

Summary of the Preliminary Results of PEX – Listed Companies

Main Information:	
Name of the company:	The National Bank
Sector:	Banking Financial Services
Trading symbol:	TNB
ISIN Number:	PS1006112053
Date of Registration:	20/08/2005
Type of Market (First/ Second):	first
Authorized Capital:	USD 104,553,448
Subscribed Capital:	USD 104,553,448
Paid-in Capital:	USD 104,553,448
Name of the Chairman of the Board:	Mr.Samir Zraiq
Name of the Chief Executive Officer/ General Manager:	Mr.Salameh Khalil
Name of the Internal Auditor:	Mr.Issa Jubran
Name of the External Auditor:	Ernst & Young
Location (Head Office):	Ramallah
Telephone Number:	02-2946090
E-mail:	info@tnb.ps

Information about the Annual Report & General Assembly Meeting:	
Approximate date for the publication of the Annual Report:	End of March 2022
The site where the Annual Report shall be displayed for viewing by the public:	Through TNB Branches, TNB website "www.tnb.ps", Palestine Securities Exchange website "www.pex.ps" & Palestine Capital Market Authority website "www.pcma.ps"
The proposed date for the annual Ordinary General Assembly Meeting:	Mid May 2022

TNB الوطني

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Seventh Floor, ASAL Building, Rafedya St.- Nablus
Sixth Floor, PADICO House, Al Masyoun - Ramallah
P.O.BOX 128, Nablus, Palestine

الطابق السابع- مجمع غسل التجاري. شارع رفيديا الرئيسي - نابلس
الطابق السادس- عمارة باديكو هاوس. الماصيون - رام الله
ص. ب 128 - نابلس. فلسطين

Tel: +970 9 2390999 :هاتف
Fax: +970 9 2390998 :فاكس




Preliminary Results Comparison:		Currency: USD	
Item	31/12/2021 (Unaudited)	31/12/2020 (Audited)	
1. Total assets:	1,631,183,899	2,844,745,304	
a) Non-current assets:	25,173,470	84,627,182	
b) Current assets:	1,606,010,429	2,760,118,122	
2. Total Liabilities:	1,485,439,091	2,623,800,284	
a) Non-current liabilities:	40,537,583	76,198,961	
b) Current liabilities:	1,444,901,508	2,547,601,323	
c) Unrestricted investments accounts (Islamic Banks):			
d) Restricted investments accounts (Islamic Banks):			
3. Total Equity:	145,744,808	220,945,020	
a) Equity attributable to equity holders of the company			
b) Non-controlling interests			
4. Net Operating Income/ (Loss)	14,582,922	3,218,587	
5. Net Income/ (Loss) before Tax	18,164,513	3,566,325	
6. Provision for Income Tax	(4,241,777)	(4,279,762)	
7. Net Income/ (Loss) after Tax:	13,922,736	(713,437)	
a) Attributable to equity holders of the company	8,500,085	(5,819,453)	
b) Non-controlling interests	5,422,651	5,106,016)	
8. Other Comprehensive Income	5,404,481	(1,722,362)	
9. Total Comprehensive Income (7+8)	19,327,217	(2,435,799)	
a) Equity Holders of the Company	13,348,320	(7,181,032)	
b) Non-controlling interests	5,978,897	4,745,233	
10. Summary of the Company's Financial Performance for the year:			
Net income after tax amounted to 13.9 million USD, compared to loss of 713 thousand USD			
Total assets amounted to 1.631 billion USD, total liabilities amounted to 1.485 billion USD, and total equity amounted to 146 million USD			



Mr. Salameh Khalil
Chief Executive Officer



Date:
2022/02/15



Mr. Anan Zagha
Chief Financial Officer

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THE NATIONAL BANK LTD.

