

**QNB ALAHLI BOARD OF DIRECTORS' REPORT  
ON BANK'S ACTIVITY & FINANCIAL POSITION  
FOR THE YEAR ENDED ON 31 DECEMBER 2023**

The Board of Directors has the pleasure to submit to the Ordinary General Assembly of the Bank's shareholders its report on the bank's activity during the financial year ended on 31 December 2023.

**General Information:**

The financial position and income statement as at 31 December 2023 were approved by the Board of Directors in Egyptian Pound . The bank's assets and liabilities in foreign currencies were evaluated in Egyptian Pound as per the exchange rates of foreign exchange prevailed on 31 December 2023.

<b>Bank Name</b>	<b>Qatar National Bank ALAHLI S. A. E</b>
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<b>Bank Purpose:</b>	Provide all banking fields related to its activity		
<b>Duration of the Bank</b>	50 Years	<b>Listing date</b>	07-07-1996
<b>The law under which the Bank is incorporated</b>	No.43/1974 amended by Law No.8/1998 amended by law 72/2017	<b>Stock nominal value</b>	5 (five) Egyptian Pounds
<b>Authorized capital</b>	15 Billion Egyptian pounds	<b>Issued Capital</b>	10,774,114,830 Egyptian pounds
<b>Paid-in Capital</b>	10,774,114,830 Egyptian pounds	<b>Commercial registry number &amp; registration date</b>	188894 24/04/1978

**Investor relations:**

<b>Investor relations officer</b>	Mr. Tamer Gharib Soliman Mr. Ahmed Mohamed Nabil Abdel-Motelib Mr. Ahmed Mohamed El-Saeed Aly Hegazy Mr. Sameh Badry Shehata Badie		
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## Financial Auditor

Name	Mr. Abdel-Hady Mohamed Aly Ibrahim (Hazem Hassan KPMG)* Mr. Mohanad Taha Khaled (Khaled & Co BDO)		
Date of appointment	11 January 2024 16 February 2023		
Listing in FRA Register Listing No.	395 375	Listing Date	14/09/2021 16/11/2015

- Organizational purpose to be presented to next GAM for ratification as Mr. Ehab Mohamed Fouad Abo EL-Magd- (Hazem Hassan KPMG) passed away.

## Shareholder's Structure and BOD's ownership on the date of financial:

### (a) Shareholders of 5% or more of bank's shares:

Name	No. owned shares	Percentage of ownership
Qatar National Bank	2,046,369,862	94.967
<b>Total</b>	<b>2,046,369,862</b>	<b>94.967</b>

### (b) BOD's ownership in the bank:

Board member name	No. owned shares	Percentage of ownership
Mr. Tarek Abdel Raouf Magdy Fayed	85,388	0.0039
<b>Total</b>	<b>85,388</b>	<b>0.0039</b>



## Board of Directors:

### A- Current structure.

Name	Title	Representation entity	Capacity (executive/non-executive)
Mr. Ali Rashid A. A. Al-Mohannadi	Chairman	Representative of QNB	Non-executive
Mr. Assem Mohamed Fahmy Mohamed Ragab	Vice Chairman	Independent	Non-executive
Mr. Mohamed Mahmoud Aly Bedeir	CEO and Board Member	Representative of QNB	Executive
Ms. Heba Ali Ghaith A. Al-Tamimi	Board Member	Representative of QNB	Non-executive
Mr. Tarek Abdel-Raouf Magdy Fayed	Board Member	Representative of QNB	Executive
Mr. Adel Ali M. A. Al-Malki	Board Member	Representative of QNB	Non-executive
Mr. Abdulla Nasser Salem M. Al-Khalifa	Board Member	Representative of QNB	Non-executive
Ms. Shaikha Salem Abdulla A. A. Al-Dosari	Board Member	Representative of QNB	Non-executive
Mr. Khaled Ahmed Khalifa A. Al-Sada	Board Member	Representative of QNB	Non-Executive
Mr. Nedhal Shafi Hassan F. Al-Nuaimi	Board Member	Representative of QNB	Non-Executive
SHK. Hamad Talal A.A. Al-Thani	Board Member	Independent	Non-Executive

#### \*Mention all amendments during the year:

- Nil to report.

