



Pathways to a Sustainable Future

2022–2023

An environment-friendly transaction financed by QNB Egypt



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1. Introduction

1.1 About this Report

This report is the second Sustainability Report of [Qatar National Bank Egypt](#). Throughout the report, “QNB,” “the Bank,” and “we” refer to Qatar National Bank in Egypt, an Egyptian joint-stock company that was established in April 1978 and operates under the provisions of Companies Law No. 159 of 1981 and CBE laws. Additionally, “[QNB Group](#)” refers to Qatar National Bank Group in Qatar. Moreover, the bank's name has changed from “QNB ALAHLI” to “QNB” effective from 2024. Despite this is out of the scope of the report, we mentioned this in the restatment of information, as it is a disclosure requirement by EGX.

Reporting Period

This sustainability report covers the period from January 1st, 2022, to December 31st, 2023. Some information outside the reported dates has been included to highlight relevant context and events.

In alignment with our commitment to environmental stewardship, this report is accessible as a downloadable PDF file on our website.

Scope of the Report

This report is produced by Qatar National Bank in Egypt and covers QNB's headquarters and branches across Egypt. But it excludes the subsidiaries except for financial figures that refer to consolidated financial statements. The data in this report covers a two-year period ranging from 2022 to 2023.

This Sustainability Report capitalizes and complements various other reports, including previous Financial Reports, Annual Reports and Governance Reports.

Reporting Guideline

This report is prepared in accordance with 2021 GRI Standards. It is also aligned with the recent sustainable finance guidelines and regulations of the Central Bank of Egypt (CBE), the UN’s Sustainable Development Goals (SDGs), and Egypt Vision 2030.

Previous Sustainability Report Publications

The preceding Sustainability Report covered years 2019, 2020 and 2021 and was issued in 2022.

Currency

All financial data presented in this report is denominated in Egyptian pounds unless otherwise specified. For additional details and inquiries, please refer to the contact information provided.

For Further Information

Ms. Rasha Zedan
Head of Sustainability and Sustainable Finance
Rasha.ZEDAN@QNB.com.eg
Direct: +(202)23973360

Forward-Looking Statements

This report may contain forward-looking statements that are expected in the landscape of the banking industry, both nationally and regionally. These statements are not guarantees of future performance and undue reliance should not be placed on them. Forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause actual performance and financial results in the future to differ significantly from the projections or results expressed or implied by the statements. Any errors discovered following the publication of the report will be corrected and displayed on our website.





1.2 Message from Chairman of the Board of Directors



Mr. Ali Rashid AlMohannadi
Chairman of the Board of Directors

Dear Stakeholders,

On behalf of the Board of Directors, I am delighted to introduce QNB Egypt's second sustainability report covering the reporting period 2022-2023, marking another milestone in our Environmental, Social and Governance (ESG) journey.

QNB's vision is to become the First Choice Bank in Egypt. Our strategy focuses on achieving profitable and sustainable growth through the continuous enhancement of our customer service, innovation, and digital capability. Implementing our strategy requires us to continuously uplift our capabilities to overcome challenges and capture opportunities in an ever-changing world.

Aligned with QNB Group's purpose to promote prosperity and sustainable growth, we at QNB in Egypt are committed to realizing this vision. As part of our strategy, we are committed to address the topics of sustainability and climate change across our businesses, operations and activities.

In line with the Group's strategy, we have implemented QNB's sustainability framework, comprised of the pillars of Sustainable finance, Sustainable operations, and Beyond banking, which enable us to address our most material ESG topics and to deliver sustainable financial performance. Our responsibility towards environmental and social impact is equally embedded in our business and operating model. We are committed to support and align with the sustainability objectives articulated in United Nations Sustainable Development Goals (UNSDGs), UNEPFI and PRB, Egypt's Sustainable Vision 2030 for Sustainable Development, and QNB Group Sustainability Strategy.

As part of our Board's oversight and governance responsibilities, we ensure that ESG and sustainability are thoroughly integrated into our control environment, risk appetite, risk management framework, strategy, and performance management. The Board is committed to leading the way in transparency, accountability, and collaboration throughout the organization. This dedication fosters values and behaviors that drive tangible actions and positive impacts.

I want to extend my sincere gratitude to our customers, employees, partners, and all our stakeholders for their unwavering trust, commitment, and support. Together, we strive to forge a brighter future, driving the transition towards a more environmentally sustainable and socially equitable world for everyone.



1.3 Message from Chief Executive Officer



Mr. Mohamed Bedeir
Chief Executive Officer of QNB Egypt

Dear Stakeholders,

On behalf of the Board of Directors, I am honored to present our second sustainability report, highlighting the achievements of our ongoing ESG journey during the period 2022-2023.

QNB Egypt demonstrated its leading position as one of the largest private sector banks committed to social responsibility. It strengthened its efforts in serving the community and participated in various initiatives to create a positive and sustainable impact. Following the QNB Group, QNB Egypt is committed to responsible banking by incorporating a sustainability framework. This framework focuses on three key pillars: sustainable finance, operations, and beyond-banking initiatives. These pillars are aligned with both national and international standards and guidelines, with a strong emphasis on promoting the Sustainable Development Goals (SDGs).

In 2023, QNB Egypt significantly boosted its financing of environmental and community-based projects, resulting in a sustainable finance portfolio surpassing EGP 13 billion. This effort plays a crucial role in preserving environmental, economic, and social aspects

The Bank placed particular emphasis on funding projects with environmental and social components. QNB Egypt has achieved positive results in financial inclusion and digital transformation. The number of subscribers to electronic channels (mobile and internet banking) increased across all age groups, including youth, adults, women and SME's. This growing adoption of the bank's e-channels supports the vision of the National Payments Council (NPC). As part of its ongoing efforts to innovate and meet customer needs and aspirations, the bank has recently launched "QNB Bebasata," a cutting-edge digital platform. QNB Bebasata allows customers to enjoy a digital banking experience, such as account opening, certificate of deposit issuance, loan requests, and other services, online.

QNB Egypt leverages its extensive banking experience supported by its invaluable human resources. Recognizing that employees are the cornerstone of its progress, the Bank invests heavily in their development through ongoing training, skill enhancement, and career development programs. These efforts aim to equip employees with the latest knowledge on global and local developments. Additionally, the bank has established partnerships with leading academic and training institutions to keep its staff updated on new financial and banking sector trends, striving to maintain its high-ranking position.

QNB Egypt pays special attention to the dissemination of a banking culture among people with special needs. It also works on studying their needs and requirements. 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 Egypt introduced a range of banking services tailored to their needs to facilitate their integration into the banking sector and their onboarding experience.

Committed to community service, the Bank consistently strives to collaborate with the State and its institutions in initiatives and projects aimed at improving the lives of the neediest groups across various fields. Additionally, the Bank has partnered with major development foundations and civil society institutions in Egypt, leading to comprehensive development in areas such as health, education, economic and social empowerment, support for needy families, and providing suitable living conditions through the "Hayah Karima" Initiative. From the early stages of this initiative to the present, QNB has made a significant impact and plans to further expand its partnerships and initiatives to contribute to the progress of Egyptian society.

We aim to enhance societal well-being and preserve natural capital through our green initiatives, sustainable practices throughout our value chain, and active community engagement. In my capacity and on behalf of the Board of Directors, I take this opportunity to give tribute to all colleagues for these successes and efforts. The achievements of the past years would never have been realized without your efforts, dedication, and loyalty.

2. A Glimpse of Our Progress

2. A Glimpse of Our Progress

2.1 About QNB Group

Established in 1964 as Qatar’s premier Qatari-owned commercial bank, the QNB Group boasts an ownership structure split between the Qatar Investment Authority (50%) and members of the public (50%). The QNB Group has steadily ascended to become Qatar’s largest bank and the foremost financial institution in the Middle East and Africa (MEA) region.

With a vision to lead in the Middle East, Africa, and Southeast Asia, the QNB Group has strategically expanded its network, including recent ventures in highly competitive markets in Saudi Arabia and India. Operating in over 28 countries across three continents, the QNB Group offers a comprehensive suite of advanced products and services through its subsidiaries and associate companies.

Employing over 31,000 individuals across 900 locations, the QNB Group maintains its status as Qatar’s highest-rated bank and one of the world’s top-rated banks according to leading credit rating agencies. The QNB Group provides a wide array of investment banking services through QNB Capital, which is renowned for its expertise in corporate finance, mergers and acquisitions, and project financing. Additionally, the QNB Group offers brokerage services through QNB Financial Services (QNB FS), the first independently regulated brokerage company launched by a bank in Qatar.

2.2 QNB in Egypt at a Glance

Established in April 1978, QNB stands as a prominent financial institution in Egypt, it is one of the largest private banks in the country. The QNB Group acquired 94.967% of QNB as of December 31st, 2023.

The Bank serves more than 1.7 million clients with 7,371 banking professionals. The Bank’s vision is to keep all its clients close by offering a wide range of products to meet the diverse financial needs of corporate clients, medium and small enterprises, and individuals. To achieve this vision, QNB has expanded its network of branches to 234 branches to cover all governorates. Moreover, the Bank continues to enhance its multi-channel automated tools to better support clients via its 931 ATMs and a dedicated call centre which is available 24/7.

QNB in Figures as of December 31, 2023

1.7+ mn Clients	7,371 Banking Professionals	149,000 e-Wallet Users
234 Branches	45,000 POS	24/7 Call Center
931 ATMs	727,000 Internet Banking Users	Assets EGP 628,758 mn
Net Profit EGP 16,228 mn	Earnings per Share EGP 6.57	CAR (Basel II) 25.10%

Our Business Model

- I. Corporate and Investment Banking:** QNB offers a wide range of specialized products in corporate banking, financial advisory, project and structured financing, trade financing, cash management, and foreign exchange. With its competitive offerings, QNB has built strong relationships with a diverse corporate clientele, including large domestic corporations, subsidiaries of multinational companies, and small and medium-sized enterprises (SMEs).
 - II. SME Banking:** QNB believes in the potential of SMEs to drive growth and sustainable development. The Bank provides support to its SME customers throughout the phases of the economic cycle.
 - III. Retail Banking:** QNB has leveraged its pioneering position to develop and establish a world-class retail banking service. By adopting a unique market segmentation approach, QNB was able to design products and solutions tailored to meet the specific needs of each segment.
1. Diversifying its services, QNB has established subsidiaries in specialized sectors:
 - **QNB Leasing:** Formed in 1997, it made early strides in the Egyptian leasing market.
 - **QNB Life Insurance:** Founded in 2003, it offers a wide array of products to fulfil clients’ life insurance and savings needs.
 - **QNB Factoring:** Established in 2012, it provides comprehensive local and international factoring services. QNB's factoring company is a member in Factors Chain International FCI, which is a global network of leading factoring companies.

Maintaining its position as a key player in the Egyptian market, QNB has achieved remarkable growth in loan and deposit portfolios, market share, returns, and asset quality while managing cost ratios effectively. This success stems from the Bank’s commitment to supporting clients through challenges and providing exceptional customer service to remain clients’ preferred bank.

A preferred choice for multilateral financiers, QNB facilitates credit distribution among small businesses and companies while also empowering women in business programs. Notably, the Bank has received 58 awards over the past four years from esteemed international financial institutions, underscoring its commitment to excellence.

Aligned with its corporate social responsibility, QNB collaborates with community organizations on initiatives aimed at supporting vulnerable sectors in society. Leveraging its quality and innovative resources, the Bank contributes to the development of the Egyptian economy by expanding financial service coverage and promoting financial inclusion.

2. A Glimpse of Our Progress (Continued)

2.3 Strategic Direction

I. Our Strategy

QNB is committed to achieving profitable and sustainable growth through the continuous enhancement of its customer service, innovation, and digital capability.

II. Our Vision

To become the First Choice Bank in Egypt. The bank's vision is to keep close to its clients through offering a wide range of products that serves every financial need of corporates, medium, and small enterprises, or individuals.

III. Our Value Proposition

In our pursuit of this vision, we are dedicated to providing an extensive range of products and services with unique value propositions. Our objective is to enhance the customer experience, fostering trust and loyalty among clients throughout their journey with us. Our customer-centric approach drives us to continuously enhance our capabilities to deliver the highest quality of service.

Following the lead of the QNB Group, QNB is committed to enriching our value propositions through an innovative and inclusive culture as well as embracing the latest technological advancements. This commitment is reflected in our ongoing efforts to enhance our mobile banking offerings, embrace automation, and introduce innovative platforms such as QNB Bebasata.

Bebasata represents a pioneering digital banking experience in Egypt, offering a fully branchless service that provides significant cost advantages to its clients, including zero subscription fees, zero renewal fees, and preferential interest rates. This solution guarantees safety and reliability. It adheres to all Egyptian banking laws and regulations, with funds under the protection of the Central Bank of Egypt (CBE) and robust cybersecurity measures in place.

As a subsidiary of the QNB Group, the largest financial institution in the Middle East and Africa, we take pride in our contribution to its legacy. With a presence in over 28 countries and serving more than 30 million customers, the QNB Group represents excellence and innovation. Over the years, QNB has demonstrated consistent profitability and growth in the Egyptian market.

IV. Our Strategic Pillars

QNB's strategy is centred on being a reliable business partner for our customers, employees, investors, regulators, and the environment. We are dedicated to continuously improving our services to meet our clients' needs and ensure their highest satisfaction. Our strategy aligns with the Central Bank of Egypt's goals, supporting progress toward financial inclusion

and the digital transformation. By staying updated with both international and national developments, we are well-positioned to seize new opportunities ahead of our competitors.

QNB's strategy is structured around the following five core pillars.

1. Drive Exponential Growth

In 2023, QNB maintains its leading position in loans among Egypt's private banks. In 2024, QNB aims to promote financial inclusion to increase penetration rates in the Egyptian market. The Bank will also focus on growing the business drivers of SMEs.

2. Enhance Profitability

In 2023, QNB collaborated with the European Bank for Reconstruction and Development (EBRD) on low-cost foreign currency funding. The Bank also achieved an increase in deposits by acquiring more customers and adding new depository products. Looking ahead to 2024, QNB will focus on improving key financial ratios, such as Return on Equity (ROE) and Net Banking Income (NBI), and fee generation from its business portfolio. The Bank will also pursue potential market opportunities by engaging in governmental projects.

3. Boost Efficiency and the Sustainability Culture

QNB was recognized as the Leading Bank of Choice for independent power producers (IPPs) and solar power developers in Egypt in 2023. Additionally, the Bank became a constituent of the Sustainability Index (S&P/EGX ESG) of the Egyptian Stock Exchange. In 2024, QNB plans to further enhance its presence in sustainable finance and renewable energy projects. The Bank will also continue to attract funding through Multilateral institutions.

4. Improve Quality of Service and Customer Centricity

In 2023, QNB enhanced its customer service by introducing new lending criteria, new products, and ATMs with cash acceptance capabilities. The Bank also launched a new program for women in business and strengthened its focus on the youth. In 2024, QNB will introduce and integrate new features into its value proposition. Additionally, the Bank will focus on staff capacity building to provide best-in-class services.

5. Transform Digital Capabilities

QNB successfully launched Bebasata, a fully digital offering, in 2023. The Bank also advanced its digital transformation by introducing WhatsApp Business and improved government payment solutions. In 2024, QNB aims to obtain the necessary license and registration to establish a digital bank in line with the regulatory framework set by the CBE on July 12, 2023. The Bank will continue to shift its business areas toward digital technology.



2. A Glimpse of Our Progress (Continued)

2.4 Value Creation Model

At QNB, we hold a deep conviction that innovation is not just a pathway to growth and success: it is the very cornerstone of our ambition of becoming Egypt's foremost banking choice. Innovation permeates every facet of our institution, propelling us forward amidst market shifts and transformations in products, processes, services, and technology.

We view innovation as more than just a tool—it is an integral part of our identity and strategy, supported by dedicated resources committed to unlocking fresh opportunities and nurturing an innovation-centric culture across the Bank. As we continually strive to elevate the customer experience through novel products and services, our innovation platform serves as a driving force for exploring new avenues to enhance our performance.

Looking ahead, our commitment to innovation remains unwavering. We are poised to further evolve our innovation platform, fostering disruptive approaches to working that will elevate the overall customer experience regardless of the project scale.

I. Our Innovation Approach

At QNB, we embrace the Global Innovation Program, which was established in collaboration between the QNB Group, QNB Finansbank, and ourselves to exchange ideas and insights and adopt groundbreaking technologies. Since we embarked on our innovation journey in 2005, our employees have played a pivotal role by submitting their ideas to our dedicated innovation team. These ideas undergo thorough validation, refinement, and feasibility testing, drawing upon the collective expertise of our workforce to anticipate market trends and customer needs.

We strongly believe that innovation is not just a driver of growth: it is our compass for navigating the future and securing a competitive edge. In essence, innovation is ingrained into the very fabric of QNB's DNA, guiding our trajectory toward excellence and resilience in a rapidly evolving landscape.



QNB Egypt Green Car Fleet Initiative

II. Our Innovations in 2023

- Switching to Paperless:** Embracing sustainability, we are aiming to transition to paperless operations, utilizing QR smart scanning for marketing materials and accounts, along with e-statements, to conserve resources and reduce our environmental impact.
- Efficient Credit Card PIN Management:** Enhancing security and convenience, we stopped printing physical credit card PINs and enabled customers to manage (create and reset) their PINs through various channels to better meet their needs.
- Governmental Payments via Corporate Internet Banking:** Streamlining business processes, we facilitated governmental payments (customs, tax, insurance, etc.) through our Corporate Internet Banking platform CBX, catering to the needs of business customers efficiently.
- User Star Rating:** Promoting transparency and continuous improvement, we implemented a user star rating system, empowering clients to provide feedback on completed transactions. This enhances the workflow between branches and back-office operations.
- Green Car Fleet Initiative:** Demonstrating our commitment to environmental sustainability, we introduced electric vehicles in our car fleet to offer a greener transportation solution and reduce our carbon footprint.
- Customer Recognition:** Expressing gratitude to our loyal clients, we instituted a program to acknowledge dedicated customers through special gifts, fostering a deeper connection and appreciation for their patronage.
- WhatsApp for Business:** Enhancing accessibility and responsiveness, we introduced WhatsApp for Business, which operates 24/7 and can cater to multiple clients simultaneously, ensuring efficient and seamless communication.
- Digital Cross-Selling via Mobile Banking:** Empowering retail customers, we enabled them to open deposits, investment funds, and accounts seamlessly through our customer-preferred channel, Mobile Banking, simplifying the cross-selling process and enhancing the customer experience.



2. A Glimpse of Our Progress (Continued)

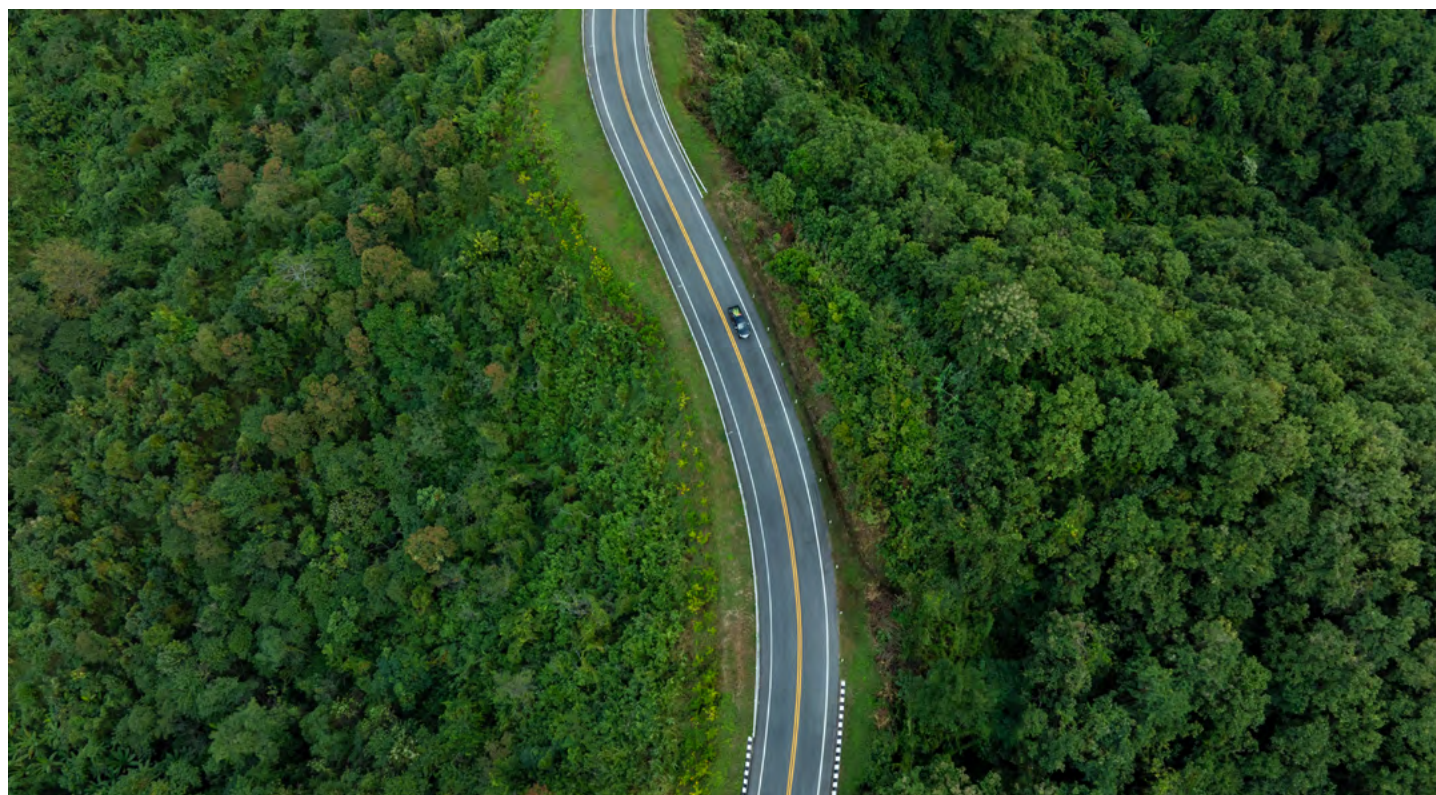
2.5 Sustainability Journey

Our commitment to sustainability extends beyond financial gains, encompassing environmental stewardship, social responsibility, and ethical practices, all aimed at delivering lasting value to our customers, shareholders, employees, and the communities we serve. At QNB, sustainability is an integral part of our DNA, deeply ingrained in our culture and operations.

Aligned with the QNB Group's sustainability framework, our approach is built on three pillars: sustainable finance, sustainable operations, and beyond banking. Through sustainable strategies, we integrate the environmental, social, and governance (ESG) pillars into our business practices, fostering a holistic approach to sustainability.

Transparency and accountability are paramount to our sustainability efforts. We are dedicated to regular reporting and communication of our sustainability initiatives. This is our second Sustainability Report, covering the years 2022 and 2023 and aiming to demonstrate how we create value for all our stakeholders. Additionally, QNB has become a signatory to the Principles for Responsible Banking (PRB) in July 2022. Our first PRB Progress Report showcases our progress and efforts toward responsible banking practices.

QNB remains steadfast in its commitment to driving positive impact and delivering value to our stakeholders. Our dedication to sustainability underscores our responsibility as a leading financial institution to contribute to a better, more sustainable future for all.



