

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

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Al Baraka Bank Egypt - S.A.E

Consolidated Financial Statements

Interim Condensed, March 31, 2024



Condensed consolidated interim financial statements

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*Translation of limited review report
originally issued in Arabic*

Limited Review Report on the interim condensed consolidated financial statements

To the Board of Directors of Al Baraka Bank Egypt S.A.E

Introduction

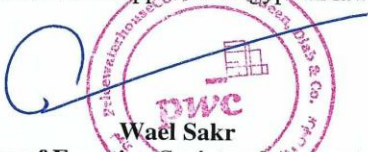
We have conducted a limited review for the accompanying interim condensed consolidated statement of financial position of Al Baraka Bank Egypt S.A.E as of 31 March 2024 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the three-months period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the rules of preparation and presentation of the bank's financial statements and the basis of recognition and measurement approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing interim condensed financial statements for banks and with the requirements of applicable Egyptian laws and regulations, and our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of The Limited Review

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. (2410). "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.


Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as of 31 March 2024 are not prepared in all material respects, in accordance with the rules of preparation and presentation of the bank's financial statements and the basis of recognition and measurement approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing interim condensed financial statements for banks and with the requirements of applicable Egyptian laws and regulations.


Wael Sakr
Fellow of Egyptian Society of Accountants
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Public Accountants
Plot No 211, Second Sector, New Cairo

Cairo 13 May 2024

Auditors


Mohamed Ahmed Abul-Qasim
Fellow of Egyptian Society of Accountants
and Auditors
Fellow of Egyptian Society for Taxation
R.A.A No. "17553"
F.R.A. No. "359"
C.B.E. No. "468"
United for Auditing and Taxes
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Condensed consolidated interim financial position as of 31 March 2024

| | Note | 31 March 2024 EGP Thousands | 31 December 2023 EGP Thousands |
|--|------|--------------------------------|-----------------------------------|
| Assets | | | |
| Cash and due from Central Bank of Egypt | 13 | 7,041,858 | 7,351,099 |
| Due from banks, net | 14 | 14,986,583 | 7,967,646 |
| Financing and credit facilities to customers, net | 15 | 42,303,007 | 37,901,944 |
| Financial investments | | | |
| - Measured at FVPL | 16/1 | 102,792 | 108,452 |
| - Measured at FVOCI | 16/2 | 3,858,766 | 3,914,038 |
| - Measured at Amortized cost | 16/3 | 40,953,801 | 39,119,660 |
| Intangible assets, net | | 8,874 | 571 |
| Other assets, net | 17 | 2,801,516 | 3,053,229 |
| Property , plant and equipment, net | 18 | 930,287 | 950,640 |
| Total assets | | 112,987,484 | 100,367,279 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Due to banks | 19 | 1,857,614 | 1,006,262 |
| Customers' deposits | 20 | 94,036,963 | 84,922,617 |
| Subordinated and other financing | 21 | 4,608,947 | 2,320,044 |
| Other liabilities | 22 | 1,609,249 | 1,422,563 |
| Other provisions | 23 | 189,249 | 161,660 |
| Deferred tax liabilities | | 46,956 | 50,437 |
| Current income tax liabilities | | 569,304 | 680,767 |
| Defined benefits obligation | | 64,582 | 64,582 |
| Total liabilities | | 102,982,864 | 90,628,932 |
| Equity | | | |
| Issued and paid-up capital | 24 | 5,089,974 | 5,089,974 |
| Reserves | 25 | 949,109 | 936,806 |
| Retained earnings | | 3,962,582 | 3,708,591 |
| Total equity attributable to equity holders of the bank | | 10,001,665 | 9,735,371 |
| Non-controlling interests | | 2,955 | 2,976 |
| Total equity | | 10,004,620 | 9,738,347 |
| Total liabilities and equity | | 112,987,484 | 100,367,279 |

The accompanying notes are an integral part of these financial statements.

(Limited review report attached)

Hesham Ghoneim

Chief Financial Officer

Hazem Hegazy

Vice Chairman &CEO

Cairo: 13 May 2024



Condensed consolidated interim income statement for the period ended 31 March 2024

| | Note | 31 March 2024 EGP Thousands | 31 March 2023 EGP Thousands |
|---|------|--------------------------------|--------------------------------|
| Income from Murabaha, Musharaka, Mudarabah and similar income | 5 | 3,841,231 | 2,622,008 |
| Cost of deposits and similar costs | 5 | (2,501,503) | (1,568,772) |
| Net income from funds | | 1,339,728 | 1,053,236 |
| Fees and commission income | 6 | 158,530 | 119,258 |
| Fees and commission expenses | 6 | (20,351) | (11,578) |
| Net fees and commission income | | 138,179 | 107,680 |
| Dividends income | | 483 | 4,240 |
| Net trading income | 8 | 40,786 | 18,946 |
| Administrative expenses | 7 | (368,531) | (302,980) |
| Impairment charge of expected credit losses | 10 | (106,638) | (127,683) |
| Other operating income (expenses) | 9 | (127,308) | (35,797) |
| Net profit for the period before tax | | 916,699 | 717,642 |
| Income tax expense | 11 | (363,425) | (271,958) |
| Net profit for the period | | 553,274 | 445,684 |
| Attributable to: | | | |
| Equity holders of the Bank | | 553,295 | 445,661 |
| Non-controlling interests | | (21) | 23 |
| Net profit for the period | | 553,274 | 445,684 |
| Basic earning per share | 12 | 0.66 | 0.49 |

The accompanying notes are an integral part of these financial statement.

Hesham Ghoneim
Chief Financial Officer

Hazem Hegazy
Vice Chairman &CEO



Condensed consolidated interim statement of comprehensive Income for the period ended 31 March 2024

| | 31 March 2024 EGP Thousands | 31 March 2023 EGP Thousands |
|--|--------------------------------|--------------------------------|
| Net profit for the period | 553,274 | 445,684 |
| Comprehensive income items that will not be reclassified to the profit or loss: | | |
| Net change in fair value of equity instruments measured at FVOCI | (2,020) | 1,635 |
| Tax impact related to other comprehensive income that will not be reclassified to the profit or loss | 455 | (368) |
| Comprehensive income items that is or may be reclassified to the profit or loss: | | |
| Net change in fair value of debt instruments measured at FVOCI | 14,056 | (61,025) |
| Expected credit loss for fair value of debt instruments measured at FVOCI | 2,975 | 1,406 |
| Tax impact related to other comprehensive income that will be reclassified to the profit or loss | (3,163) | 13,730 |
| Net other comprehensive income for the period , After tax | 12,303 | (44,622) |
| Total comprehensive income for the period , After tax | 565,577 | 401,062 |
| Attributable to: | | |
| Equity holders of the Bank | 565,598 | 401,039 |
| Non-controlling interests | (21) | 23 |
| Total comprehensive income for the period , After tax | 565,577 | 401,062 |

The accompanying notes are an integral part of these financial statement.

Condensed consolidated interim statement of shareholders' equity for the period ended 31 March 2024

| | | | | | EGP Thousands | |
|---|-------------------------------|----------------|----------------------|--|----------------------------------|-------------------|
| | Issued and paid-up capital | Reserves | Retained earnings | Total equity attributable to equity holders of the bank | Non- controlling interests | Total equity |
| 31 March 2023 | | | | | | |
| Balance at 1 January 2023 | 5,089,974 | 605,586 | 1,897,010 | 7,592,570 | 2,359 | 7,594,929 |
| Net change in other comprehensive income | - | (44,622) | - | (44,622) | - | (44,622) |
| Net profit for the period | - | - | 445,661 | 445,661 | 23 | 445,684 |
| Total | 5,089,974 | 560,964 | 2,342,671 | 7,993,609 | 2,382 | 7,995,991 |
| Cash dividends (Share of employees, remuneration of BOD members) | - | - | (211,770) | (211,770) | (12) | (211,782) |
| Banking system support and development fund | - | - | (17,534) | (17,534) | - | (17,534) |
| Balance at 31 March 2023 | 5,089,974 | 560,964 | 2,113,367 | 7,764,305 | 2,370 | 7,766,675 |
| 31 March 2024 | | | | | | |
| Balance at 1 January 2024 | 5,089,974 | 936,806 | 3,708,591 | 9,735,371 | 2,976 | 9,738,347 |
| Net change in other comprehensive income | - | 12,303 | - | 12,303 | - | 12,303 |
| Net profit for the period | - | - | 553,295 | 553,295 | (21) | 553,274 |
| Total | 5,089,974 | 949,109 | 4,261,886 | 10,300,969 | 2,955 | 10,303,924 |
| Cash dividends (Share of employees, remuneration of BOD members) | - | - | (277,400) | (277,400) | - | (277,400) |
| Banking system support and development fund | - | - | (21,904) | (21,904) | - | (21,904) |
| Balance at 31 March 2024 | 5,089,974 | 949,109 | 3,962,582 | 10,001,665 | 2,955 | 10,004,620 |

The accompanying notes are an integral part of these financial statement.



