

TNB الوطني

THE NATIONAL BANK

PROFILE

2024





## ► Vision

To be the most pioneering, innovative and robust bank.

---

## ► Mission

To create opportunities of success for our community by being the most responsive bank.

# ► OVERVIEW

The National Bank, listed on the Palestine Securities Exchange, under ticker symbol "TNB", is Palestine's fastest growing bank and one of the country's most trusted providers of comprehensive financial services. Born from a merger between Al Rafah Microfinance Bank and the Arab Palestinian Investment Bank in 2012, The National Bank has progressively transformed itself from a microfinance banking institution into a universal banking solutions and premium corporate, retail and investment banking services provider. With an authorized capital of \$115 million, The National Bank has maintained its history of strong performance with a robust Capital Adequacy Ratio of 17.89%, exceeding the local and international requirements. The National Bank has done several groundbreaking M&A transactions; in 2015, The National Bank acquired Bank al Etihad's operations in Palestine to become the first Palestinian bank on record to acquire the operations of a Jordanian bank. In 2018, The National Bank acquired a stake of 25% in the Palestine Islamic Bank (PIB). In 2020, The National Bank acquired the operations of the Jordan Commercial Bank (JCB) in Palestine.

In 2018, The National Bank started implementing its digital transformation strategy to offer high tech services to customers and enhance their banking experience in line with the bank's strategic approaches to roll out new digital services and solutions to the banking sector in Palestine. In 2019, The National Bank became the first bank in Palestine to use solar energy to cover 80% of its energy needs through buying a stake in Palestine's largest solar park "Noor Jericho". For 2 years, The National Bank has been cutting down its emissions and integrating several measures in the social and governance areas, to improve its Environmental, Social and Governance (ESG) scores and ensure its sustainable and ethical operations.

The bank currently operates through 37 branches and offices in the West Bank and is in the process of establishing additional ones. While The National Bank does not currently operate in Gaza, the bank provides services to over 183,000 clients through digital channels such as e-banking, mobile banking, digital service center, the Onboarding digital service and a well- positioned network of the most advanced ATMs.

<b>2005</b>	Established as Al Rafah Microfinance Bank with a paid-up capital of \$30 million.
<b>2012</b>	Al Rafah Microfinance Bank merged with the Arab Palestinian Investment Bank (PIB) and The National Bank was born.
<b>2014</b>	The National Bank was named the fastest growing bank in the Middle East by The Banker Middle East Magazine
<b>2015</b>	The National Bank acquired the operations of Bank al Etihad in Palestine.
<b>2018</b>	The National Bank acquired a stake of 25% in Palestine Islamic Bank (PIB).
<b>2020</b>	The National Bank acquired the operations of the Jordan Commercial Bank (JCB).
<b>2021</b>	The National Bank raised its authorized capital to \$110 million and its paid-up capital to \$105.53 million to become the second largest Palestinian bank in terms of capital.
<b>2022</b>	The National Bank raised its paid-up capital to \$113.1 million to reinforce its position as the second largest Palestinian bank in terms of paid-up capita

## ► SUBSIDIARIES



### **Watan Investment Company (WatanInvest)**

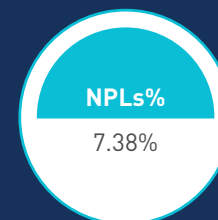
WatanInvest is Palestine's leading investment company providing a wide range of investment and financial services to private individuals and corporate clients. With headquarters in Palestine, WatanInvest provides innovative, integrated financial advisory services across all sectors to enable investors to realize their strategic goals. Offering a broad portfolio of products and services, including Shariah-compliant ones, WatanInvest dynamic advisory practice supports clients through all phases of the business cycle with expert capabilities in mergers and acquisitions, recapitalization and restructuring, capital markets and financial institution advisory services.