2.6 ESG Highlights

- QNB is on the way to paperless operations, employing QR smart scanning for marketing materials and accounts, and adopting e-statements to save resources and minimize our environmental footprint.
- QNB has financed projects exceeding 13 billion EGP that contribute to social, environmental, and socio-economic development. These initiatives encompass agricultural projects, public health efforts, resource and water re-use and treatment programs, participation in mega infrastructure projects, energy efficiency, recycling, resources efficiency, pollution abatement, renewable energy, value chain, and digitalization efforts such as the promotion of e-wallets. By investing in such diverse projects, the Bank aims to foster sustainable growth and drive positive change across various sectors.
- QNB introduced electric vehicles in our car fleet to offer a greener transportation solution and reduce our carbon footprint.
- QNB introduced innovative platforms such as QNB Bebasata that represents a pioneering digital banking experience in Egypt, offering a fully branchless service that provides significant cost advantages to its clients, including zero subscription fees, zero renewal fees, and preferential interest rates.
- QNB is committed to supporting women and has introduced the Hayat Program to assist businesswomen and female retail customers. This program aims to enhance their access to banking services and cater to their business and personal needs, offering a wide range of financial and non-financial products.
- For many years, the Bank participated in the national Hayah Karima initiative, which focuses on enhancing the housing environment for the most deserving families in targeted villages. Several projects were implemented, including the development of the Hanoot village in Zefta Center in the Gharbia governorate and the provision of water connections to 100 homes in the Gharbia and Sharkeya governorates in cooperation with the Al Orman Association.
- In terms of savings from solar energy stations, QNB's estimated saving in 2020 was 17%, implying that the solar energy stations contributed to reducing energy consumption by this percentage in our buildings. From 2021 to 2023, the estimated savings increased to 22% and remained consistent.

2. A Glimpse of Our Progress (Continued)

2.7 Memberships and Associations

- **Federation of Egyptian Banks (FEB)**

QNB is an active member of the FEB, which provides guidance and assistance for implementing CBE requirements by facilitating access to service providers and information in the market for banks. The FEB also provides a platform for Egyptian banks to share best practices and experiences.

- **United Nations Global Compact (UNGC)**

As QNB Group is a signatory of UNGC, QNB in Egypt supports the 10 principles of the UNGC.

- **Principles for Responsible Banking (PRB)**

Since July 2022, QNB has been a signatory to the PRB, an initiative launched by the United Nations Environment Programme Finance Initiative (UNEPFI) to promote sustainable banking practices. The Bank is committed to integrating the six principles of PRB into its business operations and contributing toward the UN's SDGs.



2.8 Awards and Recognition

The Bank has received 17 awards in 2023 from prestigious international financial institutions:

- **Best SME Bank in Egypt** by the Capital Finance International Magazine
- **Best Retail Bank in Egypt** by the Capital Finance International Magazine
- **Best Corporate Bank** by Global Banking and Finance
- **Best Bank for Digital Banking Services** by Global Banking and Finance
- **Best SME Bank** by Global Banking and Finance
- **Best Retail Bank** by Global Banking and Finance
- **Best Trade Finance Bank** by Global Banking and Finance
- **Best Bank for Treasury Activities** by Global Banking and Finance
- **Visa Risk Management Award for e-Payments**
- **Best Bank for Trade Finance in Egypt** by The Digital Banker, Middle East and Africa Innovation Awards
- **Best SME Bank in Egypt** by the Global Finance Magazine
- **Best e-Banking Product - Mobile Banking** by the International Finance Magazine
- **Most Innovative SME Bank** by the International Finance Magazine
- **MT103 Elite Quality Recognition Award 2023 (processing payments with an STP rate of 99.68% for payments issued through MT103)** by J.P. Morgan
- **MT202 Elite Quality Recognition Award 2023 (payment STP rate of 99.90% issued through MT202)** by J.P. Morgan
- **Best Foreign Bank in Egypt** by EMEA Finance African Banking Awards
- **Middle East CX Pioneer - Digital Customer Service Award** by Genesys®

3. Pathways to a Positive Influence: Our Strategic Approach



An environment-friendly transaction financed by QNB Egypt

3. Pathways to a Positive Influence: Our Strategic Approach

3.1 Governance, Compliance, and Risk Management

Since its establishment, QNB has embraced a robust corporate governance framework aligned with international standards, fostering sustainable and ethical practices throughout its operations.

The bank is committed to upholding the highest standard of corporate governance, prioritizing responsibility, accountability, fairness, and transparency as the foundational principles for fostering the trust of shareholder, customers and employees.

To this end, QNB has established a dedicated Corporate Governance Department tasked with aligning our management practices with international best practices.

In our pursuit of transparency, the Corporate Governance Department diligently ensures the comprehensive and timely disclosure of pertinent information and significant developments, fostering clarity and trust in our organization. Our corporate governance framework rests upon four key pillars:

1. Responsibility
2. Accountability
3. Fairness
4. Transparency.



Structure 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. This does not prejudice the right of 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 is structured to include executive and non-executive members (independent and non-independent members) to prevent any individual or small group from dominating decision-making. Moreover, the Board limits the number of executive members to a maximum of two, thereby ensuring that non-executive members constitute the majority.

Our Board of Directors comprises a diverse group of members with the necessary knowledge and experience to effectively carry out their responsibilities. They guide the Bank toward meeting its objectives while prioritizing the interests of stakeholders. Each member is committed to fostering sustainable growth and value creation for the Bank.

During the election of board members, a cumulative voting system is utilized, granting shareholders votes in proportion to their share ownership, thus ensuring proportional representation on the Board. The Board of Directors appoints a Chairman, a Vice Chairman, and a Chief Executive Officer (CEO) from among its members. In the absence of the Chairman and the Vice Chairman, the eldest member chairs the Board. All Board Members recognize the critical role they play in establishing guidelines for sound governance and are actively engaged in setting the purpose, values, and strategy of the Bank.

3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

No.	Name	Capacity	Title
1	Mr. Ali Rashid A. A. Al-Mohannadi	Non-executive	Chairman
2	Mr. Assem Mohamed Fahmy Mohamed Ragab	Non-Executive - Board Member - Independent	Vice Chairman
3	Mr. Mohamed Mahmoud Aly Bedeir	Executive	CEO and Board Member
4	Ms. Heba Ali Ghaith A. Al-Tamimi	Non-executive	Board Member
5	Mr. Tarek Abdel-Raouf Magdy Fayed	Executive	Board Member
6	Mr. Adel Ali M. A. Al-Malki	Non-executive	Board Member
7	Mr. Abdulla Nasser Salem M. Al-Khalifa	Non-executive	Board Member
8	Ms. Shaikha Salem Abdulla A. A. Al-Dosari	Non-executive	Board Member
9	Mr. Khaled Ahmed Khalifa A. Al-Sada	Non-Executive	Board Member
10	Mr. Nedhal Shafi Hassan F. Al-Nuaimi	Non-Executive	Board Member
11	SHK. Hamad Talal A.A. Al-Thani	Non-executive – Independent	Board Member

Board Committees

Several committees support and assist the BoD in fulfilling its responsibilities and duties. Formed with consideration of the nature of the Bank's activities, each committee comprises at least three members and operates under a Terms of Reference (ToR) approved by the Board of Directors. The ToR outlines the committee's objectives, scope of responsibilities, meeting frequency, membership criteria, and attendance requirements.

Each committee submits reports and recommendations periodically to the Board, maintaining absolute transparency regarding their tasks, findings, conclusions, and recommendations. The Board periodically follows up on committee activities to verify their adherence to mandates. The committees may enlist the assistance of the Bank's Executive Directors or external consultants for specific tasks.

To meet corporate governance requirements and mitigate banking risks, the Bank has implemented various regulations and improvements. Significant achievements in 2023 include updates to the BoD Committees and Management Committees and the establishment of the Recovery Management Committee. The latter is tasked with reviewing early warning indicators and breaches, defining current risks and threats, and assessing the possibility of emerging crises.

1. Audit and Compliance Committee

This committee consists of three non-executive Board Members, ensuring that the chair of the audit committee does not lead another committee. Charged with executing the Bank's strategy and overseeing all business activities, the committee also reviews issues raised by different Bank divisions and departments. The committee is also responsible for reviewing the Bank's financial statements and ensuring the effectiveness of the internal control environment. It follows up on the performance of the Internal Audit and Compliance Departments, as well as the mandates of external auditors. Members are required to have expertise in financial, accounting, and auditing standards. Meetings are scheduled as needed, convening at least four times annually.

2. Risk Committee

The Risk Committee submits reports to the Board. It is tasked with developing and overseeing the Bank's risk management strategy and determining hedge policies for potential risks. Additionally, the committee reviews procedures and the overall risk management framework and defines relevant roles and responsibilities throughout the Bank.



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

3. Corporate Governance and Nomination Committee

This committee's primary responsibility is to supervise the Bank's corporate governance practices, ensuring the effective application of rational governance rules and procedures. Additionally, the committee recommends suitable changes in corporate governance policies and reviews all nomination proposals for Board Members and reforms to the BoD.

4. Compensation and Benefits Committee

This committee is tasked with overseeing human resources activities, its duties encompass establishing the annual budget and reviewing staff benefits and compensation packages on an annual basis.

5. Strategy Committee

The Strategy Committee's primary responsibility lies in reviewing and overseeing tender approvals and the Bank's business plan, budget, and strategy.

At the core of our organization lie 16 specialized internal management committees designed to provide comprehensive support and oversight across our Bank's diverse activities. Each committee is dedicated to specific functions, ensuring strategic direction and operational excellence. Through regular meetings and robust communication channels, these committees drive collaboration and innovation, reinforcing our commitment to transparency and accountability.





3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Sustainability Governance

At QNB, the Sustainability and Sustainable Finance Department plays a crucial role in embedding sustainability principles into our core operations and lending practices. With a steadfast commitment to environmental and social responsibility, the department spearheads initiatives to align the Bank's activities with Sustainable Development Goals (SDGs) while fostering growth.

Outlined below are the principal responsibilities and contributions of the Sustainability and Sustainable Finance Department:

- Incorporating sustainability principles into the Bank's operations and lending practices.
- Contributing to the execution of sustainability initiatives.
- Advocating for sustainable lending across diverse business lines.
- Cultivating partnerships with multilateral institutions.
- Ensuring training endeavours on sustainability and sustainable lending programs.
- Ensuring regulatory compliance
- Facilitating collaboration with internal and external stakeholders.
- Compiling sustainability reports detailing ESG performance.
- Managing reporting obligations for the PRB.
- Contributing to the Bank's growth while upholding environmental and social responsibility standards.
- Identifying and evaluating new business prospects to expand green initiatives.
- Monitoring regulatory, technical, and market updates relevant to sustainability and sustainable lending.
- Monitoring the sustainability portfolio to promote growth in ESG initiatives.

Our Code of Ethics

The Bank has established an internal charter dedicated to work ethics and professional conduct that embodies a set of values aimed at regulating and standardizing ethical behaviour in the organization. This charter defines the standards of conduct that employees are expected to adhere to across all facets of their work, exerting a positive influence on the Bank's reputation, credibility, and employee integrity. By upholding these principles, the Bank ensures the rights of its shareholders and clients engaging with its services are upheld, fostering trust and accountability in the institution.

Internal Audit Division

The Internal Audit Division (IAD) plays a pivotal role in evaluating the effectiveness of risk management, controls, and governance frameworks through a comprehensive and systematic program of independent audits. Our efforts extend beyond financial risks to encompass broader concerns such as reputation, risk awareness, growth, environmental impact, and employee development, thereby enhancing the Bank's operational efficiency and effectiveness.

To achieve this, we offer stakeholders a blend of assurance and advisory services, providing insights to support continuous improvement. With unrestricted access to the Bank's records, systems, and personnel, we maintain a holistic view of operations.

Aligned with international standards, we adhere to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) and Basel Committee recommendations. External quality assessments ensure compliance, with findings informing our ongoing adherence to standards. This quality assurance was provided in 2023 when a leading independent audit firm conducted a comprehensive external quality assessment of the Bank, certifying our general conformity with the relevant standards and the IIA's Code of Ethics.

Reporting directly to the Board of Directors through the QNB Audit and Compliance Committee (QACC), our Chief Internal Auditor (CIA) ensures the independence of our function.

We continue to prioritize reviews required by regulators, including Financial Crime reviews (AML/CTF and Sanctions Risks), user access management, IFRS9, and treasury activities. Additionally, we enhanced our information technology and information security audit methodology, aligning our audit practices with information and communication technology and information security risk assessments.

We also promote control awareness and risk culture through training and awareness programs.

Transparency remains paramount: we regularly communicate our activities, management action plans, and outcomes to relevant stakeholders. Looking ahead, we will remain agile in response to technological advancements, deepen our coverage of financial crime risks, and incorporate ESG considerations into our audit scope.

3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Compliance

Responsibilities and Oversight

The Audit and Compliance Committee consists of independent directors and plays a pivotal role in overseeing the Compliance Division's activities. The Board of Directors, CEO, and senior executive management directors actively engage with compliance matters, demonstrating a top-down commitment to regulatory adherence and ethical conduct.

The Chief Compliance Officer CCO's dual reporting structure ensures independence in decision-making while fostering alignment with the Board's strategic objectives.

The Compliance Division comprises six main arms focusing on financial crime compliance in the following categories: AML/CTF, sanctions, anti-fraud, regulatory compliance, Central Bank of Egypt relations review, and corporate governance. This division identifies, monitors, and assesses non-compliance risks and implements and monitors controls to mitigate such risks across QNB. Additionally, the Compliance Division ensures alignment with the FATCA agreement, ensuring that the Bank's operations, policies, and procedures adhere to its provisions.

Compliance Functions

The financial crime compliance framework at QNB, encompasses robust detection systems and controls to prevent illicit funds from entering the Bank's system. QNB employs automated tools for monitoring customer transactions at both the head office and branch levels to identify and analyse unusual patterns and suspicious behaviours among customers, thereby facilitating proactive risk mitigation. The Compliance Division also ensures compliance with international and local sanctions policies by screening existing and new customer databases, monitoring all transfers and bank transactions, and continuously developing and updating sanctions programs to adhere to regulatory requirements.



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Compliance Framework and Policies

The compliance framework serves as a comprehensive blueprint for compliance activities, outlining principles, processes, and procedures to be followed by all employees. Policies and procedures cover various aspects of compliance, including customer due diligence, transaction monitoring, sanctions screening, and whistleblower protection. The Compliance Division operates as a multidimensional function with strong practices to protect the Bank from the risk of non-compliance with regulations under AML/CTF laws and related instructions issued by the Central Bank of Egypt. Regular reviews and updates ensure that policies remain aligned with evolving regulatory requirements, industry best practices, and internal risk appetites.

Compliance Monitoring and Reporting

The Compliance Division leverages advanced technologies, such as artificial intelligence and data analytics, to enhance the Bank's compliance monitoring capability. These tools enable real-time monitoring of transactions, rapid detection of anomalies, and proactive risk mitigation. Comprehensive reporting mechanisms provide timely insights into compliance performance, regulatory developments, and emerging risks which are tailored to meet the needs of various stakeholders. Regular audits and assessments evaluate the effectiveness of compliance controls, identify areas for improvement, and address deficiencies promptly.

Training on Compliance

The Bank's training strategy encompasses a diverse range of learning initiatives, including workshops, seminars, e-learning modules, and on-the-job training sessions, catering to the diverse learning needs of its employees. Continuous improvement efforts focus on enhancing the efficiency and effectiveness of compliance processes through automation, streamlining workflows, and leveraging emerging technologies to ensure ongoing compliance and mitigate risks effectively.

Whistleblowing

QNB places significant emphasis on whistleblowing as a cornerstone of its compliance, recognizing its crucial role in mitigating risks such as reputational damage, financial loss, and non-compliance. All employees are granted the right to blow the whistle, empowering them to report any wrongdoing or violations they witness or suspect based on valid reasons. Our whistleblowing policy and procedures are crafted to define whistleblowing, delineate eligible whistleblowers, and outline the channels available for reporting, including email and a dedicated hotline. Ensuring anonymity, these protocols govern the whistleblowing process, safeguarding the reporting staff. The policy is complemented by our Code of Conduct, which underscores ethical behaviour and highlights protocols such as our gift-acceptance policy.

By fostering an environment where whistleblowing is embraced as a right, we foster transparency and accountability, enabling prompt action in response to potential compliance incidents.

Grievance Mechanism

QNB maintains a formal grievance mechanism designed to promote an open environment where our staff feel empowered to voice their concerns, complaints, and grievances to the Human Resources Department. The grievance procedure entails employees submitting official complaints to HR, which initiates a thorough investigation. Subsequently, recommendations are presented to management for validation, and employees are promptly notified of the decision reached. This structured approach ensures transparency, fairness, and accountability in addressing staff concerns in the organization.

Risk Management

Risk management is fundamental to the operations of QNB, permeating every level of the Bank. A robust governance structure and framework maintain the balance between risk and reward while identifying, measuring, monitoring, controlling, and managing risks across all facets of operations. Transparency and accountability are maintained through regular reporting to senior management and the Board of Directors.

The Risk Appetite Statement serves as a guiding framework for risk-taking. This statement is reviewed and aligned with strategic and financial planning processes to inform risk management decisions.

The dissemination of the risk profile and appetite is approved by the Board of Directors and the Risk Committee, ensuring a unified approach to risk management throughout the organization.

The Risk Division oversees the identification of principal risks, reporting regularly to the Risk Committee and evaluating the effectiveness of risk controls. Continuous improvement efforts focus on enhancing risk identification frameworks to provide timely early-warning indicators, resulting in the effective control of non-performing portfolios, operational risk losses, and protection against cyber and fraud incidents.

Oversight from the Asset and Liability Management Committee (ALCO) ensures the Bank's resources are diverse and sufficient to accommodate funding requirements without adversely impacting earnings or market perception. Stress testing and the Internal Capital Adequacy Assessment Process (ICAAP) aim to maintain sustainable funding and liquidity to bolster the Bank's resilience against unexpected risks, guiding strategic decisions aligned with the approved risk appetite and regulatory constraints.



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Risk	Management Approach
Environ-mental and Social Risks	We integrate environmental and social considerations into our lending decisions and internal operations to achieve profit purposefully through sustainable finance and operations.
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 by complying with regulatory requirements and applying best practices, including a standardized measurement approach (SMA) in line with the Bank's business strategy. We Promote Bank-wide operational risk awareness and management culture, further contributing to process efficiency and efficacy. - The Operational Risk Committee conducts discussions on risk governance, analysing and inspecting all risks and actions regularly while also addressing day-to-day activities and issues. - We have implemented significant enhancements to our operational risk frameworks to address the increasing complexity of our expanding business, particularly focusing on technology risks. Investments in new tools have been made to enhance awareness and alignment with international standards, enabling better analysis of operational risks and their potential impact on the Bank, its customers, reputation and regulators. - In collaboration with the Central Bank of Egypt, the Federation of Egyptian Banks, and the Ministry of Health, QNB has organized several vaccination campaigns.
Market Risk	The Bank divides market risk exposures into trading and non-trading portfolios, stemming from interest rate risk and exchange rate risk. Market risk management is conducted through a comprehensive system of limits aligned with a conservative risk appetite. Responsibility for overseeing market risk management is delegated by the Board of Directors to the Bank's ALCO.

Risk	Management Approach
Liquidity Risk	QNB prioritizes prudent liquidity management to sustain profitability and maintain the trust of financial markets and the Central Bank of Egypt. Structural liquidity management is overseen by the local ALCO following preapproved policies set by the BoD, while day-to-day management falls under the purview of the treasury. This capability enables the Bank to accommodate planned and unplanned increases in funding requirements without significant adverse effects on its earnings or reputation in the market.
Credit Risk	We employ a structured framework of models, policies, and procedures to effectively manage credit risk. We maintain a clear separation of duties between front-line transaction originators and the Credit Risk function, with the latter serving as reviewers and analysts. Our credit exposure limits are determined according to a credit authorization framework. The Bank follows an integrated process encompassing credit initiation, rating validation, analytics, approval, credit administration and documentation, model risk validation control, and collateral management.
Cyber Threats	In 2023, QNB continued its strategic investment efforts as part of the Governance, Risk and Compliance GRC program to shield the Bank from constantly evolving, sophisticated cyber-attacks. This comprehensive approach aims to effectively protect, monitor, detect, analyse, investigate, and recommend remediation measures as part of our core cyber security mission. QNB successfully maintained PCI-DSS re-certification, showcasing its commitment to investing in people, processes, and technology in line with best practices. This commitment ensures the highest level of security across the Bank, safeguarding customer information in all states—rest, transit, and motion.



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Environmental and Social Risk Management

We have implemented a rigorous Environmental and Social Risk Policy ([ESRP](#)) framework to effectively manage environmental and social risks in our operations and lending practices. Oversight of this framework is entrusted to the BoD through its dedicated oversight body, the CRO. Responsible for monitoring and managing various risks, including those associated with environmental and social factors, the CRO plays a crucial role in ensuring the incorporation of environmental and social considerations into the Bank's operations.

The CRO supervises the implementation of the ESRP framework and reviews risk assessments to identify environmental and social risks. Moreover, he provides insights and recommendations to the BoD on sustainability matters through comprehensive and regular reports.

3.2 Sustainability Framework

QNB is committed to sustainable growth and responsible business practices. In this regard, the Bank has developed a sustainability framework based on sustainable finance, sustainable operations, and beyond banking. These three pillars facilitate the integration of responsible and sustainable practices into our core business operations, enabling us to achieve long-term financial performance while creating positive impacts on society and the environment.

The three pillars adhere to both national and international standards and guidelines, particularly the UN's SDGs. In alignment with QNB Group policies and global standards, we have identified the material topics in each pillar, identified relevant sustainability topics, and developed action plans to enhance our performance in those areas.

A. Sustainable Finance

The Bank integrates ESG principles into business and investment decisions to drive lasting benefits for clients and society. By embedding sustainability practices across our lending, investments, products, and services, we look forward to contributing to national and global sustainable development goals. Our focus areas in sustainable finance include sustainable investment, lending, products, and services, as well as supporting SMEs, financial inclusion, digital innovation, responsible customer communication, and customer privacy.

We offer various environmentally oriented loans and participate in various programs to achieve our targets in the domain of sustainable finance. For instance, we provide loans designed to finance impactful projects in areas such as resource management, energy efficiency, water resource management, pollution prevention, and electric and dual-fuel vehicle initiatives.

QNB collaborates with global institutions and local authorities to provide innovative financial solutions such as the Green Economy Financing Facility (GEFF) and the Egyptian Pollution Abatement Programme (EPAP). Through GEFF, the Bank provides funding and technical assistance to businesses for sustainable investments in green technologies. Similarly, the EPAP is a program initiated by the Ministry of Environment in collaboration with various donor organizations through which the Bank finances environmental-friendly projects.