Condensed consolidated interim statement of changes in cash flow for the period ended 31 March 2024

| | Note | 31 March 2024 EGP Thousands | 31 March 2023 EGP Thousands |
|---|------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 916,699 | 717,642 |
| Adjusted by: | | | |
| Property and Equipment depreciation and Intangible assets amortization | 7 | 27,885 | 23,157 |
| Impairment credit losses | 10 | 106,638 | 127,683 |
| Impairment charge (Released) of other provisions | 23 | 21,304 | (6,295) |
| Impairment charge (Released) of assets reverted to the bank | 9 | 20,000 | - |
| Provisions used other than financing provision | 23 | (677) | (537) |
| Amortization of premium / discount for bonds | 16/2 | 38,266 | 97 |
| Exchange translation differences of impairment provisions | | 346,153 | 178,897 |
| Exchange translation differences of financial investment measured at FVOCI | 16/2 | (92,406) | (39,568) |
| Exchange translation differences of financial investment measured at Amortized cost | 16/3 | (3,235,019) | (1,259,920) |
| Exchange translation differences of subordinated financing | 21 | 1,592,099 | 276,971 |
| FV revaluation differences of financial investment measured at FVPL | 16/1 | (8,773) | (3,364) |
| Loss (Gain) on sale of property and equipment | 9 | (720) | (30,918) |
| Loss (Gain) on sale of assets reverted to the bank | 9 | - | (2,186) |
| Dividend income | | (483) | (4,240) |
| Operating profits before changes in operating assets and liabilities | | (269,034) | (22,581) |
| Net decrease (increase) in assets and liabilities | | | |
| Balances with central banks within the required reserve ratio | | 541,288 | 440,345 |
| Due from banks with maturity more than 90 days | | - | 3,751,077 |
| Treasury bills with maturity more than 90 days | | 3,546,314 | (1,740,971) |
| Financing and facilities to customers | | (4,750,935) | (2,350,675) |
| Financial investments measured at FVPL | 16/1 | 14,433 | - |
| Other assets | | 232,037 | 410,276 |
| Due to banks | | 851,352 | 4,745,129 |
| Customers' deposits | | 9,114,346 | 1,093,874 |
| Other liabilities | | 164,784 | (149,201) |
| Current income tax obligations paid | | (481,076) | (269,404) |
| Net cash flows generated from operating activities | | 8,963,509 | 5,907,869 |

The accompanying notes are an integral part of these financial statement.



Condensed consolidated interim statement of changes in cash flow for the period ended 31 March 2024– Cont.

| | Note | 31 March 2024 EGP Thousands | 31 March 2023 EGP Thousands |
|---|------|--------------------------------|--------------------------------|
| <u>Cash flows from investing activities</u> | | | |
| Acquisition of Property and Equipment | 18 | (7,010) | (80,309) |
| Proceeds from sale of Property and Equipment | | 721 | 33,000 |
| Acquisition of Intangible assets | | (8,826) | (17,932) |
| Acquisition of investment measured at FVOCI | 16/2 | - | (133,216) |
| Proceeds from sale of investment measured at FVOCI | 16/2 | 158,000 | 41,075 |
| Proceeds from sale of investment measured at Amortized cost | 16/3 | 743,459 | 1,041,065 |
| Proceeds from Dividend income | | 483 | 4,240 |
| Net cash flows generated from investing activities | | 886,827 | 887,923 |
| <u>Cash flows from financing activities</u> | | | |
| Proceeds from Subordinated and other financing | 21 | 1,545,000 | - |
| (Paid) from Subordinated and other financing | 21 | (848,196) | (425) |
| Cash dividends (Share of employees, remuneration of BOD members) | | (277,400) | (229,547) |
| Net cash flows generated from (used in) financing activities | | 419,404 | (229,972) |
| Net increase in cash and cash equivalent during the period | | 10,269,740 | 6,565,820 |
| Beginning balance of cash and cash equivalent | | 15,014,334 | 10,854,364 |
| Cash and cash equivalent at the end of the period | 26 | 25,284,074 | 17,420,184 |

The accompanying notes are an integral part of these financial statement.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

1. General Information

Al-Ahram Bank (an Egyptian joint stock company) was established as a commercial bank on March 19, 1980, in accordance with the provisions of the Investment Law no 43 of 1974 and its executive regulations and the amendments thereon. In accordance with the Extraordinary General Assembly resolution of 21 September 1988, the name of the bank was amended to become “Saudi Egyptian Finance Bank”, and according to the resolution of the Extraordinary General Meeting held on 30 April 2009, the Bank’s name was changed to become Al Baraka Bank Egypt – S.A.E.

The Bank provides corporate and retail banking and investments services, which complies with the provisions of Islamic Sharia in all products provided to its clients, through its 36 branches served by 1281 staff at the date of the financial statements. The Head Office is in the southern 90th Street, City Centre, the first sector in the Fifth Settlement, New Cairo, Egypt. The Bank is listed on the Egyptian Stock Exchange.

The Bank does not deal in financial derivatives, futures, or loans in accordance with its Islamic business system and this applies to any of these terms where they are provided with supplementary explanations of the financial statements.

These consolidated financial statements for the year ended 31 March 2024 were approved by the Board of Directors on 13 May 2024.

2. Basis of preparation of the consolidated financial statements

The accompanying condensed consolidated interim financial statements of the bank have been prepared in accordance with the rules of preparation and presentation of the Banks’ financial statements approved by Central Bank of Egypt board of directors on December 16, 2008 as amended by regulations issued on February 26, 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on May 03, 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations, and reference is made to the Egyptian Accounting Standards in matters not mentioned in the instruction of Central Bank of Egypt.

In preparing these condensed consolidated interim financial statements, significant judgments were made by the management. In applying the Bank’s accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Basis of consolidation:

The basis of the consolidation is as follows:

- Eliminating all balances and transactions between the Bank and group companies.
- The cost of acquisition of subsidiary companies is based on the company's share in the fair value of assets acquired and obligations outstanding on the acquisition date.
- Minority shareholders represent the rights of others in subsidiary companies.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial Risk Management

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

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

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

3.1 Credit Risk

The Bank takes on exposure to credit risk, which is the risk that the counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in financing and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly. The bank is also exposed to credit risk from investment activities in debt instruments and positions outstanding from trading activities.

Credit risk is the most important risk to the bank's activity and therefore it manages the credit risk exposures carefully. Management and control of the Bank's credit risk shall focus on the retail banking credit risk management group and the institutions at the Risk Department, which reports to the Risk Committee, Senior Management, Heads of Operation Department and BOD on interim basis.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.1.1 Maximum limit for credit risk before collaterals.

| | 31 March 2024 | 31 December 2023 |
|--|--------------------|-------------------|
| Financial position items exposed to credit risks | EGP Thousands | EGP Thousands |
| Due from banks | 14,986,583 | 7,967,646 |
| Financing and credit facilities to customers, net | | |
| Retail | | |
| - Credit cards | 84,769 | 59,572 |
| - Personal financing | 6,014,217 | 5,035,368 |
| - Mortgages | 127,750 | 138,360 |
| Corporate | | |
| - Direct financing | 31,198,549 | 28,717,502 |
| - Syndicated financing | 4,877,722 | 3,951,142 |
| Financial investments | | |
| Debt instruments measured at FVOCI | 3,520,069 | 3,579,281 |
| Debt instruments measured at Amortized cost | 40,953,801 | 39,119,661 |
| Total | 101,763,460 | 88,568,532 |
| Off balance sheet items exposed to credit risk | | |
| Letter of Credit (import and export) | 212,877 | 63,820 |
| Letter of Guarantee | 3,358,853 | 3,014,791 |
| Customers Acceptances | 169,457 | 126,933 |
| Total | 3,741,187 | 3,205,544 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

