Pioneering a sustainable future

Annual Report 2022

Who we are

QNB ALAHLI is one of the largest Egyptian private sector bank, and a subsidiary of QNB Group, the largest financial institution in the Middle East and Africa. The bank offers a wide range of products and services that serve the financial needs of medium-sized companies, small enterprises and individuals, and provides services and products that suit their specific requirements, with a balanced focus on both the corporate sector and the retail banking sector.

It has succeeded in maintaining its position in the Egyptian market, which helped to achieve a remarkable growth in the loan and deposit portfolio, market share, and returns, while maintaining a sound asset quality and cost ratios. QNB ALAHLI has established a number of subsidiaries in specialized fields, such as QNB ALAHLI Leasing, which was established in 1997, QNB ALAHLI Life Insurance in 2003, and QNB ALAHLI Factoring in 2012.

QNB ALAHLI currently has a network of 232 branches covering the most important governorates in Egypt, 893 ATMs, and more than 56,000 points of sale, in addition to allocating a 24/7 customer service call center to serve more than 1,400,000 customers.

Contents

Board of Directors

Mr. Ali Rashid AlMohannadi

> Chairman - Non-Executive

Mr. Assem Mohamed Fahmy Ragab

> Vice Chairman - Independent Non-Executive Board Member

Heba Ali Al-Tamimi

> Non-Executive Board Member

Mr. Mohamed Mahmoud Bedeir

> Chief Executive Officer and Board Member

Mr. Adel Ali Al-Malki

> Non-Executive Board Member

Mr. Tarek Fayed

> Executive Board Member

Mr. Abdulla Nasser Salem Al-Khalifa

> Non-Executive Board Member

Mr. Khaled Ahmed Khalifa Al-Sada

> Non-Executive Board Member

Shaikha Salem Abdulla Al-Dosari

> Non-Executive Board Member

Mr. Nedhal Shafi Hassan Al-Nuaimi

>Non-Executive Board Member

Shk. Hamad Talal Abdel-Aziz Al-Abdallah Al Thani

> Independent Non-Executive Board Member

QNB ALAHLI's Chairman Statement

Leading the way with innovative banking solutions

Mr. Ali Rashid AlMohannadi
Chairman - Non-Executive

"QNB ALAHLI's long-term dedication towards the community is part of our true belief in the significance of our role in making the world we live in a better place"

Esteemed shareholders and stakeholders,

This year QNB ALAHLI delivered exceptional performance with the backdrop of a strong post-pandemic growth in Egypt. The Egyptian economy posted a strong growth in 2022, growing by 6.6%, considerably higher than the 3.7% average growth for Emerging Markets. However, this past year also brought many challenges for the banking sector, including escalating inflation and commodity prices, rising interest rates and FX volatility.

Within this context, QNB ALAHLI delivered a strong financial performance in 2022. We delivered our highest-ever net profit of EGP 10.4 billion, an increase of 36% from 2021. This supported a return on average equity of 20.6% and an earnings per share of EGP 4.31, a commendable result.

Looking forward with our strategy

QNB ALAHLI is the second largest privately-owned bank in Egypt and part of QNB Group, the largest bank in the Middle East and Africa and one of the world's top 50 banks in terms of market capitalization. QNB Group's vision is to be a leading Middle East, Africa and Southeast Asia bank while aiming to be the number one bank in the Middle East and Africa. This vision is aligned with its purpose, which is to promote prosperity and sustainable growth across the markets it serves. QNB Group's strategy focuses on its core as a wholesale bank, providing the highest quality service and sophisticated products to meet the evolving financial needs of its customers.

Beyond a longstanding history of success and a well-established reputation as a customer service oriented bank, QNB ALAHLI is fully aligned and contributes to the Group's vision and strategy. We firmly believe in the Egyptian banking market, a growth market with the potential to serve a population that is until today largely unbanked and underserved. Building exceptional capabilities to serve customers in the best possible way is consequently a core priority for us to tap into this growth potential.

Reflecting on 2022, we are proud of the successive achievements that capitalize upon our strength and position among the privately-owned banks within the financial sector. We are also committed to offering the latest in innovative banking services and products to satisfy our customers' needs. As such, we are continuously advancing in our journey to serve the aspirations of our partners, customers and shareholders, ultimately aiming to be the first-choice bank.

Leading the way with innovative solutions

QNB ALAHLI recognises the importance of innovation as a strategic enabler, leveraging cutting-edge technology and innovation delivered with a human touch as a cornerstone of our value proposition. We continued to develop our digital offering to meet the ever-increasing sophistication and needs of our customers. QNB ALAHLI is at the forefront of financial institutions in launching the latest digital products and solutions to serve our customers, thus supporting the government's strategy for the digitisation of payments as a conduit for more efficient management of the country's resources and greater financial inclusion.

One of the key initiatives in this space was the preparation for the launch of BeBasata, a strategic project that introduces a 100% branchless banking experience, operating as a separate line of business under QNB ALAHLI's license. We received the green light from the Central Bank of Egypt in December, and aim to launch this unique value proposition – a first in the Egyptian market – by Q1 2023.

Supporting the green economy to achieve sustainable development

Sustainability is one of the key topics influencing the entire world today. We acknowledge that sustainability is not a choice, but a strategic imperative that we need to embed into our business and operating model to make a positive contribution. As such, we have made considerable strides in our sustainability journey, including publishing our first Sustainability Report, participating in the UN COP27 Summit that took place in Egypt this year, continuing to broaden our green products portfolio and performing a full carbon footprint assessment of our headquarters. The Bank strongly believes in the essential role that the green economy plays in establishing a tangible, sustainable and resilient economy.

In line with the Group's purpose to promote prosperity and growth in the communities we serve, QNB ALAHLI is committed to giving back to the community in various sectors including healthcare, education, and women and youth empowerment. Our long-term dedication towards the community is part of our true belief in the significance of our role in making the world we live in a better place.

Ensuring key governance principles to safeguard our business

Fairness, integrity, transparency and accountability are the building blocks of QNB ALAHLI's corporate governance framework. As a Board of Directors, we recognise the importance of adopting these principles as essential elements to perform our fiduciary duties towards the shareholders of the Bank. At the same time, our prudent risk appetite allows us to capitalise on new opportunities for growth while also balancing risk and reward. QNB ALAHLI takes pride in its role within the Egyptian market as one of the leading banks abiding by the concepts of sound governance.

Applying the highest standards of compliance and anti-money laundering

QNB ALAHLI strictly abides by compliance rules, banking regulations, laws and ethical behaviour in all our banking operations. To achieve this, the Bank relies on identifying, monitoring, assessing and proactively addressing any compliance risks. We aim to adhere to the highest compliance standards and apply the best practices of professional conduct in banking to achieve the stringent requirements and objectives of our shareholders, customers and regulators.

QNB ALAHLI has also worked vigorously to combat money laundering and financial crimes, including any form of corruption that may threaten the financial ecosystem, by strictly applying regulations that prevent any illicit financial flows through the banking system.

Along with the rest of the Board of Directors, I would like to express my heartfelt gratitude for the previous Chairman, Mr. Mohamed Osman El-Dib, for everything that he has done for the organisation over the past years. Under his leadership, QNB ALAHLI has seen tremendous growth and success. We will truly miss his leadership, service and friendship.

In conclusion, the Board of Directors would like to extend our appreciation to our business partners, shareholders, customers and employees for their joint efforts and continuous commitment. Our appreciation is also extended to the Governor of the Central Bank of Egypt, Mr. Hassan Abdalla, for his support, guidance and efforts to boost the Egyptian banking sector and our long-standing institution.

Chief Executive Officer's Statement

Challenging the impossible, overcoming the difficult and achieving unprecedented results

Mr. Mohamed Bedeir
Chief Executive Officer of QNB ALAHLI

"Sustainability and supporting the green economy are top priorities to QNB ALAHLI"

QNB ALAHLI writes a unique banking success story

2022 was not an easy year, by any measure, with regards to local and global circumstances due to crucial events experienced by all international and emerging economies, which greatly affected all businesses. The world's economy had not fully recovered from the repercussions of COVID-19, then followed the Russian-Ukrainian crisis, leading to an unprecedented rise in oil prices, while inflation rates surged to new peaks never recorded before; In addition to the continuation of the supply chain crisis and the emergence of the new "Omicron" variant. This necessitated our bank to develop proactive plans characterized by flexibility, rapid development and the ability to face these global and local changes to ensure the bank achieves its goals, while maintaining the highest levels of efficiency, operation and quality in business. In addition to the bank's continuation of improving the business environment, creating and offering alternatives and ongoingly working on scenario-building to deal with the current situation in a full sense of professionalism and excellence. These endeavors resulted in the bank's achievement of a leading position at the forefront of remarkable institutions as it took a leap in performance indicators for the first time in the bank's history.

Challenging the impossible, overcoming the difficult and achieving unprecedented results

QNB ALAHLI achieved a strong and unique performance during the past year. It succeeded to realize all the goals of last year and even exceeded the targets placed by the Board of Directors. These ongoing achievements were made by the bank's competent employees in alignment with sound policies and procedures in place. Not to mention our compliance with the Central Bank of Egypt's guidelines and our application of those regulations in accordance to the highest and most efficient standards. This regulatory compliance has positively impacted our business and helped us attain our goals.

Remarkable growth in indicators for the first time in the history of QNB ALAHLI

During the past year 2022, we were able to achieve a historical leap in profitability for the first time in decades. We succeeded in reaching a consolidated net profit of EGP 10.4 billion with a growth rate of 36%, while the bank's independent net profit reached EGP 10.1 billion. In the face of such difficult times, we defied all challenges at both local and global levels thanks to a professional team which believes in its unlimited potentials and capabilities. Such a team is supported by the senior management's trust in achieving these goals.

At the same time, we were able to achieve a huge leap in the consolidated asset portfolio which exceeded EGP 483 billion by the end of December 2022, an increase of EGP 124 billion compared to December 2021 and a growth rate of 34%. This is another real achievement to be added to the rest of the bank's achievements.

SME portfolio reaching 25.5% confirms our policy for supporting the national economy's growth

The SME portfolio witnessed a significant growth during the past year, which confirms our policy for supporting the national economy's growth. The loans and advances portfolio increased by EGP 45 billion, reaching a total of EGP 228 billion, which represents a growth of 25% compared to 2021. Meanwhile, the bank's market share of total loans reached 5.84% in September 2022 (according to the latest available data by the Central Bank of Egypt) to maintain its leadership position as the largest private lender in Egypt.

By the end of December 2022, the percentage of facilities granted to small and medium enterprises reached about 25.5%, exceeding the Central Bank's lending target in this respect - which was already achieved in December 2021. On the other hand, the percentage of facilities granted to small companies reached 10.03% allowing QNB ALAHLI to continue leading the efforts of Egyptian banks in reaching this target, supporting one of the driving forces of the national economy's growth by increasing operations, providing new job opportunities with noticeable impact on unemployment reduction rates, supporting, encouraging and increasing the competitiveness of local products, supporting Egyptian exports to bridge the gap between exports and imports and finally to avail hard currency.

Customer deposits reached EGP 406 billion at the end of December 2022, increasing EGP 111 billion at a growth rate of 37% compared to December 2021 driven by growth in all business activities. The bank's market share of total deposits reached 4.81% in September 2022 (according to the latest available data by the Central Bank of Egypt).

The bank has a high deposit utilization rate with a loan-to-deposit ratio of 56.1% (at the end of December 2022) compared to an average of 47.2% for the banking sector (in September 2022 according to the latest available data by the Central Bank of Egypt) with a focus on growing basic banking operations, while maintaining high liquidity rates across all currencies.

These positive results confirm the efficiency and flexibility of policies and operating procedures which helped QNB ALAHLI develop its operations, overcome crises, address strong competition in the markets and take advantage of present opportunities. This was made possible through its branch network consisting of 232 branches providing an excellent geographical coverage to meet the needs of the largest number of customers in various sectors. Moreover, the bank's endeavors in directing and urging customers to use QNB ALAHLI's electronic banking services have proven highly efficient in facilitating the work cycle. QNB ALAHLI seeks to continue investing in improving its electronic banking services to ensure better service to its distinguished customers.

QNB ALAHLI drives the banking market towards leadership and excellence in providing innovative products and unique services, gaining customer satisfaction, supporting financial inclusion and digital transformation plans

During the past year 2022, we succeeded in achieving the highest rates in financial inclusion and digital transformation. This was accomplished by availing all banking services and products to citizens from all walks of life and introducing new customer segments, especially youth. QNB ALAHLI's strategy in this respect led to remarkable growth and an incredible leap in demand rates for the bank's digital channels such as mobile banking, internet banking and electronic wallets.

At this point of time, we can proudly say that we have been able to innovate and introduce banking products and services appearing for the first time in the Egyptian banking market. Our objective is to meet customer needs and desires and satisfy their banking appetite for everything new in this sector. By this, our customers feel distinguished and exceptional by receiving a range of banking services, offers and products launched for the first time in the banking sector.

QNB ALAHLI is a pioneer in the banking sector for joining the instant settlement system. Furthermore, through the Instant Payment Network (IPN), the bank added and developed new services to instant settlements. QNB ALAHLI provided instant transfers via debit, credit and prepaid cards made by directly debiting the customer's account. By providing this feature, QNB ALAHLI has been in the lead in terms of instant payment services. Not to mention that instant payments have been previously available on the Internet & Mobile Banking platforms, the electronic wallet application and through "Meeza" cards.

QNB ALAHLI also launched the first Chat banking WhatsApp channel on the bank number (0020219700). The WhatsApp channel may also be accessed by scanning the QR CODE on the bank's website, or by sending a message on any of the bank's electronic channels. The WhatsApp service allows automatic response to non-financial inquiries by customers and non-customers - for retail banking products and small and medium enterprises. The service provides a list of options to easily support general inquiries about banking products and services, check the nearest branch locations, ATMs, selected branches for QNB ALAHLI FIRST lounges and branches serving customers with special needs.

QNB ALAHLI remains at the forefront of banks that accelerated the quality improvement of its banking services to keep pace with all global and local technological advancements. Based on our long experience dating back to more than 45 years ago, in addition to possessing a proficient technology infrastructure, we were able to offer services and products in a robust, prompt and distinctive manner. For instance, QNB ALAHLI is the first bank in Egypt to about to announce the launch of the first digital banking experience in Egypt which includes banking operation along with opening account without the need to visit the branch as the bank will schedule the visit based on the client`s availability. QNB bebasata is the first of its kind in Egypt, that came as a continuation of the bank's efforts to support financial inclusion and digital transformation, in line with the Central Bank of Egypt strategy, to help in keeping pace with global developments in the field of the banking services.

QNB ALAHLI also announced providing cutting edge international payment services for (SWIFT Go) in the Egyptian market in cooperation with SWIFT International. This service aims to increase the speed of executing low-value international payments through a correspondent banking network which subscribed to that service. It also provides full transparency regarding the costs associated with those transfers in advance. SWIFT Go will positively impact customers in terms of saving time, cost and eliminating challenges facing some customers, especially small businesses and individual customers, when making low-value international payments.

QNB ALAHLI pays special attention to integrate people with special needs into the Banking sector to achieve sustainable development goals

One of the major goals placed by QNB ALHLI in its plan is the dissemination of a banking culture among all individuals and companies. In particular, we paid special attention to the banking needs and requirements of people with special needs. We undertook to empower this important segment of the society in order to set in motion the concept of social and financial inclusion and digital transformation. In this respect, QNB ALAHLI introduced a range of banking services and packages tailored to their needs to facilitate their integration into the banking sector and their onboarding experience. These actions were taken in view of QNB ALAHLI's leading role in the dissemination of banking culture and attracting the largest number of citizens to the banking sector, especially this segment. By doing so, QNB ALAHLI aims at improving their living conditions, achieve equality, eliminate discrimination against them, remove all barriers they face and open up various opportunities for people with special needs. These efforts will ultimately develop their potentials and capacities to obtain their banking rights.

We took several important steps to facilitate banking processes for people with special needs; starting from the bank account pre-opening stage in which the account opening procedures are simplified and facilitated and ending with all bank transactions either performed at the branch or through mobile applications. QNB ALAHLI has equipped a number of ATMs to operate using Braille. In addition, some selected branches were equipped with wheelchair ramps to facilitate entry and exit to branches and access to ATMs. Access to audio recordings in branches were also provided to allow listening to the terms and conditions of important banking products and services.

Moreover, QNB ALAHLI allocated highly trained staff to deal with our customers with special needs; in addition to the presence of certified sign language staff at all branches to easily communicate with this specific segment of customers. . Furthermore, they may use the mobile application, WhatsApp channel or send an email to the bank. QNB ALAHLI also gives priority to customers with special needs in the queuing system at branches, as well as other services provided to facilitate their integration into the Banking sector.

Sustainability and supporting the green economy are top priorities to QNB ALAHLI

QNB ALAHLI took on its shoulders the responsibility to support sustainability and green projects which depend on renewable sources of energy. We succeeded in financing dozens of environment-friendly projects which had an impact on reducing and minimizing the negative effects of carbon emissions caused by conventional fuels. At QNB ALAHLI we believe in the importance of granting funds for these types of projects to substantially preserve the environment. We also take into account the economic and social dimensions of this matter. Moreover, sustainable financing and supporting climate projects are regarded as a future trend the world is striving to follow.

QNB ALAHLI played a remarkable role in supporting this trend through financing individuals and companies and establishing effective partnerships which had a significant impact on the surrounding environment. Our participation in the Climate Change Conference held in Egypt from 6-18 November 2022 has been an integral part to the event. Several agreements were concluded with our international partners such as the 'European Bank for Reconstruction and Development' and the 'Green Climate Fund' to support sustainability and growth. These agreements focused on financing green and sustainable projects, financing youth projects, providing technical support to those projects and investment incentives to ensure a rapid transition to green economy practices.

In addition to providing technical support to the bank in reviewing its internal policies on sustainability in alignment with the latest practices in climate change risk management within its internal and external activities, especially activities which enable its customers to manage those risks.

We undertook to build strategic alliances with multilateral development banks which enjoy a good reputation and have relevant expertise in sustainable finance. Our strategic partner in this green journey has been the European Bank for Reconstruction and Development (EBRD) along with the support of the European Union and the Green Climate Fund. Our first cooperation agreement was signed in 2015 and since then the collaboration portfolio has grown to reach US$750 million, including more than US$185 million allocated to green and sustainable financing.

QNB ALAHLI became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and a signatory of the Principles of Responsible Banking (PRB). The PRB framework relies on developing the risk management concept to include environmental and societal risks; encouraging banks to increase financing projects that serve the environment; supporting financial inclusion and digital transformation processes; applying the highest principles of governance and transparency; and finally strengthening the Banking sector to become a driving force for economic and societal growth, leveraging its ability to support growth, integrate sustainability into all its businesses and spread awareness across the bank's departments.

Moreover, we took all measures, actions and means that comply with the PRB requirements .In doing so, QNB ALAHLI was reaching out to important opportunities to participate in a global network for exchanging knowledge and best practices. Through the PRB, we seek to contribute in stimulating sustainable financing to achieve the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs). We also put in account implementing and activating the Central Bank of Egypt's plans and guidelines, as well as Egypt's Vision 2030 which includes three dimensions: economic, social, and environmental dimensions., In addition, we granted facilities and loans to companies for assisting them in adapting to climate change and use renewable energy solutions for reducing water and energy waste.

As a continuation of QNB ALAHLI's successful series of partnerships during COP 27, QNB ALAHLI' signed a Memorandum of Understanding with Visa- Egypt to gradually replace the materials used to produce our cards with environmentally friendly materials under the theme of "Think Nature", getting QNB ALAHLI to be one of the leading banks in the Egyptian market to issue this card type. This signing confirms QNB ALAHLI's commitment to support the green economy, achieve the Sustainable Development Goals, and support Egypt's Vision for year 2030.

QNB ALAHLI has a clear and successful imprint in supporting and financing green projects. These types of projects rely on alternative sources of energy to reduce dependence on fossil fuels, reduce carbon emissions and harmful gases to the environment with an aim to achieve a more sustainable and careful society about natural resources.

The human element is a key pillar in supporting growth, while developing human skills is part and parcel of our strategy

The most distinguished characteristic of QNB ALAHLI is its human capital deployed across all the bank's sectors and departments. Accordingly, at the heart of the bank's strategy is to develop its human resources, provide certified training courses from major international institutions to enhance their abilities, develop capacity-building and talents. Such issues are placed as high priorities on the bank's agenda. QNB ALAHLI encourages its employees to gain accredited certificates to keep pace with developments in the labor market and apply best practices. A large number of employees in the SME's sector received a certified practitioner certificate from Frankfurt School for Finance and Management in cooperation with the Egyptian Banking Institute . This step comes to reflect the bank's keenness to develop employee skills .It also opens effective communication channels by the Board of Directors to reach out employees for identifying all problems that may hinder the achievement of the bank's objectives. Thus, efforts in this respect have borne fruit in creating the appropriate work environment that supports employees in achieving the bank's goals and aspirations.

Corporate Social Responsibility is regarded as a top priority in our business

The Corporate Social Responsibility (CSR) Sector is one of the highly regarded sectors at QNB ALAHLI. The focus on CSR arises from QNB ALAHLI's main duty it performs towards the society aiming at its development and supporting the most groups and families in need. We firmly believe in the necessity to support priority sectors including education, health, needy families, youth and women to achieve sustainable development goals. We work to help empower these priority sectors both economically and socially through offering a range of financial and non-financial services. Examples include providing technical support, marketing, training and financial education carried out by QNB ALAHLI's Business Development Services Centers (BDS Centers). We succeeded to establish 5 BDS centers which provided more than 30,000 services to young people and entrepreneurs.

QNB ALAHLI also signed several important cooperation protocols and partnerships to support social responsibility activities. The bank participated in the presidential initiative "Hayah Karima" for the development of villages in Upper Egypt governorates and across Egypt. As part of QNB ALAHLI's efforts throughout the various phases of this initiative up to the present, the bank participated in preparing and establishing roofs for households; water and sanitation connections; rehabilitation and equipping of schools within "Hayah Karima" villages in phases; equipping and preparing medical devices for a number of hospitals in Upper Egypt governorates. QNB ALAHLI reaffirms its intention to continue its efforts in this vital role across all sectors for enhancing all services provided to the Egyptian society.

Promoting the principles of transparency and governance and supporting the business environment are key drivers to achieve our ambitious goals

QNB ALAHLI has in place the best practices and business processes which take into account all governance, integrity and transparency regulations for enhancing the business environment. In applying these, the bank conforms with the latest applied global systems in the banking sector to ensure to promote sustainability; the efficiency and effectiveness of the bank's sectors in achieving the desired goals; in addition to developing key resources to ensure the achievement of goals, plans and mechanisms across all sectors. Moreover, QNB ALAHLI takes on its responsibility the permanent and continuous development of individuals to realize the ultimate goal we all seek, namely becoming at the forefront of the Egyptian banking sector.

Ambitious plans and new targets to achieve banking leadership in 2023

During the current year 2023, we strongly intend to achieve banking leadership in all sectors; reach out to the largest possible number of customers across all governorates; spread financial literacy through geographical expansion; realize a greater market penetration by introducing digital and innovative products; achieve sustainable development goals; support green economy projects to drive the green transition by prioritizing these type of projects along with the support of our international partners and allies. We also seek to scale up the business results we achieved during the past year at all levels, whether in terms of profitability, credit, assets and deposits, supporting financial inclusion and digital transformation phases and adding new digital channels to the bank's range of electronic channels. Afore-mentioned actions shall altogether achieve leadership and improve banking processes, a case which is directly reflected in customer satisfaction: the central focus in QNB ALAHLI's strategy.

QNB ALAHLI, the winner of prestigious awards from major international institutions

Due to the successes QNB ALAHLI achieved in all sectors and businesses, we won a large number of awards from international and prestigious institutions. More than 14 awards were received for almost all of the bank's sectors, especially retail banking, small and medium enterprises, financial inclusion and digital transformation, digital banking services and products. QNB ALAHLI also won the Best SME Bank Award and the Best Trade Finance Bank Award. QNB ALAHLI ranked on top of leading institutions in the "Digital Solutions" category in the Euromoney Market List of Market Leaders in year 2022. QNB ALAHLI was also selected among the most prominent players in the "SME" and "Environmental, Social and Governance (ESG) categories".

Acknowledgements

The achievements realized by QNB ALAHLI in 2022 demonstrate a number of facts; most importantly is our ability to continue to strive and achieve our targets in light of present circumstances and challenges. Our achievements also prove having a set of unique banking tools and exceptional capabilities in our human resources who are determined to build on success and reach the desired goals. I extend my sincere thanks to all of them for the efforts they exerted and for being characterized by a strong determination in which the Board of Directors put its trust. We are confident of our employees' ability to achieve in 2023 over and above the figures achieved last year. Our institution is always seeking a leading banking position at the hands of its collaborating teams.

QNB ALAHLI at a glance

QNB ALAHLI succeeded to maintain its status as a strong player in the Egyptian market. This has come as a result of its strategy to remain a committed business partner to its clients during all times.

Our Heritage:

QNB ALAHLI is one of the leading financial institutions in Egypt which was established in April 1978.

The bank is ranked as the second largest private bank in Egypt.

QNB Group acquired 94.967% of QNB ALAHLI as of 31/12/2022

Retail Banking:

QNB ALAHLI has managed to capitalize on its leading position as a pioneer in developing and industrializing a world-class retail banking service, where QNB ALAHLI adopted a unique market segmentation approach to be able to structure products and solutions that meet the requirements of each segment.

SME's Banking:

QNB ALAHLI has capitalized on its trust in the power of SME's to push growth and deliver sustained development, perhaps just as importantly manages to support its SME's customers through the peaks of the economic cycle.

Corporate and Investment Banking:

QNB ALAHLI provides dedicated products in corporate banking, financial advisory, project financing, structured financing, trade financing, cash management, and foreign exchange with its competitive offerings, it has managed to establish a strong bond with its various corporate clientele whether large domestic corporations, subsidiaries of multinational companies, medium caps, as well as SME's.

Our Subsidiaries:

The Bank established a number of subsidiaries in specialized fields such as:

QNB ALAHLI Leasing

QNB ALAHLI Life Insurance

QNB ALAHLI Factoring

Awards

Demonstrating QNB ALAHLI's leading role, the bank has received 14 awards throughout year 2022 from several prestigious international financial institutions such as:

> Best SME Bank - The Capital Finance International Magazine

> Best Retail Bank - The Capital Finance International Magazine

> Best Corporate Bank Egypt - The Global Banking and Finance Review

> Best Bank for Digital Banking Services - The Global Banking and Finance Review

> Best SME Bank - The Global Banking and Finance Review

> Best Retail Bank - The Global Banking and Finance Review

> Best Trade Finance Bank - The Global Banking and Finance Review

> Best Bank for Treasury Activities - The Global Banking and Finance Review

> Best E-Banking Product - Mobile Banking - The International Finance Magazine

> Best SMEs Bank- The International Finance Magazine

> Best Bank For Trade Finance - The Digital Banker- Middle East & Africa Innovation Awards

> Elite Quality recognition Award 2022 for processing payments with STP rate 99.68 % for payments issued through MT103 - by J.P. Morgan

> Elite Quality recognition Award 2022 for payments STP rate 99.90% issued through MT202 - by J.P. Morgan

> Best Financial Inclusion Initiative - The Digital Banker- Middle East & Africa Retail Banking Innovation Awards

Our Financial Strength

Assets
EGP 483,280 m

Net profit
EGP 10,350 m

Earnings Per share
EGP 4.20

CAR (Basel II)
22.99%

QNB ALAHLI is an integrated financial group where the bank is interested in supporting its subsidiaries that provide banking financial services which meet the needs of a wide segment of its customers

QNB ALAHLI Leasing

The company continued its outstanding performance as one of the first companies in this field and the company was able to support its position in the local market by increasing the growth of its business volume and profit rates in addition to maintaining high quality of its assets and it has ambitious plans to expand and increase the volume of its business and meet the growth of this activity.

QNB ALAHLI Life Insurance

The company maintained its advanced position in the field of life insurance and continued to increase the volume of its business steadily in addition to providing advanced and modern insurance products and services that meet the needs of the company's customers.

QNB ALAHLI Factoring

The company has maintained its market position and outstanding performance, especially with the promising sector of small and medium-sized companies, and the company continues to work to increase the volume of its business, which is balanced and through an ambitious work plan. QNB ALAHLI has become the vehicle of choice for multilateral financiers to distribute credit amongst small businesses & companies in addition to help shape and implement women in business programs. The Bank serves more than 1.4 million clients through 7,100 banking professionals. The bank vision is to keep close to its clients through offering a wide range of products serving almost every financial need of corporates, medium and small enterprises or individuals. To achieve this vision, our bank expands its network of branches to 232 branches covering all governorates. Moreover; the bank keeps enhancing its multi-channels automated tools to reach its clients through a network that reaches 893 ATMs, in addition to, a dedicated call-center available 24 hours a day, 7 days a week.

QNB ALAHLI pays lots of attention to how it reaches out to its valued clients ensuring the ease and comfort with world-class professionalism, while the bank continues to selectively expand its always- expanding branch network.

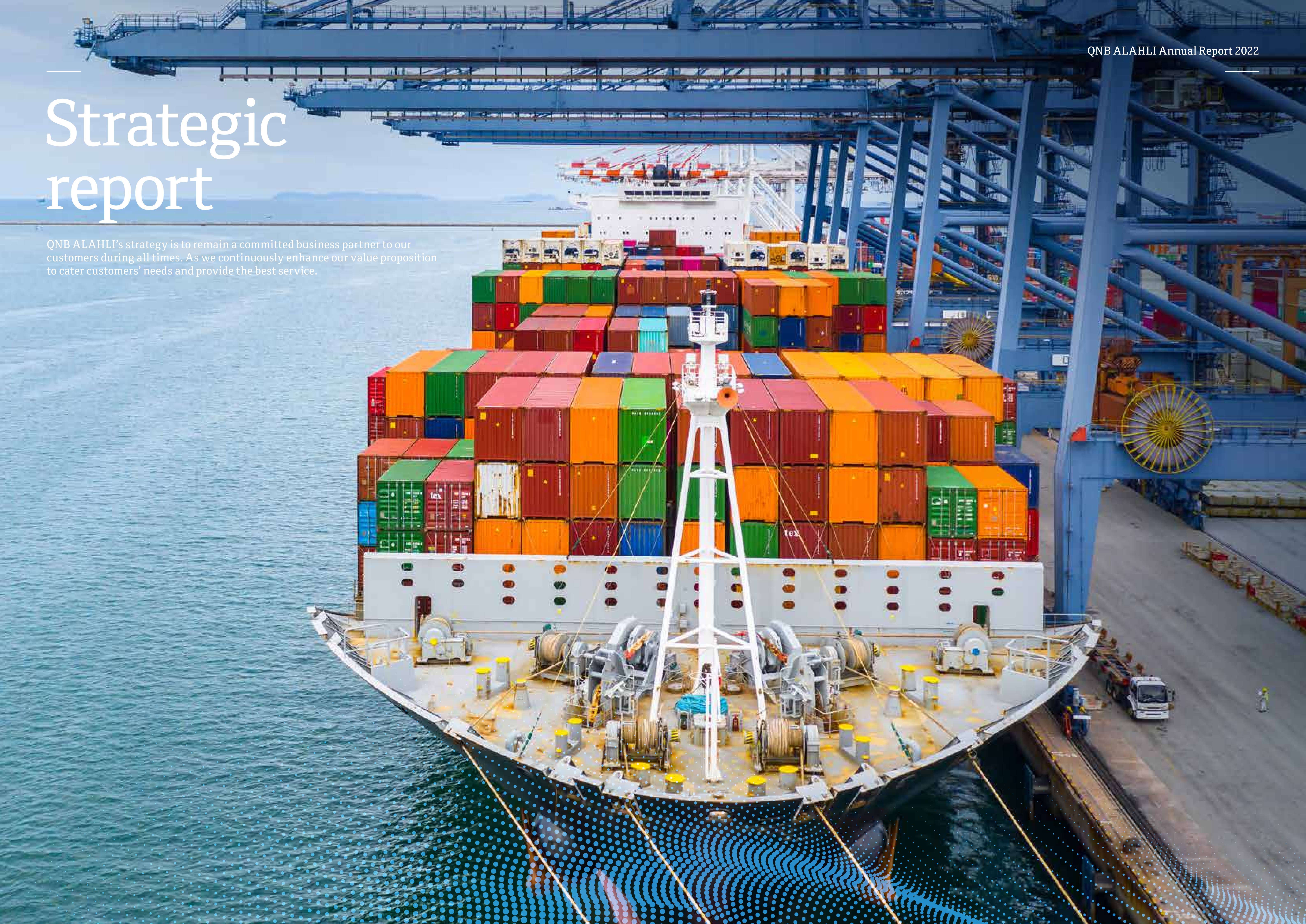
QNB ALAHLI strives to employ its quality and innovative resources to support the Egyptian Economy and help in its development by always expanding the financial services coverage and financial inclusion.

As part of QNB ALAHLI Corporate Social Responsibility, it has cooperated with a number of community organizations in various initiatives and projects aimed at supporting the neediest sectors in society.

QNB ALAHLI took on its shoulders the responsibility to support sustainability and green projects which depend on renewable sources of energy. We succeeded in financing dozens of environment-friendly projects which had an impact on reducing and minimizing the negative effects of carbon emissions caused by conventional fuels. At QNB ALAHLI we believe in the importance of granting funds for these types of projects to substantially preserve the environment. We also take into account the economic and social dimensions of this matter. Moreover, sustainable financing and supporting climate projects are regarded as a future trend the world is striving to follow.

Strategic report

QNB ALAHLI's strategy is to remain a committed business partner to our customers during all times. As we continuously enhance our value proposition to cater customers' needs and provide the best service.



QNB ALAHLI's Strategy

QNB ALAHLI remains steadfast in demonstrating exponential growth, profitability, and digital transformation while fostering an innovation culture to enhance the entire customer journey

As part of QNB Group, one of the largest financial institutions in the Middle East and Africa (MEA) and one of the leading banks in the MEA and Southeast Asia (MEASEA) region, we seek to dilate the Group's notable presence. Our vision, to become the first-choice bank in Egypt for all stakeholders, drives our contribution to the Group's international footprint.

Economic challenges prevail amidst local devaluation, tightened policies, and global economic hardships. Our efforts are directed towards continuously enriching our services while offering best-in-class quality. In this regard, we aim to:

- Achieve the next level of distribution strategy & omni-channel business model with customer centric approach;
- Maintain a consistent growth in Retail & SME portfolios;
- Accomplish a breakthrough in digital products' penetration rates & enhancements;
- Build exceptional capabilities & demonstrate resilient performance.

We adopt technologies to ensure being at the forefront of business banking practices. This is to support the ongoing transformation of the Egyptian economy towards cashless transactions fueled by several government initiatives serving the same objective.

QNB ALAHLI succeeded to maintain its status as a strong player in the Egyptian market, providing services for 1.4 million customers, with a network of 232 branches & 893 ATMs to serve customers nationwide.

232 Branches

24/7 Contact Center

579,603 Internet Banking Users

111,514 e-Wallet Users

56,000 POS

893 ATMs

QNB ALAHLI's Strategic Pillars

QNB ALAHLI's strategy is to remain a committed business partner to our customers during all times. Consequently, we continuously enhance our value proposition to cater customers' needs and provide the best service. Our adopted strategy is guided by key Strategic Pillars:

Drive Exponential Growth, Enhance Profitability, Boost Efficiency & Sustainability Culture, Improve Quality of Service & Customer Centricity, and Transform Digital Capabilities.

Drive Exponential Growth

Faster growth than market peers on assets, loans, and deposits

Enhance Profitability

Achieve best-in-class profitability as measured by RoAA & RoAE

Boost Efficiency & Sustainability Culture

Become the most cost-efficient bank with best-in-class cost-income ratio and placing sustainability and climate change at the top of QNB ALAHLI's priorities

Improve Quality of Service & Customer Centricity

Focus on customer experience & service and excellence

Transform Digital Capabilities

Continuously expand and enhance digital value offering with the objective pf placing QNB ALAHLI at the edge of technological advancement

Strategic Pillar	Strategic Achievements in 2022	Strategic Priorities in 2023
Drive Exponential Growth	Significantly grew SMEs & Corporate Loans & Deposits portfolios. Increased market share via projects in diverse sectors; State-owned Infrastructure, Renewable Energy, and Petroleum & Petrochemical sectors.	Tap on new opportunities with high potential like Agribusiness industry and Export driven sectors. Revamp segmentation model offerings & thresholds in addition to introducing new incentive based schemes.
Enhance Profitability	Increased customer acquisition via leveraging on our Multi-Channel model. Achieved 100% cooperation with QNB Group entities to enhance trade flows.	Continue to seek cheaper Deposits & introduce new Depository products . Introduce new Treasury products such as Cairo Overnight Index Swap (CONIA OIS), Floating Rate Note (FRN) & Non-Deliverable Forwards (NDF).
Boost Efficiency & Sustainability Culture	Reviewed and enhanced risk appetite and risk framework (risk-return culture). Embedded Sustainability in QNB ALAHLI's business and internal operations to deliver profit with purpose.	Rethink our distribution channels & back-office models and introduce new Branch formats. Expand partnership with multilateral institutions especially in Green & Renewable finance to enhance Sustainability culture.
Improve Quality of Service & Customer Centricity	Enhanced Customer Journey & Quality of Service in QNB ALAHLI to achieve "Service Excellence". Eliminated technical bottlenecks & outdated/unnecessary process steps to ensure lean efficient cycle time.	Continue to elevate Customer Experience Journey & satisfaction through digitalization. Fully integrate Change Management Culture within QNB ALAHLI.
Transform Digital Capabilities	Geared up for the launching of a state of art digital-only platform; QNB Bebasata. Explored introducing Blockchain technology for Trade Finance business.	Launch Bebasata Platform; a direct digital model to reserve a seat for QNB ALAHLI in the future of banking. Study introducing an end-to-end digital lending solution including automated credit scoring.

Creating & Delivering Value - Fostering Sustainability Culture

"QNB ALAHLI is committed to creating a more sustainable future for its employees, customers, and the communities it serves."

Sustainable finance, sustainable operations and beyond banking constitute QNB ALAHLI's sustainability framework

Being a leading financial institution that add substantial value to the Egyptian financial sector, our products and services create value for our stakeholders. We do this, first and foremost, while spreading a culture of sustainability across the organization, and secondly, by embedding sustainable practices into our business. Hence, our practices allow us to meet our customers' needs, not just in the present, but also into the future.

In response to this, QNB ALAHLI follows a Group-wide sustainability strategy and policy developed in alignment with national and international standards and guidelines. Our sustainability framework consists of three pillars; Sustainable Finance, Sustainable Operations and Beyond Banking.

QNB ALAHLI has remarkable projects and positive initiatives that were achieved throughout 2022 as follows:

1. Sustainability Report:

QNB ALAHLI issued its 1st Sustainability Report covering three years 2019, 2020 and 2021, which highlights the progress and development of QNB ALAHLI's sustainability journey. The report was developed in alignment with national and international standards such as Global Reporting Initiative "GRI" standards, United Nations Sustainable Development Goals "UNSDGs" and Egypt Sustainable Development Agenda Vision 2030. The 2021 Sustainability Report presents QNB ALAHLI's ESG practices, initiatives, and sustainability approach that is embedded into our day-to-day operations. It focuses on the topics we identified as material to QNB ALAHLI's performance and progress as well as its prospects.

2. QNB ALAHLI became a member of the "UNEP FI" and a signatory to the "PRB"

In line with the plan of both the Egyptian Government and the Central Bank of Egypt (CBE) and in conjunction with the Conference of the Parties (COP27) that was held in Sharm El-Sheikh in November 2022, QNB ALAHLI became a member of the United Nations Environment Programme Finance Initiative "UNEP FI" and a signatory of the Principles of Responsible Banking "PRB" which is a unique framework for ensuring that the strategy and practices of signatory banks align with the Sustainable Development Goals and the Paris Climate Agreement.

The "PRB" framework consists of 6 Principles designed to bring purpose, vision and ambition to sustainable finance and form collaborations with local and global counterparts to achieve a sustainable future. UNEP FI encourages and promotes financial institutions to create a sustainable finance sector and facilitates knowledge development and sharing to help shape and scale up sustainable finance.

QNB ALAHLI, has joined the UNEP FI Programme, believing in the role it plays towards the environment and society in creating sustainable and promising opportunities to achieve prosperity and mitigate climate risks. The Principles of Responsible Banking bring an opportunity to participate in a global network. This allows sharing knowledge and best practices. In turn, it contributes to stimulating sustainable financing to achieve Paris Climate Agreement and United Nations Sustainable Development Goals (SDGs), as well as follow the CBE guidelines in this respect.

3. Carbon Footprint Assessment

Climate change is undoubtedly one of the major challenges facing our nations, governments, businesses, and citizens in the present and future. It has major implications for both humans and the environment. Without climate action, there will be considerable changes in the available resources. Accordingly, initiatives are being developed and implemented to minimize greenhouse gas (GHG) emissions and concentrations in the earth's atmosphere. Such initiatives rely on the quantification and reporting of GHG emissions to work towards their reduction. In this regard, and in alignment with Egypt's existing vision and following the Central Bank of Egypt "CBE" direction, QNB ALAHLI measured, managed, and reported its 1st Carbon Footprint assessment exercise covering the year 2021 for its main headquarters.

The analysis and calculations of the Carbon Footprint assessment were conducted based on several international widely applied standards, protocols, and guidelines especially developed for accounting and reporting. It includes, but is not limited to, the Greenhouse Gas Protocol Guidelines, ISO 14064, and the 2006 Intergovernmental Panel on Climate Change.

4. QNB ALAHLI representation in COP27-Sharm El-Sheikh

QNB ALAHLI was delegated by QNB Group to participate in the COP27 that was held in Sharm El-Sheikh in November 2022. QNB ALAHLI had side-events and signing ceremonies inside the Blue Zone which was the main official area of the conference. In addition, a booth with staff delegation was present inside the Green Zone, which is the public area of the conference. QNB ALAHLI's 90 minutes side event was dedicated to the title: "The Role of Banks in Scaling-up Sustainable Finance". During the event, QNB ALAHLI & the European Bank for Reconstruction and Development "EBRD" had a signing ceremony and new products announcements. In addition, QNB ALAHLI signed a memorandum of understating "MOU" and a loan agreement with its clients to finance green and renewable energy projects. Also, QNB ALAHLI and VISA had a side event and ceremony for signing an MOU to produce QNB ALAHLI's plastic cards from recycled materials, with a new initiative to enable clients to recycle their expired cards.

Creating & Delivering Value - Improving Customer Service through Innovation

"Innovation is an integral driving force in our efforts to deliver our strategy"

Innovation and creativity drive QNB ALAHLI's overall strategy

QNB ALAHLI believes, with Innovation as a cornerstone, it will progress into the future and strive towards its vision of becoming the First Choice Bank in Egypt. This will be attained through always driving greater value and fueling creativity from the most valued assets; employees.

Innovation is an integral driving force in our efforts to deliver our strategy. It is propelled by dedicated people who are constantly uncovering new opportunities, delivering value, and expanding the Innovation culture across the organization. Going forward, Innovation intends to continue improving overall customer experience through its projects, big and small, Whereas, evolving the Innovation Platform shall unlock disruptive ways of working and thinking.

Our Innovation Approach

QNB ALAHLI adopts a global approach to innovation with the Global Innovation Program. This is a tripartite agreement with QNB Group and QNB Finansbank to cooperatively discuss, exchange and build disruptive technologies.

Since the inception of our Innovative efforts in 2005, our Innovation process has been led by our employees across QNB ALAHLI. Employees are encouraged to become innovators by submitting their ideas to our Innovation team, which in turn, validate, sharpen, and test for feasibility. The aim of this process is to utilize our employees' experience and strategic placement to detect market trends and identify customer behaviors.

For these reasons, it is QNB ALAHLI's belief that Innovation ushers growth, competitive intelligence, and competitive advantage. Therefore, it is at the core of its overall strategy.

Innovation is at the core of QNB ALAHLI's overall strategy

Key Innovation Themes

Application Programming Interface "API"

↓

Platforms

↓

Artificial Intelligence

↓

Digitization/Automation

→

Creating and Delivering Value

Create better partnership opportunities

↓

Generate new deals and expand business

↓

Gain market insights & improve value proposition

↓

Create new channels for customer acquisition

Creating & Delivering Value - Improving Customer Service through Product Enhancements

"Continuously expanding and enhancing digital value offering with an objective of placing QNB ALAHLI at the edge of technological advancement"

Aiming at elevating customer experience & satisfaction through digitalization, we maintained our approach of capitalizing on digital solutions to serve our customers.

QNB ALAHLI has launched the long-awaited **Instant Payment Network (IPN)** in March **2022. IPN** is a network allowing instant transactions between multiple source of funds like bank accounts, wallets and cards around the clock. It is also available on Internet & Mobile Banking platforms. Credit card payment through the **IPN** was also availed during this year, ensuring a smooth process for QNB ALAHLI's **IPN** users.

Furthermore, QNB ALAHLI introduced a new **Whatsapp Channel**. The new channel allows customers to contact QNB ALAHLI's representatives for multiple services. They can inquire on products & services, check nearest branch location, and apply for specific products. They can also conduct live chat with contact center agents in pre-defined hours.

Enriching QNB ALAHLI's digital channels was reflected in delivering a new **E-Wallet** version with diversified features. The new features include: adding a bank account to customer's e-wallet, generating e-statement for wallet transactions, performing self un-registration, and submitting complaints.

QNB ALAHLI continuously performs system enhancements along with addition of features and services to its **Internet & Mobile Banking platforms**. This includes: granting digital secured loans & credit cards, opening daily saving account, submitting disputes, performing transfers in foreign currencies inside Egypt, conducting instant (**IPN**) transfers, and redeeming loyalty points as e-vouchers.

To ensure the safety and security of **Digital Platforms'** users funds, the bank launched a new fraud monitoring system. In addition, the bank introduced multiple registration and authentication methods such as: National ID / Password / Birth Certificate and Customer ID.

Moreover, enhancements were introduced to the **Corporate Internet Banking** to facilitate its usage and enhance customer journey. For instance, user guides were availed on QNB ALAHLI's website bilingually to facilitate the activation process without the need to refer to branches. Simplifications to 1st time log in were introduced. Also, IBAN was added to further facilitate internal ACH transfers.

Operational Performance

For more than 40 years, the bank continues to have a strong presence in the Egyptian market leveraging on our solid position as the largest private bank

Wholesale and Commercial Banking

The large corporate sector has succeeded in achieving several positive results during the past year 2022,

The large corporate sector is one of the main sectors that the bank attaches great importance due to its clear strategy in supporting the national economy and achieving the objectives of economic development by supporting these major projects, in which the bank continues to achieve outstanding leadership and innovation in providing new financing tools. The large corporate sector has succeeded in achieving several positive results during the past year 2022, despite the presence of several global challenges.

QNB ALAHLI is also characterized by a great ability to diversify financing alternatives for major companies in order to help expand their business circle, achieve their goals and increase their activities in the Egyptian market, which is greatly reflected on the national economy in high growth rates, accelerating the pace of economic development, opening job opportunities and stimulating the market at all levels.

QNB ALAHLI is one of the most important banks operating in the Egyptian banking market and the second largest private sector bank with a huge portfolio of lending, in addition to its extensive experience in financing a large number of large and medium companies that have contributed to the revitalization of various economic sectors, and it spares no effort in meeting the necessary financing for entities that contribute to moving the wheel of development and economic Sustainability.

For more than 40 years, the bank continues to have a strong presence in the Egyptian market leveraging on our solid position as the largest private bank in terms of total loans with vast experience, offering a full fledge of financial products and services, which contribute to these companies achieving their goals, maximizing the bank's corporate loan portfolio, providing job opportunities, improving productivity and contributing to the growth of the gross domestic product.

QNB ALAHLI is also characterized by a great ability to diversify financing alternatives for major companies in order to help expand their business circle

In relation to businesses with large corporations and major projects, the bank is maintaining very strong longstanding relationships with prominent and active Egyptian players and multinational companies as well as several public and private companies operating in all the different economic sectors in Egypt.

Moreover, the bank continues to play major roles in sizable transactions in various sectors on top of which comes financing renewable energy developers and green financing.

Adding to the above, the bank has also led, managed and participated in a number of debt restructuring transactions with local banks to ensure the business continuity of some of the clients.

The bank seeks to enhance the large corporate loan portfolio on a large scale to serve the bank's ambitious goals and meet the wishes of customers, as the bank attaches great importance to all projects that give added value to the Egyptian Economy, whether in national projects or private sector projects, The bank also pays great attention to maintaining its strategy in terms of achieving increasing growth rates for the credit portfolio and expanding in various economic activities, as the bank succeeded in achieving a boom in the financing portfolio to record a total portfolio of EGP 228 billion, with a growth rate of 25% for the first time in the bank's history, relying on the activity of various sectors such as large, small and medium enterprises.

QNB ALAHLI is keen to support major projects in all sectors by diversifying its banking financing tools and providing support permanently with liquidity to give it the ability to continue and expand within the Egyptian market.

QNB ALAHLI succeeded during the last period in entering several syndicated loans as a financier, arranger, guarantor, or marketer for the benefit of major companies considering the development plans followed by the bank to support the economy in various fields and sectors, as the bank has strong relations and ties with all local and foreign banks operating in the Egyptian market to finance major projects, the bank was assigned to arrange many loans to finance local and multinational companies and government companies, which were successfully arranged in record time in various economic sectors in the fields of oil, gas, petrochemicals, communications, infrastructure, energy, construction, building materials, agriculture , logistics, and others.

This is in addition to the effective role of QNB ALAHLI in participating and subscribing in the investment of bonds and securitization market issuances, emphasizing our prominent role in the investment sector.

QNB ALAHLI intends to continue its leading role in supporting major projects, entering into multiple syndicated loans and creating new financing tools that reflect the bank's professionalism, experience in the banking market and its multiple successful partnerships that meet the needs of the sector's customers.

Retail Banking

QNB ALAHLI Retail banking offers a wide range of products and services driven by more than 45 years

QNB ALAHLI Retail banking offers a wide range of products and services driven by more than 45 years of banking experience, with an integrated multichannel network, respecting a sustainable market share, growth and profitability with the aim of providing our clients with the most valuable and topnotch services as well as to cope with the evolving market demands aligning with the Central Bank of Egypt Financial Inclusion initiatives.

Financial Inclusion

Financial inclusion remains a key topic in QNBALAHLI. As a leading financial services provider, we strive to provide access to our products and services to enable socio-economic transformation. This includes improving access to financial services for the low-income segment, the unbanked, youth, women, clients with special needs and other segments. Notable retail products have supported financial inclusion and assisted disadvantaged or vulnerable customers. Now In 2022 and for the first time, QNB ALAHLI has introduced the Secured Credit Cards for Youth starting from age of "16 till 21 years old". One of the main goals of this product is to attract youth and to encourage them to start engaging with the banking sector and getting familiar with the different financial services.QNB ALAHLI introduced a Financial inclusion dedicated package" Ahlan "allowing untapped segments to easily open affordable individual accounts within the bank with simplified documents and benefit from a bundle of products and services. In line with QNB ALAHLI's commitment to financial inclusion initiatives and always being a market pioneer, we have introduced new services for ''Clients with Special Needs''; an inclusive initiative with the main objective of being the most accessible bank . The service is provided in all branches across various governorates through various benefits such as Simplifying and facilitating account opening procedures, Certified sign language employees, wheelchair accessibility Ramps to various branches, and Several ATMs have been upgraded and equipped with Braille Keypad. QNB ALAHLI was active during March Women Month and launched different tailored commercial offers. Moreover, QNB ALAHLI held the Christmas Bazar in its headquarters, empowering craftswomen.

Digital Transformation

We have added numerous enhancements to our Internet Banking service, presenting new registration and authentication process, allowing clients to redeem their credit card loyalty points through E-vouchers, reissue credit card PIN codes, and change supplementary cards limits and issue new CDs.

Moving forward, we had also worked on improving our customers experience through having different and easy access to our services without the burdensome of visiting branches by adding some new features such as:

> "Debit Card dispute requests" are now availed for Internet Banking users

> Availing the dispute option on the E-Wallet Service.

> USD/EUR will be available through internet banking for transfer "via ACH" in addition to the current Swift option.

> "WhatsApp for Business" service, which had been integrated to the contact center offered Services, ultimately, fulfilling customers' and non customers' needs, increasing customers' satisfaction & accessibility to bank services.

The WhatsApp service consists of a "Chat Service" responding to clients inquiries through chatting with a bank representative and "ATM and branches locater" that facilitate locating ATMs that serve clients with special needs or branches with ramps as well as guiding users/ clients through choices leading them to sub-menus in the live chat where they can know more about our bank products/ services and apply for a product/service after showing interest so that one of our representatives can call them to proceed.

As part of our continuous efforts to enhance our digital products, we had also recently implemented "Apply now" feature on our website so that clients can easily apply for our services without having to visit the branch.

QNB ALAHLI joined the launching campaign of InstaPay service using the IPN transfer method which allows the bank's customer to perform local transfers instantly 24/7

QNB ALAHLI added numerous enhancements to our internet banking services, allowing clients for the first time in the market to apply and be granted with fully secured cash loans and credit cards in addition to the enhancements of the existing services such as issuing new deposits, and applying for installment programs upon performing purchase transactions.

QNB ALAHLI introduced Several enhancements to the Contact Center IVR service (IVR identification, Call back option, credit card services, complain menu & Branches location waves)

Products and Premium Services

At QNB ALAHLI, we have a goal of regularly introducing new products for the purpose of providing the best banking solutions to cope with the market demands from all aspects along with enhancing existing products in terms of granting criteria to meet the needs of all segments of the society.

In light of the Climate Summit and as a continuation of QNB ALAHLI's successful series of partnerships during COP 27, QNB ALAHLI' signed a Memorandum of Understanding with Visa- Egypt to gradually replace the materials used to produce our cards with environmentally friendly materials under the theme of "Think Nature", getting QNB ALAHLI to be one of the leading banks in the Egyptian market to issue this card type. This signing confirms QNB ALAHLI's commitment to support the green economy, achieve the Sustainable Development Goals, and support Egypt's Vision for year 2030.

Additionally, QNB ALAHLI was present in the Green Zone, with a dedicated booth in which the bank's representatives promoted various banking services that the bank provides to its customers.

On the most important and famous sport event, **FIFA World Cup™**, which was hosted by the State of Qatar. QNB ALAHLI launched two fan zones to watch matches throughout the World (Zed Park - Mall of Arabia).

QNB ALAHLI offered **FIFA World Cup™ tickets with Visa** , where several QNB ALAHLI clients holding credit cards were able to win and **attend selected FIFA World Cup Qatar 2022**.QNB ALAHLI was the first bank in Egypt to print the **Platinum Visa credit cards limited edition design for FIFA World cup 2022**.

In parallel, QNB ALAHLI continued to expand our ATM footprint in Egypt through availing foreign currency exchange option to several ATMs mainly located in touristic areas.

QNB ALAHLI succeeded in maintaining its status as a strong player in the Egyptian market and achieved a remarkable growth in deposits portfolio, growth of market share and increase returns. This has come because of its strategy to remain a committed business partner to its clients during all times through balanced policies to navigate through the prevailing challenges, whilst remaining the customers' first choice bank through excellent customer service. QNB ALAHLI pays lots of attention to how it reaches out to its valued clients ensuring the ease and comfort with world-class professionalism.