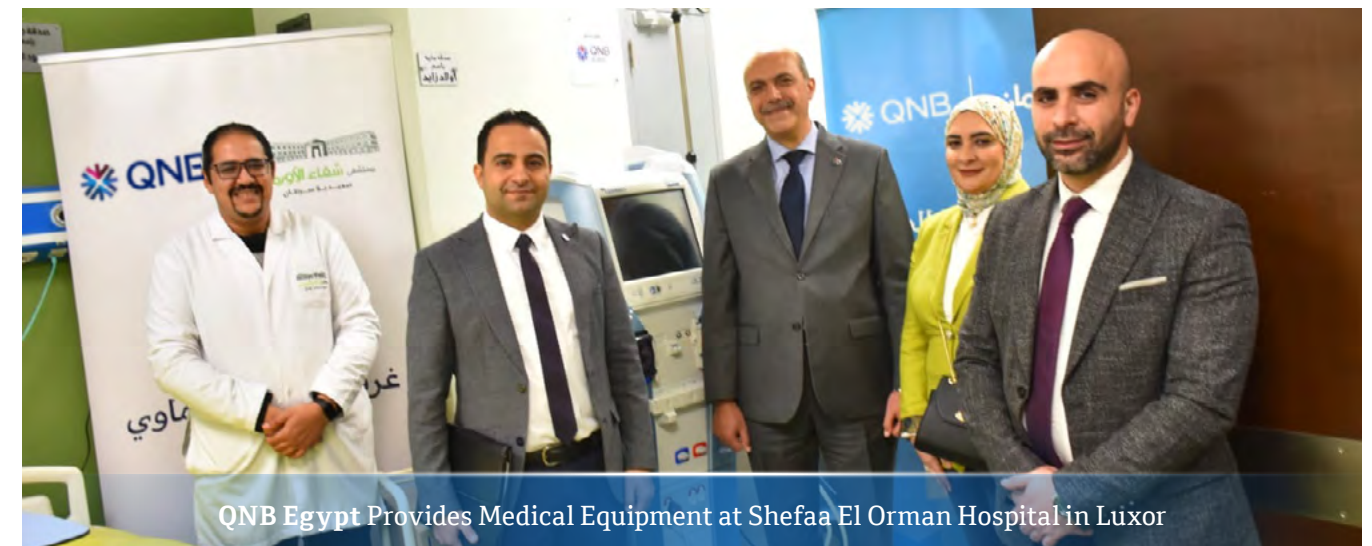
QNB also provides financing for socially impactful initiatives, including female-led businesses, social housing, and sustainable infrastructure projects. The Bank participates in different sessions and initiatives to raise financial awareness and promote inclusion. Moreover, QNB supports different unbanked segments through tailored products like the Agyalna package, empowering individuals of all ages with essential financial skills.

B. Sustainable Operations

We are dedicated to managing our direct ESG impacts while upholding ethical and efficient practices. Our sustainable operations strategy involves measuring, managing, and reporting performance in accordance with QNB Group criteria and ESG reporting guidelines. Key focus areas in sustainable operations include governance, compliance, risk management, talent management, diversity and inclusion, environmental impact, and responsible procurement.

C. Beyond Banking

In addition to our core banking activities, we actively contribute to wider socio-economic development through CSR initiatives. With a commitment to supporting communities where we operate. Furthermore, we engage in various external initiatives across social and humanitarian causes: education, health, environment, economic and international affairs, aligning with our vision for a better, more sustainable future.



QNB Egypt Provides Medical Equipment at Shefaa El Orman Hospital in Luxor

3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

3.3 Digital Transformation

QNB stands at the forefront of innovation and digital transformation in the banking sector with a focus on revolutionizing the customer experience and fostering financial inclusion. Our digital transformation journey is driven by our efforts to meet our clients' needs while embracing technology to enhance accessibility, efficiency, and convenience.

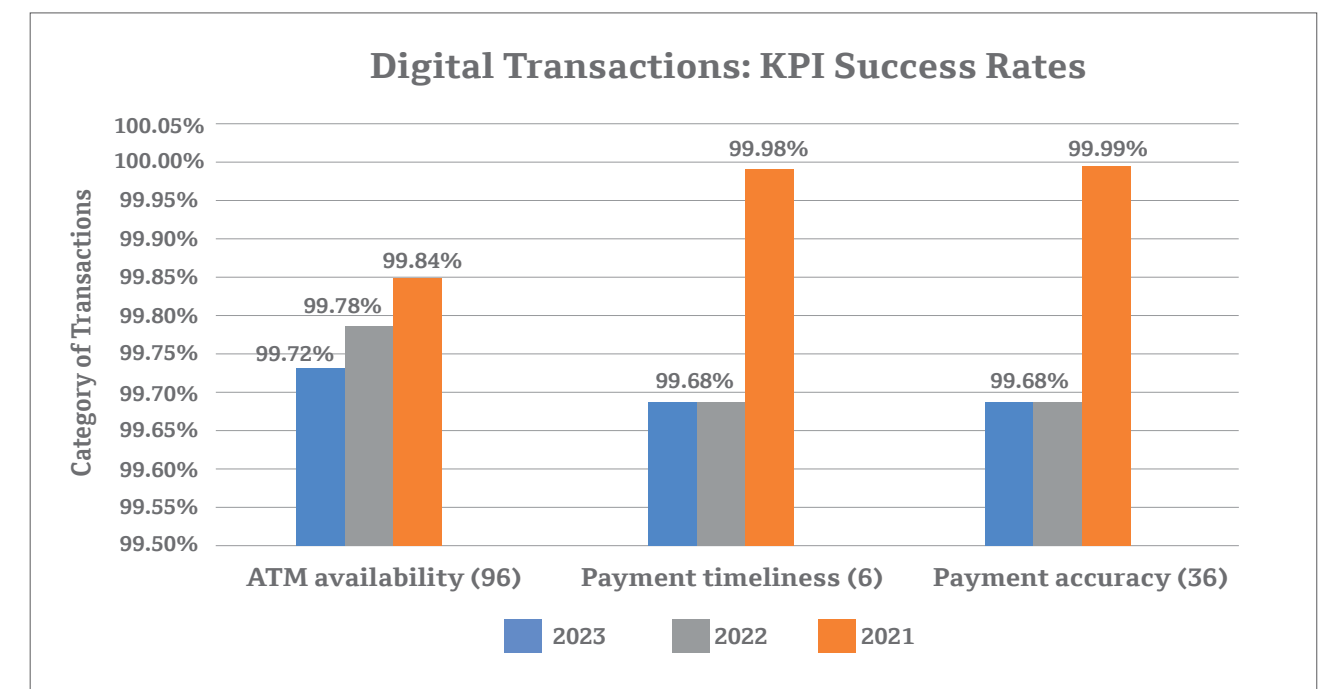
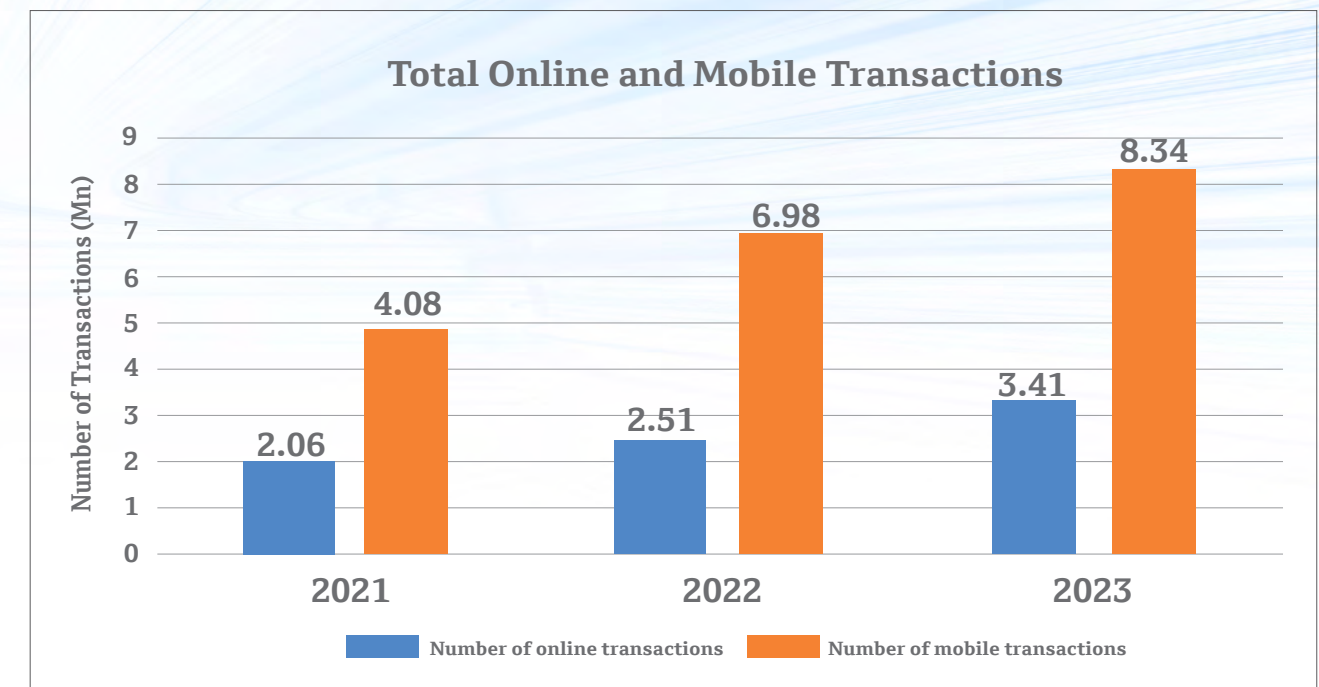
Central to our digital transformation strategy is the development of user-centric digital platforms that empower customers to manage their finances seamlessly. A notable milestone is the launch of QNB Bebasata, a comprehensive digital banking platform that redefines the banking experience. This innovative banking solution offers a digital experience that removes the need for branch visits. The platform aligns with Egypt's national strategy for financial inclusion and digital transformation, meeting the evolving needs and demands of customers. With user-friendly digital channels and exclusive benefits, QNB Bebasata sets a new standard in banking convenience and efficiency, offering customers easy access to a wide range of banking services including account opening and loan requests. The platform is designed to provide maximum convenience, allowing customers to conduct their banking transactions anytime, anywhere.

QNB also demonstrates remarkable efforts in instant payment solutions, leveraging technology to enable real-time financial transfers through initiatives such as InstaPay. By integrating our services into the national instant payments network, we have empowered customers to make transactions swiftly and securely, increasing both efficiency and convenience.

Our digital transformation journey extends beyond retail banking to meet the needs of corporate clients. Through corporate Internet banking services and enhanced government payment solutions, we facilitate corporate financial transactions, supporting our clients' business needs and growth. Moreover, the Bank has collaborated with SWIFT International to introduce SWIFT Go for international payments, empowering businesses with faster, transparent, and cost-effective transaction capabilities on a global scale.

Recognizing the importance of smooth communication, we have introduced innovative channels such as Chat banking via WhatsApp, which provides instant and personalized assistance for banking inquiries. Through Chat banking, customers can access a wide array of services and information with ease, further augmenting their banking experience.

There is a remarkable increase of 65% in online transactions in 2023 compared to 2021. Similarly, mobile transactions increased significantly by 72% over the same period. These figures highlight a clear preference among customers for digital banking channels, reflecting the increasing adoption of online and mobile banking solutions. We remain strongly committed to enhancing our digital transformation and the overall customer experience with innovative digital solutions.

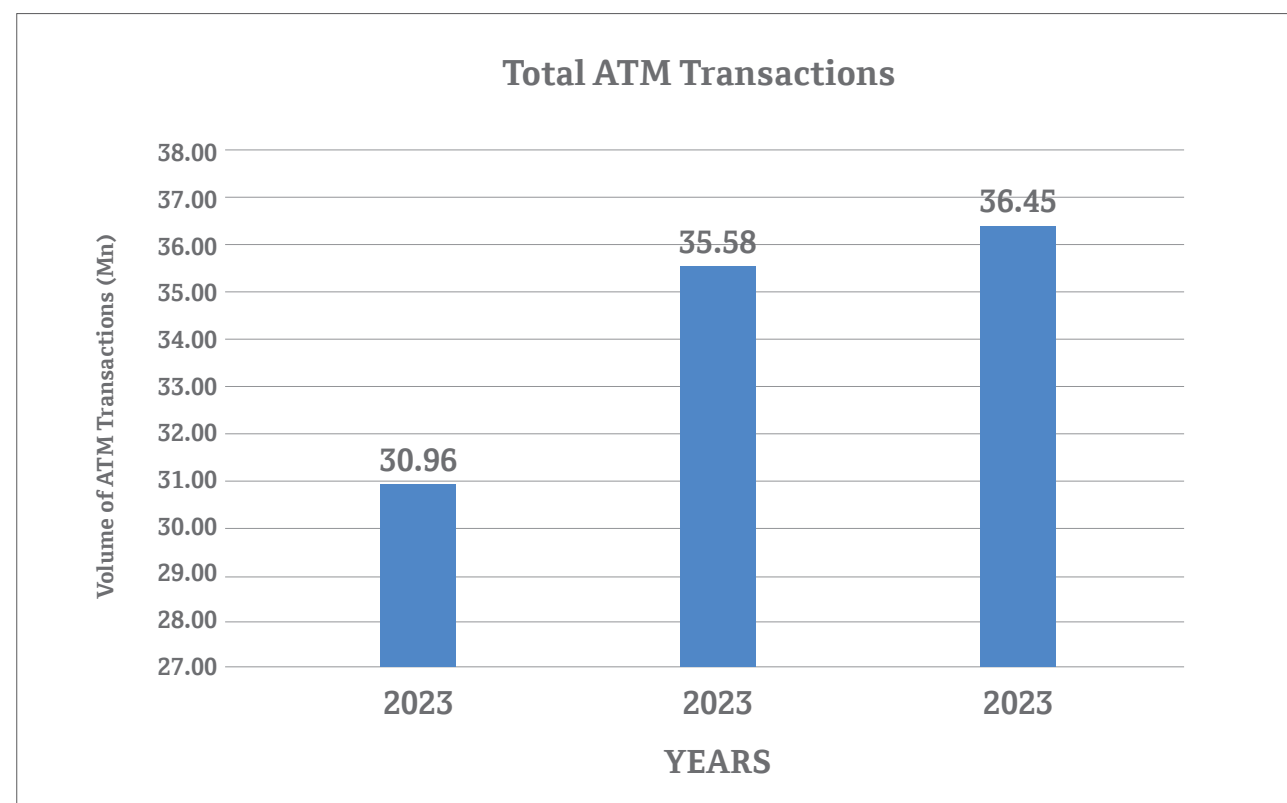




3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

ATM availability increased to an impressive 99.84% in 2023, indicating the Bank's robust infrastructure and dedication to providing access to banking services for customers. This high availability highlights the reliability and efficiency of our ATM network, which provides convenience and accessibility for users across locations. Additionally, both payment timeliness and payment accuracy increased to significant levels, reaching 99.98% and 99.99% respectively. These figures reflect the Bank's efforts to provide prompt and precise transaction processing and its adherence to stringent service standards.

We recognize the importance of providing convenient access to ATMs for our valued customers. Accordingly, we implemented a strategic approach to the ATM network to ensure banking services are easily accessible to individuals across locations. In 2023, the Digital Banking Department witnessed a surge in ATM transactions, which increased by 17% relative to 2021. This trend aligns with the growing reliance on ATM services among customers for convenience and accessibility.



Milestones

QNB remains dedicated to innovation, excellence and sustainability. The year 2023 marked a period of achievements and advancements for the Bank. The Bank received prestigious industry accolades and implemented various technologies and sustainable initiatives:

- Best Bank for Trade Finance in Egypt 2023” from The Digital Banker.
- Elite Quality Recognition Awards from JPMorgan for Outstanding Achievement of Best-In-Class MT 103 STP Rate 99.68% and MT202 STP rate 99.95%.
- VISA Award In recognition of QNB Al Ahli's Risk Management efforts and partnership in protecting digital payments ecosystem.
- Two Newly Certified in Digital Trade Strategy (CDTS).
- New In-House ATMs Switch: Migration of 277 ATMs from CR2 to ACI (New Switch).
- Automation of 24 processes through RPA and other automated solutions.
- Implementation of ISO20022 for cross-border incoming payments.
- Introduced New Instant Payment functions.
- Introduced New Retail Digital Operations Helpdesk
- Enhanced Corporate Digital Support Hotline.
- Introduced New Eco-Friendly Debit Cards.
- Introduced Green PIN generation.
- Introduce WhatsApp channel for QNB to serve customer inquiries.
- Enable retail customers to submit dispute for debit card through Internet Banking.
- Partner with Loyalty Co. to generate e-voucher as a new redemption means for credit card holders and enable the redemption through retail Internet Banking & Mobile banking.
- Enable retail customers to apply for digital secured loan and secured credit card through Internet banking and create e-youmaty saving account (digital only enable account type).
- Support special needs customers to inquire about the location for special need enabled ATMs/Branch and to allocate them through google map -Mobile banking channel and WhatsApp channel.
- Through an integration with IPN network, we enable the instant payments through our Internet and mobile banking for the retail.
- Create and Modify credit card PIN on Internet Banking and Website, instead of printing them.
- Enable governmental payment (tax, customs, insurance, and others governmental payments) through corporate internet banking.



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

As we continue to expand our digital presence, QNB remains steadfast in its mission to drive financial inclusion and digital empowerment across Egypt. Through a combination of innovative digital solutions, customer-centric initiatives, and strategic partnerships, we are charting the course for a future where banking is accessible and inclusive.

Future Plan

In the upcoming years, our digital transformation plan includes the introduction of a new corporate mobile banking channel tailored for our corporate customers. We aim to enhance convenience and security by enabling mobile contactless payments through QNB mobile banking and Apple Pay. Additionally, we will launch a new Mvisa mobile application to facilitate B2B payments and provide a QR acceptance solution. To improve customer support, we will implement an AI-based CHAT BOT accessible via both our bank website and mobile banking platforms.

Our new mobile banking release will focus on enhancing user experiences and incorporating features currently available on our Internet banking platform. We also plan to introduce face recognition biometric authentication for mobile banking, further enhancing security measures. Moreover, we will support instapay ATM cash withdrawals and merchant payments for QNB customers, while enabling our merchants to accept Instapay transactions through their point-of-sale systems. Finally, we aim to facilitate cash deposits and withdrawals through any certified agent for e-wallet account holders, extending convenience and accessibility for our customers.

As we continue to expand our digital footprint, QNB remains steadfast in our mission to drive financial inclusion and digital empowerment across Egypt. Through a combination of innovative digital solutions, customer-centric initiatives, and strategic partnerships, we are charting the course for a future where banking is accessible and inclusive.

3.4 Stakeholder Engagement

QNB understands the critical importance of open and active engagement with stakeholders. We believe that creating sustainable shared value is fundamental to our business success. By engaging with our key stakeholder groups—customers, investors, employees, regulators, government, community, suppliers, and partners—we can consider their needs and expectations while shaping our strategy and policies.

QNB, following the QNB Group, our approach encompasses direct stakeholder engagement and dialogue through feedback from internal champions who represent key stakeholder groups. These groups include those directly affected by our business and operations, our investors, entities with oversight and influence on our activities, communities indirectly impacted by our services, and broader market participants.

Stakeholder Identification

QNB's main stakeholder groups are:

1. Customers
2. Investors
3. Regulators and governments
4. Employees
5. Suppliers
6. Community
7. Partners and experts
8. Stock Exchange

1. Customers

Frequency

Quarterly and Annually

Engagement Methods

- Customer satisfaction surveys
- Mobile and online banking
- Complaint management
- Relationship managers (RMs)

Expectations	Material Topics
• Quality service • Customer satisfaction • Competitive rates and fees • Digital banking • Responsible banking • Data privacy	• Customer experience and responsible engagement • Customer privacy and data security • Digital innovation and transformation • Sustainable lending products and services • Financial inclusion and literacy



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

2. Investors

Frequency

Quarterly and Annually

Engagement Methods

- Annual general assembly
- BOD meetings
- Analyst calls
- Investor days, roadshows, ongoing dialogue, and information requests

Expectations	Material Topics
• Strong and stable returns • Robust corporate governance and risk management • Transparency and international disclosure alignment • Comprehensive approach to ESG along the value chain	• Financial stability and performance • Governance, compliance, and risk management • Sustainable finance

3. Regulators and Government

Frequency

Ongoing

Engagement Methods

- Regulatory working groups
- Banking associations
- Ministerial and Central Bank working groups
- Public disclosures (e.g., Annual and Corporate Governance Report)

Expectations	Material Topics
• Compliance with all legal and regulatory requirements • Robust anti-corruption, anti-money laundering and bribery measures • Strong risk management and governance • Addressing climate change risks and opportunities • Digital transformation	• Financial stability and performance • Governance, compliance, and risk management • Sustainable finance • Customer privacy and data security • Digital innovation and transformation • Financial inclusion and literacy

4. Employees

Frequency

Ongoing

Engagement Methods

- Employee engagement surveys
- Learning and development programs
- Trainings
- Whistleblowing and grievance mechanisms

Expectations	Material Topics
• Competitive salaries, benefits, and rewards • Professional development • Fairness, diversity, and equal opportunities • Work-life balance • Business ethics and responsible banking • Employee engagement	• Employee value proposition • Diversity and inclusion • Financial stability and performance • Governance, compliance, and risk management



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

5. Suppliers

Frequency

Ongoing

Engagement Methods

- Bidding
- Tendering
- Price and offer negotiations
- Partnerships

Expectations	Material Topics
• Timely payments • Fair and transparent processes • New business opportunities	• Responsible procurement and supply chains

6. Community

Frequency

Ongoing

Engagement Methods

- Products and services with environmental or social benefits
- CSR activities
- HR recruitment plan
- Seminars

Expectations	Material Topics
• CSR activities • Supporting the youth • Job opportunities • Protecting the environment	• Corporate social responsibility • Financial stability and performance • Employee value proposition • Diversity and inclusion • Environmental impact of operations

7. Partners and Experts

Frequency

Annually

Engagement Methods

- Meetings
- Bilateral engagements

Expectations	Material Topics
• Partnerships and collaborations • Financing for creating a positive impact on society and the environment	• Financial stability and performance • Governance, compliance, and risk management • Sustainable finance • Diversity and inclusion • Environmental impact of operations

8. Stock Exchange

Frequency

Annually

Engagement Methods

- Disclosure

3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Expectations	Material Topics
• Solid governance foundation for corporate consistency • Human capital development • Access to finance and financial inclusion • Increased transparency	• Governance, compliance, and risk management • Employee value proposition • Sustainable finance • Diversity and inclusion • Environmental impact of operations

3.5 Materiality Assessment

By assessing our stakeholder and market impacts, we can identify and prioritize relevant material topics. QNB employs the double materiality assessment approach, a sustainability concept that considers both the financial and non-financial impacts of company activities. This approach recognizes that non-financial factors, such as environmental, social, and governance impacts, can affect a company's long-term financial success.

In our continuous evaluation of impacts and material topics, we assess and benchmark our performance and focus areas against both regional and international peers. This process includes conducting a thorough comparative analysis of key material topics and regularly reviewing our ESG performance. We select and prioritize material topics based on their significance to stakeholders, their actual and potential impacts, and their severity in relation to the economy, the environment, people, and human rights.

Our materiality assessment involves the following three steps.

1. Identify and Assess: Identify topics that may impact our stakeholders and the execution of QNB's strategy. This includes assessing potential and actual impacts and their significance.

QNB considers the material topics identified by the QNB Group. The Bank also considers ESG trends and significant topics in the banking sector to gain a comprehensive understanding of global sustainability issues and contextual factors that may impact its operations. In addition, the Bank factors its strategic priorities, SDGs, Egypt's current priorities, national strategies, and regulatory requirements into consideration. To identify QNB's actual and potential impacts and determine its context-relevant material topics, the Bank has leveraged the UNEP-FI PRB Portfolio Impact Analysis Tool (Version 3) to conduct its first portfolio impact assessment, identifying the most significant positive and negative impacts of its financing decisions. In parallel, QNB relies on ESG standards, frameworks, and ratings to steer its disclosures and the materiality assessment process. The frameworks include the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) for Commercial Banks.