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

EGP Thousands

| | 31 March 2024 | | | | 31 December 2023 | | | |
|--|----------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|--------------------|
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Due from banks | | | | | | | | |
| <u>Credit rating as per CBE classification</u> | | | | | | | | |
| Good debts | 15,002,691 | - | - | 15,002,691 | 7,975,547 | - | - | 7,975,547 |
| Total | 15,002,691 | - | - | 15,002,691 | 7,975,547 | - | - | 7,975,547 |
| Deduct: Expected credit losses | (16,108) | - | - | (16,108) | (7,901) | - | - | (7,901) |
| Ending Balance | 14,986,583 | - | - | 14,986,583 | 7,967,646 | - | - | 7,967,646 |
| | | | | | | | | |
| | 31 March 2024 | | | | 31 December 2023 | | | |
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Retail | | | | | | | | |
| <u>Credit rating as per CBE classification</u> | | | | | | | | |
| Good financing | 3,759,784 | 222,172 | - | 3,981,956 | 3,115,029 | 81,521 | - | 3,196,550 |
| Regular watch list | 2,219,992 | 40,991 | - | 2,260,983 | 2,020,433 | 42,714 | - | 2,063,147 |
| Non-performing financing | - | - | 59,068 | 59,068 | - | - | 49,012 | 49,012 |
| Total | 5,979,776 | 263,163 | 59,068 | 6,302,007 | 5,135,462 | 124,235 | 49,012 | 5,308,709 |
| Deduct: Expected credit losses | (33,980) | (1,017) | (40,274) | (75,271) | (34,444) | (8,335) | (32,630) | (75,409) |
| Ending Balance | 5,945,796 | 262,146 | 18,794 | 6,226,736 | 5,101,018 | 115,900 | 16,382 | 5,233,300 |
| | | | | | | | | |
| | 31 March 2024 | | | | 31 December 2023 | | | |
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Corporate | | | | | | | | |
| <u>Credit rating as per CBE classification</u> | | | | | | | | |
| Good financing | 25,792,495 | 4,332,853 | - | 30,125,348 | 25,938,848 | 2,404,998 | - | 28,343,846 |
| Regular watch list | 1,098,470 | 5,517,660 | - | 6,616,130 | 195,612 | 4,728,121 | - | 4,923,733 |
| Special watch list | - | 155,258 | - | 155,258 | - | 225,546 | - | 225,546 |
| Non-performing financing | - | - | 1,814,778 | 1,814,778 | - | - | 1,463,085 | 1,463,085 |
| Total | 26,890,965 | 10,005,771 | 1,814,778 | 38,711,514 | 26,134,460 | 7,358,665 | 1,463,085 | 34,956,210 |
| Deduct: Expected credit losses | (94,053) | (1,008,715) | (1,532,475) | (2,635,243) | (68,189) | (957,723) | (1,261,654) | (2,287,566) |
| Ending Balance | 26,796,912 | 8,997,056 | 282,303 | 36,076,271 | 26,066,271 | 6,400,942 | 201,431 | 32,668,644 |
| | | | | | | | | |
| | 31 March 2024 | | | | 31 December 2023 | | | |
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Debt instruments measured at FVOCI | | | | | | | | |
| <u>Credit rating as per CBE classification</u> | | | | | | | | |
| Good debts | 3,520,069 | - | - | 3,520,069 | 3,579,281 | - | - | 3,579,281 |
| Total | 3,520,069 | - | - | 3,520,069 | 3,579,281 | - | - | 3,579,281 |
| Ending Balance | 3,520,069 | - | - | 3,520,069 | 3,579,281 | - | - | 3,579,281 |
| | | | | | | | | |
| | 31 March 2024 | | | | 31 December 2023 | | | |
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Debt instruments measured at Amortized cost | | | | | | | | |
| <u>Credit rating as per CBE classification</u> | | | | | | | | |
| Good debts | 41,320,181 | - | - | 41,320,181 | 39,400,937 | - | - | 39,400,937 |
| Total | 41,320,181 | - | - | 41,320,181 | 39,400,937 | - | - | 39,400,937 |
| Deduct: Expected credit losses | (366,380) | - | - | (366,380) | (281,277) | - | - | (281,277) |
| Ending Balance | 40,953,801 | - | - | 40,953,801 | 39,119,660 | - | - | 39,119,660 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

EGP Thousands

| | 31 March 2024 | | | | 31 December 2023 | | | |
|--|----------------------|----------------------|----------------------|------------------|----------------------|----------------------|----------------------|------------------|
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Retail | | | | | | | | |
| Balance at 1 January 2024 | 5,135,462 | 124,235 | 49,012 | 5,308,709 | 3,062,002 | 226,740 | 55,098 | 3,343,840 |
| Transferred to (from) stage 1 | - | - | - | - | 114,936 | (114,936) | - | - |
| Transferred to (from) stage 2 | (129,052) | 129,052 | - | - | - | - | - | - |
| Transferred to (from) stage 3 | - | (10,056) | 10,056 | - | - | (8,866) | 8,866 | - |
| New financial assets purchased or issued | 1,022,263 | 23,568 | - | 1,045,831 | 1,958,524 | 36,912 | - | 1,995,436 |
| Matured or disposed financial assets | (48,897) | (3,636) | - | (52,533) | - | (15,615) | (14,952) | (30,567) |
| Ending Balance | 5,979,776 | 263,163 | 59,068 | 6,302,007 | 5,135,462 | 124,235 | 49,012 | 5,308,709 |

| | 31 March 2024 | | | | 31 December 2023 | | | |
|--|----------------------|----------------------|----------------------|-------------------|----------------------|----------------------|----------------------|-------------------|
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Corporate | | | | | | | | |
| Balance at 1 January 2024 | 26,134,460 | 7,358,665 | 1,463,085 | 34,956,210 | 19,892,088 | 8,207,983 | 1,541,979 | 29,642,050 |
| Transferred to (from) stage 1 | 1,894,043 | (1,894,043) | - | - | (1,291,102) | 1,291,102 | - | - |
| Transferred to (from) stage 2 | - | - | - | - | 1,868,593 | (1,868,593) | - | - |
| Transferred to (from) stage 3 | - | (75,237) | 75,237 | - | - | (116,325) | 116,325 | - |
| New financial assets purchased or issued | 199,136 | - | - | 199,136 | 5,883,037 | 63,067 | - | 5,946,104 |
| Matured or disposed financial assets | (1,336,674) | - | (18,800) | (1,355,474) | (299,103) | (218,569) | (231,587) | (749,259) |
| Foreign exchange translation differences | - | 4,616,386 | 295,256 | 4,911,642 | 80,947 | - | 36,368 | 117,315 |
| Ending Balance | 26,890,965 | 10,005,771 | 1,814,778 | 38,711,514 | 26,134,460 | 7,358,665 | 1,463,085 | 34,956,210 |

The following table shows changes in ECL balances during the financial period between the three stages:

EGP Thousands

| | 31 March 2024 | | | | 31 December 2023 | | | |
|--------------------------------------|----------------------|----------------------|----------------------|---------------|----------------------|----------------------|----------------------|---------------|
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Retail | | | | | | | | |
| Balance at 1 January 2024 | 34,444 | 8,335 | 32,630 | 75,409 | 37,659 | 4,127 | 53,709 | 95,495 |
| Released (charged) during the period | (464) | (7,318) | 7,472 | (310) | (3,215) | 4,208 | (6,127) | (5,134) |
| Written off during the period | - | - | (8) | (8) | - | - | (14,952) | (14,952) |
| Recoveries during the period | - | - | 180 | 180 | - | - | - | - |
| Ending Balance | 33,980 | 1,017 | 40,274 | 75,271 | 34,444 | 8,335 | 32,630 | 75,409 |

| | 31 March 2024 | | | | 31 December 2023 | | | |
|--|----------------------|----------------------|----------------------|------------------|----------------------|----------------------|----------------------|------------------|
| | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total | Stage 1 12-Months | Stage 2 Life time | Stage 3 Life time | Total |
| Corporate | | | | | | | | |
| Balance at 1 January 2024 | 68,189 | 957,723 | 1,261,654 | 2,287,566 | 65,801 | 752,221 | 1,378,135 | 2,196,157 |
| Transferred to (from) stage 1 | 34,512 | (34,512) | - | - | 8,055 | (8,055) | - | - |
| Transferred to (from) stage 2 | (8,840) | 8,840 | - | - | (5,452) | 5,452 | - | - |
| Transferred to (from) stage 3 | - | (70,878) | 70,878 | - | - | (22,577) | 22,577 | - |
| Released (charged) during the period | 192 | 45,387 | (28,130) | 17,449 | (215) | 192,190 | (122,703) | 69,272 |
| Written off during the period | - | - | (13,024) | (13,024) | - | - | (116,313) | (116,313) |
| Recoveries during the period | - | - | 10,519 | 10,519 | - | - | 21,142 | 21,142 |
| Foreign exchange translation differences | - | 102,155 | 230,578 | 332,733 | - | 38,492 | 78,816 | 117,308 |
| Ending Balance | 94,053 | 1,008,715 | 1,532,475 | 2,635,243 | 68,189 | 957,723 | 1,261,654 | 2,287,566 |

Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.1.2 Concentration of the risks of financial assets exposed to the credit risk.