WatanInvest manages accounts for many of Palestine's largest companies and has participated since the late 1990's in some of the country's largest marque transactions, including the management of bond issues and initial public offerings (IPOs) for the Palestine Electric Company and the Palestine Mortgage and Housing Corporation, as well as working on infrastructure projects in co-operation with the International Finance Corporation (IFC) and the German Investment and Development Corporation (DEG). WatanInvest currently manages an assets portfolio of over \$100 million for a number of reputable companies.

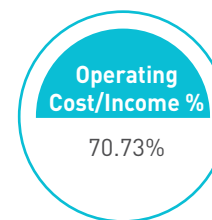
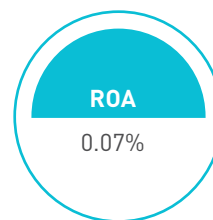
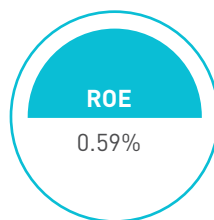
# ► Key Strengths-2024

- The Palestinian Bank with the highest Capital Adequacy Ratio of **17.77%**
- Strong Liquidity ratio above the regulatory requirements
- Second largest Palestinian Bank in terms of market value of **\$135.7 million**
- Second largest Palestinian Bank in terms of paid-up capital of **\$113.1 million**

## Strong Balance Sheet and Asset Quality



## Profitability



## Strong Liquidity and Capital Adequacy Ratio

**CAR %**

17.77%

**Tier 1 %**

16.52%

**Loans/  
Deposits**

74.35%

**LCR %**

465%

**NSFR%**

141%

**Market CAP**

\$135.7 million  
3.33% of PEX

**Branches  
& Offices**

38  
36% operate in rural areas  
100% of branches support  
visually impaired, blind  
and handicapped  
clients

**Employees**

666  
40% females  
33% females in  
leadership  
positions

**Customers**

198,000  
32% females  
43% female  
savers

**Shareholders Base**

8,258  
the Largest Shareholders  
base in the Palestinian  
banking sector

# ► The National Bank Major Shareholders

Exceeding 8,000 shareholders, The National Bank commands the largest shareholders base in the Palestinian banking sector and attracts the most respected and successful companies and businesspeople to its board.

Shareholders	Shares Current Balance	Ownership
Arkaan Real Estate Company	21,736,760	19.22%
Enterprise Investment Company (EIC)	17,980,729	15.90%
Jordan Commercial Bank (JCB)	17,116,337	15.13%
Bank al Etihad/Jordan	11,299,258	9.99%
Mrs. Manal ZraiQ	7,137,253	6.31%
Mr. Samir ZraiQ	6,651,918	5.88%
Palestine Telecommunication Company	6,536,900	5.78%

## Arkaan Real Estate Company

Arkaan was established in 2022 as a public shareholding company, forming the new real estate investment arm of PADICO Holding. The Company is considered the largest real estate developer in Palestine, and one of the biggest publicly listed companies in Palestine Exchange, with a paid-in capital of over \$131 million and an asset base of more than \$350 million, that includes Jericho Gate project and a strategic lands portfolio in the West Bank and Gaza Strip that enables Arkaan to implement mega real estate projects, in addition to its financial investment's portfolio.

## Enterprise Investment Company (EIC)

Enterprise Investment Company (EIC) partnered in 1997 with the International Finance Corporation (IFC), the German Investment and Development Corporation (DEG), and the Arab Bank Ltd. to establish the Arab Palestinian Investment Bank (APIB). The mandate of APIB was to offer investment banking services and become the focal point for the advisory and financial management of internationally funded development projects and programs. In 2012, APIB agreed a merger with Al-Rafah Micro Finance Bank to create The National Bank (TNB).

## Bank al Etihad - Jordan

Bank al Etihad, previously known as Union Bank, is a Jordan-based financial and banking services institution. Established in 1978 as a public shareholding company, it has a paid-up capital of JD110,000,000 and a capital base in excess of JD270 million along with a capital adequacy ratio of 14.72%. Bank al Etihad operates a growing network of 37 branches, in addition to 52 ATMs and a central exchange unit; the bank is also a board member and strategic partner with The National Bank. In 2007, Bank al Etihad engaged McKinsey & Co. to support its continuing growth and new business diversification strategy. Throughout 2011, the bank successfully completed and launched several strategic projects including the implementation of a new core banking system, the launch of a new brand identity and a new branch concept for a new retail experience. In addition to the enhancement of various products and services offerings, the bank was the first in Jordan to launch a full-fledged mobile banking application for smart phones.



