, 2017.
- The Innovation Award for Empowering Women Economically, Union of Arab Banks, 2017.
- Best Treasury Management in Palestine Award, CPI Financial/ Banker Middle East, 2015.
- Union of Arab Banks Award for the Largest Shareholder Base for 2015.
- The Banker Middle East's Best Treasury Management Award for 2014.
- Aman's Transparency and Integrity Award, 2012.



Memberships and Partnerships:

- Ongoing partnership with European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB) and Sanad (Finance in Motion), to support micro, small, and medium-sized enterprises (MSMEs) in Palestine.



In 2013, TNB joined the United Nations Global Compact (UNGC) initiative for business and became a signatory to the UNGC’s universally accepted ten principles for human rights, labour, environment, and anti-corruption. TNB integrated these principles into its day-to-day operations and has since designed a variety of responsible and sustainable lending products to match the diverse and evolving needs of the Palestinian society.



In 2015, TNB signed the Women’s Empowerment Principles, a joint initiative of the UNGC and UN Women.

- TNB manages the bank accounts of the Energy Authority for the World Bank’s green projects in Palestine. TNB and the Energy and Natural Resources Authority signed a joint cooperation agreement to manage the Energy Authority’s bank accounts for the projects of the World Bank and the German Development Bank KfW in the Palestinian energy sector.

Certifications:

- In 2022, TNB obtained a certificate of compliance with the Payment Card Industry Data Security Standard (PCI-DSS) from the International Payment Card Industry Security Standards Council.



2. 2022 ESG Highlights

Ensure Good Governance and Ethics	Promote Modern and Sustainable Banking	Strengthen National Identity	Adopt Environmental Stewardship	Invest in Our Employees
Zero data security breaches	5% decrease in the number of complaints received compared to 2021	Donations and sponsorships amounted to USD 215K	Renewable energy sources fulfil 64% of the Bank’s energy needs	40% of TNB’s employees are female
Daily checks on 100% of TNB’s customer base through the AML and CTF system	TNB’s digital customer base grew by 23% compared to 2021	1,500 clients benefit from retail loan lending campaign offering a 9-month grace period on loan installments	Reduced total GHG emissions by 10% compared to 2021	100% nationalisation rate and 56% of the new employees are Female
18% of the Board of Directors are females	100% of complaints resolved	Total number of local suppliers engaged increased by almost 24% compared to 2020	Achieved a 10% reduction in grid electricity consumption compared to 2021	4.5% increase in employee satisfaction score compared to 2021
TNB obtained PCI-DSS Compliance Certificate	The First Call Resolution (FCR) increased by 38%	9 branches and 9 ATMs in low populated and economically disadvantaged areas	Water consumption intensity stood at 7.6 m³ per employee	Total training hours delivered increased by 26% compared to 2021

3. Sustainability Approach

Sustainability Management

In response to the growing need for a more holistic approach to sustainability, TNB is working to shift its focus from a more traditional Corporate Social Responsibility (CSR) approach to a more comprehensive Environmental, Social, and Governance (ESG) management approach. This transition represents a significant advancement in incorporating ESG considerations into the Bank's core business practices. By embracing the ESG framework and adopting a more inclusive approach, TNB aims to address systemic risks, promote transparency, and improve its operations so that they align with the long-term well-being of society and the environment. By doing so, TNB demonstrates its commitment to pursuing long-term sustainable outcomes that benefit all stakeholders involved.

TNB's sustainability approach focuses on meeting current societal needs while simultaneously safeguarding the needs of future generations. As a result, the Bank contributes a portion of its annual net profit to society and supports several programmes across a wide range of sectors such as education, innovation, environmental protection, healthcare, women's empowerment, and the development of Area 'C'¹. By supporting these initiatives, TNB aims to drive positive change by contributing to the sustainable growth and future prosperity of Palestinian society.

TNB is one of the first banks in Palestine to develop an ESG report in alignment with international sustainability reporting standards including the GRI.

The oversight of sustainability initiatives currently resides within the Board's Nomination, Remuneration, and Corporate Governance Committee, which has been in operation since 2017.

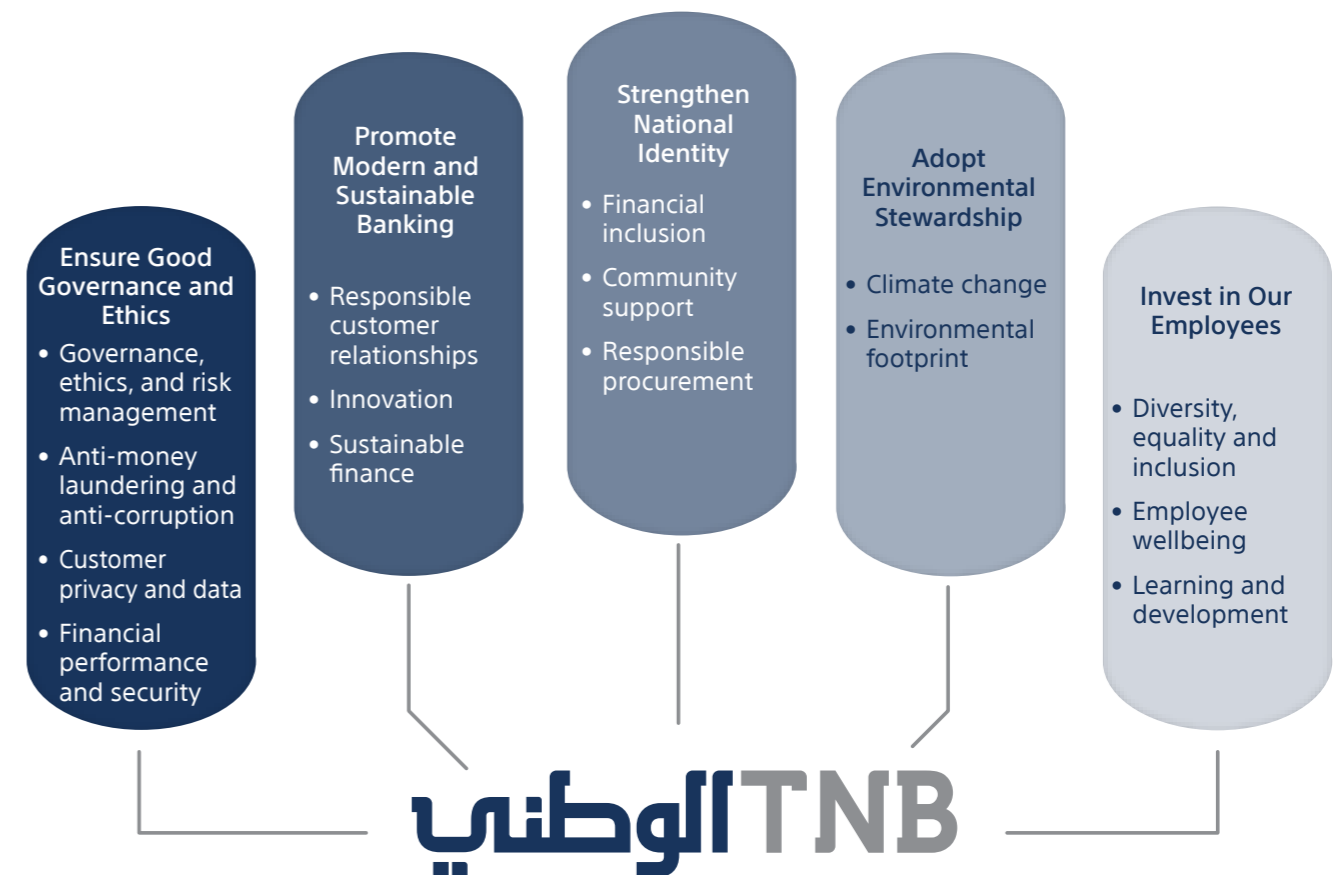


¹ Area C, which Israel administers, covers over 60 percent of the West Bank. An estimated 300,000 Palestinians live in 532 residential areas located partially or fully in Area C, along with some 400,000 Israeli settlers residing in approximately 230 settlements. "Anera.org"

Sustainability Framework

The framework provides a structured approach for identifying and expressing TNB's sustainability priorities, goals, and desired pace of progress. It allows the organisation to effectively communicate its ambitions and commitments in relation to each sustainability consideration.

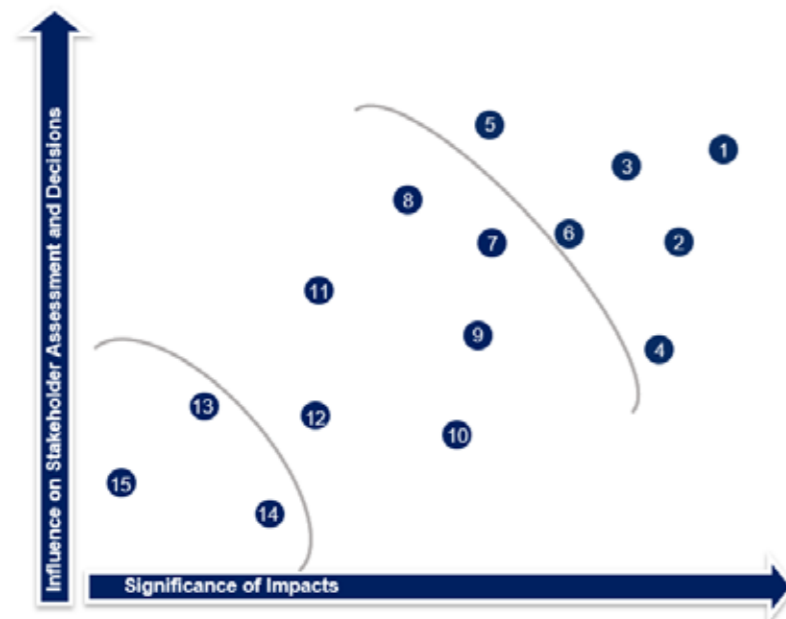
TNB is dedicated to serving all stakeholders, including shareholders, customers, suppliers, society at large, and the environment. To effectively pursue this commitment, the Bank has prioritised ESG considerations and established a comprehensive Sustainability Framework to provide guidance. The Framework is centred around five core pillars and is in harmony with the Bank's corporate mission and values, investor priorities, stakeholder concerns, national objectives, as well as global standards and frameworks.



Materiality Assessment

Following a thorough examination of the organisation’s characteristics and the identification of current and potential impacts, TNB conducted a materiality assessment to identify and prioritise the ESG issues most relevant to its operations and stakeholders. This process involved a thorough evaluation of the potential impact these issues could have on the organisation’s business, as well as their significance to key stakeholders such as partners, investors, customers, employees, communities, suppliers, and regulatory bodies. Accordingly, 15 material topics were identified as follows:

Material Topic
Governance, Ethics, and Risk Management
Financial Performance
Customer Privacy and Data Security
Climate Change
Financial Inclusion
Sustainable Finance
Anti-Money Laundering and Anti-Corruption
Responsible Customer Relationships
Innovation
Learning and Development
Community Support
Diversity, Equality and Inclusion
Environmental Footprint
Employee Wellbeing
Responsible Procurement



4. Ensure Good Governance and Ethics

TNB is dedicated to upholding superior standards of good governance to manage risks, ensure compliance, and minimise the risk of instability, fines, and reputational damage. This includes fostering an effective regulatory framework within the Bank’s operations and ensuring that all departments adhere to pertinent laws.

Through the Bank’s sustainability efforts, TNB is committed to adhering to the best practices in data security to provide its stakeholders with a trustworthy banking experience. By doing so, the Bank aims to ensure it maintains its strong financial performance and continues to be a leading financial services institution in Palestine.

Material Issues Covered

- Governance, Ethics, and Risk Management
- Anti-Money Laundering and Anti-Corruption
- Customer Privacy and Data Security
- Financial Performance

TNB’s Corporate Strategy & Main Objectives

- To consolidate our competitive position in the Palestinian banking sector to ensure the satisfaction of our shareholders by achieving the best return on investments.
- To enhance and develop our supervisory role and achieve the highest levels of banking transparency and governance.
- To accelerate growth by achieving the best financial and operational indicators.