2. Prioritize: Determine and prioritize the most significant impacts on our stakeholders and our ability to promote prosperity and sustainable growth.

For each material topic, we identify the actual and potential impacts—both positive and negative—caused directly by QNB's operations and value chain on the people, the environment, and human rights, known as impact materiality. We also consider the impact on the Bank's cash flow, financial performance, and position in the short, medium, and long term, known as financial materiality. The Bank applies an internal lens through its risk management principles, resulting in a dynamic ongoing process of weighing this information to ascertain the importance of various priorities to core business success and external stakeholders. The list of material topics in the previous report was modified with different rankings based on our priorities. We also re-defined some material topics and integrated some topics together to become more focused and precise. The list of the material topics covers 10 main topics and reflects our key priorities.

3. Integrate and Embed: Integrate material topics to drive our sustainability agenda and focus areas for the upcoming year and beyond. QNB integrates material topics into its strategy and sustainability framework and monitors the Bank's performance with a balanced scorecard and key performance indicators (KPIs).





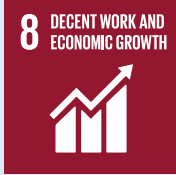
3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Material Topic 2022–2023	Alignment with SDGs	Alignment with Egypt Vision 2030	Guiding and Sup- porting Frame- works
Financial stability and performance			
Governance, compliance, and risk management			
Customer Experience, Digital Transformation and Customer Privacy			

Material Topic 2022–2023	Alignment with SDGs	Alignment with Egypt Vision 2030	Guiding and Sup- porting Frame- works
Sustainable finance	 	 	



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Material Topic 2022–2023	Alignment with SDGs	Alignment with Egypt Vision 2030	Guiding and Sup- porting Frame- works
Financial inclusion and literacy	  	 	  
Employee value proposition			 

Material Topic 2022–2023	Alignment with SDGs	Alignment with Egypt Vision 2030	Guiding and Sup- porting Frame- works
Diversity and inclusion	 		 
Environmental impact of operations and portfolios	 		    



3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

Material Topic 2022–2023	Alignment with SDGs	Alignment with Egypt Vision 2030	Guiding and Sup- porting Frame- works
Corporate social responsibility			
Responsible procurement and supply chain			

3.6 External Commitments

In our dedication to sustainable business practices, QNB engages actively in significant global and national sustainability initiatives. We ensure our efforts adhere to international standards, fostering responsible corporate behaviour. Our strategy aligns with the following international and national initiatives, commitments, and reporting frameworks.

	Initiative or Framework	Description	We Support
International Initiatives	UN Sustainable Development Goals (SDGs)	The SDGs represent the principal global framework for sustainability. The 17 goals, supported by 169 targets, aim to protect the planet, end poverty, combat inequality, and ensure prosperity. QNB ensures that our sustainability framework and material topics align with the UN's SDGs.	
	UN Global Compact (UNGC)	As part of the QNB Group, we support UNGC, which focuses on promoting better business practices in the areas of human rights, labour, environment, and anti-corruption.	
	UN Environment Programme Finance Initiative (UNEPFI) and UN Principles for Responsible Banking (UNPRB)	Since July 2022, the Bank has become a signatory to the UNPRB. Accordingly, we started assessing the impact of our portfolio and are committed to setting targets for mitigating negative impacts.	

3. Pathways to a Positive Influence: Our Strategic Approach (Continued)

	Initiative or Framework	Description	We Support
National Initiatives	Egypt Vision 2030	We ensure that our strategy and material topics are aligned with the updated goals of Egypt Vision 2030.	
	Egypt's Nationally Determined Contribution (NDC)	QNB ensures that our sustainable finance aligns with NDC goals.	
	Egypt's National Climate Change Strategy (NCCS) 2050	QNB ensures that its financing activities align with Goal 1: Achieving Sustainable Economic Growth and Low-Emission Development in Various Sectors. We also provide training and capacity-building sessions to our employees on sustainability and sustainable finance in line with Goal 2: Enhancing Adaptive Capacity and Resilience to Climate Change and Alleviating the Associated Negative Impacts.	
	CBE's Sustainable Finance Guiding Principles	QNB adheres to the CBE's six principles: (1) building the necessary capacity and knowledge, (2) promoting sustainable finance, (3) fostering stakeholder engagement, (4) ensuring climate risk management, (5) integrating sustainability principles into internal activities and operations, and (6) reporting.	
	Global Reporting Initiative (GRI) Standards	In line with our commitment to transparency, we annually report our sustainability performance, adhering to the latest GRI Standards 2021. See the GRI Index in the appendices for details.	



4. Sustainable Finance



An environment-friendly transaction financed by QNB Egypt



4. Sustainable Finance

4.1 Responsible Finance

Environmental and Social Risk Policy (ESRP)

At QNB, we are dedicated to building a sustainable future and being accountable partners to all stakeholders. Our ESRP framework reflects this commitment, outlining our approach to integrating sustainability into our business practices and managing environmental and social (E&S) factors effectively.

As part of the QNB Group, we align ourselves with its sustainability policy and recognize the pivotal role we play in addressing E&S challenges through our financing activities. Central to our sustainability framework is the concept of sustainable finance, where we integrate ESG criteria into our financing decisions to deliver profit with purpose. Our ambition is to assist our clients in managing E&S risks and finance projects that contribute to SDGs and the transition to a green economy.

Key Principles

We are guided by several key principles in our Environmental and Social Risk Policy and our internal procedures: Ensuring adherence to all applicable environmental and social laws and regulations.

- Upholding human rights, promoting diversity and inclusion, and avoiding involvement in activities that infringe upon human rights.
- Acknowledging the direct and indirect impacts of our operations on the environment and society and implementing measures to address them.
- Promoting sustainable and responsible development through our products, services, and financing activities.
- We adhere to stringent guidelines outlined in our exclusion list, ensuring we do not knowingly support ventures that are illegal or likely to cause adverse, irreversible, or detrimental effects on the environment and communities.
- We actively guide, collaborate with, and encourage our clients and stakeholders to manage sustainability and E&S risks effectively. By fostering partnerships and sharing best practices, we aim to support the transition to a green economy and sustainable business practices.

- We continually invest in building internal capacity and capabilities to manage sustainability and E&S agendas, risks, and demands. Through ongoing training and development initiatives, we empower our employees to understand and adopt key environmental and social principles, ensuring alignment with our sustainability objectives.
- Transparency is paramount in our operations. We uphold a commitment to disclose our environmental, social, and sustainability performance in public reporting activities. Additionally, we provide grievance communication channels for both internal and external stakeholders through our grievance mechanism, ensuring open dialogue and accountability.

The implementation of the Environmental and Social Risk Policy is overseen by the Chief Risk Officer, with regular reviews conducted to ensure alignment with market practices and regulatory requirements. Amendments to the ESRP framework are proposed based on observed best practices and are subject to approval by the Board of Directors. Our commitment to environmental and social responsibility reflects our dedication to building a sustainable future for generations to come.

Risk Management in Lending Activities

Our ESRP framework includes a comprehensive risk management approach for lending activities that focuses on E&S screening and assessment. We categorize E&S risks, screen transactions against our exclusion list, and collaborate with clients to identify and manage risks effectively.



4. Sustainable Finance (Continued)

We strive to integrate environmental and social considerations into every aspect of our operations. By avoiding the financing of harmful activities, collaborating with stakeholders, investing in capacity building, and ensuring transparency in communication, we mitigate our risks and contribute to the achievement of SDGs. Moreover, our adherence to international standards reflects our efforts to align with global best practices in environmental and social governance. With oversight from the Chief Risk Officer and regular reviews to align with evolving market practices and regulatory requirements, our ESRP remains a cornerstone of our commitment to building a sustainable future.

4.2 Corporate and Institutional Banking

QNB's Corporate and Institutional Banking Division (CIBD) plays a significant role in fostering sustainable financial practices and client-focused services. For over 40 years, we have provided tailored financial products and services to Egypt's corporate landscape.

Our comprehensive suite of products and services, including conventional lending, structured finance, project financing, and trade financing, empowers businesses to grow and flourish. With a solid market presence and expertise, we serve both domestic and multinational corporations. Our support services and training are also tailored to assist mid-cap companies, providing targeted financial advice, technical trade advice, and digital services training.

QNB aims to offer diversified financing products and services to support existing mid-cap and large corporate clients and attract new customers. QNB also offers programs that encourage sustainability projects, attract foreign and local investors, and empower women, as well as other initiatives that reinforce economic development and financial inclusion.

Our strategy relies on two pillars. First, our value proposition is supported by leveraging technology and innovation as strategic enablers. Second, we believe that embedding sustainability into our business and operations model contributes positively to society.

QNB uses an automated workflow tool to manage the entire business process, from initiating an opportunity to deal closure, cancellation, acceptance, or conditional acceptance. A full analysis of all bottlenecks and challenges in the credit cycle is conducted and reported weekly to ensure the smooth flow of credit approvals from inception to submission. A detailed analysis of all pipeline stages by client, including rejection details and reasons, is reported to the Head of Mid Cap and CIBD. This process ensures that all stages of the corporate credit cycle are closely monitored by the Corporate Division and adhere to SLA including the Risk Department, the Credit Committee, and legal documentation, setting clear limits for the utilization phase.

The strengths of QNB's corporate banking include:

1. Establishing and maintaining strong customer relationships with key market players in various economies, industries, and sectors.
2. A dedicated hotline for corporate B2B customers available from 9 AM to 5 PM on working days for comprehensive support.
3. A dedicated Corporate Digital Services Support hotline and the Corporate Internet Banking Activation service.
4. A network of 234 branches distributed across Egypt, 925 ATMs, and more than 43,400 points of sale.
5. Diversified portfolio covering all competitive sectors in the Egyptian economy.
6. Relatively low percentage for non-performing loans.
7. Relatively high profitability from mid-cap and large corporate customers.

Main Achievements

- We financed several major projects in 2021, including one of the largest rooftop stations ever built in Africa and a fiberglass factory in the Middle East with a capacity of 6.8 MW. This facility began operating in 2022 and is currently under repayment. In 2022 and 2023, we financed two tri-generation projects with a combined capacity of 4.5 MWe. These projects were carried out through our due diligence and collaboration with the EBRD, the full cycle from deal origination to deal closure to ensure successful implementation of the projects. One of the projects is now finalized and under repayment. Furthermore, we financed one of the largest farming projects in Egypt, covering an area of 180,000 feddans and including sugar production via a large, syndicated facility.



4. Sustainable Finance (Continued)

- For over four decades, QNB has been a pioneering private bank in corporate financing, achieving a significant impact on the national economy and supporting economic development. Despite several global challenges in 2023, the corporate sector achieved impressive growth. Accordingly, QNB won several awards at the Global Banking and Finance Awards ceremony that emphasize our strong presence in the Egyptian market, including but not limited to:

1. Best Corporate Bank
2. Best Bank for Digital Banking Services
3. Best Trade Finance Bank.

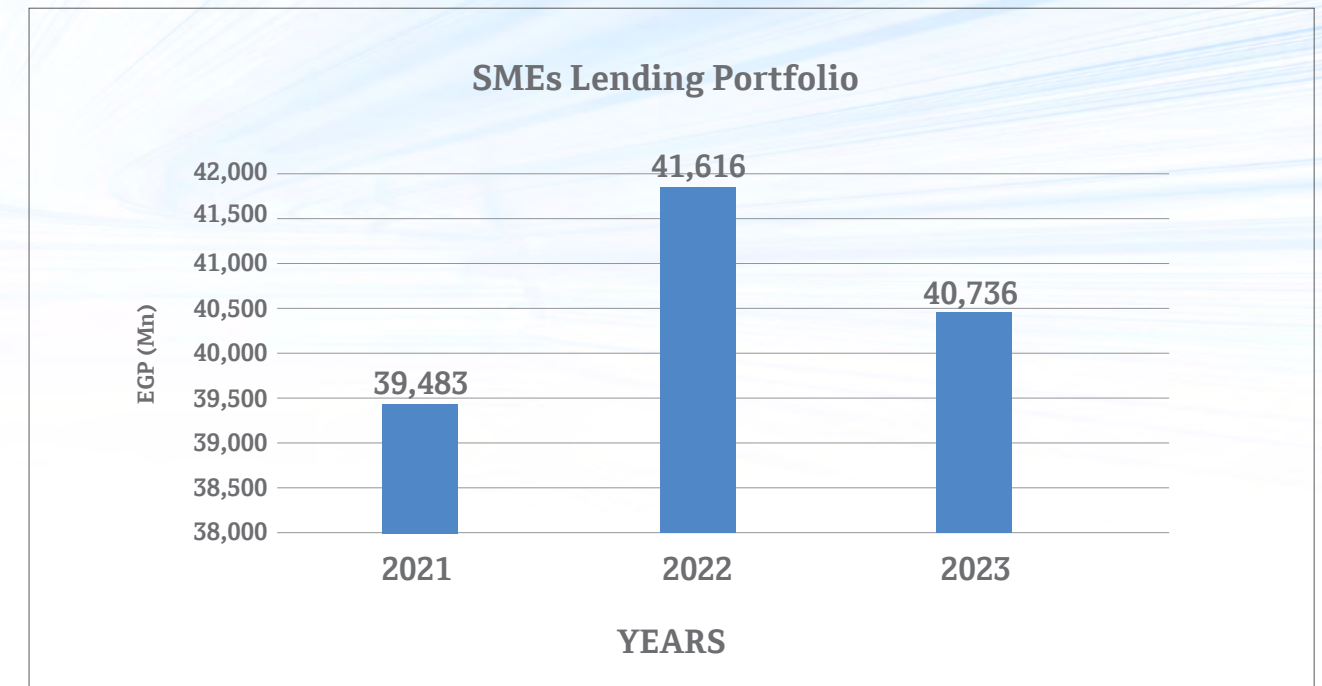
4.3 SME Banking

In our steadfast commitment to supporting SMEs, we provide various tailored products and services aimed at nurturing the growth and success of business ventures in this category. Our SME packages include banking services such as account management, payroll solutions, and trade finance advisory, all geared toward facilitating smooth day-to-day operations. Moreover, our finance options and facilities provide flexible solutions to fuel the development and expansion of SME projects, with competitive pricing and access to the CBE's SME initiative for advantageous interest rates.

Backed by our dedicated consultancy services, which offer financial, trading, and personal investment advisory, we empower SMEs with the insights and support they need to navigate the complexities of today's business landscape.

To provide financing and banking services in all regions, QNB has developed an expansion plan focused on promising regions such as the Delta and Upper Egypt. The Bank aims to offer customized lending programs and packages for small projects and young entrepreneurs through its broad network, which includes approximately 234 branches and an increasing number of SME-focused staff, now reaching almost 700.

Through our subsidiaries, including QNB Leasing, Factoring, and Life Insurance, we further facilitate access to financial tools and risk management solutions tailored for SMEs. We are committed to being a strategic partner in growth and fostering sustainability and prosperity in the SME sector and beyond. The Bank also provides electronic solutions including government payments, salary payments, e-commerce platforms, point-of-sale services, e-commerce services, and corporate credit card products.



Main Achievements

• NilePreneurs Initiative

QNB participates in the NilePreneurs initiative sponsored by the Central Bank of Egypt and implemented by Nile University with five business development centers and Satellite offices located in Upper Egypt & Delta Region (Mansoura, Kafr El Sheikh New Damietta, Shebeen El Kom & Beni Suef) to provide non-financial services to emerging projects that maximize added value. QNB obtained a shield of honour from the CBE after the specialists at the business development centers received the largest share of awards among the banks participating in the initiative for their achievements and efforts over the past three years.

QNB also maintained its first place among participating banks for the number of services provided since the launch of the Nilepreneurs initiative. The business development centers have already helped many entrepreneurs start and expand their projects into established and successful projects. Several articles were published on social media detailing some of these success stories and the support provided by the business development centers.

	2021	2022	2023
Services Provided	14,647	37,657	45,365
Clients Served	4,766	12,432	12,809

4. Sustainable Finance (Continued)

• Creative Incubator Hub

QNB's Incubator Hub has conducted to date five cycles in which 44 startups, including 25 founded by women, were supported throughout the incubation stage. Most of these startups have been recognized by national and international entities for their creative products and participated in COP27 to showcase their sustainable products.

• Supporting Women in Business

QNB is committed to supporting women and has introduced the Hayat Program to assist businesswomen and female retail customers. This program aims to enhance their access to banking services and cater to their business and personal needs, offering a wide range of banking and non-banking products. Additionally, the Bank plays an educational role by promoting financial and banking literacy among female SME owners and entrepreneurs. It conducts financial literacy and training sessions in all governorates and provides non-financial services through business development centers to help them manage their businesses effectively.

• Winning Prestigious Awards in 2023

- Best SME Bank in Egypt

Capital Finance International Magazine

- Best SME Bank

Global Banking and Finance

- Best SME Bank in Egypt

Global Finance Magazine

- Most Innovative SME Bank

International Finance Magazine

4.4 Retail Banking

The retail banking sector was able to achieve a remarkable growth of around 19% during 2023 compared to the previous year. The retail loans and facilities portfolio accounted for approximately EGP 54 billion. The retail sector also witnessed a boom in the number of cards issued where total number of cards reached more than 2 million cards for over 1.7 million customers.

The retail banking sector particularly relies on technological development, expansion of digital services, and facilitating customer accessibility to the bank's products. In addition, various banking services and electronic products have been launched to meet the wide range of customer needs, segments, and different interests.

QNB offers a wide and diverse range of banking products and services that are designed to meet the diverse banking needs of our customers in the various sectors. QNB's banking service packages cater to the different lifestyles of our customers, and our payroll services simplify the financial management for businesses and employees. Additionally, our life insurance offerings provide peace of mind and financial security.

All of this is supported by more than 45 years of banking experience and an integrated multi-channel network, which has led to achieving a sustainable increase in market share and growth in profitability. With the bank's constant keenness to actively participate in the initiatives of the Central Bank of Egypt for financial inclusion.



4. Sustainable Finance (Continued)

Main Achievements

QNB has introduced new programs and products aimed at various customer segments:

- **Doctor Loans and Credit Cards:** These were launched with simplified lending criteria and a straightforward income calculation methodology.
- **Cash Loan Against Rental Proceeds:** QNB is the first bank in Egypt to offer this product, allowing commercial unit owners to obtain loans based on the value of their rental contracts.
- **Cash and Car Loan Enhancements:** QNB continuously reviews and enhances its products and services. Aimed to increase market share and competitiveness, these improvements include a surrogate income approach that reduces documentation requirements and simplifies the loan processing cycle.
- **Enhanced Sustainable operations:**
 - Credit card PIN creation and activation can now be completed in one call via IVR.
 - PIN creation and activation are also available through the QNB website.
- **Customer Service Enhancements:**
 - A dedicated 24/7 hotline (17003) was launched for QNB First Customers to provide a top-tier service and enhance the customer experience.
 - To boost customer awareness and satisfaction, informative SMS and email communications have been introduced to provide important updates and information.
- **Awards 2023**
- **Middle East CX Pioneer - Digital Customer Service award**
®Genesys
- **Best Retail Bank**
Capital Finance Magazine
- **Best Retail Bank**
Global Banking and Finance

4.5 Green, Social, Socio-Economic and Project Finance Lending

A. Green Lending

QNB promotes environmental sustainability through a diverse range of environmentally oriented loans. A significant portion of these funds is allocated to resource management initiatives focused on the sustainable management of living natural resources and land. Projects in this category include certified organic farming aimed at preserving and enhancing biodiversity.

We also direct funds toward promoting energy efficiency, such as financing district heating and cooling systems. By allocating funds to such projects, we contribute to reducing greenhouse gas emissions and mitigating climate change impacts.

Water resource management is another high-priority area for the Bank. We prioritize financing for projects related to wastewater management and treatment facilities, recognizing the critical importance of water conservation and sanitation.

We also extend our funds to pollution prevention, supporting projects aimed at converting waste into energy and waste management and recycling initiatives. By investing in these areas, we actively contribute to reducing pollution and promoting a cleaner and healthier environment.

Recognizing the importance of reducing emissions from transportation, we also offer electric and dual-fuel car loans to encourage the adoption of such vehicles. These vehicles contribute to reducing air pollution and combating climate change and offer long-term cost savings through reduced fuel consumption and maintenance.

Overall, QNB has financed projects that contribute to social, environmental, and socio-economic development. These initiatives encompass agricultural projects, public health efforts, resource and water recycling programs, participation in mega infrastructure projects, and digitalization efforts.

Partnerships for Impact

At QNB, we recognize the important role of collaborations in driving sustainable development and fostering environmental responsibility. Through partnerships with global institutions and local authorities, we are committed to providing innovative financial solutions that promote sustainability across various sectors. By leveraging our expertise and partnerships, we aim to empower businesses to embrace environmentally friendly technologies and practices while facilitating their access to sustainable financing options. Through these collaborative efforts, QNB strives to be a catalyst for positive change, driving economic growth that is both inclusive and environmentally sustainable.



4. Sustainable Finance (Continued)

The Green Economy Financing Facility (GEFF) is an initiative supported by the EBRD, which collaborates with local financial institutions and businesses to promote sustainable investments in green technologies. Through GEFF, the EBRD aims to accelerate the adoption of environmentally friendly solutions including energy efficiency, renewable energy, and resource conservation across sectors. In this regard, QNB is provided with a fund to support energy efficiency and small-scale renewable energy investments in Egypt. This collaboration provides a one-stop-shop solution for small businesses seeking environmental sustainability, where they can access capital loans of up to USD 5 million and free-of-charge technical assistance to develop bankable projects. Successful project completion can qualify for a cash-back grant worth 10%, further incentivizing sustainable investments.

Whether businesses require financing for specific equipment or seek a complete technology solution, through GEFF, the Bank offers flexibility through its Technology Selector and Project Assessment services, which simplify the application process and allow businesses to focus on their objectives.

The Egyptian Pollution Abatement Programme (EPAP) is an initiative by the Ministry of Environment in Egypt that aims to foster sustainable development while addressing the adverse effects of industrial pollution on the environment and public health. EPAP operates on several fundamental principles and objectives, each designed to contribute to environmental sustainability and promote responsible industrial practices. QNB is currently participating in the third phase of EPAP (EPAP III), where funding from various donor organizations, including the European Investment Bank (EIB), Agence Française de Développement (AFD), KfW German Development Bank, and the European Union's Neighbourhood Investment Facility (EU-NIF), is provided for clients that meet the criteria of the program.

The Agriculture Development Program (ADP), facilitated by QNB, offers a structured framework for providing financial assistance to eligible clients engaged in the agricultural sector. Under this program, QNB collaborates with clients to navigate the eligibility criteria and terms outlined in internal documents. QNB ensures competitive interest rates based on the tenor of the loan and provides flexible repayment options aligned with the duration of the facility.

The ADP process involves QNB's active participation in the initial eligibility confirmation, credit approval, and liaising with the Technical Committee affiliated with the Ministry of Agriculture and Land Reclamation for assessment. Once approved, the Bank seamlessly transfers the funds to the client, adhering strictly to utilization timelines and monitoring for compliance with the program objectives. Through its partnership with QNB, the ADP facilitates sustainable growth and development in the agricultural sector while providing essential financial support to participating clients.

B. Social Lending

QNB is keen on fostering social impact and driving positive change in communities. To achieve this, the Bank offers a range of socio-economic advancement loans tailored to address diverse needs. This category is to empower aspiring entrepreneurs and very small businesses, providing them with the necessary financial support to thrive and contribute to local economies. The Bank also finances female-led businesses, recognizing the important role of women in driving economic growth and empowerment.