#### Board of Directors Meetings (no. of meetings during the year):

14 times during Year 2023.

#### Audit committee:

##### A) Current structure

Name	Position in the committee	Representation
Mr. Assem Mohamed Fahmy Mohamed Ragab	chairman	Independent
Ms. Shaikha Salem Abdulla A. A. Al-Dosari	Member	Representative of QNB
Mr. Nedhal Shafi Hassan F. Al-Nuaimi	Member	Representative of QNB



**B) Audit committee's responsibilities, and the assigned tasks:**

- Propose appointment of External Auditors, determine their fees, consider the matters related to their resignation or termination, without prejudice of the provisions of Law and Accountability State Authority Law.
- Express opinion in assigning the auditors to provide services to the Bank other than auditing financial statements, in the fees without prejudice of their independence.
- Discussing the topics the committee aims with Chief internal Auditor, Chief Compliance Officer, External Auditors, and the Responsible Heads, as well as they could discuss with the committee their relevant other topics.
- Review the annual financial statement before submitting them to the Board of Directors for approval.
- Review the annual financial statements ready for publishing before publication to ensure that they conform to the financial statements data and publishing rules issued by the Central Bank of Egypt.
- Coordinate internal and external auditors and ensure there are no restrictions that hinder communication between Chief Internal Auditor and External Auditors on one hand, and Board of Directors and Audit and Compliance Committee on the other hand.
- Review and approve annual auditing plan.
- Review reports prepared by Internal Audit Division including reports related to adequacy of internal supervision systems of the bank, extent of adherence to what was mentioned in them as well as follow up recommendations of this Division and the extent of Bank's Management response to them.
- Review reports prepared by Head of Compliance Division, especially concerning violations of the applicable laws, the bank's internal regulations and instructions and Central Bank of Egypt's instructions (if any).
- Study the restrictions that face the internal audit processes or work of Head of Compliance Division, propose the methods required to remove them.
- Review report of internal audit Division in the bank concerning availability of qualified employees in this Division, qualification level of Head of Compliance Division, levels of their training and qualification.
- Review the procedures taken by the bank management to adhere to supervisory controls and criteria set by the Central Bank and verify taking corrective actions in case of non-adherence to them.
- Verify that the bank has founded a supervisory system and took executive procedures to combat money laundering.
- Study notes of the Central Bank stated in inspection reports which was conducted on the bank and its notes concerning financial statements, report them to the board of directors accompanied with the committee's recommendations.
- Study notes of the auditors stated in their reports concerning financial statements and their other reports sent to the bank during the year, report them to the board of directors accompanied with the committee's recommendations.



**C) Audit committee achievements during the year:**

No. of meetings during the year	4 Times during 2023
If the committee reports had been presented to the BOD?	Yes as it is within the committee's duties
If the committee reports mention any substantive observations that should be addressed?	Yes, there are some observations, although it do not affect the bank's financial position, that is, within the framework of normal business and operations.
If the BOD take actions to remedy the substantive observation?	Yes

**D) Dealing with insider staff, related parties, and stakeholders parties**

The insiders staff, including the main shareholder, members of the Board of Directors, the Bank's directors and related parties shall commit to disclose all information and data that are related to conflict of interest with the Bank including the direct or indirect interest in works and contracts made in sake of the Bank account, as well as disclosing any material interest, transactions or matters related to them that would affect the bank's activity or interest.

**Bank Employees:**

Average no of employees during the year	7,144
Average income of employees during the year	300,100 EGP

**Violations and Actions Taken related to Capital market law and Listing rules:**

Nil to report.

**Transactions with relevant parties:**

- The technical and administrative support intercompany services agreement with the Qatar National Bank Group was signed by the CEO of the bank based on the approval of the Ordinary General Assembly on 28/03/2022 , The amount for year 2023 is (5,114,600 USD) the bank burdened all taxes related to that amount.
- Qatar National Bank in Doha provides many aspects of support and support to our bank in all aspects of the bank's activities and work, in fact it can be said that most of them, including, but not limited to, "study of credit risks / compliance / human resources / treasury, international transactions, information technology, internal audit, Organization and methods, and Strategy.