Sustainable Development Goals (SDGs)

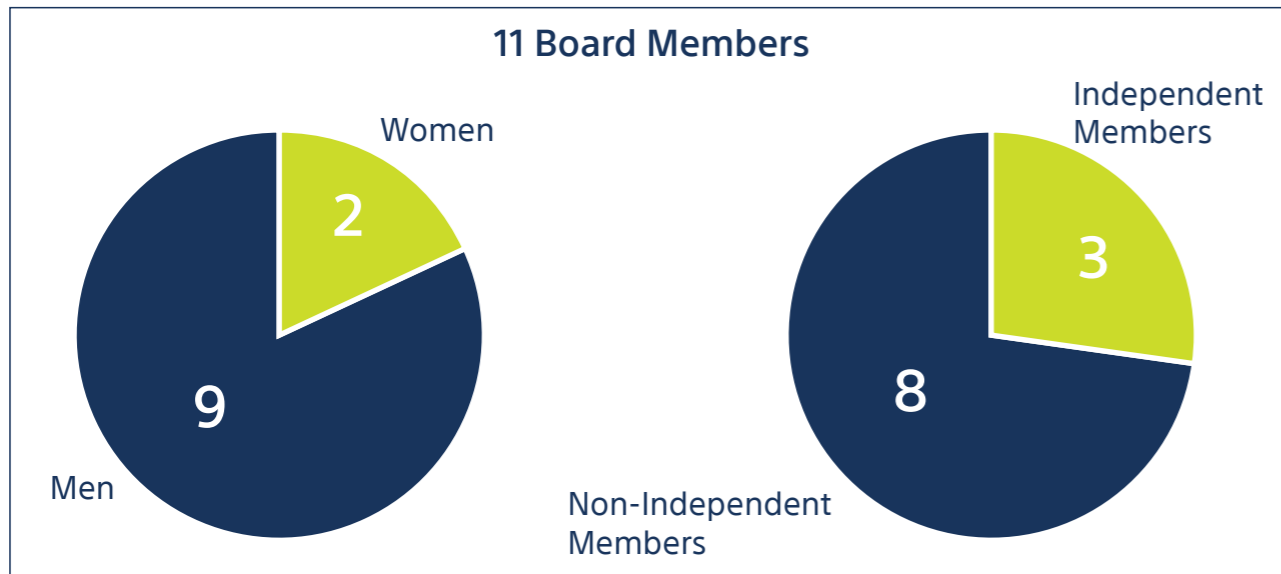
Governance, Ethics, and Risk Management

Board of Directors

TNB is dedicated to upholding the most stringent standards of good governance, aligning its operations with the guidelines and instructions outlined in the PMA’s Governance Guide. This governance system ensures the Bank provides comprehensive and precise information in a timely manner, as well as clearly outlining the responsibilities of the Board and its various committees towards the Bank and its shareholders.

The election of TNB’s Board of Directors occurs every four years in accordance with the law and instructions provided by the PMA. TNB typically sends proxies to all shareholders, publishes the information on its website and also announces it in popular newspapers, along with the General Assembly Agenda. During the General Assembly Meeting, shareholders attend and participate in the election of Board members, with each share carrying one vote. TNB obtains approval for the elected Board members from the PMA, ensuring alignment with the PMA’s governance instructions. Notably, the PMA Governance instructions prohibit the CEO from serving as a board chair.

Key Performance Indicators (KPIs)	2022
Total Number of Board Members	11
Total Number of Independent Members	3
Total Number of Non-Independent Members	8
Total Number of Executive Members	6
Total Number of Non-Executive Members	5
Total Board Seats Occupied by Men	9
Total Board Seats Occupied by Women	2



TNB is strongly committed to promoting gender diversity on its Board of Directors, actively striving for increased representation of women. At present, 18% of the Board of Directors are female.

Board Effectiveness Assessment Methodology

The Bank has implemented a comprehensive Board Effectiveness Assessment to enhance the performance and governance practices of TNB’s Board and its committees.

In collaboration with a third party, TNB has developed a holistic evaluation process consisting of eight key components:

- Effectiveness of Board Roles
- Board Composition
- Board Dynamics
- Management and the Board
- Relations with Stakeholders
- Board Committees
- Chair of the Board (to be assessed by board members only)
- Board Secretary

Board Committees

In 2022, the number of Board committees remained unchanged from 2021. TNB’s Board of Directors comprises six committees, consisting of three Executive Committees (Credit, Investment, and Digital Transformation) and three Regulatory Committees (Internal Audit, Risk and Compliance, and Nomination, Remuneration, and Corporate Governance) all chaired by independent members.

Credit Committee

The Credit Committee is composed of three Board members and possesses written duties and authorisation approved by the Board. The committee is primarily responsible for developing clear credit strategies, establishing a credit risk management framework, setting standards for implementing credit policies, regularly informing the Board about the credit portfolio, coordinating with other Board committees, and ensuring the presence of internal control and oversight systems for credit operations.

Internal Audit Committee

The Internal Audit Committee consists of three members of the Board. The committee recommends external auditors, reviews accounting, practices and examines financial statements for material issues, ensures compliance with standards, verifies disclosure clarity, and conducts annual reviews of controls and regulations.

Risk and Compliance Committee

The Risk Committee consists of three Board members who are qualified in risk management and related practices. The committee nominates and sets fees for key department directors, reviews policies, conducts stress tests, monitors risks, ensures compliance, advises the Board, and facilitates communication on risk-related matters.

Investment Committee

The Investment Committee is compiled of four members from the Board of Directors. The Investment Committee oversees a number of important tasks including but not limited to: reviewing and approving the Bank’s investment strategy, categorising the portfolio and assessing its performance, monitoring capital market indices, ensuring compliance with investment restrictions, approving credit limits, overseeing the Assets and Liabilities Committee, and providing regular reports to the Board on the Bank’s investment position and significant changes.

Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration, and Governance Committee is composed of five Board members. This committee oversees the application of the Bank’s Governance Policy Framework and reports to the Board regarding the achieved outcomes. Additionally, the Committee oversees the Bank’s rewards and incentives system, ensuring alignment with the Bank’s culture and goals, and providing recommendations on remunerations.

Digital Transformation Committee

The committee comprises three permanent members but may include additional members from across the organisation if the majority of its members are from the Board. The committee reviews IT strategic directions, oversees digital transformation, advises on important IT investments, reports on project progress, evaluates IT performance, and assesses future trends. The committee also reviews IT risks, develops supporting policies and procedures, ensures control implementation, monitors internal audit reports, and recommends changes to IT policies.

The Committee also has a role relating to nominations. It sets qualification standards, recommends changes in the Board composition, assesses performance, oversees human resources policies, and develops contingency plans.

Board of Directors Training

In 2022, there were zero training hours allocated to the Board of Directors. However, TNB has allocated a budget of approximately USD 30,000 for training purposes.



Stakeholders Rights Policy

TNB implements a Stakeholders’ Rights Policy to safeguard the rights of all TNB stakeholders. This policy serves to regulate and govern the interactions between TNB and its stakeholders in alignment with the key principles and policies established by the Bank’s regulatory authorities.

Shareholder Rights Protection Policy and General Framework for Interaction and Communication with Minority Shareholders

TNB executes a robust policy to protect minority shareholders’ rights. By establishing clear guidelines and regularly updating them in response to changes in legal provisions and regulatory requirements, TNB strives to maintain a strong framework that safeguards the interests of its shareholders.

Compliance

TNB envisions becoming one of Palestine’s leading financial institutions and recognises that compliance is key in this regard. The Bank has demonstrated its commitment to complying with the laws issued by legislative authorities, instructions issued by the PMA, and all Palestinian laws, and is continuously working to update its internal policies and procedures. This ensures that the Bank remains up-to-date and compliant with all new legislation. In addition, the Bank also ensures that international leading practices are correctly followed to maintain its good reputation, both locally and internationally.

By complying with international leading practices, the Bank aims to ensure its position as a leading institution in the local financial sector. The Compliance Department is responsible for examining and evaluating all internal policies. Moreover, the department also monitors the compliance of various departments with relevant laws, regulations, and instructions, reporting to the relevant Board committees.

Key Performance Indicators (KPIs)	2021	2022
Total Incidents of Non-Compliance with Laws and Regulations	2	1
Total Number of Non-Monetary Sanctions	1	0
The Monetary Value of Large Fines for Non-Compliance (USD)	20,000	0
Percentage of Legal and Regulatory Fines and Settlements that Resulted from Whistleblowing Actions	0%	0%

Whistleblowing:

TNB has a whistleblowing policy that was developed for senior management, managers, heads of departments, employees, and Board members. It provides guidance on how to initiate whistleblowing to unprofessional and unethical behaviour. In addition, the policy also includes guidance on how to deal with complaints once received and it serves as an effective tool to raise red flags to detect fraud, scams, or breaches.

The policy provides a safe method for employees to voice their concerns about any internal issues, including those related to scamming and non-compliance with regulations, policies, and procedures.

Risk Management

TNB has implemented a comprehensive set of policies to effectively manage risks and ensure business continuity. These include a Risk Management Policy, a Business Continuity and Emergency Policy, a Crisis Management Policy, and an Early Warning and Recovery Indicators Policy. These policies are regularly updated by the Risk Department, which conducts annual assessments of various risks, including reputational risks, operational risks, legal risks, non-compliance risks, and strategic risks. The policies will be revised over the upcoming year to ensure that the ESG risks are integrated into the assessment processes.

The Bank has a robust risk assessment system that ensures proactive risk management throughout the organisation. The Bank continuously assesses its risks through its dedicated Risk Department. This department uses a specialised system called CAREWEB to evaluate the control environment across all departments, units, and branches. CAREWEB determines the capacity level at which risks can be tolerated, identifies risks, evaluates their potential impact and probability, identifies controls, and assesses their effectiveness in managing operational risks.

TNB stands to gain significant advantages from implementing an Early Indicators and Recovery plan, as it ensures timely communication with employees before, during, and after a crisis. The presence of such plan is crucial in maintaining TNB’s preparedness during critical situations, thereby fostering a culture of safety within the bank.

Anti-Money Laundering and Anti-Corruption

The Bank believes that adherence to the highest levels of integrity, transparency, and accountability in the performance of its business is the path to success and plays an important role in stakeholder satisfaction and maintaining the confidence of customers and investors alike.

TNB has established an Anti-Bribery & Corruption Policy, with the objective of prohibiting and preventing any form of direct or indirect corruption and bribery. The policy aims to ensure that the Bank upholds its commitment to transparency and prevents corrupt practices from being used to influence decisions or gain advantages.

In addition, the Bank has implemented a strong Conflict-of-Interest Policy and ensures that it is clear for all relevant parties.

The Bank is dedicated to adhering to regulatory requirements, mitigating financial crime risks, and safeguarding customers from illicit activities. TNB has updated the Anti-Money Laundering and Terrorist Financing systems to keep pace with global developments and changes in legislations.

The Anti-Money Laundering (AML) team uses an automated system called FCM (Financial Crime Monitoring) to mitigate the risks associated with money laundering and terrorist financing. This system conducts daily and periodic checks against internal and international prohibition lists such as UN, EU and US-OFAC. It also performs checks prior to establishing a business relationship with customers. The system uses a risk-based approach to analyse client accounts using various scenarios to monitor their financial behavior and transactions. The programme identifies and closely examines any unusual financial movements based on the Bank’s available documentation and measurement of their compatibility with the nature of the customer’s economic activity.

- The Bank conducts daily checks on 100% of its customer base using the Anti-Money Laundering and CTF system.
- All transactions undergo instantaneous inspection, ensuring that 100% of them are thoroughly scrutinised upon implementation.

The Internal Audit Department conducts regular audits of the AML procedures to ensure the effective implementation of policies and the presence of controls that mitigate AML-related risks. Furthermore, the Internal Audit Department selects some transactions samples from various branches, verifying the availability of required documents and the proper execution of procedures.

The Bank’s employees are provided with regular training sessions on how to combat Money Laundering and CTF. These training courses are organised through the Human Capital Department, either through regular sessions or by issuing circulars. Additionally, the Bank is in the process of approving training programmes conducted by a third party.

Customer Privacy and Data Security

Over the last year, TNB has achieved several significant milestones that has propelled the growth and success of the organisation. Moreover, the bank has made remarkable strides in driving digital transformation and embracing cutting-edge technologies. In particular, the Bank’s focus on environmental and social responsibility paved the way for ground-breaking achievements in various areas of digital transformation enablement.

TNB has upgraded the Bank’s data centre infrastructure, leveraging the power of Virtual Machine (VM) servers. By embracing this scalable and efficient solution, TNB has not only enhanced their operational capabilities but also achieved a reduction in energy consumption, resulting a decrease in the Bank’s carbon footprint.

The Bank was able to revolutionise its infrastructure by building a hybrid module that seamlessly integrated on-premises and cloud hardware. Furthermore, the IT Department implemented robust measures to protect sensitive information by fortifying the Bank’s defences against cyber threats and safeguarding the Bank’s digital assets. The adoption of Software-as-a-Service (SaaS) solutions played a pivotal role in propelling innovation within the Bank.

In 2022, the IT Department was marked by a strong commitment to environmental and social responsibility. Through TNB’s digital transformation endeavours, the Bank reduced its use of standalone servers by depending on cloud services, directly reducing the power consumption and the need for air conditioning, as well as the shipping and transporting logistic.

TNB has a Data Security and Privacy Policy, which is made publicly available on the Bank’s website. TNB’s Data Security and Privacy Policy follows local law and regulations which are governed by the PMA. In addition, the Bank also complies with international standards and best practices such as PCI-DSS.

Presently, TNB conducts internal awareness sessions on Data Security and Privacy Policy via email and training courses for employees. Additionally, the public is informed about the policy through various marketing channels. The Bank will soon launch a new platform for security awareness and training. This new platform is currently undergoing testing by the IT and Risk departments and will enable the publication of training courses on Information Security and Data Privacy Awareness. Upon completion of each training course, employees are required to pass a quiz to signify their course completion. Subsequently, they will receive a certificate, and their names will be included in reports showcasing course completion for management review.