Additionally, the Bank provides funds for social housing programs aimed at addressing housing challenges and improving living conditions for underserved groups. Through these initiatives, we strive to make a meaningful difference in the lives of individuals and communities, promoting inclusive growth and sustainable development.





4. Sustainable Finance (Continued)

C. Main general Projects in 2022 and 2023

By investing in such diverse projects, the Bank aims to foster sustainable growth and drive positive change across various sectors.

2022	Sector	Project Loan Value*	Initiation Date	Partners	Brief on Transaction
1	Renewable Energy	EGP 25.3 mn	June 2022	Bilateral	Establishment of a 1.5 MWe CCHP plant with an investment cost of EGP 35.4 Mio (including capitalized interest) to supply the off-taker with the required electricity, steam, and chilled water.
2	Agriculture	USD 15 mn EGP 763 mn**	April 2022	Syndication	Financing a mega farm and sugar factory.
3	Agriculture	USD 6 mn	December 2022	Bilateral	Partial financing of the investment cost of a high-value product export-oriented farm.
4	Logistics	USD 50 mn***	March 2022	Syndication	Financing a mega port.
5	Manufacturing	USD 25 mn	July 2022	Bilateral	Revamping of a mega glass factory.

* Project loan value = QNB's share in the transaction.

** Project investment cost for USD 1 bn, syndicated facility for USD 700 mn (and/or eq in EGP).

*** Transaction facility for USD 270 mn.

2023	Sector	Project Loan Value*	Initiation Date	Partners	Brief on Transaction
1	Polymers	USD 39.9 mn		Bilateral	PET production plant with a capacity of 216 kt per annum.
2	Renewable Energy	EGP 60 mn	November 2023	Bilateral	Establishment of a 3 MWe CCHP plant with an investment cost of EGP 91.1 (including capitalized interest) to supply the off-taker with most of the required electricity, steam, and chilled water.
3	Construction	SAR 78.25 mn	November 2023	Syndication	Cross-border LGs for SAR 313 mn (QNB's share: SAR 78.25 mn) under a mega construction project in Saudi Arabia.
4	Manufacturing	EGP 183 mn	October 2023	Bilateral	Partial financing of the investment cost of a steel pipe factory to reduce imports.



4. Sustainable Finance (Continued)

4.6 Financial Inclusion

QNB offers a range of products and services aimed at delivering specific social benefits, particularly targeting underserved and disadvantaged segments. The Bank strategically aligns its offerings with specific criteria geared toward fostering social inclusion and environmental sustainability. These include:

Increasing financial literacy	Increasing financial inclusion of underrepresented and unbanked populations	Supporting SMEs, microfinance, and entrepreneurs	Supporting less able/disadvantaged customers, including those with disabilities	Advancing the green economy with products and services that minimize environmental impacts
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These efforts also align with several SDGs, including No Poverty (SDG-1), Industry, Innovation, and Infrastructure (SDG-9), Reduced Inequalities (SDG-10), and Sustainable Cities and Communities (SDG-11).



Nurturing SMEs and MVSEs

QNB is dedicated to supporting micro, small, and medium enterprises (MSMEs) through a comprehensive range of initiatives aimed at fostering their growth and success. In alignment with CBE initiatives tailored for SMEs, the Bank has implemented a series of programs aimed at supporting entrepreneurs. Through these initiatives, clients receive financing at reduced interest rates, enabling them to establish and expand their businesses with greater ease and financial stability. Moreover, the Bank provides online SME applications, allowing clients to conveniently apply for credit facilities through an e-form on QNB's website. This initiative aims to offer a safe and connected communication tool, especially during difficult times, while also integrating additional services for SME clients, including payroll and point-of-sale (POS) systems.

QNB further extended its commitment to financial inclusion by introducing a new financial inclusion package Visa Business Platinum MVSE Credit Card aimed at serving MVSE clients and economic activity owners. QNB implemented a fast and efficient process based on a scoring system to ensure swift access to capital. QNB also supports entrepreneurship through dedicated business incubators that offer entrepreneurs essential financial and technical services to foster their development and growth.

The Bank is expanding its presence in business development centers by establishing three new satellite offices in strategic locations in New Damietta, Shebeen El Kom, and Beni Suif. These satellite offices aim to provide entrepreneurs and SMEs with access to high-quality consultancy services and both financial and non-financial solutions to enhance their market competitiveness and technical performance.





4. Sustainable Finance (Continued)

Empowering the Youth

The Agyalna package is designed to instil financial literacy and responsibility in children aged 7 to 16. With this package, parents can introduce their children to the world of banking, teaching them the value of money through saving and spending wisely. The package offers a Minor Savings Account with quarterly interest payments, encouraging children to save for their future by earning higher interest with increased savings. Additionally, a prepaid card is issued in the child's name, providing them with the convenience and security of cashless transactions at various shops and online as well as the ability to withdraw cash from Visa-accepting ATMs across Egypt. Parents can stay informed about their child's spending habits through SMS notifications after each card transaction and receive account statements via email, ensuring transparency and oversight. With Internet banking access, parents can manage their child's account securely and perform banking transactions, including charging the prepaid card. Moreover, the Automatic Transfers Service (TransClick) allows parents to save for their child's future effortlessly by automatically transferring funds from their QNB account to the Minor Savings Account without visiting a branch. With the Agyalna package, parents can empower their children to develop essential financial skills while setting them on the path toward a secure financial future.

Yo! Youth is a package designed to kickstart the banking journey of young individuals aged 15 to 21. This product provides a Minor Savings Account that offers competitive interest rates with interest added quarterly to help savings grow over time. The Yo! debit card offers flexibility to make purchases, withdraw cash, and securely shop online, both locally and internationally. The package also provides a wearable wristband and SMS notifications sent for purchases and cash withdrawals to ensure security. The package offers the flexibility to issue certificates of deposit (CDs) and time deposits (TDs) as well as the opportunity to secure a Visa Gold credit card against CDs/TDs starting from 16 years old. Eligibility for custody services with a cap of EGP 10,000 further enhances the banking experience, providing peace of mind and security for assets. Whether saving for goals or exploring new financial opportunities, Yo! Youth empowers young individuals to start their banking journey with confidence and convenience.

QNB also launched a new lending program to enhance the value proposition. This initiative includes the Youth in Business program, which falls under the umbrella of the EBRD. Specifically targeting MSMEs led or owned by local entrepreneurs, this program seeks to provide tailored financial support to empower youth in the business sector.

QNB participated in the Youth Empowerment project within the Hayah Karima initiative. The Bank supported 50 micro-income-generating projects in the Gharbia and Dakahlia governorates, enabling families to establish a permanent source of income and raise their economic level while reducing the unemployment rate. Additionally, QNB supported 42 micro projects for youths in the Menoufia and Sharkeya governorates in cooperation with the Orman Association

QNB continues to support the youth by participating for the fourth consecutive year in the NilePreneurs initiative from the CBE in partnership with Nile University. The Bank is sponsoring one of the incubators, called creative incubators, at Nile University. The primary objective is to raise awareness about the creative design industry being a competitive advantage in various projects and its importance in driving economic growth through competitiveness. In 2023, a new cycle was launched under the theme of Design for Substantiality, which echoes the themes from previous cycles: Furniture Design, Creative Products and Furniture Design, Reviving Culture and Heritage, and Sustainable Product Design.

Empowering Women

The Laky package is a comprehensive banking solution designed to meet the needs of our valued female clients. The package provides competitive interest rates and convenient accessibility. The package offers a free supplementary credit card for loved ones, ensuring their financial flexibility and security. For online shopping enthusiasts, the Laky package provides a secure platform for transactions with our Internet card and a special 25% discount on card issuance fees. It also provides exclusive discounts on the Bank's safe boxes for the secure storage of cherished items. Furthermore, various credit card offers are available throughout the year, providing additional savings and rewards. As part of our commitment to supporting working mothers, eligibility for a special discount on the break option, which allows the postponement of cash loan instalments for up to three months during maternity leave, is provided. With the Laky package, empowerment and support in every aspect of the financial journey are ensured, and personalized care and attention are provided for our valued clients.



QNB Egypt Women In Business Bazar



4. Sustainable Finance (Continued)

QNB has actively engaged in empowering women through various initiatives aimed at enhancing their skills, providing opportunities for collective projects, and supporting their business endeavours. In collaboration with the Misr El Kheir Foundation, the Bank conducted the Training for Employment project, benefiting 58 women in the Dakahlia, Gharbia, and Menoufia governorates. A further 185 women in the Fayoum, Giza, Cairo, Qalyubia, and Sharkeya governorates were empowered through the same initiative in partnership with the Misr El Kheir Foundation, the Waqfeyat Misr Foundation, and the Sonaa El Kheir Foundation.

In 2023, the Bank launched the Hayat program to bolster women in the business and retail sectors. The Hayah program extends specialized services to women, offering breast insurance coverage alongside a range of financial and non-financial services accessible through credit cards. Furthermore, QNB hosts educational sessions and workshops conducted in collaboration with the EBRD and IFC. Through these efforts, QNB strives to foster women's empowerment and contribute to their economic advancement.

Supporting Illiterates and the Elderly

QNB extends its services to address the needs of the illiterate and the elderly, streamlining the banking process for their convenience. We have implemented comprehensive measures, including a dedicated voluntary committee that facilitates the completion of necessary procedures, to assist them in our branches. We also record interviews and provide alternative solutions such as using a stamp instead of a power of attorney, ensuring accessibility and efficiency in banking services.

QNB organized financial literacy sessions for the beneficiaries of CSR projects to spread the concept of financial inclusion and its importance and introduce the different retail banking products and services. These sessions aim to increase financial awareness, help people move toward a cashless society, and provide banking services to all members of society.

Empowering People with Disabilities

QNB is committed to ensuring accessibility for individuals with disabilities and providing innovative solutions to enhance their banking experience. We incorporate braille technology in our ATMs to make banking services accessible to visually impaired individuals. Our ATMs also feature voice guidance to assist those with visual impairments in conducting transactions independently. Furthermore, several branches are equipped with ramps and wheelchair access, ensuring physical accessibility for customers with mobility impairments. This comprehensive package of accessibility features underscores our dedication to serving all members of our community.

Microfinance

QNB is expanding its banking relationships with non-governmental organizations (NGOs) by providing them with credit facilities which are then channelled by the NGOs to finance micro-enterprises in rural and remote areas and provide considerable microfinance lending to women.

4.7 Customer Experience and Responsible Engagement

We are deeply committed to ensuring that every interaction with our customers is smooth, convenient, and tailored to their needs, regardless of the platform they choose to interact with us. This section of the report details how we elevated the customer experience in 2022 and 2023.

Firstly, we introduced a WhatsApp channel specifically for QNB to assist with customer inquiries, ensuring prompt and convenient support. Additionally, we enabled retail customers to submit disputes regarding debit card transactions directly through our Internet banking platform, streamlining the resolution process. Furthermore, we established a partnership with Loyalty Co. to introduce e-vouchers as a new redemption option for credit card holders. This feature allows customers to redeem their rewards through our retail Internet banking and mobile banking platforms.

In line with our commitment to digital innovation, we enabled retail customers to apply for digitally secured loans and secured credit cards through our Internet banking platform. We also introduced e-youmaty savings accounts, catering to the growing demand for digital-only banking solutions.

Recognizing the importance of accessibility, we provided additional support for special-needs customers by offering information about the locations of ATMs and branches equipped with special-needs facilities. This information is easily accessible through our mobile banking and WhatsApp channels, and localization is facilitated through Google Maps.

We integrated the IPN network to enable instant payments through our Internet and mobile banking platforms for retail customers, enhancing transaction efficiency. To enhance security and convenience, we implemented the capability for customers to create and modify their credit card PINs directly through our Internet banking platform and website, eliminating the need for physical printing.

In terms of service expansion, we introduced new features on our retail mobile banking platform, allowing customers to open accounts, make deposits, manage funds, and track requests seamlessly.



4. Sustainable Finance (Continued)

Responsible Communication Policy

At QNB, we are committed to promoting the equal and fair treatment of all customers through our Responsible Communication Policy. This policy ensures that all communications with customers are transparent, respectful, and considerate of their diverse needs. By adhering to these guidelines, we aim to foster trust and satisfaction among our customers.

Corporate Communication Annual Strategy

The corporate communication division prepares the annual strategy, execution plan, and proposed budget for three departments: Marketing and Communications, Social Media Management, and PR and Corporate Communications. The annual business plan focuses on actions needed throughout the year to achieve strong operational performance aligned with key performance indicators.

Internal Stakeholders

Effective communication with internal stakeholders is essential for maintaining a cohesive and informed workforce. Corporate Communication at QNB places great emphasis on ensuring a steady flow of information within the Bank. This is achieved through frequent emails that update staff on corporate progress and achievements, including internal events, staff challenges, recognition events, sponsorships, CSR agreements, major advertising, and digital campaigns. These communications ensure that all employees are aligned with the Bank's goals and activities and that vital messages from top management are disseminated throughout the Bank.

External Stakeholders

Engaging with external stakeholders, particularly customers, is crucial for maintaining a strong brand image and enhancing customer satisfaction and loyalty. QNB utilizes a variety of channels to communicate with customers, including official social media platforms (Facebook, Instagram, LinkedIn, YouTube), ATM screens, branch screens, SMS, and marketing materials such as flyers and posters in branches. The communications cover recent product and service offerings, important security tips, protocol agreements with other organizations, CSR activities, and other beneficial information for customers. By maintaining clear and consistent communication, we aim to meet and exceed customer expectations.

Communication Channels

QNB employs a diverse array of corporate communication channels to effectively engage with both internal and external stakeholders. This strategic approach ensures the Bank's products and services are promoted in alignment with different business lines. Internally, communication channels include emails to all staff and the Bank's official website. Externally, communication is facilitated through various platforms:

1. QNB's official social media channels
2. ATM screens
3. LCDs
4. Mobile banking banners
5. Internet banking banners.

Each of these platforms is leveraged to disseminate key messages, updates, and promotions, catering to the preferences and behaviours of different stakeholders.

Concerning advertising, Corporate Communication meticulously ensures that comprehensive procedures are in place to meet specific requirements. This includes adherence to the CI Manual for all distributed literature, with every piece of marketing material subject to approval by the Corporate Communication team. Employees are expected to rigorously follow established procedures and standards during the production and distribution of marketing literature to maintain consistency and compliance with the QNB Group's CI Manual.

Regarding website content and appearance, Corporate Communication plays a crucial role by offering consultation services during the design phase to ensure that content aligns seamlessly with the QNB Group's publication style. Additionally, any additions or amendments to the website must obtain approval from the Head of Corporate Communication to maintain coherence and relevance. The systematic structure of the website facilitates navigation for all stakeholder groups, ensuring accessibility to the required information.



QNB Egypt participation on Empowering Africa (Innovation, Sustainability & Women).

4. Sustainable Finance (Continued)

Social media management, under Corporate Communication, encompasses various responsibilities aimed at enhancing QNB's image while maintaining alignment with QNB Group guidelines. This includes crafting digital campaigns in coordination with relevant business lines, vigilant monitoring of all official social media channels, maintaining high levels of customer satisfaction, and maintaining a content calendar to provide a comprehensive view of upcoming events and international days.

In press and media relations, Corporate Communication ensures consistency by mandating approval from the Chief Executive Officer for all press statements and press releases prior to issuance. During crises, Corporate Communication, in collaboration with the Chief Executive Officer, swiftly navigates through challenges, ensuring timely and appropriate responses to customer inquiries and concerns.

Event management, facilitated by Corporate Communication, supports all business lines in building QNB's brand profile and achieving event objectives. Meticulous planning and execution are essential for exhibition stands, VIP protocol, and important events.

Lastly, sponsorships serve as a platform for QNB's growth and expansion plans, with Corporate Communication overseeing all sponsorships related to the Bank's business lines. This encompasses a wide range of activities, including social events, exhibitions, conferences, summits, Ramadan tents, summer activities, financial inclusion initiatives, and protocol signings.

Complaints Management

Complaints are received through different channels, including the CBE, the call centre, our branches, Internet Banking, emails, social media, and follow-ups with the concerned department or branch. The Quality Department informs customers via SMS upon receiving a complaint and when the complaint is resolved.

In 2021, there were 254 registered complaints from QNB customers; this decreased to 228 complaints in 2022 but then saw a significant surge to 701 complaints in 2023. The 2023 figure comprises complaints from SMEs (574) and corporate customers (127). The Bank acknowledged fault for 204 of the complaints received in 2023, attributing the rise partly to restrictions imposed by the CBE on LG/LC transactions in foreign currencies.

	2021	2022	2023
Registered Complaints	254	228	701

4.8 Customer Privacy and Data Security

Our robust technological infrastructure is a key factor in our ability to protect customer data according to best practices. It enables us to handle cybersecurity incidents while maintaining business continuity, monitor electronic attacks, provide early warnings, and conduct vulnerability scans and penetration tests. Additionally, it supports the management of critical information infrastructure security, emergency plans, cyber awareness, and business development.

In 2023, QNB continued its strategic investment as part of the GRC program to safeguard the Bank against increasingly sophisticated cyber-attacks. The Information Security team, comprised of experts across all security domains, implements and enforces security controls at every phase of a security incident—before, during, and after. This approach ensures effective protection, monitoring, detection, analysis, investigation, and remediation recommendations as part of our core cybersecurity mission.

QNB successfully maintained its PCI-DSS re-certification, demonstrating its commitment to investing in people, processes, and technology. By adhering to best practices, the Bank ensures the highest level of security, protecting customer information at all stages—at rest, in transit, and in motion.





5. Sustainable Operations



5. Sustainable Operations

5.1 Financial Resilience

During the reporting period 2022–2023, QNB made significant progress in key financial metrics, highlighting its robust performance, financial strength, and the success of our strategies and initiatives. These metrics indicate consistent and sustainable growth across all major financial indicators. Noteworthy improvements include increased interest income, more efficient expense management, expanded asset volumes, higher deposits, improved capital ratios, and various other factors detailed in our 2023 financial statements.

The Bank's total interest income achieved a growth rate of 4.8%, 30.2%, and 54.7% in 2021, 2022, and 2023 respectively, reaching EGP 30.88 billion in 2023. This growth corresponds to the effective interest rate management and strategic initiatives that have fostered sustained revenue growth over the past three years, reflecting our commitment to optimizing our financial performance and adapting to market conditions to ensure a strong and resilient income stream.

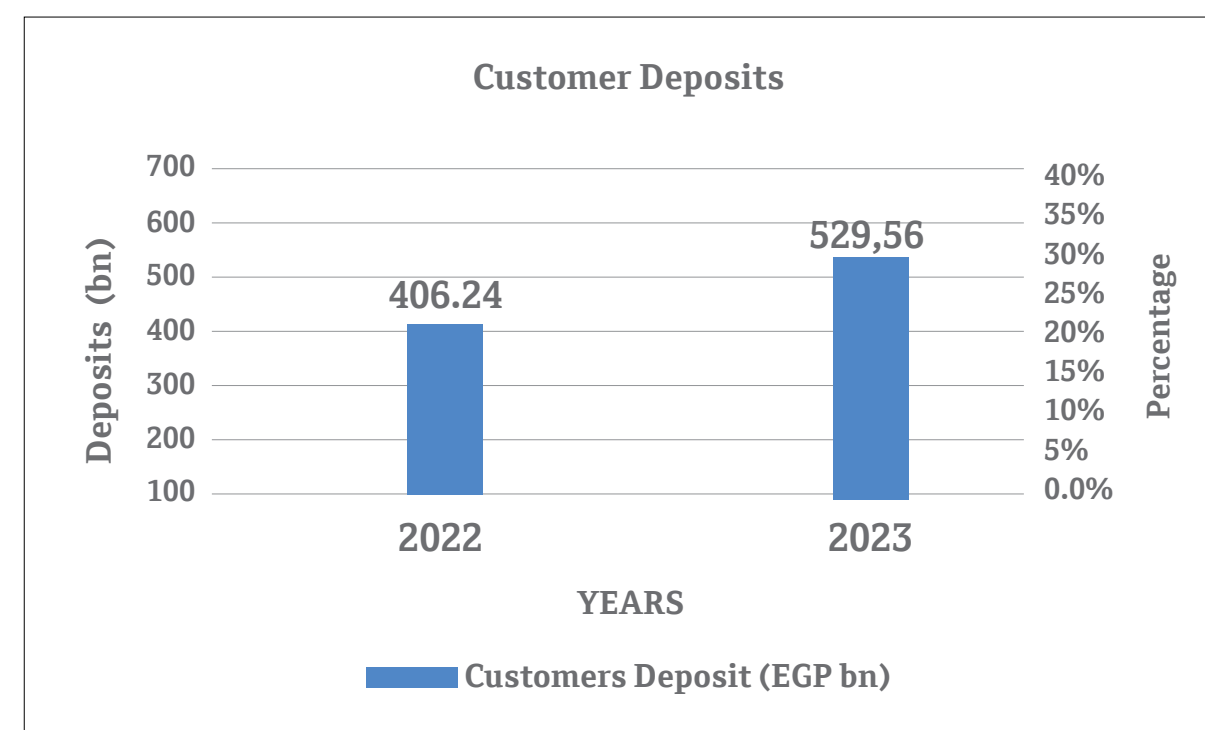
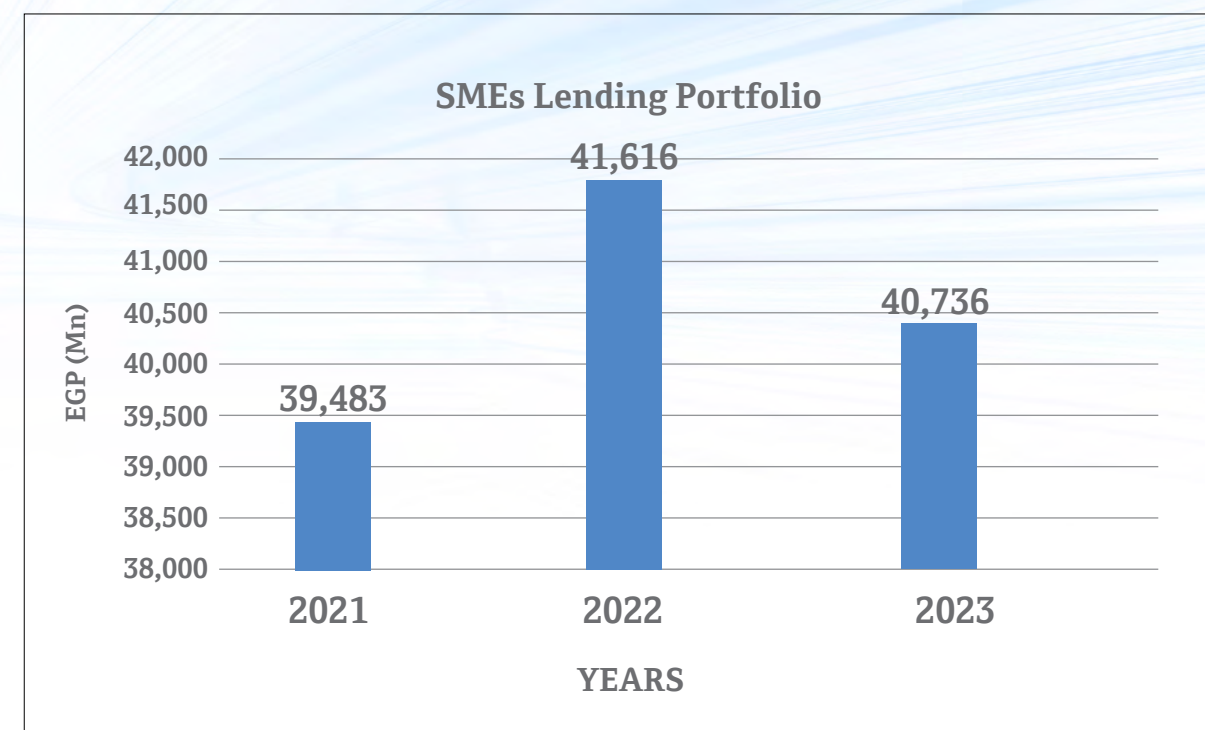
QNB achieved consistent increases in deposits with growth rates of 26.6%, 37.5%, and 30.4% in 2021, 2022, and 2023 respectively. This consistent growth reflects our customer-centric approach and financial stability.