- There is no doubt that this support has a clear positive impact on our bank's activity and the development of our banking performance and services. On the other hand, our banking products have been promoted through means of advertising and sponsorship of international tournaments in a way that contributes to announcing our bank as one of Qatar National Bank Doha group subsidiary entity.
- In view of the expenses incurred by the main shareholder bank, which requires our bank to participate in bearing some of that cost in exchange for the support provided to it, which necessitated setting terms and conditions regulating the amount of our bank's contribution in this regard.
- Whereas the agreement is being made with the main shareholder of Qatar National Bank, Doha, for the cost of technical and administrative support during the fiscal year 2021, and it is renewed annually in accordance with the specific controls that were presented to the general assembly of the bank, therefore, and based on our bank's keenness on transparency and disclosure of all transactions related to the main shareholder. In light of the possibility that such an agreement may be interpreted as representing a contract of compensation, the matter was presented to the General Assembly of the Bank in accordance with the provisions of Article (100) of Law 159 of 1981 and its amendments regarding the issuance of the Joint Stock Companies Law, the text of which requires submission to the Assembly to obtain its approval on this agreement, from one hand, and on the other hand, taking into account the text of Article (39) of the rules of listing and delisting for companies whose shares are listed on the stock exchange.
- Bank Opinion: What is established from the terms of the contract is that they include the activities that Qatar National Bank in Doha provides support and assistance to our bank in order to perform well in a distinguished manner, whether inside or outside the Arab Republic of Egypt, as well as the distinguished reputation of the main shareholder as the first and most widespread bank in the Middle East region and excellence in its banking services.
- The determination of our bank's share in the cost of this support is regulated on the basis of the actual cost of services and support and according to the number of working hours that this matter takes on the one hand and on the other hand according to a percentage that is determined in light of the bank's annual income statement relative to the total income of all the group's entities and that is in the total actual cost. For the group's marketing and advertising expenses, the cost was calculated as a total value including the taxes imposed in accordance with Egyptian laws and is net paid.



### The Bank's contributions in the field of community development and environmental preservation:

During 2023, QNB ALAHLI continued to affirm its position as one of the largest entities in the banking sector in supporting the Egyptian society and participating in sponsoring many important events. The Bank participated in sponsoring "October Victory Celebration". In addition, the Bank participated in sponsoring "African Development Bank Group's Annual Meetings "in Sharm El Sheikh, under the theme " Mobilizing Private Sector Financing for Climate and Green Growth in Africa".

Adding to the previous mentioned initiatives, QNB ALAHLI supported in many pillars of social responsibility activities, as follows:

**In the medical care field**, the Bank has supported the health facilities in the country as an essential pillar for the development of our communities by filling the shortage of medical equipment. Hence, QNB ALAHLI continued to donate important medical devices to hospitals that provide free services to eliminate waiting lists and provide the best medical services to the neediest groups, among these medical institutions: The Center of Nephrology and Urology at Mansoura University, Josaab Foundation, Shafa Al-Orman Hospital in Luxor Governorate, Abou El-Rish Japanese hospital in Cairo Governorate , El Nas hospital in Qalyubia Governorate, Baheya foundation for early detection & treatment of breast cancer and The Health unit in Sulaymania village (one of the villages of Hayah Karima Initiative) in Qalyubia Governorate in cooperation with Misr El Kheir Foundation . In addition, QNB ALAHLI launched medical convoys for the Elderly in Cairo and Dakahlia Governorates to provide them with medical checkup and necessary treatments and surgeries in cooperation with Ibrahim Ahmed Badran Charitable Foundation.

**In the social welfare field**, QNB ALAHLI contributed to many development projects to improve the living conditions of poor families. For the Fifth year, QNB ALAHLI continued its participation in the national initiative "Hayah Karima " though provided Training for Employment project for 185 women in Fayoum, Giza, Cairo, Qalyubia and Sharkeya Governorates to provide them with training for raising their skills and provide them with group projects in cooperation with Misr El Kheir Foundation, Waqfeyat Misr Foundation and Sonaa El Kheir Foundation. In addition, QNB ALAHLI participated in renovating water network in Mansheya Abou Amer village in Husseinia Center in Sharkeya Governorate in cooperation with Misr El Kheir Foundation. The bank also provided Equipment to Lyons Maadi Women`s Association for the Elderly in Cairo Governorate.

