

Key Highlights

- Total Assets reached EGP 731,660 million, +16% YTD, up by EGP 102,902 million.
- Gross Loans reached EGP 315,129 million, + 18 % YTD, up by EGP 48,607 million.
- Customer Deposits reached EGP 620,968 million, +17% YTD, up by EGP 91,409 million.
- Non-performing Loans ratio and Coverage ratio of 5.37% and 122%, respectively.
- Capital Adequacy ratio of 21.5%, well above minimum required by CBE.
- Net Profit recorded EGP 7,042 million, +49% YOY, up by EGP 2,327 million.
- Cost-to-Income ratio of 13.9%.
- ROAA and ROAE of 4.14% and 41.1%, respectively.

The first quarter of 2024 marked a period of significant economic advancement for Egypt, with the \$35 billion Ras El Hekma investment, \$8 billion IMF new program, €7.4 billion EU support program and \$3 billion The World Bank program injecting much-needed vitality into the economy. These financial boosts were supported by decisive monetary policy measures, including floating local currency and a substantial increase in the CORRIDOR by +800 basis points. These initiatives were critical to curbing inflation, dismantling the unofficial foreign exchange market, and steering the economy towards recovery and stability.

QNB Al Ahli has mirrored these positive economic developments with robust financial results where the balance sheet grew by 16% to EGP 732 billion. This was driven by a remarkable rise in customer deposits of EGP 91 billion to reach EGP 621 billion as well as a surge in gross loans to EGP 315 billion. Amidst this expansion, QNBAA adeptly managed its asset quality, maintaining a coverage ratio of 122% and a non-performing loans ratio of 5.37%.

The bank's net profit reached EGP 7,042 million, a significant 49% increase from the first quarter of the previous year. QNBAA also maintained a Net Interest Margin of 6.72% and an impressive efficiency ratio of 13.9%, benefiting from the change in FX rate and reflecting the management's success in controlling costs while enhancing the key profitability metrics to deliver ROAE of 41.1%. This set of results highlights QNBAA's dedication to delivering robust results to its shareholders.

Financial Results

1.1. Financial Position

- **Gross Loans** expanded by 18% YTD, reaching EGP 315,129 million. Corporate loans surged to EGP 257,010 million, indicating a YTD growth of 21%, while retail loans grew to EGP 58,118 million, reflecting a YTD increase of 8%.
- **Customer Deposits** witnessed a net increase of EGP 91,409 million, totalling EGP 620,968 million. Notably, corporate deposits grew by EGP 61,565 million, reaching EGP 417,747 million, showcasing a robust YTD growth of 17%. Retail deposits continued their upward trajectory, reaching EGP 203,221 million by the end of March 2024.
- **Total Equity** rose to 70,354 MEGP, +6% YTD. The capital adequacy and tier 1 ratios stood at 21.5% and 20.4%, respectively, surpassing CBE's minimum requirements of 12.5% and 8.5%.
- **Liquidity Position** remained strong, despite high market utilization levels, with a gross loan/deposit ratio of 50.7% at the end of March 2024. The CBE liquidity ratio in local currency was 52.8%, compared to the CBE's requirement of 20%, and the CBE liquidity ratio in foreign currency was 53.3%, compared to the CBE's requirement of 25%. As of February 2024, the Net Stable Funding Ratio (NSFR) in both local and foreign currency was 221% and 157%, respectively, while the Liquidity Coverage Ratio (LCR) was 810% and 384%, respectively.

1.2. Income Statement

- **Net Banking Income** reached EGP 14,892 million, demonstrating a robust +58% YOY growth. Similarly, Net Interest Income saw significant expansion, reaching EGP 9,863 million, marking a substantial +49% YOY increase. Non-interest income reached EGP 5,030 million, representing a solid +81% YOY growth. The NIM concluded at 6.72%, up by +71 basis points from March 2023.
- **Operating expenses** experienced a modest +19% increase compared to March 2023, totaling EGP 2,065 million.
- **Provision expense** increased to EGP 2,285 million, demonstrating a prudent approach to maintaining asset quality.
- **Net profit** surged by +49% YOY, reaching EGP 7,042 million, underscoring the bank's strong performance and successful management strategies.

Corporate Social Responsibility:

At QNBAA, corporate social responsibility is a core value, driving initiatives that benefit communities and the environment. Through partnerships and charitable efforts, by supporting healthcare, education, and community development projects. QNBAA's dedication to CSR reflects our belief in creating shared value for stakeholders and positive societal impact while enhancing long-term sustainability.