TNB did not experience any data breaches during 2022. The Bank is following international standards and best practices to ensure the security and privacy of the Bank’s systems, which includes controls for the prevention and detection of, and response to any perceived threats.

Key Performance Indicators (KPIs)	2022
Number of Data Security Breaches	0
Number of Data Security Breaches Involving Customers’ Personally Identifiable Information	0
Percentage of Data Security Breaches Involving Customers’ Personally Identifiable Information	0%
Number of Account Holders Whose Information is Used for Secondary Purposes	0
Number of Professional Certifications in the Information Security, Continuity, and Privacy Field	2

TNB’s Chief Technology Officer (CTO) is responsible for overseeing information technology, enabling digital transformation and fintech innovation, as well as supervising the conducted research and the development of new banking products from a technological perspective.

Case Study: PCI-DSS Compliance Certificate

In 2022, following an extensive examination process to ensure compliance with strict requirements, TNB successfully acquired the latest version of the Payment Card Industry Data Security Standard (PCI-DSS) Compliance Certificate from the International Payment Card Industry Security Standards Council. This showcases TNB’s commitment to protecting the customers’ sensitive payment card information. Through diligent efforts and robust security measures, the Bank has not only enhanced data security but also instilled confidence in TNB’s customers, partners, and stakeholders.

Check the page [here](#) for more details.

Financial Performance

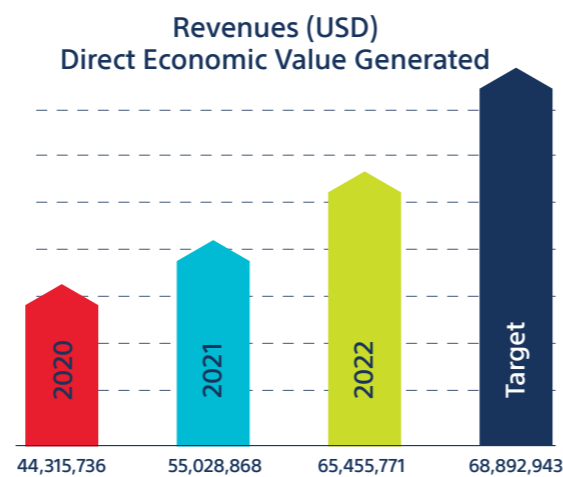
The Finance Department serves as a central control unit, overseeing all operational activities within the Bank and ensuring that they are accurately reflected in monetary terms. Its primary function involves scrutinising the Bank’s operations and generating comprehensive reports on a daily, monthly, quarterly, semi-annual, and yearly basis. In addition, the Bank has a Tax Policy that ensures that TNB fully adheres to taxation laws including both Income Tax and Value Added Tax.

To address the challenge of overseeing the Bank’s performance, the Finance Department has been transformed into a dynamic entity, enabling it to promptly respond to changes at both the Bank and market levels. This ensures the effective handling of emerging demands without compromising daily operations.

Moving forward, the Finance Department aims to maintain its momentum in optimising workflows and reducing human intervention. Furthermore, the Bank will continue its change process, which rests on two key pillars: automation and enhancing employees’ skills. The ultimate goal of this process is to minimise the time required for individual tasks to reach T0.

In 2022, TNB’s revenues achieved a significant growth of nearly 19% compared to the previous year. This remarkable increase was primarily attributed to the new management’s arrival and their establishment of clear deposit pricing guidelines in alignment with market trends. TNB is aiming to increase its revenue by approximately 5% by 2023.

In 2022, TNB’s donations totalled USD 215K, and the Bank has set an ambitious target to nearly double this amount by 2023. During 2020, TNB made an exceptional increase to its CSR budget in response to the economic impacts of the COVID-19 pandemic, prioritising support to the health sector. The increased CSR budget allowed TNB to make significant contributions to the health sector and the Waqfet Izz Fund, which aimed to collect donations from the private sector to assist financially affected families and workers, while also providing crucial support to the health sector.



Key Performance Indicators (KPIs)	2020	2021	2022	Target
Direct Economic Value Generated				
Revenues (USD)	44,315,736	55,028,868	65,455,771	68,892,943
Economic Value Distributed				
Operating Costs (USD)	34,750,867	36,207,340	41,380,600	46,059,880
Employee Compensation (USD)	16,219,627	20,030,161	22,927,564	23,318,371
Dividends Paid to Shareholders	-	8.13% stock dividends	5% of paid-up capital as cash dividends	+5% of paid-up capital as cash dividends
Donations and Sponsorships (USD)	559,132	130,439	215,000	420,000
Donations and Sponsorships as % of Pre-tax Profit	NA	1.3%	1.1%	2.3%

For more information about the financial performance of the Bank during 2022, please see the [2022 Annual Report](#)

Palestinian banks encounter several significant challenges that impact their operations and performance.

The main challenges faced by TNB include:

- The handling of cash accumulation in Israeli Shekels, which poses a significant challenge for the Palestinians Shipment of this legal tender is subject to arrangements between the PMA and the Central Bank of Israel, making it almost the sole means of disposing of the accumulated bank notes. Unfortunately, Israel delays receiving back its own currency, leading to the accumulation and storage of bank notes in Palestinian banks at no cost. This situation creates a significant predicament for the Palestinians.
- TNB lacks a correspondent bank in the shekel currency due to an Israeli law that was implemented in 2006 forbidding any new bank licensed in 2006 onwards from obtaining an Israeli correspondent bank.
- Difficulty in opening accounts with rated correspondent banks. This is due to the regional risk, resulting in investing money in non-rated banks and institutions.

Case study: TNB’s Exchange Rates Fluctuations Weekly Newsletter

Owing to the fact that Palestine does not currently have a national currency and subsequently deals with four different currencies (Shekel, USD, Euro and JOD), the Bank has published the first weekly newsletter in the Palestinian banking sector, to spread awareness on how the Bank expects the currencies to behave on a weekly basis, enabling people to take financial decisions based on this knowledge.

The weekly newsletter is an essential resource, offering fundamental and technical analysis based on Global Market indicators and exchange rates. This insightful publication is distributed to TNB’s clients via email and is also made available on the Bank’s website and social media channels.

Retail Banking

In 2021, TNB launched a new retail credit policy that covers retail products such as personal loans, car loans, housing loans, credit card and overdraft. This policy reflects the PMA regulations for each product and outlines the process by which customers profile and credit history are to be overseen.

The Retail Department has developed an automated workflow system to streamline the processes of loans and deposits. Within the retail sector, the loan origination process encompasses seven distinct fully automated products spanning across different departments. The automated deposit creation process has been extended to cover Retail, Corporate, and SME segments. This advancement has yielded benefits such as time savings, streamlined straight-through processing, significant time savings, and the elimination of paper-based documentation.

In 2022, the total value of retail banking loan portfolio increased by almost 31% compared to 2021.

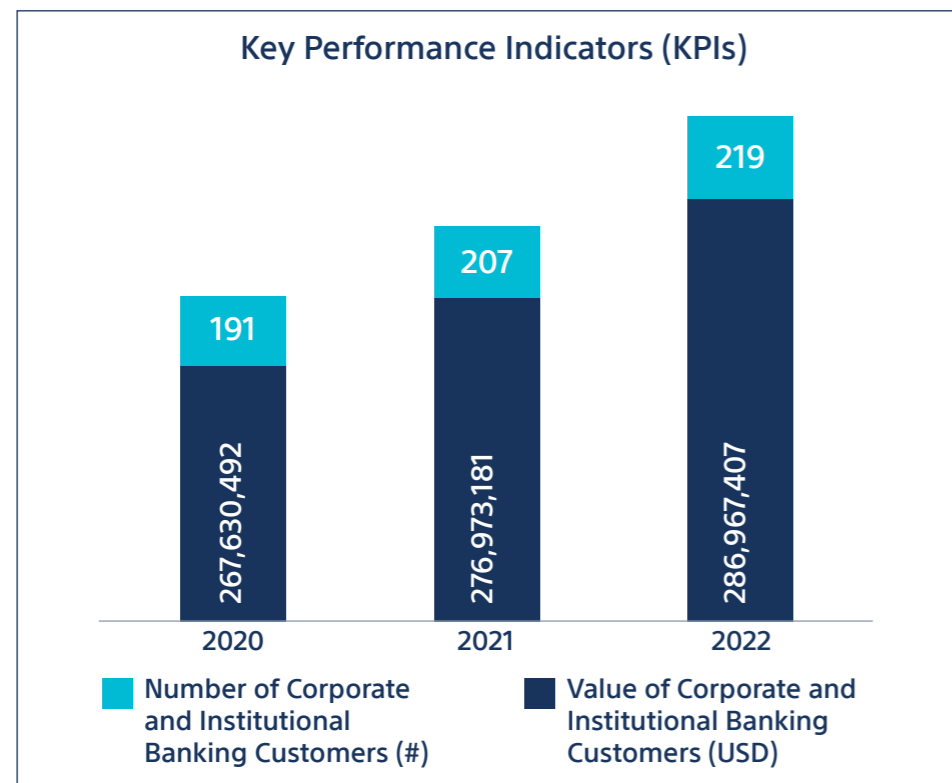
Key Performance Indicators (KPIs)	2021	2022
Total Number of Retail Banking Customers	138,000	149,000
Total Value of Retail Banking Loan Portfolio (USD)	198,618,534	260,173,983

TNB was highly responsive to the economic situation, particularly during the public sector financial crisis. The Bank created campaigns that allowed clients the opportunity to defer their loan instalments for up to nine months.

Corporate Banking

The Corporate Department serves as a dedicated provider of comprehensive, high-quality, and innovative banking solutions and services tailored specifically for corporate customers. This department specialises in managing a wide range of financial offerings, including loans, credit facilities, deposits, and current accounts, all designed to meet the unique needs of corporate and institutional clients. By delivering personalised and customer-centric solutions, the Corporate Department plays a pivotal role in supporting the financial requirements and goals of businesses, providing them with the necessary tools to thrive in today's dynamic market.

In 2022, the overall value of corporate and institutional banking experienced a nearly 4% increase in comparison to 2021.

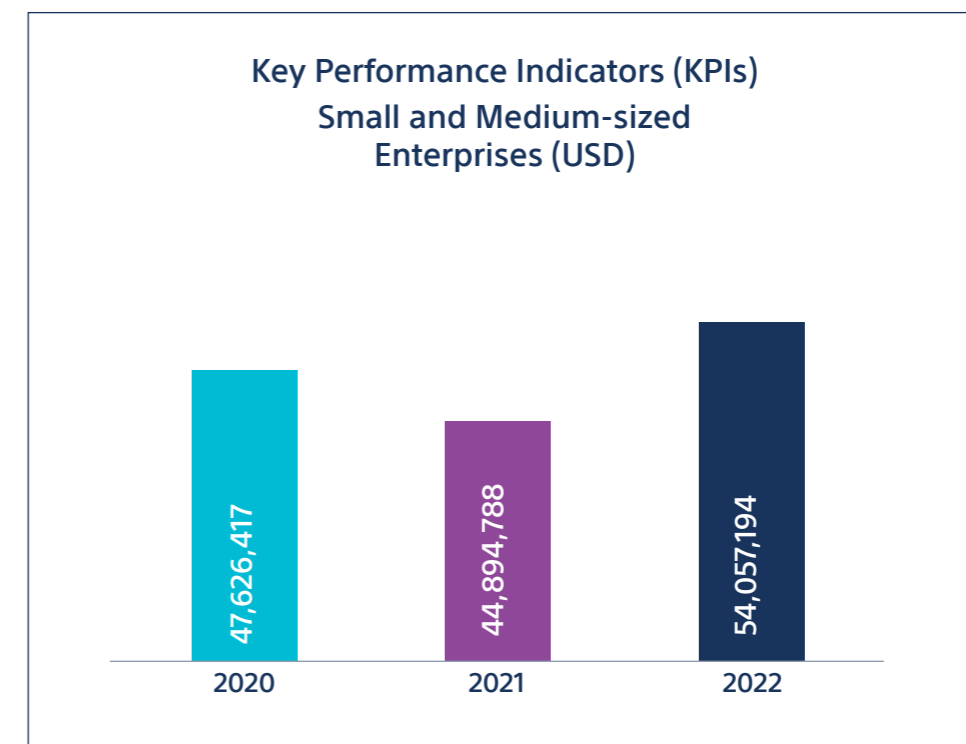


SME Banking

While lending to SMEs presents its own set of challenges, it remains a fundamental aspect of TNB's commitment to driving economic growth and development. By actively addressing these challenges and maintaining a keen understanding of SMEs' requirements, the Bank can fulfil its essential role in supporting the expansion and prosperity of small businesses.