**In the education field**, to which the Bank pays special attention aiming to prepare a distinguished generation, QNB ALAHLI granted scholarships to a number of distinguished students in Zewail University of Science, Technology and Innovation to continue the Bank's leading role in supporting the educational system and the scientific research.

On the other hand, QNB ALAHLI supported the technical education through establishing "SUT information technology lab" in cooperation with Elsewedy University for Technology – Polytechnic Egypt. The bank also provided scholarships to a number of talented students in Borg El Arab Technological University and Bani Swief Technological university in cooperation with Sonaa El Kheir Foundation.





In addition, QNB ALAHLI participated in the projects of renovating Hannoun Secondary School for girls in Zefta Center in Gharbeya Governorate, Al Noor School for blind in Asuit Governorate and Al Alshaheed Sherif Elabd preparatory School in Abu Humos Center in Beheira Governorate. The bank also paid the tuition fees for students to having financial hardship in Menoufya University and South Valley University in cooperation with Misr El Kheir Foundation.

On the other hand, QNB ALAHLI organized financial literacy sessions to the beneficiaries of the CSR projects to spread the concept of financial inclusion, focusing on the concept of financial inclusion and its importance, and introducing the different retail banking products and services. This comes with the aim of increasing financial awareness, moving towards a cashless society and working to provide banking services to all members of society.

**Youth development and support:** QNB ALAHLI continued to support youth through the participation in NilePreneur Initiative for the Fifth year under the auspice of the Central Bank of Egypt in partnership with the Nile University by sponsoring one of the incubators "Creative Incubators " at Nile University aiming to create awareness about the creative design industry being a competitive advantage in various projects and its importance in driving economic growth as a source of competitiveness.

In addition, QNB ALAHLI participated in Youth Empowerment project within hayah karima Initiative, through providing “(20) micro income generating projects in Minya Governorate to enable them to have permanent source of income and to raise the economic level of their families and to reduce the unemployment rate in cooperation with Al Orman Association.

**Support for people with special needs:** As part of our bank’s keenness to provide support to people with special needs, QNB ALAHLI donated 90 prosthetic devices to people with special needs in hayah kariema village in Asuit Governorate in cooperation with Misr El Kheir Foundation in the light of the State plan to integrate them in the Society.

**In the sponsorship field:** QNB ALAHLI sponsored “the annual Science Festival in Zewail City for Science and Technology” in its Eighth edition under the title "science of art", emphasizing its continued role in participating in activities that support educational and cultural fields.

**The following table represent donation paid by the bank during the year:**

(In Thousand EGP)

Sector	Amount
Sponsorship of African Development Bank Group’s Annual Meetings	10,000
Sponsorship of Golden Jubilee for October Victory	5,000
worthwhile social causes	4,701
Medical Care	6,720
Education projects	6,181
Sponsorships and events	1,712
<b>Total</b>	<b>34,314</b>





### Financial Position and Income Statement highlights :-

- Total assets reached EGP 620,531 Million at the end of December 2023 against EGP 476,792 Million at the end of December 2022, with an increase of 30%.
- Customer deposits reached EGP 530,119 million at the end of December 2023 against EGP 407,067 million at the end of December 2022, with an increase of 30%.
- Loans and credit facilities to customers (net of allowance) reached EGP 252,468 million at the end of December 2023 against EGP 216,591 million at the end of December 2022, with an increase of 17%.
- The Financial Investment reached EGP 97,471,191,618 at the end of December 2023 and it's segregated to :

Financial Investment	(EGP)
- Fair value through other comprehensive income	16,292,961,610
- Amortized cost	80,536,769,618
- Fair value through profit or loss	101,198,551
- Investments in subsidiaries	540,261,839

- Due from banks totaled EGP 42,611 million at the year ended December 2023 against EGP 30,225 million at the year ended December 2022, with an increase of 41%.
- Due to banks totaled EGP 5,088 million at the year ended December 2023 against EGP 3,522 million at the year ended December 2022, with an increase of 44%.
- The net profit before tax for the year ended December 2023 reached EGP 24,306 million against EGP 15,137 million at the end of December 2022, with an increase of 61%.
- The net profit for the year ended December 2023 reached EGP 15,770 against EGP 10,124 million at the end of December 2022, with an increase of 56%.