Geographical Segments:

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting period, The gross amount of all financial assets including financing and credit facilities is segmented into the geographical regions of the bank's clients:

EGP Thousands

| | Arab Republic of Egypt | | | Total | Gulf | Other | Total |
|---|------------------------|------------------|---------------|--------------------|------------------|------------------|--------------------|
| | Great Cairo | Alex and Delta | Upper Egypt | | | Countries | |
| Cash and due from Central Bank of Egypt | 7,041,858 | - | - | 7,041,858 | - | - | 7,041,858 |
| Due from banks | 9,819,223 | - | - | 9,819,223 | 2,059,465 | 3,124,003 | 15,002,691 |
| Gross financing and credit facilities to customers | | | | | | | |
| Retail | | | | | | | |
| - Credit cards | 66,182 | 19,012 | 12 | 85,206 | - | - | 85,206 |
| - Personal financing | 7,759,368 | 1,166,436 | 15,999 | 8,941,803 | - | - | 8,941,803 |
| - Mortgages | 149,113 | 14,273 | - | 163,386 | - | - | 163,386 |
| Corporate | | | | | | | |
| - Direct financing | 27,020,504 | 6,520,369 | - | 33,540,873 | - | - | 33,540,873 |
| - Syndicated financing | 5,683,736 | - | - | 5,683,736 | - | - | 5,683,736 |
| Financial investments | | | | | | | |
| - Debt instruments measured at FVOCI | 3,520,069 | - | - | 3,520,069 | - | - | 3,520,069 |
| - Debt instruments measured at Amortized cost | 41,316,660 | - | - | 41,316,660 | 507,140 | - | 41,823,800 |
| Balance at 31 March 2024 | 102,376,713 | 7,720,090 | 16,011 | 110,112,814 | 2,566,605 | 3,124,003 | 115,803,422 |
| Balance at 31 December 2023 | 93,051,991 | 7,044,471 | - | 100,096,462 | 730,542 | 866,214 | 101,693,218 |

Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.1.2 Concentration of the risks of financial assets exposed to the credit risk.

Activity Segments

The following table analyses the Group's main credit exposure at their book value categorized by the Bank's customers activities.:

EGP Thousands

| | Financial institutions | Manufacturing | Real estate | Wholesale and retail trade | Governmental | Other activities | Individuals | Total |
|---|------------------------|-------------------|------------------|----------------------------|-------------------|------------------|------------------|--------------------|
| Cash and due from Central Bank of Egypt | 7,041,858 | - | - | - | - | - | - | 7,041,858 |
| Due from banks | 15,002,691 | - | - | - | - | - | - | 15,002,691 |
| Gross financing and credit facilities to customers | | | | | | | | |
| Retail | | | | | | | | |
| - Credit cards | - | - | - | - | - | - | 85,206 | 85,206 |
| - Personal financing | - | - | - | - | - | - | 8,941,803 | 8,941,803 |
| - Mortgages | - | - | - | - | - | - | 163,386 | 163,386 |
| Corporate | | | | | | | | |
| - Direct financing | 6,288,114 | 5,484,821 | - | 1,404,834 | 20,363,104 | - | - | 33,540,873 |
| - Syndicated financing | - | 2,990,525 | - | 726,163 | 1,322,650 | 644,398 | - | 5,683,736 |
| Financial investments | | | | | | | | |
| - Debt instruments measured at FVOCI | 2,001,562 | - | 1,066,946 | - | 451,561 | - | - | 3,520,069 |
| - Debt instruments measured at Amortized cost | - | - | - | - | 41,823,800 | - | - | 41,823,800 |
| Balance at 31 March 2024 | 30,334,225 | 8,475,346 | 1,066,946 | 2,130,997 | 63,961,115 | 644,398 | 9,190,395 | 115,803,422 |
| Balance at 31 December 2023 | 23,480,775 | 16,218,454 | 1,209,068 | 5,165,658 | 41,631,653 | 6,411,500 | 7,576,110 | 101,693,218 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.2 Market Risk

Market Risks represent the potential losses resulting from unfavorable movements in market prices that may negatively affect the values of the bank's investment positions. Market risk results from open positions of the rate of return, currencies, and equity products, as each of them is exposed to general and specific risks in the market and changes in the level of sensitivity to market rates or to prices such as interest rates, exchange rates and prices of equity instruments. The bank distinguishes between the trading book portfolio and the non-trading book portfolio in measuring market risks.

The management of market risk arising from trading or non-trading activities is concentrated in the Bank's risk management and is monitored by two separate teams. Periodic reports on market risks are submitted to the Board of Directors and the members of the Assets and Liabilities Committee (ALCO).

The portfolios of financial investments at fair value through profit or loss include those positions resulting from the Bank's direct dealing with customers or with the market, while non-trading portfolios arise primarily from managing the interest rate on assets and liabilities. These portfolios include foreign exchange risk and equity instruments arising from financial investments at amortized cost and financial investments at fair value through other comprehensive income.

3.2.1 Risk of Fluctuation of Foreign Currencies Exchange Rates

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

| | Equivalent EGP Thousands | | | | | |
|--|--------------------------|-------------------|---------------|------------------|----------------|--------------------|
| 31 March 2024 | EGP | USD | GBP | EUR | Other | Total |
| Financial assets | | | | | | |
| Cash and due from Central Bank of Egypt | 6,729,130 | 234,275 | 8,427 | 56,164 | 13,862 | 7,041,858 |
| Due from banks | 1,807,126 | 12,762,795 | 69,123 | 225,596 | 121,943 | 14,986,583 |
| Gross financing and credit facilities to customers | 36,866,629 | 5,271,684 | - | 164,694 | - | 42,303,007 |
| Financial Investments measured at FVPL | 102,792 | - | - | - | - | 102,792 |
| Financial Investments measured at FVOCI | 3,602,398 | - | - | 205,731 | 50,637 | 3,858,766 |
| Financial Investments measured at Amortized cost | 22,866,051 | 16,233,327 | - | 1,854,423 | - | 40,953,801 |
| Other financial assets | 825,874 | 173,483 | 159 | 54,366 | 70 | 1,053,952 |
| Total financial assets | 72,799,999 | 34,675,564 | 77,709 | 2,560,974 | 186,513 | 110,300,759 |
| Financial liabilities | | | | | | |
| Due to banks | - | 1,118,043 | 73 | 729,330 | 10,168 | 1,857,614 |
| Customers' deposits | 63,089,583 | 28,885,635 | 77,822 | 1,867,076 | 116,847 | 94,036,963 |
| Subordinated and other Islamic financing | 3,061 | 4,605,886 | - | - | - | 4,608,947 |
| Other financial liabilities | 401,582 | 194,547 | 2 | 3,682 | - | 599,813 |
| Total financial liabilities | 63,494,226 | 34,804,111 | 77,897 | 2,600,088 | 127,015 | 101,103,337 |
| Net financial position | 9,305,773 | (128,547) | (188) | (39,114) | 59,498 | 9,197,422 |
| 31 December 2023 | | | | | | |
| Total financial assets | 74,486,574 | 20,978,669 | 53,438 | 2,169,800 | 127,398 | 97,815,879 |
| Total financial liabilities | 65,361,416 | 20,980,099 | 49,595 | 2,198,052 | 89,851 | 88,679,013 |
| Net financial position | 9,125,158 | (1,430) | 3,843 | (28,252) | 37,547 | 9,136,866 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.2.2 Profit Rate Risk

The Bank is exposed to the effects of volatility in the prevailing market interest rate levels on both of fair value and cash flow risks, profit margin may increase as a result of those changes, but profits may decrease due to unexpected changes in the market. The Board sets limits on the gaps of profit rate repricing that may be undertaken, which is monitored by the bank's Risk Management Department.

3.3 Liquidity Risk

Liquidity risk is defined as the risk of the Bank's inability to meet cash flows or collateral requirements associated with its financial obligations. This could result in a failure to meet obligations to pay depositors and meet funding commitments.

3.4 Fair Value of Financial Assets & Liabilities

3.4.1 Financial instruments measured at fair value using valuation techniques.

During the financial period ended December 31, 2023, the Bank did not re-evaluate its financial assets and liabilities items using any valuation techniques.

3.4.2 Financial instruments not measured at fair value.

The table below summarizes the book value and fair value of those financial assets and liabilities that measured at amortized cost.

EGP Thousands

| | 31 March 2024 | | 31 December 2023 | |
|---|-----------------|------------|------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial Assets | | | | |
| Due from banks | 15,002,691 | 15,002,691 | 7,975,547 | 7,975,547 |
| Financing and credit facilities to customers, net | 45,013,521 | 45,013,521 | 40,264,919 | 40,264,919 |
| Debt instruments measured at Amortized cost | 41,320,181 | 39,693,812 | 39,400,937 | 37,204,188 |
| Financial liabilities | | | | |
| Due to banks | 1,857,614 | 1,857,614 | 1,006,262 | 1,006,262 |
| Customers' deposits | 94,036,963 | 94,036,963 | 84,922,617 | 84,922,617 |
| Subordinated and other Islamic financing | 4,608,947 | 4,608,947 | 2,320,044 | 2,320,044 |

Due From banks: Represents the value of floating rate short-term placements and overnight deposits, The estimated fair value of floating profit bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk, rates, and similar maturity date.