TNB believes that providing new financing opportunities will play a crucial role in strengthening the economy's resilience and supporting private businesses to recover from the impact of Covid-19. In 2020, TNB signed an agreement with the European Investment Bank (EIB), aligning with the Palestinian government's goals and priorities to fortify the private sector, particularly SMEs affected by the pandemic, further bolstering the economy, given that 95% of Palestinian businesses fall under the SME category.

Key Performance Indicators (KPIs)	2020	2021	2022
Customers and Loan Portfolio			
Number of Microprojects	356	423	378
Number of SMEs	1,335	1,045	1,039
Value of Loan Portfolio by Size of Company			
Micro, Small and Medium-sized Enterprises (USD)	50,133,229	47,758,465	56,430,244
Small and Medium-sized Enterprises (USD)	47,626,417	44,894,788	54,057,194



5. Promote Modern and Sustainable Banking

TNB pledges to maintain the Bank’s position as an industry leader within Palestine, by continually looking to innovate and ensure that the Bank is providing exceptional customer service.

The Bank aims to deliver solutions that are both efficient and personalised, while also integrating ESG principles into its lending and investment activities.

TNB’s commitment to sustainability drives positive change in the industry and creates long-term value for the Bank’s stakeholders.

Material Issues Covered

- Responsible Customer Relationships
- Innovation
- Sustainable Finance

TNB’s Corporate Strategy & Main Objectives

- To improve the customer’s experience by upgrading our services and achieving excellent results in the customer satisfaction indicators, using “NPS” metric.
- Adopt a pioneering approach and provide innovative and integrated digital services that meet the aspirations of our customers, by being the fastest responsive bank to promote effectiveness and optimal utilization of available resources and digital development through digitization, centralization of operations and automation to improve our services.

Sustainable Development Goals (SDGs)



Responsible Customer Relationships

In line with TNB’s vision and commitment to excellent customer service, the Bank has implemented several quality standards and programmes to improve service speed and customer experience.

Achieving responsible customer relationships involves developing dedicated programs that cater to the needs of each customer segment and ensures top-notch service quality. Regular follow-ups are conducted to gauge customer satisfaction and implement corrective actions when necessary. While PMA regulations govern this relationship’s structure, they may not solely guarantee a truly responsible connection with the client.

TNB is the sole Palestinian bank to establish an Organizational Excellence Department. This department focuses on implementing quality standards across various aspects of the Bank, from sales channels to internal operations, aiming to enhance service levels through international benchmarks and local best practices. Its main goal is to improve customer experiences, identifying areas for growth in policies, products, services, employee roles, and processes. The department implements the Mystery Shopper Program to enhance the customer experience. Ultimately, TNB aims to lead in service quality and customer satisfaction within the banking sector.

In 2022, the overall customer satisfaction rate saw a 13% increase since the fourth quarter of the year 2021, reaching a level of 76%. It’s worth mentioning that the department initiated the measurement of customer satisfaction in Q4 2021, and no data is available before that time.

Complaints Management

TNB takes all complaints seriously and prioritizes following up and maintaining communication with all customers who submit complaints. TNB’s dedicated team works diligently to address these concerns promptly and effectively. The Bank understands the importance of resolving customer issues in a timely manner.

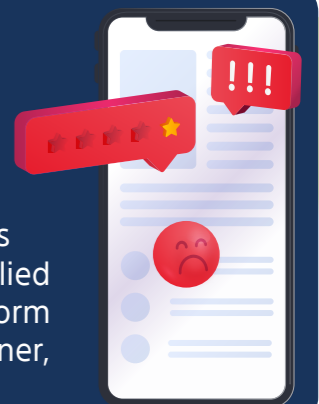
To ensure that TNB’s employees emulate the Bank’s core principles, TNB offers an impactful training programme called the “Excellence in Customer Service Programme”. This programme focuses on equipping them with the necessary skills and knowledge to uphold exceptional customer service, from the initial interaction with the customer to ensuring that their requests are fulfilled. Recognising that customer service plays a vital role in attracting new customers and fostering loyalty, TNB places great emphasis on this aspect to both expand the Bank’s customer base and retain existing clients.

This is demonstrated by the proactive measures taken by the Bank to address customer concerns during the recent pandemic. During 2020, the Digital Centre played a crucial role in following up on the majority of complaints, given the challenges experienced because of the COVID-19 pandemic. As a result of the prolonged suspension and deferment of installments, the number of complaints decreased significantly.

Key Performance Indicators (KPIs)	2020	2021	2022
Number of Complaints Received	239	722	686
Number of Complaints Resolved	239	722	686
First Call Resolution (FCR)	N/A	41%	79%
Average Response Rate for Client Complaints	1 to 10 working days	1 to 10 working days	1 to 10 working days

Case Study: Digital Complaints Mechanisms

TNB remains committed to continuously enhancing the customer experience by improving the quality of services provided and ensuring a faster response to complaints. To enhance transparency and provide additional channels for customer complaints, TNB has introduced electronic services through its activated Digital Services Centre. This replaces the previous complaint mechanisms, which relied on customers physically visiting the Bank’s branches. The new platform enables customers to submit complaints in an interactive manner, allowing for quick and immediate follow-up.



Innovation

Digitalisation

TNB's Digital Strategy is focused on developing a robust technological infrastructure and digital channels to meet the evolving market demands. With a pioneering approach, TNB aims to provide innovative and integrated digital services that align with the expectations and aspirations of its customers. By prioritising agility and responsiveness, TNB strives to be efficient in delivering banking solutions to its customers.

TNB received the "Best Digital Banking Solutions" award for its pioneering service, "Digital Onboarding Service," introduced in the Palestinian market for the first time. The award was presented during the Palestine Financial Technology Summit, held in Ramallah and Gaza.



TNB has implemented a Digital Transformation Policy to facilitate the shift from traditional banking practices to a digital platform, with a particular focus on transforming retail sector services. The policy guides the adoption of digital technologies, aiming to enhance service delivery and improve the overall customer experience.

TNB has also implemented an Accessibility Policy with the objective of ensuring that its digital services are accessible to customers at any time and from anywhere. This policy incorporates a number of plans, including the development of a comprehensive mobile banking platform, improving the existing website and internet banking interface and services, and enhancing digital content to meet accessibility standards.

One of TNB's corporate objectives is to fully meet the needs of the Bank's customers. The Bank aims to achieve this by being a leader in providing innovative solutions and technological applications. Additionally, TNB's Leadership and Profitability Strategy focuses on achieving digital leadership within the financial sector in Palestine.

The Digital Services Department plays a crucial role in driving innovation, digital transformation, and digitalisation within TNB. The primary focus of this department is to enhance process automation by implementing a clear and monitored workflow system. This involves identifying authority matrixes that align with established procedures and policies. Additionally, the department oversees the management of the Digital Services Centre, which is responsible for serving customers through social media platforms and various channels using the Muni channels management platform.

As a result of expanding the range of services offered through electronic channels (internet and mobile banking), TNB experienced a significant 23% increase in the number of digitally active customers.

In 2022, the Bank launched an ERP project aimed at streamlining operations and transitioning into a paperless environment. This significant achievement will reduce the workload on employees.

Key Performance Indicators (KPIs)	2020	2021	2022
Digitally Active Customers	41,161	52,305	64,686
Number of Products Offered Digitally	4	5	5

As part of its strategic plan for digital transformation, TNB actively encourages its customers to use its electronic services, channels, and social media platforms for their banking transactions, thereby reducing the need for branch visits. This shift has resulted in a notable increase in the number of customers being served through digital channels.

Key Performance Indicators (KPIs)	2020	2021	2022
Number of Branch Transactions*	1,211,674	1,464,889	1,239,679
Number of Online/Mobile Transactions	32,981	41,853	88,630
Number of Online/Mobile Active Customers**	10,319	18,248	24,879
Number of Total Completed Tickets Through Digital Service Center	73,500	69,011	84,000

* Each number refer to total TNB branches transaction among to the related year
 ** Numbers are cumulative

TNB upgraded its ATM network in 2022 to the latest generation of DN Series ATMs, which are among the most advanced in the world. These modernised ATMs offer enhanced digital banking services and feature an encrypted touch interface. Notably, these ATMs have been designed with accessibility in mind, catering to the needs of visually impaired individuals.

TNB's Digital Department focused on optimising and automating branch processes to reduce costs, time, and effort. These goals were achieved by the development of an Application Programming Interface (API), which is a fully automated system that streamlines request validation, tracking, and authority matrix, eliminating the need for manual form filling.

The Bank is continuously enhancing its mobile app to provide customers with improved financial services. This includes the introduction of convenient features such as a bill payment system, the ability to request credit cards and new loans and opening new sub-accounts.

Case Study: The Digital Service Centre

TNB was the first bank in Palestine to launch a Digital Service Centre through social media channels, revolutionising the banking industry in Palestine. This Digital Service Centre enables customers to easily access banking services through chat-based interactions. This ground-breaking initiative has resulted in enhanced customer outreach, reduced reliance on branch visits, improved financial accessibility, and the provision of a unique customer experience.

The Bank goes beyond relying solely on bots in chat interactions. TNB firmly believes in establishing genuine connections with the Bank's customers, to better understand their needs and deliver customised solutions to meet them. TNB prioritises humanising the communication process, ensuring that the Bank keeps up with the latest digital solutions that place the Bank at the forefront of banking institutions in Palestine.



Case study: Fintech Incubation Programme



TNB aims to lead the way in the fintech sector, prioritising local Palestinian talent over international solutions. This commitment prompted the launch of the Fintech Incubation Programme, a pioneering initiative where TNB dedicates \$1 for each online money transfer, contributing to the development of innovative fintech solutions tailored to the Palestinian Market. This endeavour has taken shape in partnership with Flow Accelerator.

The Accelerator commenced with an online application process, inviting young minds to propose their fintech concepts. The subsequent phase entailed evaluation and filtration of the submitted ideas. Subsequently, the selected top 15 ideas engaged in a rigorous hackathon facilitated by industry experts to refine and enhance their conceptual frameworks. Advancing to the pitching day, where the refined ideas were presented before a panel of esteemed experts and regulatory authorities. Among the submissions, three exceptional ideas emerged victorious and are now undergoing development through an incubation programme.

This programme is currently underway and is set to produce concrete solutions in the coming months. These inventive solutions will be introduced to Palestinian companies and financial institutions, offering them the chance to invest in or incorporate these pioneering advancements.

Sustainable Finance

TNB is aiming to become a leader in sustainable finance within Palestine and enhance the reporting procedures. TNB’s objective is to align with the most current sustainability and ESG standards, as well as banking trends. This includes integrating ESG considerations into lending practices and financial activities. Moreover, it involves directing capital towards projects, businesses, and initiatives that have positive environmental and social impacts while delivering financial returns.

In response to growing environmental and social concerns, the Corporate Department has been involved in several sustainable projects. In addition, TNB offers loans to support environmentally friendly projects, renewable energy initiatives, and sustainable business practices.

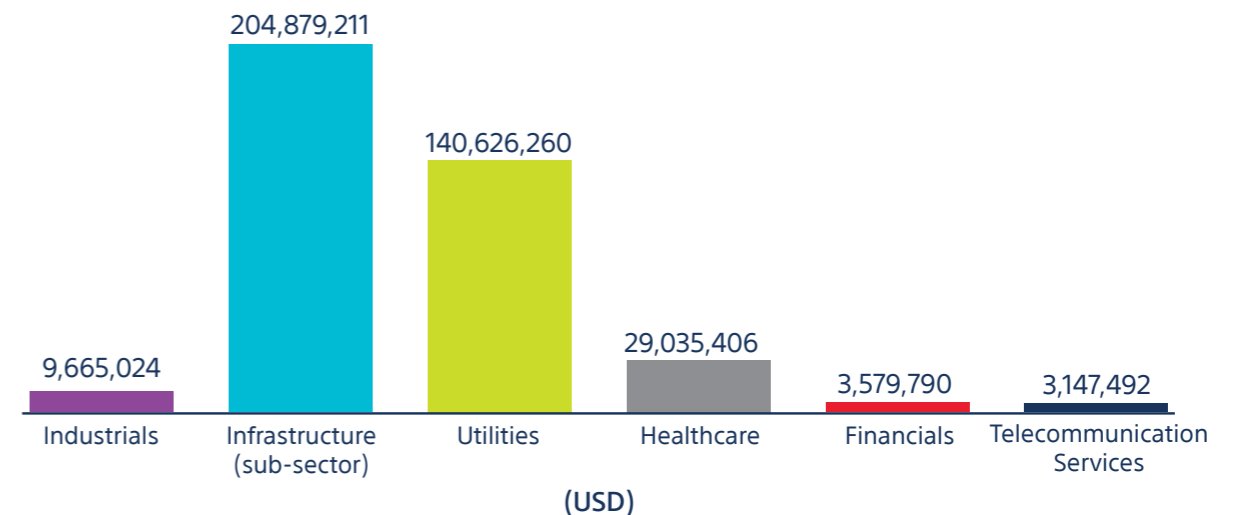
TNB offers a range of products and services designed to achieve specific social benefits and cater to disadvantaged or underserved populations. The following are some examples:

Microfinance: TNB offers microcredit and microfinance services to provide financial access to low-income individuals and micro-entrepreneurs who may not have access to traditional banking services. These loans help empower disadvantaged populations by enabling them to start or expand small businesses and improve their livelihoods.