### Income Statement for the year ended 31 December 2023:

The net profit for the year ended December 2023 reached EGP 15,769,684,137 following is the distribution of the items of income statement for the financial year ended on 31 December 2023 :

EGP

<b>Interest from loans and similar income</b>		
Loans and facilities to Customers and banks	37,911,646,206	
Treasury bills and bonds	34,462,483,349	
Other debt instruments	223,434,456	
Deposits and current accounts	4,174,488,453	
Net interest differential on hedging instruments (IRS contracts)	(29,566,387)	
<b>Total Interest from loans and similar income</b>		<b>76,742,486,077</b>
<b>Deduct: cost of deposits and similar expense</b>		
Deposits and current accounts, Banks	(547,653,577)	
Deposits and current accounts, customers	(45,571,520,779)	
Repo arrangements	(12,921,870)	
Other loans	(228,153,361)	
<b>Total cost of deposits and similar expense</b>		<b>(46,360,249,587)</b>
<b>Net interest income</b>		<b>30.382.236.490</b>
<b>Fees and commissions income</b>		
Credit Fees and commissions	3,130,705,657	
Custody fees	38,642,464	
Investments commissions	26,645,773	
Other Fees	2,411,646,248	
<b>Total Fees and commissions income</b>		<b>5,607,640,142</b>
<b>Deduct: Fees and commission expense</b>		
Brokerage fees	(6,606,669)	
Other fees	(1,586,857,570)	
<b>Total Fee and commission expense</b>		<b>(1,593,464,239)</b>
<b>Net fees and commission income</b>		<b>4.014.175.903</b>
<b>Dividend income</b>		
subsidiaries	249,957,500	
Equity instruments at fair value through other comprehensive income	85,134,982	
<b>Total Dividend income</b>		<b>335,092,482</b>
<b>Net trading income</b>		
Foreign exchange trading gains (loss)	626,246,799	
Changes in fair value of currency forward contracts	(27,484,114)	
Changes in fair value of currency swap contracts	(16,899)	



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Changes in fair value IRS contracts	(1,307,934)	
<b>Net trading income</b>		597,437,852
<b>Gain on financial investments</b>		
Gain on financial investments at fair value through profit or loss	11,297,196	
Gain on selling financial investments at fair value through other comprehensive income	75,162,639	
<b>Gain on financial investments</b>		86,459,835
<b>Impairment credit losses</b>		(5,582,564,383)
<b>Administrative expenses</b>		
Staff cost:		
A-Salaries and wages	(2,413,957,717)	
B-Social insurance	(144,123,690)	
<b>Pension cost:</b>		
A-Defined contribution scheme	(102,135,363)	
B-Other retirement benefits (Defined benefit scheme )	(80,101,574)	
Depreciation and amortization	(471,049,492)	
Other administrative expenses	(2,641,266,251)	
<b>Total Administrative expenses</b>		<b>(5,852,634,087)</b>
<b>Other operating revenues (expenses)</b>		
Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at fair value through profit or loss on initial recognition	1,255,189,789	
Gain on sale of property, plant, and equipment	9,666,000	
Software cost	(672,856,011)	
Operating lease rental expense	(201,082,018)	
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	28,579,205	
Other provisions (net of reversed amounts)	(189,033,211)	
Other income (expense)	95,725,160	
<b>Total Other operating revenues (expenses)</b>		<b>326,188,914</b>
<b>Profit before income tax</b>		<b>24,306,393,006</b>
<b>Income tax expense</b>		<b>(8,536,708,869)</b>
<b>Net profit for the year</b>		<b>15,769,684,137</b>



The following table illustrates the revenue items for the year ended December 2023 compared to the figures for year ended December 2022:

(In Thousand EGP)

