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**The National Bank LTD.**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**JUNE 30, 2024**



# The National Bank Company Ltd.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at June 30, 2024

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
	U.S. \$	U.S. \$
<b>Assets</b>		
Cash and balances with Palestine Monetary Authority	165,021,744	240,672,167
Balances at banks and financial institutions	172,859,514	158,394,798
Financial assets at fair value through profit or loss	256,800	285,600
Direct credit facilities, net	855,273,310	923,954,240
Financial assets at fair value through other comprehensive income items	6,115,904	6,332,279
Financial assets at amortized cost	59,214,731	51,253,674
Investment in associates	50,172,551	50,151,383
Property, plant and equipment	21,605,702	21,884,324
Right of use assets	6,027,386	6,755,187
Projects in progress	1,664,118	1,803,479
Intangible assets	3,278,423	2,748,420
Deferred tax assets	5,994,169	6,298,657
Other assets	22,514,968	20,329,757
<b>Total assets</b>	<b>1,369,999,320</b>	<b>1,490,863,965</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Banks and financial institutions' deposits	4,523,367	27,904,797
Customers' deposits	1,009,650,673	1,090,942,293
Cash margins	62,226,012	73,091,609
Loans and borrowings	59,354,670	57,489,158
Subordinated loans	18,500,000	18,500,000
Sundry provisions	7,279,816	7,333,258
Lease liabilities	5,464,751	6,485,590
Taxes provisions	4,547,661	4,806,531
Other liabilities	22,321,413	31,769,857
<b>Total liabilities</b>	<b>1,193,868,363</b>	<b>1,318,323,093</b>
<b>Equity</b>		
Paid-in share capital	113,100,000	113,100,000
Share premium	17,770,333	17,770,333
Statutory reserve	9,226,758	9,226,758
General banking risks reserve	3,484,033	3,484,033
Pro-cyclicality reserve	5,216,291	5,216,291
Fair value reserve	(3,567,625)	(3,109,557)
Retained earnings	30,901,167	26,853,014
<b>Net equity</b>	<b>176,130,957</b>	<b>172,540,872</b>
<b>Total liabilities and equity</b>	<b>1,369,999,320</b>	<b>1,490,863,965</b>

# The National Bank Company Ltd.

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month and six-month periods ended June 30, 2024

	For the three-month period ended June 30		For the six-month period ended June 30	
	2024	2023	2024	2023
	(Unaudited) U.S. \$	(Unaudited) U.S. \$	(Unaudited) U.S. \$	(Unaudited) U.S. \$
Interest income	16,235,440	17,006,258	33,180,830	34,165,176
Interest expense	(4,452,769)	(3,993,509)	(9,116,677)	(8,072,312)
<b>Net interest income</b>	11,782,671	13,012,749	24,064,153	26,092,864
Net commissions income	1,096,476	1,764,212	2,068,978	3,512,410
<b>Net interest and commissions income</b>	12,879,147	14,776,961	26,133,131	29,605,274
Foreign currencies gains	1,159,716	1,692,613	2,176,901	3,893,582
Net gains from financial assets portfolio	143,638	2,400	167,736	236,798
Bank's share of the associate's results of operations	(236,754)	1,020,565	262,861	2,104,025
<b>Other revenues</b>	(1,892)	550,349	207,247	554,970
<b>Gross profit</b>	13,943,855	18,042,888	28,947,876	36,394,649
Expenses				
Personnel expenses	(4,951,212)	(5,784,868)	(10,973,368)	(11,406,483)
Other operating expenses	(3,129,825)	(3,868,810)	(6,717,614)	(7,915,379)
Depreciation and amortization	(1,457,961)	(1,451,753)	(2,940,403)	(2,837,904)
<b>Expected credit losses provisions</b>	(1,162,500)	(2,163,400)	(2,514,856)	(4,058,969)
<b>Total expenses</b>	(10,701,498)	(13,268,831)	(23,146,241)	(26,218,735)
Profit for the period before taxes	3,242,357	4,774,057	5,801,635	10,175,914
Taxes expense	(994,530)	(980,000)	(1,753,482)	(2,573,769)
<b>Profit for the period</b>	2,247,827	3,794,057	4,048,153	7,602,145
<b>Basic and diluted earnings per share for the period for the bank shareholders</b>	0,02	0,03	0,04	0,07

## The National Bank Company Ltd.

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three-month and six-month periods ended June 30, 2024

	For the three-month period ended June 30		For the six-month period ended June 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>Profit for the period</b>	2,247,827	3,794,057	4,048,153	7,602,145
<b>Items won't be reclassified to the consolidated income statement in subsequent periods:</b>				
Change in the fair value of financial assets	(57,593)	(183,802)	(216,375)	133,000
Bank's share of associate's other comprehensive income	(140,877)	(32,688)	(241,693)	83,847
<b>Total other comprehensive income</b>	(198,470)	(216,490)	(458,068)	216,847
<b>Net comprehensive income for the period</b>	<u>2,049,357</u>	<u>3,577,567</u>	<u>3,590,085</u>	<u>7,818,992</u>