QNB ALAHLI Retail Banking offers a wide range of depository products driven by more than 45 years of banking experience, with an integrated, immense multichannel network to meet all types/ segments of customers with their different financial needs.

QNB ALAHLI maintains its pace of enhancing its Retail Depository Products, through introducing rich and diversified range of products that suits different clients' needs, in terms of introducing attractive saving plans designed to reach each & every client type, in parallel with providing the best solutions for sustaining required liquidity; in total Retail Deposits that reached a portfolio of more than EGP 142 Billion.

Campaigns

QNB ALAHLI had launched multiple campaigns all over the year covering all retail banking products (Packages, facilities & cards). Dedicated campaigns took place for cards, varying from installment programs to discounts covering different categories appealing to all segments especially during special events and seasons such as Black Friday, Valentine, Ramadan and Mother's Day.

Online marketing activities are considered as a main pillar for marketing our products and services; Such activities include social media Contact Center and bank website to urge customers to register and utilize **QNB ALAHLI Digital Services** (e-wallet, ...etc.).

Moreover, we held several campaigns offered to our clients to boost our digital banking services utilization and penetration rate where clients had the chance to receive cashback, loyalty points and valuable gifts.

It's worth to mention the following; QNB ALAHLI Banking services have excelled in the Egyptian market, as we reached **232 Branches** covering most of the Egyptian governorates and operating in potential areas to serve and attract the largest number of clients in addition to having an **ATM network** with more than **893 ATMs**, with more than 190 Cash acceptance ATMs (CDMs).

Retail Depository growth rate of **5%**; moreover, achieved remarkable growth 31% in **Retail Loans** portfolio and more than **1.75 Million Cards**.

All achievements were a direct result of our strategy, aimed at positioning **QNB ALAHLI** as a **first choice Bank** for customers through **7,100 banking professionals** with an **excellent customer service**, delivering high quality products and services covering all segments.

Awards during Year 2022

> Best Retail Bank - The Capital Finance International Magazine

> Best Bank for Digital Banking Services - The Global Banking and Finance Review

> Best Retail Bank - The Global Banking and Finance Review

> Best E-Banking Product - Mobile Banking - The International Finance Magazine

> Best Bank for Financial Inclusion 2022 - The digital banker - Middle East & Africa Retail Banking Innovation Awards.

QNB ALAHLI maintains its pace of enhancing its Retail Depository Products

Small and Medium Enterprises

QNB ALAHLI is a pioneer in the SME field

QNB ALAHLI was pioneer in participating in Nileprenures initiative and managed to open dictated Business Development Centers

QNB ALAHLI started 2022 by adding another success and managed to keep on top after the huge success being the first bank to achieve the obligatory 20% through adding another milestone achievement while being one of the first banks to reach and exceed the Central Bank of Egypt new 25% obligatory one year earlier and reached currently 25.46% as of Q4-2022 as well as enriching our leadership position in the small segment in particular and also exceeding the Central Bank of Egypt 10% target reaching almost 10.03%,

QNB ALAHLI as a pioneer in the SME field, continue to grow horizontally through geographical expansion by focusing on potential areas as Delta & Upper Egypt to avail access to finance to micro & very small enterprises and young entrepreneurs through offering dedicated lending programs & packages that suits that their need capitalizing on branches network of 232 branches and vertically through growing the number of SME Relationship Managers

NilePreneurs initiative under the auspices of the Central Bank of Egypt

QNB ALAHLI believes strongly in the importance of non-financial services as a main pillar that stand head to head along with finance and other products, in which QNB ALAHLI was pioneer in participating in Nileprenures initiative covering this important topic and managed to open dictated Business Development Centers specialized in educating and offering non-financial services to this important segment in which QNB ALAHLI managed to:

- Captured the Central Bank of Egypt award for the Business Development Services Centers remarkable achievements over the last 3 years since inception, in which our advisors as well were recognized among other BDS advisors from participated banks for their achievements and efforts over the last period.
- 1st rank as a bank among the participated banks in Nilepreneurs initiative in terms of services rendered and clients served , in which series of articles highlighting the success stories and the provided support given by the Business Development Services Centers were published in the social media.
- Moreover, we expanded in Nilepreneurs initiative by adding 3 new satellite office (New Damietta, Beni Suef & Shebeen el kom) to continue serving Delta & Upper Egypt regions.

QNB ALAHLI Creative incubator Hub:

QNB ALAHLI supported the governmental direction towards sustainability and in the occasion of COP27, successfully launched Cycle 4 under QNB ALAHLI Creative Design Incubator Hub in Nile University under the Central Bank of Egypt NilePreneurs initiative, under the theme of Sustainable Product Design, aiming to select 10 entrepreneurs to support more creative entrepreneurs and introducing more success stories, added to the 30 startups of cycle 1, 2 & 3.

QNB ALAHLI continue complying with the Central bank of Egypt's direction by participating in financial inclusion events throughout the year via financial literacy sessions about SME activities, products and how to start your own business for entrepreneurs via the Business Development Service (BDS) Centers aiming to transform them from unbanked to bankable clients.

QNB ALAHLI participated in the presidential initiative Hayah Kareema launched by the Central Bank of Egypt, in which we provide the needed support to the SMEs in targeted villages all over the governorates in form of granted facilities and financial literacy sessions to increase the awareness of the banking services that can assist their projects.

Offering varieties of products & services:

In the context of supporting the medical sector and moving forward with the launched Central Bank of Egypt's initiative for doctors, a new dedicated program for doctors has been launched to ensure reaching maximum number of beneficiaries through the announced initiative.

QNB ALAHLI continued on its digital transformation journey by launching the WhatsApp for Business solution which enables SMEs customers to inquire about QNB ALAHLI range of SMEs products and services through WhatsApp business 24/7.

QNB ALAHLI products & services are extended to the SMEs owners addressing businessmen & managers to get reliable investment opportunities and various depositary products as well as loans for their personal needs.

Subsidiaries

QNB ALAHLI SME clientele are also enjoying the services of three strong arms representing very essential channels for SMEs business as follows:

> **QNB ALAHLI Leasing:** presenting the best financing solutions for production lines, machinery, transportation vehicles & trucks, administration offices, exhibitions and warehouses for tenors up to 5 years with competitive prices.

> **QNB ALAHLI Factoring:** specializing in all kinds of factoring activities by offering factoring services both locally and internationally, enjoying all the means, competencies and rapid business solutions of factoring to meet the needs of customers.

> **QNB ALAHLI Life Insurance:** offering a large range of products meeting various customer needs, in addition to offering competitive SMEs life insurance packages.

Awards

Repeated winner, QNB ALAHLI has again been chosen by the judging panels of various organizations as the undisputed winner several awards as follows:

> Best SME Bank
The Capital Finance International Magazine

> Best SME Bank
The Global Banking and Finance Review

> Best SMEs Bank
The International Finance Magazine

Corporate Social Responsibility

Our Corporate Social Responsibility agenda has built on the core pillars of education, health, social development, financial capacity development, financial education and disaster recovery

Corporate Social Responsibility - Human Resources

During 2022, 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.

QNB ALAHLI firmly believes in the effectiveness and importance of supporting communities in which we operate to promote social and economic development.

Through the bank's Corporate Social Responsibility (CSR) arm, QNB ALAHLI worked throughout this year to improve the livelihoods of all groups, especially the unprivileged people. Our Corporate Social Responsibility agenda has built on the core pillars of education, health, social development, financial capacity development, financial education and disaster recovery, in addition to implementing many initiatives to support our communities in line with the pillars of corporate social responsibility.

"We are pleased to present QNB ALAHLI's Social Responsibility Report for 2022, which includes many social achievements that accompanied the business achievements of our bank. QNB ALAHLI participated in many projects aimed at supporting the unprivileged sectors of society, in fulfillment of its societal commitments in various fields throughout Egypt."

During 2022, 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 "The World Youth Forum" in its Fourth edition. Also, the Bank supported Tahia Misr Fund in developing the destitute villages. In addition, the Bank participated in sponsoring "COP 27" conference in Sharm El-Sheikh, which aims to reduce greenhouse gas emissions and to build resilience to the inevitable impacts of climate change. 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: Ashmon General Hospital & Al Shohada Central Hospital in Menoufia Governorate, Nabaroh Central Hospital in Dakahlia Governorate, the Orthopedics and Traumatology Department in Kasr Al-Aini - Cairo University Hospital, the Center of Nephrology and Urology at Mansoura University, Magdi Yacoub Heart Foundation, Ibrahim Ahmed Badran Charitable Foundation for Medical Convoys, Josaab Foundation, Ahl Masr Hospital for Burns Treatment and Shafa Al-Orman Hospital in Luxor Governorate. In addition, QNB ALAHLI launched Medical Eyes convoy to provide unprivileged people with medical checkup and necessary treatments and surgeries in cooperation with Al Orman Association. On the other hand, QNB ALAHLI launched Medical convoy for Children in Menoufia Governorate 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 Fourth year, QNB ALAHLI continued its participation in the national initiative "Hayah Karima" to improve the housing environment for the most deserving families in the villages targeted by the initiative. Several projects have been implemented, including the development of Hanoot village in Zefta Center in Gharbia governorate, the water connection to 100 homes in Gharbia and Sharkeya governorates in cooperation with Al Orman Association.

The bank also participated in "the winter campaign", in cooperation with Misr El Kheir Foundation, by financing the construction of 36 rooftops for houses in Aswan, Ismailia, Gharbia and Beni-Suef Governorates.

In addition, QNB ALAHLI participated in the development of Shoprabil village in El Santa Center in cooperation with Al Orman Association.

QNB ALAHLI also provided Training for Employment project for 58 women in Dakahlia, Gharbia and Menoufia Governorates to provide them with training for raising their skills and provide them with collective projects in cooperation with Misr El Kheir Foundation.

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 and Technology, to complement the Bank's leading role in supporting the educational system and the scientific research.

On the other hand, QNB ALAHLI sponsored "STA Electrical lab" to support the technical education and training of the students in ElSewedy Technical Academy in cooperation with Elsewedy Electric Foundation.

In addition, QNB ALAHLI participated in the project of renovating Al Hurriya Elementary School in Menyet El Nasr Center and Al Shaheed Mohamed Abdul Razak School in Shirbin Center in Dakahlia Governorate.

QNB ALAHLI firmly believes in the effectiveness and importance of supporting communities

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 & 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 Fourth 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 "(50) micro income generating projects in Gharbia and Dakahlia Governorates to enable them to have permanent source of income and to raise the economic level of their families and to reduce the unemployment rate. On the other hand, QNB ALAHLI provided 42 micro projects for youth in Menoufya and Sharkeya Governorates in cooperation with 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 100 prosthetic devices to people with special needs in Shatoora village in Sohag Governorate , and in Menyet El Nasr Center in Dakahleya governorate, in cooperation with Misr El Kheir Foundation.

In addition, QNB ALAHLI provided 18 projects (kiosk) for beneficiaries with disabilities in Menoufia Governorate in cooperation with Al Orman Association, as part of the State's plan to empower and integrate them into the society, in the light of decent life initiative for each member of the society.

In the sponsorship field:

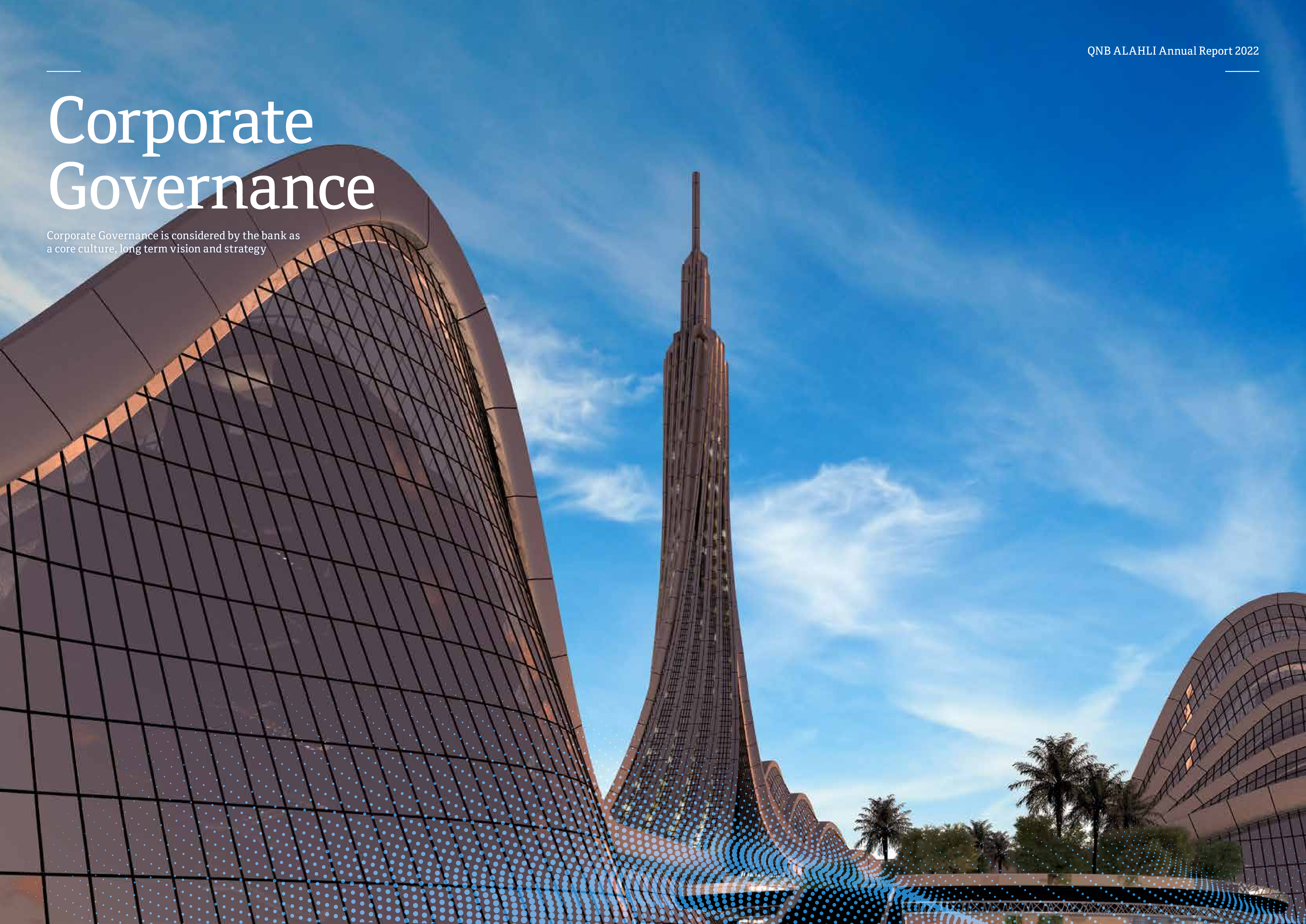
QNB ALAHLI sponsored "the Annual Science Festival in Zewail City for Science and Technology" in its Seventh edition under the title "Time to Change", emphasizing its continued role in participating in activities that support educational fields. The bank also participated in "Children Cancer Hospital 57357 Supporting Advertising Campaign", for supporting sick children and achieving the hospital's mission and goals towards "a childhood without cancer".

Human Resources

In 2022, the Human Resources continued to capitalize on its strategic plans through investing in QNB ALAHLI staff who enabled the bank to surpass its anticipated targets. We continued to invest in their development, equipping them with the best and latest training & development solutions where 90% of the total staff received/attended diversified training opportunities covering different aspects ranging from technical trainings to Leadership Development ones.

Despite all the economic challenges, our team continued to grow reaching over 7100 employees to meet all the audacious business targets enabling the bank to open more branches reaching 232 branch, increase our touchpoints with the customers, growing our portfolio and our profits.

In order to cope with the different economic challenges, the Human Resources have conducted a careful study and launched a salary restructure project that to ensure that the remuneration packages of QNB ALAHLI employees remains competitive and rewarding.



Corporate Governance

Corporate Governance is considered by the bank as a core culture, long term vision and strategy

Corporate Governance

QNB ALAHLI recognizes the need to adhere to the best practices in Corporate Governance, which is derived from the importance of implementing rational corporate governance policies and procedures.

Corporate Governance is considered by the bank as a core culture, long term vision and strategy, are applied sustainably and not only in the short term, in order to maximize the value of the bank to the shareholders, and maintain the confidence of customers and investors in addition to preserving the rights of all stakeholders, as well as the staff and customers. QNB ALAHLI always aspire to maintain the highest standards of Corporate Governance and publish the results reports accurately and transparently in full compliance with all applicable laws, regulations and controls.

The main pillars of governance:

Corporate Governance is based on four main pillars (responsibility, accountability, fairness, and transparency), QNB AlAhli is committed to implementing these pillars through the following:

Frist Pillar: General Assembly of Shareholders

The General Assembly comprises of all shareholders of the bank, in proportion to the share owned by each shareholder. All shareholders are entitled to attend the General Assembly meetings, the Bank will facilitate the attendance of shareholders to the General Assembly meetings, in compliance with bank's statutes related to laws and regulations organizing the procedures and deadlines for calling the General Assembly and how to manage its meetings, the General Assembly is managed in a way that allow all shareholders to express their views in light of what is regulated by the law and bank's statutes, according to the agenda of the Assembly meeting, the Bank is adequately disclosing the topics that are included in the agenda of the Assembly meetings which is accompanied with the supporting information that enable shareholders to take their decisions properly, the bank provide reply to all enquiries raised by the shareholders sent before the meeting to be included in the agenda.

And then the Bank discloses the decisions taken by the General Assembly in addition to all the essential events to all that happened and to the public at the same time. Where the minutes of General Assembly meeting are published on the Bank website, the Bank is committed to provide the Central Bank of Egypt and financial regulatory authority as well as notify the Egyptian Exchange with ordinary and extraordinary General Assembly decisions immediately after its conclusion at the latest before the start of the first trading session following the end of the meeting, which guarantee the fair disclosure for all crucial information.

The Current Shareholding Structure of QNB ALAHLI

Owners of 5% or more of the bank's capital	Number of shares as of 31/12/2022	Percentage %
Qatar National Bank	2,046,369,862	94.967 %
Total	2,046,369,862	94.967 %

Brief for Bank's achievements during 2022 that contributed to strengthening Corporate Governance

QNB ALAHLI updates periodically and continuously the general framework of Corporate Governance inside the bank to ensure that the bank is aligned with global, international and regional best practices for applying Corporate Governance guidelines, as well as applying the instructions, rules and laws of local regulatory authorities. The bank has taken many regulations and improvements to meet Corporate Governance requirements that aim to mitigate and reduce banking risks and risky complex activities, which have been lately increased each day and limiting the current circumstance and the consecutive economic and financial crises, that are reflected on countries and governments as well, and thus are reflected on Banks and the whole Banking sector too, and amongst the most important of these achievements during the year 2022:

1- Elections of the Board of Directors for the new round 2022-2025 using modern technologies for voting and attending the general assemblies and applying the cumulative voting system by giving each shareholder a number of votes equal to the number of shares he owns so that he can grant all of them to one candidate or distribute them to more than one candidate When electing the Board of Directors, which allows also the shares proportional representation in the Board of Directors.

2- Segregation of the duties and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer.

3- Election and appointment of independent members of the Board of Directors with excessive experience in the Board of Directors, in a way that enhances the diversity of the qualifications and experiences of the Board and allows them to perform their roles.

4. Updating the Board Charter, the Board of Directors' policy, and the Bank's Corporate Governance Department Manual to reflect all new and recent changes and regulatory instructions, and document the comprehensive framework for the role of the Board of Directors, senior executives, and executive managers of the Bank, and spread the culture of Corporate Governance to be adhered by all employees inside the bank.

Second Pillar: Board of Directors

Composition of the Board of Directors

The current composition of the board of directors comprises of 11 members, in accordance with Statutes of the Bank, it is managed by a board of directors composed of a number of not less than five members selected by the general assembly from among the shareholders, for a period of three years and this does not prejudice the right of the legal person who is a member of the board of directors to replace whoever represents him in the board from among them. the Board are composed of Executive, Non-Executive)independent and Non-Independent members) to ensure that board decisions are not dominated by a specific individual or a small group of individuals, and the board of directors must have at most two of the executive members and the majority of the board members must be non-executives.

When electing members of the Board of Directors, the cumulative voting system must be applied by granting each shareholder a number of votes equal to the number of shares he owns so that he can grant them all to one candidate or distribute them on more than one candidate when electing members of the Board of Directors, in a manner that allows proportional representation in the membership of the Board of Directors whenever possible.

The board of directors shall appoint among its members a chairman, a vice-chairman and Chief Executive Officer (CEO), and in the absence of the Chairman and the vice Chairman, the eldest member shall chair the board.

All Board of Directors have the necessary experience and knowledge to perform their duties effectively and efficiently to achieve bank's goals, shareholders and customers.

The Board of Directors have full knowledge of their guiding role and their part towards establishing the guidelines of rational corporate governance.

The following is the composition of the Board of Directors in its current round 2022-2025:

Sr.	Name	(Executive / Non-Executive)	Position
1	Mr. Ali Rashid Ali Al-Mohannadi	Non-executive	Chairman
2	Mr. Assem Mohamed Fahmy Mohamed Ragab	Non-executive – independent	Vice Chairman
3	Mr. Mohamed Mahmoud Ali Bedeir	Executive	CEO and Board Member
4	Ms. Heba Ali Ghaith Al-Tamimi	Non-executive	Board Member
5	Mr. Tarek Abdel Raouf Magdy Fayed	Executive	Board Member
6	Mr. Adel Ali Mohamed Al-Malki	Non-executive	Board Member
7	Mr. Abdullah Nasser Salem Al-Khalifa	Non-executive	Board Member
8	Ms. Shikha Salem Abdullah Al-Dosari	Non-executive	Board Member
9	Mr. Khaled Ahmed Khalifa Al-Sada	Non-Executive	Board Member
10	Mr. Nedhal Shafi Hassan Al-Nuaimi	Non-Executive	Board Member
11	SHK. Hamad Talal A.A. Al-Thani	Non-Executive – independent	Board Member

Duties & Responsibilities of the Board

QNB ALAHLI has Effective Board of Directors, based on the general assembly's assignment, the Board is individually and / or collectively responsible for Bank management with the optimum methods with the objective of maximizing the value of shareholders' investments and achieve the projected business plan results, preserving the rights of customers and all stakeholders. The BOD is keen to achieve all its objectives in full compliance with the applicable laws and regulations.

Board of Directors duties and responsibilities are defined as follows:

- Ensures that the Bank's organizational structure enables the Board of Directors and top management to assume their responsibilities and facilitates effective decision-making and applying rational corporate governance, this includes a clear delineation of the principal, responsibilities and main authorities of the Board, top management and control functions
- Approve Bank's strategic objectives, policies and plans, appoint and replace members of the executive management of the bank.
- Set Bank's values and standards, ensure compliance with obligations towards shareholders and other related parties

Corporate Governance *(continued)*

- Ensure that Bank's compliance with legislations, the Bank's Statutes and internal regulations, the board is also responsible for protecting the Bank against illegal and inappropriate practices and activities
- One of the main authorities of the board is approving business strategies activities, verifying the quality and integrity of financial control, internal control, in addition to assuring the Bank's financial adequacy, Board members are fully aware of all the Bank activities and functions
- Carefulness to apply the rational corporate governance standards in accordance with the bank business activities, market place and other relevant economic factors
- Establishing a legislative framework within the Bank, particularly about the organizational structure and business activities, including the methodology for allocating Human calibers to all divisions and departments
- Periodic review of arrangements and agreements with external auditors to ensure consistency with the volume and nature of the Bank's operations
- Ensure the credibility and adequacy of financial and accounting rules, including those related to the preparation of financial reports
- Present the financial reports to shareholders regarding the Bank's business and activities
- Guarantee correct procedures for disclosure and communication with shareholders, investors and all other related parties, about the Bank's strategy, financial results and significant developments
- Provide effective internal control environment to assess and mitigate risks, in addition to creating an appropriate framework for risk management
- Setting a system to report the inadequate acts inside the bank to the Board of Directors
- Formulate clear, effective and adequate rules to deal with conflict of interest
- The Board is keen to ensure that adequate and timely information is available to all members of the Board enabling them to conduct their duties effectively and efficiently

Convene of Board meetings

The Board of Directors met 12 times during the year 2022 in the presence and presidency of the bank Chairman and also the presence of the bank Chief Executive Officer since his appointment on 15th September 2021, as the regulatory controls require that Bank's Board of Directors meets at least 6 times a year, BOD members may participate in BOD meetings through (telephone or video conference), in this case their participation is considered an actual participation in BOD meetings and they are entitled to vote, and their votes are calculated in the quorum for the meeting and the validity of the decisions taken by the BOD, and it may also be held outside the bank's official premises inside or outside Egypt on the condition that all board members or their representatives approved and attend, Provided that the meeting of the board is outside the Arab Republic of Egypt for one time during the fiscal year. also, decisions of the board of directors may be taken by circulation in case of necessity, provided that all members agree to them, on condition that the decision is approved later in the first meeting of the board of directors.

Reports & information submitted to the Board and its Subcommittees

In addition to reports and documents provided to the BOD prior to its meetings, Board members are provided with the sufficient information and documentation at the right time to enable them performing their duties.

Moreover, committee members receive the relevant information prior to committee meetings for review and study, in order to take appropriate decisions within the various board committees.

Executive Management

While the Board of Directors undertakes absolute responsibility for Bank's governance framework, the Executive Management is responsible for day-to-day Bank activities, to insure they are being conducted effectively, securely and correctly in accordance with the Bank's internal policies, procedures and controls, within the framework of applicable laws & regulations.

Proactive and Precautionary measures to face the effects of Coronavirus pandemic ("COVID-19")

Coronavirus has spread across all geographic regions of the world in 2020, causing disruption to commercial and economic activities. QNB ALAHLI is closely monitoring the situation through its business continuity and emergency plan for dealing with the repercussions of this virus to ensure business continuity while preserving the health of Bank employees and customers. Also, to limit the spread of infection, the role of the bank's Crisis and Emergency Management Committee has been activated, which convenes on a permanent basis, to follow developments in the situation, take the necessary decisions and track their implementation through the various departments, as well as trail on the implementation of the Central Bank's instructions in this regard. Because of the uncertainty caused by the outbreak of the Coronavirus ("COVID-19").

Considering the measures taken by the Central Bank of Egypt, QNB ALAHLI is closely monitoring the loan portfolio to determine the impact of the virus on various quantitative and qualitative factors to identify potential increases in credit risks for the entire portfolio in its various economic sectors. accordingly, the bank continues to take proactive measures and procedures that it started from the first quarter of 2020, including strengthening the necessary allocations to mitigate the impact of COVID-19 on the loan portfolio, with the possibility of taking other precautionary measures in light of the fact that the pandemic has not ended yet. The Board sub-committees of the of Directors are being regularly updated with the latest Corona virus updates, as well as the precautionary measures taken by the bank.

Third Pillar: Committees

1- Board Committees

The Board of Directors has composed a number of committees to empower achieving Bank objectives optimally, such committees support and assist the BOD in the implementation of assigned responsibilities and duties, these committees were formed in accordance with Banks corporate governance regulations issued by the Central Bank of Egypt in addition to the relevant applicable laws & regulations, paying attention to the nature of the Bank's various activities. Each BOD committee comprises of at least three members, the committees submit their reports and recommendations periodically to the Board of Directors for taking the necessary decisions.

Each BOD committee has a Terms of Reference (TOR) which regulate its objective, scope of responsibilities, regularity, membership and attendance quorum. Such TORs have been approved by the Board of Directors. Each committee reports to the Board of Directors with absolute transparency of its performed tasks, findings, conclusions and recommendations, the Board of Directors periodically follow-up the activities of committees to verify fulfilling its mandates. The Board committees may assign any of the Bank's Executive Directors or external consultants to perform specific tasks that help the committee in conducting its mandated activities. a brief overview of the formation of each committee and the number of its meetings during the year are Clearfield and explained at the annual report and the Bank's website.

1.1 Audit & Compliance Committee

The Committee comprises of three non-Executive Board members having adequate expertise in financial, accounting and auditing standards, the committee meetings are held at least four times a year and submit its reports to the Board of Directors, the committee has is mainly responsible for reviewing the bank financial statements and ensure the effectiveness of internal control environment, the committee follows up the performance of Internal audit and compliance departments in addition to the external auditors mandates.

1.2 Risk Committee

The Committee comprises of four members of the Board of Directors with a majority of non-executive members, Committee meetings are held at least quarterly a year and submit its report to the Board of Directors, the Committee is responsible for developing and monitoring the Bank's risk management strategy and determine hedge policies for protentional risks, It also reviews procedures and overall risk management framework, the committee also define the relevant roles and responsibilities throughout the Bank.

1.3 Corporate Governance & Nomination Committee

The Committee is composed of three non-executive members having adequate expertise in governance's standard and aware of regulatory environment, the committee meets twice a year and submits its report to the Board of Directors, the committee supervises the Bank's corporate governance practices and ensures that rationale governance's rules and procedures are effectively applied. The committee proposes appropriate changes in corporate governance policies, in addition to reviewing all nomination proposals for Board members or the reformation of the BOD.

1.4 Compensation & Benefits Committee

The committee is composed of three non-executive board members having adequate expertise of organizational structure and human resources issues, the committee meets at least once a year and submits its report to the Board of Directors, the committee is responsible for managing human resources activities, including setting the annual budget and reviewing the annual staff benefits and remunerations.

1.5 Strategy Committee

The committee is composed of 5 non-executive board members having adequate expertise, and it is responsible for reviewing and follow up tender's approval, bank's business plan, budget, and strategy.
The committee meets once per year and upon request.

2. Internal (Management) Committees

Executive Management has composed several specialized management committees to support and supervise the Bank vast activities as follows:

2.1 Senior Committee

The Executive Committee had been changed to one of the management committees under name of Senior Committee as per BOD number 8/2021 dated 27/09/2021.

Responsible for implementing the Bank's strategy and is capable of steering all the Bank's business and activities, in addition to reviewing the submitted issues by all Bank divisions and departments.

The Committee is composed of executive members of the BOD and the Senior Executive Management, Committee meetings are held upon needed.

2.2 Assets and Liability Management Committee (ALCO)

The committee analyzes and approves the impact of the financial environment and market changes on the Bank's financial management methods with the necessary proposals and authorize any changes in applied interest rates for several banking operations, the committee meets monthly and upon needed.

2.3 Risk Review Committee

The committee focus on reviewing credit cases proposed by risk division which require revising and taking the relevant credit decisions, including allocating provisions if needed, reviews reports of the Bank credit portfolio, the Committee meets on a monthly basis.

2.4 Operational Risk Committee

The committee reviews periodically the changes in operational risk exposure, bank regulatory environment, crisis management and business continuity plan, the Committee meets quarterly.

2.5 Recovery Committee

The committee reviews Bank's NPL portfolio status and its related provisions, reviewing recovery achievements, discussing prospects of recovery, forecasting provisions level, the committee meets on a quarterly basis.

Corporate Governance *(continued)*

2.6 Tariffs Committee

The committee reviews, updates and validates the Bank's unified tariff, the Committee meets semi-annually.

2.7 Communication Committee

The committee approves the strategic framework and the proposed advertising campaigns, the committee meets on semiannually basis and upon needed.

2.8 Foreign Exchange Committee (FX)

The Committee allocate the foreign currency free market resources in compliance with the relevant rules, regulations and directives of the Central Bank of Egypt, the Committee meets on a daily basis.

2.9 New Products Committee

The Committee validates the characteristics of new products or services or significant changes to existing products and services, and make sure that all the risks have been identified, analyzed and accepted, the Committee convened when necessary.

2.10 The new branches committee

The Committee sets and implements Network Capex expansion plan, in terms of opening new branches, expansions, relocation of existing branches, major/minor renovations, rent, renewals, etc.,
The Committee meets on Bi weekly basis.

2.11 Credit Committees

The committee is responsible for approving credit granting decisions, it's divided into several credit sub-committees according to type and volume of the required credit facilities, the committees are convened when needed.

2.12 Quality Committees

The committee is responsible for following up the activities of total quality management and analyzing customer complaints and the actions taken to solve and reduce them, as well as studying internal and external customer satisfaction surveys and their results and recommendations of total quality management to improve the level of customer satisfaction in all the activities of the bank, and it also provides strategic guidance that guarantees excellence in the services provided to clients, the committee meets on annually basis.

2.13 Information Technology Committee

The committee is responsible for approving the strategic plans for information technology, directing and following up the implementation of those plans, as well as supervising the major initiatives / projects in this field, in addition to allocating resources and setting information technology priorities for all the bank's activities, the committee meets on a quarterly basis and upon needed.

2.14 Information Security Committee

The committee is responsible for approving any initiatives / modifications required on the information security policy, reviewing the bank's plans related to business continuity, disaster recovery and response to workplace accidents, also revising information security related events and determines if there are adequate controls to prevent their recurrence, the committee meets on a quarterly basis.

2.15 HR Committee

Review changes on human resources policies on an annual basis, Review and Approve the Annual Compensation review; (salary increase, profit sharing, staff promotions and complaints). Periodic Functional promotions upgrades, the committee meets on a semi-annual basis or upon needed.

2.16 Steering/Crisis Committee for the Recovery Plan

The Recovery Plan Steering Committee typically performs critically reviews the recovery plan, Reviews the recovery indicators selected and their Early Warning Indicators and Triggers calibration to ensure that they are calibrated in such a way to allow for timely identification of crisis and Ensures the scenarios explored are reasonable and meet the supervisory expectations and requirements (varying degrees of severity and speed, systemic/idiosyncratic/ combined nature, capital and liquidity impact) also Reviews the recovery options and the assessment of their impact under each of the recovery scenarios. Challenges the assumptions adopted for the evaluation of the recovery options and the feasibility/suitability of those as well as their adequacy, the committee meets on annual basis or upon needed.

3. Independent committee

Investment Funds Supervisory Committee (Protecting Investment Certificate holders)

It's an independent committee that is entitled to supervise all the activities of investment funds launched and sponsored by QNB ALAHLI, the committee comprises of minimum 3 members and maximum 11 members, the majority of its members must be independent, the committee meets at least four times during the year.

The duties and responsibilities of the committee have been identified by law, such as appointing the investment manager, fund admin services company, the custodian and fund's external auditors in addition to approving the financial statements of the fund, follow up the duties of the internal auditor of the investment manager, and assure that all parties fulfil their obligations.

Fourth Pillar : The Control Environment

Internal Control System

The Bank periodically develops to have an effective internal control system, to ensure having range of policies, rules and procedures, which prepared by Bank's regulatory authorities, the internal control system defines the competencies of each department or function in order to achieve a complete separation between responsibilities and duties, The internal control system has been approved by the Board of Directors, and the Audit and Compliance Committee periodically evaluates the system and submit its recommendations to the Board of Directors.

The internal control system is designed to ensure the accuracy of the implementation of the internal regulations and the instructions of Qatar National Bank Group, As well as the instructions of all concerned regulatory authorities, Ensuring the accuracy and quality of information, whether for the internal use of the Bank or its clients from outside parties and regulatory authorities, and protecting the physical assets of the Bank from the exposed risks, ratifies and record those assets at bank records, ensure the achievement of the short-term or strategic objectives plans of the bank.

Internal Audit Division

The bank attaches great importance to The internal audit function consider it as an independent and objective activity, designed to control all activities and support to achieve its objectives, through a systematic and structured approach to assess Bank's methods and systems of internal control and risk management procedures, ensure the corporate governance rules are applied properly for all departments and operational, financial and legal activities, Technical subordination to the Audit and Compliance Committee, and administratively subordinate to the Chairman of the Board of Directors, the Bank has an independent internal audit department, this position is managed by a full-time executive director, The Chief Internal Auditor submits a quarterly report to the Audit and Compliance Committee, present the internal audit activity during that period the main findings, and follow up the implementation, and the commitment of the various sectors of the Bank's departments and scheduled the implementation.

Risk Management

Based on the instructions of the Central Bank of Egypt, the risk management identifies, analyses, measures and monitors various protentional risks to recognize the reasons and how to hedge and mitigate such risks, ensure the quality and effectiveness of risk management methods at the bank, and ensuring a robust information management system including early warning indicators, in addition to ensuring the extent of acceptable risk appetite for the bank with both strategic planning and capital adequacy management, ensure that adequate capital is in line with the level of risk associated with the Bank's activities.

Compliance Division

The Bank is committed to ensure that all its activities are being conducted in compliance with applicable laws and regulations, and relevant laws or ethical standards and monitoring compliance are the primary responsibilities of the Audit and Compliance Committee, the Board of Directors, the CEO and senior executive management directors. accordingly, the Bank has an independent Compliance Division with the objective of identifying, monitoring and evaluating any risks arising from non-compliance, supporting the bank with the technical opinion and continuous monitoring of compliance risks, provided that the Chief Compliance officer is technically and reportable subordinate to the Audit and Compliance Committee, while administratively reporting to the Chairman of the Board of Directors. the Compliance Sector applies an effective follow-up process to confirm respect with the new supervisory instructions and confirm their delivery to the related parties, and those responsible for their implementation and inclusion within the work procedures, as well as preparing quarterly reports regarding the evaluation of the implementation of regulations and procedures to the Audit and Compliance Committee. in addition to continuing to abide by the law, implementation and updates of the FATCA Agreement.

Corporate Governance Department

Corporate Governance Department is targeting to establish the principles of rational Bank Corporate Governance, monitor its implementation and evaluate its effectiveness. The role of Corporate governance department is to identify and demonstrate the rational behavior for the bank management in accordance with the best international practices of corporate governance, thus achieving a balance between the interests of all related parties (Stakeholders) in addition to ensuring the protection of shareholders' rights, to be fully aware of the significant information, voting rights and participation in the decisions regarding the fundamental changes in the Bank, which will have an impact on their investments. Moreover, to ensure full disclosure of all substantial information and fundamental events accurately, equally, transparently and on time.

External Auditors

The Bank assigns external auditors who meet the conditions stipulated in the Accounting and Auditing Profession Law, Including competence, reputation and necessary expertise. Their experience, competence and abilities must be corresponding with the volume and nature of the Bank's activity. The External Auditors are appointed by the General Assembly based on the proposal of the Board of Directors and after the recommendation of the Audit and Compliance Committee. External auditors are fully independent of the Bank and its Board of Directors, they are neither shareholders nor members of the Board, and are not relative to any of Board of Directors, they also do not permanently engage in any technical, administrative or advisory tasks. External auditors are also neutral in expressing opinions, their assignment is invulnerable to the intervention of the Board of Directors. The Bank abides to the instructions of the Central Bank of Egypt concerning the rotation of external auditors, moreover, the Bank is committed to the present external auditor's report regarding its Corporate Governance activities in accordance with the applicable governance and disclosure regulations. Such report is being presented to the General Assembly of shareholders.

Risk Management

Risk management within QNB ALAHLI is a key focus at all levels of the Bank.

Risk Management

Risk management within QNB ALAHLI is a key focus at all levels of the Bank.

"QNB ALAHLI has a robust risk management governance structure and framework that ensures a crucial balance between risk and reward."

Risk is an integral part of our business and decision-making process. Risk management within QNB ALAHLI is a key focus at all levels of the Bank.

Risk works to identify, measure, monitor, control and manage risk at all levels and reports to senior management and the board of directors. As a result, we have a robust risk management governance structure and framework that ensures a crucial balance between risk and reward.

QNB ALAHLI's Risk Appetite statement articulates the risk culture, governance and boundaries of QNB ALAHLI.

The Risk Appetite Statement provides a framework for QNB ALAHLI's approach towards risk-taking and is reviewed, reassessed and agreed alongside the bank's strategic and financial planning process.

Our risk profile and appetite are approved by the BOD and the Risk Committee then cascaded to every division, department and employee.

QNB ALAHLI ensures regulatory compliance in line with best risk management practices.

Risk identification, monitoring and control

The identification of principal risks is a process overseen by the Risk Division. The material risks are regularly reported to the Risk Committee (RC), together with a regular evaluation of the effectiveness of the risk-operating controls.

During 2022, Risk Division continued the efforts to build up a strong risk management framework. This framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor and mitigate and report risk in a consistent and effective manner.

We continue to improve our frameworks for risk identification to ensure timely early-warning indicators and decision making. This has resulted in effective control of the non-performing portfolio, operational risk losses, cyber and other fraud protections, preventions and exposure to market risk.

Liquidity Risk

QNB ALAHLI considers the prudent management of liquidity as essential in ensuring a sustainable and profitable business and in retaining the confidence of the financial markets as well as the Central Bank of Egypt.

Ultimate responsibility for structural liquidity management resides with the local ALCO in accordance with the preapproved policies by the board of directors, with day-to-day management being managed by the treasury.

The risk management oversight process through representation within the ALCO provide assurance that the bank resources are sufficient in amount and diversity. This allows for the accommodation of planned and unplanned increases in funding requirements routinely without material adverse impact on earnings or on the Bank's perception in the market

Stress testing and Internal Capital Adequacy Assessment (ICAAP)

QNB ALAHLI intends to maintain sustainable funding and liquidity across the bank in order to withstand unforeseen macroeconomic headwinds and shocks. The ICAAP process is an important component of assessing capital adequacy of the bank, as well as providing a forward-looking assessment of QNB ALAHLI's ability to operate in a more stressed economic situation. The results of this process help us to determine and plan how to position the bank in the strongest possible way. Through this, we ensure that we maintain healthy risk metrics in line with our approved risk appetite and regulatory limits.

"We continue to improve our frameworks for risk identification to ensure timely early-warning indicators and decision making."

Market Risk

The bank separates Market Risk Exposures into trading and non-trading portfolios, where Market Risk Exposures primarily relate to interest rate risk in the banking book and exchange rate risk that generally arise as a result of the Bank's day - to - day business activities. The bank manages its market risk via a comprehensive framework of limits that reflects a limited risk appetite. Oversight of the management of market risk is delegated by the BOD to the Bank's ALCO Committee.

Operational Risk

Operational risk frameworks are continually being enhanced and embedded with improved business continuity infrastructure and disaster recovery sites. Data quality and reporting on key risk indicators continue to improve as the frameworks evolve.

We aim to keep operational risk at the lowest level through applying best practices and complying with regulatory requirements as we are currently applying standardized measurement approach (SMA), in line with the Bank's business strategy. We Promote a Bank's wide operational risk awareness and management culture, further contributing to a process efficiency and efficacy.

A transparent governance structure is established and maintained, with clear roles and responsibilities, ensuring appropriate oversight and on-going review of the Operational Risk Management Framework. Risk governance is discussed at Operational Risk Committee where all risks and actions are routinely analyzed and scrutinized, and day-to-day activities and issues are assigned and resolved.

At QNB ALAHLI we place the highest priority on data security and deploy the strongest controls and processes to maintain our systems and customer's data secured.

We made further significant improvements to our operational risk frameworks, reflecting the growing complexity of our business as it continues to expand locally, operational risk is giving a great focus on technology risks and invested in new tools to help build awareness. Our Operational Risk tools are aligned with international standards providing better analysis of all operational risk events and risks and their potential impact on the bank, customers, regulators, and reputation.

The key components of operational risk framework are RCSA, actions management and KRI's which significantly enhance our capacity and ability to capture data, giving us a deeper and more comprehensive view of our risks.

According to bank management instructions, Operational Risk Department has taken all required precautions to ensure bank staff safety and business continuity during COVID-19 outbreak: (Distributing disinfectant Hand Gel, latex gloves, Surgical masks in all Bank premises, replacing internal & external training by e-learning, Working with decreased staff (pregnant & chronic disease cases) and activating remote access protocol while applying all Information security aspects).

Also, under the initiative of Central Bank of Egypt & Federation of Egyptian Banks, QNB ALAHLI & Ministry of Health have organized many vaccination campaigns.

"The operational risk team in QNB ALAHLI will continuously challenge the businesses to assume greater accountability through identification, measurement, assessment and control of their own risks."

Cyber Threats

Cyber Security Threats and incidents are rising worldwide. Cyber Security Risk is one of the top agenda items in executive boards across all industries.

In 2022 QNB ALAHLI successfully continued its strategic investment journey as part of the GRC program to protect the bank from constantly evolving sophisticated cyber-attacks.

The Information Security team consist of a number of experts in the cyber security field across all security domains who are considering and enforcing security controls at all phases (before, during, and after) any security incident to help effectively protect, monitor, detect, analysis, investigate and provide remediation recommendation as part of our cyber security core mission.

QNB ALAHLI has successfully maintained PCI-DSS re-certification. This demonstrates QNB's commitment in investing in all pillar people, process and technology following best practice to maintain highest level of security maturity levels across the bank to assure protection of customer information through all states (rest, transit and motion).

"QNB ALAHLI continually invests in its defenses to protect the Bank from constantly evolving and increasingly sophisticated cyber attacks"

Credit Risk

We manage credit risk through a framework of models, policies and procedures that measure and facilitate the management of credit risk. We ensure a strict segregation of duties between front-line transaction originators and the Credit Risk function as reviewers and analysts. Our credit exposure limits are decided based on a credit authorization framework.

The bank has an integrated process covering credit initiation, rating validation, analytics, approvals, credit administration and documentation, model risk validation controls, collateral management, and limits monitoring at multiple levels.

Environmental and Social Risk

We integrate the environmental and social considerations in making the decisions for lending and managing the internal operations as QNB ALAHLI aims to achieve profit with purpose by applying the concept of sustainable finance and sustainable operations.

QNB ALAHLI Compliance Division Structure

QNB ALAHLI is committed to high ethical standards that produce long-term value for customers, shareholders, employees and the community,

QNB ALAHLI compliance framework has ensured the review and updating of impacted policies and procedures to ensure compliance with the legislative changes

Independent Compliance division has been set on structure depending on three main arms which's Financial crime compliance (AML/CTF and sanctions), regulatory compliance and Central Bank of Egypt relations review and corporate governance, in order to identify, monitor and evaluate any risks of non- compliance and provide the bank with high level expertise and monitoring of compliance risks.

QNB ALAHLI is committed to ensure that its activities are conducted in accordance with applicable banking rules, regulations, related laws and ethical and best standards.

Monitoring compliance is undertaken by the compliance division, and it is monitored by and reported to the Audit & Compliance Committee, that has been delegated by the Board of Directors to monitor compliance risks.

QNB ALAHLI Compliance Division Strategy

QNB ALAHLI is committed to high ethical standards that produce long-term value for customers, shareholders, employees and the community,
besides focusing towards implementing more effective and dynamic compliance measures across the bank to ensure enhanced compliance monitoring and awareness aiming to disseminate a strong compliance culture through various initiatives. Therefore, we will ensure that the practices, activities and staff are operating within the regulatory framework within the bank's policies and procedures.

The Compliance Framework

QNB ALAHLI compliance division is a multi- dimensional function with strong practices which's protect the bank from the risk of non-compliance with the regulations in frame of the AML/CTF law and related instructions issued by the Central Bank of Egypt.

QNB ALAHLI compliance framework has ensured the review and updating of impacted policies and procedures to ensure compliance with the legislative changes. Furthermore, the compliance with the code of ethics, and principles such as prudence and due care that ensure meeting the leading professional standards and alignment with QNB Group's vision, mission, and strategy regarding the following:

> Not accepting transactions or entering into relations that fall outside laws or contrary to Code of Ethics.

> Zero tolerance policy with misleading data, products and service that non-compliant with laws and regulations.

> Refusing client relationships where the bank does not sufficient Know Your Customer (KYC) data to meet the requirement of due diligence, and enhanced due diligence when required.

> Whistleblowing project, QNB ALAHLI's compliance considers whistleblowing as a top responsibility and a key element of its effective compliance program, the whistleblowing right is granted to all QNB ALAHLI's employees which enables them to raise their concerns about the wrongdoings or violations they aware of or have suspicions in -based on justified reasons- to minimize the bank's exposure to the risks like reputational, financial damage or noncompliance.

Whistleblowing Policy and Procedures were prepared in order to define Whistleblowing, who could blow the whistle, and the channels that could be utilized to whistle-blow, including e-mail and the Whistle-blowing hot-line. The drafted policies and procedures concerning the same govern and guarantee the anonymity of the reporting staff.

The Financial Crime Compliance Framework

QNB ALAHLI, through its Compliance Division, maintains an Anti-Money Laundering and Combating Terrorism Financing (AML/CTF) framework to fend off financial crimes and related corruption in its many forms. The framework outlines all the proper detection systems and controls designed to deterillicit funds from flowing into the bank's system.

Combating Financial Crime, Know Your Customers (KYC) Policy, and Enhanced Due Diligence:

> High risk /Sensitive Customers which requires the Compliance Division to evaluate and approve the relationship for acceptance and on-boarding.

> QNB ALAHLI's Compliance assesses new and existing products and services from Compliance and AML/CFT perspectives; and updates the bank's strategy and procedures on an ongoing basis to cover Compliance and AML/CFT risks.

AML/CFT Transactions Monitoring:

Combating Money Laundering is practiced on both Head Office level & the branches level, due to the significant volume of banking transactions done through QNB ALAHLI's branches or its electronic channels, as well as the complexity of some products. QNB ALAHLI has an efficient automated tool for monitoring customer transactions that helps to identify & analyze the unusual patterns / suspicious behaviors among the customers, in addition to other tools and reporting channels initiated for an efficient risk mitigation process.

The Sanctions Compliance Framework

Compliance is keen on ensuring that the bank copes with internationals sanctions and embargo's to manage the risk of sanctions failure by monitoring all payments, transactions and trends linked to different jurisdictions, ongoing developments and updates on sanctions and programs.

An integrated sanctions compliance system includes effective controls that satisfy the needs of both regulators and customers and ensures effective prevention and timely detection of business risk exposure to terrorism and proliferation financing.

Roles and Responsibilities

Ongoing follow up to ensure proper implementation of Central Bank of Egypt new regulations and international laws:

QNB ALAHLI's Compliance implemented an efficient follow up process to ensure new regulatory requirements are communicated to relevant stakeholders, and ensure follow up completeness of actions taken to implement such regulation, furthermore, QNB ALAHLI implement onsite Compliance review assignments to Provide objective assurance that bank's activities are complied with the The Central Bank of Egypt regulations and Laws

In addition to report an evaluation on such implementation to the Audit & Compliance Committee on quarterly basis.

Furthermore, compliance undertakes continues efforts to ensure the effective implementation of all FATCA requirements and enhance the relevant systems and controls, in addition to providing continuous training to the concerned stakeholders.

Training Strategy:

QNB ALAHLI Compliance division is highly committed towards the implementation of training programs to help employees stay abreast of latest requirements and increases their productivity with less supervision, whilst ensuring that they are aware of their roles and responsibilities taking into account all the relevant laws, regulations and internal policies adopting with Group Compliance's Training Strategy & Programs for 2022, to ensure the spread of a Compliance culture and awareness of key risks and risk mitigation actions. Trainings include but are not limited to Compliance, AML/CFT, Sanctions, Fraud, KYC, special trainings concerning key regulatory requirements.

Also, QNB ALAHLI fostered a top-down compliance culture, by providing diverse learning options to employees by using a variety of training methods.

QNB ALAHLI Compliance Division Plans and Continuous enhancement

> The continuous development of monitoring and reporting tools, including the relevant systems and applications to manage Compliance and AML/CFT risks.

> Professional Certification which is an ongoing educational process to ensure the continuous professional development of Compliance staff and raise their levels of expertise.

QNB ALAHLI Compliance Function Main Achievements:

> Internal Control Over Financial Reporting (ICOFR) evaluation mission was finalized with a final clearance from the External Auditor and no reported findings.

Internal Audit

Our robust internal audit capabilities protect and strengthen the bank, underpinning the confidence stakeholders have in our processes and controls.

The Internal Audit Division (IAD) plays a vital role in evaluating the effectiveness of risks, controls, and governance frameworks, by performing a comprehensive and systematic program of independent audits. Our work supports the proper functioning of the bank, ensuring efficiency and effectiveness across our internal processes. It goes beyond financial risks and statements to consider wider issues such as reputation, risk awareness, growth, the environment, and employees' development.

We do this by providing our stakeholders with a mix of assurance and advisory services, reviewing our systems and processes by offering insight to support ongoing improvement. We have unrestricted authority to access all bank's records, documentation, systems, properties, and personnel.

Our philosophy is to partner with the business, objectively influencing and challenging to facilitate the best results for the bank and its stakeholders. Our audit staff are professionally qualified and hold globally recognized certifications.

Our team is composed of individuals with experience from leading financial institutions and audit firms. Our experience and ongoing professional development provide us with the required competencies to tackle the growing sophistication and challenges of 21st century banking. It is vital that the audit team possesses a level of understanding that is equal to the business. The Internal Audit Division adheres to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), as well as Basel Committee recommendations and other leading standards. Under the IPPF, a qualified, independent assessor must conduct an external quality assessment of an internal audit activity at least once every five years.

This quality assurance was provided in 2018 when a leading independent audit firm conducted a comprehensive external quality assessment. This certified that we generally, conform with the Standards and the IIA Code of Ethics. In line with the IPPF, the next quality assurance will be provided in 2023.

Assurance to key stakeholders and regulators

The Internal Audit division is headed by the Chief Internal Auditor (CIA), who reports to the Board of Directors, through the QNB ALAHLI Audit & Compliance Committee (QACC), thus ensuring the independence of the audit function. The CIA is nominated by the QACC and the remuneration of the internal audit division is also determined on the basis of the QACC's evaluation of the division's performance.

The Internal Audit function is responsible for audit and independent assurance covering all of the bank's divisions, branches, and subsidiaries.

Our purpose is to provide:

> An independent assurance service to the Board of Directors and the QACC on the effectiveness of the bank's governance, risk management and control processes.

> Advice to management on governance, risks and controls.

> Coverage and assurance to key regulatory authorities.

We maintain and promote the confidence of all our stakeholders – including the Board of Directors, regulators, and senior management – by executing all our tasks with consistent objectivity, rigor, and discipline, backed by a process of continuous improvement.

We give special concerns to the financial crime reviews in our audit processes to address growing concerns from regulators about financial crime. This has ensured that sound controls are in place and operating effectively, and all applicable regulatory requirements are adequately incorporated in our policy and procedures and implemented accordingly. We have devoted increased resources to this area and enhanced the depth of controls testing carried out as well as the scope of coverage.

In line with relevant regulations, we provide support for QNB ALAHLI subsidiaries.

In addition to sharing knowledge and best practice, we deliver training programs to raise control awareness and enhance risk culture and provide policy advice.

Tracking of audit recommendations and ensuring management implementation of agreed action plans to address that audit observations are facilitated using our Audit Management System.

Dashboards provide the QACC, QNB ALAHLI CEO, and Group Internal Audit Division (GIAD) with real-time information on open and overdue issues and highlight our follow-up activities. This information also apprises senior management and QACC on the implementation status of pending audit recommendations and is used as part of the bank-wide key performance indicators measure on the control environment. In addition, we report on total observations classified by risk category to senior management, and QACC on a quarterly basis.

We continued to prioritize reviews required by regulators. This includes Financial Crime reviews (AML/CTF and Sanctions Risks) and user access management, IFRS9, treasury activities…etc.

We also enhanced our information technology and information security audit methodology. This is an integral part of our internal audit methodology and aims at ensuring the alignment of audit practices in the assessment of information and communication technology as well as information security risk. The methodology encompasses concepts and guidelines from global and regional stakeholders, such as ISACA, an international professional association focused on IT governance.