Revenue Items	From January 01, 2023 To December 31, 2023		From January 01, 2022 To December 31, 2022	
	Amount	%	Amount	%
Interest from Loans and facilities to Customers and Banks	37,911,646	%44.72	22,488,373	%44.78
Interest from Treasury bills and bonds	34,462,483	%40.63	19,525,683	%38.88
Other debt instruments	223,434	%0.26	66,110	%0.13
Interest from Deposits and current accounts	4,174,488	%4.92	1,527,859	%3.04
Net interest differential on hedging instruments (IRS contracts)	-	-	13,187	%0.03
Credit fees and commissions	3,130,706	%3.69	2,173,236	%4.33
Custody fees	38,642	%0.05	28,057	%0.06
Investments commissions	26,646	%0.03	27,483	%0.05
Other Fees Income	2,411,646	%2.84	1,665,634	%3.32
Dividend income - Equity instruments at fair value through other comprehensive income	85,135	%0.10	56,568	%0.11
Dividend income - subsidiaries	249,958	%0.29	199,966	%0.40
Foreign exchange trading gains	626,247	%0.74	361,387	%0.72
Changes in fair value of currency forward contracts	-	-	71,262	%0.14
Changes in fair value IRS contracts	-	-	3,147	%0.01
Gain on financial investments at fair value through profit or loss	11,297	%0.01	7,275	%0.01
Gain on selling financial investments at fair value through other comprehensive income	75,163	%0.09	61,223	%0.12
Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at fair value through profit or loss on initial recognition	1,255,190	%1.48	1,842,586	%3.67
Gain on sale of property, plants, and equipment	9,666	%0.01	779	%0.00
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	28,579	%0.03	272	%0.00
Other income (expense)	95,725	%0.11	102,638	%0.20
<b>TOTAL</b>	<b>84,816,651</b>	<b>%100</b>	<b>50,222,725</b>	<b>%100</b>



On the other hand, the following table illustrates the details of expenses for the year ended December 2023 compared with the actual figures for the year ended December 2022:

(In Thousand EGP)

Expenses ' Items	From January 01, 2023 To December 31, 2023		From January 01, 2022 To December 31, 2022	
	Amount	%	Amount	%
Cost of Deposits and current accounts for Banks	(547,653)	%0.79	(295,541)	%0.74
Cost of Deposits and current accounts for customers	(45,571,521)	%66	(23,632,393)	%58.94
Repo arrangements	(12,922)	%0.02	(22,758)	%0.06
Net interest differential on hedging instruments (IRS contracts)	(29,566)	%0.04	-	-
Cost of Other loans	(228,153)	%0.33	(92,744)	%0.23
Brokerage fees	(6,607)	%0.01	(5,071)	%0.01
Other fees expense	(1,586,858)	%2.30	(1,383,855)	%3.45
Changes in fair value of currency forward and swap contracts	(27,501)	%0.04	-	-
Changes in fair value IRS contracts	(1,308)	%0.00	-	-
Salaries and wages	(2,413,958)	%3.50	(1,951,246)	%4.87
Social insurance	(144,124)	%0.21	(121,172)	%0.30
Defined contribution scheme	(102,135)	%0.15	(96,597)	%0.24
Other retirement benefits (Defined benefit scheme )	(80,102)	%0.12	(58,393)	%0.15
Depreciation & amortization	(471,049)	%0.68	(436,131)	%1.09
Other administrative expenses	(2,641,266)	%3.83	(2,349,717)	%5.86
Impairment credit losses	(5,582,564)	%8.09	(3,666,759)	%9.14
Software cost	(672,856)	%0.97	(374,827)	%0.93
Operating lease rental expense	(201,082)	%0.29	(160,890)	%0.40
Other provisions (net of reversed amounts)	(189,033)	%0.27	(437,571)	%1.09
Income tax expense	(8,536,709)	%12.36	(5,012,896)	%12.50
<b>Total</b>	<b>(69,046,967)</b>	<b>%100</b>	<b>(40,098,561)</b>	<b>%100</b>



### **Interest Income Customers & Banks:**

- The interest income from loans and credit facilities to customers and banks reached EGP 37,912 million at the year ended December 2023 against EGP 22,488 million at the year ended December 2022, with an increase rate of 69%.
- The interest income from Banks reached EGP 4,145 million at the year ended December 2023 against EGP 1,541 million at the year ended December 2022, with an increase of 169%.

### **Interest from T. Bills & Bonds and other debt instruments :**

- Marked increase by 77% at the year ended December 2023 compared to year ended December 2022.