The Bank's net profit increased by 1.8%, 35.7%, and 56.8% in 2021, 2022, and 2023 respectively to reach EGP 16.23 billion in 2023. This margin reflects our successful financial strategies, strong operational performance, and ability to adapt to changing market conditions while maintaining profitability.

In addition, the Bank has increased the value of its assets from approximately EGP 359 billion in 2021 to EGP 628 billion in 2023, with growth rates of 23.9% (2021), 34.4% (2022), and 30.1% (2023). This substantial growth in asset value is driven by our effective asset management strategies and efforts to expand to achieve sustained growth and stability.

Our shareholders' equity increased from EGP 46.4 billion in 2021 to EGP 66.6 billion in 2023, with growth rates of 17% (2021), 16.7% (2022), and 23.2% (2023). This consistent increase highlights our strong financial foundation and ability to generate value for our shareholders through effective capital management and sustained profitability.

Finally, dividend income increased by 31.8%, 22%, and 50.5% in 2021, 2022, and 2023 respectively to reach EGP 85.13 million in 2023. This upward trend reflects our commitment to delivering value to our shareholders and the success of our investment portfolio management strategies amidst evolving market conditions.





5. Sustainable Operations (Continued)

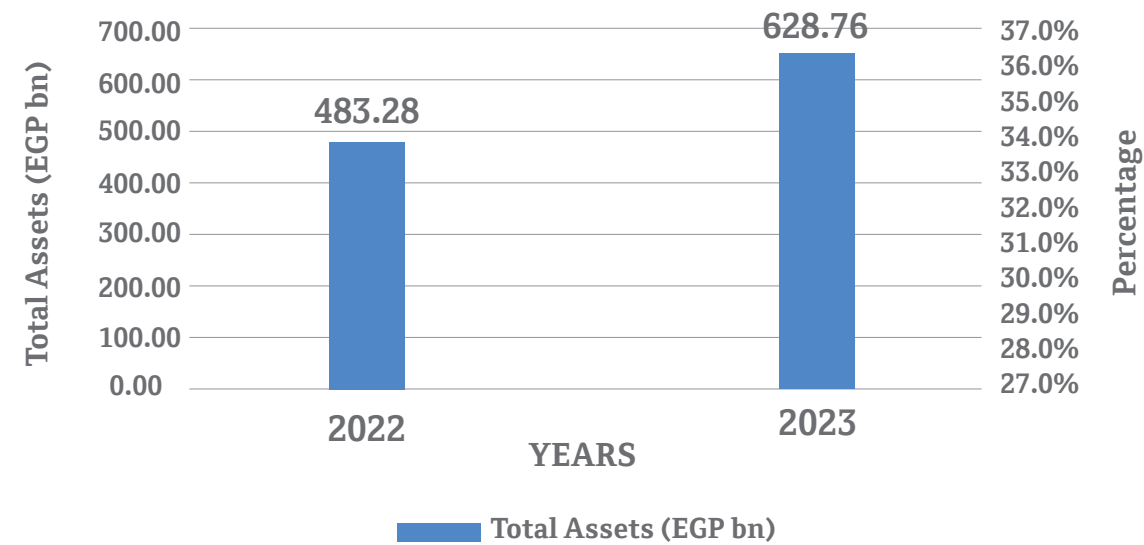
Net Profit



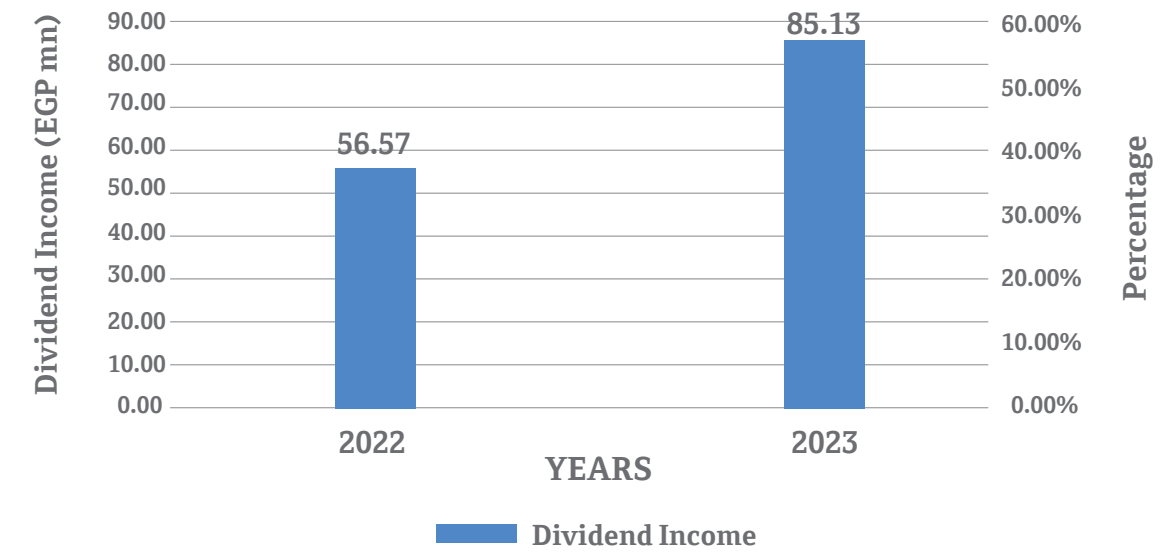
Shareholder's Equity



Total Assets



Dividend Income





5. Sustainable Operations (Continued)

5.2 Human Development

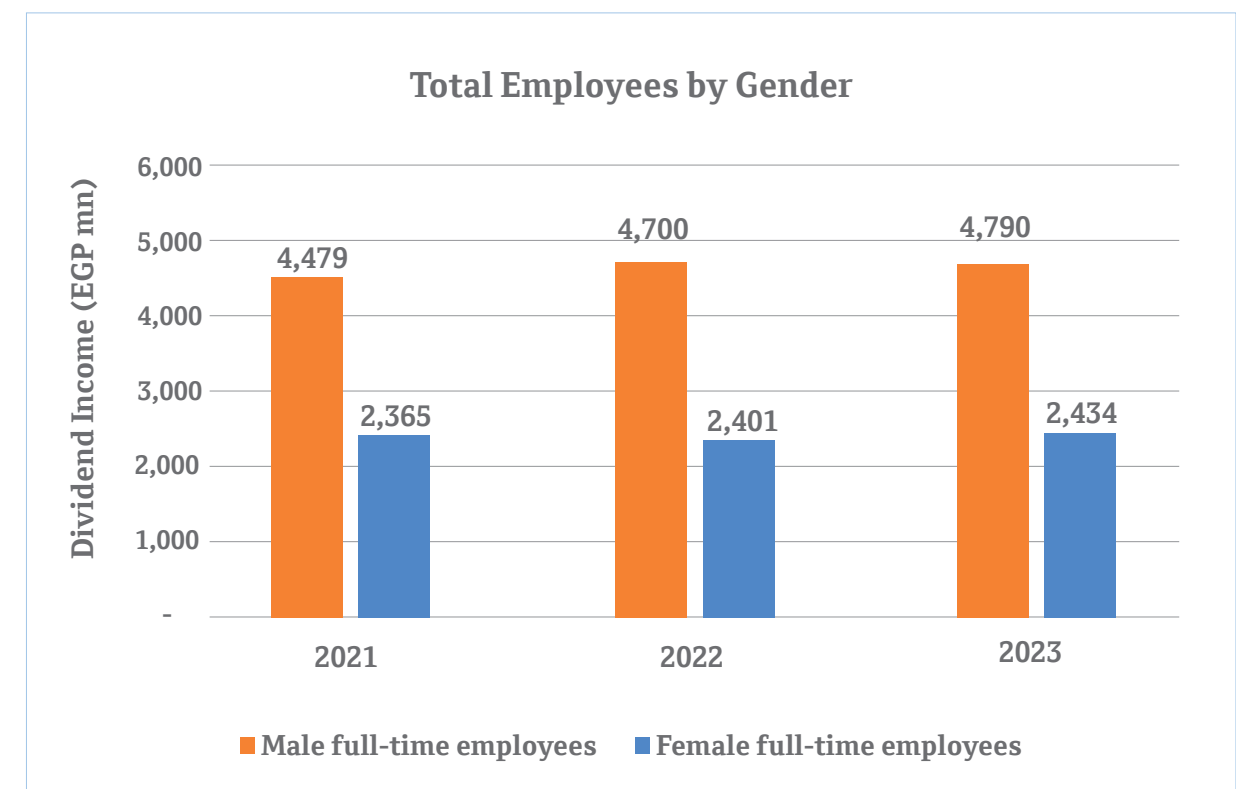
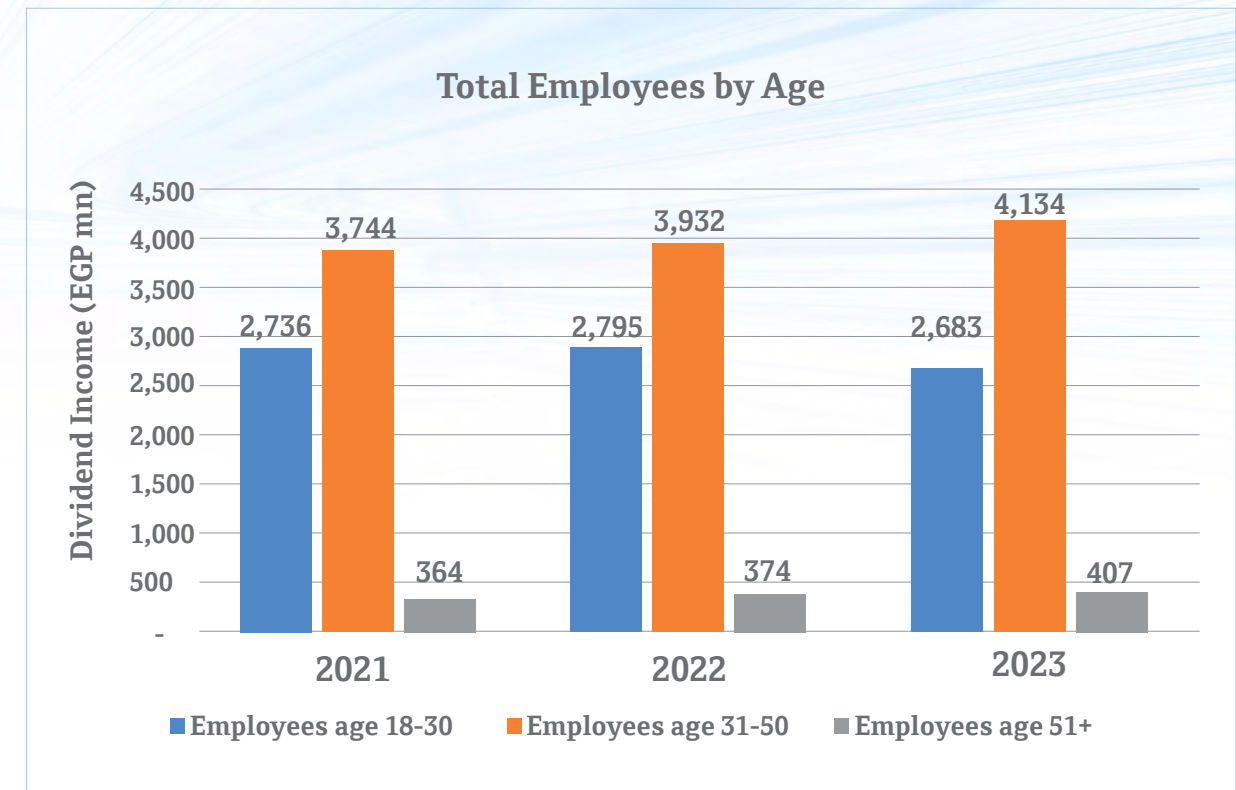
Workforce Overview

We pride ourselves on fostering a dynamic and inclusive work environment that supports the growth and development of our employees. During 2021–2023, our workforce demonstrated a consistent pattern of growth and stability.

The workforce overview for the years 2021 through 2023 illustrates a consistent upward trajectory in the number of full-time employees within the organization. Starting at 6,844 in 2021, the total count increased to 7,101 by the following year and further rose to 7,224 by 2023. This progression indicates a pattern of growth or stability within the Bank, reflecting its ability to expand its operations and maintain a steady level of staffing to meet its objectives. Such sustained growth in full-time employment suggests a healthy environment.

Age-wise, the Bank saw fluctuations within its various age brackets. In 2021, individuals between 18 and 30 years old constituted the largest cohort, with 2,736 employees, followed closely by those aged 31 to 50, with 3,744 employees, while employees aged 51 and above formed the smallest group, with 364 individuals. Over the subsequent years, there were changes: a slight increase in the number of employees aged 18 to 30 by 2022 to 2,795 followed by a decrease in 2023 to 2,683, consistent growth in the middle age bracket from 2021 to 2023, with employee numbers reaching 3,932 in 2022 and 4,134 in 2023, and a gradual rise in employees aged 51 and above across all years, with numbers reaching 374 in 2022 and 407 in 2023.

Gender-wise, across the three years, male employees consistently outnumbered their female counterparts. However, there were notable shifts in the numbers: a slight increase in both male and female employees from 2021 to 2022, with male employees reaching 4,706 and female employees reaching 2,395, and a continued rise in male employees to 4,790 and a slight decrease in female employees to 2,434 from 2022 to 2023.

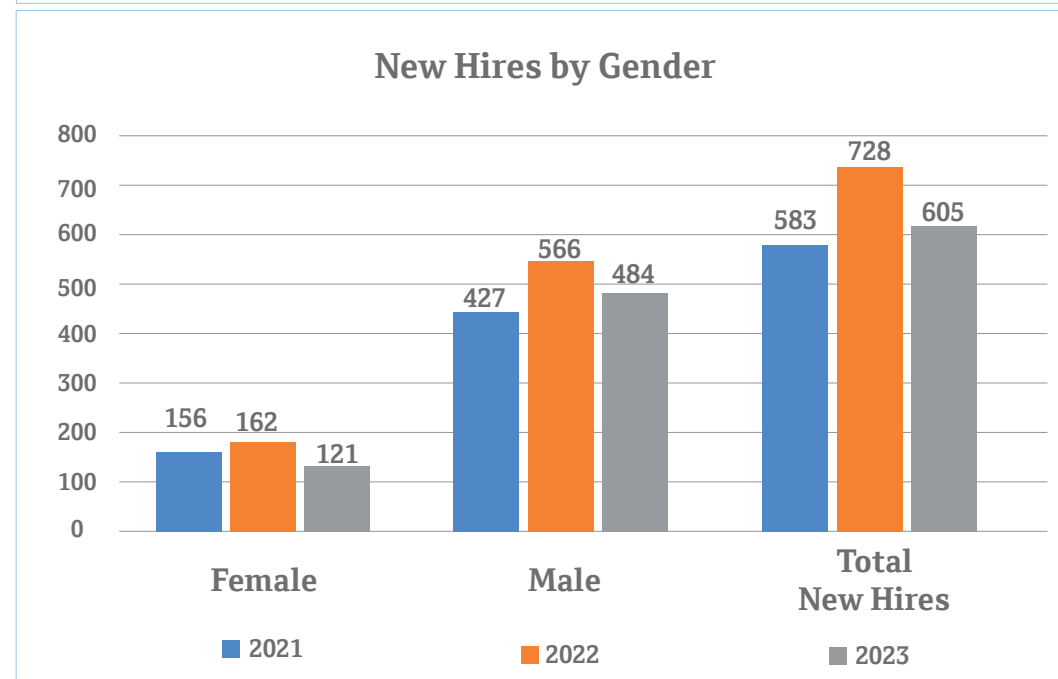
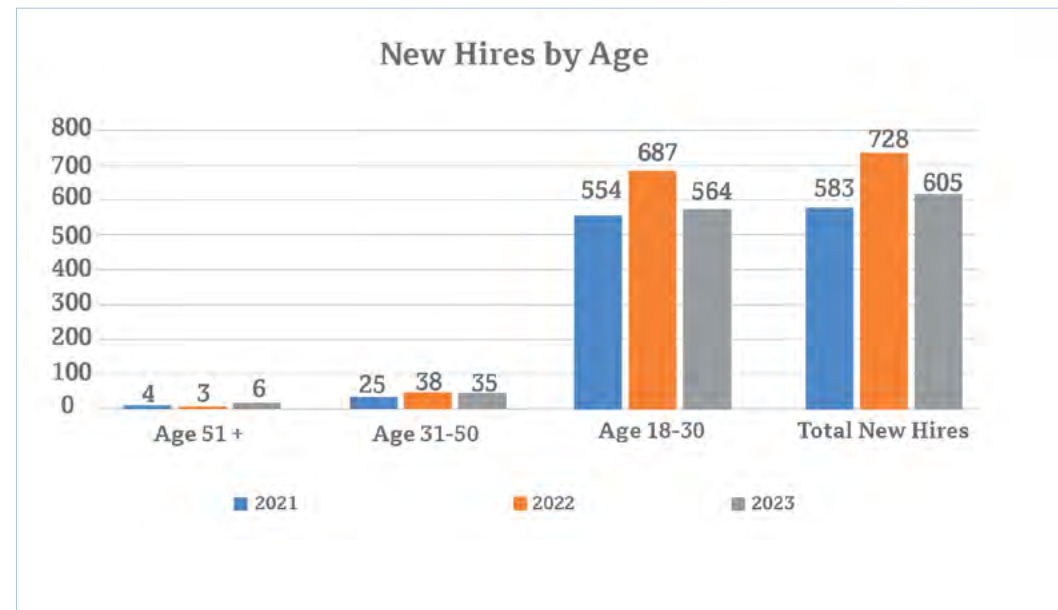




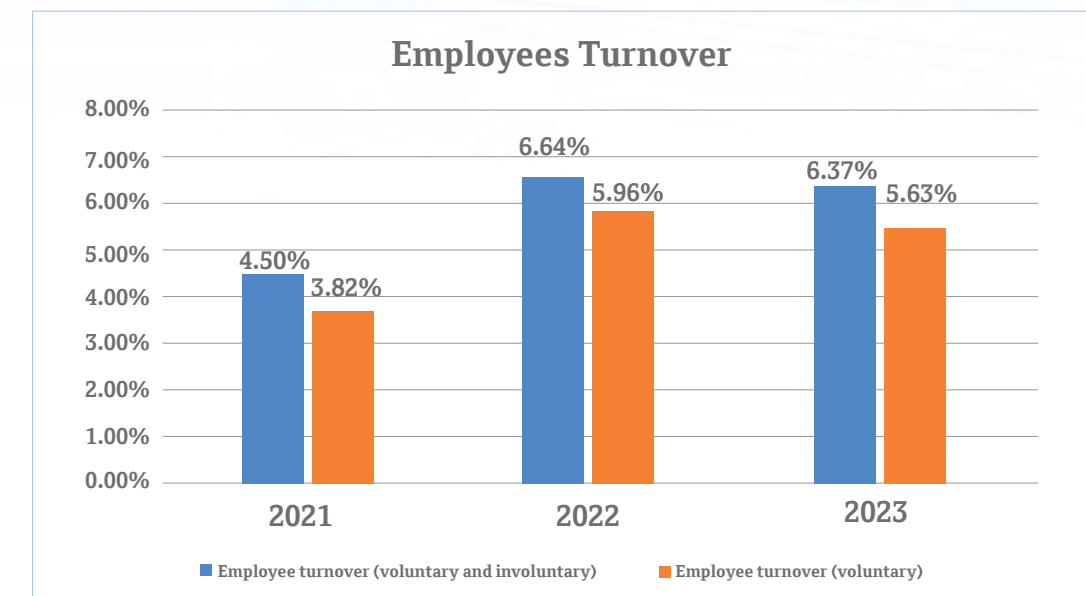
5. Sustainable Operations (Continued)

Hiring and Turnover

We witnessed an increase in new hires from 605 employees in 2021 to 728 employees in 2022, followed by a slight decrease to 583 employees in 2023. Our hiring process emphasizes skills and qualifications above all else, regardless of age or gender. Most new hires are male and in the 18–30 age bracket, with a smaller proportion aged 51 and above; nevertheless, our priority remains identifying and recruiting the most skilled candidates for each role. This commitment to hiring based on merit ensures that we assemble a diverse and talented workforce capable of meeting the demands of the Bank.



Turning our attention to employee turnover, the annual rate has seen notable fluctuations over the years. In 2021, our turnover rate was 4.50%; this increased to 6.64% in 2022 before slightly decreasing to 6.37% in 2023. These figures represent the percentage of employees who departed from our company, whether voluntarily or involuntarily, relative to the total number of employees in the Bank during the respective year. The total turnover, encompassing both voluntary and involuntary departures, also fluctuated over the three-year period. Starting at 307 employees in 2021, it increased to 471 employees in 2022 before slightly decreasing to 460 employees in 2023.





5. Sustainable Operations (Continued)

Employee Wellbeing

At QNB, we are dedicated to fostering a workplace culture that cherishes both our people and their performance. Central to this commitment is our unwavering dedication to equality and inclusion, continuous training and development, employee engagement initiatives, and the health and safety of our employees. Our unwavering dedication to equality is evident in our consistent gender representation and steadfast commitment to being an Equal Opportunity Employer, where hiring decisions are based solely on merit and qualifications.

We remain steadfast in our commitment to supporting our employees and prioritizing their well-being. We strive to promote a performance-driven culture that celebrates success, making our staff more likely to go above and beyond to meet customer needs and expectations and see how their efforts contribute to QNB's overall success. In alignment with this, a PayScale upgrade took place in several phases as part of our salary scale restructuring program, which aims to maintain our market competitiveness and ensure our employees are fairly compensated for their efforts. To ease the effect of the increased inflation rate, we continued to provide salary adjustments above normal salary increases, providing appropriate increases to all eligible staff.

The HR Division is dedicated to optimizing human potential through effective and contemporary people management practices and services. We engage with all employees consistently, investing in talent retention and providing innovative training and career advancement opportunities across the Bank.

Our HR Division ensures the achievement of objectives in six core areas:

1. Employment
2. Compensation and benefits
3. Planning and development
4. Talent, learning, and development
5. Monitoring and control
6. Support services.

A. Occupational Health, Safety, and Well-Being

Ensuring the well-being of our employees is a top priority at QNB. We recognize the importance of both physical and emotional health, and as such, we offer comprehensive programs to support our team members in these areas.

In July 2023, we organized a Nutrition and Dermatology awareness session complemented by lab tests, including body composition analysis, blood pressure monitoring, and random blood sugar tests, available throughout the day. This event aimed to raise awareness about nutrition and skincare and offer our employees the opportunity to check key health indicator in addition to health awareness sessions.