The Internal Audit Division (IAD) plays a vital role in evaluating the effectiveness of risks, controls, and governance frameworks

Advisory services, insight, and analysis

The valuable insights we gain through our unbiased and objective analysis of our operations enables us to help the bank improve its systems and processes.

As an independent reviewer, we participate in the review of new and updated policies in an advisory capacity. The main objectives of the review are to ensure that the policies address and mitigate key business, IT, and regulatory risk factors. By utilizing the combined technical knowledge of the business and our experienced and certified IT auditors, our policies can be effectively benchmarked against industry best-practice.

We also supported the rollout of major IT projects by advising on key risks and controls. We continue to provide IT and information security with regular feedback and insight on the Business Continuity Management (BCM) process.

Enhance the bank's governance framework

We continued to enhance the bank's governance framework related to internal audit function, as we optimized our internal audit processes, in line with the Basel Committee and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) recommendations.

The audit team also ensured the effective implementation of the QNB Group international governance framework, with regards to the development and implementation of the annual audit plan including the audit universe and risk assessments as well as the audit methodology.

Audit programs and techniques

We prioritized the emerging, higher risk areas and analytical processes focusing on key risks that were identified.

Other enhancements included:

> Enhancing our audit programs and audit implementation scripts to cover gaps and inadequacy of system-level controls.

> Reviewing the adoption of IFRS 9.

> Reviewing the recovery plan.

> Evaluating the internal control environment in accordance with the COSO requirements.

Promoting control awareness and risk culture

The importance of our internal audit services stems from our endeavors to add value to the bank by helping to build an informed risk culture, raising control awareness of the issues we face across the business daily. We ensure continuous improvement of QNB ALAHLI's risk management framework by highlighting emerging risks and placing emphasis on systemic issues related to the various processes that we audit. To support this initiative, we expanded our awareness program on key risks and controls for the newcomers and bank's managers across the bank. The training includes:

> Basel Committee Three Lines of Control approach.

> Overview of the key banking risks and the internal control framework and assurance structure.

> Common and repeated audit findings covering respective functions and key processes.

Promoting transparency

We believe that greater transparency brings more accountability and improved stakeholder confidence. For that reason, we continue to improve communication on our activities throughout the business. Final audit reports incorporating audit recommendations, management action plans and target dates for implementation are regularly issued to the management, the QNB ALAHLI CEO and the QACC. In addition, a quarterly report summarizing activities and outcomes is also issued and discussed with the QACC, and GIAD.

Looking ahead

The accelerated use of digital channels by customers, increased transaction volumes, cyber security, and privacy, and focus on customer experience has resulted in the rapid evolution and growth of the QNB ALAHLI's ICT infrastructure. To remain relevant and continue adding value we have adapted and evolved our internal assurance approach in response to the major technology changes that are reshaping the demands on internal auditors.

In addition, we will continue to deepen and harmonize the coverage of financial crime risks across the bank to align with regulatory expectations.

We will continue to keep a watchful eye on all emerging and systemic risks that have the potential to affect the performance of the bank, ensuring the board and senior management are apprised of the details in a timely manner. As part of our ongoing commitment to developing our workforce, we will continue upgrading teammate plus audit tool.

Financial Statements - Separated & Consolidated

QNB ALAHLI delivered another year of strong financial performance

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co.
Public Accountants & Advisers

AUDITORS' REPORT
To the shareholders of QNB ALAHLI Bank (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of QNB ALAHLI Bank (S.A.E.) which comprise the separate financial position as at December 31, 2022 and the related separate statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Separate the Financial Statements

These separate financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the rules of preparation and presentation of the banks' financial statements basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations, management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the bank's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of QNB Al Ahly Bank (S.A.E) as of December 31, 2022, its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

According to the information and explanations given to us during the financial year ended December 31, 2022 no contravention of the Central Bank and Banking Sector Law No. 194 of 2020.

The bank maintains proper books of accounts, which include all that is required by law and the statues of the bank, the separate financial statements are in agreement thereto.

The financial information included in the Board of Directors' report which is prepared according to Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the books of the bank insofar as such information is recorded therein.

Auditors

Ehab Mohamed Fouad Abouelmagd
Financial Regulatory Authority No.(378)
KPMG Hazem Hassan
Public Accountants & Consultants

Mohanad T. Khaled
Fellow of ACCA
Fellow of ESAA
Fellow of ETS
R.A.A. 22444
FRA No. 375
BDO Khaled & Co.
Public Accountants & Consultants

Cairo, 11 January 2023

QNB ALAHLI S.A.E
Separate Statement of Financial Position
As of 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2022	December 31, 2021
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	42,595,999,375	22,641,702,434
Due from banks	(17)	30,225,100,450	16,162,820,220
Treasury bills	(18)	67,814,297,699	39,358,600,416
Loans and credit facilities to customers	(19)	216,590,580,220	174,640,546,661
Financial derivatives	(20)	23,578,000	36,542,265
Financial Investments:			
- Fair value through other comprehensive income	(21)	15,780,960,730	15,123,771,188
- Amortized cost	(21)	91,191,494,225	75,291,377,974
- Fair value through profit or loss	(21)	73,975,416	92,549,632
Investments in subsidiaries	(22)	540,261,839	540,261,839
Intangible assets	(23)	341,252,070	275,574,773
Other assets	(24)	8,814,525,367	7,245,969,779
Deferred tax assets	(31)	21,930,119	17,536,340
Property and equipment	(25)	2,778,176,053	2,767,837,797
Total assets		**476,792,131,563**	**354,195,091,318**
Liabilities and equity			
Liabilities			
Due to banks	(26)	3,521,728,022	3,458,687,747
Customer deposits	(27)	407,066,800,830	296,239,871,183
Financial derivatives	(20)	22,954,635	47,683,515
Other loans	(28)	3,459,330,313	2,436,745,862
Other liabilities	(29)	5,694,921,568	4,206,302,232
Other provisions	(30)	970,787,533	507,669,021
Current income tax payable		2,909,208,842	1,702,880,760
Defined benefits obligation	(32)	565,184,100	543,536,132
Total liabilities		**424,210,915,843**	**309,143,376,452**
Equity			
Issued and paid-up capital	(33)	10,774,114,830	10,774,114,830
Reserves	(34)	27,085,452,327	22,548,130,220
Profit for the year and retained earnings	(34)	14,721,648,563	11,729,469,816
Total equity		**52,581,215,720**	**45,051,714,866**
Total liabilities and equity		**476,792,131,563**	**354,195,091,318**

Mohamed Bedeir
Chief Executive Officer

Ali Rashid Al-Mohannadi
Chairman of the Board of Directors

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.
(Auditor's report attached).

QNB ALAHLI S.A.E
Separate Income Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2022 To December 31, 2022	From January 01, 2021 To December 31, 2021
Interest on loans and similar income	(6)	43,621,211,566	31,736,719,240
Cost of deposits and similar expense	(6)	(24,043,433,819)	(16,814,289,851)
Net interest income		**19,577,777,747**	**14,922,429,389**
Fee and commission income	(7)	3,894,409,592	3,058,021,640
Fee and commission expense	(7)	(1,388,926,176)	(976,126,129)
Net interest, fee and commission income		**22,083,261,163**	**17,004,324,900**
Dividend income	(8)	256,533,743	246,341,199
Net trading income	(9)	435,795,998	104,624,137
Gain on financial investments	(21)	68,498,714	8,921,312
Impairment credit losses	(12)	(3,666,759,458)	(2,218,276,368)
Administrative expenses	(10)	(5,013,256,485)	(4,072,001,185)
Other operating revenues (expenses)	(11)	972,986,728	(221,666,650)
Profit before income tax		**15,137,060,403**	**10,852,267,345**
Income tax expense	(13)	(5,012,896,281)	(3,400,229,701)
Net profit for the Year		**10,124,164,122**	**7,452,037,644**
Earnings per share	(14)	4.20	3.10

Mohamed Bedeir
Chief Executive Officer

Ali Rashid Al-Mohannadi
Chairman of the Board of Directors

QNB ALAHLI S.A.E
Separate Statement of Comprehensive Income
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	From January 01, 2022 To December 31, 2022	From January 01, 2021 To December 31, 2021
Net profit for the year	10,124,164,122	7,452,037,644
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	662,719,522	53,991,848
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(139,138,550)	4,425,067
Amount transferred to retained earning, net of tax	-	(319,163)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(710,984,776)	(94,920,057)
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	44,660,988	11,848,243
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	228,872	(10,502)
Total other comprehensive income items for the year, net of tax	**(142,513,944)**	**(24,984,564)**
Total comprehensive income for the year, net of tax	**9,981,650,178**	**7,427,053,080**

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Separate Statement of Changes in Equity
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Issued and Paid Up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Fair Value Reserve
Balance at Dec 31, 2021	**10,774,114,830**	**2,049,233,783**	**15,104,078,670**	**12,856,666**	**21,379,530**	**404,806,846**
Transfer to reserves and retained earnings	-	369,537,152	4,428,972,276	-	7,767,605	-
Dividend distributions for year 2020	-	-	-	-	-	-
Net change in other comprehensive income	-	-	-	-	-	(24,665,401)
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	-	-	-	(319,163)
Net profit for the year	-	-	-	-	-	-
Transfer to general banking risk reserve	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2021	10,774,114,830	**2,418,770,935**	19,533,050,946	12,856,666	29,147,135	379,822,282
December 31, 2022						
Balance at 1 January 2022	10,774,114,830	2,418,770,935	19,533,050,946	12,856,666	29,147,135	379,822,282
Transfer to reserves and retained earnings	-	371,945,658	4,446,125,174	-	13,124,486	-
Dividend distributions for year 2021	-	-	-	-	-	-
Net change in other comprehensive income	-	-	-	-	-	(142,513,944)
Net profit for the year	-	-	-	-	-	-
Transfer from general banking risk reserve	-	-	-	-	-	-
Balance at 31 December 2022	**10,774,114,830**	**2,790,716,593**	**23,979,176,120**	**12,856,666**	**42,271,621**	**237,308,338**

	General Banking Risk Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Year/ period	Total
Balance at Dec 31, 2021	**1,169,066**	**21,453,923**	**2,665,720,403**	**7,398,510,640**	**38,453,324,357**
Transfer to reserves and retained earnings	-	-	1,763,251,873	(6,569,528,906)	-
Dividend distributions for year 2020	-	-	-	(828,981,734)	(828,981,734)
Net change in other comprehensive income	-	-	-	-	(24,665,401)
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	319,163	-	-
Net profit for the year	-	-	-	7,452,037,644	7,452,037,644
Transfer to general banking risk reserve	**151,859,267**	**-**	**-**	**(151,859,267)**	**-**
Balance at 31 December 2021	153,028,333	21,453,923	4,429,291,439	7,300,178,377	45,051,714,866
December 31, 2022					
Balance at 1 January 2022	153,028,333	21,453,923	4,429,291,439	7,300,178,377	45,051,714,866
Transfer to reserves and retained earnings	-	-	16,833,735	(4,848,029,053)	-
Dividend distributions for year 2021	-	-	-	(2,452,149,324)	(2,452,149,324)
Net change in other comprehensive income	-	-	-	-	(142,513,944)
Net profit for the year	-	-	-	10,124,164,122	10,124,164,122
Transfer from general banking risk reserve	(151,359,267)	-	151,359,267	-	-
Balance at 31 December 2022	**1,669,066**	**21,453,923**	**4,597,484,441**	**10,124,164,122**	**52,581,215,720**

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Separate Statement of Cash Flow
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2022	December 31, 2021
Cash flows from operating activities			
Profit before tax		15,137,060,403	10,852,267,345
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	436,131,358	391,600,827
Impairment credit losses	(12)	3,666,759,458	2,218,276,368
Loans written off during the year		(1,009,401,277)	(1,302,082,413)
Recovery from loans previously written off		43,892,980	34,144,222
Net formed / (reversed) other provisions		437,571,236	(76,937,110)
Utilized provisions other than loans provision		(11,672,128)	(2,123,054)
Translation differences of other provisions in foreign currencies		37,219,404	(90,891)
Translation differences of other Financial assets provisions in foreign currencies other than loans provision		10,130,925	-
Translation differences resulting from monetary foreign currency investments		(1,424,836,551)	4,229,085
Amortization of premium / discount for bonds		(1,690,921,461)	(196,088,959)
(Gain) on sale of Property and Equipment		(779,000)	(13,124,486)
Dividend income	(8)	(256,533,743)	(246,341,199)
Gain on financial investments	(21)	(68,498,714)	(8,921,312)
Operating profits before changes in assets and liabilities resulting from operating activities		**15,306,122,890**	**11,654,808,423**
Net decrease / increase in assets and liabilities			
Due from banks		(15,747,054,457)	(8,142,981,539)
Treasury bills		(20,275,324,969)	2,546,739,741
Loans and credit facilities to customers		(44,632,745,294)	(10,640,197,867)
Financial derivatives		(11,764,615)	62,534,583
Financial investement recognized at fair value through profit or loss		18,574,216	(20,860,690)
Other assets		(1,354,459,611)	(2,925,652,308)
Due to banks		63,040,275	(680,148,211)
Customer deposits		110,826,929,647	62,347,762,153
Other liabilities		1,415,745,605	909,124,933
Defined benefits obligation		21,647,968	30,307,912
Income tax paid		(3,905,439,541)	(2,943,348,359)
Net cash flows resulting from operating activities (1)		**41,725,272,114**	**52,198,088,771**
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(512,399,020)	(725,976,810)
Proceeds from sale of Property and Equipment		1,031,109	13,150,048
Proceeds from financial investments other than held for trading investments		19,429,281,321	8,183,133,041
Acquisition of financial investments other than held for trading investments		(32,847,575,674)	(49,898,588,933)
Proceeds from sale of investments in associates		-	2,539,977
Dividends received		41,812,093	45,431,599
Net cash flows used in investing activities (2)		**(13,887,850,171)**	**(42,380,311,078)**

The accompanying notes from (1) to (40) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Separate Statement of Cash Flow
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Cash flows from financing activities			
Other loans		1,022,584,451	(814,994,705)
Dividends paid		(2,379,275,593)	(828,981,734)
Net cash flows used in financing activities (3)		**(1,356,691,142)**	**(1,643,976,439)**
Net increase in cash and cash equivalents during the year (1+2+3)		**26,480,730,801**	**8,173,801,254**
Cash and cash equivalents at the beginning of the year		17,358,662,743	9,184,861,489
Cash and cash equivalents at the end of the year	**(35)**	**43,839,393,544**	**17,358,662,743**
Cash and cash equivalents at end of the year are represented in :			
Cash and due from Central Bank of Egypt	(16)	42,595,999,375	22,641,702,434
Due from banks	(17)	30,239,210,244	16,167,980,101
Treasury bills		67,847,716,023	39,370,132,880
Balances with Central Bank of Egypt (mandatory reserve)		(37,215,769,980)	(18,775,713,523)
Due from banks with maturities more than 3 months		-	(2,693,002,000)
Treasury bills with maturity more than 3 months		(59,627,762,118)	(39,352,437,149)
Cash and cash equivalents at end of the year		**43,839,393,544**	**17,358,662,743**

The accompanying notes from (1) to (40) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Statement of profit Distribution proposal
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	December 31, 2022	December 31, 2021
Net year's profits (from income statement)	10,124,164,122	7,452,037,644
Deduct/Add		
Profits of sale fixed assets transferred to capital reserve	(779,000)	(13,124,486)
Change in General Banking Risk Reserve	151,359,267	(151,859,267)
Item transferred to retrained earrings	-	319,163
Distributable years net profits	**10,274,744,389**	**7,287,373,054**
Add		
Beginning balance of retained earnings	4,446,125,174	4,428,972,276
Total	**14,720,869,563**	**11,716,345,330**
To be distributed as follows		
Statutory reserve	506,169,256	371,945,658
General reserve	4,905,392,798	4,446,125,174
shareholders' Dividends	3,232,234,450	1,616,117,225
Employees' profit share	1,057,772,118	747,158,368
Remuneration for board members	11,160,700	16,000,000
Banking System Support and Development Fund*	102,747,444	72,873,731
Retained earnings carried forward	4,905,392,797	4,446,125,174
Total	**14,720,869,563**	**11,716,345,330**

*According to Article 178 of the Central Bank and Banking system's Law No. 194 for year 2020, to deduct an amount not exceeding %1 of the distributable year›s net profits for the benefit of the Support and Development the Banking System Fund.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

1. Background:
QNB ALAHLI "S.A.E" ("The Bank") was incorporated as an investment and commercial bank on April 13, 1978, in accordance with the provisions of the Investment Law no 43 of 1974 and its executive regulations and the amendments thereon. The Bank provides all banking services related to its activity, through its Head Office located in 5 Champlion Street - Downtown - Cairo and its 232 branches served by 7,085 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).
These Financial statements were approved by the Board of Directors on January 11, 2023.

2. Summary of significant accounting policies:

2.1 Basis of preparation of the separate financial statements
These separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

The separate and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the Year ended on December 31, 2022 to get complete information on the Bank's financial position, income statements, cash flows and change in shareholders equity.

2.2 Accounting for Investments in subsidiaries and associates
Investments in subsidiaries and associates are presented in the attached separate financial statements using the cost method which represents the bank's direct share ownership and not according to the business results and the net assets of the investees. And the consolidated financial statements provide a wider understanding for the consolidated financial position, business results and the consolidated cash flows for the bank and its subsidiaries (The Group), including the bank's share in the net assets of its associate companies.

2.2.1 Investments in subsidiaries

Subsidiaries are entities (including Special Purposes Entities / SPEs) which the bank exercises direct or indirect control over its financial and operating policies in order to get benefits from its activities and usually have an ownership share of more than half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the bank has the control over its investees.

2.2.2 Investments in associates
Associates are entities over which the bank exercises significant influence directly or indirectly, but without exercising control or joint control, where the bank holds 20% to 50% of voting rights in the associate.

The purchase method is used to account for the bank's purchases of subsidiaries and associates when they are initially recognized; the acquisition date is the date on which the acquirer obtains control or significant influence of acquiree "subsidiary or associate". According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.

In business combination achieved in stages, and business combination achieved through more than one transaction, is then dealing with every transaction of such transactions that separately on the basis of the acquisition consideration and fair value information at the date of each transition until the date where the control is achieved.

The investments in subsidiaries and associates are subsequently accounted for using the cost method on the separate financial statements. According to the cost method; investments are recognized at acquisition cost less any impairment losses in value, if any. Dividends are recognized as revenue in the separate income statement when they are declared and the bank's right to collect them has been established.

2.3 Segment reporting
An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

The Bank is divided into two main business lines, which are corporate banking and retail banking. In addition, a corporate center acts as a central funding department for the bank's core businesses. The dealing room, proprietary activity and other non-core businesses are reported under the corporate banking business line.

For the purpose of preparation of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the branches. Given that the bank does not have any entity abroad, and unless otherwise stated in a specific disclosure, all equity and debt instruments of the bank issued by foreign institutions and credit facilities granted to foreign counterparties are reported based on the location of the domestic branch where such assets are recorded.

2.4 Foreign currency translation
2.4.1 Functional and presentation currency
The separate financial statements of the bank are presented in the Egyptian pound which is the bank's functional and presentation currency.

2.4.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pounds. Transactions in foreign currencies during the period are translated into the Egyptian pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at end of reporting Year at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held for trading assets and liabilities;
- Other operating revenues (expenses) from the remaining assets and liabilities;
- Investments in equity instrument recognized at fair value through other comprehensive income in equity.

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as FVTOCI assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement in "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the "Fair value reserve" in Other Comprehensive Income.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as FVTOCI are recognized directly in equity in the "Fair value revaluation reserve" in Other comprehensive income.

2.5 Financial assets
Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification depends on the buisness model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

2.5.2.1 Financial assets classified as amortized cost
The financial asset is retained in the business model of financial assets held to collect contractual cash flow. The objective from this business model is to collect contractual cash flow which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument;
- Lowest sales in terms of rotation and value;
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

2.5.2.2 Financial assets classified as fair value through other comprehensive income
The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales. Held to collect contractual cash flows and sales are integrated to achieve the objective of the model. Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

2.5.2.3 Financial assets classified as fair value through profit or loss
The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale.

The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. Collecting contractual cash flows is an incidental event for the objective of the model.

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs;
- Represents a complete framework for a specific activity (inputs - activities - outputs);
- One business model can include sub-business models.

2.6 Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it intends to settle these amounts on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Financial derivatives and hedge accounting
Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives if they meet the definition of a financial instruments, and when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement "Net trading income" ;unless the bank chooses to designate the hybrid contract as a whole as at fair value through profit or loss.

The timing of recognition in profit or loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The parent bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge);
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.7.1 Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized immediately in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in profit or loss. Additionally, interest differential on interest rate swaps is recognized in profit or loss as part of "Net interest income" line item in the income statement. Any ineffectiveness is recognized in profit or loss in "Net trading income".

When the hedging instrument no longer qualifies for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date to maturity of the asset using the effective interest method. Adjustment to the carrying amount of a hedged equity instrument that has been deferred in equity remains in equity until the asset is derecognized.

2.7.2 Cash flow hedge
The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge is recognized in equity while changes in fair value relating to the ineffective portion is recognized immediately in the income statement in "Net trading income".

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in "Net trading income".

When a hedging item expires, or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and are only recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to profit or loss.

2.7.3 Derivatives that do not qualify for hedge accounting
Where a derivative instrument does not qualify for hedge accounting, changes in fair value of that derivative and related interest are recognized immediately in the income statement in "Net trading income" line item. However, gains or losses arising from changes in fair value of derivatives that are managed in conjunction with financial assets or financial liabilities, designated upon initial recognition at fair value through profit or loss, are included in "Net income from financial instruments designated upon initial recognition as at fair value through profit or loss".

2.8 Interest income and expense
Interest income and expense on all interest-bearing financial instruments are recognized in "Interest income" and "Interest expense" line items in the income statement using the effective interest rate method.

The effective interest rate is a method of calculating the amortized cost of a debt instrument whether a financial asset or a financial liability and of allocating its interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial debt instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating the effective interest rate, the bank estimates the future cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt.

Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off-balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1- For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.

2- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments and provided these installments continue to be paid for at least one year.

If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in the profit or loss except when the total balance of loan, prior to that date, is paid in full.

2.9 Fees and commission income
Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue - on a cash basis - only when interest income on those loans is recognized in profit or loss, at which time, fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Loan syndication fees received by the bank are recognized as revenue when the syndication has been completed, only if the bank arranges the loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants).

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the period in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long periods are usually recognized as revenue on a straight-line basis over the period in which these services are rendered.

2.10 Dividends income
Dividend income on investments in equity instruments and similar assets is recognized in the income statement when the bank's right to receive payment is established.

2.11 Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos)
Financial instruments sold under repurchase agreements are not derecognized from the statement of financial position and cash receipts are shown in liability side in the statement of financial position.

2.12 Impairment of financial assets
The Bank reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

– Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.

– Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.

– Stage 3 :Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

Credit losses and impairment losses on the value of financial instruments are measured as follows:

The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.

- If there are indicators of impairment of the financial instrument, it is transferred to the third stage.

- The financial assets created or acquired by the Bank and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

2.12.2.1 Significant increase in credit risk
The Bank considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

2.12.2.2 Quantitative factors
When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

2.12.2.3 Qualitative Factors
Retail loans,micro and small businesses
If the borrower encounters one or more of the following events:

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and Medium businesses
If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

Nonpayments
The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days,(180 days for SME's according to CBE Circular dated 14 December 2021 regarding the temporary amendments of SME's NPL treatment in IFRS9 regulation). Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application (Year 2019).

Transfer between the Three stages:

Transfer from second stage to first stage:
The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid.

Transfer from third stage to second stage:
The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

- Completion of all quantitative and qualitative elements of the second stage.
- Repayment of 25% of the balance of the outstanding financial assets, including accrued segregated / statistical interest.
- Regularity of payment for at least 12 months.

2.13 Intangible assets
2.13.1 Goodwill
Goodwill, arising from the acquisition or legal merger of subsidiaries, represents the difference between the cost of the combination and the acquiree interest in the fair value of the identifiable assets, liabilities and qualifying contingent liabilities of the acquire at the acquisition date. Goodwill is annually tested for impairment and is written-down to profit or loss at an annual amortization of 20% or impairment loss whichever is higher.

2.13.2 Software (computer programs)
Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the group and when it is probable that they will generate future economic benefits within more than one year that exceed its cost. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification.

Cost of computer software recognized as an asset shall be amortized over the year of expected benefits from three to five years except for the core IT system which is amortized over ten years.

2.14 Property and Equipment
The Bank's property and equipment include lands and buildings of the bank which basically comprise the head office premises and branch buildings. All property and equipment are carried at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the construction or acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

The Bank considers the residual value of its property and equipment as insignificant and immaterial in relation to the depreciable amount; therefore, the depreciable amount of the bank's property and equipment is determined without any deduction for residual values. Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Buildings		50 years
Fixtures	Decoration & installations	10 years
	Lifts	15 years
	Electricity & Air conditioning	10 years
	Generators	30 years
	Telephone network & CCTV	10 years
	Firefighting system & Plumbing system	10 years
	Other installations	10 years
Leasehold improvements		The shortest of 10 years or contract period

Depreciation periods for property and equipment, other than buildings, depend on their useful lives which are usually estimated as specified below:

Furniture	10 years
Armored vaults	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The bank reviews the carrying amounts of its depreciable property and equipment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains or losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in the profit or loss in other operating income (expenses) in the income statement.

2.15 Impairment of non-financial assets
Non-financial assets that do not have definite useful lives, except for goodwill, are not amortized. These are annually tested for impairment. Depreciable property and equipment are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset, the bank estimates the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

At the end of each year, the bank reviews non-financial assets for which an impairment loss is recognized to assess whether or not all or part of such impairment losses should be reversed through profit or loss.

2.16 Leasing
All lease contracts to which the bank is a party are treated as operating or finance leases as follows:

2.16.1 As a lessee
Lease payments made under operating leases, net of any discounts received from the lessor, are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

2.16.2 As a lessor
Assets leased out under operating lease contracts are reported as part of the property and equipment in the statement of financial position and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term.

2.17 Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances due within three months from date of placement or acquisition. They include cash and balances placed with the Central Bank of Egypt (other than those required under the mandatory reserve), current accounts with Banks and treasury bills, certificates of deposits and other governmental notes.

2.18 Other provisions
Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the date of Separate financial statements are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the reporting date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the date of Separate financial statements, provisions are calculated based on undiscounted expected cash outflows unless the time value of money is material, in which case provisions are measured at present value.

When a provision is wholly or partially no longer required, it is reversed through the profit or loss under "Other Operating Income (expenses)" line item.

2.19 Financial guarantees
A financial guarantee contract is a contract issued by the bank as security for loans or overdrafts due from its clients to other entities that requires the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are generally issued by the bank to beneficiary banks, corporations and other entities on behalf of the bank's clients.

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee.

After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

(I) The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized as income in profit or loss using the straight-line method over the term of the guarantee; and

(II) The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the reporting date.

Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment.

Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (expenses) in the income statement.

2.20 Employee benefits
Post-employment benefits (defined benefit plans) and defined contribution plans:
The Bank is liable for all obligations arising from its plans for employee benefits which comply, in all material respects, with the principles set out below. Starting 1 January 2009, the bank has fully complied with the policy referred to below, and recognized any adjustments, resulting from the first full implementation of amendments to the CBE rules, directly on retained earnings.

The Bank provides several post-employment benefits to its employees, such as the medical care scheme which qualifies as a defined-benefit plan. A defined benefit plan commits the bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bears the medium- or long-term risk.

The Bank recognizes the defined benefit obligation as a liability in the statement of financial position under "obligations for post-retirement schemes" to cover the total value of such obligations. This is assessed regularly by independent actuary using the projected unit credit method. This valuation technique incorporates assumptions about demographics variables, staff turnover, salary growth rate and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the defined benefit obligation. Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts as of the end of the previous financial period:

- 10% of the present value of the defined benefit obligation (before deducting plan assets); and
- 10% of the fair value of the plan assets.

Actuarial gains and losses that exceed the 10 percent criteria above are amortized to profit or loss over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits have already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. Annual cost of employee benefits plans is reported as part of general and administrative expenses (employee costs).

Defined contribution plans are pension schemes whereby the bank pays defined contributions to an independent entity. The Bank shall not be under legal or constructive obligation to pay more contributions if this entity doesn't maintain adequate assets to pay-off the employees' benefits in return for their service in the current and previous periods.

According to the defined contribution plans, the bank pays contributions to private sector pension scheme under mandatory or voluntary contractual arrangement. The Bank shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

2.21 Income taxes
Income tax expense on the years's profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in addition to income tax differences related to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

2.22 Borrowings
Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in profit or loss using the effective interest rate method.

2.23 Capital
2.23.1 Capital issuance cost
Issued and paid up-capital (i.e. Bank›s own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect business combination, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

2.23.2 Dividends
Dividends on equity instruments issued by the bank are recognized when the general assembly of the bank's shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank›s articles of incorporation and the corporate law.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

2.24 Fiduciary activities
The Bank carries out fiduciary activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are not recognized in the bank's separate financial statements, as they are not assets or income of the bank.

2.25 Comparative figures
Comparative figures are reclassified, where necessary, to conform to changes in the current period's financial statements presentation.

3. Management of financial risks
The Bank as a result of conducting its activities is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks altogether, the bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

For example, the bank has laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up–to–date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to–date applications.

Risks are managed in accordance with pre-approved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy
The Bank operates in business lines, which generate a range of risks whose frequency, severity and volatility can be of different and significant magnitudes. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competencies, as well as the implementation of a high-performance and efficient risk management structure are therefore critical undertakings for bank.

Thus, the primary objectives of the bank's risk management framework are:

- To contribute to the development of the Bank in various business lines to reach an ideal level of general risk.
- To guarantee the bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.

In defining the bank's overall risk appetite, the bank management takes various considerations and variables into account, including:

- The relative balance between risk and reward of the bank's various activities.
- Earnings sensitivity to business, credit and economic cycles.
- The aim of achieving a well-balanced portfolio of earnings streams.

Risk management governance and risk principles
Bank's risk management governance is based on:

- Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams.
- A tight framework of internal procedures and guidelines;
- Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.

Within the board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories
The following are part of the risks associated with Bank's Banking activities:

a- Credit risk:
(Including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments.

Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability.

b- Market risk:
Represents risk of loss resulting from changes in market prices and interest rates.

c- Operational risk:
(Including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.

d- Structural interest and exchange rate risk:
Represents risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from changes in interest or exchange rates. Structural interest and exchange rate risk arises from banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

e- Liquidity risk:
Represents the risk that bank might not be able to meet its obligations as they become due.

The Bank dedicates significant resources to constantly adapting its risk management to its activities and ensures that its risk management framework operates in full compliance with the following fundamental principles of:

– Full independence of risk assessment departments from the operating divisions; and
– Consistent approach to risk assessment and monitoring applied throughout the bank.

The Risk Division is independent from the bank's operating entities and reports directly to general management. Its role is to contribute to the development and profitability of the bank by ensuring that the risk management framework in place is both robust and effective. It employs various teams specializing in the operational management of credit and market risk.

More specifically, the Risk Division:

- Defines and approves the methods used to analyze, assess, approve and monitor credit risks, country risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management;
- Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers;
- Identifying a frame for all Bank's operational risks.

The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the bank's long term financing, management of capital requirements and equity structure.

The Internal Legal Counsel deals with compliance and legal risks.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.).

On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policy making and planning.

All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.

Operational risks, permanent control and audit (periodic) control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis.

Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS

The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in bank's assets as well as off balance sheet financial instruments, such as letters of credit and letters of guarantee.

(A/1) Credit risk management: organization and structure

Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the bank's primary source of risk – is vital to preserving bank financial strength and profitability. As a result, the bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

Within the Risk Division, persons are responsible for:

- Setting credit limits by customer, customer group or transaction type;
- Approving credit score or internal customer rating criteria;
- Monitoring and surveillance of large exposures and various credit portfolios; and
- Reviewing specific and general provisioning policies.

In addition, comprehensive portfolio analysis is performed in order to provide guidance to the General Management on the bank's overall credit risk exposure as well as reporting to Risk Committee.

The Risk Division also helps define criteria for measuring risk and defining appropriate provisioning practices.

Risk approval

Embedded in bank's credit policy is the concept that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment, while bearing in mind the bank's risk strategy and risk appetite.

The risk approval process is based on four core principles:

- All transactions involving replacement risk must be pre-authorized, replacement risk is bearing a loss when a bank is forced to replace a contract in case of breaching the original party's contract (debtor risk, non-settlement or non-delivery risk and issuer risk).
- Staff assessing credit risk is fully independent from the decision-making process.
- Subject to relevant credit delegations, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization requests relating to a specific client or client group, to ensure a consistent approach to risk management.
- All credit decisions systematically include internal obligor risk ratings, as proposed by business lines and vetted by the Risk Division and approved by concerned Credit Committee.

Risk management and audit

Changes in the quality of outstanding commitments are reviewed on a periodic basis and at least once a quarter, as part of the "sensitive names" and provisioning procedures. This review is based on analyses performed by the business divisions and the risk function. Furthermore, the Internal Audit also carries out file reviews or risk audits in the bank's branch groups and reports its findings to the General Management.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Replacement risk

Replacement risk provides the measurement of the replacement cost of a transaction in the event of default by the original counterparty and the necessity to close the ensuing position with counterparty; hence, the replacement cost is the result of the market price between the date on which the original transaction is entered into and the default date. Transactions giving rise to replacement risk include interest rate swaps and forward FX deals.

Replacement risk management

The Bank places great emphasis on carefully monitoring its replacement risk exposure in order to minimize its losses in case of default of its counterparties and counterparty limits are, therefore, assigned to all trading counterparties, irrespective of their status (bank, other financial institution, corporate and public institutions).

(A/2) Risk measurement and internal ratings

Bank rating system is based on three key pillars:

- The internal ratings models used to measure and quantify counterparty risk.
- A set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.).
- Reliance on human judgment to improve modeling results to include elements outside the scope of rating model.

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.

Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models and their capacity to predict default cases.

The calculations used to measure and monitor replacement risk include:

- Current Average Risk (CAR) is a calculation of the Average risk of all the future scenarios, excluding the negative scenarios, i.e., when the replacement makes a gain.
- Credit value at risk (VAR) is a calculation of the largest loss that would be incurred in 99% of cases.

Following are some risk mitigations methods:

Collaterals

The Bank designs several policies and controls for credit risk mitigation such as collaterals for funds provided. The Bank lays down guidelines for specific categories of the accepted collaterals.

The main types of collaterals for Loans and credit facilities to customers are:

- Real estate mortgage;
- Pledge on business assets like machinery and merchandise;
- Pledge in financial instruments like debt instruments and equity.

The long term financing and lending for companies are often collaterized while credit facilities for persons are not collaterized. The Bank attempts to mitigate the credit risk through additional collaterals from the concerned parties immediately on arising of impairment indicators for any of the loans or facilities.

Collaterals taken to secure assets other than Loans and credit facilities are identified according to the nature of the instrument.

Debit instruments and treasury bills are often not collaterized.

Derivatives

The Bank exercise prudential strict control procedures on net open positions of derivatives. i.e. the difference between sale and purchase agreements at the level of value and duration. The amount exposed to credit risk at any time is determined at fair value of the instrument that may achieve benefit to the bank. i.e. any assets with high positive fair value which represents insignificant part of contractual imputed value used to reflect the volume of existing instruments. This credit risk is managed as part of overall lending limit granted to the customer together with the potential risk as a result of market changes.

The Bank doesn't obtain collaterals for credit risk related to such instruments except for the amounts requested by the bank as marginal deposits from other parties.

(All amounts are shown in Egyptian Pounds)

(A/3) Provisioning policy (Measurement of expected credit losses)
The Group's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:

The un-impaired financial asset is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the second stage and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the third stage. The Group relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

The following table illustrates the proportional distribution of loans and credit facilities reported in the financial position for each of the four internal ratings of the Bank and their relevant impairment losses:

	December 31, 2022		December 31, 2021	
	Loans and credit facilities	Allowance for impairment loss	Loans and credit facilities	Allowance for impairment loss
Good debts	86.51%	8.43%	86.71%	10.40%
Normal watch-list	5.72%	10.01%	4.52%	9.09%
Special watch-list	2.85%	19.71%	5.10%	28.89%
Non performing loans	4.92%	61.85%	3.67%	51.62%
	100%	**100%**	**100%**	**100%**

(A/4) General Model for Measurements of Banking Risks:
In addition to the four categories of the bank's internal credit ratings indicated above, management classifies Loans and credit facilities based on more detailed subgroups in accordance with the CBE requirements.

Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Bank calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the expected credit loss, that excess shall be debited from distributable net profits and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution; note (34) shows the movement (if any) on the general banking risk reserve during the financial period.

Below is a statement of credit rating for corporations as per the Bank's internal ratings compared with those of Central Bank of Egypt; it also includes the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	Description	Required Provision %According to ORR	Internal Rating	Internal Description
1	Low risk	0%	1	Good debts
2	Moderate risks	1%	1	Good debts
3	Satisfactory risks	1%	1	Good debts
4	Appropriate risks	2%	1	Good debts
5	Acceptable risks	2%	1	Good debts
6	Marginally acceptable risks	3%	2	Normal watch-list
7	Watch-list	5%	3	Special watch-list
8	Substandard debts	20%	4	Non-performing loans
9	Doubtful debts	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

(A/5) Maximum limit for credit risk before collaterals

Financial position items exposed to credit risks	December 31, 2022	December 31, 2021
Treasury bills	67,814,297,699	39,358,600,416
Loans and credit facilities to customers		
Retail loans		
Overdrafts	4,067,094,495	3,108,670,785
Credit cards	1,581,196,876	1,255,853,285
Personal loans	33,727,404,139	28,326,139,916
Real estate loans	4,633,413,392	2,745,769,706
Corporate loans		
Overdrafts	87,964,889,193	70,471,561,366
Direct loans	59,888,990,906	50,094,074,496
Syndicated Loans and facilities	22,210,229,914	15,852,896,168
Other loans	2,692,284,579	2,922,894,074
Segregated interest , unearned discount & deferred income	(174,923,274)	(137,313,135)
Financial derivatives	23,578,000	36,542,265
Financial investments		
Debt instrument	105,636,715,758	89,742,129,487
Other Financial assets	6,328,690,914	5,288,056,214
Total	**396,393,862,591**	**309,065,875,043**

The following table provides information on the quality of financial assets during the year:

December 31, 2022				
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	2,429,847,029	525,857,613	-	**2,955,704,642**
Normal watch-list	14,689,805,344	12,593,700,258	-	**27,283,505,602**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	17,119,652,373	**13,119,557,871**	**-**	**30,239,210,244**
Allowance for impairment losses	(14,109,794)	-	-	**(14,109,794)**
Carrying amount	**17,105,542,579**	**13,119,557,871**	**-**	**30,225,100,450**

December 31, 2021				
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	1,227,864,174	151,877,694	-	**1,379,741,868**
Normal watch-list	12,087,611,100	2,700,627,133	-	**14,788,238,233**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	13,315,475,274	**2,852,504,827**	**-**	**16,167,980,101**
Allowance for impairment losses	(3,246,515)	(1,913,366)	-	**(5,159,881)**
Carrying amount	**13,312,228,759**	**2,850,591,461**	**-**	**16,162,820,220**

December 31, 2022

Treasury bills	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	67,847,716,023	-	-	**67,847,716,023**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	67,847,716,023	**-**	**-**	**67,847,716,023**
Allowance for impairment losses	(33,418,324)	-	-	**(33,418,324)**
Carrying amount	**67,814,297,699**	**-**	**-**	**67,814,297,699**

December 31, 2021

Treasury bills	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	39,370,132,880	-	-	**39,370,132,880**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	39,370,132,880	**-**	**-**	**39,370,132,880**
Allowance for impairment losses	(11,532,464)	-	-	**(11,532,464)**
Carrying amount	**39,358,600,416**	**-**	**-**	**39,358,600,416**

December 31, 2022

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	41,827,699,110	-	-	**41,827,699,110**
Normal watch-list	1,779,523,255	-	-	**1,779,523,255**
Special watch-list	-	695,145,315	-	**695,145,315**
Non performing loan	-	-	924,627,665	**924,627,665**
	43,607,222,365	**695,145,315**	**924,627,665**	**45,226,995,345**
Allowance for impairment losses	(291,012,829)	(81,531,385)	(845,342,229)	**(1,217,886,443)**
Carrying amount	**43,316,209,536**	**613,613,930**	**79,285,436**	**44,009,108,902**

December 31, 2021

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	33,360,820,542	-	-	**33,360,820,542**
Normal watch-list	1,402,372,504	-	-	**1,402,372,504**
Special watch-list	-	711,397,628	-	**711,397,628**
Non performing loan	-	-	828,992,081	**828,992,081**
	34,763,193,046	**711,397,628**	**828,992,081**	**36,303,582,755**
Allowance for impairment losses	(177,646,277)	(95,458,695)	(594,044,091)	**(867,149,063)**
Carrying amount	**34,585,546,769**	**615,938,933**	**234,947,990**	**35,436,433,692**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2022

Corporate loans	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	147,083,343,632	10,724,134,623	-	**157,807,478,255**
Normal watch-list	39,756,632	11,373,030,262	-	**11,412,786,894**
Special watch-list	-	5,885,319,247	-	**5,885,319,247**
Non performing loan	-	-	10,435,407,052	**10,435,407,052**
	147,123,100,264	**27,982,484,132**	**10,435,407,052**	**185,540,991,448**
Allowance for impairment losses	(802,778,336)	(4,166,720,386)	(7,815,098,134)	**(12,784,596,856)**
Carrying amount	**146,320,321,928**	**23,815,763,746**	**2,620,308,918**	**172,756,394,592**

December 31, 2021

Corporate loans	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	125,118,731,161	1,741,337,413	-	**126,860,068,574**
Normal watch-list	172,535,209	6,772,192,821	-	**6,944,728,030**
Special watch-list	-	8,721,939,199	-	**8,721,939,199**
Non performing loan	-	-	5,958,865,850	**5,958,865,850**
	125,291,266,370	**17,235,469,433**	**5,958,865,850**	**148,485,601,653**
Allowance for impairment losses	(886,925,221)	(3,683,232,793)	(4,574,017,535)	**(9,144,175,549)**
Carrying amount	**124,404,341,149**	**13,552,236,640**	**1,384,848,315**	**139,341,426,104**

December 31, 2022

Debt instruments at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	4,147,015,624	-	-	**4,147,015,624**
Normal watch-list	10,298,205,909	-	-	**10,298,205,909**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	14,445,221,533	-	-	**14,445,221,533**
Allowance for impairment losses	(334,557)	-	-	(334,557)
Carrying amount - fair value	**14,445,221,533**	**-**	**-**	**14,445,221,533**

December 31, 2021

Debt instruments at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	1,795,856,758	-	-	**1,795,856,758**
Normal watch-list	12,654,894,755	-	-	**12,654,894,755**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	14,450,751,513	**-**	**-**	**14,450,751,513**
Allowance for impairment losses	(105,685)	-	-	**(105,685)**
Carrying amount - fair value	**14,450,751,513**	**-**	**-**	**14,450,751,513**

	December 31, 2022			
Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	91,193,931,697	-	-	91,193,931,697
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	91,193,931,697	-	-	91,193,931,697
Allowance for impairment losses	(2,437,472)	-	-	(2,437,472)
Carrying amount	91,191,494,225	-	-	91,191,494,225

	December 31, 2021			
Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	75,296,835,413	-	-	75,296,835,413
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	75,296,835,413	-	-	75,296,835,413
Allowance for impairment losses	(5,457,439)	-	-	(5,457,439)
Carrying amount	75,291,377,974	-	-	75,291,377,974

The following table shows changes in impairment credit losses between the beginning and ending of the year as a result of these factors:

	December 31, 2022			
Due from banks	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2022	3,246,515	1,913,366	-	5,159,881
New financial assets purchased or issued	11,514,495	-	-	11,514,495
Financial assets have been matured or derecognised	(3,246,515)	(1,913,366)	-	(5,159,881)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	2,595,299	-	-	2,595,299
Balance at the end of the year	14,109,794	-	-	14,109,794

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	December 31, 2021			
Due from banks	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2021	10,607,678	-	-	10,607,678
New financial assets purchased or issued	3,246,515	1,913,366	-	5,159,881
Financial assets have been matured or derecognised	(10,607,678)	-	-	(10,607,678)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Balance at the end of the year	3,246,515	1,913,366	-	5,159,881

	December 31, 2022			
Treasury bills	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2022	11,532,464	-	-	11,532,464
New financial assets purchased or issued	26,544,294	-	-	26,544,294
Financial assets have been matured or derecognised	(11,532,464)	-	-	(11,532,464)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	6,874,030	-	-	6,874,030
Balance at the end of the year	33,418,324	-	-	33,418,324

	December 31, 2021			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	17,938,647	-	-	**17,938,647**
New financial assets purchased or issued	11,532,464	-	-	**11,532,464**
Financial assets have been matured or derecognised	(17,938,647)	-	-	**(17,938,647)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**11,532,464**	**-**	**-**	**11,532,464**

	December 31, 2022			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2022	**177,646,277**	**95,458,695**	**594,044,091**	**867,149,063**
Net impairment loss recognized during the year	113,366,552	(26,246,307)	288,511,793	**375,632,038**
Loans written-off during the year	-	-	(37,221,369)	**(37,221,369)**
Collections of loans previously written-off	-	12,318,997	-	12,318,997
Foreign exchange translation differences	-	-	7,714	**7,714**
Balance at the end of the year	**291,012,829**	**81,531,385**	**845,342,229**	**1,217,886,443**

	December 31, 2021			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	**232,464,951**	**100,481,753**	**331,541,542**	**664,488,246**
Net impairment loss recognized during the year	(54,818,674)	(15,786,793)	333,772,998	**263,167,531**
Loans written-off during the year	-	-	(71,270,436)	**(71,270,436)**
Collections of loans previously written-off	-	10,763,735	-	10,763,735
Foreign exchange translation differences	-	-	(13)	**(13)**
Balance at the end of the year	**177,646,277**	**95,458,695**	**594,044,091**	**867,149,063**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	December 31, 2022			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2022	**886,925,221**	**3,683,232,793**	**4,574,017,535**	**9,144,175,549**
New financial assets purchased or issued	328,870,886	481,467,025	-	**810,337,911**
Financial assets have been matured or derecognised	(252,915,780)	(944,216,369)	(115,081,502)	**(1,312,213,651)**
Transfer to stage 1	19,088,318	(19,088,318)	-	**-**
Transfer to stage 2	(90,142,582)	90,142,582	-	**-**
Transfer to stage 3	(7,420,763)	(1,178,281,275)	1,185,702,038	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(218,246,498)	1,454,704,324	2,538,005,908	**3,774,463,734**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(169,436)	(972,010,472)	**(972,179,908)**
Collections of loans previously written-off	-	31,573,983	-	**31,573,983**
Foreign exchange translation differences	136,619,534	567,355,077	604,464,627	1,308,439,238
Balance at the end of the year	**802,778,336**	**4,166,720,386**	**7,815,098,134**	**12,784,596,856**

	December 31, 2021			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	**1,326,847,640**	**3,545,247,660**	**3,532,123,866**	**8,404,219,166**
New financial assets purchased or issued	231,692,527	286,728,604	-	**518,421,131**
Financial assets have been matured or derecognised	(176,652,168)	(1,234,934,281)	(246,188,998)	**(1,657,775,447)**
Transfer to stage 1	33,895,798	(33,895,798)	-	**-**
Transfer to stage 2	(270,928,652)	299,163,620	(28,234,968)	**-**
Transfer to stage 3	(1,991,951)	(214,724,704)	216,716,655	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(255,883,588)	1,012,418,848	2,349,307,405	**3,105,842,665**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(6,330)	(1,230,805,647)	**(1,230,811,977)**
Collections of loans previously written-off	-	23,380,487	-	**23,380,487**
Foreign exchange translation differences	(54,385)	(145,313)	(18,900,778)	**(19,100,476)**
Balance at the end of the year	**886,925,221**	**3,683,232,793**	**4,574,017,535**	**9,144,175,549**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2022

Debt instruments at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2022	**105,685**	**-**	**-**	**105,685**
New financial assets purchased or issued	136,826	-	-	**136,826**
Financial assets have been matured or derecognised	(994)	-	-	**(994)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	93,040	-	-	**93,040**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**334,557**	**-**	**-**	**334,557**

December 31, 2021

Debt instruments at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2021	**116,187**	**-**	**-**	**116,187**
New financial assets purchased or issued	27,836	-	-	**27,836**
Financial assets have been matured or derecognised	(3,975)	-	-	**(3,975)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(34,363)	-	-	**(34,363)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**105,685**	**-**	**-**	**105,685**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2022

Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2022	**5,457,439**	**-**	**-**	**5,457,439**
New financial assets purchased or issued	-	-	-	**-**
Financial assets have been matured or derecognised	-	-	-	**-**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(3,681,563)	-	-	**(3,681,563)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	**-**	**-**	**-**	**-**
Foreign exchange translation differences	661,596	-	-	**661,596**
Balance at the end of the year	**2,437,472**	**-**	**-**	**2,437,472**

December 31, 2021

Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2021	**2,787,960**	**-**	**-**	**2,787,960**
New financial assets purchased or issued	5,457,439	-	-	**5,457,439**
Financial assets have been matured or derecognised	(2,787,960)	-	-	**(2,787,960)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	**-**	**-**	**-**	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**5,457,439**	**-**	**-**	**5,457,439**

(All amounts are shown in Egyptian Pounds)

Off balance sheet items exposed to credit risks	December 31, 2022	December 31, 2021
Financial guarantees	255,000	**255,000**
L/Cs	3,206,343,484	**4,579,589,654**
Accepted papers	1,878,129,718	**3,146,172,197**
L/Gs	49,406,278,293	**43,455,458,358**
Total	**54,491,006,495**	**51,181,475,209**

Commitments for credit facilities have a carrying amount of EGP 24,355,577,867 at the end of current reporting Year against EGP 28,833,545,274 in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of December 2022 and December, 2021 without taking into consideration collaterals held by the bank, if any. For financial position items, amounts stated depend on the net carrying amount shown in the financial position.

The preceding table related to financial position items exposed to credit risks shows that 55% of the maximum limit exposed to credit risk at the end of current reporting Year is attributable to loans and credit facilities to customers against 57% at the end of the prior year, investments in debt instruments constitute 27% against 29% at the end of the prior year and treasury bills constitute 17% against 13% at the end of the prior year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments based on the following facts:

92% of the loans and credit facilities portfolio at the end of the current reporting Year comprises loans and credit facilities classified at the top 2 categories of the internal rating against 91% at the end of the prior year. .

94% of the loan and credit facilities portfolio at the end of the current reporting Year does not have arrears or indicators of impairment against 95% at the end of the prior year.

Loans and credit facilities that are individually assessed for impairment (Stage 3) at the end of the current reporting Year have a carrying amount of EGP 11,360,034,717 . Impairment on these loans and credit facilities represents 76% of their carrying amount. Loans and credit facilities, that are individually assessed for impairment at the end of the prior year had a carrying amount of EGP 6,787,857,931 and their impairment represents 76% of such carrying amount.

The Bank applied more prudential selection process on granting loans and credit facilities during the current reporting Year ended December 31, 2022.

98% of investments in debt instruments and treasury bills at the end of the current reporting Year comprise local sovereign debt instruments against 99% at the end of the prior year.

(A/6) Loans and credit facilities
Balances of loans and credit facilities in terms of credit risk rating are analyzed below:

	December 31, 2022		December 31, 2021	
	Loans and credit facilities to customers	Loans and credit facilities to banks	Loans and credit facilities to customers	Loans and credit facilities to banks
Neither have arrears nor impaired	216,562,122,259	-	175,348,138,269	-
Have arrears but not impaired	2,845,829,817	-	2,653,188,208	-
Impaired	11,360,034,717	-	6,787,857,931	-
Total	**230,767,986,793**	**-**	**184,789,184,408**	**-**
Less: Allowance for impairment losses	(14,002,483,299)	-	(10,011,324,612)	-
Less: Segregated interest	(205,721)	-	(205,721)	-
Less: Unearned discount & deferred income	(174,717,553)	-	(137,107,414)	-
Net	**216,590,580,220**	**-**	**174,640,546,661**	**-**

Total credit allowance for loans and credit facilities at the end of the current reporting Year amounted to EGP 14,002,483,299 (EGP 10,011,324,612 at the end of the prior year) of which EGP 8,660,440,363 represent impairment in stage three (EGP 5,168,061,626 at the end of the prior year) and EGP 5,342,042,936 represent impairment for stage one and stage two in the credit portfolio (EGP 4,843,262,986 at the end of the prior year).

Note (19-A) includes additional information on the allowance for impairment losses for Loans and credit facilities to customers during the current reporting year.

During the current accounting Year, the loans and credit facilities portfolio increase by 25% due to the increase on lending activity.
Loans and credit facilities which do not have arrears and are not subject to impairment

The credit quality of Loans and credit facilities that not subject to impairment is assessed by reference to the bank's internal rating.

Loans and credit facilities to customers

December 31, 2022

	Retail				
Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	4,064,999,319	1,432,259,251	31,805,333,451	4,525,107,089	**41,827,699,110**
Normal watch-list	978,961	-	-	-	**978,961**
Special watch-list	1,498,279	-	-	-	**1,498,279**
Total	**4,067,476,559**	**1,432,259,251**	**31,805,333,451**	**4,525,107,089**	**41,830,176,350**

	Corporate				
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Good debts	83,154,163,236	50,550,551,781	21,342,819,392	2,662,304,876	**157,709,839,285**
Normal watch-list	4,714,642,763	5,471,746,222	1,068,595,185	7,600,000	**11,262,584,170**
Special watch-list	1,695,340,772	4,001,200,228	2,281,425	60,700,029	**5,759,522,454**
Total	**89,564,146,771**	**60,023,498,231**	**22,413,696,002**	**2,730,604,905**	**174,731,945,909**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

December 31, 2021

	Retail				
Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,109,308,277	1,115,171,874	26,536,346,212	2,599,994,179	**33,360,820,542**
Normal watch-list	123,554	-	-	-	**123,554**
Special watch-list	44,346	-	-	-	**44,346**
Total	**3,109,476,177**	**1,115,171,874**	**26,536,346,212**	2,599,994,179	**33,360,988,442**

	Corporate				
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Good debts	66,227,871,625	42,222,879,092	15,331,684,965	2,933,837,004	**126,716,272,686**
Normal watch-list	3,714,341,560	2,513,925,961	633,498,692	2,700,000	**6,864,466,213**
Special watch-list	2,114,487,155	6,289,884,567	2,039,206	-	**8,406,410,928**
Total	**72,056,700,340**	**51,026,689,620**	**15,967,222,863**	**2,936,537,004**	**141,987,149,827**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

Loans and credit facilities which have arrears but are not subject to impairment
These are loans and credit facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and credit facilities to customers which have arrears but are not subject to impairment are analyzed below.