### **Interest Paid to Customers & Banks:**

- The interest paid to customers reached EGP 45,572 million at the year ended December 2023 against EGP 23,632 million for the year ended December 2022, with an increase of 93%.
- The interest paid to banks reached EGP 548 million at the year ended December 2023 against EGP 296 million for the year ended December 2022, with an increase of 85%.
- The interest paid in Repo arrangements reached EGP 13 million at the year ended December 2023 against EGP 23 million for the year ended December 2022, with a Decrease of 43%.
- The interest paid in other loans reached EGP 228 million at the year ended December 2023 against EGP 93 million for the year ended December 2022, with an increase of 146%.
- This resulted increase in interest paid by 93%.

### **Staff Cost:**

- The staff cost coming to EGP 2,740 million at the year ended December 2023 (representing 47% of the total administrative expenses) against EGP 2,227 million at the year ended December 2022 (representing 44% of the total administrative expenses), with an increase of 23%.

### **Administrative Expenses:**

- Total administrative expenses reached EGP 5,853 million at the year ended December 2023 against EGP 5,013 million at the year ended December 2022, with an increase of 17%.



**The Draft Proposed by the Board of Directors Concerning Profit Distribution for The Financial year ending on 31 December 2023:**

EGP

Net Profit (as per the statement of income)	15,769,684,137
<b>Add / (Less):</b>	
Sale profits of fixed assets transferred to capital reserve according to the provisions of the law	(9,666,000)
Change in General Banking Risk Reserve	623,794
Item transferred to retained earnings	19,961,016
<b>Distributable year's net profits</b>	<b>15,780,602,947</b>
<b>Add:</b>	
Beginning balance of retained earnings	6,521,510,022
<b>Total</b>	<b>22,302,112,969</b>
<b>To be distribute as follow: -</b>	
Statutory reserve	788,000,907
General Reserve	8,257,672,449
Shareholders' Dividends	3,232,234,449
Employees' profit share	1,595,306,685
Remuneration for Board Members	13,420,000
Banking System Support and Development Fund	157,806,029
Retained earnings carried forward	8,257,672,450
<b>Total</b>	<b>22,302,112,969</b>



**Income and expenses according to segmental activities (December 31, 2023):**

	Corporate	Investments	Individual	Other businesses	Total
Net interest income	9,999,859,018	5,928,141,998	8,255,587,394	6,198,648,080	30,382,236,490
Net fee and commission income	2,397,448,247	(698,343)	1,389,591,267	227,834,732	4,014,175,903
Dividend income	-	335,092,482	-	-	335,092,482
Net trading income	646,552,710	-	57,436,034	(106,550,892)	597,437,852
Gain on financial investments	-	86,459,835	-	-	86,459,835
Impairment credit losses	(5,251,158,071)	(61,611,201)	(232,369,485)	(37,425,626)	(5,582,564,383)
Administrative expenses	(2,426,701,404)	(5,720,204)	(3,407,363,876)	(12,848,603)	(5,852,634,087)
Other operating revenues (expenses)	(453,865,371)	3,546,625	(573,020,806)	1,349,528,466	326,188,914
<b>Profit before income tax</b>	<b>4,912,135,129</b>	<b>6,285,211,192</b>	<b>5,489,860,528</b>	<b>7,619,186,157</b>	<b>24,306,393,006</b>
Income tax expense	(1,725,203,222)	(2,207,444,688)	(1,928,107,599)	(2,675,953,360)	(8,536,708,869)
<b>Net profit for the current year</b>	<b>3,186,931,907</b>	<b>4,077,766,504</b>	<b>3,561,752,929</b>	<b>4,943,232,797</b>	<b>15,769,684,137</b>



### Contingent Liabilities:

- The balances of contingent liabilities at the end of December 2023 recorded about EGP 71,034 million compared to EGP 54,491 million at the end of December 2022, with an increase of 30%, and on the other hand, contingent liabilities recorded 11% of the total assets at the end of December 2023 compared to 11% at the end of December 2022.
- The following table illustrates the volume of foreign L/Gs issued during the year ended December 2023 versus 2022 issuance:

(In Thousand EGP)