## The National Bank Company Ltd.

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended June 30, 2024

	Reserves							
	Paid-in share capital	Share premium	Statutory	General banking risks	Pro- cyclicality	Fair value	Retained earnings	Net equity
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>June 30, 2024</b>								
<b>Balance, beginning of the period</b>	113,100,000	17,770,333	9,226,758	3,484,033	5,216,291	(3,109,557)	26,853,014	172,540,872
Profit for the period	-	-	-	-	-	-	4,048,153	4,048,153
Other comprehensive income items	-	-	-	-	-	(458,068)	-	(458,068)
Net comprehensive income for the period	-	-	-	-	-	(458,068)	4,048,153	3,590,085
<b>Balance, end of the period (unaudited)</b>	<u>113,100,000</u>	<u>17,770,333</u>	<u>9,226,758</u>	<u>3,484,033</u>	<u>5,216,291</u>	<u>(3,567,625)</u>	<u>30,901,167</u>	<u>176,130,957</u>
<b>June 30, 2023</b>								
<b>Balance, beginning of the period</b>	113,100,000	17,770,333	7,786,540	3,484,033	5,216,291	(2,262,093)	19,529,058	164,624,162
Profit for the period	-	-	-	-	-	-	7,602,145	7,602,145
Other comprehensive income	-	-	-	-	-	216,847	-	216,847
Net comprehensive income for the period	-	-	-	-	-	216,847	7,602,145	7,818,992
Sale of financial assets at fair value through other comprehensive income items	-	-	-	-	-	(16,993)	16,993	-
Cash dividends (Note1)	-	-	-	-	-	-	(5,655,000)	(5,655,000)
<b>Balance, end of the period (unaudited)</b>	<u>113,100,000</u>	<u>17,770,333</u>	<u>7,786,540</u>	<u>3,484,033</u>	<u>5,216,291</u>	<u>(2,062,239)</u>	<u>21,493,196</u>	<u>166,788,154</u>

# The National Bank Company Ltd.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the six-months period ended June 30, 2024

	For the six-month period ended June 30	
	2024	2023
	Unaudited U.S. \$	Unaudited U.S. \$
<b>Operating activities</b>		
Profit for the period before taxes	5,801,635	10,175,914
<b>Adjustments:</b>		
Depreciation and amortization	2,940,403	2,837,904
Net gains from financial assets portfolio	(167,736)	(236,798)
Bank's share of the associate's results of operations	(262,861)	(2,104,025)
Interest on lease liabilities	117,521	153,381
Expected credit losses provision, net	2,514,856	4,058,969
Sundry provisions	735,777	635,615
Loss of sale of real estate, machinery and equipment	-	9,255
Other non-cash items	636,238	(55,854)
	12,315,833	15,474,361
<b>Changes in assets and liabilities:</b>		
Restricted balances at banks and financial institutions	378,206	63,812
Statutory cash reserve at Palestine Monetary Authority	1,554,482	(2,726,723)
Direct credit facilities, net	65,621,961	(22,637,974)
Other assets	(1,988,675)	5,980,515
Customers' deposits	(81,291,620)	(46,257,580)
Cash margins	(10,865,597)	4,004,654
Other liabilities	(9,448,444)	877,105
Net cash flows used in operating activities before paid taxes and provisions	(23,723,854)	(45,221,830)
Taxes paid	(1,707,864)	(893,736)
Payments on sundry provisions	(789,219)	(256,190)
<b>Net cash flows used in operating activities</b>	<b>(26,220,937)</b>	<b>(46,371,756)</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(602,085)	(2,686,579)
Sale of property, plant and equipment	-	17,679
Projects in progress	(1,026,430)	(277,500)
Purchase of intangible assets	(696,107)	(425,563)
sale of financial assets at fair value through other comprehensive income items	-	52,964
Purchase of financial assets at amortized cost	(8,040,020)	(13,470,716)
Accrual of financial assets at amortized cost	-	2,820,874
Cash dividends received	-	1,481,696
<b>Net cash flows used in investing activities</b>	<b>(10,364,642)</b>	<b>(12,487,145)</b>
<b>Financing activities:</b>		
Cash dividends	-	(5,387,412)
borrowed payments	1,865,512	(1,462,266)
Subordinated loans	-	(12,500,000)
Lease liabilities paid	(1,138,360)	(1,104,771)
<b>Net cash flows used in financing activities</b>	<b>727,152</b>	<b>(20,454,449)</b>
Decrease Increase in cash and cash equivalents	(35,858,427)	(79,313,350)
<b>Cash and cash equivalents, beginning of the Period</b>	<b>255,092,640</b>	<b>253,523,008</b>
<b>Cash and cash equivalents, end of the Period</b>	<b>219,234,213</b>	<b>174,209,658</b>
Interests expense paid	9,242,239	7,869,000
Interests revenue received	25,670,265	32,730,703