## **Jordan Commercial Bank (JCB)**

Jordan Commercial Bank was originally established in 1977 under the name Jordan-Gulf Bank (JGB).

In 2004 JGB went through a major restructuring effort that touched all aspects of its operations administratively and financially and its name was changed to Jordan Commercial Bank. The bank currently conducts its business via 35 branches in Jordan.

Jordan Commercial Bank offers its corporate, retail, and investment clients with customized high quality competitively priced financial solutions. Through both its' ever-increasing and regularly enhanced range of cutting-edge banking solutions and its' efficient distribution channel, The Bank is committed to delivering tailored world-class products and services that reward its' stakeholders, customers, and its personnel.

Since re-launching in 2004, Jordan Commercial Bank is keen to have an effective social role and contributes to several CSR initiatives. It constantly provides cash and in-kind support to various activities in different fields. The Bank also sponsors many conferences, seminars and economic, cultural, social and sports events in cooperation with many educational and social institutions.

## **Palestine Telecommunication Company (Paltel)**

Paltel is the leading telecommunication company in Palestine, providing the latest technology and solutions for both residential and business segments. Paltel's mission is to serve the needs of its subscribers locally and internationally by delivering state-of-the-art services and keeping up with the rapidly changing technologies in the field of telecommunication industry.

As Paltel continues to break new ground and offer new services, it focuses on delivering those services with high integrity and best customer support; emphasizing the value and mission it promises its subscribers.

Paltel offers a range of services such as: Internet and fixed line services, business Internet services, data communications, and value-added services.

Paltel's commitment to the community extends beyond the products and services it offers, as it constantly looks for new, innovative ways to help its subscribers create the change they wish to see in the future and find new solutions that help people "change tomorrow".

# ► Correspondent Banks & International Relations

The National Bank's network covers all major regional banks in Palestine as well as the world's top financial institutions. Additional selective correspondent relationships are also maintained in certain countries where Palestine conducts active trading.

The National Bank's Treasury and Investment Departments work closely with correspondent banks in New York, Copenhagen, Frankfurt and the Middle East to expand the bank's dominant share of Palestinian trade. The network of correspondents and partnerships includes various first-class international banking and financial institutions, such as Commerzbank, Bank of New York Mellon, Saxo Bank, MasterCard and VISA.

The National Bank maintains strategic relationships with several international and foreign governmental agencies such as the International Finance Corporation (IFC), USAID, Overseas Private Investment Corporation (OPIC), KfW, in addition to the French and Italian governments. These relationships guarantee that The Bank maintains the highest levels of regulatory compliance, including periodic audits and a commitment to strict performance covenants. The National Bank has built a robust compliance system in accordance with the highest international standards, which is regularly acknowledged by the regulator and partner institutions. Moreover, The National Bank was the first Palestinian bank to be selected to penetrate the Palestinian market by the European Bank of Reconstruction and Development (EBRD), European Investment Bank (EIB) and SANAD Fund for MSME- one of the impact investment funds of Finance in Motion, after a due diligence executed on the Bank by the three parties. As a result, The National Bank manages EBRD, EIB and SANAD's investments to increase the lending portfolio for MSMEs in Palestine.