In September 2023, we hosted an Ergonomics at Work awareness session featuring consultations with physiotherapy and orthopaedic consultants from our medical network. Employees had access to medical examinations and lab tests to check their physical well-being and address ergonomic concerns in the workplace. Additionally, we arranged orthopaedic and dermatology consultations at our head offices in coordination with reputable hospitals, providing employees with convenient access to specialized medical care. We promote work-life balance and provide stress management techniques to promote mental well-being.

Our vacation campaign serves as a reminder for staff to utilize their vacation balances, encouraging them to take time off to recharge and rejuvenate. Additionally, we celebrate important milestones in our employees' lives, such as birthdays, newborn arrivals, and marriages, with personalized emails conveying our heartfelt congratulations. Furthermore, we extend our support during challenging times by sending consolation emails or telegraphs to employees in need. These initiatives not only demonstrate our commitment to recognizing and valuing our employees but also contribute to their overall well-being, ensuring they feel appreciated and supported throughout their journey at QNB.

In terms of health and safety policies, QNB has implemented comprehensive regulations covering various aspects, including the following:

- Safety regulations (firefighting, earthquakes, armed intrusions, etc.)
- Information system regulations (computers, Internet, etc.)
- Smoking regulations
- Civil Defense training.

As part of our commitment to employee well-being, we provide health insurance for employees, their spouses, and up to three children under 21 years old. Additionally, life and accidental insurance are provided to all employees. To further ensure safety in the workplace, HR and related departments collaborate to designate focal point employees responsible for fire warnings and first aid issues at each location.

B. Compensation and Rewards

At QNB, our commitment to employee engagement extends to all members of our workforce. We ensure that our KPIs are tailored to meet the needs of every employee, including people with disabilities, who are treated with the same level of respect and consideration as their colleagues. Additionally, we are pioneering initiatives to incorporate sustainability practices into employees' KPIs, encouraging them to adopt sustainable behaviours in their roles.

5. Sustainable Operations (Continued)

C. Employee Engagement

QNB's journey toward fostering employee engagement has been marked by a steady progression of initiatives aimed at creating a supportive and rewarding workplace culture.

Our commitment to corporate social responsibility (CSR) extends to engaging employees in community service endeavours. Through volunteering opportunities and charity events, our team members can make a positive impact and find fulfilment and purpose beyond the workplace.

D. Grievance Mechanisms

At QNB, fostering an environment where employees feel empowered to freely express their grievances and concerns is a fundamental objective. When an employee communicates an official complaint to HR, we ensure a thorough examination of the issue followed by recommendations presented to management for validation. Subsequently, the employee is promptly informed of the decision reached.

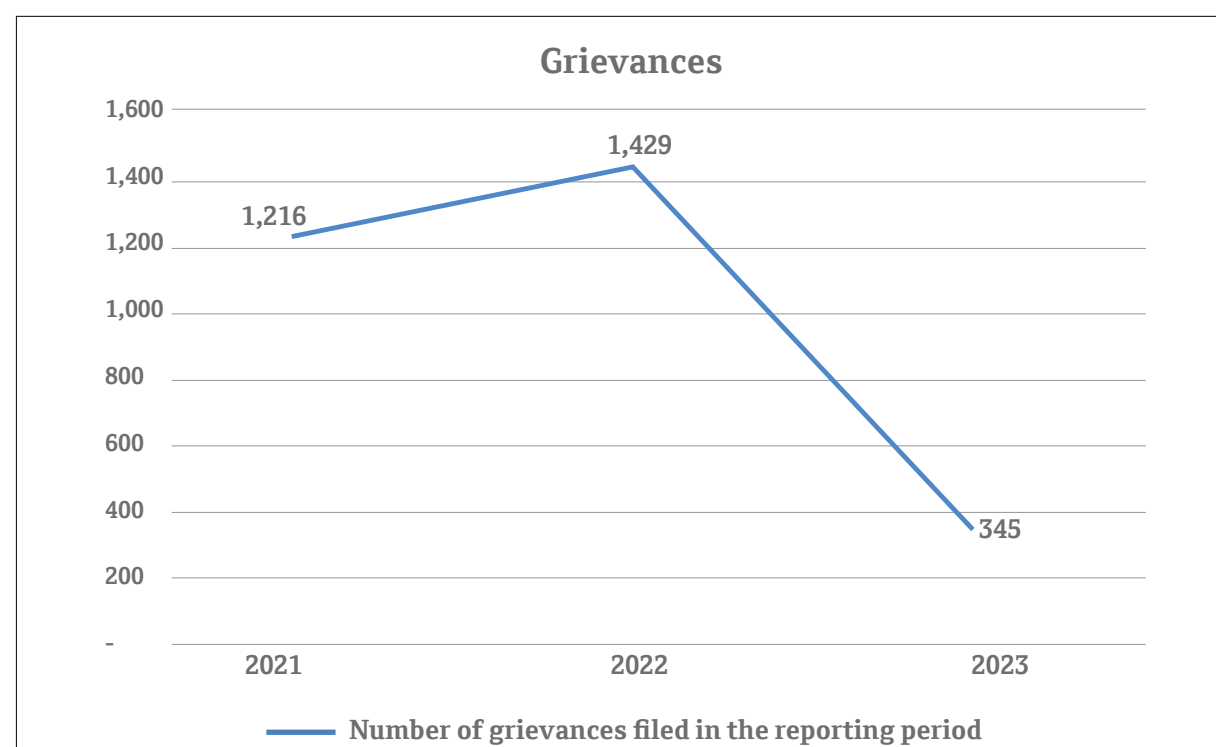
We prioritize the feedback of our employees through various channels, including regular satisfaction surveys and a robust system designed to address complaints swiftly. These mechanisms guarantee that the voices of our workforce are heard, their concerns are handled effectively, ensuring a positive and fulfilling work environment.

E. Parental Leave

In our ongoing commitment to transparency and accountability, we provide insights into our parental leave policy and employee utilization rates. While our female employees benefit from maternity leave entitlement as regulated by Egyptian Labor Law, our benefits package does not currently include male paternal leave.

Our female employees continue to utilize parental leave, which encompasses the following:

1. Fully paid maternity leave of 90 calendar days per child with a maximum of three children.
2. Unpaid leave of two years per child. The employee has the right to present a special unpaid request with a maximum period of two years subject to approval by top management.





5. Sustainable Operations (Continued)

Training and Development

During the reporting period, QNB showed a strong commitment to nurturing talent through significant investments in training and development. The Bank's diverse programs cover technical, banking, and interpersonal skills, ensuring comprehensive developmental opportunities tailored to professional needs.

QNB's strategies include conducting training needs analyses, encouraging participation in international certification programs, and funding postgraduate studies through its Education Support Program. New employees benefit from an Induction Program, while international and executive leadership programs prepare staff for leadership roles. Specialized training is provided via initiatives like the QNB Credit Program and QNB Retail Academy.

The Bank's dedication is evident in the increasing training hours, rising from 113,236 in 2021 to 192,229 in 2023, with average training hours per employee increasing from 16.6 to 26.6. QNB also embraces eLearning, adapting to modern methodologies.

Performance reviews are conducted annually for all employees, ensuring gender equity and continuous growth. Investment in learning and development rose from EGP 20 million in 2021 to EGP 29.87 million in 2023. In 2023, training coverage for targeted employees reached 93%, reflecting QNB's effective implementation and high participation in training programs.



QNB Egypt, Credit Course Graduation 2023

5.3 Responsible Procurement

QNB implements sustainable procurement practices to ensure all supplier and third-party engagements align with our ethical standards and strategic objectives. Our procurement strategy is designed to mitigate risks associated with outsourcing and third-party relationships and emphasize transparency, accountability, and compliance with local and international regulations. At QNB, procurement involves a structured approach to selecting, evaluating, and terminating supplier and third-party relationships, with key responsibilities distributed across various teams to ensure thorough oversight and effective risk management.

During the selection phase, potential companies are proposed and vetted based on technical requirements, geographical coverage, and other essential criteria. Then, a thorough process is followed to assess the proposed companies, including meetings with selection panel members and site visits to the companies' premises if necessary. Recommendations are then presented, and final decisions are made by the appropriate authorities. The selected companies must provide a Letter of Guarantee if required, and the Compliance Division must approve all outsourcing activities before contracts are signed. The Business Continuity team ensures the continuity of outsourcing companies throughout the contractual relationship. The selection phase has a Service Level Agreement (SLA) of one month after receiving confirmation from the CBE if necessary.

In the evaluation phase, the performance of outsourced companies is reviewed quarterly, or more frequently if needed. The evaluation panel, comprising members of the selection panel and potentially additional representatives, reviews the performance of the companies and takes corrective actions as necessary. Control samples are periodically reviewed for quality assurance, and blacklist checks are conducted during contract renewals. The evaluation panel gathers feedback through surveys and reviews both qualitative and quantitative performance metrics, while the Business Continuity team ensures due diligence for all outsourcing activities. Penalties for deviations from the SLA are outlined and enforced, with the SLA for the evaluation phase being three weeks.

The termination phase involves meetings with companies that fail to meet the Bank's requirements; companies that score below 40% in two consecutive evaluations are subject to termination. Each service provided by a company is evaluated and terminated separately if necessary. All contracts include termination clauses to ensure adequate notice periods.



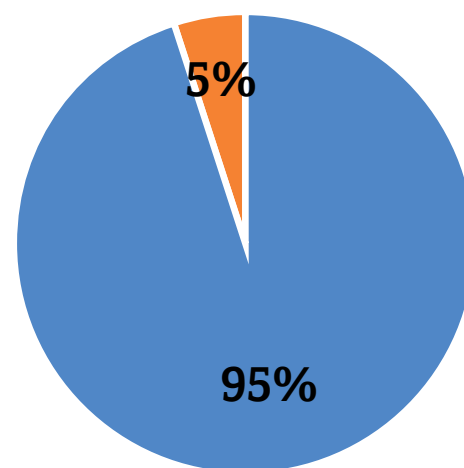
5. Sustainable Operations (Continued)

In case of fraud, companies are blacklisted and barred from future engagements with the Bank. Additionally, all relevant data must be obtained from the outsourced company before termination. The Contracts Insurance and Tenders Management team is notified to terminate contracts per the agreed terms.

QNB employs a rigorous evaluation framework for outsourced companies to consider technical capabilities, compliance with requirements, performance metrics, and feedback from internal stakeholders. Regular audits and blacklist checks are conducted to ensure ongoing compliance and quality standards. In alignment with SDG-8, QNB strictly adheres to national labour and environmental laws and regulations prohibiting child labour. Our procurement policies mandate that all suppliers and third-party service providers comply with these regulations, contributing to the effective abolition of child labour and promoting ethical business practices.

QNB's sustainable procurement practices reflect our commitment to ethical sourcing, risk management, and continuous improvement. Through supplier management, thorough evaluations, and strict adherence to compliance standards, we ensure that our third-party relationships support our long-term goals of financial stability, operational excellence, and social responsibility. In this regard, we prioritize and invest in local suppliers to boost the local economy. Expenditure on local suppliers represents 95% of our total spending on suppliers. By focusing on local procurement, we aim to support regional businesses, foster economic growth, and create job opportunities in our communities. This also strengthens our supply chain and reinforces our efforts to promote sustainable and socially responsible business practices, ensuring that our financial success is shared with the local economy.

Expenditure on Suppliers



● Local Suppliers ● International Suppliers

By leveraging technologies such as the Procurement Oracle workflow system, the Procurement Department effectively automates the purchase order process. The Oracle system integrates supply chain, finance, and warehouse operations seamlessly. The department registers items on the Oracle system and updates pricing efficiently. Our plan for 2024 includes automating the invoicing process and further increasing our reliance on automation through the Oracle system. This strategy aims to increase cost savings and minimize paper consumption, enhancing our overall efficiency and sustainability.

5.4 Natural Capital

QNB is dedicated to protecting the environment and minimizing its ecological footprint in accordance with Egypt's national environmental priorities. We strive to achieve this in collaboration with our stakeholders to ensure we also meet their expectations. In 2022–2023, we implemented various environmental management initiatives to enhance efficiency and reduce our environmental impact, including the following.

	2022	2023
Environmental Measures	Installed low-pressure nozzles on water taps across all facilities to reduce water consumption.	Installed motion sensor detectors to manage lighting at various locations.
	Installed motion sensor detectors to optimize lighting control at Champollion 1 Headquarters.	Supplied LEDs to El Batal (Mohaddessin HO) to replace fluorescent lighting, with installations progressing during the building upgrade project.
	Started changing from fluorescent to LED lighting at Mohaddessin Headquarters.	Installed LED lighting at Kattameya HO.
	Started installing motion sensor detectors to optimize lighting control at Mohaddessin Headquarters.	

QNB continues to meet its legal and regulatory responsibilities concerning its environmental impact. Our environmental compliance record shows zero instances of non-compliance with local environmental legislation and regulations. Moreover, we have not incurred any environmental fines or penalties, confirming our commitment to responsible environmental stewardship.

5. Sustainable Operations (Continued)

Energy Consumption and Emissions

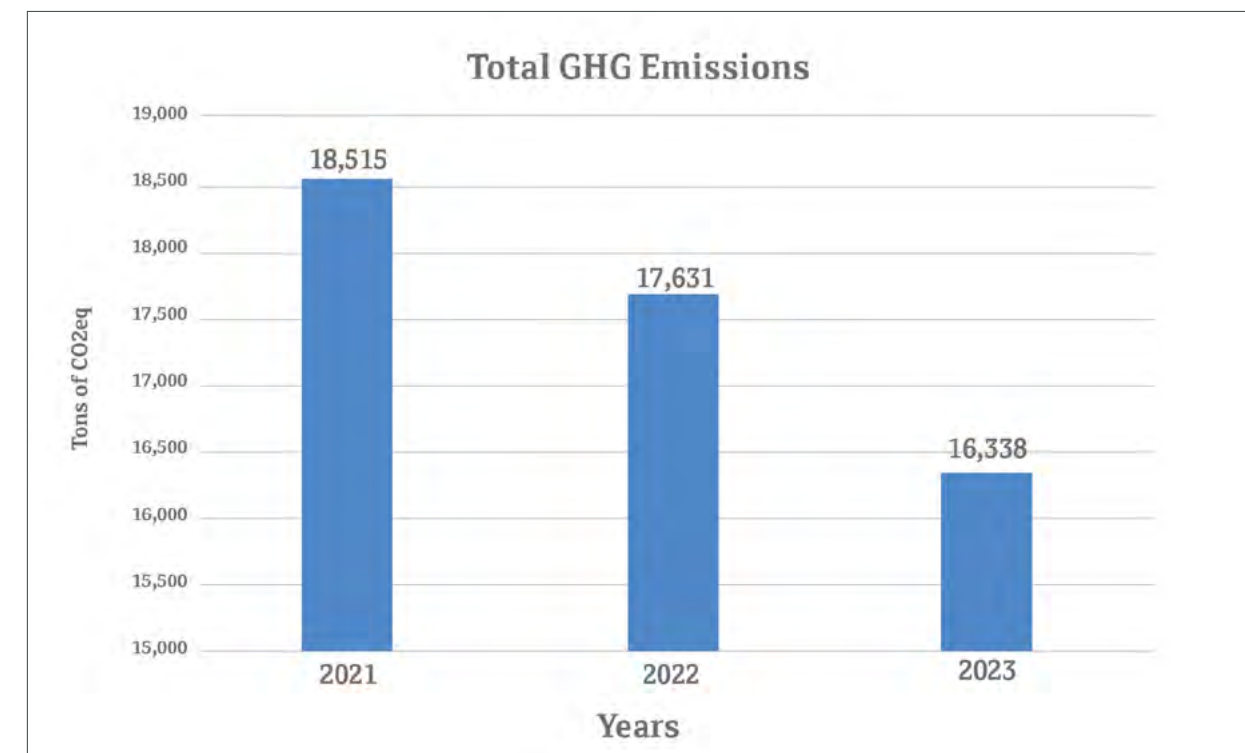
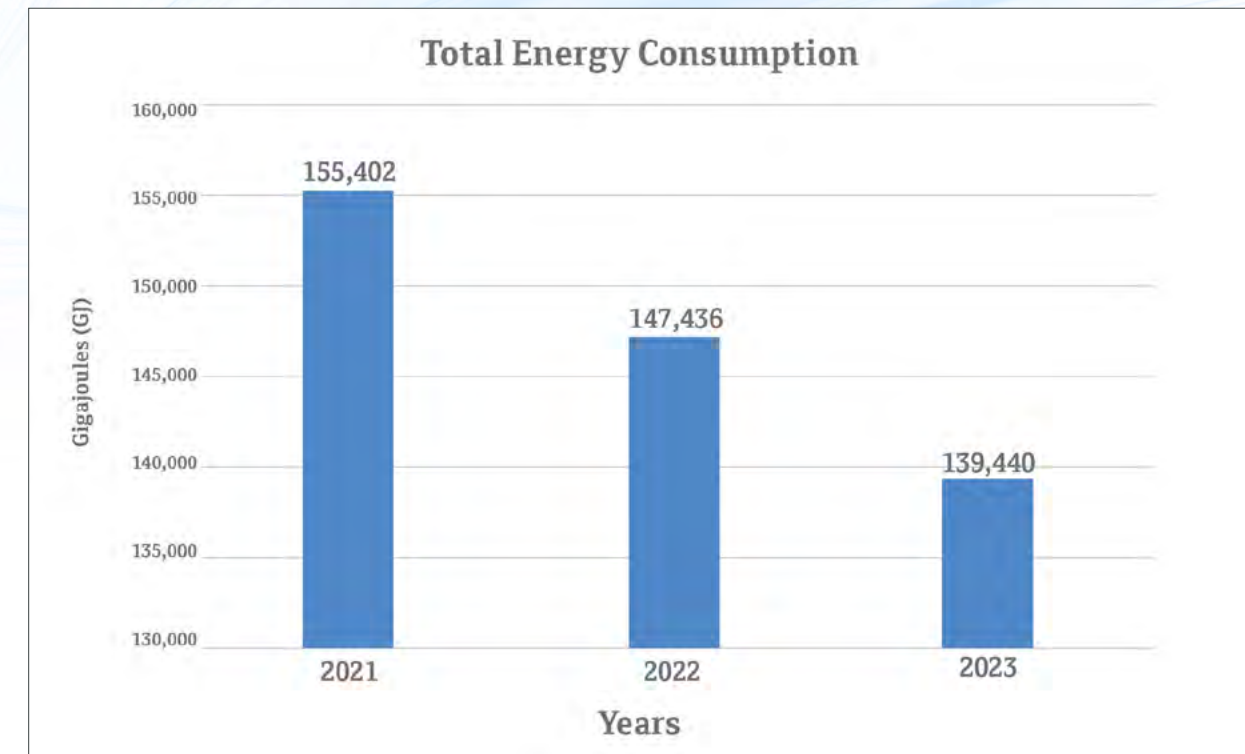
The table below presents an overview of the energy consumption and greenhouse gas (GHG) emissions of QNB facilities between 2021 and 2023. Across this period, despite the fluctuations in individual energy sources such as petrol, diesel, and electricity, the overall downward trend of our total energy consumption reflects our concerted efforts toward managing and reducing energy consumption.

Metric	2021	2022	2023
Total energy consumption (GJ)*	155,402	147,436	144,693

Direct emissions slightly decreased between 2021 and 2022 and then surged in 2023, primarily due to the increased petrol and diesel consumption. Indirect emissions (Scope 2) showed a consistent downward trajectory, mainly attributed to reductions in electricity consumption. Scope 3 and the overall GHG emissions followed this declining trend, showcasing QNB's strides toward environmental sustainability.

In terms of savings from solar energy stations, QNB's estimated saving in 2020 was 17%, implying that the solar energy stations contributed to reducing energy consumption by this percentage in our buildings. From 2021 to 2023, the estimated savings increased to 22% and remained consistent. This reflects the successful implementation and significant, sustained reliability of solar power at QNB.

GHG Emissions	2021	2022	2023
Direct GHG emissions (Scope 1) (t CO ₂ eq) *	879	771	1,094
Indirect GHG emissions (Scope 2) (t CO ₂ eq) *	17,637	16,861	15,970
Energy consumption from outside the organization (Scope 3) resulting from business travel, employee commuting, and waste generated in operations (t CO ₂ eq)		107	101
Total GHG emissions (t CO ₂ eq) *	18,527	17,749	17,076



5. Sustainable Operations (Continued)

Effluents and Waste

One of our primary focuses is responsible waste management, particularly concerning the disposal of shredded papers. In both 2022 and 2023, we have ensured that our shredded papers are disposed of responsibly by sending them to a recycling service provider. This commitment to recycling is a crucial aspect of our sustainability efforts as it minimizes the environmental impact of our paper waste while also contributing to the circular economy. By partnering with recycling service providers, we are able to divert a significant portion of our paper waste, reducing our ecological footprint and promoting environmental stewardship in the banking industry.

Additionally, one of the key strategies we have employed is increasing our reliance on electronic tools, like the workflow tool, to handle operations and document circulation, especially for tasks like credit proposals and memos. Moreover, our commitment to sourcing paper that is certified by reputable organizations like FSC or PEFC, or composed entirely of recycled material, aligns with sustainable practices and further reduces the environmental impact of paper consumption.

There has been a noticeable decrease in the total waste generated by the Bank, measured in both tons of CO₂eq and kilograms. This decline reflects the effectiveness of our efforts in embracing digital solutions and minimizing paper usage.

Paper Waste Generated	2021	2022	2023
Total waste generated (kg)	570,475	500,000	519,275
Total paper consumption (kg)	570,475	500,000	519,275
Total paper procured (kg) with an FSC or PEFC certification (external certification that the paper is from a managed forest/source) or is 100% recycled. If the paper has a “chain of custody” certification, this must be specified.	570,475	500,000	519,275

Water Consumption

In both 2022 and 2023, an approach was undertaken to enhance water conservation across some of our premises. This involved the installation of low-pressure water taps to curtail water consumption. This approach contributes to the Bank’s direction to sustainability by rationalizing water waste and promoting responsible resource management.