Community Development Financing: TNB provides community development financing to support affordable housing projects, community facilities, and small-scale infrastructure development in underserved areas. These initiatives aim to improve the living conditions and economic opportunities of disadvantaged communities.

Financial Inclusion Initiatives: TNB often undertakes initiatives to promote financial inclusion by offering basic banking services, such as low-cost or no-frills accounts, to individuals who are unbanked or underbanked. These services help address barriers to financial access and empower marginalised populations to participate in the formal financial system.

TNB provides a range of products and services specifically designed to support environmental initiatives. One such example is TNB’s self-labeled Green Loans. These loans are tailored for individuals, businesses, and organisations looking to invest in energy-efficient technologies, renewable energy projects, or sustainable infrastructure. The Bank offers favourable terms and conditions to encourage and reward environmentally friendly initiatives.



* This categorization is based on the PMA'S definitions

TNB Portfolio segmentation during 2020 is as follows:

TNB Portfolio segmentation (USD)	2022
Industrials	9,665,024
Infrastructure (sub-sector)	204,879,211
Utilities	140,626,260
Healthcare	29,035,406
Financials	3,579,790
Telecommunication Services	3,147,492

Case Study: Al-Tira Wastewater Treatment Plant



TNB is highly committed to supporting environmentally friendly initiatives that have a positive impact on the environment. Most notably, TNB has played a significant role in financing the establishment of a pioneering sewage treatment plant in Al-Tira, Ramallah, by offering a tailored interest rate specifically for this project. This plant holds the distinction of being the first of its kind in Palestine.

The plant purifies wastewater, contributing to the preservation and conservation of valuable water resources. The plant has a capacity to treat approximately 2,200 cubic meters per day and achieves exceptional standards of water purification. In fact, the water generated by the station meets the stringent Grade A classification based on international specifications. The purified water is utilised for irrigating parks and green areas. Moreover, the station operates on an organic membrane technology that ensures an efficient and effective purification processes, distinguishing it from more conventional methods.

TNB's involvement in financing this environmentally conscious project reflects its strong commitment to promoting sustainable practices and supporting initiatives that benefit both the local community and the environment.

6. Strengthen National Identity

The Bank's approach to sustainability is guided by a commitment to promoting the accessibility and affordability of its financial services, with a specific emphasis on raising awareness in rural areas and amongst marginalised groups. More specifically, TNB focuses on the SME sector and empowering Palestinian women. To achieve this, the Bank increased funding for the SME sector as well as provided a specialised lending programme for women-led SMEs.

TNB is committed to integrating social responsibility into its policies to serve all sectors of society. Concurrently, the Bank strives to have a positive impact on society by integrating sustainable and ethical practices throughout the supply chain to ensure stimulating economic growth and development.

Material Issues Covered

- Financial Inclusion
- Community Support
- Responsible Procurement

TNB's Corporate Strategy & Main Objectives

- To ensure a sustainable social impact and enhance our pioneering role in serving our community and supporting the national economy.
- To accelerate growth by achieving the best financial and operational indicators.

Sustainable Development Goals (SDGs)



Financial Inclusion

TNB takes great pride in its unwavering commitment to promoting financial inclusion—a key topic in the Bank's ESG materiality matrix. The Bank firmly believes in providing equal access to financial services and empowering underserved communities, working tirelessly to create a more inclusive and equitable financial landscape. In this report, TNB is delighted to showcase the efforts that have been made towards advancing financial inclusion, including discussing the initiatives it has undertaken, the impact it has made, and its ongoing commitment to drive positive change.

TNB is part of the Financial Inclusion National Committee in Palestine

Financial Inclusion Accounts

One of the most significant initiatives in the realm of inclusive financial services is the Financial Inclusion Accounts owned by the PMA. These accounts are specifically tailored to serve individuals with a limited monthly income or those who are self-employed. Through these accounts, individuals can access services and carry out basic banking transactions with ease. Importantly, there are no additional obligations, commissions, or fees associated with these accounts. TNB has successfully linked these accounts to the Bank's Digital Onboarding services, ensuring outreach to all segments including low-income individuals.

The Hayati Programme



TNB is also dedicated to promoting gender equality and providing the necessary support for Palestinian women to thrive economically. To demonstrate this, the Bank is proud to have introduced the Hayati Programme. This programme is specially designed to cater to the unique financial needs of Palestinian women of all ages and professions, aiming to empower them and help them achieve financial security. The Hayati Programme offers a comprehensive range of services, including dedicated savings and current accounts tailored to meet their requirements. Notably, these accounts are exempt from any account management fees, ensuring that women can access financial services without any additional financial burden.

Female Accounts	2022
Number of Female Accounts	55,710
Female Savings Accounts	64%
Female Current Accounts	24%
Female Customers at TNB	33%

The Qodwati Account



As part of TNB’s ongoing commitment to financial inclusion, the Bank also offers a special account called the “Qodwati Account.” This account is specifically designed to cater to the unique banking needs of teachers and employees in the education sector in Palestine. This account was developed for teachers in response to their strike demanding an increase in their wages. The Qodwati Account provides a range of benefits to support these individuals. Firstly, it allows for an overdraft of up to 200% of a teacher’s salary,

with an interest-free commission payable monthly. Teachers are entitled to receive one free cheque book annually. Additionally, they can access low-interest personal loans for their children’s education expenses. Lastly, the Bank extends several special offers on housing and car loans to further assist teachers and education sector employees.

TNB strives to remove barriers and is committed to empowering individuals and fostering greater financial inclusion within the communities it serves. TNB has established a number of branches and ATMs in low populated and economically disadvantaged areas. This strategic expansion ensures that individuals in these areas have convenient access to TNB’s banking services. Furthermore, TNB offers its clients the flexibility to use their ATM cards at other local banks’ ATMs without incurring any fees through the National Switch System (194). This initiative encourages clients to use their cards more frequently and facilitates their access to a wider range of financial services.

Key Performance Indicators (KPIs)	2020	2021	2022
Number of Branches in Low Populated and Economically Disadvantaged Areas	9	9	9
Number of ATMs in Low Populated and Economically Disadvantaged Areas	9	9	9

As part of TNB’s commitment to financial inclusion, the Bank has undertaken several initiatives and projects to enhance the accessibility of SME products. One notable achievement is the Bank’s partnership with Tamweeli platform, a platform that facilitates connections between lenders and clients. Additionally, TNB has actively engaged in collaborative research and development projects with esteemed organisations like EBRD and Frankfurt School. Through these collaborations, the Bank has focused on developing new products and bundles specifically tailored to the needs of SMEs.

TNB promotes and facilitates financial access to SMEs in several ways:

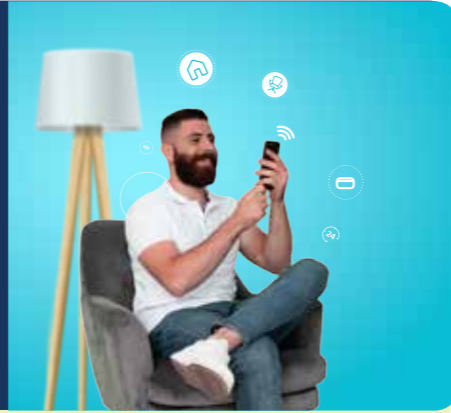
- Providing loans
- Offering credit lines
- Providing financial advice and support
- Digital banking services
- Collaborating with other organisations

In 2022, TNB launched several impactful campaigns, one notable example being the Palestinian Workers in OPT Campaign. This initiative specifically aims to address the challenges faced by Palestinian workers in the Green Line². This account offers workers behind the green line the ability to access loans even if they receive their salaries in cash on a daily basis, as they may not possess adequate collaterals that traditional banks require for loan approvals. The campaign encompasses a range of banking services designed to meet their needs, such as facilitating the opening of current and savings accounts, offering one free cheque book, providing debit cards without issuance fees, and granting access to crucial financial services like credit cards and loans.

² The Green Line is the ceasefire line between Israel and the Arab states that fought Israel in 1948: Egypt, Jordan, Syria and Lebanon, based on the armistice and ceasefire agreements signed between Israel and the Arab states mentioned in Rhodes in 1949. "Madarcenter.org"

Case Study: Digital Onboarding Service

In 2021, the Bank took a significant step in its commitment to financial inclusion by introducing a digital onboarding service. In addition to current and savings accounts, this pioneering service allows individuals, including underserved populations, those with low income, freelancers, and the unbanked, to open current and savings accounts conveniently and free of charge.

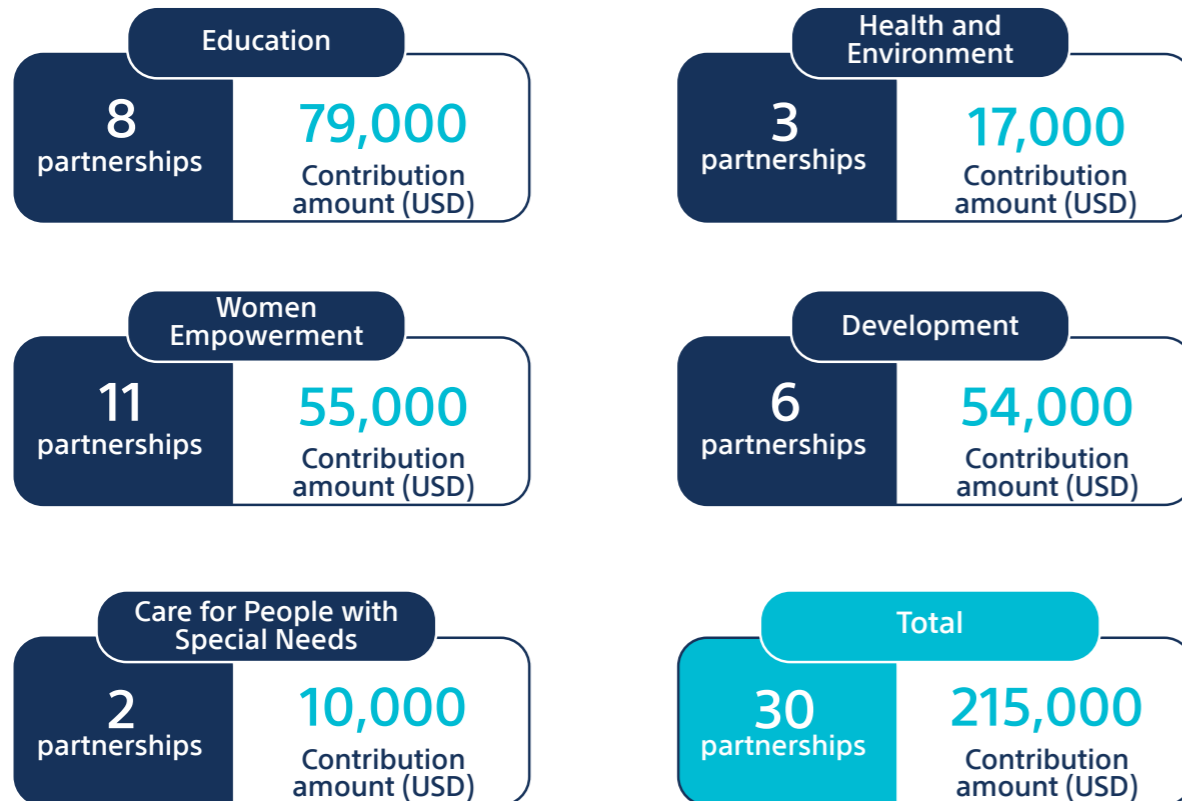


Community Support

TNB firmly believes that sustainable success goes hand in hand with responsible business practices. The Bank recognises its role as a leading financial institution in the community and is committed to making a positive impact on society and the environment. TNB's Corporate Social Responsibility (CSR) Policy serves as a guiding framework for integrating ethical, social, and environmental considerations into every aspect of its operations.

The Bank aligns its CSR Policy with sustainable growth by supporting the local economy, funding various economic sectors, and promoting sustainable economic development through investments in pioneering projects. In addition, the Bank strengthens its strategic partnership with clients by actively participating in social initiatives that benefit the community.

The Bank contributes and donates to a variety of sectors including education, health, women's empowerment, development, and special needs centres.



Case Study: Sports For Life



TNB proudly sponsored the Tulkarem refugee Camp girls' football team, "Sport for Life," in the Street Child World Cup 2022, held alongside the World Cup in Doha, Qatar. By exclusively supporting this team, TNB demonstrated its commitment to Palestinian children, and more specifically to empowering Palestinian girls. The team not only showcased their football skills but also raised awareness about the rights of Palestinian children. Furthermore, they emphasised the just demands for education, freedom of expression, and a dignified life, echoing the aspirations shared by children worldwide.