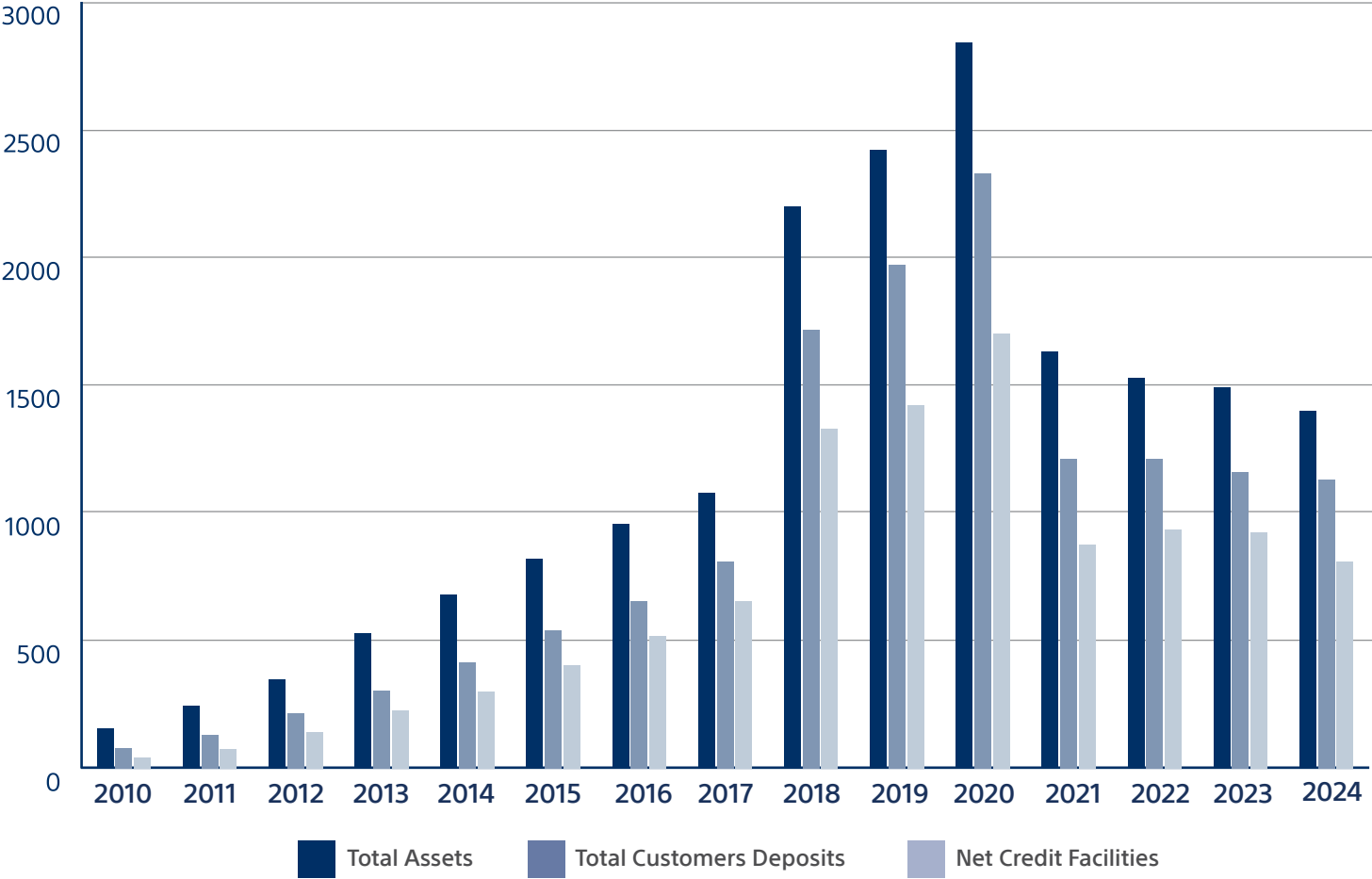


# Financial Performance

Year	Total Assets	Customer Deposits	Net Credit Facilities	Branches & Offices
2010	158.14 m	80.3 m	42.9 m	6
2011	247.39 m	129.7 m	76.3 m	6
2012	350.89 m	216.2 m	142.8 m	6
2013	529.60 m	302.6 m	228.3 m	6
2014	679.91 m	413.9 m	298.6 m	9
2015	820.27 m	538.6 m	401.8 m	12
2016	957 m	655.94 m	519.3 m	15
2017	1.08 b	808.78 m	653.8 m	24
2018 - Consolidated with PIB	2.20 b	1.717 b	1.33 b	25
2019 - Consolidated with PIB	2.42 b	1.97 b	1.42 b	26
2020 - Consolidated with PIB	2.84 b	2.33 b	1.7 b	36
2021	1.63 b	1.21 b	876.8 m	35
2022	1.53 b	1.21 b	934 m	34
2023	1.49 b	1.16 b	924 m	36
2024	1.40 b	1.13 b	808 m	38