Financing and facility for customers: Represents the value of gross financing to customers, net of impairment losses provision, The estimated fair value of the financing is the discounted cash flows expected to be collected. The cash flows were discounted cash flows using prevailing money-market interest rates for debts with similar credit risk, rates, and similar maturity date.

Investments in securities at amortized cost: Represents the value of financial assets measured at amortized cost, The estimated fair value is based on the current market prices, or which obtained from brokers. If these data are not available, the estimated fair value will be determined through the financial market prices of traded securities with similar credit risk, rates, and similar maturity date.

Due to other banks: the fair value estimated for the deposits having indefinite value dates, including non-profit bearing deposits, represents the amount to be paid on demand.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.4.3 Fair value measurement

- The Bank determines the fair value on the basis that it is the price to be obtained for the sale of an asset or to be paid for the transfer of an obligation in an organized transaction between market participants on the date of measurement, taking into account when measuring the fair value the asset's characteristics or obligation if market participants take those characteristics into account when pricing the asset and/or obligation on the date of measurement.
- The Bank uses the market approach to determine the fair value of financial assets and liabilities as it uses prices and other relevant information arising from market transactions involving assets, liabilities or a range of assets and liabilities, which are identical or comparable. The Bank may therefore use valuation methods consistent with the market approach such as market multipliers derived from comparable groups. The selection of an appropriate multiplier from within the scope requires the use of a personal judgement considering the quantitative and qualitative factors of measurement.
- When the market input cannot be relied upon to determine the fair value of a financial asset or liability, the Bank uses the income method to determine the fair value under which future amounts such as cash flows or income and expenses are converted into a current amount (discounted) so that the fair value measure reflects current market expectations about future amounts.
- When the Bank cannot rely on the market approach or income method to determine the fair value of its' financial asset or financial liability, the bank uses the cost method to determine fair value in order to reflect the amount currently claimed to replace the asset in its current state (the current replacement cost) so that the fair value reflects the cost incurred by the participant in the market as a buyer of acquiring an alternative asset of similar benefits since the participant in the market as a buyer will not pay for an asset more than the amount that replaces benefit of the asset.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table provides the fair value measurement hierarchy of the assets and liabilities.

| EGP Thousands | | | | |
|--------------------|------------------|-----------|---------|-----------|
| Financial Assets | 31 March 2024 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Debt instruments | - | 3,520,069 | - | 3,520,069 |
| Equity Instruments | 105,113 | 102,792 | 233,584 | 441,489 |
| Financial Assets | 31 December 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Debt instruments | - | 3,579,281 | - | 3,579,281 |
| Equity Instruments | 101,173 | 108,452 | 233,584 | 443,209 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

3.5 Capital Management

For capital management purposes, the bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legal capital requirements in the Arab Republic of Egypt and other countries in which bank's branches operate.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations .

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt monthly.

Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid-up capital has reached EGP 5,090 million.
- Maintaining a ratio between the capital base and the total credit and market and operating risks and the excess value of the top 50 customers over the regulatory limits and the excess value of the regulatory limits for the recruitment of countries equal to or greater than 10%.

The numerator in capital adequacy comprises the following two tiers:

Tier One: Comprises of paid-in capital, retained earnings and reserves resulting from the distribution of profits and interim profits except the general banking risk reserve and deducting previously recognized goodwill and any retained losses.

Tier Two : Represents the going concern capital which is composed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities, subordinated financing with more than five years to maturity (amortizing 20% of it carrying amount in each year of the remaining five years to maturity).

When calculating the numerator of capital adequacy ratio, the rules set limits of total Tier 2 to no more than Tier 1 capital and limits the subordinated (or deposits) to no more than 50% of Tier 1.

The bank has complied with all local capital requirements during the past two years.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

A) Capital Adequacy Ratio (CAR%)

The tables below summarize the compositions of tier 1, tier 2, the capital adequacy ratio and leverage ratio .

| | 31 March 2024 | 31 December 2023 |
|---|-------------------|-------------------|
| According to Basel II | EGP Thousands | EGP Thousands |
| <u>Tier 1 capital</u> | | |
| <u>Basic going concern capital</u> | | |
| Issued and paid-up capital | 5,089,974 | 5,089,974 |
| Other reserves | 428,147 | 428,147 |
| General risk reserve | 214,926 | 214,926 |
| Retained earnings | 3,404,392 | 3,703,694 |
| Interim profit | 552,862 | - |
| Other comprehensive income | 185,961 | 176,635 |
| Total deductions from capital invested | (57,332) | (44,439) |
| Total basic going concern capital after disposal | 9,818,930 | 9,568,937 |
| <u>Additional basic capital</u> | | |
| Non-Controlling interest | 2,859 | 2,903 |
| Total additional basic capital | 2,859 | 2,903 |
| Total qualifying tier 1 capital | 9,821,789 | 9,571,840 |
| <u>Tier 2 capital</u> | | |
| Subordinated financing | 377,724 | 401,610 |
| Impairment provision for Financing, debt instruments and contingent liabilities in stage one* | 541,516 | 417,485 |
| Total qualifying tier 2 capital | 919,240 | 819,095 |
| Total capital base after disposal | 10,741,029 | 10,390,935 |
| <u>Risk weighted assets and contingent liabilities</u> | | |
| Total credit risk | 62,832,396 | 51,832,713 |
| The overriding value of top 50 clients over the prescribed limits | 242,954 | - |
| Total market risk | 299,410 | 273,760 |
| Total operational risk | 3,872,999 | 3,872,999 |
| Total risk weighted assets and contingent liabilities | 67,247,759 | 55,979,472 |
| *Capital adequacy ratio (%) | 15.97% | 18.56% |

The “capital adequacy ratio” has been added pursuant to the instructions dispatched to the Central Bank of Egypt.

* Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

3. Financial risk management - continuing

B) Leverage Ratio%

Within the framework of its endeavour to apply the best international practices in the field of banking supervisory regulations, the Central Bank of Egypt issued its instructions for the measurement of the adequacy of “Tier 1” of the capital base, in comparison to the total risk-weighted assets (the financial leverage), committing banks to the minimum ratio of 3% on quarterly basis, as follows:

| | 31 March 2024 | 31 December 2023 |
|--|---------------|------------------|
| | EGP Thousands | EGP Thousands |
| The tables below summarizes the leverage financial ratio: | | |
| Total qualifying tier 1 capital | 9,821,789 | 9,571,840 |
| Total on-balance sheet exposures | 106,467,414 | 97,912,700 |
| Total off-balance sheet exposures | 6,902,178 | 5,405,294 |
| Total exposures on-balance sheet and off-balance sheet | 113,369,592 | 103,317,993 |
| Leverage financial ratio % (1/2) | 8.66% | 9.26% |

* Based on the Bank's Consolidated financial statements and in accordance with the instructions issued by the Central Bank of Egypt on 14 July 2015.

- In March 2024 NSFR% recorded 210.37% and LCR% recorded 824.43%
- In December 2023 NSFR% recorded 199.74% and LCR% recorded 643.33%



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

4. Segments Reporting

4.1 Segmental analysis by activity

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

- The Bank's Head Office
- Cairo Governorate Branches
- Giza Governorate Branches
- Alexandria Governorate Branches
- Other Governorates Branches

EGP Thousands

| 31 March 2024 | Head office | Cairo branches | Giza branches | Alex branches | Other branches | Total |
|---|------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| Total revenues and expenses according to segmental activities | | | | | | |
| Total revenues | 975,815 | 2,014,993 | 583,657 | 313,365 | 153,435 | 4,041,265 |
| Total expenses | (667,409) | (1,659,729) | (443,135) | (244,985) | (109,308) | (3,124,566) |
| Net profit for the period before tax | 308,406 | 355,264 | 140,522 | 68,380 | 44,127 | 916,699 |
| Income tax expense | (363,425) | - | - | - | - | (363,425) |
| Net profit for the period | (55,019) | 355,264 | 140,522 | 68,380 | 44,127 | 553,274 |
| Total assets and liabilities according to segmental activities | | | | | | |
| Total assets | 8,472,667 | 60,079,485 | 24,164,209 | 13,684,759 | 6,586,364 | 112,987,484 |
| Total liabilities | 8,525,329 | 50,275,231 | 24,023,688 | 13,616,379 | 6,542,237 | 102,982,864 |

| 31 December 2023 | Head office | Cairo branches | Giza branches | Alex branches | Other branches | Total |
|---|------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| Total revenues and expenses according to segmental activities | | | | | | |
| Total revenues | 2,645,520 | 6,908,536 | 1,844,561 | 1,047,676 | 511,005 | 12,957,298 |
| Total expenses | (1,654,235) | (5,460,028) | (1,317,182) | (789,881) | (343,210) | (9,564,536) |
| Net profit for the year before tax | 991,285 | 1,448,508 | 527,379 | 257,795 | 167,795 | 3,392,762 |
| Income tax expense | (1,174,959) | - | - | - | - | (1,174,959) |
| Net profit for the year | (183,674) | 1,448,508 | 527,379 | 257,795 | 167,795 | 2,217,803 |
| Total assets and liabilities according to segmental activities | | | | | | |
| Total assets | 6,468,313 | 57,874,433 | 19,753,102 | 10,948,146 | 5,323,285 | 100,367,279 |
| Total liabilities | 6,631,765 | 48,925,606 | 19,225,722 | 10,690,350 | 5,155,489 | 90,628,932 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