Case Study: Employees Social Responsibility Programme



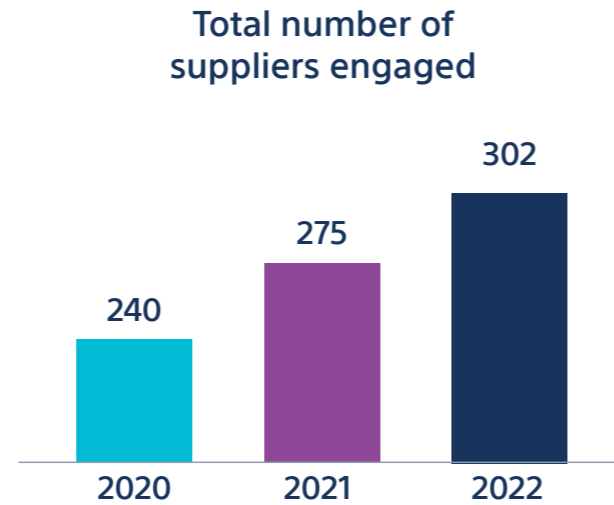
The Bank's employees launched an ongoing campaign to donate clothes, books, and toys to underprivileged families. The initiative aims to engage employees in the Bank's social initiatives, fostering community ties and a sense of empathy. TNB has allocated a substantial donations' box for collecting donations and partnered with a specialised association to distribute them to deserving recipients. The campaign's contributions will vary based on occasions and seasons, with clothing donations in winter, food parcels during Ramadan, and toys for children during holidays. Additionally, the employees have donated fully equipped backpacks to students in rural areas in back-to-school time.

Responsible Procurement

The Bank strives to prioritise responsible procurement practices to ensure ethical sourcing, sustainability, and positive social impact throughout its supply chain.

The Procurement Department is responsible for overseeing the procurement process. TNB is focused on streamlining the procurement cycle time by leveraging the Systems, Applications & Products (SAP) Programme. This is aimed at ensuring swift service delivery to branches and departments, expediting the disbursement of supplier invoices, and minimising the Supplier Lead Time to the greatest extent possible.

TNB places a high priority on procuring from local suppliers, with a clear emphasis on supporting the local economy. The percentage of local spending on local suppliers has continued to grow, increasing from 93% in 2020 to 96% in 2022.



Key Performance Indicators (KPIs)	2020	2021	2022
Total Number of Suppliers Engaged	240	275	302
Total Number of Local Suppliers Engaged	231	264	285
Total Number of SME Suppliers Engaged	231	261	288
Total Number of Women-owned Suppliers Engaged	2	4	5
Percentage of Spending on Local Suppliers	93%	95%	96%

7. Adopt Environmental Stewardship

TNB believes that it has a responsibility to act and incorporate best practices for environmental stewardship into all areas of its operations. The Bank strives to be a frontrunner in investing in solar energy and adopting environmental stewardship practices to reduce its carbon footprint. TNB's efforts in this regard include introducing energy-efficient measures, sourcing renewable energy opportunities, reducing paper and water usage, and circular economy promotion.

Material Issues Covered

- Climate Change
- Environmental Footprint

TNB's Corporate Strategy & Main Objectives

- The Bank considers protecting the environment as a main pillar in its business and CSR strategies

Sustainable Development Goals (SDGs)



Climate Change

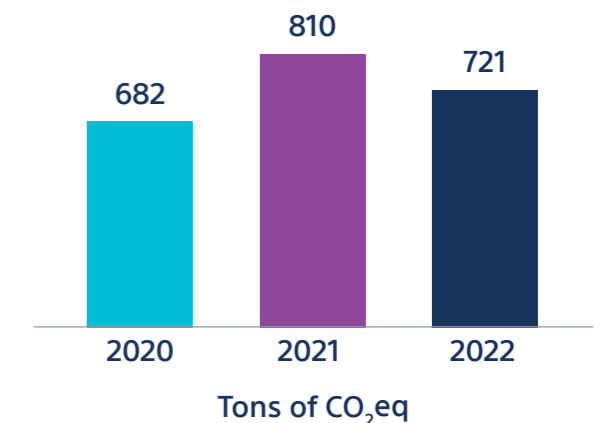
TNB recognises the significant role it has in the fight to tackle climate change. TNB strives to increase its investment in climate resilient projects that reduce greenhouse gas (GHG) emissions.

In line with TNB's commitment to addressing climate change risks, a significant portion of the Bank's branches operate solely on renewable energy. TNB has made investments in green projects, such like the Noor Jericho Park, which contributes positively to the environment and tackle climate change though avoiding GHG emissions.

The "Noor Jericho" solar plant now supplies approximately 64% of the Bank's energy requirements. This strategic investment showcases TNB's dedication to sustainability and its efforts to reduce carbon emissions while embracing renewable sources of power.

TNB's commitment to using hybrid vehicles, as well as offering hybrid cars as prizes in the savings campaign, aligns with efforts to address climate change. Hybrid vehicles are more environmentally friendly, emitting fewer greenhouse gases and reducing their carbon footprint, contributing to the broader goal of mitigating climate change.

Key Performance Indicators (KPIs) of Total GHG Emissions



TNB assesses its environmental impact by diligently calculating and monitoring GHG emissions. These emissions act as a critical metric to gauge TNB’s contribution to climate change. TNB measures both Scope 1 and Scope 2 emissions. This approach enables TNB to gain insights into its environmental performance and take targeted actions towards reducing its carbon footprint.

In 2022, TNB achieved a notable reduction of 10% in its total GHG emissions, encompassing both Scope 1 and Scope 2 emissions. This significant decrease can be attributed to the Bank’s deliberate efforts to enhance its reliance on renewable energy sources.

Key Performance Indicators (KPIs)	Units	2020	2021	2022
Direct GHG Emissions (Scope 1)	tons of CO ₂ eq	25	39	42
Indirect GHG Emissions (Scope 2)	tons of CO ₂ eq	657	771	679
Total GHG Emissions	tons of CO ₂ eq	682	810	721
GHG Emissions Intensity	tons of CO ₂ eq/employee	0.94	1.15	1.00

The calculation of indirect GHG emissions (Scope 2) data relied on the emission factor (EF) specific to the Middle East, as provided by the International Renewable Energy Agency.

Case Study: Noor Jericho Park

In a remarkable move within the Palestinian banking sector, TNB has taken a unique step by acquiring a share in the Noor Jericho Park. This strategic investment aims to cater to the energy requirements of TNB’s branches and headquarters in the region under the jurisdiction of the Electricity Company in Jerusalem.



This initiative represents an exceptional undertaking that encompasses environmental, national, and social dimensions. Palestine boasts an abundance of sunny days throughout the year, making the use of renewable energy sources an impactful and sustainable solution to reducing the use of fossil fuels. By embracing renewable energy, TNB seeks to reduce reliance on Israel’s energy supply, while simultaneously preserving the environment and leveraging natural resources without causing harm.

The investment in the Noor Jericho Park aligns with TNB’s commitment to environmental sustainability, national self-reliance, and social responsibility. It exemplifies the Bank’s dedication to leveraging clean energy sources and reducing its carbon footprint. The successful implementation of this renewable energy project further demonstrates TNB’s progressive approach and its efforts towards creating a more sustainable future. This is reflected in the amount of GHG emissions avoided by TNB since the end of 2019 as outlined in the table below.

GHG emissions avoided by TNB since 25-09-2019 are as follows:

GHG Emissions	Amount
Carbon Dioxide (CO ₂)	17,299,423.64 kg
Nitrogen Oxide (NO)	41,445.34 kg
Sulphur Dioxide (SO ₂)	368.28 kg

Environmental Footprint

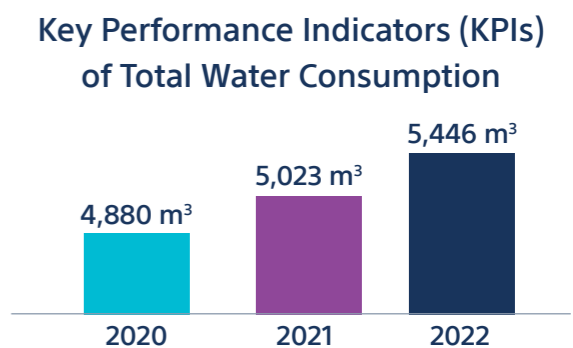
TNB strives to minimise its own impact on the environment and acknowledges its responsibility to proactively embrace and implement leading practices for environmental stewardship across its operations. The Bank actively aims to be at the forefront of Palestinian banks by investing in solar energy and adopting various environmental stewardship practices.

The Bank has taken proactive steps to monitor and quantify key aspects including water consumption, energy consumption, and waste management. By diligently tracking these metrics, the Bank aims to gain a comprehensive understanding of its environmental performance and identify areas for improvement.

The Admin Department takes responsibility for assessing and measuring TNB’s environmental impact.

Water Management

In 2022, TNB experienced a slight 8% increase in water consumption attributed to the rise in headcounts, as a result of acquiring the operations of Jordan Commercial Bank (JCB) in Palestine, adding 9 more branches to TNB’s network. However, the water intensity remained within normal averages compared to the past two years.



Key Performance Indicator (KPI)	Units	2020	2021	2022
Total Water Consumption	m ³	4,880	5,023	5,446
Water Consumption Intensity	m ³ /employee	6.7	7.1	7.6

Energy Consumption

TNB has made a remarkable achievement as the pioneering bank in Palestine by successfully integrating renewable solar energy to power TNB’s Central Branches, Jerusalem Region Branches, and TNB’s General Administration. However, it is important to note that TNB’s branches in the North and South regions of Palestine currently rely on electricity supply from the national grid. With a forward-thinking approach, TNB is actively working towards integrating renewable energy sources to fulfill the electricity demands of these branches and further enhance its commitment to sustainable practices.

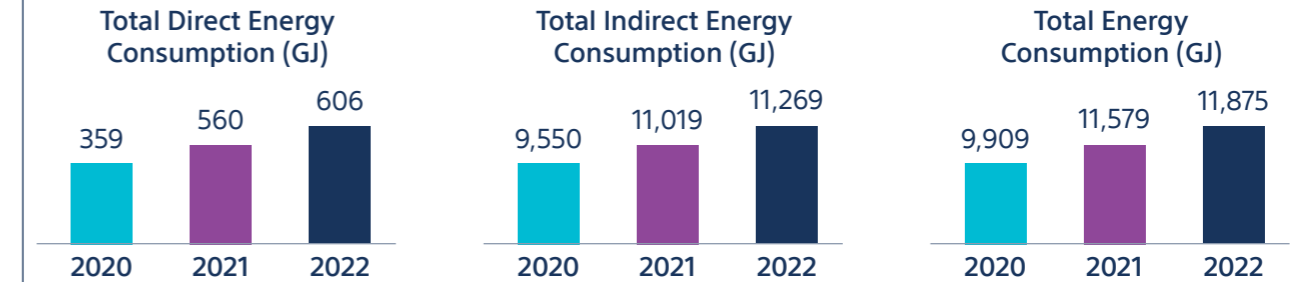
In 2022, TNB successfully reduced its electricity consumption from the grid by 10% through proactive measures. The Bank actively encourages its employees to be mindful of their electricity usage, particularly when leaving their offices, by ensuring that lights and appliances are switched off. This commitment to energy conservation contributed to the significant reduction in TNB’s reliance on grid electricity during the year.

Due to the acquisition of JCB operations in Palestine, TNB witnessed a rise in direct energy consumption from both operations and vehicles.

Key Performance Indicator (KPI)	Units	2020	2021	2022
Direct Energy Consumption				
Petrol Consumption from Operations and Vehicles	L	5,000	7,000	7,800
Diesel Consumption from Operations and Vehicles	L	5,000	8,500	9,000
Total Direct Energy Consumption	GJ	359	560	606
Indirect Energy Consumption				
Electricity Consumption (office, storage, facilities, etc.)	kWh	1,103,759	1,296,259	1,141,060
Renewable Energy Consumption (office, storage, facilities, etc.)	kWh	1,548,902	1,764,550	1,989,098
Total Indirect Energy Consumption	kWh	2,652,661	3,060,809	3,130,158
Total Indirect Energy Consumption	GJ	9,550	11,019	11,269
Percentage of Renewable Energy Consumption to the Total Indirect Energy Consumption	%	58	58	64
Energy Consumption				
Total Energy Consumption	GJ	9,909	11,579	11,875
Energy Consumption Intensity (Including TNB’s consumption from renewable energy sources)	GJ/Employee	13.65	16.45	16.54

The above numbers covers all TNB’s operation within Palestine.

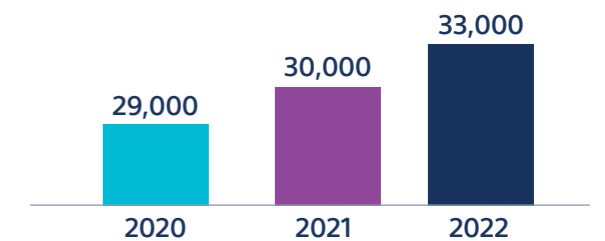
Key Performance Indicators (KPIs)



Waste Generation

TNB is actively implementing SAP ERP, a system that aims to minimise paper consumption. As part of this initiative, purchase requests from all branches will be submitted electronically through the SAP workflow approval process, eliminating the need for paper. The full implementation of SAP ERP is scheduled to be completed by the end of 2023, enabling TNB to significantly reduce its reliance on paper-based processes.