PUBLIC SHAREHOLDING COMPANY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

البنك الوطني TNB

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	December 31, 2021	December 31, 2020
	U.S. \$	U.S. \$
Assets		
Cash and balances with Palestine Monetary Authority	290,606,441	608,939,817
Balances at banks and financial institutions	322,310,801	215,989,883
Financial assets at fair value through income statement	1,487,573	2,527,347
Direct credit facilities	876,853,992	1,750,545,046
Financial assets at fair value through other comprehensive income	17,706,139	16,611,633
Financial assets at amortized cost	25,674,745	31,055,118
Investment in associates	48,090,281	11,669,721
Investment properties	-	8,375,983
Property, plant and equipment	19,824,277	49,267,935
Right of use assets	6,826,148	16,025,258
Projects in progress	269,695	3,018,587
Intangible assets	5,079,498	32,340,660
Deferred tax assets	4,163,823	10,793,439
Other assets	12,290,486	87,584,877
Total assets	1,631,183,899	2,844,745,304
Liabilities and equity		
Liabilities		
Banks and financial institutions' deposits	147,387,483	97,129,607
Customers' deposits	1,139,385,865	2,169,333,639
Cash margins	72,122,853	160,223,899
Loans and borrowings	51,005,307	80,914,178
Subordinated loans	35,000,000	40,000,000
Sundry provisions	6,326,286	16,364,190
Taxes provisions	1,281,190	3,333,360
Lease Liabilities	6,715,176	15,806,540
Other liabilities	26,214,931	40,694,871
Total liabilities	1,485,439,091	2,623,800,284
Equity		
Paid-in share capital	104,553,948	91,764,707
Share premium	17,770,333	17,770,333
Statutory reserve	6,086,418	5,236,409
General banking risks reserve	4,085,562	4,085,562
Pro-cyclicality reserve	5,216,291	5,216,291
Fair value reserve	(2,033,671)	(6,881,906)
Retained earnings	10,065,927	2,296,925
Total equity holders of the Bank	145,744,808	119,488,321
Non-controlling interests	-	101,456,699
Net equity	145,744,808	220,945,020
Total liabilities and equity	1,631,183,899	2,844,745,304

The National Bank Company Ltd.

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2021

	2021	2020
	U.S. \$	U.S. \$
Interest income	58,334,492	56,763,716
Interest expense	(23,376,010)	(21,576,189)
Net interest income	34,958,482	35,187,527
Net financing and investment income	24,294,044	37,576,146
Net commissions income	11,848,325	15,988,674
Net interest and commissions income	71,100,851	88,752,347
Foreign currencies gains	8,326,980	4,100,813
Net gains from financial assets portfolio	1,727,158	1,143,132
Bank's share of results of associates	1,957,443	147,510
Other revenues	3,581,591	347,738
Gross profit	86,694,023	94,491,540
Expenses		
Personnel expenses	29,726,666	35,234,422
Other operating expenses	18,501,552	25,498,812
Depreciation and amortization	7,437,024	9,775,613
Net provision of expected credit losses	11,954,142	20,222,147
Impairment of investment properties	694,156	86,110
Legal provision expense	195,970	69,902
Palestine Monetary Authority's fines	20,000	38,209
Gross expenses	68,529,510	90,925,215
Profit for the period before taxes	18,164,513	3,566,325
Taxes expense	(4,241,777)	(4,279,762)
Profit (loss) for the period	13,922,736	(713,437)
Attributable to:		
Equity holders of the Bank	8,500,085	(5,819,453)
Non-controlling interests	5,422,651	5,106,016
	13,922,736	(713,437)
Basic and diluted earnings (losses) per share attributable to the parent Company shareholders	0.09	(0.07)

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

	2021	2020
	U.S. \$	U.S. \$
Profit (loss) for the period	13,922,736	(713,437)
Items not to be reclassified to the consolidated income statement in subsequent periods:		
Change in the fair value of financial assets	5,230,890	(1,608,991)
Bank's share of associates' other comprehensive income	173,591	(113,371)
Total other comprehensive income	5,404,481	(1,722,362)
Net comprehensive income for the period	19,327,217	(2,435,799)
Attributable to:		
Equity holders of the Bank	13,348,320	(7,181,032)
Non-controlling interests	5,978,897	4,745,233
	19,327,217	(2,435,799)

TNB الوطني

The National Bank Company Ltd.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2021