4. Segments Reporting - continuing

4.2 Segmental analysis by geographic area

EGP Thousands

| 31 March 2024 | Arab Republic of Egypt | | | |
|---|------------------------|----------------|--------------|----------------|
| | Great Cairo | Alex and Delta | Upper Egypt | Total |
| Total revenues and expenses according to geographical segment | | | | |
| Total revenues | 3,574,466 | 466,605 | 195 | 4,041,266 |
| Total expenses | (2,770,274) | (353,156) | (1,137) | (3,124,567) |
| Net profit for the period before tax | 804,192 | 113,449 | (942) | 916,699 |
| Income tax expense | (363,425) | - | - | (363,425) |
| Net profit for the period | 440,767 | 113,449 | (942) | 553,274 |
| Total assets and liabilities according to geographical segment | | | | |
| Total assets | 92,716,361 | 20,254,447 | 16,676.00 | 112,987,484 |
| Total liabilities | 82,824,248 | 20,140,999 | 17,617.00 | 102,982,864 |

EGP Thousands

| 31 December 2023 | Arab Republic of Egypt | | | |
|---|------------------------|----------------|-------------|------------------|
| | Great Cairo | Alex and Delta | Upper Egypt | Total |
| Total revenues and expenses according to geographical segment | | | | |
| Total revenues | 11,398,617 | 1,558,681 | - | 12,957,298 |
| Total expenses | (8,431,445) | (1,133,091) | - | (9,564,536) |
| Net profit for the year before tax | 2,967,172 | 425,590 | - | 3,392,762 |
| Income tax expense | (1,174,959) | - | - | (1,174,959) |
| Net profit for the year | 1,792,213 | 425,590 | - | 2,217,803 |
| Total assets and liabilities according to geographical segment | | | | |
| Total assets | 84,095,849 | 16,271,419 | 11.00 | 100,367,279 |
| Total liabilities | 74,783,093 | 15,845,828 | 11.00 | 90,628,932 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

5. Net income from funds

| | 31 March 2024 EGP Thousands | 31 March 2023 EGP Thousands |
|---|--------------------------------|--------------------------------|
| <u>Income from Murabaha, Musharaka, Mudaraba and other similar income:</u> | | |
| Financing and credit facilities | | |
| - Customers | 1,993,184 | 1,233,775 |
| Total | 1,993,184 | 1,233,775 |
| Debt instruments at fair value through OCI and AC | 1,642,355 | 1,156,848 |
| Deposits and current accounts | 205,692 | 231,385 |
| Total | 3,841,231 | 2,622,008 |
| <u>Cost of deposits and similar expenses:</u> | | |
| Deposits and current accounts | | |
| - Banks | (50,981) | (58,436) |
| - Customers | (2,379,963) | (1,488,283) |
| Total | (2,430,944) | (1,546,719) |
| Other financings | (70,559) | (22,053) |
| Total | (2,501,503) | (1,568,772) |
| Net income from funds | 1,339,728 | 1,053,236 |

6. Net fees and commission income

| | 31 March 2024 EGP Thousands | 31 March 2023 EGP Thousands |
|---|--------------------------------|--------------------------------|
| <u>Fees and commission income:</u> | | |
| Fees and commissions related to credit | 101,007 | 90,302 |
| Custody fees | 4 | 5 |
| Other fees | 57,519 | 28,951 |
| Total | 158,530 | 119,258 |
| <u>Fees and commission expenses:</u> | | |
| Other fees paid | (20,351) | (11,578) |
| Total | (20,351) | (11,578) |
| Net fees and commission income | 138,179 | 107,680 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

7. Administrative expenses

| | 31 March 2024 | 31 March 2023 |
|-------------------------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Staff cost: | | |
| Salaries and wages | (172,269) | (132,661) |
| Social insurance | (5,704) | (5,147) |
| Pension cost: | | |
| Defined contribution scheme | (8,583) | (7,500) |
| Zakah and charity fund | (9,000) | (7,500) |
| Depreciation and amortization | (27,885) | (23,157) |
| Other administrative expenses | (145,090) | (127,015) |
| Total | (368,531) | (302,980) |

8. Net trading income

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| | EGP Thousands | EGP Thousands |
| Profit from foreign exchange transactions | 32,013 | 15,582 |
| Mutual funds measured at FVPL | 8,773 | 3,364 |
| Total | 40,786 | 18,946 |

9. Other operating income (expenses)

| | 31 March 2024 | 31 March 2023 |
|---|------------------|-----------------|
| | EGP Thousands | EGP Thousands |
| Gain (Loss) from Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at FVPL at initial recognition | (64,870) | (58,697) |
| Gain (loss) on sale of assets reverted to the bank | - | 2,186 |
| Gain on sale of property and equipment | 720 | 30,918 |
| Operating lease rental expense | (7,973) | (6,837) |
| Impairment release (charges) of assets reverted to the bank | (20,000) | - |
| Other provisions (net of reversed amounts)* | (21,304) | 6,295 |
| Others | (13,881) | (9,662) |
| Total | (127,308) | (35,797) |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

10. Impairment charge of expected credit losses

| | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Financing and credit facilities to customers | (17,139) | 28,093 |
| Due from banks | (1,749) | (2,457) |
| Debt instruments at fair value through other comprehensive income | (2,974) | (1,405) |
| Debt instruments at amortized cost | (85,103) | (151,414) |
| Accrued revenues | 327 | (500) |
| Total | (106,638) | (127,683) |

11. Income tax expense

| | 31 March 2024 | 31 March 2023 |
|--------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Current tax | (369,613) | (269,071) |
| Deferred tax | 6,188 | (2,887) |
| Total | (363,425) | (271,958) |

12. Basic earnings per share

| | 31 March 2024 | 31 March 2023 |
|--|----------------|----------------|
| | EGP Thousands | EGP Thousands |
| Net profit for the period (from income statement) | 555,019 | 444,035 |
| Add/(Deduct) : Profits of sale fixed assets | (720) | (30,918) |
| Net profit for the period, available for distribution | 554,299 | 413,117 |
| Staff profit share | (55,430) | (41,312) |
| Remuneration for the board members | (11,086) | (8,262) |
| Banking system support and development fund | (5,543) | (4,131) |
| Profit available to shareholders | 482,240 | 359,412 |
| Weighted average number of the shares outstanding during the period | 727,139 | 727,139 |
| Basic earning per share | 0.66 | 0.49 |

- Based on Profits distribution proposal. The actual amounts will be subject to the ordinary AGM approval.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

13. Cash and due from Central Bank of Egypt

| | 31 March 2024 | 31 December 2023 |
|-------------------------------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Cash | 698,809 | 466,762 |
| Mandatory reserve balances with CBE | 6,343,049 | 6,884,337 |
| Total | 7,041,858 | 7,351,099 |
| Non-profit bearing balances | 7,041,858 | 7,351,099 |
| Total | 7,041,858 | 7,351,099 |

14. Due from banks, net

| | 31 March 2024 | 31 December 2023 |
|--|-------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Current accounts | 823,009 | 449,542 |
| Deposits | 14,179,682 | 7,526,005 |
| | 15,002,691 | 7,975,547 |
| Deduct: Expected Credit Losses* | (16,108) | (7,901) |
| Total | 14,986,583 | 7,967,646 |
| Balances at CBE other than those under the mandatory reserve | 4,842,177 | 3,055,381 |
| Local banks | 5,449,202 | 3,965,173 |
| Foreign Banks | 4,711,312 | 954,993 |
| Deduct: Expected Credit Losses* | (16,108) | (7,901) |
| Total | 14,986,583 | 7,967,646 |
| Non-profit bearing balances | 823,010 | 449,542 |
| Fixed profit bearing balances | 14,179,681 | 7,526,005 |
| Deduct: Expected Credit Losses* | (16,108) | (7,901) |
| Total | 14,986,583 | 7,967,646 |
| <u>Due from banks-ECL provision analysis*</u> | | |
| Beginning balance | 7,901 | 233,882 |
| Net impairment loss recognized during the period | 1,749 | (1,618) |
| Written off during the period | - | (283,228) |
| Foreign currencies translation differences | 6,458 | 58,865 |
| Ending balance | 16,108 | 7,901 |

- **Due from banks**, includes an amount of EGP 188,862 thousand on March 31, 2024, representing balances due from Al Baraka Banking Group ABG "The main shareholder". (Compared to EGP 61,786 thousand on 31 December 2023).
- **Due from banks** includes an amount of EGP 339,304 thousand on March 31, 2024, representing balances due from Al Baraka Banking Group "the main shareholder". (Compared to EGP 72,420 thousand on 31 December 2023).



