



Press Release

Financial Results for FY24

Key Highlights

- Total Assets reached EGP 819,840 million, +30% YTD, up by EGP 191,082 million.
- Gross Loans reached EGP 364,783 million, +37% YTD, up by EGP 98,262 million.
- Customer Deposits reached EGP 679,887 million, +28% YTD, up by EGP 150,327 million.
- Non-performing Loans ratio and Coverage ratio of 5.44% and 107.0%, respectively.
- Capital Adequacy ratio of 24.3%, well above minimum required by CBE.
- Net Profit recorded EGP 26,398 million, +63% YOY, up by EGP 10,170 million.
- Cost-to-Income ratio of 16.8%.
- ROAA and ROAE of 3.64% and 33.5%, respectively.

Egypt faces another challenging year ahead but remains optimistic that the structural reforms initiated in early 2024 will lay the foundation for a steady recovery. Barring any external shocks, inflation is projected to decline significantly within the first quarter. This, coupled with ongoing fiscal reforms, is expected to allow the Central Bank to gradually ease its monetary policy. Such measures are anticipated to drive a notable increase in corporate lending, spurring growth in private sector activity.

QNB stands poised for substantial growth, driven by a +30% YTD increase in assets, elevating its total balance sheet value to EGP 820 billion. The bank also reported a remarkable 63% YOY growth in net profit, totaling EGP 26 billion. This robust performance reflects the strength of its operational model, highlighted by an outstanding cost-to-income ratio of 16.8%.

Successfully upholding the quality of its loan portfolio amid wider economic difficulties, thanks to its rigorous asset management practices. The NPL ratio declined to reach 5.44%, accompanied by a coverage ratio of 107.0%, which guarantees a solidly built and safeguarded portfolio.

By the conclusion of the year 2024, QNB held a strong liquidity position and a resilient capital structure, evidenced by a capital adequacy ratio of 24.3%, well above the CBE minimum requirement of 12.5%.

Financial Results

1.1. Financial Position

- **Gross loans** increased by +37% YTD to reach EGP 364,783 million, with retail loans increasing by +23% YTD to reach EGP 66,391 million and corporate loans growing by +40% YTD to reach EGP 298,392 million.
- **Customer deposits** increased to EGP 679,887 million +28% YTD. Retail deposits rising by +35% YTD to EGP 234,286 million. On the other hand, corporate deposits increased to EGP 445,601 million, up by +25% YTD.
- **Total Equity** closed at EGP 91,026 million +37% YTD. The capital adequacy and tier 1 ratios stood at 24.3% and 23.8%, respectively, well above CBE's minimum requirements of 12.5% and 8.5%.
- **Liquidity Position** remained strong, with a gross loan/deposit ratio of 53.7%, despite high market utilization levels. When compared to the CBE's LCY liquidity ratio requirement of 20%, QNB recorded 29.1%. On the other hand, the CBE's FCY liquidity ratio requirement is 25%, while QNB recorded 60.0%. As of Nov-24, the Liquidity Coverage Ratio (LCR) was 941% in LCY and 372% in FCY, while the Net Stable Funding Ratio (NSFR) was 178% and 166%, respectively.

1.2. Income Statement

- **Net Banking Income** maintained its strong performance to reach EGP 53,126 million, driven by the NII reading which showed EGP 41,112 million in FY24, +33% YOY. Fees and Commissions grew by +42% YOY to reach EGP 5,607 million in FY24. The YTD NIM decreased by -1 bps from December 2023 to reach 6.22%.
- **Operating expenses** increased by +30% YOY to reach EGP 8,910 million for FY24, reflecting improved efficiency that reached 16.8% by the end of Dec-24, down by -147 bps YOY.
- **Provision expense**, QNB made sure to cover the necessary need. Charges for expected credit losses (ECL) reached a net allocation of EGP 4,582 million YTD.
- **Net profit** recorded EGP 26,398 million for FY24, +63% YOY.