December 31, 2022

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	149,746,063	1,504,310,222	124,488,009	1,778,544,294
More than 30 – 60 days	-	27,650,962	440,765,671	28,142,684	496,559,317
More than 60 – 90 days	-	9,904,927	178,360,691	8,822,101	197,087,719
Total	**-**	**187,301,952**	**2,123,436,584**	**161,452,794**	**2,472,191,330**

Corporate	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Up to 30 days	-	51,349,625	-	-	51,349,625
More than 30 – 60 days	-	69,246,667	-	-	69,246,667
More than 60 – 90 days	-	96,289,630	-	-	96,289,630
More than 90 days	783,521	155,969,044	-	-	156,752,565
Total	**783,521**	**372,854,966**	**-**	**-**	**373,638,487**

December 31, 2021

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	138,164,653	1,139,522,765	103,589,729	1,381,277,147
More than 30 – 60 days	-	20,971,803	355,669,588	28,158,778	404,800,169
More than 60 – 90 days	-	8,125,451	290,816,138	28,583,327	327,524,916
Total	**-**	**167,261,907**	**1,786,008,491**	**160,331,834**	**2,113,602,232**

Corporate	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Up to 30 days	-	78,716,286	-	-	78,716,286
More than 30 – 60 days	-	41,710,510	-	-	41,710,510
More than 60 – 90 days	-	69,016,452	-	-	69,016,452
More than 90 days	-	350,142,728	-	-	350,142,728
Total	**-**	**539,585,976**	**-**	**-**	**539,585,976**

Past due loans and credit facilities are those amounts, or any part thereof, which have fallen due but for which no payment has been received in accordance with the contractual terms. These include arrears for periods more than one day.

Amounts shown in the note represent the whole balance of the loan or facility and not only the past due amounts. These do not include the remaining loans and credit facilities of the same customer so long default has not fully or partially occurred on those loans.

On initial recognition of loans and credit facilities, the fair value of collaterals, if any, is assessed based on valuation methods used for similar assets but are not recognized in the financial statements since these do not represent assets of the bank at that date. In subsequent periods, the fair value is updated to reflect the market price or prices for similar assets.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which are individually impaired
Loans and credit facilities to customers
At the end of the current reporting year the carrying amount of loans and credit facilities, that are assessed to be individually impaired (Stage 3) excluding any cash flows expected to arise from the associated guarantees, amounted to EGP 11,360,034,717 against EGP 6,787,857,931 at the end of the prior year.

The following table provides a breakdown of the balance of such loans and credit facilities which are individually impaired including the fair value of the collaterals shall prevail when calculating the provisions.

December 31, 2022

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	64,311,931	27,358,661	748,034,408	84,922,665	924,627,665
Fair value of collaterals	-	20,000	144,199	-	164,199

Corporate	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Loans which are individually impaired	965,730,380	9,469,676,672	-	-	10,435,407,052
Fair value of collaterals	20,958,919	144,573,134	-	-	165,532,053

December 31, 2021

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	7,411,576	30,724,452	705,123,935	85,732,118	828,992,081
Fair value of collaterals	-	7,118,275	164,471,071	8,673,950	180,263,296

Corporate	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Loans which are individually impaired	200,496,821	5,757,859,693	509,336	-	5,958,865,850
Fair value of collaterals	-	28,353,237	-	-	28,353,237

Restructured loans and facilities:
The Bank applies different types of restructuring policies to its loans and credit facilities, which include extending payment terms, executing forced management programmes and applying prepayment and extension provisions to the loan. The applied restructuring policies depend on factors or criteria that indicate, in management judgment that the counterparty's continuous payment of the loan is unlikely to occur in the absence of such restructuring policies that are subject to ongoing review. Within the bank renegotiated outstanding loans relate to long-term loans made to any type of clientele (retail and corporate loans clients).

Total renegotiated loans amounted to EGP 1,663,199,766 at the end of the current reporting Year against EGP 1,766,944,402 at the end of the prior year. These balances do not include any amounts whose commercial terms were renegotiated to preserve the quality of the bank's relationship with its clients, including those terms pertaining to loans interest rates and/or loans repayment periods .

The Bank practice calls for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the bank remains uncertain of their ability to meet their future commitments in accordance with the definition of default under Basel II.

Loans and credit facilities to customers

Corporate loans	December 31, 2022	December 31, 2021
Overdrafts	24,874,678	36,050,326
Direct loans	1,638,325,088	1,730,894,076
Total	**1,663,199,766**	**1,766,944,402**

(A/7) Debt instruments, treasury bills, and other governmental notes
The following table shows a breakdown of debt instruments, treasury bills, and other governmental notes (excluding allowances for impairment) per last rating for Standard and Poor's and its equivalent:

	Rating	December 31, 2022	December 31, 2021
Egyptian Treasury Bills	B	67,847,716,023	39,370,132,880
Fair value through other comprehensive income			
Other debt instruments	Unrated	1,121,285,192	383,442,606
Egyptian debt instruments	B	10,298,205,909	12,654,894,755
US Treasury Bonds	AA+	3,025,730,432	1,412,414,152
Amortized cost			
Egyptian Treasury Bonds	B	91,193,931,697	75,296,835,413
Total		**173,486,869,253**	**129,117,719,806**

(All amounts are shown in Egyptian Pounds)

(A/8) Acquisition of collaterals

The Bank acquire foreclosed asset as acquisition of guarantees as following:

Asset type	December 31, 2022	31-Dec-21
Building	115,000,000	109,367,000

Assets acquired are classified under the other Assets item in the financial position. These assets are sold or used for the purposes of the Bank whenever practicable.

(A/9) Concentration of risks of financial assets exposed to credit risks
(Geographical segments)
The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting Year (excluding allowances for impairment). The gross amount of all financial assets including loans and credit facilities is segmented into the geographical regions of the bank's clients except for investments in foreign treasury bonds which are reported in the "other countries" category.

	Arab Republic of Egypt						
	Great Cairo	Alex	Delta	Red Sea & Upper Egypt	Total	Other countries	Total
Treasury bills	67,847,716,023	-	-	-	**67,847,716,023**	-	**67,847,716,023**
Loans and credit facilities to customers							
Retail loans							
Overdrafts	2,486,934,763	1,335,271,088	228,493,165	81,089,474	**4,131,788,490**	-	**4,131,788,490**
Credit cards	1,218,943,939	195,702,817	167,827,060	64,446,048	**1,646,919,864**	-	**1,646,919,864**
Personal loans	24,849,009,119	3,403,340,772	5,040,325,603	1,384,128,949	**34,676,804,443**	-	**34,676,804,443**
Real estate loans	3,448,566,535	276,932,121	404,827,477	641,156,415	**4,771,482,548**	-	**4,771,482,548**
Corporate loans							
Overdrafts	66,961,288,766	12,836,822,551	7,074,347,146	3,658,202,209	**90,530,660,672**	-	**90,530,660,672**
Direct loans	48,162,420,367	9,415,762,739	9,104,254,223	3,183,592,540	**69,866,029,869**	-	**69,866,029,869**
Syndicated loans and facilities	21,553,318,042	220,294,693	514,982,596	125,100,671	**22,413,696,002**	-	**22,413,696,002**
Other loans	2,721,893,744	711,161	-	8,000,000	**2,730,604,905**	-	**2,730,604,905**
Financial derivatives	25,054,305	17,102,724	-	-	**42,157,029**	(18,579,029)	**23,578,000**
Financial investments							
Debt instruments	102,613,422,798	-	-	-	**102,613,422,798**	3,025,730,432	**105,639,153,230**
Other financial assets	5,991,259,470	143,509,313	117,621,665	34,486,747	**6,286,877,195**	44,157,307	**6,331,034,502**
Total at the end of the current year	**347,879,827,871**	**27,845,449,979**	**22,652,678,935**	**9,180,203,053**	**407,558,159,838**	**3,051,308,710**	**410,609,468,548**
Total at the end of the comparative year	**267,803,298,497**	**22,307,932,613**	**19,717,071,536**	**7,934,212,565**	**317,762,515,211**	**1,470,705,397**	**319,233,220,608**

(Business segments)
The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting Year (excluding allowances for impairment). The gross amount of all financial assets is segmented into business sectors in which the bank's clients operate.

	Agricultural entities	Industrial entities	Trading entities	Service entities	Governmental sector	Foreign Governments	Other activities	Individuals	Total
Treasury bills	-	-	-	-	67,847,716,023	-	-	-	**67,847,716,023**
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	4,131,788,490	**4,131,788,490**
Credit cards	-	-	-	-	-	-	-	1,646,919,864	**1,646,919,864**
Personal loans	-	-	-	-	-	-	-	34,676,804,443	**34,676,804,443**
Real estate loans	-	-	-	-	-	-	-	4,771,482,548	**4,771,482,548**
Corporate loans									
Overdrafts	1,977,214,465	38,400,670,525	16,857,799,417	33,294,976,265	-	-	-	-	**90,530,660,672**
Direct loans	958,531,898	44,145,016,959	12,307,136,807	12,455,344,205	-	-	-	-	**69,866,029,869**
Syndicated loans and facilities	124,154,689	10,785,989,728	630,649,914	10,872,901,671	-	-	-	-	**22,413,696,002**
Other loans	-	1,354,604,215	54,339,841	1,097,862,719	-	-	223,798,130	-	**2,730,604,905**
Financial derivatives	-	42,157,029	-	-	-	-	(18,579,029)	-	**23,578,000**
Financial investments									
Debt instruments	-	-	-	1,121,285,192	101,492,137,606	3,025,730,432	-	-	**105,639,153,230**
Other financial assets	26,591,398	822,850,327	259,404,224	546,545,488	4,238,450,491	44,157,307	-	393,035,267	**6,331,034,502**
Total at the end of current year	**3,086,492,450**	**95,551,288,783**	**30,109,330,203**	**59,388,915,540**	**173,578,304,120**	**3,069,887,739**	**205,219,101**	**45,620,030,612**	**410,609,468,548**
Total at the end of the comparative year	**2,453,668,889**	**69,633,759,184**	**26,787,440,148**	**50,327,539,565**	**131,056,279,404**	**1,432,268,660**	**939,738,746**	**36,602,526,012**	**319,233,220,608**

(B) Market Risk
Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some banking book portfolios valued using the mark-to-market approach. The bank's policy on market risk transactions is "Prudent" in that:

- Products subject to "market risk" which are offered by the Bank to its customers are restricted to cash and simple financial derivatives such as interest rate swaps and foreign exchange swap and forward contracts.
- The only trading activity conducted by the Bank is over-night foreign exchange position, within a prudent limit that cannot be exceeded.
- Open positions must be centrally managed and matched.

The front-office managers assume primary responsibility in terms of risk exposure; however, management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:

- Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the bank's market activities and comparison of said exposure and risks with the pre-set limits.
- Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including those made on a gross or nominal basis.
- Management of the approval process for limits.
- Reviewing new products or services from market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.

At the proposal of this MRC and Head of Risk Division, the board sets the levels of authorized risk by type of market activity and makes the main decisions concerning bank's market risk management.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits
As a part of managing market risk, the Bank has several hedging strategies and enters into interest rate swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. The Bank uses a lot of methods to control market risk such as stress testing "ST".

Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The Bank sets set a maximum limit of expected losses of 10% from authorized limit according to internal bank rules.

(B/2) Stress test for foreign exchange risk
The following table provides FX position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Short/Long FX positions	FX short positions	FX long positions	Expected loss at 10%
USD	(113,505,139)	(113,505,139)	-	(11,350,514)
EUR	11,670,417	-	11,670,417	1,167,042
GBP	(685,042)	(685,042)	-	(68,504)
JPY	21,146	-	21,146	2,115
CHF	(155,365)	(155,365)	-	(15,537)
DKK	(18,679)	(18,679)	-	(1,868)
NOK	70,330	-	70,330	7,033
SEK	52,852	-	52,852	5,285
CAD	63,838	-	63,838	6,384
AUD	45,000	-	45,000	4,500
AED	98,862	-	98,862	9,886
BHD	60,785	-	60,785	6,079
KWD	79,583	-	79,583	7,958
QAR	88,620	-	88,620	8,862
SAR	175,823	-	175,823	17,582
CNY	2,835	-	2,835	284
EGP	101,934,134	-	101,934,134	-
Maximum expected loss at December 31, 2022				**(10,193,413)**
Maximum expected loss at December 31, 2021				**4,830,373**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(B/3) Foreign exchange rate volatility risk (concentration of FX risk on financial instruments)
The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised. The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the current reporting year. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	EUR	GBP	Other currencies	Total
Financial assets						
Cash and due from Central Bank of Egypt (CBE)	41,401,900,165	885,038,524	248,647,093	30,905,308	29,508,285	**42,595,999,375**
Due from banks	8,540,385,204	15,012,310,564	5,737,080,583	548,668,144	386,655,955	**30,225,100,450**
Treasury bills	59,289,156,895	8,525,140,804	-	-	-	**67,814,297,699**
Loans and credit facilities to customers	166,514,352,883	47,454,432,379	2,549,365,816	57,798,908	14,630,234	**216,590,580,220**
Financial derivatives	23,578,000	-	-	-	-	**23,578,000**
Financial investments						
Fair value through other comprehensive income	**11,907,767,022**	**3,871,503,939**	**1,689,769**	**-**	**-**	**15,780,960,730**
Amortized cost	89,999,239,328	1,192,254,897	-	-	-	**91,191,494,225**
Fair value through profit or loss	73,975,416	-	-	-	-	**73,975,416**
Other financial assets	6,085,589,335	235,525,357	7,323,138	119,012	134,072	**6,328,690,914**
Total financial assets	383,835,944,248	77,176,206,464	8,544,106,399	637,491,372	430,928,546	470,624,677,029
Financial liabilities						
Due to banks	**3,208,961,196**	**212,791,760**	**65,304,596**	**34,670,470**	**-**	**3,521,728,022**
Customer deposits	**330,600,900,671**	**67,008,976,486**	**8,407,318,638**	**598,500,468**	**451,104,567**	**407,066,800,830**
Financial derivatives	**-**	**22,954,635**	**-**	**-**	**-**	**22,954,635**
Other loans	**64,179,067**	**3,395,151,246**	**-**	**-**	**-**	**3,459,330,313**
Other financial liabilities	**1,259,509,601**	**186,209,501**	**5,202,916**	**245,525**	**1,576**	**1,451,169,119**
Total financial liabilities	**335,133,550,535**	**70,826,083,628**	**8,477,826,150**	**633,416,463**	**451,106,143**	**415,521,982,919**
Net financial position	**48,702,393,713**	**6,350,122,836**	**66,280,249**	**4,074,909**	**(20,177,597)**	**55,102,694,110**
At the end of the comparative year						
Total financial assets	**304,872,497,146**	**41,007,347,574**	**2,484,526,201**	**72,098,532**	**199,497,551**	**348,635,967,004**
Total financial liabilities	**262,473,377,262**	**35,441,502,295**	**4,591,841,359**	**464,894,262**	**188,181,272**	**303,159,796,450**
Net financial position	**42,399,119,884**	**5,565,845,279**	**(2,107,315,158)**	**(392,795,730)**	**11,316,279**	**45,476,170,554**

(B/4) Structural Interest Rate Risk
Structural interest rate risk is linked to commercial activities and corporate center transactions. Structural interest rate risk arises from residual gaps (surplus or deficit) of the bank's fixed-rate positions. The general principle is to reduce structural interest rate risk to the maximum extent.

Whenever possible, commercial operations are hedged against interest rate, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).

Consequently, structural interest rate risk only results from the residual positions remaining after hedging. The absence of interest rate derivative market in Egyptian Pound makes it difficult to hedge positions in this currency.

Organization of the management of Structural Interest Rate risks
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the Bank's finance department.

Risk assessment, limits and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chief Executive officer with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room through the financial market. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Decide on the limits for the sensitivity.
- Review, validate and approve any assumptions used for the identification and measurements of the respective risks.
- Review interest rate Gap and sensitivity position reported through ALMU.
- Assess, amend and approve recommendations for bringing the Gap (if any) within the previously approved limits.

Assets & Liabilities Management Unit (ALMU) duties
- Document and maintain the respective risks management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Provide recommendations for bringing the gaps within limits.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

Dealing Room duties
- Provide frequent updates on markets movements.
- Execute and Report progress of ALCO approved recommendations.
- Co-ordinate with ALMU on the spontaneous hedging of special transactions according to ALCO approved policy and recommendations.

Bank's Objective of Interest Rate Risk Management
The Bank's aim is to reduce exposure to structural interest rate risk as much as possible.

Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO. Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

Measurement and monitoring of structural interest rate risks
In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps.

On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. equity).

Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency. The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.

The following table summarizes the extent to which the bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

At the End of the Year	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Interest free	Total
Financial assets							
Cash and due from Central Bank of Egypt (CBE)	-	-	-	-	-	42,595,999,375	**42,595,999,375**
Due from banks	21,315,332,716	7,822,823,857	-	-	-	1,086,943,877	**30,225,100,450**
Treasury bills	3,621,554,341	21,013,657,846	43,179,085,512	-	-	-	**67,814,297,699**
Loans and credit facilities to customers	175,641,521,258	4,181,247,815	8,972,811,874	21,008,815,182	6,786,184,091	-	**216,590,580,220**
Financial derivatives	-	-	-	-	-	23,578,000	**23,578,000**
Financial investments							
Fair value through other comprehensive income	341,285,192	700,000,000	3,198,472,229	9,388,606,430	816,857,681	1,335,739,198	15,780,960,730
Amortized cost	5,975,069,182	6,490,255,840	24,047,272,869	48,554,404,738	6,124,491,596	-	**91,191,494,225**
Fair value through profit or loss	-	-	-	-	-	73,975,416	**73,975,416**
Other financial assets	-	-	-	-	-	6,328,690,914	**6,328,690,914**
Total financial assets	**206,894,762,689**	**40,207,985,358**	**79,397,642,484**	**78,951,826,350**	**13,727,533,368**	**51,444,926,780**	**470,624,677,029**
IRS (notional amount)	**643,328,409**	**262,898,623**	**262,898,623**	**664,978,870**	**-**	**-**	**1,834,104,525**
Financial liabilities							
Due to banks	3,202,711,885	-	-	-	-	319,016,137	**3,521,728,022**
Customer deposits	189,153,430,018	36,012,825,088	62,296,152,695	68,373,486,401	259,081,025	50,971,825,603	**407,066,800,830**
Financial derivatives	-	-	-	-	-	22,954,635	**22,954,635**
Other loans	**3,395,151,246**	**115,000**	**23,905,000**	**40,159,067**	**-**	**-**	**3,459,330,313**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**1,451,169,119**	**1,451,169,119**
Total financial liabilities	**195,751,293,149**	**36,012,940,088**	**62,320,057,695**	**68,413,645,468**	**259,081,025**	**52,764,965,494**	**415,521,982,919**
IRS (notional amount)	**1,834,104,525**	**-**	**-**	**-**	**-**	**-**	**1,834,104,525**
Re-pricing gap	**9,952,693,424**	**4,457,943,893**	**17,340,483,412**	**11,203,159,752**	**13,468,452,343**	**(1,320,038,714)**	**55,102,694,110**
At the end of the comparative year							
Total financial assets	**153,972,170,174**	**23,508,136,672**	**36,245,947,838**	**91,003,372,387**	**14,710,377,778**	**29,195,962,155**	**348,635,967,004**
IRS (notional amount)	**550,084,493**	**243,608,851**	**243,608,851**	**1,165,000,393**	**-**	**-**	**2,202,302,588**
Total financial liabilities	**139,077,102,085**	**16,261,802,311**	**28,849,851,443**	**80,363,932,030**	**57,060,579**	**38,550,048,002**	**303,159,796,450**
IRS (notional amount)	**2,202,302,588**	**-**	**-**	**-**	**-**	**-**	**2,202,302,588**
Re-pricing gap	**13,242,849,994**	**7,489,943,212**	**7,639,705,246**	**11,804,440,750**	**14,653,317,199**	**(9,354,085,847)**	**45,476,170,554**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(C) Liquidity Risk
Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

The Bank manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the bank's Finance Department.

Risk assessment and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chief Executive officer with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
- Review the structured liquidity Gap reported by ALMU.
- Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

Assets & Liabilities Management Unit (ALMU) duties
- Document and maintain the respective risks' management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.
- Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.
- Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties
- Is responsible for managing short term liquidity.
- Provide frequent updates on markets' status and alerting signals of liquidity stretches.
- Execute and Report progress of ALCO approved recommendations.
- Communicate their funding needs to ALMU for the construction of the liquidity gap.

Bank's Objective of Liquidity Risk Management
The Bank's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

To this end, the main principles of the bank's liquidity management are as follows:
- Management of the short-term liquidity in accordance with The regulatory framework.
- Diversification of funding sources.
- Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural liquidity risks
The Bank's liquidity management framework comprises the following processes:
- Regular assessment of the bank structural liquidity profile and its development over time.
- Monitoring of the diversification of funding sources.
- Assessment of the bank's funding needs on the basis of the budget forecasts in order to plan appropriate funding solutions.

Liquidity gaps are constructed by listing the respective on and off-balance sheet-items according to the currency of denomination and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models of historic client behavior patterns (e.g. savings accounts) as well as conventional assumptions relating to certain balance sheet items (e.g. equity).

Liquidity risk
Liquidity risk represents difficulty encountering the bank in meeting its financial commitments upon maturity and refurbishing amounts withdrawn. This may results in failure in fulfilling obligations related to depositors and meeting lending commitments.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2022

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	3,544,530,140	-	-	-	-	**3,544,530,140**
Customer deposits	241,125,399,363	38,817,590,097	70,658,781,007	78,311,369,381	351,020,157	**429,264,160,005**
Other loans	450,068,301	26,326,734	559,970,380	2,704,540,387	-	**3,740,905,802**
Total financial liabilities	**245,119,997,804**	**38,843,916,831**	**71,218,751,387**	**81,015,909,768**	**351,020,157**	**436,549,595,947**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

December 31, 2021

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	3,472,310,344	-	-	-	-	**3,472,310,344**
Customer deposits	174,519,903,616	16,427,092,647	34,812,463,580	89,512,282,434	74,394,602	**315,346,136,879**
Other loans	323,218,206	6,770,874	790,342,586	1,361,629,953	-	**2,481,961,619**
Total financial liabilities	**178,315,432,166**	**16,433,863,521**	**35,602,806,166**	**90,873,912,387**	**74,394,602**	**321,300,408,842**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

Assets available to meet all liabilities and cover loan commitments include cash, balances with Central Banks, due from banks, treasury bills, other governmental notes and Loans and credit facilities to banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Cash flow derivatives
Derivatives settled on a gross-basis
The Bank is a party to derivative contracts that are settled on a gross-basis, in particular foreign exchange derivatives. The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining periods of contractual maturities at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

December 31, 2022

Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	617,477,974	679,562,313	59,258,771	-	-	**1,356,299,058**
Cash inflows	626,080,991	688,501,648	59,337,734	-	-	**1,373,920,373**

December 31, 2021

Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	2,116,904,744	738,213,868	721,454,666	-	-	**3,576,573,278**
Cash inflows	2,120,594,800	711,063,808	672,759,069	-	-	**3,504,417,677**

Cash flow for Off-balance sheet items

December 31, 2022

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	255,000	-	-	**255,000**
Operating lease commitments	153,387,944	350,799,600	**128,175,885**	**632,363,429**
Capital commitments resulting from acquisition of property and equipment	1,002,721,195	-	-	**1,002,721,195**
Total	**1,156,364,139**	**350,799,600**	**128,175,885**	**1,635,339,624**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	21,804,382,319	2,551,195,548	-	**24,355,577,867**

December 31, 2021

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	255,000	-	-	255,000
Operating lease commitments	131,665,156	310,148,730	66,550,198	**508,364,084**
Capital commitments resulting from acquisition of property and equipment	945,038,280	-	-	**945,038,280**
Total	**1,076,958,436**	**310,148,730**	**66,550,198**	**1,453,657,364**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	26,597,826,643	2,220,758,697	14,959,934	**28,833,545,274**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(D) Fair value of financial assets and liabilities and sources of fair value
(D/1) Financial instruments measured at fair value
Financial assets classified as trading financial assets at fair value with changes in fair value are measured in the statement of income under 'Net trading income'.

Debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in the other comprehensive income statement under "fair value reserve".

For investments in equity instruments, equity securities listed on the stock exchange are measured at fair value in accordance with quoted market prices on the date of the Separate financial statements.

For non-listed shares, except for strategic investments, they are evaluated in one of the accepted techniques: discounted cash flow method Multiples of value "and the inclusion of the valuation differences in other comprehensive income within the" fair value reserve "; for strategic investments, the nominal cost or value is the fair value of those investments.

The table below shows the financial assets and liabilities at fair value in the Separate financial statements within the fair value hierarchy, based on the levels of inputs that are essential for measuring the fair value as a whole:

Level 1:
The first level inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access on the measurement date.

Level 2:
The inputs of the second level are all inputs other than quoted prices within the first level and these inputs are observable for the asset or liability, directly or indirectly.

Level 3:
The third level inputs are the unobservable inputs of the asset or liability.

	December 31, 2022			
Financial Assets	Level 1	Level 2	Level 3	Total
US Treasury Bonds	3,025,730,432	-	-	**3,025,730,432**
Other debt instruments	-	1,121,285,192	-	**1,121,285,192**
Egyptian debt instruments	10,298,205,909	-	-	**10,298,205,909**
Funds at fair value through other comprehensive income	55,682,165	-	-	**55,682,165**
Funds at fair value through profit or loss	73,975,416	-	-	**73,975,416**
Equity Instruments	187,691,889	-	1,092,365,143	**1,280,057,032**
Financial derivatives	-	23,578,000	-	**23,578,000**

	December 31, 2021			
Financial Assets	Level 1	Level 2	Level 3	Total
US Treasury Bonds	1,412,414,152	-	-	**1,412,414,152**
Other debt instruments	-	383,442,606	-	**383,442,606**
Egyptian debt instruments	12,654,894,755	-	-	**12,654,894,755**
Funds at fair value through other comprehensive income	47,163,250	-	-	**47,163,250**
Funds at fair value through profit or loss	92,549,632	-	-	**92,549,632**
Equity Instruments	151,884,836	-	473,971,589	**625,856,425**
Financial derivatives	-	36,542,265	-	**36,542,265**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(D/2) Financial instruments not measured at fair value
The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the statement of financial position at fair value:

	Carrying amount		Fair value	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Financial assets				
Due from banks	30,225,100,450	16,162,820,220	30,225,100,450	**16,162,820,220**
Loans and credit facilities to customers	216,590,580,220	174,640,546,661	214,371,283,108	**173,604,900,973**
Financial investments at amortized Cost				
Debt instruments	91,191,494,225	75,291,377,974	87,201,002,754	**76,215,365,266**
Financial liabilities:				
Due to banks	3,521,728,022	3,458,687,747	3,521,728,022	**3,458,687,747**
Customer deposits	407,066,800,830	296,239,871,183	393,274,460,425	**284,048,136,402**
Other loans	3,459,330,313	2,436,745,862	3,459,330,313	**2,436,745,862**

Due from Banks:
The carrying amount of variable interest rate of placements and deposits for one day represents reasonable estimate for its fair value. Fair value expected for due to banks with free interest rate is the current value. Fair value expected for deposits bearing fixed interest rate is the current value for those deposits as it is maturity is less than one year.

Loans and credit facilities to customers:
Loans and credit facilities are stated at the statement of financial position net of allowance for impairment losses.

Debt instruments at amortized cost:
The fair value of debt instruments is determined at the cost charged on the "Egyptian Treasury Bonds" according to Reuters announced at the end of the financial Period.

Customer deposits and due to other banks:
The estimated fair value for deposits of indefinite maturity, including free-interest rate deposits, represents the amount paid on demand.

(E) Capital management:
For capital management purposes, the Bank's capital includes total equity as reported in the statement of financial position plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Compliance with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.
- Capital adequacy and uses are reviewed by the Bank's management in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE). Data is submitted and filed with the CBE on a quarterly basis. The CBE requires the bank to comply with the following;
- Maintaining EGP 5 Billion as a minimum requirement for the issued and paid-up capital. The Bank's paid-up capital amounted to EGP 10,774,114,830 at the end of the current Year.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities. Minimum level of capital adequacy ratio reached 12.50 % during current year, The Bank's capital adequacy ratio reached 22.99% at the end of the current year (December 31, 2022: 21.56%) according to Basel II.

(All amounts are shown in Egyptian Pounds)

The numerator in the capital adequacy ratio according to Basel II comprise the following 2 tiers:

- Tier 1: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks and special reserves), less: any goodwill previously recognized and any carried forward losses,plus:the carrying amount of other comprehensve income.
- The interim net profit was incorporated in Tier 1 capital in accordance with the decision of Central Bank of Egypt Board of Directors held on 15 February 2017.
- Tier 2: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity), in addition to 45% from increase in fair value above the carrying amount of investments in subsidiaries and associates and 45% from special reserve.

In calculating the numerator of the capital adequacy ratio, total value of Tier 2 should not exceed total value of Tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets are risk weighted at a range of 0 to 200%. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, which had been issued on December 24, 2012 and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019, And CBE instructions issued in January 2021 regarding the adoption of Standardized Approach for mearuting operational risk starting from year 2022 to replace Basic Indicator Approach.

The tables below summarizes the compositions of Tier 1, Tier 2 and the capital adequacy ratio based on Basel II:

According to Basel II	December 31, 2022	"December 31, 2021 Restated**"
Tier 1 capital		
Share capital	10,774,114,830	10,774,114,830
General reserve	23,979,176,120	23,979,176,120
Legal reserve	2,790,716,593	2,790,716,593
Other reserves	42,271,621	42,271,621
Retained earnings	5,173,520,672	5,021,661,405
Interim profit	10,273,008,225	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	236,973,781	379,716,597
Total deductions from capital invested	(815,687,591)	(652,525,342)
Total tier 1 capital	**52,475,548,174**	**42,356,585,747**
Tier 2 capital		
45% from special reserve	16,761,150	16,761,150
Impairment provision for loans, debt instruments and contingent liabilities in stage one*	1,469,988,017	956,108,641
Total tier 2 capital	**1,486,749,167**	**972,869,791**
Total capital	**53,962,297,341**	**43,329,455,538**
Risk weighted assets and contingent liabilities:		
Credit Risk	220,821,796,364	175,788,843,909
Market Risk	527,418	695,549
Operational Risk	13,931,603,333	25,178,733,307
Total risk weighted assets and contingent liabilities	**234,753,927,115**	**200,968,272,765**
Capital adequacy ratio for Tier 1	**22.35%**	**21.08%**
Capital adequacy ratio	**22.99%**	**21.56%**

* Provided it does not exceed 1.25% from total value of risk weighted assets and contingent liabilities.

** After 2021 profit distribution.

- Based on Separate financial statement after the disposal of insurance activity.

Leverage financial ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 on special supervisory instructions related to leverage ratio which maintaining a minimum level of leverage ratio of 3% to be reported in quarterly basis to be obligatory ratio started from year 2018.

This ratio will be included in Basel requirement Tier1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments.

Leverage financial ratio reflect relationship between Tier 1 for capital that is used in capital adequacy ratio (after exclusions) and other assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

Ratio Elements

I- The numerator elements

The numerator consists of Tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

II- The denominator elements

The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called "Bank exposures" which include total the following:

1- On balance sheet items after deducting some of Tier I Exclusions for capital base.

2- Derivatives contracts exposures.

3- Financing Financial papers operations exposures.

4- Off-balance sheet items (weighted by credit conversion factor).

The tables below summarizes the leverage financial ratio:	December 31, 2022	"December 31, 2021 Restated*"
Tier 1 capital after exclusions	**52,475,548,174**	42,356,585,747
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	478,146,793,491	355,899,552,716
Total exposures off-balance sheet	31,222,435,285	30,116,574,094
Total exposures on-balance sheet and off-balance sheet	**509,369,228,776**	**386,016,126,810**
Leverage financial ratio	**10.30%**	**10.97%**

* After 2021 profit distribution.

- Based on Consolidated financial statements after the disposal of insurance activity.

4- Significant accounting estimates and assumptions :

In the application of the bank's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

b. Fair value of derivatives

Fair value of derivative financial instruments not quoted in an active market is determined using valuation techniques. When these techniques (such as the pricing models) are used to determine fair value, periodic tests and review are performed on them using competent independent personnel other than those responsible for the preparation of such techniques. All such models have been approved and tested prior to use to ensure that their results reflect reliable data and prices that can be compared to the market. These models use market observable data only to the extent it is practical to obtain such data, however, some areas such as credit risk related to the bank and counterparties, volatility and correlations requires management judgement. Changes in assumptions about these factors can affect the fair value of the financial instrument's disclosure.

c. Debt instrument at amortized cost:

Non-derivative financial assets with fixed or determinable payments and maturity dates are classified as debt instruments at amortized cost "within the business model of financial assets held to collect contractual cash flows".

If classification of investments as amortized cost – other than stakes required to be retained by the Bank in accordance with the provisions of the law – were suspended by the bank, the carrying amount of the outstanding amortized cost investements at the end of the current reporting Year would have decreased by EGP 3,992,928,943 to reach the fair value with a corresponding decrease in the fair value through other comprehensive income.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

5- Segmentation analysis
(5/A) Segmental analysis by activity
Segment activity includes operational processes, assets used in offering banking services, management of surrounding risks and related yield. Such activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

Corporate: This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities.

Individuals: This includes current account activities, deposits, savings, credit cards, personal loans, and real estate loans.

Other businesses: They include other Banking activities such as fund management.

Inter-segment activities are affected within the bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as shown in the bank's balance sheet.

At the end of the current year Income and expenses according to segmental activities (December 31, 2022)	Corporate	Investments	Individual	Other businesses	Total
Net interest income	6,114,363,317	4,006,334,844	5,833,482,662	3,623,596,924	**19,577,777,747**
Net fee and commission income	1,463,429,742	147,440	915,130,203	126,776,031	**2,505,483,416**
Dividend income	-	256,533,743	-	-	**256,533,743**
Net trading income	701,549,581	-	26,817,145	(292,570,728)	**435,795,998**
Gain on financial investments	-	68,498,714	-	-	**68,498,714**
Impairment credit losses	(3,272,587,994)	(11,559,139)	(375,632,038)	(6,980,287)	**(3,666,759,458)**
Administrative expenses	(1,994,637,384)	(4,794,520)	(2,957,528,843)	(56,295,738)	**(5,013,256,485)**
Other operating revenues (expenses)	(615,576,531)	(32,480,035)	(355,960,037)	1,977,003,331	**972,986,728**
Profit before income tax	**2,396,540,731**	**4,282,681,047**	**3,086,309,092**	**5,371,529,533**	**15,137,060,403**
Income tax expense	(793,655,426)	(1,418,283,030)	(1,022,084,008)	(1,778,873,817)	**(5,012,896,281)**
Net profit for the current year	**1,602,885,305**	**2,864,398,017**	**2,064,225,084**	**3,592,655,716**	**10,124,164,122**

Assets and liabilities according to segmental activities (December 31, 2022)	Corporate	Investments	Individual	Other businesses	Total
Segment activity assets	172,665,154,881	175,400,989,909	43,967,582,368	67,422,291,401	**459,456,018,559**
Unclassified assets	-	-	-	-	**17,336,113,004**
Total assets	172,665,154,881	175,400,989,909	43,967,582,368	67,422,291,401	**476,792,131,563**
Segment activity liabilities	**262,386,649,381**	**-**	**144,680,151,449**	**7,004,012,970**	**414,070,813,800**
Unclassified liabilities	-	-	-	-	**10,140,102,043**
Total liabilities	**262,386,649,381**	**-**	**144,680,151,449**	**7,004,012,970**	**424,210,915,843**

At the end of comparative year Income and expenses according to segmental activities (December 31, 2021)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,915,618,143	2,198,830,673	4,138,783,275	2,669,197,298	**14,922,429,389**
Net fee and commission income	1,226,075,411	110,628	727,411,257	128,298,215	**2,081,895,511**
Dividend income	-	246,341,199	-	-	**246,341,199**
Net trading income	346,187,060	-	40,551,867	(282,114,790)	**104,624,137**
Gain on financial investments	-	8,921,312	-	-	**8,921,312**
Impairment credit losses	(1,966,488,349)	3,747,206	(263,167,531)	7,632,306	**(2,218,276,368)**
Administrative expenses	(1,702,048,193)	(4,171,171)	(2,409,758,495)	43,976,674	**(4,072,001,185)**
Other operating revenues (expenses)	(27,378,083)	42,216,816	(232,936,281)	(3,569,102)	**(221,666,650)**
Profit before income tax	**3,791,965,989**	**2,495,996,663**	**2,000,884,092**	**2,563,420,601**	**10,852,267,345**
Income tax expense	(1,188,097,839)	(782,045,053)	(626,916,505)	(803,170,304)	**(3,400,229,701)**
Net profit for the comparative year	**2,603,868,150**	**1,713,951,610**	**1,373,967,587**	**1,760,250,297**	**7,452,037,644**

At the end of comparative year Assets and liabilities according to segmental activities (December 31, 2021)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	139,205,577,250	130,406,561,049	35,434,969,414	34,975,076,005	**340,022,183,718**
Unclassified assets	-	-	-	-	**14,172,907,600**
Total assets	**139,205,577,250**	**130,406,561,049**	**35,434,969,414**	**34,975,076,005**	**354,195,091,318**
Segment activity liabilities	171,177,934,680	-	125,126,195,108	5,878,858,519	**302,182,988,307**
Unclassified liabilities	-	-	-	-	**6,960,388,145**
Total liabilities	**171,177,934,680**	**-**	**125,126,195,108**	**5,878,858,519**	**309,143,376,452**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(5/B) Segmental analysis by geographic area
At the end of current year

Income and expenses according to geographical segments (December 31, 2022)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	9,683,083,146	1,634,369,627	1,520,425,878	618,570,936	6,121,328,160	**19,577,777,747**
Net fee and commission income	1,304,049,163	228,723,729	217,833,209	74,855,807	680,021,508	**2,505,483,416**
Dividend income	-	-	-	-	256,533,743	**256,533,743**
Net trading income	547,914,406	52,226,827	38,573,995	14,887,018	(217,806,248)	**435,795,998**
Gain on financial investments	-	-	-	-	68,498,714	**68,498,714**
Impairment credit losses	(2,114,002,340)	(293,489,832)	(970,089,839)	(277,458,321)	(11,719,126)	**(3,666,759,458)**
Administrative expenses	(3,424,609,795)	(640,789,213)	(585,899,176)	(292,295,501)	(69,662,800)	**(5,013,256,485)**
Other operating revenues (expenses)	(358,484,032)	(69,318,662)	(64,291,772)	(30,194,092)	1,495,275,286	**972,986,728**
Profit before income tax	**5,637,950,548**	**911,722,476**	**156,552,295**	**108,365,847**	**8,322,469,237**	**15,137,060,403**
Income tax expense	(1,867,103,691)	(301,932,481)	(51,844,968)	(35,887,202)	(2,756,127,939)	**(5,012,896,281)**
"Net profit for the current year"	**3,770,846,857**	**609,789,995**	**104,707,327**	**72,478,645**	**5,566,341,298**	**10,124,164,122**

Assets and liabilities according to geographical segments (December 31, 2022)	Great Cairo	Alex	Delta	Red Sea/ Upper Egypt	Head office	Total
Assets of geographical segments	165,834,647,275	27,072,830,512	20,294,699,756	8,661,508,072	254,565,263,759	**476,428,949,374**
Unclassified assets	-	-	-	-	-	**363,182,189**
Total assets	**165,834,647,275**	**27,072,830,512**	**20,294,699,756**	**8,661,508,072**	**254,565,263,759**	**476,792,131,563**
Liabilities of geographical segments	329,869,240,602	44,836,823,838	27,386,502,048	9,050,024,095	8,623,144,785	**419,765,735,368**
Unclassified liabilities	-	-	-	-	-	**4,445,180,475**
Total liabilities	**329,869,240,602**	**44,836,823,838**	**27,386,502,048**	**9,050,024,095**	**8,623,144,785**	**424,210,915,843**

At the end of comparative year Income and expenses according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea/ Upper Egypt	Head office	Total
Net interest income	7,144,244,822	1,229,180,140	1,069,446,271	438,357,338	5,041,200,818	**14,922,429,389**
Net fee and commission income	1,145,015,826	195,273,214	189,019,722	94,237,216	458,349,533	**2,081,895,511**
Dividend income	-	-	-	-	246,341,199	**246,341,199**
Net trading income	286,524,545	56,489,754	60,000,677	7,327,432	(305,718,271)	**104,624,137**
Gain on financial investments	-	-	-	-	8,921,312	**8,921,312**
Impairment credit losses	(1,511,810,947)	(127,543,058)	(437,171,897)	(146,363,813)	4,613,347	**(2,218,276,368)**
Administrative expenses	(2,848,989,478)	(530,982,300)	(499,789,000)	(241,885,715)	49,645,308	**(4,072,001,185)**
Other operating revenues (expenses)	(211,711,498)	(42,385,036)	(44,891,926)	(13,286,596)	90,608,406	**(221,666,650)**
Profit before income tax	**4,003,273,270**	**780,032,714**	**336,613,847**	**138,385,862**	**5,593,961,652**	**10,852,267,345**
Income tax expense	(1,254,304,584)	(244,399,655)	(105,467,767)	(43,359,024)	(1,752,698,671)	**(3,400,229,701)**
Net profit for the comparative year	**2,748,968,686**	**535,633,059**	**231,146,080**	**95,026,838**	**3,841,262,981**	**7,452,037,644**

At the end of comparative year Assets and liabilities according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	130,728,574,792	21,663,698,999	18,325,091,040	7,539,403,867	175,645,211,507	**353,901,980,205**
Unclassified assets	-	-	-	-	-	**293,111,113**
Total assets	**130,728,574,792**	**21,663,698,999**	**18,325,091,040**	**7,539,403,867**	**175,645,211,507**	**354,195,091,318**
Liabilities of geographical segments	239,225,001,832	31,555,461,603	21,889,339,220	6,775,751,277	6,943,736,607	**306,389,290,539**
Unclassified liabilities	-	-	-	-	-	**2,754,085,913**
Total liabilities	**239,225,001,832**	**31,555,461,603**	**21,889,339,220**	**6,775,751,277**	**6,943,736,607**	**309,143,376,452**

Geographical segmental analysis is based on the locations of branches through which the bank provides its services.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

6- Net interest income	December 31, 2022	December 31, 2021
Interest from loans and similar income:		
Loans and credit facilities:		
Customers	22,488,372,704	16,924,654,807
Total	**22,488,372,704**	**16,924,654,807**
Treasury bills and bonds	19,525,683,197	14,364,338,884
Other debt instruments	66,109,706	43,309,078
Deposits and current accounts	1,527,859,154	343,841,398
Net interest differential on hedging instruments (IRS contracts)	13,186,805	60,575,073
Total	**43,621,211,566**	**31,736,719,240**
Cost of deposits and similar expense :		
Deposits and current accounts:		
Banks	(295,541,229)	(181,057,765)
Customers	(23,632,390,561)	(16,550,136,020)
Total	**(23,927,931,790)**	**(16,731,193,785)**
Repo arrangements	(22,758,316)	(33,564,290)
Other loans	(92,743,713)	(49,531,776)
Total	**(24,043,433,819)**	**(16,814,289,851)**
Net	**19,577,777,747**	**14,922,429,389**

7- Net fee and commission income:	December 31, 2022	December 31, 2021
Fee and commission income:		
Credit fees and commission	2,173,235,823	1,695,674,967
Custody fees	28,057,351	30,058,265
Investment commission	27,482,889	26,859,174
Other fees	1,665,633,529	1,305,429,234
Total	**3,894,409,592**	**3,058,021,640**
Fee and commission expense:		
Brokerage fees	(5,070,686)	(5,543,867)
Other fees	(1,383,855,490)	(970,582,262)
Total	**(1,388,926,176)**	**(976,126,129)**
Net	**2,505,483,416**	**2,081,895,511**

8 - Dividend income	December 31, 2022	December 31, 2021
subsidiaries	199,966,000	199,963,600
Equity instruments at fair value through other comprehensive income	56,567,743	46,377,599
Total	**256,533,743**	**246,341,199**

9 - Net trading income:	December 31, 2022	December 31, 2021
Forex operations:		
Foreign exchange trading gains (loss)	361,387,164	94,871,616
Changes in fair value of currency forward contracts	82,238,407	(3,449,383)
Changes in fair value of currency swap contracts	(10,976,892)	10,464,743
Changes in fair value IRS contracts	3,147,319	2,737,161
Total	**435,795,998**	**104,624,137**

10 - Administrative expenses	December 31, 2022	December 31, 2021
Staff cost:		
Salaries and wages	1,951,246,156	1,667,668,375
Social insurance	121,172,165	96,481,129
Pension cost:		
Defined contribution scheme	96,596,971	88,521,908
Other retirement benefits (Defined benefit scheme)	58,393,290	64,057,912
	2,227,408,582	**1,916,729,324**
Depreciation and amortization	436,131,358	391,600,827
Other administrative expenses	2,349,716,545	1,763,671,034
Total	**5,013,256,485**	**4,072,001,185**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

11 - Other operating revenues (expenses)	December 31, 2022	December 31, 2021
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 at initial recognition	1,842,586,499	(3,047,829)
Gain on sale of property and equipment	779,000	13,124,486
Software cost	(374,827,451)	(204,000,633)
Operating lease rental expense	(160,890,433)	(146,570,366)
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	272,334	-
Other provisions (net of reversed amounts)	(437,571,236)	76,937,110
Other income (expense)	102,638,015	41,890,582
Total	**972,986,728**	**(221,666,650)**

12 - Impairment credit losses	December 31, 2022	December 31, 2021
Loans and credit facilities to customers	(3,648,220,032)	(2,229,655,880)
Due from banks	(6,354,614)	5,447,797
Treasury bills	(15,011,830)	6,406,183
Debt instruments at fair value through other comprehensive income	(228,872)	10,502
Debt instruments at amortized cost	3,681,563	(2,669,479)
Other assets	(625,673)	2,184,509
Total	**(3,666,759,458)**	**(2,218,276,368)**

13 - Income tax expense	December 31, 2022	December 31, 2021
Current tax	(5,111,767,622)	(3,358,125,676)
Deferred tax	98,871,341	(42,104,025)
Total	**(5,012,896,281)**	**(3,400,229,701)**

Additional data on deferred tax is disclosed in note 31. Income tax expense is different from the tax that would have arisen had the statutory tax rate been applied on pre-tax accounting profit as shown below:

Profit before tax	15,137,060,403	10,852,267,345
Income tax calculated at 22.5 % tax rate	3,405,838,591	2,441,760,153
Tax impact for:		
Non-taxable income	(75,823,020)	(67,095,245)
Non-deductible expenses for tax purposes	1,416,572,511	899,315,278
Prior-years' tax settlements	(2,324,946)	(784,927)
Recognize of deferred tax assets	(14,420,770)	(22,713,867)
Provision and segregated interest	346,474,037	93,143,832
Tax deductible (10% on dividend income)	35,451,219	14,500,452
Effective income tax expense	**5,111,767,622**	**3,358,125,676**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Tax Position
A) QNB ALAHLI Position:
A-1) Corporate Tax
- The Bank's accounts were tax-inspected and settled with respect to Tax since the beginning of activity till the end of December 31, 2010.
- Years 2011 and 2012 transferred to court.
- Years 2013 till 2020 have been inspected, and the due tax was paid.
- Year 2021 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-2) Salaries Taxes
- The Bank's books have been inspected, and the due tax was paid until year 2020.
- Year 2021 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-3) Stamp duties
- The Bank's books have been inspected, for all branches until July 31, 2006 and all tax was paid.
- Years 2006 till 2019 have been inspected, and the due tax was paid.
- Year 2021 the Bank paid the taxes on the due date and books have not been inspected yet.

(B) EX-MIBank Position:
B-1) Corporate Tax
- The Bank's accounts were tax- inspected, and settled since the beginning of activity till November 30, 2006.

B-2) Salaries Taxes
- The Bank's books have been inspected, and the due tax was paid till November 30, 2006.

B-3) Stamp duties
- The Bank's books have been inspected for all branches until July 31, 2006 and all due tax was paid.
  Period from August 01, 2006 till November 30, 2006 have been inspected, and the due tax was paid.

14- Earnings Per Share	December 31, 2022	December 31, 2021
Net Profit for the year	10,124,164,122	7,452,037,644
Remuneration for the Board Members (from the year's net profit)*	(11,160,700)	(16,000,000)
Staff profit share (from the year's net profit)*	**(1,057,772,118)**	**(747,158,368)**
Profit available to shareholders	9,055,231,304	6,688,879,276
Weighted average number of the shares outstanding during the year	2,154,822,966	2,154,822,966
Earning Per Share	**4.20**	**3.10**

*Based on Profits distribution proposal. The actual amounts will be subject to the ordinary AGM approval.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

15 - Classification and measurement of financial assets and financial liabilities
The following table shows the gross financial assets and financial liabilities (excluding allowances for impairment) according to the business model classification:

December 31, 2022	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	42,595,999,375	-	-	-	42,595,999,375
Due from banks	30,239,210,244	-	-	-	30,239,210,244
Treasury bills	67,847,716,023	-	-	-	67,847,716,023
Loans and credit facilities to customers	230,767,986,793	-	-	-	230,767,986,793
Financial derivatives	-	-	-	23,578,000	23,578,000
Fair value through other comprehensive income	-	14,445,221,533	1,335,739,197	-	15,780,960,730
Amortized cost	91,193,931,697	-	-	-	91,193,931,697
Fair value through profit or loss	-	-	-	73,975,416	73,975,416
Other financial assets	6,331,034,502	-	-	-	6,331,034,502
Total financial assets	**468,975,878,634**	**14,445,221,533**	**1,335,739,197**	**97,553,416**	**484,854,392,780**
Due to banks	3,521,728,022	-	-	-	3,521,728,022
Customer deposits	407,066,800,830	-	-	-	407,066,800,830
Financial derivatives	-	-	-	22,954,635	22,954,635
Other loans	3,459,330,313	-	-	-	3,459,330,313
Other financial liabilities	1,451,169,119	-	-	-	1,451,169,119
Total financial liabilities	**415,499,028,284**	**-**	**-**	**22,954,635**	**415,521,982,919**

December 31, 2021	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	22,641,702,434	-	-	-	22,641,702,434
Due from banks	16,167,980,101	-	-	-	16,167,980,101
Treasury bills	39,370,132,880	-	-	-	39,370,132,880
Loans and credit facilities to customers	184,789,184,408	-	-	-	184,789,184,408
Financial derivatives	-	-	-	36,542,265	36,542,265
Fair value through other comprehensive income	-	14,450,751,513	673,019,675	-	15,123,771,188
Amortized cost	75,296,835,413	-	-	-	75,296,835,413
Fair value through profit or loss	-	-	-	92,549,632	92,549,632
Other financial assets	5,289,774,129	-	-	-	5,289,774,129
Total financial assets	**343,555,609,365**	**14,450,751,513**	**673,019,675**	**129,091,897**	**358,808,472,450**
Due to banks	3,458,687,747	-	-	-	3,458,687,747
Customer deposits	296,239,871,183	-	-	-	296,239,871,183
Financial derivatives	-	-	-	47,683,515	47,683,515
Other loans	2,436,745,862	-	-	-	2,436,745,862
Other financial liabilities	976,808,143	-	-	-	976,808,143
Total financial liabilities	**303,112,112,935**	**-**	**-**	**47,683,515**	**303,159,796,450**

(All amounts are shown in Egyptian Pounds)

16 - Cash and due from Central Bank of Egypt (CBE)	December 31, 2022	December 31, 2021
Cash	5,380,229,395	3,865,988,911
Balances with CBE (mandatory reserve)	37,215,769,980	18,775,713,523
Total	**42,595,999,375**	**22,641,702,434**
Interest free balances	42,595,999,375	22,641,702,434
Total	**42,595,999,375**	**22,641,702,434**

17 - Due from Banks	December 31, 2022	December 31, 2021
Current accounts	1,642,610,333	800,699,686
Deposits	28,596,599,911	15,367,280,415
	30,239,210,244	**16,167,980,101**
Less : Allowance for impairment losses	(14,109,794)	(5,159,881)
Total	**30,225,100,450**	**16,162,820,220**
Balances at CBE other than those under the mandatory reserve	14,689,805,344	12,087,611,100
Local banks	12,742,160,658	2,794,927,333
Foreign Banks	2,807,244,242	1,285,441,668
Less : Allowance for impairment losses	(14,109,794)	(5,159,881)
Total	**30,225,100,450**	**16,162,820,220**
Interest free balances	1,086,943,877	464,091,935
Balances at floating interest rates	555,666,456	336,607,751
Balances at fixed interest rates	28,596,599,911	15,367,280,415
Less : Allowance for impairment losses	(14,109,794)	(5,159,881)
Total	30,225,100,450	16,162,820,220
Current balances	30,225,100,450	16,162,820,220
Total	**30,225,100,450**	**16,162,820,220**

18 - Treasury bills	December 31, 2022	December 31, 2021
91 days maturity	8,386,025,000	18,000,000
182 days maturity	26,167,450,000	6,177,900,000
More than 182 days maturity	37,654,991,980	34,923,496,490
Less : Unearned interest	(4,360,750,957)	(1,749,263,610)
	67,847,716,023	**39,370,132,880**
Less : Allowance for impairment losses	(33,418,324)	(11,532,464)
Total	**67,814,297,699**	**39,358,600,416**

19 - Loans and credit facilities to customers	December 31, 2022			December 31, 2021		
	Total	Allowance for impairment losses	Net	Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	4,131,788,490	(64,693,995)	4,067,094,495	3,116,887,753	(8,216,968)	**3,108,670,785**
Credit cards	1,646,919,864	(65,722,988)	1,581,196,876	1,313,158,233	(57,304,948)	**1,255,853,285**
Personal loans	34,676,804,443	(949,400,304)	33,727,404,139	29,027,478,638	(701,338,722)	**28,326,139,916**
Real estate loans	4,771,482,548	(138,069,156)	4,633,413,392	2,846,058,131	(100,288,425)	**2,745,769,706**
Total (1)	**45,226,995,345**	**(1,217,886,443)**	**44,009,108,902**	**36,303,582,755**	**(867,149,063)**	**35,436,433,692**
Corporate including small loans for businesses						
Overdrafts	90,530,660,672	(2,565,771,479)	87,964,889,193	72,257,197,161	(1,785,635,795)	**70,471,561,366**
Direct loans	69,866,029,869	(9,977,038,963)	59,888,990,906	57,324,135,289	(7,230,060,793)	**50,094,074,496**
Syndicated loans and facilities	22,413,696,002	(203,466,088)	22,210,229,914	15,967,732,199	(114,836,031)	**15,852,896,168**
Other loans	2,730,604,905	(38,320,326)	2,692,284,579	2,936,537,004	(13,642,930)	**2,922,894,074**
Total (2)	**185,540,991,448**	**(12,784,596,856)**	**172,756,394,592**	**148,485,601,653**	**(9,144,175,549)**	**139,341,426,104**
Total loans and credit facilities to customers (1+2)	**230,767,986,793**	**(14,002,483,299)**	**216,765,503,494**	**184,789,184,408**	**(10,011,324,612)**	**174,777,859,796**
Less: Segregated interest			(205,721)			**(205,721)**
Less: Unearned discount and deferred income			(174,717,553)			**(137,107,414)**
Net Loans and credit facilities to customers distributed as follows:			**216,590,580,220**			**174,640,546,661**
Current balances			155,971,868,986			**124,443,977,114**
Non-current balances			60,618,711,234			**50,196,569,547**
Net Loans and credit facilities to customers			**216,590,580,220**			**174,640,546,661**

19-A - Allowance for impairment losses

December 31, 2022

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	**8,216,968**	**57,304,948**	**701,338,722**	**100,288,425**	**867,149,063**
Net impairment loss recognized during the year	61,064,296	15,390,995	261,366,749	37,809,998	**375,632,038**
Loans written-off during the year	(4,587,269)	(6,972,955)	(25,631,878)	(29,267)	**(37,221,369)**
Collection of loans previously written-off	-	-	12,318,997	-	**12,318,997**
Foreign exchange translation differences	-	-	7,714	-	**7,714**
Balance at end of the year	**64,693,995**	**65,722,988**	**949,400,304**	**138,069,156**	**1,217,886,443**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	**1,785,635,795**	**7,230,060,793**	**114,836,031**	**13,642,930**	**9,144,175,549**
Net impairment loss recognized during the year	524,629,225	2,653,035,359	72,198,180	22,725,230	**3,272,587,994**
Loans written-off during the year	-	(972,179,908)	-	-	**(972,179,908)**
Collection of loans previously written-off	-	31,573,983	-	-	**31,573,983**
Foreign exchange translation differences	255,506,459	1,034,548,736	16,431,877	1,952,166	**1,308,439,238**
Balance at end of the year	**2,565,771,479**	**9,977,038,963**	**203,466,088**	**38,320,326**	**12,784,596,856**
Total					**14,002,483,299**

December 31, 2021

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of comparitive year	**54,943,886**	**59,584,077**	**504,482,004**	**45,478,279**	**664,488,246**
Net impairment loss recognized during the year	(27,855,801)	11,039,128	223,804,101	56,180,103	**263,167,531**
Loans written-off during the year	(18,871,117)	(13,318,257)	(37,711,105)	(1,369,957)	**(71,270,436)**
Collection of loans previously written-off	-	-	10,763,735	-	**10,763,735**
Foreign exchange translation differences	-	-	(13)	-	**(13)**
Balance at end of the year	**8,216,968**	**57,304,948**	**701,338,722**	**100,288,425**	**867,149,063**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of comparitive year	**2,095,951,097**	**5,662,544,669**	**624,399,516**	**21,323,884**	**8,404,219,166**
Net impairment loss recognized during the year	(305,551,782)	2,787,817,019	(508,144,397)	(7,632,491)	**1,966,488,349**
Loans written-off during the year	-	(1,230,811,977)	-	-	**(1,230,811,977)**
Collection of loans previously written-off	-	23,380,487	-	-	**23,380,487**
Foreign exchange translation differences	(4,763,520)	(12,869,405)	(1,419,088)	(48,463)	**(19,100,476)**
Balance at end of the year	**1,785,635,795**	**7,230,060,793**	**114,836,031**	**13,642,930**	**9,144,175,549**
Total					**10,011,324,612**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

20- Financial derivatives	December 31, 2022		
(A) Held for trading	**Notional amount**	**Assets**	**Liabilities**
- Forward foreign exchange contracts	1,356,299,058	23,578,000	-
- Swap foreign exchange contracts	-	-	-
Total	**1,356,299,058**	**23,578,000**	**-**
(B) Fair value hedge			
Interest rate swap contracts	1,834,104,525	-	**22,954,635**
Total	**1,834,104,525**	**-**	**22,954,635**
Total	**3,190,403,583**	**23,578,000**	**22,954,635**

	December 31, 2021		
	Notional amount	**Assets**	**Liabilities**
(A) Held for trading			
- Forward foreign exchange contracts	1,761,699,526	-	**58,660,407**
- Swap foreign exchange contracts	1,814,873,752	-	(10,976,892)
Total	**3,576,573,278**	**-**	**47,683,515**
(B) Fair value hedge			
- Interest rate swap contracts	2,202,302,588	36,542,265	-
Total	**2,202,302,588**	**36,542,265**	**-**
Total	**5,778,875,866**	**36,542,265**	**47,683,515**

Forward exchange contracts represent commitments to purchase local and foreign currencies including the unexecuted part of regular-way transactions. Interest rate swap contracts represent commitments to swap fixed interest rate with variable interest rate where the physical exchange of funds is not required except in foreign exchange swaps. The Bank's credit risk represents the cost of potential replacement of the swaps in case other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and percentage of contracted amounts. To control the outstanding credit risk, the Bank assesses counterparties to the contract in the same manner used in lending activities.