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

15. Financing and credit facilities to customers, net

| | 31 March 2024 | 31 December 2023 |
|---|----------------------|-------------------------|
| | EGP Thousands | EGP Thousands |
| <u>Retail</u> | | |
| Credit cards | 85,206 | 60,030 |
| Personal financing | 8,941,803 | 7,342,252 |
| Mortgages | 163,386 | 177,880 |
| Total (1) | 9,190,395 | 7,580,162 |
| <u>Corporate including (SMEs)</u> | | |
| Direct financing | 33,540,873 | 30,925,196 |
| Syndicated financing | 5,683,736 | 4,528,471 |
| Total (2) | 39,224,609 | 35,453,667 |
| Gross financing and credit facilities (1+2) | 48,415,004 | 43,033,829 |
| <u>Deduct:</u> | | |
| Expected Credit Losses* | (2,710,514) | (2,362,975) |
| Deferred profit | (3,401,483) | (2,768,910) |
| Net financing and credit facilities | 42,303,007 | 37,901,944 |
| <u>Financing and credit facilities-ECL provision analysis*</u> | | |
| Beginning balance | 2,362,975 | 2,291,652 |
| Net impairment loss recognized during the period | 17,139 | 64,138 |
| Recoveries during the period | 10,699 | 21,142 |
| Written off during the period | (13,032) | (131,265) |
| Foreign currencies translation differences | 332,733 | 117,308 |
| Ending balance | 2,710,514 | 2,362,975 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

15. Financing and credit facilities to customers, net - continuing.

Analysis of the expected credit losses on financing and advances to customers by type was as follows.

EGP Thousands

| | <u>31 March 2024</u> | | | | <u>31 December 2023</u> | | | |
|--|----------------------|--------------------|--------------|---------------|-------------------------|--------------------|--------------|---------------|
| Retail | Credit cards | Personal financing | Mortgages | Total | Credit cards | Personal financing | Mortgages | Total |
| Beginning balance | 458 | 71,705 | 3,246 | 75,409 | 1,446 | 79,467 | 14,582 | 95,495 |
| Net impairment loss recognized during the period | (21) | 206 | (495) | (310) | (225) | 6,427 | (11,336) | (5,134) |
| Recoveries during the period | - | 180 | - | 180 | - | - | - | - |
| Written off during the period | - | (8) | - | (8) | (763) | (14,189) | - | (14,952) |
| Ending balance (1) | 437 | 72,083 | 2,751 | 75,271 | 458 | 71,705 | 3,246 | 75,409 |

| | <u>31 March 2024</u> | | | | <u>31 December 2023</u> | | | |
|--|----------------------|----------------------|-----------------|------------------|-------------------------|----------------------|-----------------|------------------|
| Corporate | Direct financing | Syndicated financing | Other financing | Total | Direct financing | Syndicated financing | Other financing | Total |
| Beginning balance | 1,716,652 | 570,914 | - | 2,287,566 | 1,781,017 | 415,140 | - | 2,196,157 |
| Net impairment loss recognized during the period | 53,418 | (35,969) | - | 17,449 | 15,071 | 54,201 | - | 69,272 |
| Recoveries during the period | - | 10,519 | - | 10,519 | 517 | 20,625 | - | 21,142 |
| Written off during the period | (13,024) | - | - | (13,024) | (116,313) | - | - | (116,313) |
| Foreign currencies translation differences | 82,154 | 250,579 | - | 332,733 | 36,360 | 80,948 | - | 117,308 |
| Ending balance (2) | 1,839,200 | 796,043 | - | 2,635,243 | 1,716,652 | 570,914 | - | 2,287,566 |
| Ending balance (1+2) | 1,839,637 | 868,126 | 2,751 | 2,710,514 | 1,717,110 | 642,619 | 3,246 | 2,362,975 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

16. Financial investments

16.1 Measured at FVPL

| | 31 March 2024 EGP Thousands | 31 December 2023 EGP Thousands |
|---|--------------------------------|-----------------------------------|
| <u>A) Mutual Funds</u> | | |
| Unlisted in stock exchange market | 102,792 | 108,452 |
| Total financial instruments measured at FVPL (1) | 102,792 | 108,452 |
| Beginning balance | 108,452 | 81,551 |
| Disposals (sale/redemption) | (14,433) | (1,904) |
| FV revaluation differences of financial investment measured at FVPL | 8,773 | 28,805 |
| Total financial instruments measured at FVPL (1) | 102,792 | 108,452 |

16.2 Measured at FVOCI

| | 31 March 2024 EGP Thousands | 31 December 2023 EGP Thousands |
|--|--------------------------------|-----------------------------------|
| <u>A) Islamic Sukuk at fair value</u> | | |
| Listed in stock exchange market | 1,066,946 | 1,090,225 |
| Total | 1,066,946 | 1,090,225 |
| <u>B) Treasury bonds at fair value</u> | | |
| Listed in stock exchange market | 451,561 | 352,650 |
| Total | 451,561 | 352,650 |
| <u>C) Securitization bonds at fair value</u> | | |
| Listed in stock exchange market | 2,001,562 | 2,136,406 |
| Total | 2,001,562 | 2,136,406 |
| <u>D) Equity instruments at fair value</u> | | |
| Listed in stock exchange market | 105,113 | 101,173 |
| Unlisted in stock exchange market | 233,584 | 233,584 |
| Total | 338,697 | 334,757 |
| Total financial instruments measured at FVOCI (2) | 3,858,766 | 3,914,038 |

- **Financial assets at FVTOCI** includes the amount of EGP 50,637 thousand on March 31, 2024, representing an investment in the Islamic Bank of Jordan "A member of Al Baraka Banking Group" (Compared to EGP 33,645 thousand on 31 December 2023).



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

16. Financial investments - continuing

16.3 Measured at Amortized Cost

| | 31 March 2024 | 31 December 2023 |
|---|-------------------|-------------------|
| | EGP Thousands | EGP Thousands |
| A) Treasury bonds | | |
| Listed in stock exchange market | 22,719,836 | 20,439,135 |
| Deduct: Expected Credit Losses* | (217,053) | (162,018) |
| Total | 22,502,783 | 20,277,117 |
| B) Islamic Sukuk | | |
| Listed in stock exchange market | 507,140 | 332,832 |
| Deduct: Expected Credit Losses* | (4,283) | (5,607) |
| Total | 502,857 | 327,225 |
| C) Treasury bills | | |
| EGP TBills - 91 Days maturity | 9,582,574 | 6,572,024 |
| EGP TBills - 182 Days maturity | - | 2,599,275 |
| EGP TBills - 273 Days maturity | - | 2,224,175 |
| EGP TBills - 364 Days maturity | - | 1,754,700 |
| USD TBills - 364 Days maturity | 8,092,736 | 5,295,077 |
| EUR TBills - 364 Days maturity | 921,514 | 618,549 |
| Total | 18,596,824 | 19,063,800 |
| Deduct: Unearned interest | (503,619) | (434,830) |
| Deduct: Expected Credit Losses* | (145,044) | (113,652) |
| Net | 17,948,161 | 18,515,318 |
| Total financial instruments measured at Amortized cost (3) | 40,953,801 | 39,119,660 |
| Total financial investment (1+2+3) | 44,915,359 | 43,142,150 |
| Non-profit bearing balances | 441,489 | 443,209 |
| Floating profit bearing balances | 1,569,803 | 1,417,450 |
| Fixed profit bearing balances | 42,904,067 | 41,281,491 |
| Total financial investment (1+2+3) | 44,915,359 | 43,142,150 |
| Debt instruments-ECL provision analysis* | | |
| Beginning balance | 281,277 | 113,752 |
| Net impairment loss recognized during the period | 85,103 | 167,525 |
| Ending balance | 366,380 | 281,277 |

▪The carried value of financial investments in governmental debts at 31 March 2024 reached EGP 41,208,772 thousand. These investments are used to contribute to the financing of Egypt national projects, strategic and development projects.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