Type	2023		2022		Rate of Increase/ Decrease
	Amount	%	Amount	%	
Primary	895,049	6%	935,114	%7	(%4)
Final	4,759,127	32%	11,974,307	%83	(%60)
Advance Payment	9,019,328	62%	1,462,146	%10	%517
<b>Total</b>	<b>14,673,504</b>	<b>100%</b>	<b>14,371,567</b>	<b>%100</b>	<b>%2</b>

- It is obvious from the schedule above that the volume of foreign Letters of Guarantee records an increase by EGP 302 million during the year 2023 compared with a previous year at rate of 2%.
- The following table illustrates the volume of local L/Gs issued during the year ended December 2023 versus 2022 issuance.

(In Thousand EGP)

Type	2023		2022		Rate of Increase
	Amount	%	Amount	%	
Primary	1,683,454	9%	1,577,051	%11	%7
Final	7,613,418	42%	6,818,800	%49	%12
Advance payment	9,021,623	49%	5,596,686	%40	%61
<b>Total</b>	<b>18,318,495</b>	<b>%100</b>	<b>13,992,537</b>	<b>%100</b>	<b>%31</b>

- It is obvious from the schedule above that the volume of Local Letters of Guarantee records an increase by EGP 4,326 million during the year 2023 compared with a previous year at rate of 31%.
- The following table illustrates the volume of L/Cs and D/Cs opened during the year 2023 against the corresponding 2022 figures.



(In Thousand EGP)

Type	2023		2022		Rate of Increase /Decrease
	Amount	%	Amount	%	
<b>Import</b>					
1. Import L/Cs	17,372,184	10%	25,264,023	%25	(%31)
2.Import D/Cs	128,541,148	76%	60,367,818	%60	%113
<b>Export</b>					
1. Export L/Cs	11,896,696	7%	6,532,458	%7	%82
2. Export D/Cs	11,933,374	7%	7,791,929	%8	%53
<b>Total</b>	<b>169,743,402</b>	<b>100%</b>	<b>99,956,228</b>	<b>%100</b>	<b>%70</b>

- It is obvious from the schedule above that the volume of L/Cs has increase by EGP 69,787 million during the year from 01-01-2023 to 31-12-2023 compared with a previous year at rate of 70%.

#### The Bank's subsidiaries and their main activities:

- QNB ALAHLI leasing company:
  - The company's field is the financial leasing activity.
  - QNB ALAHLI participation 99.98%.
- QNB ALAHLI Factoring Company:
  - The company's field is the factoring activity.
  - QNB ALAHLI participation 99.997%.
- QNBALAHLI Life Insurance company:
  - The company's field is the life insurance activity.
  - QNB ALAHLI participation 99.98%.
- QNB ALAHLI Asset Management Egypt:
  - The company's activity is the managing securities portfolios and managing investment fund.
  - QNB ALAHLI participation 97.48%.



**Issued and paid-up Capital:**

- The issued and paid-up capital amounted to EGP 9,794,649,850 on December 31, 2018, representing 979,464,985 shares with a nominal value of EGP 10 each, of which 854,141,985 shares were paid in Egyptian pound and 125,323,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.
- The Extraordinary General Assembly held on February 28, 2019 decided to increase the capital from EGP 9,794,649,850 to EGP 10,774,114,830, an increase of EGP 979,464,980 by transferring from the general reserve, and decided to split the face value of each share of the Bank's capital from EGP 10 to be EGP 5 .
- The issued and paid up capital amounted to EGP 10,774,114,830 on December 31, 2023 representing 2,154,822,966 shares with a nominal value of EGP 5 each, of which 1,904,176,966 shares were paid in Egyptian pound and 250,646,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

**The new branches:**

- During 2023, Two branch were opened, so that the Bank's network at end of December 2023 reached 234 branches distributed on the most important industrial, commercial, and housing communities.



Finally, the Board of Directors would like to thank all the shareholders and clients for their trust and support and also the General Management and all the staff for their distinguished efforts during the year that have the most effective impact on the Bank's good results in spite of the market's difficult circumstance. However, it is the Board of Directors aspiration to continue exerting more efforts.



**Mohamed BEDEIR**  
**Chief Executive Officer**