	Reserves										Net equity U.S. \$
	Paid-in share capital U.S. \$	Share premium U.S. \$	Statutory U.S. \$	General banking risks U.S. \$	Pro-cyclicality U.S. \$	Fair value U.S. \$	Retained earnings U.S. \$	Net equity holders of the		Net equity U.S. \$	
								Bank	Non-controlling interests		
December 31, 2021											
Balance, beginning of the period	91,764,707	17,770,333	5,236,409	4,085,562	5,216,291	(6,881,906)	2,296,925	119,488,321	101,456,699	220,945,020	
Profit for the period	-	-	-	-	-	-	8,500,085	8,500,085	5,422,651	13,922,736	
Other comprehensive income	-	-	-	-	-	4,848,235	-	4,848,235	556,246	5,404,481	
Net comprehensive income for the period	-	-	-	-	-	4,848,235	8,500,085	13,348,320	5,978,897	19,327,217	
Disposal of a subsidiary	-	-	-	-	-	-	118,926	118,926	(107,435,596)	(107,316,670)	
Payments to increase paid-in capital	12,789,241	-	-	-	-	-	-	12,789,241	-	12,789,241	
Transfers to reserves	-	-	850,009	-	-	-	(850,009)	-	-	-	
Balance, end of the period (unaudited)	104,553,948	17,770,333	6,086,418	4,085,562	5,216,291	(2,033,671)	10,065,927	145,744,808	-	145,744,808	
December 31, 2020											
Balance, beginning of the period	78,000,000	564,451	5,236,409	3,425,111	5,216,291	(5,520,327)	8,776,829	95,698,764	96,711,466	192,410,230	
Loss for the period	-	-	-	-	-	-	(5,819,453)	(5,819,453)	5,106,016	(713,437)	
Other comprehensive income	-	-	-	-	-	(1,361,579)	-	(1,361,579)	(360,783)	(1,722,362)	
Net comprehensive income for the period	-	-	-	-	-	(1,361,579)	(5,819,453)	(7,181,032)	4,745,233	(2,435,799)	
Increase in paid-in capital-Business acquisition	13,764,707	17,205,882	-	660,451	-	-	-	30,970,589	-	30,970,589	
Transfers to reserves	-	-	-	-	-	-	(660,451)	-	-	-	
Balance, end of the period (unaudited)	91,764,707	17,770,333	5,236,409	4,085,562	5,216,291	(6,881,906)	2,296,925	119,488,321	101,456,699	220,945,020	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	2021	2020
	U.S. \$	U.S. \$
Operating activities		
Profit for the period before taxes	18,164,513	3,566,325
Adjustments:		
Depreciation and amortization	7,437,024	9,775,613
Gains from financial assets portfolio	(1,727,158)	(1,143,132)
Bank's share of results of associates	(2,154,918)	(147,510)
Interest on lease liabilities	381,275	531,154
Net provision of expected credit losses	11,954,142	20,222,147
Losses (gains) from valuation of deposits at below market interest rate	408,572	(2,451,432)
Recoveries (losses) from asset modification arising from Islamic financing of a subsidiary	(1,708,220)	7,970,600
Sundry provisions	2,808,966	4,135,004
Impairment of investment properties	694,156	86,110
Gains from sale of investments properties	-	(3,368)
Gains from sale of property, plant and equipment	-	(67,410)
Other non-cash items	404,626	1,436,763
	<u>36,662,978</u>	<u>43,910,864</u>
Changes in assets and liabilities:		
Restricted balances at banks and financial institutions	(16,473,390)	2,607,880
Statutory cash reserve at Palestine Monetary Authority	(40,828,086)	(21,383,781)
Direct credit facilities and Islamic financing	43,407,358	(261,601,711)
Other assets	21,925,749	(20,262,298)
Customers' deposits	134,661,951	197,316,545
Cash margins	(20,060,011)	19,422,700
Other liabilities	11,156,253	3,757,665
	<u>170,452,802</u>	<u>(36,232,136)</u>
Net cash flows from (used in) operating activities before taxes and provisions paid		(36,232,136)
Taxes paid	(4,388,404)	(6,585,928)
Payments of sundry provisions	(3,271,828)	(5,772,766)
Net cash flows from (used in) operating activities	<u>162,792,570</u>	<u>(48,590,830)</u>
Investing activities		
Balances at banks and financial institutions maturing after three months	(8,206,251)	(26,989,581)
Banks and financial institutions Deposits maturing after three months	-	25,000,000
Sale of investments properties	-	185,000
Purchase of property, plant and equipment	(1,264,078)	(2,695,417)
Sale of property, plant and equipment	87,276	165,640
Projects in progress	(183,127)	(771,219)
Purchase of intangible assets	(723,213)	(1,040,360)
Purchase of financial assets at fair value through other comprehensive income	(5,480,326)	-
Purchase of financial assets at amortized cost	(5,710,617)	32,035,658
Cash flows from business acquisition	-	76,407,301
Disposal of a subsidiary	(363,360,810)	-
Cash dividends received	1,617,224	1,303,258
Net cash flows from investing activities	<u>(383,223,922)</u>	<u>103,600,280</u>
Financing activities		
Subordinated loans	(5,000,000)	-
Loans and borrowings	(29,908,871)	46,326,273
Lease liabilities paid	(2,469,775)	(2,379,143)
Payments to increase paid-in capital	12,789,241	-
Net cash flows used in financing activities	<u>(24,589,405)</u>	<u>43,947,130</u>
Increase (decrease) in cash and cash equivalents	<u>(245,020,757)</u>	<u>98,956,580</u>
Cash and cash equivalents, beginning of the period	544,610,581	445,654,001
Cash and cash equivalents, end of the period	<u>299,589,824</u>	<u>544,610,581</u>
Interest expense paid	22,586,146	19,404,295
Interest revenue received	54,034,325	43,200,780