Corporate Social Responsibility:

QNB maintained its commitment to corporate social responsibility initiatives, while aligning with the presidential initiative “**New Beginning for Human Building**”. QNB provided 483 scholarships to students of Menoufia University in cooperation with **Misr El-Kheir Foundation**, organized a second campaign featuring “**Medical Conveys for the elderly**” at nursing homes, and developed a Joint Preparatory School for 845 students, in partnership with the **Sonaa Al-Khair Foundation** aiming to improve education quality.



Results Summary

1.3. Financial Position

Description in MEGP	Separate basis			Consolidated basis		
	Dec-24	Dec-23	YTD Growth	Dec-24	Dec-23	YTD Growth
Cash & due from banks	192,472	104,169	85%	194,520	105,808	84%
Loans to banks (Net)	2,504	885	183%	2,504	885	183%
Loans to Customers (Net)	344,011	252,468	36%	341,001	249,596	37%
Investments	252,458	249,577	1%	258,277	254,375	2%
Other assets	17,530	13,432	31%	23,537	18,094	30%
Total Assets	808,976	620,531	30%	819,840	628,758	30%
Customer Deposits	681,864	530,119	29%	679,887	529,560	28%
Due to banks	16,123	5,088	217%	16,123	5,088	217%
Other liabilities	22,441	20,622	9%	32,804	27,472	19%
Shareholders' equity	88,549	64,702	37%	91,026	66,638	37%
Total Liabilities and Equity	808,976	620,531	30%	819,840	628,758	30%

1.4. Income Statement

Description in MEGP	Separate basis			Consolidated basis		
	Dec-24	Dec-23	YOY Growth	Dec-24	Dec-23	YOY Growth
Net interest income	40,415	30,382	33%	41,112	30,884	33%
Fees and commissions	5,686	4,014	42%	5,607	3,948	42%
Other operating income ①②	5,817	2,408	142%	6,407	2,864	124%
Net banking income	51,918	36,805	41%	53,126	37,696	41%
Operating expenses ②	(8,720)	(6,727)	30%	(8,910)	(6,876)	30%
Gross operating income	43,199	30,078	44%	44,216	30,820	43%
Net cost of risk ①	(4,488)	(5,772)	-22%	(4,582)	(5,898)	-22%
Net income before tax	38,711	24,306	59%	39,634	24,922	59%
Income tax	(12,905)	(8,537)	51%	(13,236)	(8,693)	52%
Net Profit	25,806	15,770	64%	26,398	16,228	63%

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

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

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

1.5. Key Indicators (Consolidated Basis)

Financial Indicators – Income Statement		Dec-24	Dec-23
Profitability	ROAA	3.64%	2.92%
	ROAE	33.5%	26.9%
Efficiency	Cost-to-Income ratio	16.8%	18.2%
Financial Indicators – Balance Sheet		Dec-24	Dec-23
Liquidity	Gross loans / deposits ratio	53.3%	50.3%
Asset Quality	Non-performing loans ratio	5.44%	5.53%
	Coverage ratio *	107.0%	108.0%
	Capital adequacy ratio**	24.3%	23.6%
	Leverage ratio**	10.2%	9.1%
Non-Financial Indicators		Dec-24	Dec-23
Non-Financial Indicators	Staff	7,605	7,371
	Active customers	1,853,244	1,752,585
	Branches	235	234
	ATMs	938	931
	Points of sales	39,193	45,042

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

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

About QNB

QNB was established in April 1978, with a majority stake of 94.97% owned by QNB Group, after the Group reduced their stake down from 97.12% during 2018, bringing the free float to the required minimum of 5% to comply with EGX listing requirements.

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

Over the years, QNB established several subsidiaries in Egypt:

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

Contacts: www.qnb.com.eg

Ahmed Nabil
+202 2397 3700
Ahmed.Nabil@qnb.com.eg

Ahmed Osama
+202 2770 7727
Ahmed.M-Osama@qnb.com.eg