Key Performance Indicators (KPIs) of Total Paper Consumption (kg)



In 2022, there was a 10% increase in total paper consumption. The return to office work in 2022 can be attributed to the rise in workload and the implementation of new procedures that require documentation from all departments within the Bank.

Key Performance Indicators (KPIs)	2020	2021	2022
Total Paper Consumption	29,000 kg	30,000 kg	33,000 kg
Number of Printer Cartridges	800	750	720

Case Study: OPIC Policy

TNB takes pride in being the pioneering bank in Palestine to adopt and implement OPIC’s Social and Environmental Policy. To ensure effective implementation, TNB has established a robust monitoring system to oversee its investments and projects, ensuring compliance with the policy’s principles. These principles encompass various aspects such as adherence to laws, upholding human rights, promoting gender equality and women’s empowerment, safeguarding labour rights, preserving natural habitats, conserving biodiversity, addressing climate change, preventing pollution, promoting resource efficiency, safeguarding public health, preserving cultural and historical heritage, and protecting agricultural lands and soil conservation.

While the system was inactive in 2022, the Bank has plans to resume its reactivation soon, demonstrating its commitment to incorporating OPIC’s policy guidelines.

8. Invest in TNB's Employees

TNB recognises that a diverse, equitable, and inclusive working culture is important for empowering employees and creating a positive working environment that fosters innovation. With this in mind, the Bank strives to promote diversity and gender equality in the workplace. Moreover, TNB endeavours to promote a socially responsible environment that values the well-being and growth of its employees, while enhancing its brand reputation. TNB understands that investing in its employees through Diversity, Equity and Inclusion DEI initiatives increases productivity, innovation, and stakeholder satisfaction, and enhances the ability to attract and retain top talent.

Material Issues Covered

- Diversity, Equality, and Inclusion
- Employee Wellbeing
- Learning and Development

TNB's Corporate Strategy & Main Objectives

- To build and develop a professional and innovative team capable of providing optimal services.

Sustainable Development Goals (SDGs)

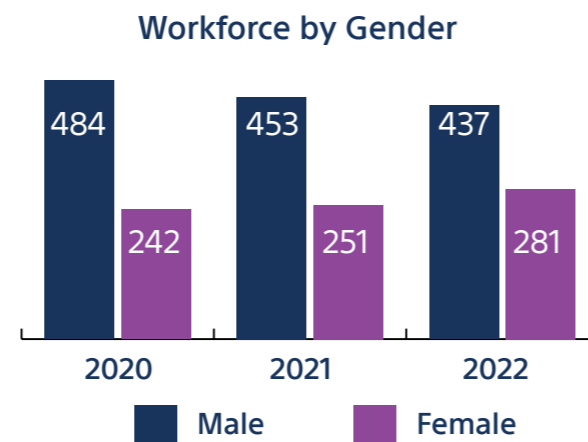


Diversity, Equality, and Inclusion

One of TNB's corporate objectives is to reinforce gender equality in the workplace, through TNB's banking products and services, as well as its community initiatives. In addition, the Bank aims to create a healthy working environment that motivates and encourages loyalty, ethics, and innovation.

TNB has established a comprehensive Hiring Policy, which sets the terms to define acceptable practices and procedures for hiring new employees to fit the Bank's specific needs. This policy aims to set a clear guidance to ensure a fair and consistent recruitment and selection process. It also helps to ensure effective and efficient recruitment and selection by hiring the best candidate for each position.

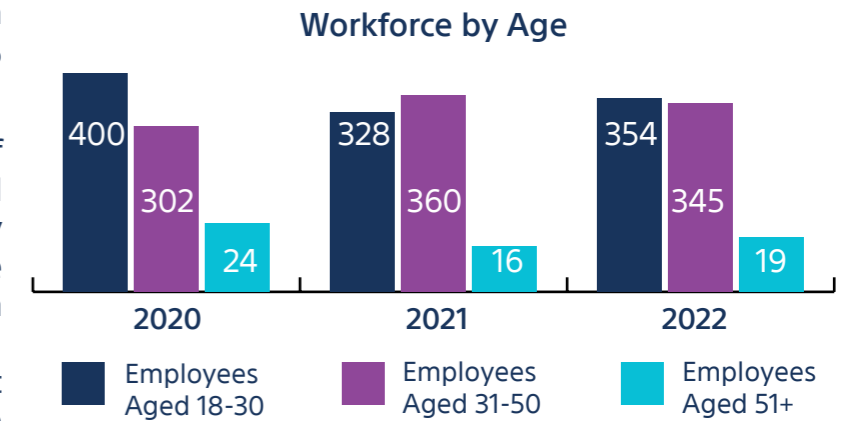
In 2018, TNB underwent a [Gender Participatory Audit](#) conducted by UN Women, which utilised the International Labour Organisation's (ILO)



standards and methodologies. The purpose of this audit was to examine business operations from a gender perspective. The audit provided insights into TNB's strengths in promoting gender equality both externally and internally while offering recommendations to address existing gaps and enhance the institution's role in advancing gender equality.

TNB is committed to ensuring gender equality in the workplace. In this reporting period, approximately 40% of the Bank's employees are female. In 2022, the number of female employees increased by 12% compared to the previous year. In addition, the Bank supports diversity within its workforce by hiring from different ages groups, with a particular focus on youth. In 2022, the number of employees ages between 31 and 50 increased by 4% compared to 2021.

In 2022, the number of trainees and sponsored students reached 170. They gained valuable experience and knowledge through TNB's support programs. These individuals are part of our commitment to help people grow and learn.



Key Performance Indicators (KPIs)	2020	2021	2022
Total Workforce (excluding trainees, students and outsourced staff)	726	704	718
Full Time Employee Equivalents (FTEs)	726	704	718
Workforce by Job Category			
Senior Management Employees	8	11	11
Middle Management Employees	71	68	75
Non-Management Employees	647	625	632
Workforce by Gender:			
Male	484	453	437
Female	242	251	281
Workforce by Age:			
Employees Aged 18-30	400	328	354
Employees Aged 31-50	302	360	345
Employees Aged 51+	24	16	19
Workforce by Nationalities			
Nationals	726	704	718
Special Abilities in Workforce			
Number of Employees with Special Abilities	2	2	1

The Anti-Violence & Harassment Policy

TNB is committed to rejecting all forms of violence and sexual harassment. The Bank's employees have the right to work in a healthy work environment free from violence and in compliance with the international human rights standards that the Bank adopts and applies.

TNB is currently undergoing the approval process for the Anti-Violence & Harassment Policy by the Bank's Board of Directors. The Policy aims for fostering a respectful work environment that is built on equality. As part of this policy, the Bank has established a mechanism for reporting policy violations, which emphasises the importance of promptly submitting complaints after an incident occurs. Confidentiality is strictly maintained throughout the entire process.

Employee Wellbeing

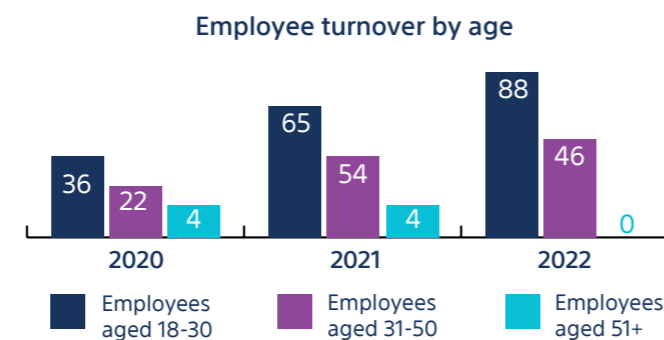
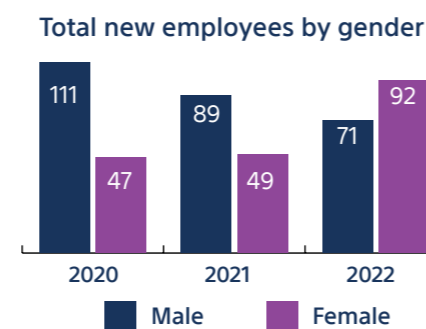
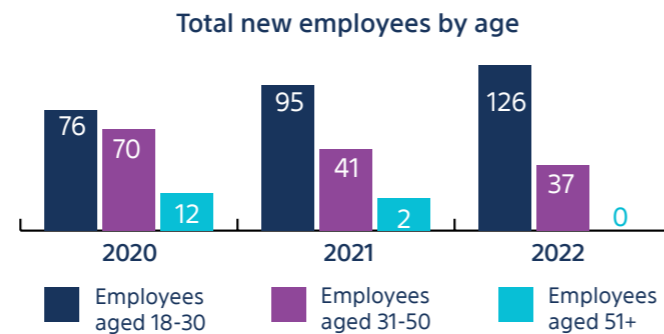
TNB firmly believes that fostering a supportive and inclusive work environment not only enhances the overall employee experience but also contributes to the long-term success and sustainability of the Bank. By investing in the wellbeing of all employees, the Bank creates a positive and engaging workplace culture that drives productivity, innovation, and employee retention.

The Human Capital Department has several key goals. These include investing in internal talent through succession plans, implementing automation for efficient processes, providing competitive benefits like favourable interest rates and performance-based bonuses, and improving the internal atmosphere and relationships between senior management and the team.

To reward employee performance, TNB has a bonus scheme and Incentive Policy that is based on individual employee's performance. The policy provides instructions on how employees can receive their bonuses through a designated system.

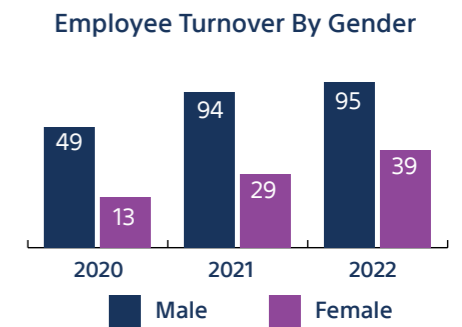
In 2022, the Bank implemented a number of measures to increase the wellbeing of its employees, which resulted in a 4.5% increase in the employee satisfaction score indicating a level of 69.9% in 2022. The responsibility for measuring TNB's employee satisfaction score lies with the Organizational Excellence Department.

In 2022, TNB introduced a new salary scale that encompasses all job titles and positions at the Bank. This initiative ensures fair and equitable compensation, providing financial stability and career development opportunities for all employees. The new scale, consisting of 15 steps within each band, not only supports their financial wellbeing but also promotes a sense of value and recognition within the Bank.

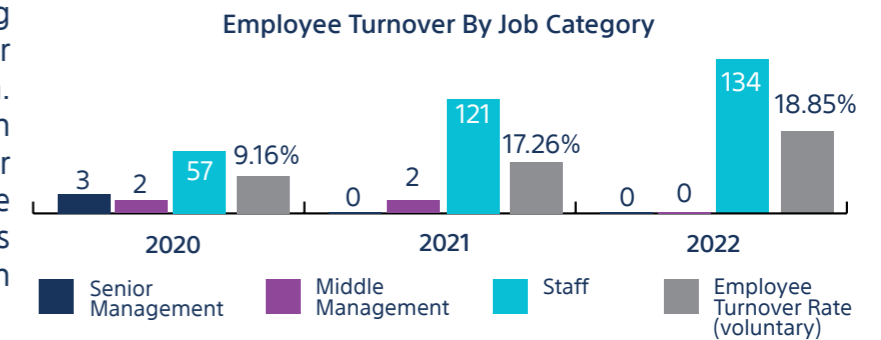


At TNB, the wellbeing of the Bank's employees is of the utmost importance. As a result, TNB offers a range of privileges designed to support them. These privileges include, but are not limited to:

- Special interest rates on employee facilities.
- The Bank provides premium health insurance for all its employees through a medical network spread across all governorates of the country.



In 2022, there was an impressive 18% increase in the number of newly hired employees compared to the previous year. Each new employee undergoes a comprehensive induction process that includes receiving a Code of Conduct and undergoing proper training. By the end of 2022, approximately 50 new employees had completed training on the Code of Conduct as well as various banking topics, ensuring their preparedness for their roles within the organisation. The majority of the 9% rise in employees' voluntary turnover in 2022 can be attributed to the greater number of work permits issued by Israel to Palestinians in the occupied areas of 1948.