Water Consumption	2021	2022	2023
Total water consumption (L)	314,281,000	295,319,000	340,119,000
Total water consumption (m ³)	314,281	295,319	340,119

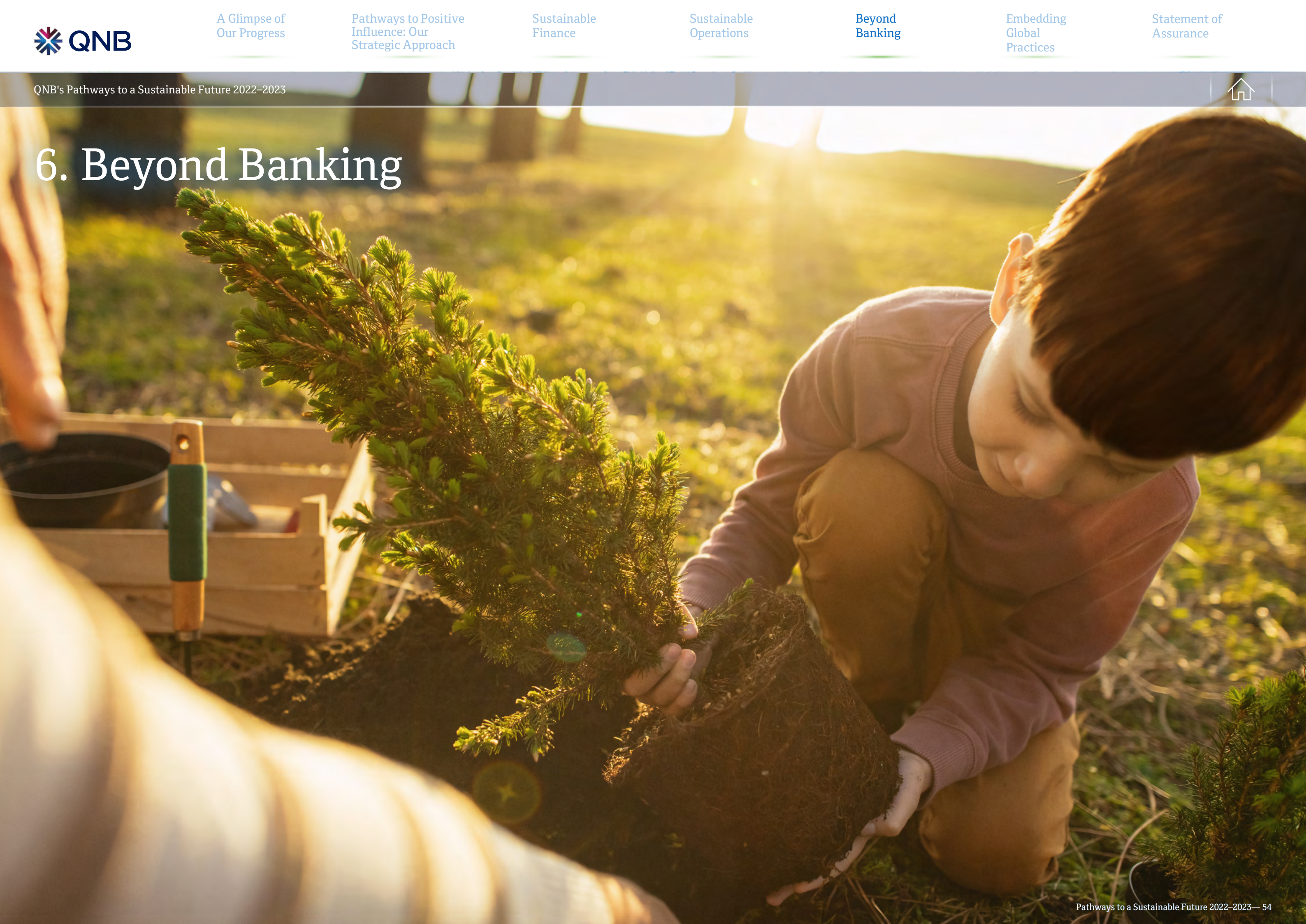
Note:

The water consumption data is calculated as an average of the total water consumption and the average unit rate per cubic meter.





6. Beyond Banking



6. Beyond Banking

6.1 Community Development

QNB's focus on community development and corporate social responsibility reflects its core values and beliefs in promoting social and economic progress. Throughout the year, the Bank dedicated significant efforts to uplifting underprivileged groups and enhancing the quality of life in the communities it serves. Central to this mission is the importance of preserving the results of developmental projects to ensure their long-term effectiveness and sustainability. Regular visits and coordination with NGOs are instrumental in achieving this goal, guaranteeing that CSR initiatives remain impactful and well-maintained.

CSR Strategy

QNB's CSR policy is based on conducting business and CSR activities in an integrated and continuous manner to contribute to a sustainable society, simultaneously achieving commercial success and QNB's long-term strategic vision.

Funding for CSR activities is determined by top management and the BoD, ensuring that decisions regarding financial allocations are made at the highest levels of the Bank. Our CSR agenda is based on the core pillars of education, health, social development, financial capacity development, financial education, and disaster recovery, as well as implementing initiatives to support our communities in line with the pillars of corporate social responsibility.

CSR Initiatives

QNB's CSR initiatives exemplify a diversified approach that has impacts across all governorates in Egypt. Rather than focusing solely on one region, the Bank's CSR endeavours are carefully crafted to address the diverse needs of communities nationwide. By strategically implementing initiatives in various governorates, QNB ensures that its outreach encompasses urban and rural areas alike, reaching individuals and families in different socio-economic contexts.

Our CSR initiatives are not only diverse in their geographic reach across governorates but also span various fields, ensuring a comprehensive impact.

A. Medical Care

In 2022, QNB played a crucial role in supporting health facilities across Egypt by addressing shortages of medical equipment through donations to hospitals that provide free services. These efforts aimed to eliminate waiting lists and deliver high-quality medical services to the most vulnerable groups in all of Egypt's governorates. Beneficiary institutions included:

- Ashmon General Hospital and Al Shohada Central Hospital in the Menoufia governorate
- Nabaroh Central Hospital in the Dakahlia governorate
- The Orthopedics and Traumatology Department at Kasr Al-Aini, Cairo University Hospital
- The Center of Nephrology and Urology at Mansoura University, the Magdi Yacoub Heart Foundation
- The Ibrahim Ahmed Badran Charitable Foundation for Medical Convoys, the Josaab Foundation
- Ahl Masr Hospital for Burns Treatment in the Cairo governorate
- Shafa Al-Orman Hospital in the Luxor governorate.

Additionally, QNB supported the Medical Eyes Convoy initiative in collaboration with the Al Orman Association, which provides medical check-ups, treatment, and surgery to underprivileged individuals. Furthermore, QNB supported the Medical Convoy for Children, which focuses on the Menoufia governorate and operates in partnership with the Ibrahim Ahmed Badran Charitable Foundation to ensure young patients receive essential medical care and attention.

In 2023, QNB continued its commitment to supporting healthcare by donating essential medical devices to hospitals that provide free services. Beneficiary institutions included:

- The Center of Nephrology and Urology at Mansoura University
- The Josaab Foundation
- Shafa Al-Orman Hospital
- Abou El-Rish Japanese Hospital
- El Nas Hospital, Baheya Foundation for Early Detection and Treatment of Breast Cancer
- The Health Unit in the Sulaymania village in the Qalyubia governorate, in partnership with the Misr El Kheir Foundation.

Additionally, QNB launched medical convoys for the elderly in the Cairo and Dakahlia governorates in cooperation with the Ibrahim Ahmed Badran Charitable Foundation.



6. Beyond Banking (Continued)

B. Social Welfare

In 2022, QNB contributed to various development projects aimed at improving the living conditions of poor families. For the fourth consecutive year, the Bank participated in the national Hayah Karima initiative, which focuses on enhancing the housing environment for the most deserving families in targeted villages. Several projects were implemented, including the development of the Hanoot village in Zefta Center in the Gharbia governorate and the provision of water connections to 100 homes in the Gharbia and Sharkeya governorates in cooperation with the Al Orman Association. The Bank also participated in the Winter Campaign in collaboration with the Misr El Kheir Foundation, financing the construction of 36 rooftops for houses in the Aswan, Ismailia, Gharbia, and Beni-Suef governorates. Additionally, QNB supported the Tahia Misr Fund in developing destitute villages and contributed to the development of the Shoprabil village in El Santa Center in cooperation with the Al Orman Association.

In 2023, QNB participated in renovating the water network in the Mansheya Abou Amer village in Husseinia Center in the Sharkeya governorate in partnership with the Misr El Kheir Foundation.

C. Education

In 2022, QNB focused on preparing a distinguished generation by granting scholarships to numerous outstanding students at the Zewail University of Science and Technology, reinforcing the Bank's commitment to supporting the educational system and scientific research. Additionally, QNB sponsored the STA Electrical Lab to enhance technical education and training at the ElSewedy Technical Academy in collaboration with ElSewedy Electric Foundation. The Bank also participated in renovating Al Hurriya Elementary School in Menyet El Nasr Center and Al Shaheed Mohamed Abdul Razak School in Shirbin Center, both located in the Dakahlia governorate.

In 2023, QNB continued its commitment to education and community support by granting scholarships to distinguished students at the Zewail University of Science, Technology, and Innovation. The Bank also supported technical education by establishing the SUT Information Technology Lab in cooperation with ElSewedy University for Technology - Polytechnic of Egypt. Additionally, QNB provided scholarships to talented students at Borg El Arab Technological University and Bani Sweif Technological University in collaboration with the Sonaa El Kheir Foundation. The Bank also participated in renovating Hannoun Secondary School for Girls in Zefta Center, Gharbeya Governorate, Al Noor School for the Blind, Asuit Governorate, and Alshaheed Sherif Elabd Preparatory School in Abu Humos Center, Beheira Governorate. Furthermore, QNB paid tuition fees for students facing financial hardship at Menoufia University and South Valley University. To promote financial inclusion, the Bank organized financial literacy sessions for the beneficiaries of its CSR projects.



D. Support for People with Special Needs

In 2022, QNB, in collaboration with the Misr El Kheir Foundation, donated 100 prosthetic devices to individuals with special needs residing in the Shatora village, Sohag Governorate, and Menyet El Nasr Center, Dakahleya Governorate. Additionally, QNB provided 18 kiosk projects for beneficiaries with disabilities in the Menoufia governorate in cooperation with the Al Orman Association as part of the state's plan to empower and integrate them into society under the Decent Life initiative.

In 2023, QNB, in partnership with the Misr El Kheir Foundation, donated 90 prosthetic devices to people with special needs in Hayah Karima villages in Assiut Governorate in line with the state's plan to integrate them into society.

E. Sponsorship

In 2022, QNB participated in sponsoring the fourth edition of the World Youth Forum and the COP27 conference in Sharm El-Sheikh. The Bank also sponsored the seventh edition of the annual Science Festival at Zewail City for Science and Technology, titled Time to Change, underscoring its ongoing commitment to supporting educational initiatives. Additionally, QNB contributed to the advertising campaign of the Children Cancer Hospital 57357, supporting the hospital's mission: "A childhood without cancer."

In 2023, the Bank participated in sponsoring the October Victory Celebration and the African Development Bank Group's annual meeting in Sharm El Sheikh under the theme Mobilizing Private Sector Financing for Climate and Green Growth in Africa.

QNB also sponsored the annual Science Festival at Zewail City for Science and Technology in its eighth edition under the title Science of Art, emphasizing the Bank's continued role in activities that support educational and cultural change.



7. Embedding Global Practices



7.1 GRI Content Index

Statement of use	QNB has reported the information cited in this GRI content index for the period (January 1 st 2022 to December 31 st 2023) in accordance to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	Reason of Omission	Page Number
GRI 2: General Disclosures 2021	2-1 Organizational details	A Glimpse of Our Progress: QNB in Egypt at a Glance		6
	2-2 Entities included in the organization's sustainability reporting	A Glimpse of Our Progress: About this Report		2
	2-3 Reporting period, frequency and contact point	A Glimpse of Our Progress: About this Report		2
	2-4 Restatements of information	A Glimpse of Our Progress: About this Report		2
	2-5 External assurance	Statement of Assurance		62,63
	2-6 Activities, value chain and other business relationships	A Glimpse of Our Progress: QNB in Egypt at a Glance Responsible Procurement - Our Business Model		6,50
	2-7 Employees	5.2 Human Development: Workforce Overview		46
	2-8 Workers who are not employees		Not applicable	
	2-9 Governance structure and composition	3.1 Governance, Compliance, and Risk Management : Structure of the Board of Directors		12
	2-10 Nomination and selection of the highest governance body	3.1 Governance, Compliance, and Risk Management : Structure of the Board of Directors		12
	2-11 Chair of the highest governance body	3.1 Governance, Compliance, and Risk Management :Structure of the Board of Directors		12
	2-12 Role of the highest governance body in overseeing the management of impacts	3.1 Governance, Compliance, and Risk Management :Board Roles and Responsibilities		13
	2-13 Delegation of responsibility for managing impacts	3.1 Governance, Compliance, and Risk Management :Structure of the Board of Directors		12
	2-14 Role of the highest governance body in sustainability reporting	3.1 Governance, Compliance, and Risk Management : Board Roles and Responsibilities		13
	2-15 Conflicts of interest	3.1 Governance, Compliance, and Risk Management : Board Roles and Responsibilities		13
	2-16 Communication of critical concerns	3.1 Governance, Compliance, and Risk Management :Compliance		16
	2-17 Collective knowledge of the highest governance body	3.1 Governance, Compliance, and Risk Management : Structure of the Board of Directors		12
	2-18 Evaluation of the performance of the highest governance body		Confidential Information	

7.1 GRI Content Index (Continued)

GRI STANDARD	DISCLOSURE	LOCATION	Reason of Omission	Page Number
	2-19 Remuneration policies		Confidential Information	
	2-20 Process to determine remuneration		Confidential Information	
	2-21 Annual total compensation ratio		Confidential Information	
	2-22 Statement on sustainable development strategy	2.3 A Glimpse of Our Progress: Strategic Direction		7
	2-23 Policy commitments	Throughout the Report		
	2-24 Embedding policy commitments	Throughout the Report		
	2-25 Processes to remediate negative impacts	3.5 Pathways to Positive Influence: Our Strategic Approach: Materiality Assessment		26
	2-26 Mechanisms for seeking advice and raising concerns	3.1 Governance, Compliance, and Risk Management :Compliance		16
	2-27 Compliance with laws and regulations	3.1 Governance, Compliance, and Risk Management Compliance		16
	2-28 Membership associations	3.5 A Glimpse of Our Progress: Memberships and Associations		10
	2-29 Approach to stakeholder engagement	3.5 Pathways to Positive Influence: Our Strategic Approach: Stakeholder Engagement		22
	2-30 Collective bargaining agreements		Not applicable	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.5 Pathways to Positive Influence: Our Strategic Approach: Materiality Assessment		26
	3-2 List of material topics	3.5 Pathways to Positive Influence: Our Strategic Approach: Materiality Assessment		27
	3-3 Management of material topics	Management approach has been stated throughout the report		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	5. Sustainable Operations: Financial Resilience		44
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2.6 EESG Highlights; Corporate and Institutional Banking; SME Banking		9,33,34
	203-2 Significant indirect economic impacts	6. Beyond Banking: Community Development		55
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	5. Sustainable Operations: Responsible Procurement		50
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.1 Governance, Compliance, and Risk Management Compliance: Compliance		16
	205-2 Communication and training about anti-corruption policies and procedures	3.1 Governance, Compliance, and Risk Management Compliance		12
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.4 Natural Capital: Energy Consumption and Emissions		52
	302-4 Reduction of energy consumption	5.4 Natural Capital: Energy Consumption and Emissions		52
	303-5 Water consumption	5.4 Natural Capital: Water Consumption		53

7.1 GRI Content Index (Continued)

GRI STANDARD	DISCLOSURE	LOCATION	Reason of Omission	Page Number
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.4 Natural Capital: Energy Consumption and Emissions		52
	305-2 Energy indirect (Scope 2) GHG emissions	5.4 Natural Capital: Energy Consumption and Emissions		52
	305-3 Other indirect (Scope 3) GHG emissions	5.4 Natural Capital: Energy Consumption and Emissions		52
	305-5 Reduction of GHG emissions	5.4 Natural Capital: Energy Consumption and Emissions		52
	306-2 Management of significant waste-related impacts	5.4 Natural Capital: Effluents and Waste		53
	306-3 Waste generated	5.4 Natural Capital: Effluents and Waste		53
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.2 Human Development: Hiring and Turnover		47
	401-3 Parental leave	5.2 Human Development: Parental Leave		49
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.2 Human Development: Occupational Health, Safety, and Well-Being		48
	403-3 Occupational health services	5.2 Human Development: Occupational Health, Safety, and Well-Being		48
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.2 Human Development: Occupational Health, Safety, and Well-Being		48
	403-5 Worker training on occupational health and safety	5.2 Human Development: Occupational Health, Safety, and Well-Being		48
	403-6 Promotion of worker health	5.2 Human Development: Occupational Health, Safety, and Well-Being		48
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.2 Human Development: Training and Development		50
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.2 Human Development: Workforce Overview and Governance, Compliance, and Risk Management : Structure of the Board of Directors		46,12
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6. Beyond Banking: Community Development		55
	413-2 Operations with significant actual and potential negative impacts on local communities	6. Beyond Banking: Community Development		55
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.7 Customer Experience and Responsible Engagement		41
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.8 Customer Privacy and Data Security		42



7.2 SASB Content Index

Data Security	Category	Unit of Measure	Code	Report Section(s) or Direct Response	Page Number
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	Number, %	FN-CB-230a.1	Information unavailable. These requirements are being integrated within QNB's data management system and shall be considered in future reports.	
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-230a.2	4.8 Sustainable Finance: Customer Privacy and Data Security.	42
Financial Inclusion and Capacity Building	Category	Unit of Measure	Code	Report Section(s) or Direct Response	
(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	EGP	FN-CB-240a.1	4.3 Responsible Finance: SME Banking	33
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Category	Unit of Measure	Code	Report Section(s) or Direct Response	
Commercial and industrial credit exposure, by industry	Quantitative	EGP	FN-CB-410a.1	4. Sustainable Finance: Corporate and Institutional Banking; and SME Banking	32
Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	n/a	FN-CB-410a.2	4. Sustainable Finance	31
Business Ethics	Category	Unit of Measure	Code	Report Section(s) or Direct Response	
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	EGP	FN-CB-510a.1	Data cannot be disclosed due to confidentiality constraints.	
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-510a.2	4.8 Sustainable Finance: Customer Privacy and Data Security.	42
Systematic Risk Management	Category	Unit of Measure	Code	Report Section(s) or Direct Response	
Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1	Not available	
Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	n/a	FN-CB-550a.2	2.3 Strategic Direction	7
Activity Metrics	Category	Unit of Measure	Code	Report Section(s) or Direct Response	
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	EGP	FN-CB-000.A	4. Sustainable Finance	31

7.3 UNGC Index

Principle	Description	Report Sections	Page Number
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	4.1 Responsible Finance: Environmental and Social Risk Policy (ESRP); and 3.1 Governance, Compliance, and Risk Management: Code of Ethics	31, 12
Principle 2	Businesses should make sure they are not complicit in human rights abuses.	4.1 Responsible Finance: Environmental and Social Risk Policy (ESRP); and 3.1 Governance, Compliance, and Risk Management: Code of Ethics	31, 12
Labor			
Principle	Description	Report Sections	Page Number
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	QNB does not engage in any collective bargaining agreements; however, it provides room for communicating all types of feedback through its grievance mechanism	
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	4.1 Responsible Finance: Environmental and Social Risk Policy (ESRP); and Governance, Compliance, and Risk Management: Code of Ethics 5.2 Human Development"	31, 46
Principle 5	Businesses should uphold the effective abolition of child labor		
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation		
Environment			
Principle	Description	Report Sections	Page Number
Principle 7	Businesses should support a precautionary approach to environmental challenges.	4.1 Responsible Finance: Environmental and Social Risk Policy (ESRP); and 5.4 Natural Capital	31, 51
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	5.4 Natural Capital	51
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	4. Sustainable Finance	31
Anti-corruption			
Principle	Description	Report Sections	Page Number
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.1 Governance, Compliance, and Risk Management: Code of Ethics	12

8. Statement of Assurance



Independent Limited Assurance Statement To the Board of Directors Qatar National Bank Egypt

DCarbon is a leading sustainability and environmental consultancy based in Egypt and registered under Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations understand and address their economic, environmental, and social impact. DCarbon is a member and partner with multiple global establishments in corporate sustainability. It is a certified training partner of the Global Reporting Initiative (GRI), a GRI Gold Community member, and an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS latest Sustainability Disclosures (IFRS-S1/S2).

QNB Egypt engaged Dcarbon to perform an Independent Limited Assurance review for the consolidated sustainability report covering the years starting January 1st, 2022, and ending December 31, 2023 ('the Report').

Engagement Summary

Scope of DCarbon assurance engagement: Whether the 2022 and 2023 information, data, and narrative in the Report are fairly presented in accordance with the reporting criteria.

Reporting criteria: The GRI Sustainability Reporting Standards (GRI Standards 2021)

Assurance level: Limited assurance.

Respective responsibilities: QNB Egypt Management is responsible for preparing the report content per the reporting criteria and selecting the disclosures to be verified, while DCarbon is responsible for providing conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment. This clear division of tasks ensures a comprehensive and unbiased report review.

QNB Egypt management's responsibility includes selecting and applying appropriate methods for preparing the report and making plausible assumptions and estimates of non-financial disclosures under the given circumstances. The responsibility further includes the internal controls, which management has determined necessary to prepare a sustainability report free from misstatement, whether due to fraud or error.

DCarbon's engagement with QNB Egypt management and team has revealed the active role of QNB Egypt's leadership and management in governing the release of this report. Their commitment and involvement, along with the dedicated sustainability team and departmental focal persons, have significantly contributed to the quality of this report, demonstrating commitment to sustainability.

Assurance Scope, Boundary, and Limitations

The Scope covers QNB Egypt Governance, Business Strategy and Policies, Materiality Assessment process, and stakeholder engagement process.

The Boundary covers data and information captured across its operational and business functions. It includes the Bank's Head Office support functions, Corporate Governance, and stakeholders' engagements as part of this assurance and as indicated in the Report.

The Limitation: the limited assurance review process was conducted with utmost thoroughness. It included sustainability data and information for operations Egypt from 01 January 2022 to 31 December 2023, per the GRI Standards.

Assurance scope excludes:

- Data and information in the Report outside the reporting period indicating historical data to establish the narrative for the reporting period disclosures or forward-looking statements by QNB Egypt.
- Verification statements indicating testimonials, opinions, success stories, and/or aspirations.
- Verification of claims (limited to data and information presented).



8. Statement of Assurance (Continued)



Assurance procedures

The assurance was conducted by DCarbon’s multidisciplinary independent team of experts in economic, social, and environmental information and abiding by our values of integrity, confidentiality, professional competence, objectivity, and due attention.

The nature, timing, and extent of procedures followed were based on multiple rounds of engagement with relevant departments and senior management at QNB and the sustainability focal points delegated by the Board of Directors. The Executive Management was responsible for identifying material sustainability issues, establishing and maintaining appropriate internal performance management, and developing the relevant systems for the reported data. Ms. Yara Mourad, the sustainable finance manager, Mr. Mohamed ElShafie, and Ms. Yvette Maher, DCarbon’s Sustainability Associates, supported the GRI standards alignment, data mining, and verifications.

Assurance activities included procedures to obtain evidence about the reliability of the disclosures:

- Interview the employees delegated by QNB regarding the sustainability strategy, principles, and management.
- Matching the non-financial disclosures shown in the report with the documents provided.
- Review the evidence of internal policies, procedures, and strategy documents provided by QNB.
- Review of materiality and stakeholders’ engagement process deployed by QNB.
- Evaluation of the processing and monitoring of data collection for non-financial disclosures.
- Review of the Report narrative to ensure that there is no misrepresentation of disclosures as per the scope of assurance and our findings.

Conclusion

Our opinion has been formed based on the outcome of the activities performed outlined. Considering the risk of material error, we believe that the evidence we have obtained from QNB Egypt is sufficient and appropriate to provide the basis of our conclusion.

Based on our activities, nothing has come to our attention to indicate that the 2022-2023 sustainability report information and data are not fairly presented in accordance with the reporting criteria. **This GRI in Accordance Report meets all the GRI Standards requirements.**

DR. 

Ehab Shalaby, Ph.D.

Chairman & CEO



TRAINING PARTNER

2024



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Qatar National Bank (S.A.E)
P.O box 11111 - Cairo - Egypt

Tel: (202) 27707000
Fax: (202) 27707099

qnb.com.eg