Fair value hedge

The Bank uses interest rate swap contracts to mitigate part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies to the extent caused by declining market interest rates.

Net fair value of hedging instruments (Interest rate swap) liability amounted to EGP 22,954,635 as of December 31, 2022 (Asset EGP 36,542,265 in the prior year). Loss resulting from hedging instruments amounted to EGP 59,496,900 (Loss of EGP 69,549,943 in the prior year) and gain arose from the hedged items reached EGP 62,644,219 (Gain of EGP 72,287,104 in the prior year).

(All amounts are shown in Egyptian Pounds)

21- Financial investments

Fair value through other comprehensive income (FVTOCI)	December 31, 2022	December 31, 2021
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	11,419,491,101	13,038,337,361
Listed instruments in foreign stock exchange market	3,025,730,432	1,412,414,152
Total debt instruments measured at fair value through other comprehensive income	**14,445,221,533**	**14,450,751,513**
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	187,691,889	151,884,836
Unlisted instruments in stock exchange market	1,092,365,143	473,971,589
Total equity instruments measured at fair value through other comprehensive income	**1,280,057,032**	**625,856,425**
(C) Money market funds and balanced funds:		
Unlisted instruments in stock exchange market	55,682,165	47,163,250
Total financial investments measured at Fair value through other comprehensive income (1)	**15,780,960,730**	**15,123,771,188**
Amortized cost		
(A) Debt instruments:		
Listed instruments in stock exchange market	89,999,239,328	74,561,890,671
Unlisted instruments in stock exchange market	1,194,692,369	734,944,742
Less : Allowance for impairment losses	(2,437,472)	(5,457,439)
Total Debt instruments measured at amortized cost (2)	**91,191,494,225**	**75,291,377,974**
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
*Unlisted instruments in stock exchange market	73,975,416	92,549,632
Total equity instruments measured at fair value through profit or loss (3)	**73,975,416**	**92,549,632**
Total Financial investments (1+2+3)	**107,046,430,371**	**90,507,698,794**
Current balances	40,865,056,180	8,054,293,547
Non-current balances	66,181,374,191	82,453,405,247
Total financial investment	**107,046,430,371**	**90,507,698,794**
Fixed interest debt instruments	104,515,430,566	89,358,686,881
Variable interest debt instruments	1,121,285,192	383,442,606
Total debt instruments	**105,636,715,758**	**89,742,129,487**

The following table analyzes the movements on financial investments during the year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the current year	**15,123,771,188**	**75,291,377,974**
Additions	11,004,688,640	21,842,887,034
Amortization of premium / discount	(76,120,758)	1,767,042,219
Disposals (sale/redemption)	(11,218,254,607)	(8,142,528,000)
Translation differences resulting from monetary foreign currency denominated assets	995,141,521	429,695,030
Changes in fair value reserve	(48,265,254)	-
Change in Allowance for impairment during the year	-	3,019,968
Balance at the end of the current year	**15,780,960,730**	**91,191,494,225**

The following table analyzes the movements on financial investments during the comparative year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the comparative year	**2,474,382,352**	**46,068,820,147**
Additions	13,569,506,433	36,329,082,500
Amortization of premium / discount	(42,275,391)	238,364,350
Disposals (sale/redemption)	(833,106,833)	(7,341,385,800)
Translation differences resulting from monetary foreign currency denominated assets	(3,395,341)	(833,744)
Changes in fair value reserve	(40,928,209)	-
Re-classification financial investements	(411,823)	-
Change in Allowance for impairment during the year	-	(2,669,479)
Balance at the end of the comparative year	**15,123,771,188**	**75,291,377,974**

Gain on financial investments	December 31, 2022	December 31, 2021
Gain on financial investments at fair value through profit or loss	7,275,311	7,306,886
Gain on selling financial investments at fair value through other comprehensive income	61,223,403	921,699
Gain from selling associate companies	-	692,727
Total	**68,498,714**	**8,921,312**

* The Bank's equity instruments classified in the fair value through other comprehensive income category represent Bank subscribed stake at 5% from the total certificates' number of its QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund) upon its initial offering, in addition to the Bank subscribed stake at 20% from the total certificates' number of its QNB ALAHLI Second Fund with yearly / cumulative return (Tawazon Balanced Fund), in addition to the 20% from the total certificates' number of its QNB ALAHLI Third Fund with yearly / cumulative return (Tadawol Equity Fund) upon its initial offering. All stakes required to be retained by the Bank until maturity of the funds in accordance with the provisions of the law, had a nominal value of EGP 5 million each.

(All amounts are shown in Egyptian Pounds)

22 - Investments in subsidiaries

The following table summarizes the Bank's holdings in its subsidiaries:

December 31, 2022	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	"The Bank's stake"
QNB ALAHLI leasing company (Subsidiary)	Egypt	4,048,827,022	3,445,293,646	486,914,406	136,623,930	144,915,453	99.98%
QNB ALAHLI Life Insurance company (Subsidiary)	Egypt	6,646,182,677	5,813,240,207	399,790,243	276,288,649	69,179,676	99.98%
QNB ALAHLI Asset Management Egypt (Subsidiary)	Egypt	15,386,966	271,327	1,356,408	960,751	1,176,710	97.48%
QNB ALAHLI Factoring Company (Subsidiary)	Egypt	1,132,552,363	798,259,780	171,889,253	3,452,404	324,990,000	99.997%
Total		**11,842,949,028**	**10,057,064,960**	**1,059,950,310**	**417,325,734**	**540,261,839**	

December 31, 2021	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	"The Bank's stake"
QNB ALAHLI leasing company (Subsidiary)	Egypt	3,435,441,132	2,956,211,511	387,552,296	121,551,744	144,915,453	99.98%
QNB ALAHLI Life Insurance company (Subsidiary)	Egypt	5,268,024,050	4,491,512,744	332,710,028	252,789,162	69,179,676	99.98%
QNB ALAHLI Asset Management Egypt (Subsidiary)	Egypt	14,709,660	554,772	1,746,259	1,088,790	1,176,710	97.48%
QNB ALAHLI Factoring Company (Subsidiary)	Egypt	1,204,266,570	873,426,389	131,439,267	2,278,606	324,990,000	99.997%
Total		**9,922,441,412**	**8,321,705,416**	**853,447,850**	**377,708,302**	**540,261,839**	

23 - Intangible assets	December 31, 2022	December 31, 2021
Software		
Net book value at the beginning of the year	275,574,773	188,123,187
Additions	152,706,976	165,002,121
Amortization	(87,029,679)	(77,550,535)
Net book value at the end of the year	**341,252,070**	**275,574,773**

24 - Other assets	December 31, 2022	December 31, 2021
Accrued revenues	6,331,034,502	5,289,774,129
Pre-paid expenses	206,282,390	117,037,475
Advance payments for acquisition of property and equipment	1,066,233,152	1,019,135,045
Foreclosed assets reverted to the bank in settlement of debts	115,536,072	117,586,072
Deposits held with others and custody	21,037,130	20,402,641
Advance payments to tax authority	14,491,072	14,109,284
Others	1,062,254,637	669,643,048
	8,816,868,955	**7,247,687,694**
Less : Expected credit loss (ECL)	(2,343,588)	(1,717,915)
Total	**8,814,525,367**	**7,245,969,779**

25 - Property and Equipment	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
January 1, 2021					
Cost	2,730,399,791	304,964,277	1,112,075,553	290,293,059	4,437,732,680
Accumulated depreciation	(857,387,683)	(150,398,554)	(749,421,081)	(159,586,400)	(1,916,793,718)
Net book value	**1,873,012,108**	**154,565,723**	**362,654,472**	**130,706,659**	**2,520,938,962**
December 31, 2021					
Net book value at the beginning of the year	1,873,012,108	154,565,723	362,654,472	130,706,659	2,520,938,962
Additions	200,808,316	25,687,450	314,804,092	19,674,831	560,974,689
Disposals from property and equipment	(1,690,079)	(1,035,452)	(8,236,795)	(17,303,395)	(28,265,721)
Disposals from accumulated depreciation	1,690,079	1,035,452	8,218,071	17,296,557	28,240,159
Depreciation for the year	(119,558,539)	(20,427,692)	(149,605,914)	(24,458,147)	(314,050,292)
Net book value	**1,954,261,885**	**159,825,481**	**527,833,926**	**125,916,505**	**2,767,837,797**
January 1, 2022					
Cost	2,929,518,028	329,616,275	1,418,642,850	292,664,495	4,970,441,648
Accumulated depreciation	(975,256,143)	(169,790,794)	(890,808,924)	(166,747,990)	(2,202,603,851)
Net book value	**1,954,261,885**	**159,825,481**	**527,833,926**	**125,916,505**	**2,767,837,797**
December 31, 2022					
Net book value at the beginning of the year	1,954,261,885	159,825,481	527,833,926	125,916,505	2,767,837,797
Additions	173,622,316	33,332,400	142,769,181	9,968,147	359,692,044
Disposals from property and equipment	(1,575,596)	-	(26,577,700)	(6,103,502)	(34,256,798)
Disposals from accumulated depreciation	1,373,362	-	26,527,825	6,103,502	34,004,689
Depreciation for the year	(129,105,103)	(23,648,547)	(169,821,433)	(26,526,596)	(349,101,679)
Net book value	**1,998,576,864**	**169,509,334**	**500,731,799**	**109,358,056**	**2,778,176,053**
Balances at December 31, 2022					
Cost	3,101,564,748	362,948,675	1,534,834,331	296,529,140	5,295,876,894
Accumulated depreciation	(1,102,987,884)	(193,439,341)	(1,034,102,532)	(187,171,084)	(2,517,700,841)
Net book value	**1,998,576,864**	**169,509,334**	**500,731,799**	**109,358,056**	**2,778,176,053**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

26 - Due to banks	December 31, 2022	December 31, 2021
Current accounts	373,766,225	340,454,143
Deposits	2,340,731,540	1,944,051,013
Repos transactions	807,230,257	1,174,182,591
Total	**3,521,728,022**	**3,458,687,747**
Central banks	807,230,257	1,174,182,591
Local banks	908	14,803
Foreign banks	2,714,496,857	2,284,490,353
Total	**3,521,728,022**	**3,458,687,747**
Non-interest bearing balances	319,016,137	301,658,920
Variable interest rate balances	54,750,088	38,795,223
Fixed interest rate balances	3,147,961,797	3,118,233,604
Total	**3,521,728,022**	**3,458,687,747**
Current balances	3,521,728,022	3,458,687,747
Total	**3,521,728,022**	**3,458,687,747**

27 - Customer deposits	December 31, 2022	December 31, 2021
Demand deposits	124,192,519,726	94,662,172,764
Time deposits and call accounts	160,626,747,989	95,186,967,277
Term saving certificates	84,911,180,783	70,380,509,275
Saving deposits	30,340,189,452	29,555,115,455
Other deposits*	6,996,162,880	6,455,106,412
Total	**407,066,800,830**	**296,239,871,183**
Corporate deposits	262,386,649,381	171,113,676,075
Retail deposits	144,680,151,449	125,126,195,108
Total	**407,066,800,830**	**296,239,871,183**
Non-interest bearing balances	50,971,825,603	37,223,897,424
Variable interest rate balances	111,896,612,604	98,036,978,427
Fixed interest rate balances	244,198,362,623	160,978,995,332
Total	**407,066,800,830**	**296,239,871,183**
Current balances	337,710,153,778	215,044,505,622
Non-current balances	69,356,647,052	81,195,365,561
Total	**407,066,800,830**	**296,239,871,183**

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 1,313,923,906 as of December 31, 2022 (December 31, 2021 EGP 435,355,323). The fair value of these deposits approximates its carrying amount..

28 - Other loans	December 31, 2022	December 31, 2021
National Bank of Egypt (Epap & Eco)	3,820,977	2,440,983
Commercial International Bank	-	8,394,444
European Bank for Reconstruction and Development	3,391,330,269	2,337,596,368
The Micro, Small and Medium Enterprises Development Agency	64,179,067	88,314,067
Total	3,459,330,313	2,436,745,862
Current balances	889,721,381	1,091,768,300
Non-current balances	2,569,608,932	1,344,977,562
Total	**3,459,330,313**	**2,436,745,862**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

29 - Other liabilities	December 31, 2022	December 31, 2021
Accrued interest	1,451,169,119	976,808,143
Unearned revenues	136,292,043	94,456,624
Accrued expenses	1,308,512,143	979,539,512
Sundry credit balances	2,798,948,263	2,155,497,953
Total	**5,694,921,568**	**4,206,302,232**

30 - Other provisions

Description	Balance at the beginning of the year	Formed during the year	December 31,2022	Foreign currencies translation differences + (-)	Used during the year	Balance at the end of the year
Provision for tax claims	38,880,823	-	-	-	(1,489,819)	37,391,004
Provision for legal claims	18,768,411	-	(5,407,970)	230,924	(4,747,817)	8,843,548
Provision for contingent liabilities	413,479,382	442,549,179	-	19,361,518	-	875,390,079
Provision for fidelity	36,125,405	845,027	-	17,626,962	(5,434,492)	49,162,902
Provision for operational risk	415,000	-	(415,000)	-	-	-
Total	**507,669,021**	**443,394,206**	**(5,822,970)**	**37,219,404**	**(11,672,128)**	**970,787,533**

Description	Balance at the beginning of the year	Formed during the year	December 31,2022	Foreign currencies translation differences + (-)	Used during the year	Balance at the end of the year
Provision for tax claims	38,880,823	-	-	-	-	38,880,823
Provision for legal claims	17,369,196	2,738,139	-	(42,360)	(1,296,564)	18,768,411
Provision for contingent liabilities	498,614,756	-	(85,116,915)	(18,459)	-	413,479,382
Provision for fidelity	31,241,399	5,437,828	-	(30,072)	(523,750)	36,125,405
Provision for operational risk	713,902	3,838	-	-	(302,740)	415,000
Total	**586,820,076**	**8,179,805**	**(85,116,915)**	**(90,891)**	**(2,123,054)**	**507,669,021**

31 - Deferred income tax
Deferred tax has been calculated on all temporary tax differences using the balance sheet method and using the expected tax rate on a time that the Bank will recognize a benefit from assets / incurred liabilities at a tax rate of 22.5% for the current financial Year. The Bank does not offset deferred tax assets and deferred tax liabilities unless the bank has a legally enforceable right to set off current tax assets against current tax liabilities; and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities
Below are the balances and movements of deferred tax assets and liabilities:

	Deferred tax assets		Deferred tax liabilities	
Tax impact on temporary differences arising from:	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Property and equipment	-	-	(142,933,586)	(128,767,291)
Provisions (other than the provision for loan impairment)	334,672,215	219,539,161	-	-
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(177,747,784)	**(83,270,222)**
Others	7,939,274	10,034,692	-	-
Deferred tax assets (liabilities)	**342,611,489**	**229,573,853**	**(320,681,370)**	**(212,037,513)**
Net balance of DTA (DTL)	**21,930,119**	**17,536,340**		

Movement of deferred tax assets and liabilities:	Deferred tax assets		Deferred tax liabilities	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Beginning balance	229,573,853	245,679,747	(212,037,513)	(202,405,352)
DT recognized / utilized during the year	113,037,636	(16,105,894)	(108,643,857)	(9,632,161)
Closing balance	**342,611,489**	**229,573,853**	**(320,681,370)**	**(212,037,513)**

Balances of deferred tax assets (liabilities) recognized directly in equity	December 31, 2022	December 31, 2021
Differences in fair value of financial investments at fair value through other comprehensive income	(177,747,784)	(83,270,222)

32 - Defined benefits obligation	December 31, 2022	December 31, 2021
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	565,184,100	543,536,132
Amounts recognized in the income statement:		
Post-retirement medical benefits	58,393,290	64,057,912
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	499,198,065	391,514,233
Unrecognized actuarial gain	65,986,035	152,021,899
	565,184,100	**543,536,132**
Liability movements during the year are represented as follows:		
Balance at the beginning of the financial year	543,536,132	513,228,220
Current service cost	4,472,992	4,390,533
Interest cost	52,430,234	48,846,999
Actuarial gain/losses	1,490,064	10,820,380
Benefits paid	(36,745,322)	(33,750,000)
	565,184,100	**543,536,132**
Amounts recognized in the income statement are shown below:		
Current service cost	4,472,992	4,390,533
Interest cost	52,430,234	48,846,999
Actuarial gain/losses recognized during the year	1,490,064	10,820,380
	58,393,290	**64,057,912**

The main actuarial assumptions used by the Bank are outlined below:	December 31, 2022	December 31, 2021
Discount rate (two plans):		
A- QNB ALAHLI current employees plan	17.00%	14.70%
B-Ex-MIBank retirees plan	17.00%	14.70%
QNB ALAHLI -long term increase in the cost of medical care (on top of inflation)	11.00%	7.60%
Ex-MIBank - long term increase in the cost of medical care (on top of inflation)	11.00%	7.60%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost	DBO
Post-retirement medical benefits	9.86%	8.71%

33 - Issued and paid-up capital
(A) Authorized Capital

- The authorized capital amounts to EGP 15 billion.

(B) 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, 2022 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.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

34 - Reserves and retained earnings

(1) Reserves	December 31, 2022	December 31, 2021
General reserve (a)	23,979,176,120	19,533,050,946
General banking risk reserve (b)	1,669,066	153,028,333
Legal reserve (c)	2,790,716,593	2,418,770,935
Fair value reserve (d)	237,308,338	379,822,282
Special reserve (e)	12,856,666	12,856,666
Capital reserve	42,271,621	29,147,135
General risk reserve	21,453,923	21,453,923
Total reserves at the end of the year	**27,085,452,327**	**22,548,130,220**

Reserve movements are as follows:

(a) General reserve	December 31, 2022	December 31, 2021
Balance at the beginning of the financial year	19,533,050,946	15,104,078,670
Transferred from retained earnings	4,446,125,174	4,428,972,276
Balance at the end of the year	23,979,176,120	19,533,050,946
(b) General banking risk reserve		
Balance at the beginning of the year	153,028,333	1,169,066
Transferred to / from retained earnings	(151,359,267)	151,859,267
Balance at the end of the year	**1,669,066**	**153,028,333**

General bank risk reserve represent the difference between the allowance required for impairment losses as per CBE credit worthiness rules and the allowance as required by the expected credit loss which recognized in financial statements .

In accordance with the instructions of the Central Bank of Egypt, the general banking risk reserve is supported annually by 10% of the value of the assets owned by the Bank in return for debt if these assets are not disposed of within the period specified in the law.

	December 31, 2022	December 31, 2021
(c) Legal Reserve		
Balance at the beginning of the year	2,418,770,935	2,049,233,783
Transferred from the net profit of the prior year	371,945,658	369,537,152
Balance at the end of the year	**2,790,716,593**	**2,418,770,935**

According to the provisions of local laws, 5% of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 100% of the bank's capital.

(d) Fair Value Reserve	December 31, 2022	December 31, 2021
Balance at the beginning of the year	379,822,282	404,806,846
Net change in fair value (Note 21)	(48,265,254)	(40,928,209)
Impairment losses on debt instruments at fair value through other comprehensive income	228,872	(10,502)
Transferred to retained earnings	-	(411,823)
Deferred tax recognized during the year (Note 31)	(94,477,562)	16,365,970
Balance at the end of the year	**237,308,338**	**379,822,282**

(e) Special Reserve

The application of the CBE new basis rules of preparation and presentation of financial statements as well as the modified principles of recognition and measurement requires to restate the comparative figures of the first financial year that have been impacted by this change, including comparative figures in the balance sheet and the income statements for the previous year as the impact of adjustment is positive, such impact was carried directly to retained earnings then transferred to the special reserve in equity and shall not be used except by approval from CBE. The following is a breakdown of the items that generated the special reserve amount:

	December 31, 2022	December 31, 2021
Amortized cost method using EIR for held to maturity investments	253,607	253,607
Amortized cost method using EIR for Available-for-sale investments	393,930	393,930
Deferred tax (Tax impact on adjustment)	(4,249,739)	(4,249,739)
Available-for-sale investments (Equity instruments)	16,458,868	16,458,868
Total	**12,856,666**	**12,856,666**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(2) Profit for the year and retained earnings	December 31, 2022	December 31, 2021
Movements on retained earnings:		
Balance at the beginning of the year	11,729,469,816	10,064,231,043
Net profit of the financial Year	10,124,164,122	7,452,037,644
Previous year's profit distribution	(1,616,117,225)	-
Employees' profit share	(747,158,368)	(739,074,304)
Board of directors' remuneration	(16,000,000)	(16,000,000)
Banking System Support and Development Fund	(72,873,731)	(73,907,430)
Transferred to capital reserve	(13,124,486)	(7,767,605)
Transferred to general reserve	(4,446,125,174)	(4,428,972,276)
Transferred to legal reserve	(371,945,658)	(369,537,152)
Transferred from fair value reserve, net of tax	-	319,163
Transferred from / to general banking risk reserve	151,359,267	(151,859,267)
Balance at the end of the year	**14,721,648,563**	**11,729,469,816**

35 - Cash and cash equivalents
For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from placement or acquisition date.

	December 31, 2022	December 31, 2021
Cash and balances with central banks	5,380,229,395	3,865,988,911
Due from banks in less than 3 months	30,239,210,244	13,474,978,101
Treasury bills and other governmental notes (91 days)	8,219,953,905	17,695,731
Total	**43,839,393,544**	**17,358,662,743**

36 - Contingent liabilities and other commitments
(a) Legal claims (litigation)
Several lawsuits were brought against the Bank and are still outstanding as of December 31, 2022. No provision has been formed since it is not probable that the Bank will incur losses in regard of these lawsuits.

(b) Capital commitments:
The Bank is a party to contracts for capital commitments amounting to EGP 1,002,721,195 as of December 31, 2022 (EGP 945,038,280 on December 31, 2021). These represent commitments by the Bank for the purchases of buildings and equipment. Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

(c) Commitments for guarantees
The Bank's commitments for loans, guarantees and facilities are set out below:

	December 31, 2022	December 31, 2021
Financial guarantees	255,000	255,000
Accepted papers	1,878,129,718	3,146,172,197
L/Gs	49,406,278,293	43,455,458,358
Import L/Cs	3,106,055,000	4,075,491,328
Export L/Cs	100,288,484	504,098,326
Total	**54,491,006,495**	**51,181,475,209**

(d) Commitments for credit facilities	December 31, 2022	December 31, 2021
Commitments for credit facilities	24,355,577,867	28,833,545,274

(e) Commitments under operating lease contracts
Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	December 31, 2022	December 31, 2021
Not more than one year	153,387,944	131,665,156
More than one year and less than 5 years	350,799,600	310,148,730
More than 5 years	128,175,885	66,550,198
Total	**632,363,429**	**508,364,084**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

37 - Related-party transactions
Qatar National Bank (Q.P.S.C.) is the ultimate parent and controlling party as at the end of the reporting Year which owns 94.97% of the bank's ordinary shares whereas the remaining 5.03% are held by other shareholders.
A number of transactions have been conducted during the reporting Year with related parties within the bank's normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions with the parent company other than the payment of dividends on ordinary shares:

QNB Group	December 31, 2022	December 31, 2021
Due from banks	36,447,035	4,101,286
Due to banks	2,605,843,696	2,197,806,671
Export LC	843,750	25,497,885
LGs for banks	7,917,607,811	5,760,343,308
Foreign exchange derivative	-	1,814,873,752
Interest rate swap	1,834,104,525	2,202,302,588
Administrative expenses	231,256,711	169,133,060

A - Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Outstanding loans at the beginning of the financial year	111	111	3,275,523,072	2,575,167,881
Loans issued during the financial year	-	-	2,187,816,365	1,584,498,614
Loans repayment during the financial year	-	-	(1,435,139,686)	(884,143,423)
Loans outstanding at the end of the financial year	**111**	**111**	**4,028,199,751**	**3,275,523,072**
Interest income on loans	-	-	386,820,903	238,474,138

* No provisions have been recognized in respect of loan provided to related parties.

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
Loans and credit facilities to related parties can be analyzed below	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Overdrafts	111	111	-	76
Revolving term loan	-	-	3,917,365,760	3,161,467,063
Visa card	-	-	-	15,338
Direct loans	-	-	110,833,991	114,040,595
Total	**111**	**111**	**4,028,199,751**	**3,275,523,072**

B - Deposits from related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Deposits outstanding at the beginning of the financial year	85,022,402	73,059,484	747,909,065	575,404,995
Changes in board members	(76,411,375)	-	-	-
Deposits for sold associates compaines	-	-	-	(5,054,948)
Deposits placed during the year	9,159,086	21,111,391	161,380,972	244,223,241
Deposits repaid during the year	(6,001,518)	(9,148,473)	(84,925,698)	(66,664,223)
Deposits outstanding at the end of the financial year	**11,768,595**	**85,022,402**	**824,364,339**	**747,909,065**
Interest expense on deposits	451,886	2,112,388	27,456,905	22,006,011

Deposits from related parties can be analyzed below	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Demand Deposits	1,202,901	29,551,187	31,592,358	25,691,674
Saving account	666,247	511,608	-	-
Certificates of deposits	8,688,756	7,276,000	375,926,476	422,354,879
Time Deposits	1,210,691	47,683,607	416,845,505	299,862,512
Total	**11,768,595**	**85,022,402**	**824,364,339**	**747,909,065**

(All amounts are shown in Egyptian Pounds)

C - Other transactions with related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Fee and commission income	-	875	17,478,482	9,288,485
Guarantees issued by the bank	-	-	24,792,802	76,816,070
The above guarantees comprise:				
LGs	-	-	3	3
LCs	-	-	24,792,799	76,816,067
Total	**-**	**-**	**24,792,802**	**76,816,070**

The pricing for related parties' transactions are the same for other parties.

In accordance with the instructions of the Central Bank of Egypt (CBE) rules in 23 August 2011. The monthly average of net salaries and benefits for top 20 employees with the largest salaries and benefits reached (EGP 7,206,884) during the current year.

38- Money Market and balanced Funds

A - QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund)

The Bank has set up an investment fund under the name of "THEMAR" with daily accumulated interest as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

THEMAR initial offering was for one million certificates at nominal value of EGP 100 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. EFG HERMES is managing this fund.

Total number of the outstanding certificates at Decembr 31, 2022 reached 10,061,960 at a total value of EGP 4,921,566,247 The Bank currently holds 201,240 certificates worth of EGP 98,431,716 of which EGP 24,456,300 classified as fair value through other comprehensive income that represent 5% from the total number of certificates that were initially issued, whereas the remaining value of EGP 73,975,416 which represents 2% of the increase in fund's net asset value since initial subscription are classified as fair value through profit or loss.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 27,189,984 have been reported in the "fees and commission income" line item in the income statement.

B - QNB ALAHLI Second Fund with periodly / cumulative return (Tawazon Balanced Fund)

The Bank has set up an investment fund under the name of Tawazon Fund with periodic income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tawazon initial offering was for two hundred and fifty thousand certificates amounting to EGP 25 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. Beltone Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2022 reached 61,890 at a total value of EGP 17,132,099 The Bank currently holds 50,000 certificates worth of EGP 13,840,765 that are classified as fair value through other comprehensve income and represent 20% of the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 97,538 have been reported in the "fees and commission income" line item in the income statement.

C - QNB ALAHLI Third Fund with periodly / cumulative return (Tadawol Equity Fund)

The Bank has set up an investment fund under the name of Tadawol Fund with periodic accumulated income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tadawol certificates were offered in a public offering amounting to EGP 25 million distributed over two hundred and fifty thousand certificates with a nominal value of EGP 100 each, subscriptions have only covered a number of one hundred and twenty five thousand certificates amounting to EGP 12.5 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by the bank at that time. HC Fund Manager Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2022 reached 102,900 at a total value of EGP 35,778,536 The Bank currently holds 50,000 certificates worth of EGP 17,385,100 that are classified as fair value through other comprehensive income and represent 40% from the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current Year amounting to EGP 195,366 have been reported in the "fees and commission income" line item in the income statement.

39- Important Events

Qatar National Bank Al Ahli is following the developments of the crisis between Russia and Ukraine and its impact on the Egyptian economy and the reflection of that crisis on the bank's clients in the different economic and sectors of activities. Accordingly, the bank is continuing to implement the internal protection measures by monitoring and reviewing the level of provisions as well as the portfolio coverage ratio to mitigate the impact on the loans portfolio.

It is worth to highlight that despite the decline of the Corona Virus ("COVID-19") pandemic worldwide due to the success in vaccinating citizens in many countries, including Egypt, the Bank is closely monitoring the situation through the business continuity plan and the other risk management practices.

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co.
Public Accountants & Advisers

AUDITORS' REPORT
To the Shareholders of QNB Al Ahli Bank (S.A.E.)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of QNB Al Ahli Bank (S.A.E.) and its subsidiaries (the group) which comprise the consolidated financial position as at December 31, 2022 and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Bank's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations, management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the group as of December 31. 2022. its consolidated financial performance, and its consolidated cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these consolidated financial statements.

Auditors

Ehab Mohamed Fouad Abouelmagd
Financial Regulatory Authority No.(378)
KPMG Hazem Hassan
Public Accountants & Consultants

Mohanad T. Khaled
Fellow of ACCA
Fellow of ESAA
Fellow of ETS
R.A.A. 22444
FRA No. 375
BDO Khaled & Co.
Public Accountants & Consultants

Cairo, 11 January 2023

QNB ALAHLI S.A.E
Consolidated Statement of Financial Position
As at 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2022	December 31, 2021
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	42,596,032,921	22,641,706,445
Due from banks	(17)	31,326,220,690	17,311,427,927
Treasury bills	(18)	68,366,837,159	40,037,854,401
Trading investments	(19)	78,540,429	409,760,928
Loans and credit facilities to customers	(20)	213,959,455,946	172,828,554,467
Financial derivatives	(21)	23,578,000	36,542,265
Financial Investments:			
• Fair value through other comprehensive income	(22)	15,780,960,730	15,123,771,188
• Amortized cost	(22)	94,979,319,090	77,380,468,113
• Fair value through profit or loss	(22)	83,690,926	92,563,379
Intangible assets	(23)	346,865,830	282,189,711
Other assets	(24)	8,899,855,368	7,217,604,583
Deferred tax assets	(32)	58,157,064	70,602,319
Finance lease		3,936,981,927	3,298,372,384
Property and equipment	(25)	2,843,399,483	2,837,249,783
Total assets		**483,279,895,563**	**359,568,667,893**
Liabilities and equity:			
Liabilities:			
Due to banks	(26)	3,521,728,022	3,458,687,747
Customer deposits	(27)	406,242,436,492	295,491,962,118
Financial derivatives	(21)	22,954,635	47,683,515
Other loans	(28)	3,559,635,254	2,882,244,636
Other liabilities	(29)	6,008,418,479	4,434,170,818
Other provisions	(30)	1,000,675,629	526,745,974
Insurance policyholders' rights	(31)	5,264,358,668	4,034,207,132
Current income tax payable		2,996,613,445	1,773,988,334
Defined benefits obligation	(33)	565,184,100	543,536,132
Total liabilities		**429,182,004,724**	**313,193,226,406**
Equity:			
Issued and paid-up capital	(34)	10,774,114,830	10,774,114,830
Reserves	(35)	27,116,090,602	22,578,768,494
Profit for the year and retained earnings	(35)	16,207,644,135	13,022,516,998
Total equity attributable to equity holders of the bank		**54,097,849,567**	**46,375,400,322**
Non-controlling interests		41,272	41,165
Total equity		**54,097,890,839**	**46,375,441,487**
Total liabilities and equity		**483,279,895,563**	**359,568,667,893**

Mohamed Bedeir
Chief Executive Officer

Ali Rashid Al-Mohannadi
Chairman of the Board of Directors

The accompanying notes from (1) to (40) are an integral part of these Consolidated Financial Statements.
(Auditor's report attached).

QNB ALAHLI S.A.E
Consolidated Income Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2022 To December 31, 2022	From January 01, 2021 To December 31, 2021
Interest on loans and similar income	(6)	44,000,629,048	32,133,183,101
Cost of deposits and similar expense	(6)	(24,032,264,447)	(16,793,233,474)
Net interest income		**19,968,364,601**	**15,339,949,627**
Fee and commission income	(7)	3,837,929,657	3,006,450,773
Fee and commission expense	(7)	(1,389,406,922)	(976,522,061)
Net interest, fee and commission income		**22,416,887,336**	**17,369,878,339**
Dividend income	(8)	56,567,743	46,377,599
Net trading income	(9)	464,267,198	118,866,108
Gain on financial investments	(22)	69,209,665	8,340,418
Impairment credit losses	(12)	(3,726,045,427)	(2,272,999,951)
Administrative expenses	(10)	(5,129,665,655)	(4,171,937,548)
Other operating revenues (expenses)	(11)	1,340,015,579	36,525,948
Share of results of associates		-	(141,309)
Profit before income tax		**15,491,236,439**	**11,134,909,604**
Income tax expense	(13)	(5,140,777,332)	(3,508,353,179)
Net profit for the year		**10,350,459,107**	**7,626,556,425**
Attributable to:			
Equity holders of the Bank		10,350,459,000	7,626,556,355
Non-controlling interests		107	70
Net profit for the year		**10,350,459,107**	**7,626,556,425**
Earnings per share	(14)	4.20	3.10

Mohamed Bedeir
Chief Executive Officer

Ali Rashid Al-Mohannadi
Chairman of the Board of Directors

The accompanying notes from (1) to (40) are an integral part of these Consolidated Financial Statements.

QNB ALAHLI S.A.E
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	From January 01, 2022 To December 31, 2022	From January 01, 2021 To December 31, 2021
Net profit for the year	10,350,459,107	7,626,556,425
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	662,719,522	53,991,850
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(139,138,551)	4,425,067
Amount transferred to retained earning, net of tax	-	(319,163)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(710,984,774)	(94,920,057)
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	44,660,988	11,848,243
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	228,872	(10,502)
Total other comprehensive income items for the year net of tax	**(142,513,943)**	**(24,984,562)**
Total comprehensive income for the year, net of tax	**10,207,945,164**	**7,601,571,863**
Attributable to:		
Equity holders of the Bank	10,207,945,057	7,601,571,793
Non-controlling interests	107	70
Total comprehensive income for the year, net of tax	**10,207,945,164**	**7,601,571,863**

The accompanying notes from (1) to (40) are an integral part of these Consolidated Financial Statements.

QNB ALAHLI S.A.E
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Issued and Paid Up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Reserve for Transactions Under Common Control	Fair Value Reserve
Balance at 1 January 2021	10,774,114,830	2,049,233,783	15,104,078,670	39,494,455	21,379,530	4,000,483	404,806,848
Transfer to reserves and retained earnings	-	369,537,152	4,428,972,276	-	7,767,605	-	-
Dividend distributions	-	-	-	-	-	-	-
Net Change in Other Comprehensive Income	-	-	-	-	-	-	(24,665,399)
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	-	-	-	-	(319,163)
Net profit for the year	-	-	-	-	-	-	-
Transfer to general banking risk reserve	-	-	-	-	-	-	-
Balance at 31 December 2021	**10,774,114,830**	**2,418,770,935**	**19,533,050,946**	**39,494,455**	**29,147,135**	**4,000,483**	**379,822,286**
January 1, 2022	**10,774,114,830**	**2,418,770,935**	**19,533,050,946**	**39,494,455**	**29,147,135**	4,000,483	379,822,286
Transfer to reserves and retained earnings	-	371,945,658	4,446,125,174	-	13,124,486	-	-
Dividend distributions	-	-	-	-	-	-	-
Net Change in Other Comprehensive Income	-	-	-	-	-	-	(142,513,943)
Net profit for the year	-	-	-	-	-	-	-
Transfer from general banking risk reserve	-	-	-	-	-	-	-
Balance at 31 December 2022	**10,774,114,830**	**2,790,716,593**	**23,979,176,120**	**39,494,455**	**42,271,621**	**4,000,483**	**237,308,343**

	General Banking Risk Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Year	Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Total
Balance at 1 January 2021	1,169,067	21,453,923	3,725,448,559	7,491,517,830	39,636,697,978	41,095	**39,636,739,073**
Transfer to reserves and retained earnings	-	-	1,822,052,185	(6,628,329,218)	-	-	**-**
Dividend distributions	-	-	-	(863,188,612)	(863,188,612)	-	**(863,188,612)**
Net Change in Other Comprehensive Income	-	-	-	-	(24,665,399)	-	**(24,665,399)**
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	319,163	-	-	-	**-**
Net profit for the year	-	-	-	7,626,556,355	7,626,556,355	70	**7,626,556,425**
Transfer to general banking risk reserve	**151,859,264**	**-**	**-**	**(151,859,264)**	**-**	**-**	**-**
Balance at 31 December 2021	**153,028,331**	**21,453,923**	**5,547,819,907**	**7,474,697,091**	**46,375,400,322**	**41,165**	**46,375,441,487**
January 1, 2022	153,028,331	21,453,923	5,547,819,907	7,474,697,091	46,375,400,322	41,165	**46,375,441,487**
Transfer to reserves and retained earnings	-	-	158,005,961	(4,989,201,279)	-	-	**-**
Dividend distributions	-	-	-	(2,485,495,812)	(2,485,495,812)	-	**(2,485,495,812)**
Net Change in Other Comprehensive Income	-	-	-	-	(142,513,943)	-	**(142,513,943)**
Net profit for the year	-	-	-	10,350,459,000	10,350,459,000	107	**10,350,459,107**
Transfer from general banking risk reserve	(151,359,267)	-	151,359,267	-	-	-	**-**
Balance at 31 December 2022	**1,669,064**	**21,453,923**	**5,857,185,135**	**10,350,459,000**	**54,097,849,567**	**41,272**	**54,097,890,839**

QNB ALAHLI S.A.E
Consolidated Statement Of Cash Flows
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2022	December 31, 2021
Cash flows from operating activities			
Profit before tax		15,491,236,439	11,134,909,604
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	443,424,189	398,981,392
Impairment credit losses	(12)	3,726,045,427	2,272,999,951
Loans written off during the year		(1,123,041,634)	(1,536,669,915)
Recovery from loans previously written off		44,172,420	34,144,222
Net formed / (reversed) other provisions		448,577,836	(69,835,320)
Utilized provisions other than loans provision		(11,885,554)	(2,966,917)
Translation differences of other provisions in foreign currencies		37,237,373	(90,912)
Translation differences of other Financial assets provisions in foreign currencies other than loans provision		10,130,924	-
Translation differences resulting from monetary foreign currency investments		(1,424,836,548)	4,229,087
Amortization of premium / discount for bonds		(1,605,018,188)	(180,745,709)
Insurance policyholders' rights provisions		1,230,151,536	786,871,506
(Gain) on sale of Property and Equipment		(779,000)	(13,124,486)
Dividend income	(8)	(56,567,743)	(46,377,599)
Share of results of associates applying the equity method		-	141,309
Gain on financial investments	(22)	(69,209,665)	(8,340,418)
Operating profits before changes in assets and liabilities resulting from operating activities		**17,139,637,812**	**12,774,125,795**
Net decrease / increase in assets and liabilities			
Due from banks		(15,694,739,857)	(7,448,151,539)
Treasury bills		(20,260,583,287)	2,069,250,919
Trading investments		331,220,499	(348,658,667)
Loans and credit facilities to customers		(43,760,439,788)	(9,973,659,053)
Financial derivatives		(11,764,615)	61,728,823
Financial investement recognized at fair value through profit or loss		8,872,453	(20,803,776)
Other assets		(1,668,101,929)	(2,985,887,641)
Due to banks		63,040,275	(680,148,211)
Customer deposits		110,750,474,374	62,170,203,135
Other liabilities		1,501,373,930	932,053,311
Defined benefits obligation		21,647,968	30,307,912
Net change Leased assets		(638,609,543)	(469,811,076)
Income tax paid		(4,000,184,530)	(3,016,720,305)
Net cash flows resulting from operating activities (1)		**43,781,843,762**	**53,093,829,627**
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(514,511,452)	(728,380,713)
Proceeds from sale of Property and Equipment		1,040,444	13,152,470
Proceeds from financial investments other than held for trading investments		19,525,650,272	8,353,934,074
Acquisition of financial investments other than held for trading investments		(34,727,871,674)	(50,632,848,933)
Proceeds from sale of investments in associates		-	2,539,977
Dividends received		41,812,093	45,431,599
Net cash flows used in investing activities (2)		**(15,673,880,317)**	**(42,946,171,526)**
Cash flows from financing activities			
Other loans		677,390,618	(922,392,114)
Dividends paid		(2,412,622,081)	(863,188,612)
Net cash flows used in financing activities (3)		**(1,735,231,463)**	**(1,785,580,726)**
Net increase in cash and cash equivalents during the year (1+2+3)		**26,372,731,982**	**8,362,077,375**
Cash and cash equivalents at the beginning of the year		17,547,190,335	9,185,112,960
Cash and cash equivalents at the end of the year	**(37)**	**43,919,922,317**	**17,547,190,335**
Cash and cash equivalents at end of the year are represented in :			
Cash and due from Central Bank of Egypt	(16)	42,596,032,921	22,641,706,445
Due from banks	(17)	31,340,375,945	17,317,515,913
Treasury bills		68,400,255,483	40,049,386,865
Balances with Central Bank of Egypt (mandatory reserve)		(37,215,769,980)	(18,775,713,523)
Balances Due from banks with maturities more than 3 months		(1,097,045,400)	(3,842,362,000)
Treasury bills with maturity more than 3 months		(60,103,926,652)	(39,843,343,365)
Cash and cash equivalents at end of the year		**43,919,922,317**	**17,547,190,335**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

1. Background:
QNB ALAHLI "S.A.E" ("The Bank") was incorporated as an investment and commercial bank on April 13, 1978, in accordance with the provisions of the Investment Law no 43 of 1974 and its executive regulations and the amendments thereon. The Bank provides all banking services related to its activity, through its Head Office located in 5 Champlion Street - Downtown - Cairo and its 231 branches served by 6,970 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).

These consolidated financial statements were approved by the Board of Directors on January 11, 2023.

2 Summary of significant accounting policies:
2.1 Basis of preparation of the consolidated financial statements
These consolidated financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

These consolidated financial statements have been prepared in accordance with the applicable laws of Egypt.

2.2.1 Basis of Combinations
Acquisitions of subsidiaries and businesses are accounted for using the purchase method unless the transaction does not constitute an acquisition in form or substance. Application of the purchase method involves the following steps:

- Identifying an acquirer;
- Measuring the cost of the business combination;
- And allocating, at the acquisition date, the cost of the combination to the assets acquired, liabilities and contingent liabilities assumed.

On acquisition date where control is obtained, the cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree, in addition to any costs directly attributable to the business combination.

Thus, the acquirer recognizes the acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, that are recognized and measured at the lower of their carrying amounts, or fair value less costs to sell.

Goodwill arising on acquisition date is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The non-controlling interest in an acquiree is initially measured at the non-controlling interest proportionate share in the fair value of the assets, liabilities and contingent liabilities recognized at acquisition date.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the acquirer includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

A business combination agreement may allow for adjustments to the cost of the combination that are contingent on one or more future events. The acquirer usually estimates the amount of any such adjustment at the time of initially accounting for the combination, even though some uncertainty exists. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is adjusted accordingly.

However, when a business combination agreement provides for such an adjustment, that adjustment is not included in the cost of the combination at the time of initially accounting for the combination if it either is not probable or cannot be measured reliably. If that adjustment subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

In case of a business combination - made through step acquisitions for a Group reorganization purposes - involving entities or businesses under common control in which all of the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the business combination, the acquirer recognizes the identifiable assets, liabilities and contingent liabilities that meet the recognition criteria at their carrying amounts previously reported at the books of the Group with common control.

Any difference between the consideration paid or transferred and the carrying amounts of the acquiree's net assets and contingent liabilities is reflected within equity as a reserve for transactions under common control. This policy is also applied in case of the groups' full or partial acquisition of shares held by the non-controlling interests in a subsidiary or the partial disposition of the Group's interest in a subsidiary while retaining control over that subsidiary.

Therefore, no adjustments are made to reflect new fair value at the date of the combination; rather fair value for net assets, and contingent liabilities acquired in such cases shall be determined based on the fair value that was previously determined when control was initially obtained, as adjusted by any changes in equity components that have occurred during the period from the date when control was initially obtained up to the date when control has increased or decreased.

Since combinations of entities or businesses under common control are scoped out of the CBE basis of preparation and presentation of the banks financial statements, EAS (29) and IFRS (3) Business Combinations, management applied the requirements of EAS (5) and IAS (8), which allows it, in the absence of a specific Standard or Interpretation specifically addressing certain transaction, event or other circumstances, to set and develop an appropriate accounting policy that results in information that is more reliable and relevant to the economic decisions making needs of the financial statements users.

2.2.2 Transactions Eliminated on Consolidation
Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Loss of Control
Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments, depending on the level of influence retained.

2.2.4 Basis of presentation of consolidation
The consolidated financial statements of the Group incorporate the financial statements of QNB ALAHLI (Parent) and entities controlled by the Bank (its Subsidiaries) at the end of each reporting date.

A Subsidiary is an entity (including Special Purpose Entities) that is controlled, directly or indirectly, by the bank (Parent). Control exists when the Bank has the power, to govern the financial and operating policies of an entity to obtain benefits from its activities. This is usually achieved when the bank owns, directly or indirectly, through subsidiaries, more than half of the voting power of an entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

The Group fully consolidates its subsidiaries from the effective date in which control is obtained and deconsolidates them when such control ceases to exist.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of a Group entity to bring its accounting policies into line with those used by other members of the Group.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination. Losses applicable to owners of the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that owners of the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

Since QNB ALAHLI incorporated QNB ALAHLI Factoring Company in which it owns 99.997% of its capital, increased its interest in QNB ALAHLI Leasing Company to 100%, and increased in QNB ALAHLI Life Insurance Company to 100% instead of 25%, and increased in QNB ALAHLI Asset Management Egypt Company to 100% instead of 4.875%,therefore, the full consolidation basis has been used for the preparation of the Group accompanying consolidated financial statements which comprise the financial statements of QNB ALAHLI (the parent) and its subsidiaries, QNB ALAHLI Factoring, QNB ALAHLI Leasing Company, QNB ALAHLI Life Insurance Company and QNB ALAHLI Asset Management Egypt Company from the date in which control over each subsidiary was obtained.

Non-controlling interest in these consolidated financial statements represents interests held by investors other than QNB ALAHLI in the subsidiaries. Information on subsidiaries is set out below.

Company name	Origin Country	Year of controlling (Acquisition or Incorporation)	Group Stake %
QNB ALAHLI Factoring Company	Egypt	2012	99.997
QNB ALAHLI Leasing Company	Egypt	2012	100
QNB ALAHLI Life Insurance Company	Egypt	2014	100
QNB ALAHLI Asset Management Egypt Company	Egypt	2014	100

2.2.5 Investments in associates
An associate is an entity over which the Group has significant influence that is not control or joint control. Significant influence exists where the bank holds voting rights of 20% to 50% in an entity.

Acquisitions of Associates are accounted for using the purchase method; goodwill arising on acquisition of an associate, if any, is not presented separately, but is rather included within the carrying amount of the investment. Investments in associates are accounted for subsequently in the consolidated financial statements using the equity method.

According to the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and is subsequently adjusted to recognize the Group's share in profit or loss, and other changes in the net assets, of the associate.

2.3 Segment reporting
An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

The Bank is divided into two main business lines, which are corporate banking and retail banking. In addition, a corporate center acts as a central funding department for the bank's core businesses. The dealing room, proprietary activity and other non-core businesses are reported under the corporate banking business line.

For the purpose of preparation of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the branches. Given that the bank does not have any entity abroad, and unless otherwise stated in a specific disclosure, all equity and debt instruments of the bank issued by foreign institutions and credit facilities granted to foreign counterparties are reported based on the location of the domestic branch where such assets are recorded.

2.4 Foreign currency translation
2.4.1 Functional and presentation currency
The consolidated financial statements of the Group are presented in the Egyptian Pound which is the Bank's functional and presentation currency.

2.4.2 Transactions and balances in foreign currencies
The Bank maintains its accounting records in Egyptian Pounds. Transactions in foreign currencies during the period are translated into the Egyptian Pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at end of reporting period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held for trading assets and liabilities;
- Other operating revenues (expenses) from the remaining assets and liabilities;
- Investments in equity instrument recognized at fair value through other comprehensive income in equity

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as FVTOCI assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement in "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the "Fair value revaluation reserve" in Other comprehensive income.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as FVTOCI are recognized directly in equity in the "Fair value reserve" in Other Comprehensive Income.

Leased assets denominated in foreign currency which the group leases to others are measured at historical cost and translated to Egyptian Pounds using the exchange rates prevailing at the dates of the initial recognition.

2.5 Financial assets
Financial assets are classified at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

2.5.1 Financial assets classified as amortized cost
The financial asset is retained in the business model of financial assets held to collect contractual cash flow. The objective from this business model is to collect contractual cash flow which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument.
- Lowest sales in terms of rotation and value.
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard

2.5.2 Financial assets classified as fair value through other comprehensive income
The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales. Held to collect contractual cash flows and sales are integrated to achieve the objective of the model. Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

2.5.3 Financial assets classified as fair value through profit or loss
The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale. The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. Collecting contractual cash flows is an incidental event for the objective of the model.

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs.
- Represents a complete framework for a specific activity (inputs - activities - outputs).
- One business model can include sub-business models.

2.6 Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset when the group has a legally enforceable right to offset the recognized amounts and it intends to settle these amounts on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Financial derivatives and hedge accounting
Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives if they meet the definition of a financial derivative, and when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement “Net trading income” ;unless the group chooses to designate the hybrid contract as a whole as at fair value through profit or loss.

The timing of recognition in profit or loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The parent bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge);
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.7.1 Fair value Hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized immediately in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in profit or loss.

Additionally, interest differential on interest rate swaps is recognized in profit or loss as part of ‘net interest income’ line item in the income statement. Any ineffectiveness is recognized in profit or loss in “Net trading income”.

When the hedging instrument no longer qualifies for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date to maturity of the asset using the effective interest method. Adjustment to the carrying amount of a hedged equity instrument that has been deferred in equity remains in equity until the asset is derecognized.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

2.7.2 Cash flow hedge
The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge is recognized in equity while changes in fair value relating to the ineffective portion is recognized immediately in the income statement in “Net trading income”.

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in “Net trading income”.

When a hedging item expires or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and are only recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to profit or loss.

2.7.3 Derivatives that do not qualify for hedge accounting
Where a derivative instrument does not qualify for hedge accounting, changes in fair value of that derivative and related interest are recognized immediately in the income statement in “Net trading income” line item. However, gains or losses arising from changes in fair value of derivatives that are managed in conjunction with financial assets or financial liabilities, designated upon initial recognition at fair value through profit or loss, are included in “net income from financial instruments designated upon initial recognition as at fair value through profit or loss”.

2.8 Interest income and expense
Interest income and expense on all interest-bearing financial instruments are recognized in “Interest income” and “Interest expense” line items in the income statement using the effective interest rate method.

The effective interest rate is a method of calculating the amortized cost of a debt instrument whether a financial asset or a financial liability and of allocating its interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial debt instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating the effective interest rate, the Group estimates the future cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principal is in doubt.

Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1. For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.
2. For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments and provided these installments continue to be paid for at least one year.

If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in the profit or loss except when the total balance of loan, prior to that date, is paid in full.

2.9 Fees and commission income
Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue - on a cash basis - only when interest income on those loans is recognized in profit or loss, at which time, fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Loan syndication fees received by the bank are recognized as revenue when the syndication has been completed, only if the bank arranges the loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants).

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the period in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long periods are usually recognized as revenue on a straight-line basis over the period in which these services are rendered.

Leasing revenues
Revenues from lease contracts are recognized based on the interest rate implicit in each contract plus an amount equal to depreciation of the leased asset. Debit/credit differences between revenue recognized in profit or loss and rental value for each period are recorded in “leased assets – lease contracts settlement” account in the balance sheet whose balance is to be settled against the carrying amount of leased asset at the end of the contract period.

Insurance revenues
Premium income and Claim expense is recognized on accrual basis.

2.10 Dividends income
Dividend income on investments in equity instruments and similar assets, other than investments in subsidiaries and associates, is recognized in the income statement when the bank's right to receive payment is established.

2.11 Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos)
Financial instruments sold under repurchase agreements are not derecognized from the statement of financial position and cash receipts are shown in liability side in the statement of financial position.

2.12 Impairment of financial assets
The Group reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

- Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.
- Stage 3 : Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

Credit losses and impairment losses on the value of financial instruments are measured as follows:

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.
- If there are indicators of impairment of the financial instrument, it is transferred to the third stage.
- The financial assets created or acquired by the Group and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

2.12.1 Significant increase in credit risk
The Group considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

2.12.2 Quantitative Factors
When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

2.12.3 Qualitative Factors
Retail loans, micro and small businesses
If the borrower encounters one or more of the following events:

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and Medium businesses
If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

Nonpayments
The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days,(180 days for SME's according to CBE Circular dated 14 December 2021 regarding the temporary amendments of SME's NPL treatment in IFRS9 regulation). Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application (Year 2019).

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Transfer between the Three stages:
Transfer from second stage to first stage:
The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid.

Transfer from third stage to second stage:
The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

- Completion of all quantitative and qualitative elements of the second stage;
- Repayment of 25% of the balance of the outstanding financial assets, including accrued segregated / statistical interest;
- Regularity of payment for at least 12 months.

2.13 Intangible assets
2.13.1 Goodwill
Goodwill, arising from the acquisition or legal merger of subsidiaries, represents the difference between the cost of the combination and the acquiree interest in the fair value of the identifiable assets, liabilities and qualifying contingent liabilities of the acquire at the acquisition date. Goodwill is annually tested for impairment and is written-down to profit or loss at an annual amortization of 20% or impairment loss whichever is higher.

2.13.2 Software (computer programs)
Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the group and when it is probable that they will generate future economic benefits within more than one year that exceed its cost. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.

Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification.

Cost of computer software recognized as an asset shall be amortized over the year of expected benefits from three to five years except for the core IT system which is amortized over ten years.

2.14 Property and Equipment
The Group's property and equipment include lands and buildings of the bank which basically comprise the head office premises and branch buildings. All property and equipment are carried at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the construction or acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

The Group considers the residual value of its property and equipment as insignificant and immaterial in relation to the depreciable amount; therefore, the depreciable amount of the group's property and equipment is determined without any deduction for residual values. Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Buildings		50 years
Fixtures	Decoration & installations	10 years
	Lifts	15 years
	Electricity & Air conditioning	10 years
	Generators	30 years
	Telephone network & CCTV	10 years
	Firefighting system & Plumbing system	10 years
	Other installations	10 years
Leasehold improvements		The shortest of 10 years or contract period

Depreciation years for property and equipment, other than buildings, depend on their useful lives which are usually estimated as specified below:

Furniture	10 years
Armored vaults	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The carrying amounts of its depreciable property and equipment are reviewed whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains or losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in the profit or loss in other operating income (expenses) in the income statement.

(All amounts are shown in Egyptian Pounds)

2.15 Impairment of non-financial assets
Non-financial assets that do not have definite useful lives, except for goodwill are not amortized. These are annually tested for impairment. Depreciable property and equipment are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset,The Group estimates the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

At the end of each period, the group reviews non-financial assets for which an impairment loss is recognized to assess whether or not all or part of such impairment losses should be reversed through profit or loss.

2.16 Leasing
Lease contracts are accounted according to Law 95 of 1995 for financial lease. All other lease contracts are recognized as operating leases.

2.16.1 As a lessee
Lease payments made under operating leases, net of any discounts received from the lessor, are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

2.16.2 As a lessor
Assets leased out under operating lease contracts are reported as part of the fixed assets in the statement of financial position and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term.

Assets leased out under finance lease contracts, are reported in the statement of financial position within fixed assets and are depreciated over the expected useful life of the assets using the same method followed in depreciating similar assets. Lease income is recognized using the rate of return implicit is each lease contract in addition to an amount equal to depreciation charge for the period. Differences between lease income recognized in the income statement and rental receivable from lease customers are accumulated and reported in the statement of financial position in a separate account until duration of the lease contract expires, at which time offset occurs between the account balance and net book value of leased assets.

Maintenance and insurance expenses shall be charged to the income statement when incurred to the extent that they are chargeable to the lessee. If substantive evidence indicates that the group could not be able to collect all balances due from finance lease debtors, these balance are reduced to their expected realizable value.

Assets leased under finance lease arrangements, rentals In arrear and the related impairment loss allowance has been presented in financial position under the finance lease item.

Depreciation is charged so as to write off the cost of leased assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Computers	2-8 years
Equipment	4-10 years
Vehicles	4-5 years
Building	17-50 years

2.17 Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances due within three months from date of placement or acquisition. They include cash and balances placed with the Central Bank of Egypt (other than those required under the mandatory reserve), current accounts with Banks and treasury bills, certificates of deposits and other governmental notes.

2.18 Other provisions
Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the date of consolidated financial statements are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the reporting date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the date of consolidated financial statements, provisions are calculated based on undiscounted expected cash outflows unless the time value of money is material, in which case provisions are measured at present value.

When a provision is wholly or partially no longer required, it is reversed through the profit or loss under "Other Operating Income (expenses)" line item.

2.19 Insurance activity
2.19.1 Technical reserves
2.19.1.1 Mathematical reserve
The mathematical reserve is calculated by the actuarial expert according to the technical basis approved by the board of the Egyptian Financial Supervisory Authority (Formerly Egyptian Insurance Supervisory Authority), in addition to the portion of each certificate from the increase (decrease) in the capital value resulting from insurance premiums invested in investment portfolio for the account of policyholders.

2.19.1.2 Provision for outstanding claims
A provision for outstanding claims is established for life and personal accident insurance policies. Which were reported before the period-end but not settled at the balance sheet date.

2.19.2 Receivables arising from insurance contracts
Receivables arising from insurance contract either as installments under collection or current accounts of insured parties are carried at amortized cost which represent nominal balances, net of impairment loss.

2.19.3 Due from insurance and reinsurance companies
Insurance and reinsurance companies stated at amortized cost, which represent its book value, net of allowance for impairment loss.

2.20 Financial guarantees
A financial guarantee contract is a contract issued by the group as security for loans or overdrafts due from its clients to other entities that requires the group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are generally issued by the Bank to beneficiary banks, corporations and other entities on behalf of the bank's clients.

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee.

After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

- (I) The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized as income in profit or loss using the straight-line method over the term of the guarantee; and
- (II) The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the reporting date.

Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment.

Any increase in the obligations resulting from the financial guarantee, is recognized within other operating income (expenses) in the income statement.

2.21 Employee benefits
2.21.1 Post-employment benefits (defined benefit plans) and defined contribution plans:
The Bank is liable for all obligations arising from its plans for employee benefits which comply, in all material respects, with the principles set out below. Starting 1 January 2009, the Bank has fully complied with the policy referred to below, and recognized any adjustments, resulting from the first full implementation of amendments to the CBE rules, directly on retained earnings.

The Bank provides several post-employment benefits to its employees, such as the medical care scheme which qualifies as a defined-benefit plan. A defined benefit plan commits the Bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bears the medium- or long-term risk.

The Bank recognizes the defined benefit obligation as a liability in the statement of financial position under "obligations for post-retirement schemes" to cover the total value of such obligations. This is assessed regularly by independent actuary using the projected unit credit method. This valuation technique incorporates assumptions about demographics variables, staff turnover, salary growth rate and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the defined benefit obligation. Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts as of the end of the previous financial period:

- 10% of the present value of the defined benefit obligation (before deducting plan assets); and
- 10% of the fair value of the plan assets.

Actuarial gains and losses that exceed the 10 percent criteria above are amortized to profit or loss over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits have already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. Annual cost of employee benefits plans is reported as part of general and administrative expenses (employee costs).

Defined contribution plans are pension schemes whereby the group pays defined contributions to an independent entity. The group shall not be under legal or constructive obligation to pay more contributions if this entity doesn't maintain adequate assets to pay-off the employees' benefits in return for their service in the current and previous periods.

According to the defined contribution plans, contributions are paid to private sector pension scheme under mandatory or voluntary contractual arrangement. The group shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

2.22 Income taxes
Income tax expense on the period's profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in addition to income tax differences related to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

2.23 Borrowings
Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in the profit or loss using the effective interest rate method.

2.24 Capital
2.24.1 Capital issuance cost
Issued and paid up-capital (i.e. bank's own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect business combination, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

2.24.2 Dividends
Dividends on equity instruments issued by the group entities are recognized when the general assembly of the group's shareholders approves them. Dividends include the non-controlling interests' share in the subsidiaries' dividends, and employees' profit share and board of directors' remuneration as prescribed by the articles of incorporation of the bank and Group entities as well as the corporate law.

2.25 Fiduciary activities
The Bank carries out fiduciary activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are not recognized in the group's consolidated financial statements, as they are not assets or income of the Bank or the Group.

2.26 Comparative figures
Comparative figures are reclassified, where necessary, to conform to changes in the current period's financial statements presentation.

3. Management of financial risks
The Group is exposed to various financial risks, mainly as a result of activities conducted by the Bank and some subsidiaries. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks altogether, the group aims at achieving a well- balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the group's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

For example, the Bank has laid down risk management policies to determine and analyze the risks, set limits to the risks and control them through reliable methods and up–to–date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to–date applications.

Risks are managed in accordance with pre-approved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the Bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy
The bank operates in business lines, which generate a range of risks whose frequency, severity and volatility can be of different and significant magnitudes. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competencies, as well as the implementation of a high-performance and efficient risk management structure are therefore critical undertakings for the bank.

Thus, the primary objectives of the bank's risk management framework are:

- To contribute to the development of the Bank in various business lines to reach an ideal level of general risk.
- To guarantee the Bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.

In defining the Bank's overall risk appetite, the bank management takes various considerations and variables into account, including:

- The relative balance between risk and reward of the bank's various activities.
- Earnings sensitivity to business, credit and economic cycles.
- The aim of achieving a well-balanced portfolio of earnings streams.

Risk management governance and risk principles
Bank's risk management governance is based on:

- i) Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams;
- ii) A tight framework of internal procedures and guidelines; and
- iii) Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.

Within the Board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories
The following are part of the risks associated with the bank's Banking activities:

A-Credit risk:
(Including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments.

Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability.

B- Market risk:
Represents risk of loss resulting from changes in market prices and interest rates.

C- Operational risk:
(Including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.

D-Structural interest and exchange rate risk:
Represents risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from changes in interest or exchange rates. Structural interest and exchange rate risk arises from banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

E- Liquidity risk:
Represents the risk that the bank might not be able to meet its obligations as they become due.

The Bank dedicates significant resources to constantly adapting its risk management to its activities and ensures that its risk management framework operates in full compliance with the following fundamental principles of:

- Full independence of risk assessment departments from the operating divisions; and
- Consistent approach to risk assessment and monitoring applied throughout the Bank.

The Risk Division is independent from the bank's operating entities and reports directly to general management. Its role is to contribute to the development and profitability of the bank by ensuring that the risk management framework in place is both robust and effective. It employs various teams specializing in the operational management of credit and market risk.

More specifically, the Risk Division:
- Defines and approves the methods used to analyze, assess, approve and monitor credit risks, countries risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management;
- Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers.

Identifying a frame for all Banks' operational risks.

The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the bank's long term financing, management of capital requirements and equity structure.

The Internal Legal Counsel deals with compliance and legal risks.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk,

market and credit concentration limits (by product, country, sector, region, etc.)

On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policymaking and planning.

All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.

Operational risks, permanent control and audit (periodic) control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis.

Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS
The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in bank's assets as well as off balance sheet financial instruments, such as letters of credit and letters of guarantee.

(A/1) Credit risk management: organization and structure
Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the bank's primary source of risk – is vital to preserving bank financial strength and profitability. As a result, the bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

Within the Risk Division, persons are responsible for:

- Setting credit limits by customer, customer group or transaction type;
- Approving credit score or internal customer rating criteria;
- Monitoring and surveillance of large exposures and various credit portfolios;
- Reviewing specific and general provisioning policies.

In addition, comprehensive portfolio analysis is performed in order to provide guidance to the General Management on the bank's overall credit risk exposure as well as reporting to Risk Committee.

The Risk Division also helps define criteria for measuring risk and defining appropriate provisioning practices.

Risk approval
Embedded in bank's credit policy is the concept that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment, while bearing in mind the bank's risk strategy and risk appetite.

The risk approval process is based on four core principles:

- All transactions involving replacement risk must be pre-authorized ,replacement risk is bearing a loss when a bank is forced to replace a contract in case of breaching the original party's contract (debtor risk, non-settlement or non-delivery risk and issuer risk).
- Staff assessing credit risk is fully independent from the decision-making process.
- Subject to relevant credit delegations, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization requests relating to a specific client or client group, to ensure a consistent approach to risk management.
- All credit decisions systematically include internal obligor risk ratings, as proposed by business lines and vetted by the Risk Division and approved by concerned Credit Committee.

Risk management and audit
Changes in the quality of outstanding commitments are reviewed on a periodic basis and at least once a quarter, as part of the "sensitive names" and provisioning procedures. This review is based on analyses performed by the business divisions and the risk function. Furthermore, the Internal Audit also carries out file reviews or risk audits in the bank's branch groups and reports its findings to the General Management.

Replacement risk
Replacement risk provides the measurement of the replacement cost of a transaction in the event of default by the original counterparty and the necessity to close the ensuing position with counterparty; hence, the replacement cost is the result of the market price between the date on which the original transaction is entered into and the default date. Transactions giving rise to replacement risk include interest rate swaps and forward FX deals.

Replacement risk management
The Bank places great emphasis on carefully monitoring its replacement risk exposure in order to minimize its losses in case of default of its counterparties and counterparty limits are, therefore, assigned to all trading counterparties, irrespective of their status (bank, other financial institution, corporate and public institutions).

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(A/2) Risk measurement and internal ratings
Bank rating system is based on three key pillars:

- The internal ratings models used to measure and quantify counterparty risk.
- A set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.)
- Reliance on human judgment to improve modeling results to include elements outside the scope of rating model.

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.

Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models and their capacity to predict default cases.

The calculations used to measure and monitor replacement risk include:

- Current Average Risk (CAR) is a calculation of the Average risk of all the future scenarios, excluding the negative scenarios, i.e., when the replacement makes a gain.
- Credit value at risk (VAR) is a calculation of the largest loss that would be incurred in 99% of cases.

Following are some risk mitigations methods:
Collaterals
The Bank designs several policies and controls for credit risk mitigation such as collaterals for funds provided. The bank lays down guidelines for specific categories of the accepted collaterals.

The main types of collaterals for Loans and credit facilities are:

- Real estate mortgage.
- Pledge on business assets like machinery and merchandise.
- Pledge in financial instruments like debt instruments and equity.

The long term financing and lending for companies are often collaterized while credit facilities for persons are not collaterized. The bank attempts to mitigate the credit risk through additional collaterals from the concerned parties immediately on arising of impairment indicators for any of the loans or facilities.

Collaterals taken to secure assets other than Loans and credit facilities are identified according to the nature of the instrument.

Debit instruments and treasury bills are often not collaterized.

Derivatives
The Bank exercise prudential strict control procedures on net open positions of derivatives. i.e. The difference between sale and purchase agreements at the level of value and duration. The amount exposed to credit risk at any time is determined at fair value of the instrument that may achieve benefit to the bank. i.e. any assets with high positive fair value which represents insignificant part of contractual imputed value used to reflect the volume of existing instruments. This credit risk is managed as part of overall lending limit granted to the customer together with the potential risk as a result of market changes.

The Bank doesn't obtain collaterals for credit risk related to such instruments except for the amounts requested by the bank as marginal deposits from other parties.

(All amounts are shown in Egyptian Pounds)

(A/3) Provisioning policy (Measurement of expected credit losses)

The Group's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:

The un-impaired financial asset is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the second stage and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the third stage. The Group relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

The following table illustrates the proportional distribution of loans and credit facilities reported in the financial position for each of the four internal ratings of the Bank and their relevant impairment losses:

	December 31, 2022		December 31, 2021	
	Loans and credit facilities	Allowance for impairment loss	Loans and credit facilities	Allowance for impairment loss
Good debts	86.20%	6.61%	86.22%	7.87%
Normal watch-list	5.81%	10.11%	4.60%	9.18%
Special watch-list	2.94%	19.91%	5.37%	29.26%
Non performing loans	5.05%	63.37%	3.81%	53.69%
	100%	**100%**	**100%**	**100%**

(A/4) General Model for Measurements of Banking Risks:

In addition to the four categories of the bank's internal credit ratings indicated above, management classifies Loans and credit facilities based on more detailed subgroups in accordance with the CBE requirements. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Group calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the expected credit loss, that excess shall be debited from distributable net profits and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution; note (37) shows the movement (if any) on the general banking risk reserve during the financial period.

Below is a statement of credit rating for corporations as per the Bank's internal ratings compared with those of CBE's; it also includes the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	Description	Required Provision According to % ORR	Internal Rating	Internal Description
1	Low risk	0%	1	Good debts
2	Moderate risks	1%	1	Good debts
3	Satisfactory risks	1%	1	Good debts
4	Appropriate risks	2%	1	Good debts
5	Acceptable risks	2%	1	Good debts
6	Marginally acceptable risks	3%	2	Normal watch-list
7	Watch-list	5%	3	Special watch-list
8	Substandard debts	20%	4	Non-performing loans
9	Doubtful debts	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

(A/5) Maximum limit for credit risk before collaterals

Financial position items exposed to credit risks	December 31, 2022	December 31, 2021
Treasury bills	68,366,837,159	40,037,854,401
Loans and credit facilities to customers		
Retail loans		
- Overdrafts	4,067,094,495	3,108,670,785
- Credit cards	1,581,196,876	1,255,853,285
- Personal loans	33,727,404,139	28,326,139,916
- Real estate loans	4,633,413,392	2,745,769,706
Corporate loans		
- Overdrafts	84,308,525,841	67,564,096,264
- Direct loans	59,782,767,603	49,986,443,321
- Syndicated loans and facilities	22,210,229,914	15,852,896,168
- Other loans	3,823,494,340	4,126,248,437
Segregated interest , unearned discount and deferred income	(174,670,654)	(137,563,415)
Financial derivatives	23,578,000	36,542,265
Financial investments		
Debt instrument	109,424,540,623	91,831,219,626
Other Financial assets	6,305,587,021	5,186,597,136
Total	**398,079,998,749**	**309,920,767,895**

The following table provides information on the quality of financial assets during the year:

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Due from banks	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	2,429,847,029	525,857,613	-	**2,955,704,642**
Normal watch-list	14,689,805,344	13,694,865,959	-	**28,384,671,303**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	17,119,652,373	**14,220,723,572**	**-**	**31,340,375,945**
Allowance for impairment losses	(14,109,794)	(45,461)	-	**(14,155,255)**
Carrying amount	**17,105,542,579**	**14,220,678,111**	**-**	**31,326,220,690**

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Due from banks	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	1,227,864,174	151,877,694	-	**1,379,741,868**
Normal watch-list	12,087,611,100	3,850,162,945	-	**15,937,774,045**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	13,315,475,274	**4,002,040,639**	**-**	**17,317,515,913**
Allowance for impairment losses	(3,246,515)	(2,841,471)	-	**(6,087,986)**
Carrying amount	**13,312,228,759**	**3,999,199,168**	**-**	**17,311,427,927**

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Treasury bills	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	68,400,255,483	-	-	**68,400,255,483**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	68,400,255,483	**-**	**-**	**68,400,255,483**
Allowance for impairment losses	(33,418,324)	-	-	**(33,418,324)**
Carrying amount	**68,366,837,159**	**-**	**-**	**68,366,837,159**

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Treasury bills	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	40,049,386,865	-	-	40,049,386,865
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	40,049,386,865	-	-	40,049,386,865
Allowance for impairment losses	(11,532,464)	-	-	(11,532,464)
Carrying amount	40,037,854,401	-	-	40,037,854,401

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Retail loans	12-Months	Life time	Life time	
Credit rating				
Good debts	41,827,699,110	-	-	41,827,699,110
Normal watch-list	1,779,523,255	-	-	1,779,523,255
Special watch-list	-	695,145,315	-	695,145,315
Non performing loan	-	-	924,627,665	924,627,665
	43,607,222,365	695,145,315	924,627,665	45,226,995,345
Allowance for impairment losses	(291,012,829)	(81,531,385)	(845,342,229)	(1,217,886,443)
Carrying amount	43,316,209,536	613,613,930	79,285,436	44,009,108,902

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Retail loans	12-Months	Life time	Life time	
Credit rating				
Good debts	33,360,820,542	-	-	33,360,820,542
Normal watch-list	1,402,372,504	-	-	1,402,372,504
Special watch-list	-	711,397,628	-	711,397,628
Non performing loan	-	-	828,992,081	828,992,081
	34,763,193,046	711,397,628	828,992,081	36,303,582,755
Allowance for impairment losses	(177,646,277)	(95,458,695)	(594,044,091)	(867,149,063)
Carrying amount	34,585,546,769	615,938,933	234,947,990	35,436,433,692

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Corporate loans	12-Months	Life time	Life time	
Credit rating				
Good debts	143,865,419,884	10,864,956,786	-	154,730,376,670
Normal watch-list	56,139,901	11,405,681,940	-	11,461,821,841
Special watch-list	-	6,013,608,137	-	6,013,608,137
Non performing loan	-	-	10,586,421,423	10,586,421,423
	143,921,559,785	28,284,246,863	10,586,421,423	182,792,228,071
Allowance for impairment losses	(540,364,095)	(4,172,950,915)	(7,953,895,363)	(12,667,210,373)
Carrying amount	143,381,195,690	24,111,295,948	2,632,526,060	170,125,017,698

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Corporate loans	12-Months	Life time	Life time	
Credit rating				
Good debts	122,581,696,259	1,766,382,227	-	124,348,078,486
Normal watch-list	193,288,721	6,812,318,055	-	7,005,606,776
Special watch-list	-	9,107,352,199	-	9,107,352,199
Non performing loan	-	-	6,148,609,221	6,148,609,221
	122,774,984,980	17,686,052,481	6,148,609,221	146,609,646,682
Allowance for impairment losses	(629,885,652)	(3,703,514,422)	(4,746,562,418)	(9,079,962,492)
Carrying amount	122,145,099,328	13,982,538,059	1,402,046,803	137,529,684,190

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Debt instruments at fair value through other comprehensive income	12-Months	Life time	Life time	
Credit rating				
Good debts	4,147,015,624	-	-	4,147,015,624
Normal watch-list	10,298,205,909	-	-	10,298,205,909
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	14,445,221,533	-	-	14,445,221,533
Allowance for impairment losses	(334,557)	-	-	(334,557)
Carrying amount - fair value	14,445,221,533	-	-	14,445,221,533

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Debt instruments at fair value through other comprehensive income	12-Months	Life time	Life time	
Credit rating				
Good debts	1,795,856,758	-	-	1,795,856,758
Normal watch-list	12,654,894,755	-	-	12,654,894,755
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	14,450,751,513	-	-	14,450,751,513
Allowance for impairment losses	(105,685)	-	-	(105,685)
Carrying amount - fair value	14,450,751,513	-	-	14,450,751,513

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortized cost	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	94,981,756,562	-	-	94,981,756,562
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	94,981,756,562	-	-	94,981,756,562
Allowance for impairment losses	(2,437,472)	-	-	(2,437,472)
Carrying amount	94,979,319,090	-	-	94,979,319,090

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortized cost	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	77,385,925,552	-	-	77,385,925,552
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	77,385,925,552	-	-	77,385,925,552
Allowance for impairment losses	(5,457,439)	-	-	(5,457,439)
Carrying amount	77,380,468,113	-	-	77,380,468,113

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

The following table shows changes in impairment credit losses between the beginning and ending of the year as a result of these factors:

December 31, 2022 Due from banks	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2022	3,246,515	2,841,471	-	**6,087,986**
New financial assets purchased or issued	11,514,496	-	-	**11,514,496**
Financial assets have been matured or derecognised	(3,246,515)	(2,586,749)	-	**(5,833,264)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	(209,261)	-	**(209,261)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	2,595,298	-	-	**2,595,298**
Balance at the end of the year	**14,109,794**	**45,461**	**-**	**14,155,255**

December 31, 2021 Due from banks	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	10,607,678	-	-	**10,607,678**
New financial assets purchased or issued	3,246,515	2,841,471	-	**6,087,986**
Financial assets have been matured or derecognised	(10,607,678)	-	-	**(10,607,678)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**3,246,515**	**2,841,471**	**-**	**6,087,986**

December 31, 2022 Treasury bills	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2022	11,532,464	-	-	**11,532,464**
New financial assets purchased or issued	26,544,294	-	-	**26,544,294**
Financial assets have been matured or derecognised	(11,532,464)	-	-	**(11,532,464)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	6,874,030	-	-	**6,874,030**
Balance at the end of the year	**33,418,324**	**-**	**-**	**33,418,324**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2021 Treasury bills	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	17,938,647	-	-	**17,938,647**
New financial assets purchased or issued	11,532,464	-	-	**11,532,464**
Financial assets have been matured or derecognised	(17,938,647)	-	-	**(17,938,647)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**11,532,464**	**-**	**-**	**11,532,464**

December 31, 2022 Retail loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2022	177,646,277	95,458,695	594,044,091	867,149,063
Net impairment loss recognized during the year	113,366,552	(26,246,307)	288,511,793	**375,632,038**
Loans written-off during the year	-	-	(37,221,369)	**(37,221,369)**
Collections of loans previously written-off	-	12,318,997	-	**12,318,997**
Foreign exchange translation differences	-	-	7,714	**7,714**
Balance at the end of the year	**291,012,829**	**81,531,385**	**845,342,229**	**1,217,886,443**

December 31, 2021 Retail loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	232,464,951	100,481,753	331,541,542	664,488,246
Net impairment loss recognized during the year	(54,818,674)	(15,786,793)	333,772,998	**263,167,531**
Loans written-off during the year	-	-	(71,270,436)	**(71,270,436)**
Collections of loans previously written-off	-	10,763,735	-	**10,763,735**
Foreign exchange translation differences	-	-	(13)	**(13)**
Balance at the end of the year	**177,646,277**	**95,458,695**	**594,044,091**	**867,149,063**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Corporate loans	**12-Months**	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2022	629,885,652	3,703,514,422	4,746,562,418	**9,079,962,492**
New financial assets purchased or issued	330,060,919	481,639,382	-	**811,700,301**
Financial assets have been matured or derecognised	(259,260,659)	(958,863,649)	(115,783,522)	**(1,333,907,830)**
Transfer to stage 1	19,088,318	(19,088,318)	-	**-**
Transfer to stage 2	(90,362,408)	90,362,408	-	**-**
Transfer to stage 3	(7,420,763)	(1,178,356,718)	1,185,777,481	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(218,246,498)	1,454,704,324	2,618,525,188	**3,854,983,014**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(169,436)	(1,085,650,829)	**(1,085,820,265)**
Collections of loans previously written-off	-	31,853,423	-	**31,853,423**
Foreign exchange translation differences	136,619,534	567,355,077	604,464,627	**1,308,439,238**
Balance at the end of the year	**540,364,095**	**4,172,950,915**	**7,953,895,363**	**12,667,210,373**

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Corporate loans	**12-Months**	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	1,076,434,961	3,578,274,450	3,866,108,053	**8,520,817,464**
New financial assets purchased or issued	233,170,589	295,335,133	-	**528,505,722**
Financial assets have been matured or derecognised	(182,624,631)	(1,256,103,821)	(263,660,626)	**(1,702,389,078)**
Transfer to stage 1	34,479,364	(34,479,364)	-	**-**
Transfer to stage 2	(273,158,800)	301,393,768	(28,234,968)	**-**
Transfer to stage 3	(1,991,951)	(216,604,985)	218,596,936	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(256,369,495)	1,012,470,396	2,438,046,951	**3,194,147,852**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(6,330)	(1,465,393,149)	**(1,465,399,479)**
Collections of loans previously written-off	-	23,380,487	-	**23,380,487**
Foreign exchange translation differences	(54,385)	(145,312)	(18,900,779)	**(19,100,476)**
Balance at the end of the year	**629,885,652**	**3,703,514,422**	**4,746,562,418**	**9,079,962,492**

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Debt instruments at fair value through other comprehensive income	**12-Months**	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2022	105,685	-	-	**105,685**
New financial assets purchased or issued	136,826	-	-	**136,826**
Financial assets have been matured or derecognised	(994)	-	-	**(994)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	93,040	-	-	**93,040**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**334,557**	**-**	**-**	**334,557**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Debt instruments at fair value through other comprehensive income	**12-Months**	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	116,187	-	-	**116,187**
New financial assets purchased or issued	27,836	-	-	**27,836**
Financial assets have been matured or derecognised	(3,975)	-	-	**(3,975)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(34,363)	-	-	**(34,363)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**105,685**	**-**	**-**	**105,685**

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortized cost	**12-Months**	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2022	5,457,439	-	-	**5,457,439**
New financial assets purchased or issued	-	-	-	**-**
Financial assets have been matured or derecognised	-	-	-	**-**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(3,681,563)	-	-	**(3,681,563)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	661,596	-	-	**661,596**
Balance at the end of the year	**2,437,472**	**-**	**-**	**2,437,472**

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortized cost	**12-Months**	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	2,787,960	-	-	**2,787,960**
New financial assets purchased or issued	5,457,439	-	-	**5,457,439**
Financial assets have been matured or derecognised	(2,787,960)	-	-	**(2,787,960)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**5,457,439**	**-**	**-**	**5,457,439**

(All amounts are shown in Egyptian Pounds)

Off balance sheet items exposed to credit risks	December 31, 2022	December 31, 2021
Financial guarantees	255,000	255,000
L/Cs	3,181,988,593	4,502,773,587
Accepted papers	1,877,691,810	3,146,172,197
L/Gs	49,406,278,293	43,455,458,358
Total	**54,466,213,696**	**51,104,659,142**

Commitments for credit facilities have a carrying amount of EGP 25,034,403,082 at the end of current reporting year against EGP 30,249,820,775 in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of December, 2022 and December, 2021 without taking into consideration collaterals held by the Group, if any. For financial position items, amounts stated depend on the net carrying amount shown in the financial position.

The preceding table related to financial position items exposed to credit risks shows that 54% of the maximum limit exposed to credit risk at the end of current reporting year is attributable to Loans and credit facilities to customers against 56% at the end of the prior year, investments in debt instruments constitute 27% against 30% at the end of the prior year and treasury bills constitute 17% against 13% at the end of the prior year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments based on the following facts:

- 92% of the loans and credit facilities portfolio at the end of the current reporting year comprises loans and credit facilities classified at the top 2 categories of the internal rating against 91% at the end of the prior year.
- 94% of the loans and credit facilities portfolio at the end of the current reporting year not impaired against 95% at the end of the prior year.
- Loans and credit facilities that are individually assessed for impairment (stage 3) at the end of the current reporting year have a carrying amount of EGP 11,511,049,088 Impairment on these loans and credit facilities represents 76% of their carrying amount. Loans and credit facilities, that are individually assessed for impairment at the end of the prior year had a carrying amount of 6,977,601,302 and their impairment represents 77% of such carrying amount.
- The Bank applied more prudential selection process on granting loans and credit facilities during the current reporting year ended December 31, 2022.
- 98% of investments in debt instruments and treasury bills at the end of the current reporting year comprise local sovereign debt instruments against 99% at the end of the prior year.

(A/6) Loans and credit facilities
Balances of loans and credit facilities in terms of credit risk rating are analyzed below:

	December 31, 2022		December 31, 2021	
	Loans and credit facilities to customers	Loans and credit facilities to banks	Loans and credit facilities to customers	Loans and credit facilities to banks
Neither have arrears nor impaired	213,624,148,042	-	173,087,975,439	-
Have arrears but not impaired	2,884,026,286	-	2,847,652,696	-
Impaired	11,511,049,088	-	6,977,601,302	-
Total	**228,019,223,416**	**-**	**182,913,229,437**	**-**
Less: Allowance for impairment losses	(13,885,096,816)	-	(9,947,111,555)	-
Less: Segregated interest	(205,721)	-	(205,721)	-
Less: Unearned discount & deferred income	(174,464,933)	-	(137,357,694)	-
Net	**213,959,455,946**	**-**	**172,828,554,467**	**-**

Total credit allowance for loans and credit facilities at the end of the current reporting year amounted to EGP 13,885,096,816 (EGP 9,947,111,555 at the end of the prior year) of which EGP 8,799,237,592 represent impairment in stage three (EGP 5,340,606,509 at the end of the prior year) and EGP 5,085,859,224 represent impairment for stage one and stage two in the credit portfolio (EGP 4,606,505,046 at the end of the prior year).

Note (20-A) includes additional information on the allowance for impairment losses for Loans and credit facilities to customers during the current reporting year.

During the current accounting year, the loans and credit facilities portfolio increase by 25% due to the increase on lending activity.

Loans and credit facilities which do not have arrears and are not subject to impairment
The credit quality of Loans and credit facilities that not subject to impairment is assessed by reference to the bank's internal rating.

Loans and credit facilities to customers

December 31, 2022

Retail					
Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	4,064,999,319	1,432,259,251	31,805,333,451	4,525,107,089	**41,827,699,110**
Normal watch-list	978,961	-	-	-	**978,961**
Special watch-list	1,498,279	-	-	-	**1,498,279**
Total	**4,067,476,559**	**1,432,259,251**	**31,805,333,451**	**4,525,107,089**	**41,830,176,350**

Corporate					
	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	79,236,797,475	50,439,717,790	21,342,819,392	3,580,424,670	**154,599,759,327**
Normal watch-list	4,714,642,763	5,471,746,222	1,068,595,185	56,416,851	**11,311,401,021**
Special watch-list	1,695,340,772	4,001,200,228	2,281,425	183,988,919	**5,882,811,344**
Total	**85,646,781,010**	**59,912,664,240**	**22,413,696,002**	**3,820,830,440**	**171,793,971,692**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

December 31, 2021

Retail					
Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,109,308,277	1,115,171,874	26,536,346,212	2,599,994,179	**33,360,820,542**
Normal watch-list	123,554	-	-	-	**123,554**
Special watch-list	44,346	-	-	-	**44,346**
Total	**3,109,476,177**	**1,115,171,874**	**26,536,346,212**	**2,599,994,179**	**33,360,988,442**

Corporate					
	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	63,066,404,486	42,108,823,159	15,331,684,965	3,624,043,068	**124,130,955,678**
Normal watch-list	3,714,341,560	2,513,925,961	633,498,692	63,578,746	**6,925,344,959**
Special watch-list	2,114,487,155	6,289,884,567	2,039,206	264,275,432	**8,670,686,360**
Total	**68,895,233,201**	**50,912,633,687**	**15,967,222,863**	**3,951,897,246**	**139,726,986,997**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which have arrears but are not subject to impairment
These are loans and credit facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and credit facilities to customers which have arrears but are not subject to impairment are analyzed below.

December 31, 2022

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	149,746,063	1,504,310,222	124,488,009	**1,778,544,294**
More than 30 – 60 days	-	27,650,962	440,765,671	28,142,684	**496,559,317**
More than 60 – 90 days	-	9,904,927	178,360,691	8,822,101	**197,087,719**
Total	**-**	**187,301,952**	**2,123,436,584**	**161,452,794**	**2,472,191,330**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	51,349,625	-	30,495,710	**81,845,335**
More than 30 – 60 days	-	69,246,667	-	951,077	**70,197,744**
More than 60 – 90 days	-	96,289,630	-	6,749,682	**103,039,312**
More than 90 days	783,521	155,969,044	-	-	**156,752,565**
Total	**783,521**	**372,854,966**	**-**	**38,196,469**	**411,834,956**

December 31, 2021

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	138,164,653	1,139,522,765	103,589,729	**1,381,277,147**
More than 30 – 60 days	-	20,971,803	355,669,588	28,158,778	**404,800,169**
More than 60 – 90 days	-	8,125,451	290,816,138	28,583,327	**327,524,916**
Total	**-**	**167,261,907**	**1,786,008,491**	**160,331,834**	**2,113,602,232**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	78,716,286	-	50,383,713	**129,099,999**
More than 30 – 60 days	-	41,710,510	-	348,454	**42,058,964**
More than 60 – 90 days	-	69,016,452	-	21,964,975	**90,981,427**
More than 90 days	-	350,142,728	-	121,767,346	**471,910,074**
Total	**-**	**539,585,976**	**-**	**194,464,488**	**734,050,464**

Past due loans and credit facilities are those amounts, or any part thereof, which have fallen due but for which no payment has been received in accordance with the contractual terms. These include arrears for periods more than one day.

Amounts shown in the note represent the whole balance of the loan or facility and not only the past due amounts. These do not include the remaining loans and credit facilities of the same customer so long default has not fully or partially occurred on those loans.

On initial recognition of Loans and credit facilities, the fair value of collaterals, if any, is assessed based on valuation methods used for similar assets but are not recognized in the financial statements since these do not represent assets of the bank at that date. In subsequent periods, the fair value is updated to reflect the market price or prices for similar assets.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which are individually impaired
Loans and credit facilities to customers
At the end of the current reporting year, the carrying amount of loans and credit facilities, that are assessed to be individually impaired (Stage 3) excluding any cash flows expected to arise from the associated guarantees, amounted to EGP 11,511,049,088 against EGP 6,977,601,302 at the end of the prior year.

The following table provides a breakdown of the balance of such loans and credit facilities which are individually impaired including the fair value of the collaterals shall prevail when calculating the provisions.

December 31, 2022

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	64,311,931	27,358,661	748,034,408	84,922,665	**924,627,665**
Fair value of collaterals	-	20,000	144,199	-	**164,199**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	965,730,380	9,469,676,672	-	151,014,371	**10,586,421,423**
Fair value of collaterals	20,958,919	144,573,134	-	-	**165,532,053**

December 31, 2021

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	7,411,576	30,724,452	705,123,935	85,732,118	**828,992,081**
Fair value of collaterals	-	7,118,275	164,471,071	8,673,950	**180,263,296**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	200,496,821	5,757,859,693	509,336	189,743,371	**6,148,609,221**
Fair value of collaterals	-	28,353,237	-	-	**28,353,237**

Restructured loans and facilities:
The Bank applies different types of restructuring policies to its loans and credit facilities, which include extending payment terms, executing forced management programmes and applying prepayment and extension provisions to the loan. The applied restructuring policies depend on factors or criteria that indicate, in management judgment that the counterparty's continuous payment of the loan is unlikely to occur in the absence of such restructuring policies that are subject to ongoing review. Within the bank renegotiated outstanding loans relate to long-term loans made to any type of clientele (retail and corporate loans clients).

Total renegotiated loans amounted to EGP 1,663,199,766 at the end of the current reporting year against EGP 1,766,944,402 at the end of the prior year. These balances do not include any amounts whose commercial terms were renegotiated to preserve the quality of the bank's relationship with its clients, including those terms pertaining to loans interest rates and/or loans repayment periods.

The Bank practice calls for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the bank remains uncertain of their ability to meet their future commitments in accordance with the definition of default under Basel II.

Loans and credit facilities to customers

Corporate loans	December 31, 2022	December 31, 2021
Overdrafts	24,874,678	36,050,326
Direct loans	1,638,325,088	1,730,894,076
Total	**1,663,199,766**	**1,766,944,402**

(A/7) Debt instruments, treasury bills, and other governmental notes
The following table shows a breakdown of debt instruments, treasury bills, and other governmental notes (excluding allowances for impairment) per last rating for Standard and Poor's and its equivalent:

	Rating	December 31, 2022	December 31, 2021
Egyptian Treasury Bills	B	68,400,255,483	40,049,386,865
Fair value through other comprehensive income			
Other debt instruments	unrated	1,121,285,192	383,442,606
Egyptian Treasury Bonds	B	10,298,205,909	12,654,894,755
US Treasury Bonds	AA+	3,025,730,432	1,412,414,152
Amortized cost			
Egyptian Treasury Bonds	B	94,981,756,562	77,385,925,552
Total		**177,827,233,578**	**131,886,063,930**

(All amounts are shown in Egyptian Pounds)

(A/8) Acquisition of collaterals

The Bank acquire foreclosed asset as acquisition of guarantees as following:

Asset type	December 31, 2022	December 31, 2021
Building	**115,000,000**	**109,367,000**

Assets acquired are classified under the other Assets item in the financial position. These assets are sold or used for the purposes of the Bank whenever practicable.

(A/9) Concentration of risks of financial assets exposed to credit risks
(Geographical segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets including loans and credit facilities is segmented into the geographical regions of the bank's clients except for investments in foreign treasury bonds which are reported in the "other countries" category.

	Arab Republic of Egypt						
	Great Cairo	**Alex**	**Delta**	**Red Sea / Upper Egypt**	**Total**	**Other Countries**	**Total**
Treasury bills	68,400,255,483	-	-	-	**68,400,255,483**	-	**68,400,255,483**
Loans and credit facilities to customers							
Retail loans							
Overdrafts	2,486,934,763	1,335,271,088	228,493,165	81,089,474	**4,131,788,490**	-	**4,131,788,490**
Credit cards	1,218,943,939	195,702,817	167,827,060	64,446,048	**1,646,919,864**	-	**1,646,919,864**
Personal loans	24,849,009,119	3,403,340,772	5,040,325,603	1,384,128,949	**34,676,804,443**	-	**34,676,804,443**
Real estate loans	3,448,566,535	276,932,121	404,827,477	641,156,415	**4,771,482,548**	-	**4,771,482,548**
Corporate loans							
Overdrafts	63,043,923,005	12,836,822,551	7,074,347,146	3,658,202,209	**86,613,294,911**	-	**86,613,294,911**
Direct loans	48,051,586,376	9,415,762,739	9,104,254,223	3,183,592,540	**69,755,195,878**	-	**69,755,195,878**
Syndicated loans and facilities	21,553,318,042	220,294,693	514,982,596	125,100,671	**22,413,696,002**	-	**22,413,696,002**
Other loans	4,001,330,119	711,161	-	8,000,000	**4,010,041,280**	-	**4,010,041,280**
Financial derivatives	25,054,305	17,102,724	-	-	**42,157,029**	(18,579,029)	**23,578,000**
Financial Investments							
Debt instruments	106,401,247,663	-	-	-	**106,401,247,663**	3,025,730,432	**109,426,978,095**
Other financial assets	5,968,156,029	143,509,313	117,621,665	34,486,747	**6,263,773,754**	44,157,307	**6,307,931,061**
Total at the end of the current year	**349,448,325,378**	**27,845,449,979**	**22,652,678,935**	**9,180,203,053**	**409,126,657,345**	**3,051,308,710**	**412,177,966,055**
Total at the end of the comparative year	**268,594,247,903**	**22,307,932,613**	**19,717,071,536**	**7,934,212,565**	**318,553,464,617**	**1,470,705,397**	**320,024,170,014**

(Business segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets is segmented into business sectors in which the bank's clients operate.

	Agricultural entities	**Industrial entities**	**Trading institutions**	**Service institutions**	**Governmental sector**	**Foreign governmental**	**Other activities**	**Individuals**	**Total**
Treasury bills	-	-	-	-	68,400,255,483	-	-	-	**68,400,255,483**
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	4,131,788,490	**4,131,788,490**
Credit cards	-	-	-	-	-	-	-	1,646,919,864	**1,646,919,864**
Personal loans	-	-	-	-	-	-	-	34,676,804,443	**34,676,804,443**
Real estate loans	-	-	-	-	-	-	-	4,771,482,548	**4,771,482,548**
Corporate loans									
Overdrafts	1,977,214,465	38,400,670,525	16,857,799,417	29,377,610,504	-	-	-	-	**86,613,294,911**
Direct loans	958,531,898	44,145,016,959	12,307,136,807	12,344,510,214	-	-	-	-	**69,755,195,878**
Syndicated loans and facilities	124,154,689	10,785,989,728	630,649,914	10,872,901,671	-	-	-	-	**22,413,696,002**
Other loans	-	1,806,960,987	816,488,326	1,162,793,837	-	-	223,798,130	-	**4,010,041,280**
Financial derivatives	-	42,157,029	-	-	-	-	(18,579,029)	-	**23,578,000**
Financial Investments									
Debt instruments	-	-	-	1,121,285,192	105,279,962,471	3,025,730,432	-	-	**109,426,978,095**
Other financial assets	26,591,398	822,850,327	259,404,224	365,008,125	4,396,884,413	44,157,307	-	393,035,267	**6,307,931,061**
Total at the end of the current year	**3,086,492,450**	**96,003,645,555**	**30,871,478,688**	**55,244,109,543**	**178,077,102,367**	**3,069,887,739**	**205,219,101**	**45,620,030,612**	**412,177,966,055**
Total at the end of the comparative year	**2,453,668,888**	**70,246,259,176**	**27,547,091,967**	**46,896,211,362**	**133,906,405,203**	**1,432,268,660**	**939,738,746**	**36,602,526,012**	**320,024,170,014**

(B) Market Risk

Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some banking book portfolios valued using the mark-to-market approach. The bank's policy on market risk transactions is "Prudent" in that:

- Products subject to "market risk" which are offered by the Bank to its customers are restricted to cash and simple financial derivatives such as interest rate swaps and foreign exchange swap and forward contracts.
- The only trading activity conducted by the Bank is over-night foreign exchange position, within a prudent limit that cannot be exceeded.
- Open positions must be centrally managed and matched.

The front-office managers assume primary responsibility in terms of risk exposure; however, global management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:

- Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the Bank's market activities and comparison of said exposure and risks with the pre-set limits.
- Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including those made on a gross or nominal basis.
- Management of the approval process for limits.
- Reviewing new products or services from market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.

At the proposal of this MRC and Head of Risk Division, the Board sets the levels of authorized risk by type of market activity and makes the main decisions concerning Bank's market risk management.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits

As a part of managing market risk, the Bank has several hedging strategies and enters into interest rate swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. The Bank uses a lot of methods to control market risk such as stress testing "ST".

Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The Bank sets set a maximum limit of expected losses of 10% from authorized limit according to internal bank rule.

(B/2) Stress test for foreign exchange risk

The following table provides FX position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Short/Long FX positions	FX short positions	FX long positions	Expected loss at 10%
USD	(75,176,790)	(75,176,790)	-	(7,517,679)
EUR	12,001,392	-	12,001,392	1,200,139
GBP	(685,042)	(685,042)	-	(68,504)
JPY	21,146	-	21,146	2,115
CHF	(155,365)	(155,365)	-	(15,537)
DKK	(18,679)	(18,679)	-	(1,868)
NOK	70,330	-	70,330	7,033
SEK	52,852	-	52,852	5,285
CAD	63,838	-	63,838	6,384
AUD	45,000	-	45,000	4,500
AED	98,862	-	98,862	9,886
BHD	60,785	-	60,785	6,079
KWD	79,583	-	79,583	7,958
QAR	88,620	-	88,620	8,862
SAR	175,823	-	175,823	17,582
CNY	2,835	-	2,835	284
EGP	63,274,810	-	63,274,810	-
Maximum expected loss at December 31, 2022				**(6,327,481)**
Maximum expected loss at December 31, 2021				**7,167,272**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(B/3) Foreign exchange rate volatility risk (concentration of FX risk on financial instruments)

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised. The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting year. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	Euro	GBP	Other currencies	Total
Financial assets						
Cash and due from Central Bank of Egypt (CBE)	41,401,933,711	885,038,524	248,647,093	30,905,308	29,508,285	**42,596,032,921**
Due from banks	8,870,565,449	15,783,250,559	5,737,080,583	548,668,144	386,655,955	**31,326,220,690**
Treasury bills	59,841,696,355	8,525,140,804	-	-	-	**68,366,837,159**
Trading investments	78,540,429	-	-	-	-	**78,540,429**
Loans and credit facilities to customers	164,444,432,749	46,914,978,400	2,527,615,655	57,798,908	14,630,234	**213,959,455,946**
Financial derivatives	23,578,000	-	-	-	-	**23,578,000**
Financial investments						
Fair value through other comprehensive income	11,907,767,022	3,871,503,939	1,689,769	-	-	**15,780,960,730**
Amortized cost	93,787,064,193	1,192,254,897	-	-	-	**94,979,319,090**
Fair value through profit or loss	83,690,926	-	-	-	-	**83,690,926**
Other financial assets	6,058,987,855	238,937,457	7,408,625	119,012	134,072	**6,305,587,021**
Total financial assets	**386,498,256,689**	**77,411,104,580**	**8,522,441,725**	**637,491,372**	**430,928,546**	**473,500,222,912**
Financial liabilities						
Due to banks	3,208,961,196	212,791,760	65,304,596	34,670,470	-	**3,521,728,022**
Customer deposits	330,579,727,458	66,206,710,158	8,406,393,841	598,500,468	451,104,567	**406,242,436,492**
Financial derivatives	-	22,954,635	-	-	-	**22,954,635**
Other loans	105,099,848	3,454,535,406	-	-	-	**3,559,635,254**
Other financial liabilities	1,259,509,601	185,174,427	5,202,917	245,525	1,576	1,450,134,046
Total financial liabilities	**335,153,298,103**	**70,082,166,386**	**8,476,901,354**	**633,416,463**	**451,106,143**	**414,796,888,449**
Net financial position	**51,344,958,586**	**7,328,938,194**	**45,540,371**	**4,074,909**	**(20,177,597)**	**58,703,334,463**
At the end of the comparative year						
Total financial assets	**307,350,175,075**	**40,968,203,843**	**2,459,271,248**	**72,098,532**	**199,497,551**	**351,049,246,249**
Total financial liabilities	**262,680,785,786**	**34,930,828,022**	**4,590,619,161**	**464,894,262**	**188,181,272**	**302,855,308,503**
Net financial position	**44,669,389,289**	**6,037,375,821**	**(2,131,347,913)**	**(392,795,730)**	**11,316,279**	**48,193,937,746**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(B/4) Structural Interest Rate Risk
Structural interest rate risk is linked to commercial activities and corporate center transactions. Structural interest rate risk arises from residual gaps (surplus or deficit(of the bank's fixed-rate positions. The general principle is to reduce structural interest rate risk to the maximum extent.

Whenever possible, commercial operations are hedged against interest rate, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).

Consequently, structural interest rate risk only results from the residual positions remaining after hedging. The absence of interest rate derivative market in Egyptian Pound makes it difficult to hedge positions in this currency.

Organization of the management of Structural Interest Rate risks
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the Bank's finance department.

Risk assessment, limits and corrective actions are decided by the Assets & Liabilities management Committee (ALCO) headed by the chief executive officer with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room through the financial market. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Decide on the limits for the sensitivity.
- Review, validate and approve any assumptions used for the identification and measurements of the respective risks.
- Review interest rate Gap and sensitivity position reported through ALMU.
- Assess, amend and approve recommendations for bringing the Gap (if any) within the previously approved limits.

Assets & Liabilities Management Unit (ALMU) duties
- Document and maintain the respective risks management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Provide recommendations for bringing the gaps within limits.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

Dealing Room duties
- Provide frequent updates on markets movements.
- Execute and Report progress of ALCO approved recommendations.
- Co-ordinate with ALMU on the spontaneous hedging of special transactions according to ALCO approved policy and recommendations.

Bank's Objective of Interest Rate Risk Management
The Bank's aim is to reduce exposure to structural interest rate risk as much as possible.

Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO. Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

Measurement and monitoring of structural interest rate risks
In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps.

On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. equity).

Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency. The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

The following table summarizes the extent to which the bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

At the end of the current year	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Interest free	Total
Financial assets							
Cash and due from Central Bank of Egypt (CBE)	-	-	-	-	-	42,596,032,921	**42,596,032,921**
Due from banks	21,375,287,256	7,942,823,857	150,000,000	321,664,200	445,381,200	1,091,064,177	**31,326,220,690**
Treasury bills	3,621,554,340	21,090,032,773	43,655,250,046	-	-	-	**68,366,837,159**
Trading investments	-	-	-	-	-	78,540,429	**78,540,429**
Loans and credit facilities to customers	172,058,446,745	4,578,942,621	9,501,174,807	21,036,779,304	6,784,112,469	-	**213,959,455,946**
Financial derivatives	-	-	-	-	-	23,578,000	**23,578,000**
Financial investments							
Fair value through other comprehensive income	341,285,192	700,000,000	3,198,472,229	9,388,606,430	816,857,681	1,335,739,198	**15,780,960,730**
Amortized cost	5,978,721,999	6,550,481,916	24,485,125,655	50,395,631,337	7,569,358,183	-	**94,979,319,090**
Fair value through profit or loss	-	-	-	-	-	83,690,926	**83,690,926**
Other financial assets	-	-	-	-	-	6,305,587,021	**6,305,587,021**
Total financial assets	**203,375,295,532**	**40,862,281,167**	**80,990,022,737**	**81,142,681,271**	**15,615,709,533**	**51,514,232,672**	**473,500,222,912**
IRS (notional amount)	**643,328,409**	**262,898,623**	**262,898,623**	**664,978,870**	**-**	**-**	**1,834,104,525**
Financial liabilities							
Due to banks	3,202,711,885	-	-	-	-	319,016,137	**3,521,728,022**
Customer deposits	188,813,428,207	36,007,847,667	61,870,455,803	68,351,390,545	259,081,025	50,940,233,245	**406,242,436,492**
Financial derivatives	-	-	-	-	-	22,954,635	**22,954,635**
Other loans	3,437,162,853	2,469,107	79,844,227	40,159,067	-	-	**3,559,635,254**
Other financial liabilities	-	-	-	-	-	1,450,134,046	**1,450,134,046**
Total financial liabilities	**195,453,302,945**	**36,010,316,774**	**61,950,300,030**	**68,391,549,612**	**259,081,025**	**52,732,338,063**	**414,796,888,449**
IRS (notional amount)	**1,834,104,525**	**-**	**-**	**-**	**-**	**-**	**1,834,104,525**
Re-pricing gap	**6,731,216,471**	**5,114,863,016**	**19,302,621,330**	**13,416,110,529**	**15,356,628,508**	**(1,218,105,391)**	**58,703,334,463**
At the end of the comparative year							
Total financial assets	**151,480,697,702**	**24,642,274,825**	**37,126,397,062**	**92,404,850,601**	**15,890,568,484**	**29,504,457,575**	**351,049,246,249**
IRS (notional amount)	**550,084,493**	**243,608,851**	**243,608,851**	**1,165,000,393**	**-**	**-**	**2,202,302,588**
Total financial liabilities	**139,244,171,164**	**16,162,034,266**	**28,976,996,727**	**79,892,767,095**	**57,060,579**	**38,522,278,672**	**302,855,308,503**
IRS (notional amount)	**2,202,302,588**	**-**	**-**	**-**	**-**	**-**	**2,202,302,588**
Re-pricing gap	**10,584,308,443**	**8,723,849,410**	**8,393,009,186**	**13,677,083,899**	**15,833,507,905**	**(9,017,821,097)**	**48,193,937,746**

(C) Liquidity Risk
Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price. The Bank manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the bank's Finance Department.