Key Performance Indicators (KPIs)	2020	2021	2022
New Employee Hires	158	138	163
Total New Employees By Age			
Age 18-30	76	95	126
Age 31-50	70	41	37
Age 51+	12	2	0
Total New Employees by Gender			
Male	111	89	71
Female	47	49	92
Turnover			
Employee Turnover (voluntary and involuntary)	65	161	146
Employee Turnover (voluntary)	62	123	134
Employee Turnover by Age			
Age 18-30	36	65	88
Age 31-50	22	54	46
Age 51+	4	4	0
Employee Turnover by Gender			
Male	49	94	95
Female	13	29	39
Employee Turnover by Job Category			
Senior Management	3	0	0
Middle Management	2	2	0
Staff	57	121	134
Employee Turnover Rate (voluntary)	9.16%	17.26%	18.85%

Nationalisation

All TNB’s employees are nationals, as foreign employment in Palestine can present various challenges and difficulties. Firstly, there can be bureaucratic hurdles and complex visa procedures that foreign employees need to navigate. Obtaining work permits and visas can be time-consuming and require extensive documentation. Furthermore, political and security instability in the country may add an additional layer of uncertainty and potential risks for foreign employees.

Key Performance Indicators (KPIs)	2020	2021	2022
Nationalisation			
Nationalisation of Senior Management	100%	100%	100%
Nationalisation Among Total Workforce	100%	100%	100%
Total Number of National Employees	726	704	718
Number of Female National Employees	242	251	281

Grievances System

The Bank has a Grievance Policy in place to address employee complaints and promote an open and supportive work culture. It ensures timely and respectful handling of grievances, fostering positive employee-management relations and offering employees the opportunity to voice their opposition to any administrative decisions made.

Key Performance Indicators (KPIs)	2020	2021	2022
Grievances			
Number of Grievances Filed in the Reporting Period	0	0	1
Number of these Grievance Addressed or Resolved	0	0	1
Number of Grievances Filed Prior to the Reporting Period that were Resolved During the Reporting Period	0	0	0

Maternity Leave

TNB is committed to supporting and prioritising the needs of its employees. TNB ensures the wellbeing of female employees by providing 70 paid days of maternity leave in compliance with Palestinian labour laws, in addition, new mothers are entitled to an early 1-hour leave or late arrival for an entire year. If required, there is also the possibility to extend this leave period. Furthermore, TNB provides employees with one paid day of Paternity Leave, acknowledging the importance of supporting new fathers in balancing their work and family responsibilities.

Key Performance Indicators (KPIs)	2020	2021	2022
Maternity Leave			
Number of Employees that Took Maternity Leave	41	58	42
Number of Employees who Returned to Work after Maternity Leave Ended (return to work)	41	58	41
Number of Employees Returned From Maternity Leave who were Still Employed Twelve Months after Return to Work (retention)	38	49	41
Return to Work Rate	100%	100%	97.6%
Retention Rate	92.7%	84.5%	97.6%

Case Study: Watani Excellence Programme

TNB has introduced the “Watani Excellence Programme” through its Human Capital window, offering employees a platform to contribute their ideas and suggestions for enhancing the working environment. This programme serves to foster improved communication channels with employees and empowers them to make a meaningful impact within the Bank. Every idea submitted by an employee is carefully considered and forwarded to the respective department for thorough evaluation and analysis. By incorporating employee ideas, TNB continuously develops its internal environment, ensuring that each suggestion receives the attention it deserves and that employees feel valued and appreciated.

In 2022, the Bank implemented two ideas proposed by employees within the platform. The employees were recognised and rewarded for their contributions. The first idea pertained to the establishment of a digitalised archiving system, while the second involved the development of a banking operations system similar to Excel, aimed at enhancing the efficiency of the Bank’s business operations.



Case Study: TNB Football Team

As part of TNB’s commitment to employee wellbeing, a dedicated TNB Football team was established in 2022 and regular training sessions are conducted. Comprising 15 employees from different departments and branches, this team proudly represents the Bank in matches against other banks and local companies. This initiative not only promotes physical activity and teamwork, but also fosters a sense of friendship and employee engagement within TNB.



Learning and Development

The Human Capital Department assesses the training needs of the Bank’s employees on an annual basis, using various communication methods such as questionnaires, interviews, and dialogues with employees, managers, and officials from different departments and branches. These methods play a crucial role in identifying the training requirements across all the Bank’s operations. Additionally, training programme requests are also considered through the annual evaluation process.



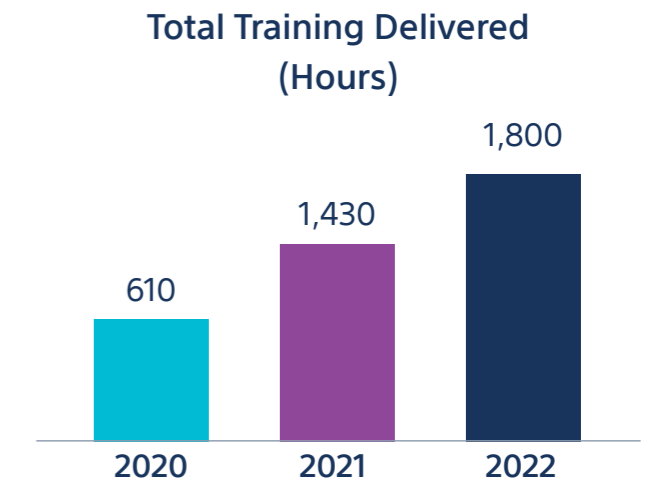
At TNB, the training plan is divided into two main groups:

1. Training programmes related to the Head Office Departments
2. Training programmes related to branches and Sales Department

The Human Capital Department seeks to implement a comprehensive Training Policy that covers internal, external, and local training for all employees across different administrative levels. The primary goal is to enhance the level of customer service and expedite response times to customer requests. As a result, continuous training is provided to all branch employees, focusing on delivering excellent customer service and finding ways to enhance their service.

The Bank has also implemented a Succession Plan Programme aimed at identifying and developing high-potential employees within the Bank. By investing in the Bank’s human capital, TNB aims to use this programme to develop a pool of talented individuals who can effectively fill key positions and take on leadership roles in the future.

TNB’s Graduate Student Training Policy facilitates the training of graduates and students from universities, institutes, and colleges within the Bank. This policy aims to provide students with valuable practical experience and opportunities for learning within a professional banking environment. However, due to the COVID-19 pandemic, TNB was unable to receive and train students during 2020 and 2021. This was a result of reduced working hours and the necessary measures taken to prioritise the health and safety of everyone involved.



In 2022, TNB launched a dedicated training centre equipped with latest technologies. This centre is designed for internal training programmes aimed at enhancing the skills of the Bank’s employees. Its purpose is to streamline the training process by providing a centralised location for all internal training activities.

In 2022, the total hours of delivered training increased significantly by 25%. This can be attributed to the expansion of the Bank’s network of internal trainers who consistently provide training to employees on new products, procedures, and the current operational mechanisms within the Bank.

Key Performance Indicators (KPIs)	2020	2021	2022
Total Training Hours Delivered	610	1,430	1,800
Total Training Hours Delivered by Job Category:			
Senior Management Employees	210	700	800
Staff	400	730	1,000
Total Training Hours Delivered by Gender:			
Male Employees	450	780	1,100
Female Employees	160	650	700

Case Study: Main Training Programmes Provided in 2022:

- Training Programme for New Employees.
- Cross Selling Programme.
- The Credit Policy Programme.
- Excellence in Customer Service Programme.
- Programme for Strengthening Supervisory Functions in the Bank.
- Employees in Management Positions.
- A Number of Employees were Sent to Participate in External Training Programmes, Forums, and Conferences.

Appendix

API	Application Programming Interface
AML	Anti-Money Laundering
ASE	Amman Stock Exchange
BMS	Building Management System
CSR	Corporate Social Responsibility
CTO	Chief Technology Officer
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ENS	Emergency Notification System
ESG	Environmental, Social, and Governance
FCM	Financial Crime Monitoring
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
KPI	Key Performance Indicators
PMA	Palestinian Monetary Authority
PO	Purchase Orders
SaaS	Software as a Service
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
TNB	The National Bank
UNGC	United Nations Global Compact

TNB prioritises building strong relationships with its stakeholders, as it lies at the heart of the Bank’s business operations. Open dialogues and active engagement with individuals and organisations that hold utmost significance to TNB are deeply valued. Through diverse channels such as surveys, dedicated teams, and regular interactions, TNB ensures effective communication and collaboration with its stakeholders.

The Bank directs its attention towards engaging with stakeholders who have a considerable influence or play a crucial role in shaping the Bank’s economic, environmental, and social performance.

Stakeholder Group	Modes of Engagement
Clients	Branches, Atms, Digital Service Center, Social Media, Live Chat, Website, Online & Mobile Banking Services, Events, Financial Education, Responsible Lending, Responsible Banking Products, Awareness Programmes, Workshops, Financial Results on Quarterly Basis, Community Development, Field Visits, Campaigns, CSR.
Investors	Annual General Assembly Meetings, Annual Report, Digital Annual Report, disclosures, Website, financial results on quarterly bases, presentations, external audit, board of directors, board committees, IR Department.
Employees	Emails, Facebook Group, Mename System, whistleblowing, trainings, employee volunteering programme, retreats, events, social gatherings, awareness programmes, community development, internal audit, community development.
Suppliers and Vendors	Emails, Announcements, Website, Internal Audit, Whistleblowing.
Regulatory Bodies (PMA, PCMA...etc)	Compliance Department, Executive Management, Meetings, Collaborations, Workshops, Disclosures.
Partners	Collaborations, Events, Meetings, Reporting, Documentation, Calls, Field Visits.

Statement of use	The National Bank has reported in accordance with the GRI Standards for the period of 1st January to 31st December 2022.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)	None			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	8			
	2-2 Entities included in the organization's sustainability reporting	8			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	No restatements			
	2-5 External assurance	TNB does not seek external assurance			
	2-6 Activities, value chain and other business relationships	https://www.tnb.ps/en/page/subsidiaries			
	2-7 Employees	45			
	2-8 Workers who are not employees	45			
	2-9 Governance structure and composition	15-17			
	2-10 Nomination and selection of the highest governance body	15			
	2-11 Chair of the highest governance body	15			
	2-12 Role of the highest governance body in overseeing the management of impacts	12			
	2-13 Delegation of responsibility for managing impacts	15			
	2-14 Role of the highest governance body in sustainability reporting	12			
	2-15 Conflicts of interest	19			
	2-16 Communication of critical concerns	48			
	2-17 Collective knowledge of the highest governance body	TNB Annual Report 36 - 46			
	2-18 Evaluation of the performance of the highest governance body	16			
	2-19 Remuneration policies	17			
	2-20 Process to determine remuneration	17			
	2-21 Annual total compensation ratio	Not disclosed		Information unavailable/ incomplete	TNB doesn't calculate this KPI
	2-22 Statement on sustainable development strategy	6,7			
	2-23 Policy commitments	18,19, 21, 46, 51			
	2-24 Embedding policy commitments	18,19, 21, 46, 52			
	2-25 Processes to remediate negative impacts	48			
	2-26 Mechanisms for seeking advice and raising concerns	48			
	2-27 Compliance with laws and regulations	18			
	2-28 Membership associations	10			
	2-29 Approach to stakeholder engagement	53			
	2-30 Collective bargaining agreements	-	Omitted	Confidentiality constraints	

Material topics					
Material Topics 2021	3-1 Process to determine material topics	3-2 List of material topics	14	14	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
GRI 3: Material Topics 2021	3-3 Management of material topics		19-20		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		19-21		
Customer Privacy and Data Security	205-2 Communication and training about anti-corruption policies and procedures		19-20		
GRI 3: Material Topics 2021	3-3 Management of material topics		20-21		
GRI 418: Customer Privacy of customer data 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses		21		
Financial Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics		22-25		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		22		
Community Support					
GRI 3: Material Topics 2021	3-3 Management of material topics		36-37		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		36, 37		
Responsible Procurement					
GRI 3: Material Topics 2021	3-3 Management of material topics		38		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		38		
Climate Change					
GRI 3: Material Topics 2021	3-3 Management of material topics		39 - 41		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		40		
	305-2 Energy indirect (Scope 2) GHG emissions		40		
	305-4 GHG emissions intensity		40		
	305-5 Reduction of GHG emissions		40		
Environmental Footprint					
GRI 3: Material Topics 2021	3-3 Management of material topics		41-43		
GRI 302: Energy 2016	302-1 Energy consumption within the organization		42		
	302-3 Energy intensity		42		
	302-4 Reduction of energy consumption		42		

GRI 303: Water and Effluents 2018	303-5 Water consumption	41			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	43			
	306-2 Management of significant waste-related impacts	43			
	306-3 Waste generated	43			
Diversity, Equality and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	44- 47			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	45			
Employee Wellbeing					
GRI 3: Material Topics 2021	3-3 Management of material topics	46-51			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	47			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46			
	401-3 Parental leave	49			
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	47			
Learning and Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	50-51			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	51			
	404-2 Programs for upgrading employee skills and transition assistance programs	51			
We also report on topics that are not covered by the GRI standards					
Anti-Money Laundering and Anti-Corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	19-20			
Responsible Customer Relationships					
GRI 3: Material Topics 2021	3-3 Management of material topics	26-27			
Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	28-29			
Sustainable Finance					
GRI 3: Material Topics 2021	3-3 Management of material topics	31-32			
Financial Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	33-35			