\* Financial results from year end 2021 are shown as TNB standalone performance due to special accounting measures. PIB's profits are shown in TNB's financial statements as an investment in an affiliated company.

# Financial Performance



# ► Sustainability

## ***Towards a Sustainable Future in Palestine***

In 2024, The National Bank started implementing its sustainability strategy to strengthen its role in the national economy and the Palestinian community while fostering a greener Palestine. TNB was one of the leading banks in Palestine to issue a Sustainability Report since 2022. In 2024, TNB has managed to decrease:

- Carbon Dioxide CO<sub>2</sub> by 5,617,792 KG
- Nitrogen Oxide (NO<sub>x</sub>) by 21,535 KG
- Sulfur Dioxide (SO<sub>2</sub>) by 33,707 KG

Since 2019, the National Bank has continued its efforts to protect the climate, preserve the environment, and promote sustainable practices in order to achieve Environmental, Social, and Governance (ESG) sustainability in its operations and initiatives, which are aligned with best governance practices. The bank aims to fully rely on alternative energy sources in its operations.

## Main Objectives:

- Ensure good governance and Ethics
- Promote modern and sustainable banking
- Strengthen national economy
- Adopt environmental Stewardship
- Invest in our employees



We Support

- TNB acquired a stake of 1.17 MW in “Noor Jericho” solar park which allows the Bank to fulfil the energy requirements of almost 80% of its operations.
- TNB reduced direct GHG emissions (Scope 1) by 42 tons.
- TNB reduced indirect GHG emissions (Scope 2) by 679 tons.
- In 2024, TNB contributed around 50% of its net profit towards CSR sustainable initiative, thus ranking as the second-largest Palestinian bank in terms of social contribution for the year.
- 100% of our Branches and ATM network support people with disabilities.



Sustainability Report 2023



Gender Audit Report

# ► INTERNATIONAL INITIATIVES WE ADOPT



## United Nations Global Compact (UNGC)

The National Bank joined the UNGC's initiative for business, and became a proud signatory to its universally accepted 10 principles in the areas of human rights, labor, environment and anti-corruption, engaging these principles in its day-to-day operations and communications.



## OPIC Environmental and Social Policy

The National Bank is proud to be the first bank in Palestine to adopt and implement OPIC's Social and Environmental Policy. To ensure the best application, The National Bank has built a strict monitoring system to track its investments and projects, adhering to the policy's principles on compliance with law, human rights, gender equality and women's empowerment, labor rights, protection of natural habitats, conservation of biological diversity, climate change, pollution prevention and resource efficiency, public health, physical and cultural heritage and the protection of agricultural lands and soil conservation.



## The Women's Empowerment Principles (WEPs)

Since its inception, The National Bank has focused on gender equality through its unique programs, enabling women to be self-dependent and productive members of Palestinian society. In 2015, The National Bank became a signatory to the Women Empowerment Principles, a joint initiative of the United Nations Global Compact (UNGC) and UN Women, as a guideline to advance gender equality and women empowerment in the workplace, marketplace and community.

UN Women has conducted the Gender Participatory Audit on The National Bank in 2018 using the International Labour Organization's (ILO) standards to inspect the bank's operations from a gender view. The gender audit report showed The National Bank's commitment to enhance the role of Palestinian women economically through its programs and strategies.



The National Bank (TNB)  
HQ Al-Masyoun, P.O. Box 700  
Ramallah, Palestine  
Tel: +970 22946090  
E-mail: [info@tnb.ps](mailto:info@tnb.ps)