Risk assessment and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the chief executive officer with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
- Review the structured liquidity Gap reported by ALMU.
- Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

Assets & Liabilities Management Unit (ALMU) duties

- Document and maintain the respective risks' management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.
- Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.
- Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties

- Is responsible for managing short term liquidity.
- Provide frequent updates on markets' status and alerting signals of liquidity stretches.
- Execute and Report progress of ALCO approved recommendations.
- Communicate their funding needs to ALMU for the construction of the liquidity gap.

Bank's Objective of Liquidity Risk Management

The Bank's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

To this end, the main principles of the bank's liquidity management are as follows:

- Management of the short-term liquidity in accordance with The regulatory framework;
- Diversification of funding sources;
- Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural liquidity risks

The Bank's liquidity management framework comprises the following processes:

- Regular assessment of the bank structural liquidity profile and its development over time;
- Monitoring of the diversification of funding sources;
- Assessment of the bank's funding needs on the basis of the budget forecasts in order to plan appropriate funding solutions.

Liquidity gaps are constructed by listing the respective on and off-balance sheet-items according to the currency of denomination and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models of historic client behavior patterns (e.g. savings accounts) as well as conventional assumptions relating to certain balance sheet items (e.g. equity).

Liquidity risk

Liquidity risk represents difficulty encountering the bank in meeting its financial commitments upon maturity and refurbishing amounts withdrawn. This may results in failure in fulfilling obligations related to depositors and meeting lending commitments.

December 31, 2022

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	3,544,530,140	-	-	-	-	**3,544,530,140**
Customer deposits	240,753,805,194	38,812,612,675	70,233,084,115	78,289,273,525	351,020,155	**428,439,795,664**
Other loans	453,137,764	34,289,235	632,992,682	2,720,791,061	-	**3,841,210,742**
Total financial liabilities	**244,751,473,098**	**38,846,901,910**	**70,866,076,797**	**81,010,064,586**	**351,020,155**	**435,825,536,546**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

December 31, 2021

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	3,472,310,344	-	-	-	-	**3,472,310,344**
Customer deposits	174,398,671,566	16,316,934,426	34,767,109,823	89,041,117,397	74,394,602	**314,598,227,814**
Other loans	335,212,696	34,130,864	1,040,804,114	1,517,312,716	-	**2,927,460,390**
Total financial liabilities	**178,206,194,606**	**16,351,065,290**	**35,807,913,937**	**90,558,430,113**	**74,394,602**	**320,997,998,548**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

Assets available to meet all liabilities and cover loan commitments include cash, balances with Central Banks, due from banks, treasury bills, other governmental notes and Loans and credit facilities to banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

Cash flow derivatives
Derivatives settled on a gross-basis

The Bank is a party to derivative contracts that are settled on a gross-basis, in particular foreign exchange derivatives. The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining period of contractual maturities at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

December 31, 2022

Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	617,477,974	679,562,313	59,258,771	-	-	**1,356,299,058**
Cash inflows	626,080,991	688,501,648	59,337,734	-	-	**1,373,920,373**

December 31, 2021

Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	2,116,904,744	738,213,868	721,454,666	-	-	**3,576,573,278**
Cash inflows	2,120,594,800	711,063,808	672,759,069	-	-	**3,504,417,677**

Cash flow for Off-balance sheet items

December 31, 2022

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	255,000	-	-	**255,000**
Operating lease commitments	153,387,944	350,799,600	128,175,885	**632,363,429**
Capital commitments resulting from acquisition of property and equipment	1,002,721,195	-	-	**1,002,721,195**
Total	**1,156,364,139**	**350,799,600**	**128,175,885**	**1,635,339,624**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	23,568,243,213	1,466,159,869	-	**25,034,403,082**

December 31, 2021

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	255,000	-	-	255,000
Operating lease commitments	131,665,156	310,148,730	66,550,198	**508,364,084**
Capital commitments resulting from acquisition of property and equipment	945,038,280	-	-	**945,038,280**
Total	**1,076,958,436**	**310,148,730**	**66,550,198**	**1,453,657,364**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	28,530,632,278	1,704,228,563	14,959,934	**30,249,820,775**

(D) Fair value of financial assets and liabilities and sources of fair value
(D/1) Financial instruments measured at fair value
Financial assets classified as trading financial assets at fair value with changes in fair value are measured in the statement of income under 'Net trading income'.

Debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in the other comprehensive income statement under "fair value reserve".

For investments in equity instruments, equity securities listed on the stock exchange are measured at fair value in accordance with quoted market prices on the date of the consolidated financial statements.

For non-listed shares, except for strategic investments, they are evaluated in one of the accepted techniques: discounted cash flow method Multiples of value "and the inclusion of the valuation differences in other comprehensive income within the" fair value reserve "; for strategic investments, the nominal cost or value is the fair value of those investments.

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements within the fair value hierarchy, based on the levels of inputs that are essential for measuring the fair value as a whole:

Level 1:
The first level inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access on the measurement date.

Level 2:
The inputs of the second level are all inputs other than quoted prices within the first level and these inputs are observable for the asset or liability, directly or indirectly.

Level 3:
The third level inputs are the unobservable inputs of the asset or liability.

	December 31, 2022			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury bonds	3,025,730,432	-	-	**3,025,730,432**
Other debt instruments	-	1,121,285,192	-	**1,121,285,192**
Egyptian Treasury Bonds	10,298,205,909	-	-	**10,298,205,909**
Funds at fair value through other comprehensive income	55,682,165	-	-	**55,682,165**
Funds at fair value through profit or loss	83,690,926	-	-	**83,690,926**
Equity Instruments	187,691,889	-	1,092,365,143	**1,280,057,032**
Trading investments	78,540,429	-	-	**78,540,429**
Financial derivatives	-	23,578,000	-	**23,578,000**

	December 31, 2021			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury bonds	1,412,414,152	-	-	1,412,414,152
Other debt instruments	-	383,442,606	-	**383,442,606**
Egyptian Treasury Bonds	12,654,894,755	-	-	**12,654,894,755**
Funds at fair value through other comprehensive income	47,163,250	-	-	**47,163,250**
Funds at fair value through profit or loss	92,563,379	-	-	**92,563,379**
Equity Instruments	151,884,836	-	473,971,589	**625,856,425**
Trading investments	409,760,928	-	-	**409,760,928**
Financial derivatives	-	36,542,265	-	**36,542,265**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(D/2) Financial instruments not measured at fair value
The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the statement of financial position at fair value:

	Carrying amount		Fair value	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Financial assets				
Due from banks	31,326,220,690	17,311,427,927	31,326,220,690	**17,311,427,927**
Loans and credit facilities to customers	213,959,455,946	172,828,554,467	211,740,158,834	**171,792,908,779**
Financial investments at amortized Cost				
Debt instruments	94,979,319,090	77,380,468,113	90,722,136,398	**78,299,246,579**
Financial liabilities:				
Due to banks	3,521,728,022	3,458,687,747	3,521,728,022	**3,458,687,747**
Customer deposits	406,242,436,492	295,491,962,118	392,450,096,087	**283,300,227,337**
Other loans	3,559,635,254	2,882,244,636	3,559,635,254	**2,882,244,636**

Due from Banks:
The carrying amount of variable interest rate placements and deposits for one day represents its fair value. For non-interest bearing balances due from banks, the carrying amount represents their fair value. The carrying amount of fixed interest rate deposits represents their fair value since the maturity of these deposits is less than one year.

Loans and credit facilities to customers:
Loans and credit facilities are stated at the statement of financial position net of allowance for impairment losses.

Debt instruments at amortized cost:
The fair value of debt instruments is determined at the cost charged on the "Egyptian Treasury Bonds" according to Reuters announced at the end of the financial year.

Customer deposits and due to other banks:
The estimated fair value for deposits of indefinite maturity, including free-interest rate deposits, represents the amount paid on demand.

(E) Capital management:
For capital management purposes, the Bank's capital includes total equity as reported in the statement of financial position plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Compliance with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.
- Capital adequacy and uses are reviewed by the Bank's management in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE). Data is submitted and filed with the CBE on a quarterly basis. The CBE requires the bank to comply with the following;
- Maintaining EGP 5 Billion as a minimum requirement for the issued and paid-up capital. The Bank's paid-up capital amounted to EGP 10,774,114,830 at the end of the current year.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities. Minimum level of capital adequacy ratio reached 12.50% at year 2022. The Bank's capital adequacy ratio reached 22.99% at the end of the current year (December 31, 2021 :21.56%) according to Basel II.

(All amounts are shown in Egyptian Pounds)

The numerator in the capital adequacy ratio according to Basel II comprise the following 2 tiers:

- Tier 1: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks and special reserves), less: any goodwill previously recognized and any carried forward losses,plus:the carrying amount of other comprehensve income. The interim net profit was incorporated in Tier 1 capital in accordance with the decision of Central Bank of Egypt Board of Directors held on 15 February 2017.
- Tier 2: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity), in addition to 45% from increase in fair value above the carrying amount of investments in subsidiaries and associates and 45% from special reserve.

In calculating the numerator of the capital adequacy ratio, total value of Tier 2 should not exceed total value of Tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets are risk weighted at a range of 0 to 200%. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, which had been issued on December 24, 2012 and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019, And CBE instructions issued in January 2021 regarding the adoption of Standardized Approach for mearuting operational risk starting from year 2022 to replace Basic Indicator Approach.

The tables below summarizes the compositions of Tier 1, Tier 2 and the capital adequacy ratio based on Basel II:

According to Basel II	December 31, 2022	"December 31, 2021 Restated*"
Tier 1 capital		
Share capital	10,774,114,830	10,774,114,830
General reserve	23,979,176,120	23,979,176,120
Legal reserve	2,790,716,593	2,790,716,593
Other reserves	42,271,621	42,271,621
Retained earnings	5,173,520,672	5,021,661,405
Net profit for the year	10,273,008,225	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	236,973,781	379,716,597
Total deductions from capital invested	(815,687,591)	(652,525,342)
Total tier 1 capital	**52,475,548,174**	**42,356,585,747**
Tier 2 capital		
45% from special reserve	16,761,150	16,761,150
Impairment provision for loans, debt instruments and contingent liabilities in stage one*	1,469,988,017	956,108,641
Total tier 2 capital	**1,486,749,167**	**972,869,791**
Total capital	**53,962,297,341**	**43,329,455,538**
Risk weighted assets and contingent liabilities:		
Credit Risk	220,821,796,364	175,788,843,909
Market Risk	527,418	695,549
Operational Risk	13,931,603,333	25,178,733,307
Total risk weighted assets and contingent liabilities	**234,753,927,115**	**200,968,272,765**
Capital adequacy ratio for Tier 1	**22.35%**	**21.08%**
Capital adequacy ratio	**22.99%**	**21.56%**

* Provided it does not exceed 1.25% from total value of risk weighted assets and contingent liabilities.

** After 2021 profit distribution.

- Based on Consolidated financial statement after the disposal of insurance activity.

Leverage financial ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 on special supervisory instructions related to leverage ratio which maintaining a minimum level of leverage ratio of 3% to be reported in quarterly basis to be obligatory ratio started from year 2018.

This ratio will be included in Basel requirement Tier1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments.

Leverage financial ratio reflect relationship between Tier 1 for capital that is used in capital adequacy ratio (after exclusions) and other assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

Ratio Elements

I - The numerator elements

The numerator consists of Tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

II- The denominator elements

The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called “Bank exposures” which include total the following:

1- On balance sheet items after deducting some of Tier I Exclusions for capital base;

2- Derivatives contracts exposures;

3- Financing Financial papers operations exposures;

4- Off-balance sheet items (weighted by credit conversion factor)

The tables below summarizes the leverage financial ratio:	December 31, 2022	"December 31, 2021 Restated*"
Tier 1 capital after exclusions	**52,475,548,174**	42,356,585,747
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	478,146,793,491	355,899,552,716
Total exposures off-balance sheet	31,222,435,285	30,116,574,094
Total exposures on-balance sheet and off-balance sheet	**509,369,228,776**	**386,016,126,810**
Leverage financial ratio	**10.30%**	**10.97%**

* After 2021 profit distribution.

- Based on Consolidated financial statements after the disposal of insurance activity.

4- Significant accounting estimates and assumptions :

In the application of the bank’s accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

a. Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

b. Fair value of derivatives

Fair value of derivative financial instruments not quoted in an active market is determined using valuation techniques. When these techniques (such as the pricing models) are used to determine fair value, periodic tests and review are performed on them using competent independent personnel other than those responsible for the preparation of such techniques. All such models have been approved and tested prior to use to ensure that their results reflect reliable data and prices that can be compared to the market. These models use market observable data only to the extent it is practical to obtain such data, however, some areas such as credit risk related to the bank and counterparties, volatility and correlations requires management judgement. Changes in assumptions about these factors can affect the fair value of the financial instrument’s disclosure.

c. Debt instrument at amortized cost:

Non-derivative financial assets with fixed or determinable payments and maturity dates are classified as debt instruments at amortized cost “within the business model of financial assets held to collect contractual cash flows”.

If classification of investments as amortized cost – other than stakes required to be retained by the Group in accordance with the provisions of the law – were suspended by the bank, the carrying amount of the outstanding amortized cost investements at the end of the current reporting year would have decreased by EGP 4,259,620,164 to reach the fair value with a corresponding increase in the fair value through other comprehensive inc.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

5- Segmentation analysis
(5/A) Segmental analysis by activity
Segment activity includes operational processes, assets used in offering banking services, management of surrounding risks and related yield. Such activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

Corporate: This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities.

Individuals: This includes current account activities, deposits, savings, credit cards, personal loans, and real estate loans.

Other businesses: They include other Banking activities such as fund management and insurance activity.

Inter-segment activities are affected within the bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as shown in the bank's balance sheet.

At the end of the current year

Income and expenses according to segmental activities (December 31, 2022)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,864,150,678	4,006,334,844	5,833,482,662	4,264,396,417	**19,968,364,601**
Net fee and commission income	1,471,292,172	147,440	915,130,203	61,952,920	**2,448,522,735**
Dividend income	-	56,567,743	-	-	**56,567,743**
Net trading income	701,854,006	-	26,817,145	(264,403,953)	**464,267,198**
Gain on financial investments	.	69,209,665	-	-	**69,209,665**
Impairment credit losses	(3,332,775,485)	(11,559,139)	(375,632,038)	(6,078,765)	**(3,726,045,427)**
Administrative expenses	(2,042,700,664)	(4,794,520)	(2,957,528,843)	(124,641,628)	**(5,129,665,655)**
Other operating revenues (expenses)	(94,227,594)	(32,480,035)	(355,960,037)	1,822,683,245	**1,340,015,579**
Profit before income tax	**2,567,593,113**	**4,083,425,998**	**3,086,309,092**	**5,753,908,236**	**15,491,236,439**
Income tax expense	(821,490,700)	(1,418,283,030)	(1,022,084,008)	(1,878,919,594)	**(5,140,777,332)**
Net profit for the current year	**1,746,102,413**	**2,665,142,968**	**2,064,225,084**	**3,874,988,642**	**10,350,459,107**

Assets and liabilities according to segmental activities (December 31, 2022)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	173,980,924,784	174,860,728,071	43,967,582,368	72,942,119,654	**465,751,354,877**
Unclassified assets	-	-	-	-	**17,528,540,686**
Total assets	**173,980,924,784**	**174,860,728,071**	**43,967,582,368**	**72,942,119,654**	**483,279,895,563**
Segment activity liabilities	262,469,725,652	-	144,680,151,449	11,461,235,970	**418,611,113,071**
Unclassified liabilities	-	-	-	-	**10,570,891,653**
Total liabilities	**262,469,725,652**	**-**	**144,680,151,449**	**11,461,235,970**	**429,182,004,724**

At the end of comparative year Income and expenses according to segmental activities (December 31, 2021)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,775,736,058	2,198,830,673	4,138,783,275	3,226,599,621	**15,339,949,627**
Net fee and commission income	1,231,778,750	110,628	727,411,257	70,628,077	**2,029,928,712**
Dividend income	-	46,377,599	-	-	**46,377,599**
Net trading income	346,497,812	-	40,551,867	(268,183,571)	**118,866,108**
Gain on financial investments	-	8,340,418	-	-	**8,340,418**
Impairment credit losses	(2,020,264,496)	3,747,206	(263,167,531)	6,684,870	**(2,272,999,951)**
Administrative expenses	(1,741,133,033)	(4,171,171)	(2,409,758,495)	(16,874,849)	**(4,171,937,548)**
Other operating revenues (expenses)	358,802,535	42,216,816	(232,936,281)	(131,557,122)	**36,525,948**
Share of profits of associates	-	(141,309)	-	-	**(141,309)**
Profit before income tax	**3,951,417,626**	**2,295,310,860**	**2,000,884,092**	**2,887,297,026**	**11,134,909,604**
Income tax expense	(1,228,692,931)	(782,045,053)	(626,916,505)	(870,698,690)	**(3,508,353,179)**
Net profit for the comparative year	**2,722,724,695**	**1,513,265,807**	**1,373,967,587**	**2,016,598,336**	**7,626,556,425**

At the end of comparative year Assets and liabilities according to segmental activities (December 31, 2021)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	140,706,070,391	129,866,299,211	35,434,969,414	39,287,689,559	**345,295,028,575**
Unclassified assets	-	-	-	-	**14,273,639,318**
Total assets	**140,706,070,391**	**129,866,299,211**	**35,434,969,414**	**39,287,689,559**	**359,568,667,893**
Segment activity liabilities	171,609,489,928	-	125,126,195,108	9,179,100,112	**305,914,785,148**
Unclassified liabilities	-	-	-	-	**7,278,441,258**
Total liabilities	**171,609,489,928**	**-**	**125,126,195,108**	**9,179,100,112**	**313,193,226,406**

(5/B) Segmental analysis by geographic area

At the end of current year Income and expenses according to geographical segments (December 31, 2022)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	10,073,670,000	1,634,369,627	1,520,425,878	618,570,936	6,121,328,160	**19,968,364,601**
Net fee and commission income	1,247,088,482	228,723,729	217,833,209	74,855,807	680,021,508	**2,448,522,735**
Dividend income	-	-	-	-	56,567,743	**56,567,743**
Net trading income	576,385,606	52,226,827	38,573,995	14,887,018	(217,806,248)	**464,267,198**
Gain on financial investments	710,951	-	-	-	68,498,714	**69,209,665**
Impairment credit losses	(2,173,288,309)	(293,489,832)	(970,089,839)	(277,458,321)	(11,719,126)	**(3,726,045,427)**
Administrative expenses	(3,541,018,965)	(640,789,213)	(585,899,176)	(292,295,501)	(69,662,800)	**(5,129,665,655)**
Other operating revenues (expenses)	8,544,819	(69,318,662)	(64,291,772)	(30,194,092)	1,495,275,286	**1,340,015,579**
Profit before income tax	**6,192,092,584**	**911,722,476**	**156,552,295**	**108,365,847**	**8,122,503,237**	**15,491,236,439**
Income tax expense	(1,994,984,742)	(301,932,481)	(51,844,968)	(35,887,202)	(2,756,127,939)	**(5,140,777,332)**
Net profit for the current Year	**4,197,107,842**	**609,789,995**	**104,707,327**	**72,478,645**	**5,366,375,298**	**10,350,459,107**

Assets and liabilities according to geographical segments (December 31, 2022)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	173,000,801,808	27,072,830,512	20,294,699,756	8,661,508,072	253,845,032,521	**482,874,872,669**
Unclassified assets	-	-	-	-	-	**405,022,894**
Total assets	**173,000,801,808**	**27,072,830,512**	**20,294,699,756**	**8,661,508,072**	**253,845,032,521**	**483,279,895,563**
Liabilities of geographical segments	334,723,036,784	44,836,823,838	27,386,502,048	9,050,024,095	8,623,144,785	**424,619,531,550**
Unclassified liabilities	-	-	-	-	-	**4,562,473,174**
Total liabilities	**334,723,036,784**	**44,836,823,838**	**27,386,502,048**	**9,050,024,095**	**8,623,144,785**	**429,182,004,724**

At the end of comparative year Income and expenses according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	7,561,765,060	1,229,180,140	1,069,446,271	438,357,338	5,041,200,818	**15,339,949,627**
Net fee and commission income	1,093,049,027	195,273,214	189,019,722	94,237,216	458,349,533	**2,029,928,712**
Dividend income	-	-	-	-	46,377,599	**46,377,599**
Net trading income	300,766,516	56,489,754	60,000,677	7,327,432	(305,718,271)	**118,866,108**
Gain on financial investments	3,034	-	-	-	8,337,384	**8,340,418**
Impairment credit losses	(1,566,534,530)	(127,543,058)	(437,171,897)	(146,363,813)	4,613,347	**(2,272,999,951)**
Administrative expenses	(2,948,925,841)	(530,982,300)	(499,789,000)	(241,885,715)	49,645,308	**(4,171,937,548)**
Other operating revenues (expenses)	46,481,100	(42,385,036)	(44,891,926)	(13,286,596)	90,608,406	**36,525,948**
Share of profits of associates	-	-	-	-	(141,309)	**(141,309)**
Profit before income tax	**4,486,604,366**	**780,032,714**	**336,613,847**	**138,385,862**	**5,393,272,815**	**11,134,909,604**
Income tax expense	(1,362,428,062)	(244,399,655)	(105,467,767)	(43,359,024)	(1,752,698,671)	**(3,508,353,179)**
Net profit for the comparative year	**3,124,176,304**	**535,633,059**	**231,146,080**	**95,026,838**	**3,640,574,144**	**7,626,556,425**

Assets and liabilities according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	136,772,697,708	21,663,698,999	18,325,091,040	7,539,403,867	174,914,984,249	**359,215,875,863**
Unclassified assets	-	-	-	-	-	**352,792,030**
Total assets	**136,772,697,708**	**21,663,698,999**	**18,325,091,040**	**7,539,403,867**	**174,914,984,249**	**359,568,667,893**
Liabilities of geographical segments	243,184,667,259	31,555,461,603	21,889,339,220	6,775,751,277	6,943,736,607	**310,348,955,966**
Unclassified liabilities	-	-	-	-	-	**2,844,270,440**
Total liabilities	**243,184,667,259**	**31,555,461,603**	**21,889,339,220**	**6,775,751,277**	**6,943,736,607**	**313,193,226,406**

Geographical Segmental analysis is based on the locations of branches through which the bank provides its services.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

6 - Net interest income	December 31, 2022	December 31, 2021
Interest from loans and similar income:		
Loans and credit facilities:		
- Customers	22,260,437,088	16,806,486,764
Total	**22,260,437,088**	**16,806,486,764**
Treasury bills and bonds	20,040,368,531	14,694,899,154
Other debt instruments	66,109,706	43,309,078
Deposits and current accounts	1,620,526,918	527,913,032
Net interest differential on hedging instruments (IRS contracts)	13,186,805	60,575,073
Total	**44,000,629,048**	**32,133,183,101**
Cost of deposits and similar expense :		
Deposits and current accounts:		
- Banks	(295,541,229)	(181,057,765)
- Customers	(23,598,298,709)	(16,505,603,419)
Total	**(23,893,839,938)**	**(16,686,661,184)**
Repo arrangements	(22,758,316)	(33,564,290)
Other loans	(115,666,193)	(73,008,000)
Total	**(24,032,264,447)**	**(16,793,233,474)**
Net	**19,968,364,601**	**15,339,949,627**

7 - Net fee and commission income:	December 31, 2022	December 31, 2021
Fee and commission income :		
Credit fees and commission	2,172,008,258	1,694,002,212
Custody fees	28,057,351	30,058,265
Investment commission	27,482,889	26,859,174
Other fees	1,610,381,159	1,255,531,122
Total	**3,837,929,657**	**3,006,450,773**
Fee and commission expense:		
Brokerage fees	(5,483,856)	(5,921,489)
Other fees	(1,383,923,066)	(970,600,572)
Total	**(1,389,406,922)**	**(976,522,061)**
Net	**2,448,522,735**	**2,029,928,712**

8 - Dividend income	December 31, 2022	December 31, 2021
Equity instruments at fair value through other comprehensive income	56,567,743	46,377,599
Total	**56,567,743**	**46,377,599**

9 - Net trading income:	December 31, 2022	December 31, 2021
Forex operations:		
Foreign exchange trading gains (loss)	361,691,589	94,376,608
Investment funds held for trading	28,166,775	13,931,219
Changes in fair value of currency forward contracts	82,238,407	(2,643,623)
Changes in fair value of currency swap contracts	(10,976,892)	10,464,743
Changes in fair value IRS contracts	3,147,319	2,737,161
Total	**464,267,198**	**118,866,108**

10 - Administrative expenses	December 31, 2022	December 31, 2021
Staff cost:		
Salaries and wages	2,001,053,266	1,711,561,323
Social insurance	124,427,567	99,345,619
Pension cost:		
Defined contribution scheme	97,945,582	89,851,078
Other retirement benefits (Defined benefit scheme)	58,393,291	64,057,912
	2,281,819,706	**1,964,815,932**
Depreciation and amortization	443,424,189	398,981,392
Other administrative expenses	2,404,421,760	1,808,140,224
Total	**5,129,665,655**	**4,171,937,548**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

11 - Other operating revenues (expenses)	December 31, 2022	December 31, 2021
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 at initial recognition	2,244,673,578	(3,318,000)
Gain on sale of property and equipment	779,000	13,124,486
Software cost	(375,858,652)	(205,291,732)
Operating lease rental expense	(162,094,926)	(147,884,940)
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	272,334	-
Other provisions (net of reversed amounts)	(448,577,836)	69,835,320
Finance leases revenue ,net	442,625,118	356,667,068
Other leasing revenues	39,034,629	25,557,655
Impairment loss on leased assets	38,624,607	9,987,163
Net return received from insurance activity*	(542,100,293)	(124,041,655)
Other income (expense)	102,638,020	41,890,583
Total	**1,340,015,579**	**36,525,948**

* The following table summarise the net return received from insurance activity:	December 31, 2022	December 31, 2021
Direct premium	1,049,772,075	1,036,664,934
Re-insurance premium ceded	(123,760,093)	(107,177,784)
Technical reserve during the period	(1,078,872,846)	(791,453,181)
Outgoing re-insurance commissions	775,252	864,122
Other revenues	29,741,394	41,576,633
Claims paid	(448,736,511)	(334,134,357)
Re-insurance pay-back claim	59,566,210	56,710,009
Change in Provision for Outstanding Claims Balance	(8,872,068)	4,581,675
Impairment on receivable arising from insurance contracts	(21,713,706)	(31,673,706)
Total	**(542,100,293)**	**(124,041,655)**

12 - Impairment credit losses	December 31, 2022	December 31, 2021
Loans and credit facilities to customers	(3,708,407,523)	(2,283,432,027)
Due from banks	(5,471,971)	4,519,692
Treasury bills	(15,011,830)	6,406,183
Debt instruments at fair value through other comprehensive income	(228,872)	10,502
Debt instruments at amortized cost	3,681,563	(2,669,479)
Other assets	(606,794)	2,165,178
Total	**(3,726,045,427)**	**(2,272,999,951)**

13 - Income tax expense	December 31, 2022	December 31, 2021
Current tax	(5,222,809,640)	(3,447,437,843)
Deferred tax	82,032,308	(60,915,336)
Total	**(5,140,777,332)**	**(3,508,353,179)**

Additional data on deferred tax is disclosed in note (33). Income tax expense is different from the tax that would have arisen had the statutory tax rate been applied on pre-tax accounting profit as shown below:

Profit before tax	15,491,236,439	11,134,909,604
Income tax calculated at 22.5 % tax rate	3,485,528,199	2,505,354,661
Tax impact for:		
Non-taxable income	(54,543,279)	(63,292,137)
Non-deductible expenses for tax purposes	1,360,516,611	876,157,829
Recognize of deferred tax assets	(14,177,504)	(19,054,205)
Prior-years' tax settlements	86,536,552	56,477,471
Provision and segregated interest	323,497,842	77,293,772
Tax deductible (10% on dividend income)	35,451,219	14,500,452
Effective income tax expense	**5,222,809,640**	**3,447,437,843**

Tax Position
A) QNB ALAHLI Position:
A-1) Corporate Tax
- The Bank's accounts were tax-inspected and settled with respect to tax since the beginning of activity till the end of December 31, 2010.
- Years 2011 and 2012 transferred to court.
- Years 2013 till 2020 have been inspected, and the due tax was paid.
- Year 2021 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-2) Salaries Taxes
- The Bank's books have been inspected, and the due tax was paid until year 2020.
- Year 2021 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-3) Stamp duties
- The Bank's books have been inspected, for all branches until July 31, 2006 and all tax was paid.
- Period from August 01 ,2006 till December 31, 2020 have been inspected, and the due tax was paid.
- Year 2021 the Bank paid the taxes on the due date and books have not been inspected yet.

(B) EX-MIBank Position:
B-1) Corporate Tax
- The Bank's accounts were tax- inspected, and settled since the beginning of activity till November 30, 2006.

B-2) Salaries Taxes
- The Bank's books have been inspected, and the due tax was paid till November 30, 2006.

B-3) Stamp duties
- The Bank's books have been inspected for all branches until July 31, 2006 and all due tax was paid.
- Period from August 01, 2006 till November 30, 2006 have been inspected, and the due tax was paid.

(C) QNB ALAHLI Leasing Position (subsidiary company):
C-1) Corporate Tax
- Years from start of activity till 2016 ,the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2017 to 2020, the company submitted its tax return on the due date and the books are under inspection.
- Year 2021, the company submitted its tax return on the due date.

C-2) Salary tax
- Years from start of activity till 2016 ,the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2017 to 2020,under inspection with the tax authority.
- Year 2021, the company submitted its tax return on the due date and the books have not been inspected yet.

C-3) Stamp duties
- Years from start of activity till 2017 ,the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2018 to 2020, the company are under inspection.
- Year 2021 , no tax inspection has been carried out up till date.

(D) QNB ALAHLI Factoring Company Position (subsidiary company):
D-1) Corporate Tax
- The Company is subject to income tax law No. 91 of 2005 and its executive statute and law No. 44 of 2014.
- Years from 2012 till 2021 the company submitted its tax return on the due date.
- Years 2012 till 2016 under inspection with tax authority.

D-2) Salary tax
- The Company is not abided by deducting and delivering salary taxes, as the company's employees are seconded by QNB ALAHLI (Major Shareholder),While the company with holds and transfers the tax for the employees appointed to the company.

D-3) Stamp duties
- The Company is not subject to stamp duty tax law No. 111 of 1980 and amended by law 143 of period 2006 and the company have not been inspected till now.

D-4) Withholding tax
- The Company is committed to withholding tax and delivering it to tax authority on due dates.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

(E) QNB ALAHLI Life Insurance Company Position (subsidiary company):
E-1) Corporate Tax
- The Company has received deemed tax claim from inception till 30 June 2005. The company objected the deemed tax at the due date and transferred to appeal committee.
- Years from 1 July 2005 to 30 June 2008, the company submitted its tax return , no tax inspection has taken place.
- Years from 1 July 2008 to 30 June 2012, the tax authority inspection and settlement took place and the final settlement have been made.
- Years from 1 July 2012 to 30 June 2016, Tax inspection had taken place and due tax to determined yet.
- Years from 1 July 2016 to 30 June 2020, the company submitted its tax return on the due dates and Tax inspection had taken place.
- Years from 1 July 2020 to 30 June 2021, the company submitted its tax return on the due dates.

E-2) Salary tax
- The tax authority inspection and settlement took place for the period since inception till 2019.

E-3) Stamp duties
- The Company's accounts were tax-inspected and settled with respect to Tax since the beginning of activity till June 2019.
- Years from 01 July 2019 to 30 June 2021 under inspection with Tax authorities.

(F) QNB ALAHLI Asset Management Egypt Company Position (subsidiary company):
F-1) Corporate Tax
- Years from 2002 till 2004, the Company has been inspected, and the due tax was paid for some items and remaining items was have been transferred to the internal committee.
- Years from 2005 till 2006 have been transferred to the internal committee.
- Years from 2007 till 2010, the Company have been inspected, and the due tax was paid for some items and remaining items have been transferred to the internal committee.
- Years from 2011 till 2014, prepare to inspection.
- Years 2015 till 2020, the Company submitted its tax return in the due date and the books have not been inspected yet.
- Year 2021 the bank's tax return is under preperation and will be submitted to the tax authority on legal dates, by maximum April 30, 2022.

F-2) Salaries Taxes
- periods from 2002 till 2004, the tax inspection was took place and internal committee was agreed and tax claim was paid.
- periods from 2005 till 2014 were inspected and finalized with no tax due.
- periods from 2015 till 2018, the company received the tax dues and objected at the official legal dates and awaiting for internal Committee.
- Year 2019 , 2020 and 2021 have not been inspected yet.

F-3) Stamp duty tax:
- Years from 2002 till 2010 have been inspected, and the due tax was paid.
- Years from 2011 till 2016 have been inspected and the company objected the results within the legal periods.
- Years 2017 till 2021, the Company submitted its tax return in the due date and the books have not been inspected yet

14 - Earnings per share	December 31, 2022	December 31, 2021
Net profit for the period**	10,124,164,122	7,452,037,644
Remuneration for the Board Members (from the year net profit)*	(11,160,700)	(16,000,000)
Staff profit share (from the year net profit)*	(1,057,772,118)	(747,158,368)
Profit available to shareholders	**9,055,231,304**	**6,688,879,276**
Weighted average number of the shares outstanding during the year	2,154,822,966	2,154,822,966
Earning Per Share	**4.20**	**3.10**

* Based on Profits distribution proposal. The actual amounts will be subject to the ordinary AGM approval .

** Based on separate financial statements.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

15 - Classification and measurement of financial assets and financial liabilities
The following table shows the gross financial assets and financial liabilities (excluding allowances for impairment) according to the business model classification:

December 31, 2022	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	42,596,032,921	-	-	-	**42,596,032,921**
Due from banks	31,340,375,945	-	-	-	**31,340,375,945**
Treasury bills	68,400,255,483	-	-	-	**68,400,255,483**
Trading investments	-	-	-	78,540,429	**78,540,429**
Loans and credit facilities to customers	228,019,223,416	-	-	-	**228,019,223,416**
Financial derivatives	-	-	-	23,578,000	**23,578,000**
Fair value through other comprehensive income	-	14,445,221,533	1,335,739,197	-	**15,780,960,730**
Amortized cost	94,981,756,562	-	-	-	**94,981,756,562**
Fair value through profit or loss	-	-	-	83,690,926	**83,690,926**
Other financial assets	6,307,931,061	-	-	-	**6,307,931,061**
Total financial assets	**471,645,575,388**	**14,445,221,533**	**1,335,739,197**	**185,809,355**	**487,612,345,473**
Due to banks	3,521,728,022	-	-	-	**3,521,728,022**
Customer deposits	406,242,436,492	-	-	-	**406,242,436,492**
Financial derivatives	-	-	-	22,954,635	**22,954,635**
Other loans	3,559,635,254	-	-	-	**3,559,635,254**
Other financial liabilities	1,450,134,046	-	-	-	**1,450,134,046**
Total financial liabilities	**414,773,933,814**	**-**	**-**	**22,954,635**	**414,796,888,449**

December 31, 2021	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	22,641,706,445	-	-	-	**22,641,706,445**
Due from banks	17,317,515,913	-	-	-	**17,317,515,913**
Treasury bills	40,049,386,865	-	-	-	**40,049,386,865**
Trading investments	-	-	-	409,760,928	**409,760,928**
Loans and credit facilities to customers	182,913,229,437	-	-	-	**182,913,229,437**
Financial derivatives	-	-	-	36,542,265	**36,542,265**
Fair value through other comprehensive income	-	14,450,751,513	673,019,675	-	**15,123,771,188**
Amortized cost	77,385,925,552	-	-	-	**77,385,925,552**
Fair value through profit or loss	-	-	-	92,563,379	**92,563,379**
Other financial assets	5,188,334,382	-	-	-	**5,188,334,382**
Total financial assets	**345,496,098,594**	**14,450,751,513**	**673,019,675**	**538,866,572**	**361,158,736,354**
Due to banks	3,458,687,747	-	-	-	**3,458,687,747**
Customer deposits	295,491,962,118	-	-	-	**295,491,962,118**
Financial derivatives	-	-	-	47,683,515	**47,683,515**
Other loans	2,882,244,636	-	-	-	**2,882,244,636**
Other financial liabilities	974,730,487	-	-	-	**974,730,487**
Total financial liabilities	**302,807,624,988**	**-**	**-**	**47,683,515**	**302,855,308,503**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

16 - Cash and due from Central Bank of Egypt (CBE)	December 31, 2022	December 31, 2021
Cash	5,380,262,941	3,865,992,922
Balances with CBE (mandatory reserve)	37,215,769,980	18,775,713,523
Total	**42,596,032,921**	**22,641,706,445**
Interest free balances	42,596,032,921	22,641,706,445
Total	**42,596,032,921**	**22,641,706,445**

17 - Due from Banks	December 31, 2022	December 31, 2021
Current accounts	1,646,730,634	800,875,498
Deposits	29,693,645,311	16,516,640,415
	31,340,375,945	**17,317,515,913**
Less : Allowance for impairment losses	(14,155,255)	(6,087,986)
Total	**31,326,220,690**	**17,311,427,927**
Balances at CBE other than those under the mandatory reserve	14,689,805,344	12,087,611,100
Local banks	13,843,326,359	3,944,463,145
Foreign Banks	2,807,244,242	1,285,441,668
Less : Allowance for impairment losses	(14,155,255)	(6,087,986)
Total	**31,326,220,690**	**17,311,427,927**
Interest free balances	1,091,064,177	464,267,747
Balances at floating interest rates	555,666,457	336,607,751
Balances at fixed interest rates	29,693,645,311	16,516,640,415
Less : Allowance for impairment losses	(14,155,255)	(6,087,986)
Total	**31,326,220,690**	**17,311,427,927**
Current balances	31,004,556,490	16,777,067,927
Non-current balances	321,664,200	534,360,000
Total	**31,326,220,690**	**17,311,427,927**

18 - Treasury bills	December 31, 2022	December 31, 2021
91 days maturity	8,464,825,000	208,500,000
182 days maturity	26,473,950,000	6,665,400,000
More than 182 days maturity	37,873,241,980	34,937,996,490
Less : Unearned interest	(4,411,761,497)	(1,762,509,625)
	68,400,255,483	**40,049,386,865**
Less : Allowance for impairment losses	(33,418,324)	(11,532,464)
Total	**68,366,837,159**	**40,037,854,401**

19 - Trading investments	December 31, 2022	December 31, 2021
Mutual Fund certificates	78,540,429	409,760,928
Total	**78,540,429**	**409,760,928**

(All amounts are shown in Egyptian Pounds)

20 - Loans and credit facilities to customers	December 31, 2022			December 31, 2021		
	Total	Allowance for impairment losses	Net	Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	4,131,788,490	(64,693,995)	4,067,094,495	3,116,887,753	(8,216,968)	3,108,670,785
Credit cards	1,646,919,864	(65,722,988)	1,581,196,876	1,313,158,233	(57,304,948)	1,255,853,285
Personal loans	34,676,804,443	(949,400,304)	33,727,404,139	29,027,478,638	(701,338,722)	28,326,139,916
Real estate loans	4,771,482,548	(138,069,156)	4,633,413,392	2,846,058,131	(100,288,425)	2,745,769,706
Total (1)	**45,226,995,345**	**(1,217,886,443)**	**44,009,108,902**	**36,303,582,755**	**(867,149,063)**	**35,436,433,692**
Corporate including small loans for businesses						
Overdrafts	86,613,294,911	(2,304,769,070)	84,308,525,841	69,095,730,022	(1,531,633,758)	67,564,096,264
Direct loans	69,755,195,878	(9,972,428,275)	59,782,767,603	57,210,079,356	(7,223,636,035)	49,986,443,321
Syndicated loans and facilities	22,413,696,002	(203,466,088)	22,210,229,914	15,967,732,199	(114,836,031)	15,852,896,168
Other loans	4,010,041,280	(186,546,940)	3,823,494,340	4,336,105,105	(209,856,668)	4,126,248,437
Total (2)	**182,792,228,071**	**(12,667,210,373)**	**170,125,017,698**	**146,609,646,682**	**(9,079,962,492)**	**137,529,684,190**
Total loans and credit facilities to customers (1+2)	**228,019,223,416**	**(13,885,096,816)**	**214,134,126,600**	**182,913,229,437**	**(9,947,111,555)**	**172,966,117,882**
Less: Segregated interest			(205,721)			(205,721)
Less: Unearned discount and deferred income			(174,464,933)			(137,357,694)
Net Loans and credit facilities to customers distributed as follows:			**213,959,455,946**			**172,828,554,467**
Current balances			155,499,670,125			124,313,949,755
Non-current balances			58,459,785,821			48,514,604,712
Net Loans and credit facilities to customers			**213,959,455,946**			**172,828,554,467**

20-A - Allowance for impairment losses

December 31, 2022

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	**8,216,968**	**57,304,948**	**701,338,722**	**100,288,425**	**867,149,063**
Net impairment loss recognized during the year	61,064,296	15,390,995	261,366,749	37,809,998	**375,632,038**
Loans written-off during the year	(4,587,269)	(6,972,955)	(25,631,878)	(29,267)	**(37,221,369)**
Collection of loans previously written-off	-	-	12,318,997	-	**12,318,997**
Foreign exchange translation differences	-	-	7,714	-	**7,714**
Balance at end of the year	**64,693,995**	**65,722,988**	**949,400,304**	**138,069,156**	**1,217,886,443**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	**1,531,633,758**	**7,223,636,035**	**114,836,031**	**209,856,668**	**9,079,962,492**
Net impairment loss recognized during the year	517,628,853	2,654,849,429	72,198,180	88,099,023	**3,332,775,485**
Loans written-off during the year	-	(972,179,908)	-	(113,640,357)	**(1,085,820,265)**
Collection of loans previously written-off	-	31,573,983	-	279,440	**31,853,423**
Foreign exchange translation differences	255,506,459	1,034,548,736	16,431,877	1,952,166	**1,308,439,238**
Balance at end of the year	**2,304,769,070**	**9,972,428,275**	**203,466,088**	**186,546,940**	**12,667,210,373**
Total					**13,885,096,816**

December 31, 2021

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	54,943,886	59,584,077	504,482,004	45,478,279	**664,488,246**
Net impairment loss recognized during the year	(27,855,801)	11,039,128	223,804,101	56,180,103	**263,167,531**
Loans written-off during the year	(18,871,117)	(13,318,257)	(37,711,105)	(1,369,957)	**(71,270,436)**
Collection of loans previously written-off	-	-	10,763,735	-	**10,763,735**
Foreign exchange translation differences	-	-	(13)	-	**(13)**
Balance at end of the year	**8,216,968**	**57,304,948**	**701,338,722**	**100,288,425**	**867,149,063**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	1,839,236,984	5,662,544,670	624,399,516	394,636,294	**8,520,817,464**
Net impairment loss recognized during the year	(302,839,706)	2,781,392,260	(508,144,397)	49,856,339	**2,020,264,496**
Loans written-off during the year	-	(1,230,811,977)	-	(234,587,502)	**(1,465,399,479)**
Collection of loans previously written-off	-	23,380,487	-	-	**23,380,487**
Foreign exchange translation differences	(4,763,520)	(12,869,405)	(1,419,088)	(48,463)	**(19,100,476)**
Balance at end of the year	**1,531,633,758**	**7,223,636,035**	**114,836,031**	**209,856,668**	**9,079,962,492**
Total					**9,947,111,555**

21- Financial derivatives	December 31, 2022		
	Notional amount	Assets	Liabilities
(A) Held for trading			
- Forward foreign exchange contracts	1,356,299,058	23,578,000	-
- Swap foreign exchange contracts	-	-	-
Total	**1,356,299,058**	**23,578,000**	**-**
(B) Fair value hedge			
- Interest rate swap contracts	1,834,104,525	-	22,954,635
Total	**1,834,104,525**	**-**	**22,954,635**
Total	**3,190,403,583**	**23,578,000**	**22,954,635**

	December 31, 2021		
	Notional amount	Assets	Liabilities
(A) Held for trading			
- Forward foreign exchange contracts	1,761,699,526	-	58,660,407
- Swap foreign exchange contracts	1,814,873,752	-	(10,976,892)
Total	**3,576,573,278**	**-**	**47,683,515**
(B) Fair value hedge			
- Interest rate swap contracts	2,202,302,588	36,542,265	-
Total	**2,202,302,588**	**36,542,265**	**-**
Total	**5,778,875,866**	**36,542,265**	**47,683,515**

Forward exchange contracts represent commitments to purchase local and foreign currencies including the unexecuted part of regular-way transactions. Interest rate swap contracts represent commitments to swap fixed interest rate with variable interest rate where the physical exchange of funds is not required except in foreign exchange swaps. The Bank's credit risk represents the cost of potential replacement of the swaps in case other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and percentage of contracted amounts. To control the outstanding credit risk, the Bank assesses counterparties to the contract in the same manner used in lending activities.

Fair value hedge

The Bank uses interest rate swap contracts to mitigate part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies to the extent caused by declining market interest rates.

Net fair value of hedging instruments (Interest rate swap) Liability amounted to EGP 22,954,635 as of December 31, 2022 (Asset EGP 36,542,265 in the prior year). Loss resulting from hedging instruments amounted to EGP 59,496,900 (Loss of EGP 69,549,943 in the prior year) and Gain arose from the hedged items reached EGP 62,644,219 (Gain of EGP 72,287,104 in the prior year).

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

22- Financial investments

Fair value through other comprehensive income (FVTOCI)	December 31, 2022	December 31, 2021
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	11,419,491,101	13,038,337,361
Listed instruments in foreign stock exchange market	3,025,730,432	1,412,414,152
Total debt instruments measured at fair value through other comprehensive income	**14,445,221,533**	**14,450,751,513**
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	187,691,889	151,884,836
Unlisted instruments in stock exchange market	1,092,365,143	473,971,589
Total equity instruments measured at fair value through other comprehensive income	**1,280,057,032**	**625,856,425**
(C) Money market funds and balanced funds:		
Unlisted instruments in stock exchange market*	55,682,165	47,163,250
Total financial investments measured at fair value through other comprehensive income (1)	**15,780,960,730**	**15,123,771,188**
Amortized cost		
(A) Debt instruments:		
Listed instruments in stock exchange market	93,787,064,193	76,650,980,810
Unlisted instruments in stock exchange market	1,194,692,369	734,944,742
Less : Allowance for impairment losses	(2,437,472)	(5,457,439)
Total Debt instruments measured at amortized cost (2)	**94,979,319,090**	**77,380,468,113**
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
Unlisted instruments in stock exchange market	83,690,926	92,563,379
Total equity instruments measured at fair value through profit or loss (3)	**83,690,926**	**92,563,379**
Total Financial investments (1+2+3)	**110,843,970,746**	**92,596,802,680**
Current balances	40,132,801,799	8,149,961,162
Non-current balances	70,711,168,947	84,446,841,518
Total financial investment	**110,843,970,746**	**92,596,802,680**
Fixed interest debt instruments	108,303,255,431	91,447,777,020
Variable interest debt instruments	1,121,285,192	383,442,606
Total debt instruments	**109,424,540,623**	**91,831,219,626**

The following table analyzes the movements on financial investments during the year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the current year	**15,123,771,188**	**77,380,468,113**
Additions	11,004,688,640	23,723,183,034
Amortization of premium / discount	(76,120,758)	1,681,138,946
Disposals (sale/redemption)	(11,218,254,607)	(8,238,186,000)
Translation differences resulting from monetary foreign currency denominated assets	995,141,519	429,695,029
Changes in fair value reserve	(48,265,252)	-
Change in Allowance for impairment during the year	-	3,019,968
Balance at the end of the current year	**15,780,960,730**	**94,979,319,090**

The following table analyzes the movements on financial investments during the comparative year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the comparative year	**2,474,382,352**	**47,609,791,535**
Additions	13,569,506,433	37,063,342,500
Amortization of premium / discount	(42,275,391)	223,021,100
Disposals (sale/redemption)	(833,106,833)	(7,512,183,799)
Translation differences resulting from monetary foreign currency denominated assets	(3,395,343)	(833,744)
Changes in fair value reserve	(40,928,207)	-
Re-classification financial investements	(411,823)	-
Change in Allowance for impairment during the year	-	(2,669,479)
Balance at the end of the comparative year	**15,123,771,188**	**77,380,468,113**

Gain on financial investments	**December 31, 2022**	**December 31, 2021**
Gain on financial investments at fair value through profit or loss	7,986,262	7,309,920
Gain on Selling Financial Investments at fair value through other comprehensive income	61,223,403	921,699
Gain from selling associate companies	-	108,799
Total	**69,209,665**	**8,340,418**

* The Bank's equity instruments classified in the fair value through other comprehensive income category represent Bank subscribed stake at 5% from the total certificates' number of its QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund) upon its initial offering, in addition to the Bank subscribed stake at 20% from the total certificates' number of its QNB ALAHLI Second Fund with yearly / cumulative return (Tawazon Balanced Fund), in addition to the 20% from the total certificates' number of its QNB ALAHLI Third Fund with yearly / cumulative return (Tadawol Equity Fund) upon its initial offering. All stakes required to be retained by the Bank until maturity of the funds in accordance with the provisions of the law, had a nominal value of EGP 5 million each.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

23 - Intangible assets	**December 31, 2022**	**December 31, 2021**
Software		
Net book value at the beginning of the year	282,189,711	195,249,569
Additions	152,758,277	165,634,752
Amortization	(88,082,158)	(78,694,610)
Net book value at the end of the year	**346,865,830**	**282,189,711**

24 - Other assets	**December 31, 2022**	**December 31, 2021**
Accrued revenues	6,307,931,061	5,188,334,382
Pre-paid expenses	206,767,512	117,373,163
Advance payments for acquisition of property and equipment	1,066,233,152	1,019,135,045
Foreclosed assets reverted to the group in settlement of debts	135,778,687	137,828,687
Deposits held with others and custody	21,045,217	20,405,538
Advance payments to tax authority	71,992,399	51,626,554
Receivables arising from insurance contracts, net	11,208,968	10,775,199
Others	1,081,242,412	673,863,261
	8,902,199,408	**7,219,341,829**
Less : Allowance for impairment losses	(2,344,040)	(1,737,246)
Total	**8,899,855,368**	**7,217,604,583**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

25- Property and Equipment	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
January 1, 2021					
Cost	2,784,399,800	316,610,874	1,122,380,143	298,626,194	**4,522,017,011**
Accumulated depreciation	(859,277,684)	(150,437,447)	(755,188,612)	(162,294,680)	**(1,927,198,423)**
Net book value	**1,925,122,116**	**166,173,427**	**367,191,531**	**136,331,514**	**2,594,818,588**
December 31, 2021					
Net book value at the beginning of the year	1,925,122,116	166,173,427	367,191,531	136,331,514	**2,594,818,588**
Additions	200,808,318	26,097,866	315,147,063	20,692,714	**562,745,961**
Disposals from property and equipment	(1,690,079)	(1,035,452)	(8,355,131)	(17,303,395)	**(28,384,057)**
Disposals from accumulated depreciation	1,690,079	1,035,452	8,333,985	17,296,557	**28,356,073**
Depreciation for the year	(120,638,538)	(22,824,475)	(151,321,189)	(25,502,580)	**(320,286,782)**
Net book value	**2,005,291,896**	**169,446,818**	**530,996,259**	**131,514,810**	**2,837,249,783**
January 1, 2022					
Cost	2,983,518,039	341,673,288	1,429,172,075	302,015,513	**5,056,378,915**
Accumulated depreciation	(978,226,143)	(172,226,470)	(898,175,816)	(170,500,703)	**(2,219,129,132)**
Net book value	**2,005,291,896**	**169,446,818**	**530,996,259**	**131,514,810**	**2,837,249,783**
December 31, 2022					
Net book value at the beginning of the year	2,005,291,896	169,446,818	530,996,259	131,514,810	**2,837,249,783**
Additions	173,622,316	33,641,098	144,489,393	10,000,368	**361,753,175**
Disposals from property and equipment	(1,575,597)	-	(26,782,702)	(6,103,502)	**(34,461,801)**
Disposals from accumulated depreciation	1,373,362	-	26,723,493	6,103,502	**34,200,357**
Depreciation for the year	(130,185,102)	(26,061,660)	(171,448,472)	(27,646,797)	**(355,342,031)**
Net book value	**2,048,526,875**	**177,026,256**	**503,977,971**	**113,868,381**	**2,843,399,483**
Balances at December 31, 2022					
Cost	3,155,564,758	375,314,386	1,546,878,766	305,912,379	5,383,670,289
Accumulated depreciation	(1,107,037,883)	(198,288,130)	(1,042,900,795)	(192,043,998)	(2,540,270,806)
Net book value	**2,048,526,875**	**177,026,256**	**503,977,971**	**113,868,381**	**2,843,399,483**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

26 - Due to banks	December 31, 2022	December 31, 2021
Current accounts	373,766,225	340,454,143
Deposits	2,340,731,540	1,944,051,013
Repos transactions	807,230,257	1,174,182,591
Total	**3,521,728,022**	**3,458,687,747**
Central banks	807,230,257	1,174,182,591
Local banks	908	14,803
Foreign banks	2,714,496,857	2,284,490,353
Total	**3,521,728,022**	**3,458,687,747**
Non-interest bearing balances	319,016,137	301,658,920
Variable interest rate balances	54,750,088	38,795,223
Fixed interest rate balances	3,147,961,797	3,118,233,604
Total	**3,521,728,022**	**3,458,687,747**
Current balances	3,521,728,022	3,458,687,747
Total	**3,521,728,022**	**3,458,687,747**

27 - Customer deposits	December 31, 2022	December 31, 2021
Demand deposits	124,160,927,368	94,636,481,090
Time deposits and call accounts	160,209,902,485	94,887,104,765
Term saving certificates	84,535,254,307	69,958,154,396
Saving deposits	30,340,189,452	29,555,115,455
Other deposits*	6,996,162,880	6,455,106,412
Total	**406,242,436,492**	**295,491,962,118**
Corporate deposits	261,562,285,043	170,365,767,010
Retail deposits	144,680,151,449	125,126,195,108
Total	**406,242,436,492**	**295,491,962,118**
Non-interest bearing balances	50,940,233,245	37,198,205,750
Variable interest rate balances	111,890,941,149	98,036,200,965
Fixed interest rate balances	243,411,262,098	160,257,555,403
Total	**406,242,436,492**	**295,491,962,118**
Current balances	336,907,885,296	214,767,761,594
Non-current balances	69,334,551,196	80,724,200,524
Total	**406,242,436,492**	**295,491,962,118**

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 1,313,923,906 as of December 31, 2022 (December 31, 2021 EGP 435,355,323). The fair value of these deposits approximates its carrying amount.