Results Summary

1.3. Financial Position

Description in MEGP	Separate basis			Consolidated basis		
	Mar-24	Dec-23	YTD Growth	Mar-24	Dec-23	YTD Growth
Cash & due from banks	162,115	104,169	56%	164,619	105,808	56%
Loans (Net)	297,293	253,353	17%	294,262	250,481	17%
Investments	247,194	249,577	-1%	252,174	254,375	-1%
Other assets	15,562	13,432	16%	20,605	18,094	14%
Total Assets	722,164	620,531	16%	731,660	628,758	16%
Customer Deposits	622,014	530,119	17%	620,968	529,560	17%
Due to banks	7,760	5,088	53%	7,760	5,088	53%
Other liabilities	24,146	20,622	17%	32,578	27,472	19%
Shareholders' equity	68,244	64,702	5%	70,354	66,638	6%
Total Liabilities and Equity	722,164	620,531	16%	731,660	628,758	16%

1.4. Income Statement

Description in MEGP	Separate basis			Consolidated basis		
	Mar-24	Mar-23	YOY Growth	Mar-24	Mar-23	YOY Growth
Net interest income	9,718	6,522	49%	9,863	6,629	49%
Fees and commissions	1,277	1,013	26%	1,266	1,000	27%
Other operating income ① ②	3,570	1,537	132%	3,763	1,775	112%
Net banking income	14,565	9,073	61%	14,892	9,404	58%
Operating expenses ②	(2,025)	(1,702)	19%	(2,065)	(1,736)	19%
Gross operating income	12,540	7,370	70%	12,827	7,668	67%
Net cost of risk ①	(2,257)	(915)	147%	(2,285)	(938)	144%
Net income before tax	10,283	6,455	59%	10,542	6,731	57%
Income tax	(3,433)	(1,974)	74%	(3,500)	(2,016)	74%
Net Profit	6,851	4,481	53%	7,042	4,715	49%

*After the following adjustments from financial information published under Egyptian Accounting Standards ("EAS"):

① The net impact of the contingent liabilities provision and the other provisions – which is a part of the “Other operating income” according to the EAS, was transferred into “Credit Risk Provisions and other provisions”, as it fits better with the economic nature of these items.

② Intangible software expenses and building rental expenses have been restated from “Other operating income” to “Operating expenses” as they fit better with the economic nature of these items.

1.5. Key Indicators (Consolidated Basis)

Financial Indicators – Income Statement		Mar-24	Mar-23
Profitability	ROAA	4.14%	3.74%
	ROAE	41.1%	34.4%
Efficiency	Cost-to-Income ratio	13.9%	18.5%
Financial Indicators – Balance Sheet		Mar-24	Dec-23
Liquidity	Gross loans / deposits ratio	50.7%	50.3%
Asset Quality	Non-performing loans ratio	5.37%	5.53%
	Coverage ratio *	122%	108%
	Capital adequacy ratio**	21.5%	23.6%
	Leverage ratio**	8.7%	9.1%
Non-Financial Indicators		Mar-24	Dec-23
Non-Financial Indicators	Staff	7,316	7,371
	Active customers	1,773,023	1,752,585
	Branches	234	234
	ATMs	925	931
	Points of sales	43,400	45,042

* Including loans provision for stage 1, 2 and 3.

**CAR & Leverage ratios are restated compared to Dec-23 released data after considering profit share, board remuneration and the banking system support and development share.

About QNB ALAHLI

QNB ALAHLI was established in April 1978, with a majority stake of 94.97% owned by QNB Group, after the Group reduced their stake down from 97.12% during 1H18, bringing the free float to the required minimum of 5% to comply with EGX listing requirements.

QNB ALAHLI is managing three successful funds: Money Market “Themar Fund”, equity “Tadawol Fund” and balanced “Tawazon Fund”.

Over the years, QNB ALAHLI established several subsidiaries in Egypt:

- QNBAA Leasing Company established in 1997. On June 26th, 2013, QNB ALAHLI raised its stake in QNBAA Leasing Co. from 60% to 99.9%.
- QNBAA Factoring Company set up in 2012, with QNB ALAHLI stake representing 99.9%.
- QNBAA Life Insurance Company set up in 2003. In January 2014, QNB ALAHLI increased its stake in QNBAA Life Insurance from 25% to 99.9%.
- QNBAA Asset Management Company, in June 2014 QNB ALAHLI increased its stake from 4.9% to 97.4%.

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