28 - Other loans	December 31, 2022	December 31, 2021
National Bank of Egypt	3,820,977	2,440,983
Commercial International Bank	-	8,394,444
Qatar National Bank	59,384,160	187,028,730
European Bank for Reconstruction and Development	3,391,330,269	2,337,596,368
Banque Misr	-	1,680
National Bank of Kuwait	33,228,054	190,797,514
The Micro, Small and Medium Enterprises Development Agency	64,179,067	88,314,067
Société Arabe Internationale de Banque (SAIB)	7,692,727	67,670,850
Total	**3,559,635,254**	**2,882,244,636**
Current balances	973,775,648	1,381,584,310
Non-current balances	2,585,859,606	1,500,660,326
Total	**3,559,635,254**	**2,882,244,636**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

29 - Other liabilities	December 31, 2022	December 31, 2021
Accrued interest	1,450,134,046	974,730,487
Unearned revenues	167,806,299	114,013,312
Accrued expenses	1,328,955,774	995,801,771
Due to insurance and re-insurance companies	149,588,163	94,190,007
Sundry credit balances	2,911,934,197	2,255,435,241
Total	**6,008,418,479**	**4,434,170,818**

30 - Other provisions			December 31, 2022			
Description	Balance at the beginning of the year	Formed during the year	Released during the year	Foreign currencies translation differences + (-)	Used during the year	Balance at the end of the year
Provision for tax claims	60,517,010	2,457,842	-	-	(1,703,245)	61,271,607
Provision for legal claims	19,026,366	-	(5,595,966)	248,893	(4,747,817)	8,931,476
Provision for contingent liabilities	410,662,191	439,877,277	-	19,361,518	-	869,900,986
Provision for fidelity	36,125,407	845,027	-	17,626,962	(5,434,492)	49,162,904
Provision for operational risk	415,000	-	(415,000)	-	-	-
Other Claims Provision	-	11,408,656	-	-	-	11,408,656
Total	**526,745,974**	**454,588,802**	**(6,010,966)**	**37,237,373**	**(11,885,554)**	**1,000,675,629**

			December 31, 2021			
Description	Balance at the beginning of the year	Formed during the year	Released during the year	Foreign currencies translation differences + (-)	Used during the year	Balance at the end of the year
Provision for Tax claims	59,530,067	1,830,806	-	-	(843,863)	60,517,010
Provision for Legal claims	17,588,419	2,776,892	-	(42,381)	(1,296,564)	19,026,366
Provision for contingent liabilities	490,565,335	-	(79,884,685)	(18,459)	-	410,662,191
Provision for fidelity	31,241,400	5,437,829	-	(30,072)	(523,750)	36,125,407
Provision for operational risk	713,902	3,838	-	-	(302,740)	415,000
Total	**599,639,123**	**10,049,365**	**(79,884,685)**	**(90,912)**	**(2,966,917)**	**526,745,974**

31 - Insurance policyholders' rights	December 31, 2022	December 31, 2021
Technical Reserves for Insurance activties	5,164,777,348	3,943,590,564
Provision for outstanding claims	99,581,320	90,616,568
Total	**5,264,358,668**	**4,034,207,132**

32- Deferred income tax
Deferred tax has been calculated on all temporary tax differences using the balance sheet method and using the expected tax rate at the time that the bank will recognize a benefit from assets / incurred liabilities at a tax rate of (22.5%) for the current Year. The Group does not offset deferred tax assets and deferred tax liabilities unless the Bank has a legally enforceable right to set off current tax assets against current tax liabilities; and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities
Below are the balances and movements of deferred tax assets and liabilities:

Balances of deferred tax assets and liabilities:	Deferred tax assets		Deferred tax liabilities	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Tax impact on temporary differences arising from:				
Property and equipment	-	-	(144,824,966)	(133,313,888)
Provisions (other than the provision for loan impairment)	372,790,540	277,151,736	-	-
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(177,747,784)	**(83,270,221)**
Others	7,939,274	10,034,692	-	-
Deferred tax assets (liabilities)	**380,729,814**	**287,186,428**	**(322,572,750)**	**(216,584,109)**
Net balance of DTA (DTL)	**58,157,064**	**70,602,319**		

Movement of deferred tax assets and liabilities:	Deferred tax assets		Deferred tax liabilities	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Beginning balance	287,186,428	320,637,156	(216,584,109)	(205,485,471)
DT recognized / utilized during the year	93,543,386	(33,450,728)	(105,988,641)	(11,098,638)
Closing balance	**380,729,814**	**287,186,428**	**(322,572,750)**	**(216,584,109)**

Balances of deferred tax assets (liabilities) recognized directly in equity	December 31, 2022	December 31, 2021
Differences in fair value of financial investments at fair value through other comprehensive income	(177,747,784)	(83,270,221)

33 - Defined benefits obligation	December 31, 2022	December 31, 2021
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	565,184,100	543,536,132
Amounts recognized in the income statement:		
Post-retirement medical benefits	58,393,291	64,057,912
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	499,198,065	391,514,233
Unrecognized actuarial gain	65,986,035	152,021,899
	565,184,100	**543,536,132**
Liability movements during the year are represented as follows:		
Balance at the beginning of the financial year	543,536,132	513,228,220
Current service cost	4,472,992	4,390,533
Interest cost	52,430,234	48,846,999
Actuarial gain/losses	1,490,065	10,820,380
Benefits paid	(36,745,323)	(33,750,000)
	565,184,100	**543,536,132**
Amounts recognized in the income statement are shown below:		
Current service cost	4,472,992	4,390,533
Interest cost	52,430,234	48,846,999
Actuarial gain/losses recognized during the year	1,490,065	10,820,380
	58,393,291	**64,057,912**

The main actuarial assumptions used by the Bank are outlined below:	December 31, 2022	December 31, 2021
Discount rate (two plans):		
A - QNB ALAHLI current employees plan	17.00%	14.70%
B-Ex-MIBank retirees plan	17.00%	14.70%
QNB ALAHLI long term increase in the cost of medical care (on top of inflation)	11.00%	7.60%
Ex-MIBank long term increase in the cost of medical care (on top of inflation)	11.00%	7.60%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost	DBO
Post-retirement medical benefits	9.86%	8.71%

34- Issued and paid-up capital
(A) Authorized Capital
- The authorized capital amounts to EGP 15 billion.

(B) 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, 2022 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.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

35 - Reserves and retained earnings

Reserves	December 31, 2022	December 31, 2021
General reserve (a)	23,979,176,120	19,533,050,946
General banking risk reserve (b)	1,669,064	153,028,331
Legal reserve (c)	2,790,716,593	2,418,770,935
Fair value reserve (d)	237,308,343	379,822,286
Special reserve (e)	39,494,455	39,494,455
Capital reserve	42,271,621	29,147,135
General risk reserve	21,453,923	21,453,923
Reserve for transactions under common control	4,000,483	4,000,483
Total reserves at the end of the year	**27,116,090,602**	**22,578,768,494**

Reserve movements are as follows:

(a) General reserve	December 31, 2022	December 31, 2021
Balance at the beginning of the financial year	19,533,050,946	15,104,078,670
Transferred from retained earnings	4,446,125,174	4,428,972,276
Balance at the end of the year	**23,979,176,120**	**19,533,050,946**
(b) General banking risk reserve		
Balance at the beginning of the year	153,028,331	1,169,067
Transferred to/from retained earnings	(151,359,267)	151,859,264
Balance at the end of the year	**1,669,064**	**153,028,331**

General bank risk reserve represent the difference between the allowance required for impairment losses as per CBE credit worthiness rules and the allowance as required by the expected credit loss which recognized in financial statements .

In accordance with the instructions of the Central Bank of Egypt, the general banking risk reserve is supported annually by 10% of the value of the assets owned by the Bank in return for debt if these assets are not disposed of within the period specified in the law.

	December 31, 2022	December 31, 2021
(c) Legal Reserve		
Balance at the beginning of the year	2,418,770,935	2,049,233,783
Transferred from the net profit of the prior year	371,945,658	369,537,152
Balance at the end of the year	**2,790,716,593**	**2,418,770,935**

According to the provisions of local laws, 5% of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 100% of the bank's capital.

(d) Fair Value Reserve	December 31, 2022	December 31, 2021
Balance at the beginning of the year	379,822,286	404,806,848
Net change in fair value (Note 22)	(48,265,252)	(40,928,207)
Impairment losses on debt instruments at fair value through other comprehensive income	228,872	(10,502)
Transferred to retained earnings	-	(411,823)
Deferred tax recognized during the year (Note 33)	(94,477,563)	16,365,970
Balance at the end of the year	**237,308,343**	**379,822,286**

(e) Special Reserve
The application of the CBE new basis rules of preparation and presentation of financial statements as well as the modified principles of recognition and measurement requires to restate the comparative figures of the first financial year that have been impacted by this change, including comparative figures in the balance sheet and the income statements for the previous year. as the impact of adjustment is positive, such impact was carried directly to retained earnings then transferred to the special reserve in equity and shall not be used except by approval from CBE. The following is a breakdown of the items that generated the special reserve amount:

	December 31, 2022	December 31, 2021
Amortized cost method using EIR for held to maturity investments	253,607	253,607
Amortized cost method using EIR for Available-for-sale investments	393,930	393,930
Applying the equity method on investments in associates	26,637,789	26,637,789
Deferred tax (Tax impact on adjustments)	(4,249,739)	(4,249,739)
Available-for-sale investments (Equity instruments)	16,458,868	16,458,868
Total	**39,494,455**	**39,494,455**

(2) Profit for the year and retained earnings	December 31, 2022	December 31, 2021
Movements on retained earnings:		
Balance at the beginning of year	13,022,516,998	11,216,966,389
Net profit of the financial year	10,350,459,000	7,626,556,355
Previous year's profit distribution	(1,616,117,225)	-
Employees' profit share	(780,339,856)	(772,933,066)
Board of directors' remuneration	(16,165,000)	(16,348,116)
Banking System Support and Development Fund	(72,873,731)	(73,907,430)
Transferred to capital reserve	(13,124,486)	(7,767,605)
Transferred to general reserve	(4,446,125,174)	(4,428,972,276)
Transferred to the legal reserve	(371,945,658)	(369,537,152)
Transferred from fair value reserve, net of tax	-	319,163
Transferred from / to general banking risk reserve	151,359,267	(151,859,264)
Balance at the end year	**16,207,644,135**	**13,022,516,998**

36 - Cash and cash equivalents
For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from placement or acquisition date.

	December 31, 2022	December 31, 2021
Cash and balances with central banks	5,380,262,941	3,865,992,922
Due from banks in less than 3 months	30,243,330,545	13,475,153,913
Treasury bills and other governmental notes (91 days)	8,296,328,831	206,043,500
Total	**43,919,922,317**	**17,547,190,335**

37 - Contingent liabilities and other commitments
(a) Legal claims (litigation)
Several lawsuits were brought against the Bank and are still outstanding as of December 31, 2022. No provision has been formed since it is not probable that the Bank will incur losses in regard of these lawsuits.

(b) Capital commitments:
The Bank is a party to contracts for capital commitments amounting to EGP 1,002,721,195 as of December 31, 2022 (EGP 945,038,280 on December 31, 2021). These represent commitments by the Bank for the purchases of buildings and equipment. Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

(c) Commitments for guarantees
The Bank's commitments for loans, guarantees and facilities are set out below:

	December 31, 2022	December 31, 2021
Financial guarantees	255,000	255,000
Accepted papers	1,877,691,810	3,146,172,197
L/Gs	49,406,278,293	43,455,458,358
Import L/Cs	3,081,700,109	3,998,675,261
Export L/Cs	100,288,484	504,098,326
Total	**54,466,213,696**	**51,104,659,142**

(d) Commitments for credit facilities	December 31, 2022	December 31, 2021
Commitments for credit facilities	25,034,403,082	30,249,820,775

(e) Commitments under operating lease contracts
Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	December 31, 2022	December 31, 2021
Not more than one year	153,387,944	131,665,156
More than one year and less than 5 years	350,799,600	310,148,730
More than 5 years	128,175,885	66,550,198
Total	**632,363,429**	**508,364,084**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2022
(All amounts are shown in Egyptian Pounds)

38 - Related-party transactions
Qatar National Bank (Q.P.S.C.) is the ultimate parent and controlling party as at the end of the reporting year which owns 94.97% of the bank's ordinary shares whereas the remaining 5.03% are held by other shareholders.

A number of transactions have been conducted during the reporting year with related parties within the Bank's normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions with the parent company other than the payment of dividends on ordinary shares:

QNB Group	December 31, 2022	December 31, 2021
Due from banks	36,447,035	4,101,286
Due to banks	2,605,843,696	2,197,806,671
Export LC	843,750	25,497,885
LGs for banks	7,917,607,811	5,760,343,308
Foreign exchange derivative	-	1,814,873,752
Interest rate swap contracts	1,834,104,525	2,202,302,588
Other loans	59,384,160	187,028,730
Administrative expenses	231,256,711	169,133,060

A - Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Outstanding loans at the beginning of the financial year	111	111	-	-
Loans issued during the financial year	-	-	-	-
Loans repayment during the financial year	-	-	-	-
Loans outstanding at the end of the financial year	**111**	**111**	**-**	**-**
Interest income on loans	-	-	-	16

* No provisions have been recognized in respect of loan provided to related parties.

	Directors and other key management personnel (and close family members)		Associates	
Loans and credit facilities to related parties can be analyzed below	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Overdrafts	111	111	-	-
Total	**111**	**111**	**-**	**-**

(All amounts are shown in Egyptian Pounds)

B - Deposits from related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Deposits outstanding at the beginning of the financial year	85,022,402	73,059,484	-	5,054,947
Changes in board members	(76,411,375)	-	-	-
Deposits for sold associates compaines	-	-	-	(5,054,947)
Deposits placed during the year	9,159,086	21,111,391	-	-
Deposits repaid during the year	(6,001,518)	(9,148,473)	-	-
Deposits outstanding at the end of the financial year	**11,768,595**	**85,022,402**	**-**	**-**
Interest expense on deposits	451,886	2,112,388	-	95,337

Deposits from related parties can be analyzed below	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Demand deposits	1,202,901	29,551,187	-	-
Saving accounts	666,247	511,608	-	-
Certificates of deposits	8,688,756	7,276,000	-	-
Time deposits	1,210,691	47,683,607	-	-
Total	**11,768,595**	**85,022,402**	**-**	**-**

C - Other transactions with related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Fee and commission income	-	875	-	12,469
Guarantees issued by the bank	-	-	-	-
The above guarantees comprise:			**-**	
LGs	-	-	-	
Total	**-**	**-**	**-**	**-**

The pricing for related parties' transactions are the same for other parties.

In accordance with the instructions of the Central Bank of Egypt (CBE) rules in 23 August 2011. The monthly average of net salaries and benefits for top 20 employees with the largest salaries and benefits reached EGP 7,206,884 during the current year.

39- Money Market and balanced Funds

A- QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund)

The Bank has set up an investment fund under the name of "THEMAR" with daily accumulated interest as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

THEMAR initial offering was for one million certificates at nominal value of EGP 100 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. EFG HERMES is managing this fund.

Total number of the outstanding certificates at December 31, 2022 reached 10,061,960 a total value of EGP 4,921,566,247 The Group currently holds 381,676 certificates worth of EGP 186,687,655 of which EGP 24,456,300 are classified as fair value through other comprehensve income and represent 5% from the total number of certificates that were initially issued, whereas the remaining value of EGP 83,690,926 are classified as fair value through profit or loss and EGP 78,540,429 are classified as trading investments.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 27,189,984 have been reported in the "fees and commission income" line item in the consolidated income statement.

B- QNB ALAHLI Second Fund with periodly / cumulative return (Tawazon Balanced Fund)

The Bank has set up an investment fund under the name of Tawazon Fund with periodic income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tawazon initial offering was for two hundred and fifty thousand certificates amounting to EGP 25 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. Beltone Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2022 reached 61,890 at a total value of EGP 17,132,099 The Bank currently holds 50,000 certificates worth of EGP 13,840,765 that are classified as fair value through other comprehensve income and represent 20% of the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 97,538 have been reported in the "fees and commission income" line item in the consolidated income statement.

C- QNB ALAHLI Third Fund with periodly / cumulative return (Tadawol Equity Fund)

The Bank has set up an investment fund under the name of Tadawol Fund with periodic accumulated income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tadawol certificates were offered in a public offering amounting to EGP 25 million distributed over two hundred and fifty thousand certificates with a nominal value of EGP 100 each, subscriptions have only covered a number of one hundred and twenty five thousand certificates amounting to EGP 12.5 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by the bank at that time. HC Fund Manager Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2022 reached 102,900 at a total value of EGP 35,778,536 . The Bank currently holds 50,000 certificates worth of EGP 17,385,100 that are classified as fair value through other comprehensve income and represent 40% from the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 195,366 have been reported in the "fees and commission income" line item in the income statement.

40- Important Events

Qatar National Bank Al Ahli is following the developments of the crisis between Russia and Ukraine and its impact on the Egyptian economy and the reflection of that crisis on the bank's clients in the different economic and sectors of activities. Accordingly, the bank is continuing to implement the internal protection measures by monitoring and reviewing the level of provisions as well as the portfolio coverage ratio to mitigate the impact on the loans portfolio.

It is worth to highlight that despite the decline of the Corona Virus ("COVID-19") pandemic worldwide due to the success in vaccinating citizens in many countries, including Egypt, the Bank is closely monitoring the situation through the business continuity plan and the other risk management practices.

Branches Network

QNB ALAHLI currently has a network of 232 branches covering the most important governorates in Egypt

Head Office 1:
Dar Champollion - 5 Champollion St.- Down Town – 11111 - Cairo
Tel: (202) 0227707008
Fax: (202) 0227707199

Head Office 2:
El Batal Ahmed Abdel Aziz St.- El- 54 Mohandseen - 12311 - Giza
Tel: (202) 33324100
Fax: (202) 33324199

Cairo Region

Almaza City Center:
Commercial Center "City Center Al-maza" Unit (E1-11) - Al Multaqa Al Arabi District-11341- Cairo
Tel: (202) 22681301
Fax: (202) 22681407

Almaza:
El Thawra St.- Almaza - 11341 -Cairo 103
Tel: (202)24136300
Fax: (202)24136399

Beirut:
22 Beirut St.- Heliopolis - 11341 - Cairo
Tel: (202)24563800
Fax: (202)24563899

Osman Ibn Affan:
Osman Ibn Affan – 11341-Heliopolis 25
Tel: (202)24159724
Fax: (202)24159679

Al Baron:
Awayd number (5) Hassan Sadek Basha St.- Heliopolis - 11341 - Cairo
Tel: (202)24632000
Fax: (202)24632099

El Merghany:
95 D Borg El Shams Buildings, Al Sayed Merghany St.- Heliopolis - 11341- Cairo
Tel: (202)24164800
Fax:(202)24164899

Ard El Golf:
5 Samir Mokhtar St.- Ard El- Golf - Heliopolis - 11341 - Cairo
Tel: (202)24139300
Fax: (202)24139399

Al Sebak:
32 Al Andalus St.- Heliopolis -11351 - Cairo
Tel: (202)24562200
Fax: (202)24562299

Thawra:
18 El-Thawra St.- Heliopolis - 11341 - Cairo
Tel: (202)24136300
Fax: (202)24136399

Kasr El Nil:
39 Kasr El Nil St.- Mostafa Kamel Square - Down Town - 11121 - Cairo
Tel: (202)27707000
Fax: (202)27707099

El Manial:
8 Mathaf El Manial St.- Manial – 11451 - Cairo
Tel: (202)25312263
Fax: (202)25312259

Opera:
42 El-Gomhouria St.- Opera Square - Down Town - 11121 - Cairo
Tel: (202)23999500
Fax: (202)23999599

Ahmed Heshmat:
33 Ahmed Hesmat St.- Zamalek – 11211- Cairo
Tel: (202)27281700
Fax: (202)27281799

Bab El Louq:
6 Falaky Square - Bab El Louq – Down Town - 11121- Cairo
Tel: (202)27919500
Fax: (202)27919599

Bab El Sheria:
472 Port Said St.- Bab El Sheria – 11271 - Cairo
Tel: (202) 25891873
Fax: (202) 25891876

EL-Kamel Mohamed:
2 El-Kamel Mohamed St.- Zamalek - 11211- Cairo
Tel: (202) 27281600
Fax: (202) 27281699

El-Sayeda Zeinab:
202 Portsaid St. El Sayeda Zeinab -11461- Cairo
(202)
Fax: (202) 23993499

Kasr El-Aini:
5 Elkasr Elaainy St.- Down Town - 11121 - Cairo
Tel: (202)25352100
Fax: (202)25352199

Nile City:
2005A Korniche El Nile - Nile City Towers - North Tower - Ground Floor - 11221- Cairo
Tel: (202)24619241
Fax: (202)24619244

Ramsis - Ghamra:
219 Ramsis-Ghamra -11271 - Cairo
Tel: (202)25971100
Fax: (202)25971199

El Mahkama Square:
36 El-Hegaz St.- Heliopolis - 11351- Cairo
Tel: (202) 26311700
Fax: (202) 26311799

El Nozha:
7 El Hegaz Square - Heliopolis - 11361- Cairo
Tel: (202)27771431
Fax: (202)27770676

El Shams:
48 Farid Semeka St.-Heliopolis - 11351- Cairo
Tel: (202) 21805692
Fax: (202) 21805693

Hegaz:
143 & 145 Al Hegaz St.- Heliopolis - 11361- Cairo
Tel: (202) 26311600
Fax: (202) 26311699

Ibn Maged Street:
Hegaz St.- Heliopolis - 11351- Cairo 235
Tel: (202) 26250100
Fax: (202) 26250199

Safir:
60 Abo Bakr El-Seddik St.- Safir Square – Heliopolis - 11361- Cairo
Tel: (202) 26310700
Fax: (202) 26310799

Galaa Complex:
El Galaa Complex main walls – next to Sun Mall Super Market – Abou Bakr El Sedik st. -Heliopolis - 11361 - Cairo
Tel: (202)33323300
Fax: (202)33323399

Omar Ibn El Khattab:
83 Omar Ibn El Khattab St. - Al Sabaa Omarat Heliopolis - 11769 - Cairo
Tel: (202)26904246

Farid Semeka:
111 Farid Semeka St.- El Nozha - 11361 - Cairo
Tel: (202)27746152
Fax: (202)27746156

Triumph:
102 Othman Ibn Affan – Heliopolis - 11361- Cairo
Tel: (202)26311400
Fax: (202)26311499

Ain Shams:
115 Selim El Awel St.- Ain shams - 11321 – Cairo
Tel: (202)26311900
Fax: (202)26311999

Gisr El-Suez:
149 Gisr El Suez St.- El Nozha - Heliopolis - 11351- Cairo
Tel: (202)26371850
Fax: (202)26371859

Hadayek El Kobba:
16 Waly El-Aahd St.- Saray El- Hadayek Mall - 11331 – Cairo
Tel: (202)24885700
Fax: (202)24885799

Heliopolis:
7 El Merghany St.- Heliopolis - 11341- Cairo
Tel: (202)24163700
Fax: (202)24163799

Helmyet El-Zaitoun:
Ibn El-Hakam Square - Beet El Ezz Towers - 11321 – Cairo
Tel: (202)26312000
Fax: (202)26312099

Kasr El-Tahra:
62 Toman Bey St.- Helmyet El Zaiton - 11321 - Cairo
Tel: (202)24560100
Fax: (202)24560199

Makrizi:
7 El Awhady St.- With Makrizi St.- Heliopolis - 11341 - Cairo
Tel: (202) 22570668
Fax: (202) 22570676

Khalifa Al Mamoun:
46 khalifa Al Mamoun street – 11341-Heliopolis – Cairo
Tel: (202)24539192
Fax: (202)24539235

Roxy:
25 Kobba St.- Roxy Sq – Heliopolis -11341- Cairo
Tel: (202)24563600
Fax: (202)24563699

Heliolido Club - Roxy:
Heliolido club - Al Maahad Al Eshtrakey street - Roxy square – 11341-Heliopolis
Tel: (202)24504304
Fax: (202)24504320

East Cairo Region:

10th of Ramadan:
Banks Area -10th of Ramadan - Sharkia
Tel: (2055)4390300
Fax: (2055)4390399

1st Industrial Zone - 10th of Ramadan:
14A Service Area - 10th of Ramadan - 44411 - Al Sharkia
Tel: (2055)4392100
Fax: (2055)4392199

Badr University:
Entertainment District – West City - Badr City - 11829 – Al Sharkia
Tel: 01270088701

Badr City:
Block#29, El Mogawra 2 – District No.1- in front of Russian University - Badr City - 11829 – Al Sharkia
Tel: (202)28609129
Fax: (202)28609162

El Sherouk City Plaza:
Plot# 35,45 - Sherouk Entrance #1- City Plaza Mall - Cairo Suez Desert Road - 11837 - Cairo
Tel: (202)28609129
Fax: (202)28609162

Obour City:
Shop 34 & 35 – Obour City Club- Obour City- 18111- Cairo
Tel: (202)46140300
Fax: (202)46140399

Obour City Industrial Zone:
Lot 1- Banks Area , Industrial Zone A - Obour City - 18111 - Cairo
Tel: (202)46140200
Fax: (202)46140299

El Mahatta Square:
1 El-Mahatta Square- Sarayat El- Maadi - Helwan - 11431 - Cairo
Tel: (202)27680000
Fax: (202)27680099

Helwan:
13 Mohamed Mostafa El Maraghy St. - Helwan - 11421 - Cairo
Tel: (202)25485600
Fax: (202)25485699

Korniche El Maadi:
380 Jawharet El Maadi Building - Korniche El Nil - Maadi - 11431- Cairo
Tel: (202)25296400
Fax: (202)25296499

Maadi Entrance:
Plot #405 -Maadi Entrance – Cournish El Maadi –11431- Cairo
Tel: (202)23242700
Fax: (202)23242799

Maadi Degla:
Cross Roads of 218 & 231 St.- Maadi Degla - 11435 - Cairo
Tel: (202)25220600
Fax: (202)25220699

Mokatam:
Corner of Road 9 & 10 El Hadaba El Olya - Mokattam - 11439 - Cairo
Tel: (202)25031800
Fax: (202)25031899

Zahraa EL-Maadi:
Block no. 10071 - Tenth District - El-Hadaba El Sofla - Al-Merage - El-Basateen - 11439 - Cairo
Tel: (202)24471334
Fax: (202)24471337

New Maadi:
48 Al Nasr Avenue - New Maadi - Helwan - 11435 - Cairo
Tel: (202)27557300
Fax: (202)27557399

Nasr Street:
Block 1- Cross Road, Nasr and El- Lasilky - New Maadi - 11435 - Cairo
Tel: (202)27557300
Fax: (202)27557399

Street 9:
Corner of Roads 9 & 79 -Maadi – 11431 - Cairo
Tel: (202)27683800
Fax: (202)27683899

Wadi Degla:
Wadi Degla Club - Zahraa El Maadi -Helwan - 11435 - Cairo
Tel: (202)25195136
Fax: (202)25195168

Abbas El Akkad:
20 Abo El Ataheya St.- Abbas El Akkad Ext.- Nasr City – 11471 - Cairo
Tel: (202)22769500
Fax: (202)22769599

Ahmed Fakhry:
40 Ahmed Fakhry St.-Block 126- 6th District - Nasr City - 11391 - Cairo
Tel: (202)23546312
Fax: (202)23546316

Arab Academy:
1 Mousheer Ahmed Ismail St.- Masaken Sheraton - Arab Maritime Acadamy - 11361 - Cairo
Tel: (202)22686751

Hassan El Maamoun:
108 El Mona Building Hassan El Maamoun St.- District No. 6 – Nasr City -11391- Cairo
Tel: (202)22769000
Fax: (202)22769099

Makram Ebeid:
86 Makram Ebeid St.- Nasr City – 11371- Cairo
Tel: (202)22767000
Fax: (202)22767099

Mustafa El Nahas:
112 Mustafa El Nahas St.- 6th District – Entrance No.2 - Nasr City - 11391 -Cairo
Tel: (202)26703493
Fax: (202)26703495

Zaker Hussien:
2 Ahmed El Zomor Street – Nasr City - 11471 - Cairo
Tel: (202)22871147
Fax: (202)22871152

Abasia:
111 Abasia St.- 11381- Cairo
Tel: (202)24884000
Fax: (202)24884099

City Stars:
Unit # 1255 , Gate 7 – Citystars Mall - Omar Ebn El Khattab St.- Nasr City - 11391 - Cairo
Tel: (202)24802480
Fax: (202)24802483

Asmaa Fahmy:
2 Nozha St.- Next to Rekaba Edaria - Nasr City - 11371 - Cairo
Tel: (202)24159725
Fax: (202)24159475

House of Financial Affairs:
El Massah - Abdel Aziz Shenawy St.- Parade Area - Nasr City - 11371 -Cairo
Tel: (202)24010496
Fax: (202)24011952

Nasr City:
2 Abbas El Akkad St.- Nasr City - 11371- Cairo
Tel: (202)24074600
Fax: (202)24074699

El Obour Building:
Shop # 6 & 7, building # 7 El Obor Building, Salah Salem St.- Heliopolis - Nasr City – 11371 - Cairo
Tel: (202)24054024
Fax: (202)24054021

Abdalla El Araby:
Land No. 17 - Block 63 Taksem Seventh District - Tayaran Street Extension - Nasr City - 11471 -Cairo
Tel: (202)23879396
Fax: (202)23879397

Tayaran:
32 Tayaran St.- Nasr City – 11371 - Cairo
Tel: (202)24078100
Fax: (202)24078199

El-Rehab:
Banks Area - B District – Rehab City - Tagamoa - 11841 - Cairo
Tel: (202)26940200
Fax: (202)26940299

Chillout - El Rehab:
Building C - Chill Out El Rehab - Mohamed Naguib Axis – Infront of Rehab City - 1st Settlement – New Cairo
Tel: (202)33783201
Fax: (202)33783204

Kattameya Road:
Building No. 2 Abrag Badr – Kattameya Road - 19111- Cairo
Tel: (202)23104167
Fax: (202)23104170

Master El Sokhna Road:
Shop # (2 B) Services Complex “Master El-Sokhna” Cairo/ Sokhna road, next to landing area - sign 8 km - Ein Sokhna direction before toll station -19111- Cairo
Tel: 01205556935

Chill out El Nakhiel:
Services Complex “Chillout – El Nakheil” south end of Shaheed axis road before the ring road tunnel-Cairo
Tel: (202)33783202
Fax: (202)33783204

Madinety:
First Floor Banks Building – Administrative Area - First Phase - No. 103 - 19511 – Cairo
Tel: 01206628809

Open Air Mall Madinety:
unit (3) Ground floor - Build (j) - commercial centers District in front of Arabesk Mall - first phase – Madinety Project – 19511-New Cairo
Tel: 01222419666

Cloud 9:
Unit # (6) “Cloud Nine Mall”- Northern Investors area- “Mohamed Naguib Axis” – 1st Settlement – 11865-New Cairo.
Tel: (202)25391021
Fax: +(202)25391024

Porto Cairo:
Unit No. (50 - 5) Porto Cairo Mall - First settlement - New Cairo – 11865 - Cairo
Tel: 01065596125

Green Tower:
Green Tower - 305 Road 90 “southern” 2nd District - New Cairo -11853 - Cairo
Tel: (202)28109558
Fax: (202)28109559

Air Force Hospital:
Air Force Hospital - 90th St.- Fifth Settlement - 11835 - New Cairo
Tel: (202)26182205
Fax: (202)26182204

Redcon:
Build No. 140 - First Sector – City Center - Fifth Settlement -11835 – New Cairo
Tel: (202)28114026
Fax: (202)28114028

The spot:
Plot(49B) - Southern Investors District - Fifth Settlement – New Cairo – 11835 – Cairo
Tel: (202)25734101 - 012 76241356
Fax: (202)25734104

Mirage Residance:
Unit (3) - Build (A) Mirage Residance - Entertainment District - 1st Settlement - 11865 - New Cairo
Tel: (202)24499407

Emerald Empire:
Unit # 23 Ground and First Floor - Emerald Center - El Nakhil City - 1st Settlement - 11865 – New Cairo
Tel: (202)25982300
Fax: (202)25982399

Cairo Festival City:
Unit (2-086) 2nd floor - El fatim land , Taha Hesin St. – Cairo festival city mall – Fifth Settlement -11835– New Cairo
Tel: (202)26168176
Fax: (202)26168179

New Cairo:
Down Town Project - 90 St.- 5th Settlement - New Cairo - 11835 - Cairo
Tel: (202)25982200
Fax: (202)25982299

Masa - New Capital:
unit #GB-04 - Capital Plaza Mall – New Administrative Capital – New Cairo
Tel: (202)3338100
Fax: (202)3338199

Al Rebat - New Cairo:
Unit #G06 - Al Rebat Mall – Northern 90th St. - 5th Settelment - 11835 – New Cairo
Tel: (202)28215651
Fax: (202)28215654

Egypt Air:
Egypt Air Building - South Building- Block 6 - Airport Road – 11776 - Cairo
Tel: (202)22679517

Sun City:
Store No. A28F floor F - Sun City - Masaken Sheraton – Autostorad road - Heliopolis - 11361 - Cairo
Tel: (202)22650500
Fax: (202)22650599

Masaken Sheraton:
5 Khaled Ibn El Waleed St.- Heliopolis - 11361 - Cairo
Tel: (202)26961460
Fax: (202)26961489

New Nozha:
3A Dr. Mohamed Hussein Kamal St.- New Nozha - 11769 - Cairo
Tel: (202)26253600
Fax: (202)26253699

The District:
Unit No. (3-10) - Wadi Degla Club Wall Beside the District – Heliopolis -11361 - Cairo
Tel: (202)22696903
Fax: (202)22696928

Air Mall:
Store No. 1/2 Ground Floor – Air Mall Building Passengers Building No (1) - Cairo Airport – 11776 - Cairo
Tel: (202)22691691
Fax: (202)22691694

Sakr Koreish:
90 Sakr Koraish Building – Sheraton Buildings - 11361 - Cairo
Tel: (202)26969500
Fax: (202)26969599

Sindbad:
81 Joseph Tito St.- New Nozha - Cairo
Tel: (202)26253700
Fax: (202)26253799

Giza Region
Aghakhan:
2 Horria St.- Takseem Aghakhan - 11241 - Cairo
Tel: (202)22253000
Fax: (202)22253099

Alfy:
14 Mohamed Bek Alfy St.- Down Town - 11111 - Cairo
Tel: (202)25970800
Fax: (202)25970899

Banha:
26 Saad Zaghlool St.- 13111 - Banha
Tel: (2013)3806200
Fax: (2013)3806299

Faggalla:
39 Kamel Sedky St.- Faggala – El Zaher - 11271 - Cairo
Tel: (202) 25880655

Chill Out - El Mattaria: “Newly added”
Chill out Gas station - Al Assar Corridor - Next to Mattaria Hospital & Mattaria square - El Mattaria- 4539901-Cairo
Postal code: 4539901

Menyet El Serg:
173 Shoubra St.- Sahel – Shoubra - Cairo
Tel: (202)22052454
Fax: (202)22050575

Rod El-Farag:
74 Rod El Farag St.- El Sahel – Shoubra - 11241 - Cairo
Tel: (202)24291000
Fax: (202)24291099

Shoubra:
53 Shobra St.- Shoubra - 11231 - Cairo
Tel: (202)25945900
Fax: (202)25945999Shoubra El-Khima: 135, 15 May St.- El Teraa El Boulakya - Mansheit El Hourrya - Shoubra El Khima - 13211 - Qalubiya
Tel: 01223990070

Shoubra El-Khima:
135, 15 May street-El Teraa El Boulakya- Mansheit El Hourrya - shoubra el khyma
Tel: 01223990070

Teraa El-Bolakia:
156 El Terra El Bolakia St.- Shoubra - 11231 - Cairo
Tel: (202)22009738
Fax: (202)22009742

El Marwa (Boulak El Dakroor):
57 El Sudan St.- Dokki - 12311 - Giza
Tel: (202)37618708
Fax: (202)37618747

Saint Regis:
Ground floor - Saint Regis Hotel - Kornish El Nile - Bolak Abu Al Ela – 11221-Cairo
Tel: (202)25771990
Fax: (202)25771960

Mossadek - Dokki:
12 Tanzeem - 6 Mossadek St.- Dokki - 12311 - Giza
Tel: (202)33338900
Fax: (202)33338999

New Capital:
Plot Code (11-A1) - The financial district area - New Administrative Capital - Cairo

El Nil:
5 Wessa Wassef - Borg El Riad – 12311 - Giza
Tel: (202)35732095
Fax: (202)35732080

El-Bahr El-Azam:
304 Elbahr Elaazam St.- Borg El Kawsar - 12211 - Giza
Tel: (202)35670700
Fax: (202)35670799

El-Galaa:
106 El Nil St.- Agouza - 12311 - Giza
Tel: (202)33323300
Fax: (202)33323399

Giza:
62 Mohamed Bahy El Din Barakat St.- 12211 - Giza
Tel: (202)33311100
Fax: (202)33311199

Messaha:
5 Al-Messaha Square - Dokki - 12311 - Giza
Tel: (202)33338100
Fax: (202)33338199

Mohy El-Din Abou El-Ezz:
38 Mohy El Din St.- Dokki – 12311 - Giza
Tel: (202)37492134
Fax: (202)37492138

Mourad:
28 Taha Hussien St.- 12211 - Giza
Tel: (202)35684871
Fax: (202)35684869

First Mall:
Unit # (106), 35 Giza street “First Mall” – Four Seasons First Residence Hotel-12311- Giza
Tel: (202) 35725643
Fax: (202) 35725649

Arab Academy - Smart Village:
Arab Academy building - Smart Village -12577- Giza
Tel: (202)35370071
Fax: (202)35370073

Dandy Mall:
Dandy Mall - Cairo-Alex. Desert Road. (kilo 28) - 12577- Giza
Tel: (202)35367200
Fax: (202)35367299

Faisal:
179 King Faisal St.- Haram - 12151 - Giza
Tel: (202)33891600
Fax: (202)33891699
(202) 33891699

Haram:
360 Al- Haram St.- Haram – 12111 - Giza
Tel: (202)35992400
Fax: (202)35992499

King Faisal:
457 Faisal St. - 12111 - Giza
Tel: (202)37891300
Fax: (202)37891399

Mariottia:
44 Al Haram Street - Crystal Palace Mall - 12111 - Giza
Tel: (202)33866002
Fax: (202)33866088

Nasr El Din:
426 Al Haram St.- El Gazera El Arabia Tower - Haram - 12111 - Giza
Tel: (202)35674200
Fax: (202)35674299

Hadayek Al Ahram:
Reviera Mall - Hadayek Al Ahram – 12572-Giza
Tel: 01205556927

Agouza:
1 Aswan Square - Al Agouza - 12311 - Giza
Tel: (202)33000500
Fax: (202)33000599

Gameat El-Dowel El-Arabia:
9 Gameat El-Dewal El-Arabia – Al Mohandseen - 12411- Giza
Tel: (202)33003700
Fax: (202)33003799

Kitkat:
5A Mohamed Roushdy St.- 8A El Nabawy El Mohandes Sq.- Agouza– 12411 - Giza
Tel: (202)33080200
Fax: (202)33080299

Lebanon:
30 Lebanon St.-El Mohandseen – 12411 - Giza
Tel: (202)33000900
Fax: (202)33000999

Moustafa Mahmoud:
2 El Fawakeh St.- Mohandseen - Giza
Tel: (202)33315000
Fax: (202)33315099

Shehab:
7 Shehab St.- Mohandseen - 12411 - Giza
Tel: (202)37618783
Fax: (202)37617965

Sphinx:
3 Ahmed Orabi St.- Sphinx Square - 12411 - Giza
Tel: (202)33002500
Fax: (202)33002599

Sudan:
149-151 Sudan St.- Mohandseen - Giza
Tel: (202)33346800
Fax: (202)33346899

Wadi El Nil:
22 Wadi El Nil st. – Mohandseen –12411- Giza.
Tel: (202)33001900
Fax: (202)33001999

October - industrial zone:
October City - Banks Area – Industrial Zone 4 - 12451 - Giza
Tel: (202) 21274300
Fax: (202) 21274399

Chillout Park:
Store No. (3A) - Restaurant Compound - Alex - Cairo Desert Road - 12451 - Giza
Tel: (202)33783201
Fax: (202)33783204

Park Avenue:
Unite # G/213 - Park Avenue Project - Cairo/ Alex Desert Road – 12461-Giza
Tel: 01208888368

6th of October Distinguished District:
University Mall - Behind Misr University - 6th of October - 12451 -Giza
Tel: (202)38247514
Fax: (202)38247513

Mall of Arabia:
Unit No. 071 H - Mall of Arabia - 6th of October - 12451 - Giza
Tel: (202)38260230
Fax: (202)38260231

Banks Complex Mall -West Somid :
Service Center Neighbhood 9 , 10 – West Somid - 6th of October - 12566 - Giza
Tel: (202)38249047
Fax: (202)38249048

IDG:
IDG - Main Service area - Food court – 6 October –12451- Giza
Tel: (202) 38642395
Fax: (202) 38642398

Strip Mall:
Commercial Store No. 1L - Plot # 9 &10 of Auto Ville Project - Strip Mall - Dahshour Road - EL Sheikh Zayed – 12857 – Giza
Tel: (202) 38579194

El Sheikh Zayed:
Al Mogawra 1 - Building 105 front of Zayed Hospital - 6th of October -12461 - Giza
Tel: (202)37944107
Fax: (202)37944109

Prima Vista:
Unit No. G9/3,F7/1 Mall Prima Vista - Block 1/9 - El-Mehwar El- Markazi - 6th Of October -12451 - Giza
Tel: (202)25983800
Fax: (202)25983899

Mall 360:
Plot # 3, 3rd neighborhood - The eastern tourist extension area - 6 of October – 12451-Giza
Tel: (202)36104591
Fax: (202)36104594

ElMajarra:
El Majarra Complex - Plot No. (12) Mehwar Crazy Water – Sheikh Zayed - 6th of October - 12461 - Giza
Tel: (202)38272600
Fax: (202)38272699

Sila Mall:
Sila Mall , Plot #2/28/B, - Mehwar El-Markazi - 6th of October city-12451-Giza
Tel: (202)38274000
Fax: (202)38274099

Smart Village:
Egyptian Exchange Building – Smart Village - 6th of October - 12577 - Giza
Tel: (202)35371050
Fax: (202)35371053

Mazar:
Mazar Mall - 16th Neighborhood – Sheikh zaied , 6th Of October city-12461-Giza
Tel: (202)37952551
Fax: (202)37952554

Karma 4:
Karma Mall 4 - 17th Neighborhood -Sheikh zaied , 6th Of October city-12461-Giza
Tel: (202)37862718
Fax: (202)37862724

Arkan :
Plot (29-30-32) - Crazy Water corridor - Sheikh Zayed - 6th of October – 12461-Giza
Tel: (202)21293100
Fax: (202)21293199

Alexandria Region

Damanhour:
19 El Gomhoria St.- Karta - 22111 - Damanhour
Tel: (2045)3370900
Fax: (2045)3370999

Khaled Ibn El-Waleed:
631 Al Guish Avenue - Off Khaled Ibn El Waleed - Miami - 21421 - Alex
Tel: (203)5381100
Fax: (203)5381199

Miami:
265 Gamal Abdel Nasser Avenue – Miami - 21421 - Alex
Tel: (203)5381000
Fax: (203)5381099

Roushdy:
240 El Geish Road (Kourniche) – 21311 - Alex
Tel: (203)5419500
Fax: (203)5419599

Mamoura:
Royal Mall - Mamoura Road - 21421 - Alexandria.
Tel: (203)3253943
Fax: (203)3253954

Montaza:
737 El Geish Road - Mandara – 21421 - Alex
Tel: (203)5487619
Fax: (203)5487932

Sporting:
293 El Horreya Road - 21311- Alex
Tel: (203)4291624
Fax: (203)4291598

Fawzy Moaaz Street:
74 A Fawzy Moaz St.- Semouha - 21431- Alex
Tel: (203)4196700
Fax: (203)4196799

Glym:
10 Abdel-Salam Aref St.- Glym - 21311 - Alex
Tel: (203)5815500
Fax: (203)5815599

Kafr El Dawar:
Building no 1 in Adghan – 50 kanal str. – entrance of new bridge – kafer el dawar city –22221- el Behera governorate
Tel: (2045)2249000
Fax: (2045)2249099

Kafr Abdou:
26 Ismaillia St.- Across Ismallia with Saint Geni - Kafr Abdou - 21311 -Alex
Tel: (203)5419560
Fax: (203)5419596

Loran:
723 Tareq El Horreya - Loran - Alex
Tel: (203)5702634
Fax: (203)5702635

Moustafa Kamel:
16 Ibrahim Sherif St.- Mostafa Kamel - 21311 - Alex
Tel: (203)5419600
Fax: (203)5419699

Semouha:
35 Vector Emanual Square – Semouha - 21431 - Alex
Tel: (203) 4195900
Fax: (203) 4195999

Wabour El-Mayah:
243 Ahmed Ismail St.- Behind Olympic Club Wabour El Maya - 21131 - Alex
Tel: (203)4294189
Fax: (203)4295684

Zizenya:
601 El-Horaya St.- Zizenya - 21411 - Alex
Tel: (203)5819300
Fax: (203)5819399

Agami:
Gate No. 8 Agami Star Mall - Bitash - 21221 - Alex
Tel: (203)4318708
Fax: (203)4318709

Ahmed Orabi Square - El Manshya:
6 Ahmed Orabi Square - Ksm Manshia – 21111 – Alex
Tel: (203)4885200
Fax: (203)4885299

Alexandria Entrance:
unit no 1,El Tarek Trade company building - Al Manshia - Moharam Bek - Alex Entrance- 21121-Alex
Tel: (203)3872000
Fax: (203)3872099

Alex Port:
Unit No. 6, 7 - Ground floor – Investment Building – Alexandria Port - 21111 - Alex
Tel: (203)4833343
Fax: (203)4877797

Borg El- Arab:
New Borg El Arab City - 23121- Alex
Tel: (203)4630100
Fax: (203)4630199

Fouad Street:
39 El Horeya St.- El Attareen - Alex
Tel: (203)4966890
Fax: (203)4966909

Ibrahimia:
118 Port Said st. near Hehya street – El Ibrahimia - 21321 - Alex
Tel: (203)5980400
Fax: (203)5980499

Mansheya:
7 Adib street "10 Tanzim" corner side with Saad Zaghloul street, El Aatareen,El Mansheya
Tel: (203)4881200
Fax: (203)4881299

Safia Zaghloul:
33 Safia Zaghloul St.- 21131-Alex
Tel: (203)4883000
Fax: (203)4883099

Sultan Hussein:
47 Al Sultan Hussien St.- 21131 - Alex
Tel: (203)4883100
Fax: (203)4883199

El Soyouf:
Building 15, Moustaf Kamel Street, El seyouf - Alex

MASA Al Alamain:
Commercial Mall "O" Masa Al-Alamain – New Alamain City – 51718-Matrouh Governorate
Tel: 01201339077

Delta & Suez Canal Region

Delta City Mall:
42 El Geish St.- Borg Delta City Mall - 31111 - Tanta
Tel: (2040)3385200
Fax: (2040)3385299

El Mansoura:
213 El Gommuhuria St. - Mansoura
Tel: (2050)2280300
Fax: (2050)2280399

Dekernes:
Cornaish street, Dekerness - Al Dakahleya Governate

"Metawaa Mall" Belqass - Dakahlia:
Green Plaza Mall - Thawra street - Belqass city –35631- Dakahlia
Tel: (2050)2780071
Fax: (2050)2780076

El Mehalla:
22 El Tegara School St.-31911 - Mehalla
Tel: (2040)2281000
Fax: (2040)2281099

El Mohafza Square:
240 El- Geish St.- El Mohafza Sq.- 35111- Mansoura
Tel: (2050)2280000
Fax: (2050)2280099

Fakous:
Plot # 198 of 189 original -Al Baghdadi (1) - Awlad El Adawy - Faqous – 47111-Sharkia Governorate
Tel: (2055)3941956
Fax: (2055)3941912

Kafr El Sheikh:
19 Ramezeya - Takseem El Moharbeen El Kodmaa - Salah Salem Street – East City District - 33111- Kafr El Sheikh
Tel: (2047)3550000
Fax: (2047)3550099

Desouk:
68 El Geish street, Desouk City -33211- Kafr El Sheikh Governorate
Tel: (2047)2555902
Fax: (2047)2555617

Lewaa Abdel Aziz St. :
Saad Zaghloul St.- Abu Aisha Building - 44111 - Zagazig
Tel: (2055)2390600
Fax: (2055)2390699

Meet Ghamr:
42 Port Said St.- Meet Ghamr – Abou Aisha Tower - 35311 - Dakhleia
Tel: (2050)4930000
Fax: (2050)4930099

Sadat City:
Block 1 - Mehwar Khadamat – seventh District - Land No.1 - Center Services - Ahmed Ismael St.- Front of Area No.11- Sadat City - 32897- Menofya
Tel: (2048)2625300
Fax: (2048)2625399

Shebeen El-Kom:
21 Gamal Abd El Nasser St.- Saharf square - kawthar building - Shebyn el kom - 32111- Menofya
Tel: (2048)2229416
Fax: (2048)2229395

City Mall – Shebeen El-Kom:
Gamal Abdel Nasser Street - in front of the Faculty of Engineering - Shebin El-Kom city – 32111-Monofeya
Tel: (2048)2225215
Fax: (2048)2226052

Tanta:
El- Safwa Plaza Center- El-Kady St.- 31111- Tanta
Tel: (2040)3385600
Fax: (2040)3385699

Tanta Stadium:
Al Farouk Tower - Al Geish street – Tanta stadium area - 1st district -31121- Tanta
Tel: (2040)3352737
Fax: (2040)3352747

Zagazig:
Corner of Saad Zaghloul & Abdel Aziz Abaza St.- 44111- Zagazig
Tel: (2055)2390000
Fax: (2055)2390099

Menouf:
2 El toomey St. off El Gheish St., - 32911 - Menoufeya Governorate
Tel: (2048)3669303
Fax: (2048)3669306

Damietta:
67 Saad Zagloul St. Korniche El Nil - 34111- Damietta
Tel: (2057)393500
Fax: (2057)393599

Damitta Port:
Investment Building - Damietta Port First Floor - 34516 - Damietta
Tel: (2057)2292406

New Damietta:
Plot #9 - Entertainment area - 2nd neighborhood -34517-New Damietta
Tel: (2057)2405762
Fax: (2057)2405768

El-Ain El-Sokhna:
(El Suez - El Sokhna - Hurghada) Kilo 46 Desert Road - Stella Di Mare Resort Fence - 43552- Suez
Tel: (2062)3393600
Fax: (2062)3393699

El-Gomhoreya:
58 El-Goumhoria St.- 42111- Port Said
Tel: (2066)3390300
Fax: (2066)3390399

El Canal - Ismailia:
141A Tahrir St.- 41111 - Ismailia
Tel: (2064)3923560
Fax: (2046)3923552

Ismailia:
Panorama Bldg., plot 1 - El mowa'f El Gadid st.- corner el 20 St. with Shebeen El Kom St.- infront of Mogamaa El Mahakem - 41111 - Ismalia
Tel: (2064)3269000
Fax: (2064)3269099

Port Said:
Miami Building - 23 july St.- 42111 - Port Said
Tel: (2066)3390100
Fax: (2066)3390199

Shark El-Tafria Port:
Shark El-Tafria Port - 42532 – Port Said
Tel: (2066)3390380
Fax: (2066)3390389

Teda:
Ain Sokhna - Industrial Economical Zone - Service Building - First Step - 43552- Suez
Tel: (062)3597020
Fax: (062)3597021

EL-Shohadaa St - Suez:
City Mall - 45,45 A EL-Shohadaa St.- 43111 - Suez
Tel: (2062) 3471807
Fax: (2062) 3471806

Suez:
5 El Galaa St.- 43111- Suez
Tel: (2062)3393300
Fax: (2062)3393399

Red Sea and Upper Egypt Region

Assuit:
2 Al Gomhoreya St.- El Watania Buildings - Building No. A- 71111- Assuit
Tel: (2088)2422500
Fax: (2088)2422599

Silicon Waha - New Assuit City:
Unit (G3-G4 Commercial Building - Technology Zone - 71684 - New Assuit City
Tel: (2088) 2035059
Fax: (2088) 2035063

Aswan Plaza:
Aswan Plaza Mall - Korniche El Nil St.- Bandar Aswan- 81111 – Aswan City
Tel: (2097)2391000
Fax: (2097)2391099

Beni Suef:
16 Port Said St.- Takseem El Houreya - 62111- Beni Suef
Tel: (2082)4494000
Fax: (2082)4494099

Fayoum:
10 El Hourrya St.- Baher Youssef - 63111- El Fayuom
Tel: (2084)2390700
Fax: (2084)2390799

Luxor:
109 Ma'abad El Karnak St.- beside Mubarak Library - 85111- Luxor
Tel: (2095)2399100
Fax: (2095)2399199

Menia:
76 Takseem Shalaby - 61111 - Menia
Tel: (2086)2386300
Fax: (2086)2386399

Qena:
Building No. 9 - District No. 65 – 23 july St.- 83111 - Qena
Tel: (2096)3390600
Fax: (2096)3390699

Sohag:
46 Korniche El Nil St. Borg El Nil Kebly - 82111- Sohag
Tel: (2093)2380600
Fax: (2093)2380699

El-Dahar:
1 Hurghada Stadium Shops - El Nasr Avenue - El Dahar - 84111 - Hurghada
Tel: (2065)3562000
Fax: (2065)3562099

El-Kawthar Hurgada:
Banks Area - Block 8 - El-Kawthar zone - 84111- Hurghada
Tel: (2065)3418700
Fax: (2065)3418799

Grand Beach:
Grand Beach Resort - 84111 - Hurghada
Tel: (2065)3416100
Fax: (2065)3416199

Hadabet Um El Sid:
Store No. 4 - Project of Madinat Elalaab Elmaeya- Hadabet Um Elsid - 46619 - Sharm El Sheikh
Tel: (2069)3622000
Fax: (2069)3622090

Hurghada Sheraton Road:
36 North Mountain Road - 84111- Hurghada
Tel: (2065)3416500
Fax: (2065)3416599

Hurghada City Center:
Unit #G031 ground level – Hurghada City Center Mall - Cournich Road – El Dahar - 84111 – Hurghada
Tel: (2065)3548391
Fax: (2065)3548384

Nabq Bay:
Commercial part (RI) front of Oriental Hotel Resort - Khalyg Nabq - 84111- Hurghada
Tel: (2069)3622050
Fax: (2069)3622055

Sharm El-Sheikh:
El Salam Road - Khalyg Neama – 46619 - Sharm El Sheikh
Tel: (2069)3622000
Fax: (2069)3622099

Specialized Corporate

El Batal Ahmed Abdel Aziz:
54 Al Batal A. A. Aziz St.- Mohndeseen - 12311 - Giza
Tel: (202)33324196 - (202)33324108
Fax: (202)33324299

Talaat Harb:
10 Talaat Harb - Ever Green Building - Down Town - 11121- Cairo
Tel: (202)27708002
Fax: (202)27708095

Qatar National Bank ALAHLI S.A.E
P.O box 11111 - Cairo - Egypt

Tel: (202) 27707000
Fax: (202) 27707099

qnbalahli.com