16. Financial investments – continuing.

The following table analyzes the movements on financial investments:

| | (EGP Thousands) | | |
|--|------------------------|-------------------|-------------------|
| 31 March 2024 | Fair value through OCI | Amortized cost | Total |
| Beginning balance | 3,914,038 | 39,119,660 | 43,033,698 |
| Additions | - | 10,939,370 | 10,939,370 |
| Amortization of premium / discount | (1,714) | 704,483 | 702,769 |
| Disposals (sale/redemption) | (158,000) | (15,910,951) | (16,068,951) |
| Foreign currencies translation differences | 92,406 | 6,186,342 | 6,278,748 |
| Changes in fair value reserve | 12,036 | - | 12,036 |
| Net impairment loss recognized during the period | - | (85,103) | (85,103) |
| Ending balance | 3,858,766 | 40,953,801 | 44,812,567 |

| 31 December 2023 | Fair value through OCI | Amortized cost | Total |
|--|------------------------|-------------------|-------------------|
| Beginning balance | 2,239,520 | 29,346,960 | 31,586,480 |
| Additions | 1,945,166 | 28,639,556 | 30,584,722 |
| Amortization of premium / discount | (1,161) | 2,255,084 | 2,253,923 |
| Disposals (sale/redemption) | (506,798) | (23,001,866) | (23,508,664) |
| Foreign currencies translation differences | 42,582 | 2,047,451 | 2,090,033 |
| Changes in fair value reserve | 194,729 | - | 194,729 |
| Net impairment loss recognized during the year | - | (167,525) | (167,525) |
| Ending balance | 3,914,038 | 39,119,660 | 43,033,698 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

17. Other assets, net

| | 31 March 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| | EGP Thousands | EGP Thousands |
| Accrued revenues | 1,053,952 | 1,453,040 |
| Deduct: Expected Credit Losses* | (3,452) | (3,779) |
| Accrued revenues,net | 1,050,500 | 1,449,261 |
| Pre-paid expenses | 129,081 | 57,204 |
| Advance payments for acquisition of property and equipment | 350,713 | 255,929 |
| Assets reverted to the bank in settlement of debts,net | 359,747 | 379,747 |
| Deposits held with others and custody | 16,773 | 12,554 |
| Other debit balances | 894,702 | 898,534 |
| Total | 2,801,516 | 3,053,229 |
| <u>Accrued revenues-ECL provision analysis*</u> | | |
| Beginning balance | 3,779 | 1,762 |
| Net impairment loss recognized during the period | (327) | 2,017 |
| Ending balance | 3,452 | 3,779 |

- Other debit balances include the value of guaranteed minimum dues and guaranteed return on real estate investments deducted by the guaranteed return ratio.

Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

18. Property, plant and Equipment, net

EGP Thousands

| 31 March 2024 | Lands and Premises | Machines and Equipment | Information Technology | Furniture and Renovations | Motor Vehicles | Total |
|--|-----------------------|---------------------------|---------------------------|------------------------------|----------------|----------------|
| Cost | 564,247 | 165,436 | 266,365 | 446,760 | 20,195 | 1,463,003 |
| Accumulated depreciation | (179,623) | (82,643) | (144,482) | (111,904) | (14,064) | (532,716) |
| Net book value | 384,624 | 82,793 | 121,883 | 334,856 | 6,131 | 930,287 |
| Net book value at the beginning of the period | 389,722 | 88,338 | 126,198 | 339,671 | 6,711 | 950,640 |
| Additions | - | 1,925 | 2,922 | 2,163 | - | 7,010 |
| Disposals | - | (2,206) | (4,269) | (6,356) | - | (12,831) |
| Depreciation for the period | (5,098) | (7,469) | (7,237) | (6,978) | (580) | (27,362) |
| Disposals' accumulated depreciation | - | 2,205 | 4,269 | 6,356 | - | 12,830 |
| Net book value | 384,624 | 82,793 | 121,883 | 334,856 | 6,131 | 930,287 |

| 31 December 2023 | Lands and Premises | Machines and Equipment | Information Technology | Furniture and Renovations | Motor Vehicles | Total |
|---|-----------------------|---------------------------|---------------------------|------------------------------|----------------|----------------|
| Cost | 564,247 | 165,717 | 267,712 | 450,953 | 20,195 | 1,468,824 |
| Accumulated depreciation | (174,525) | (77,379) | (141,514) | (111,282) | (13,484) | (518,184) |
| Net book value | 389,722 | 88,338 | 126,198 | 339,671 | 6,711 | 950,640 |
| Net book value at the beginning of the year | 313,439 | 30,679 | 10,371 | 224,958 | 9,150 | 588,597 |
| Cost of assets reclassified to fixed assets | - | - | 30,346 | - | - | 30,346 |
| Additions | 97,736 | 77,497 | 109,572 | 136,781 | - | 421,586 |
| Disposals | (1,720) | (1,365) | (473) | (3,093) | (1,618) | (8,269) |
| Accumulated depreciation of assets reclassified to fixed assets | - | - | (5,082) | - | - | (5,082) |
| Depreciation for the year | (20,002) | (19,789) | (19,009) | (21,486) | (2,439) | (82,725) |
| Disposals' accumulated depreciation | 269 | 1,316 | 473 | 2,511 | 1,618 | 6,187 |
| Net book value | 389,722 | 88,338 | 126,198 | 339,671 | 6,711 | 950,640 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

19. Due to banks

| | 31 March 2024 | 31 December 2023 |
|----------------------------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Current accounts | 79,589 | 64,782 |
| Deposits | 1,778,025 | 941,480 |
| Total | 1,857,614 | 1,006,262 |
| Local banks | 417,481 | 580,958 |
| Foreign banks | 1,440,133 | 425,304 |
| Total | 1,857,614 | 1,006,262 |
| Non-profit bearing balances | 79,589 | 64,782 |
| Floating profit bearing balances | 1,778,025 | 941,480 |
| Total | 1,857,614 | 1,006,262 |

- **Due to banks** includes an amount of EGP 66,257 thousand on March 31, 2024, representing balances due to Al Baraka Banking Group ABG "The main shareholder" and its subsidiaries (Compared to EGP 55,968 thousand at 31 December 2023).

20. Customers' deposits

| | 31 March 2024 | 31 December 2023 |
|----------------------------------|-------------------|-------------------|
| | EGP Thousands | EGP Thousands |
| Demand deposits | 19,163,290 | 13,952,373 |
| Time deposits and call accounts | 33,419,457 | 34,212,418 |
| Term saving certificates | 31,648,633 | 29,008,934 |
| Saving deposits | 8,227,000 | 6,668,448 |
| Other deposits | 1,578,583 | 1,080,444 |
| Total | 94,036,963 | 84,922,617 |
| Corporate deposits | 45,502,246 | 43,251,553 |
| Retail deposits | 48,534,717 | 41,671,064 |
| Total | 94,036,963 | 84,922,617 |
| Non-profit bearing balances | 8,716,737 | 6,705,490 |
| Floating profit bearing balances | 85,320,226 | 78,217,127 |
| Total | 94,036,963 | 84,922,617 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

21. Subordinated and other Islamic financing

| | 31 March 2024 | 31 December 2023 |
|--|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| (A) Long Term Financing_Social fund | 3,062 | 3,062 |
| (B) Long Term Financing_ICD | 1,300,801 | 926,792 |
| (C) Short Term Financing_IFC | 2,360,775 | - |
| (C) Subordinated Finance_Other Shareholders | 944,309 | 1,390,190 |
| Total | 4,608,947 | 2,320,044 |
| The movement in long term financing during the period is as follows | | |
| Net book value at the beginning of the period | 2,320,044 | 1,125,168 |
| Additions | 1,545,000 | 926,802 |
| Amounts paid during the period | (848,196) | (8,653) |
| Foreign currencies translation differences | 1,592,099 | 276,727 |
| Net book value | 4,608,947 | 2,320,044 |

(A) Long-Term Financing _Social fund

- These represented as the “Musharaka” Contract concluded by and between the Bank & the Social Fund for Development to SMEs enterprises with a financing formula consistent with Islamic sharia instruction.
- Al Musharaka agreement profits (resulting from the returns on financing operations) are distributed equally to the Bank and SME Development Authority after a percentage of that return is deducted for the Bank as the Fund Manager.
- The Bank is also obliged to pay a return equal to the Bank's rate of return on deposits (3 months) for the lowest credit balance of the unused balance of the Fund's share of Al Musharaka agreement capital.

(B) Long-Term Financing_ICD

- On August 16, 2023, a long-term financing contract concluded with the Islamic Foundation for Private Sector Development (ICD) and in accordance with the principles of Islamic sharia was concluded for an amount of \$30 million for five years for the benefit of Al-Baraka Bank - Egypt to support and finance green projects to achieve the sustainable development goals of the Egyptian economy.

(C) Short-Term Financing_IFC

- On January 10, 2024, a Short-term financing contract concluded with the International Finance Corporation (IFC) and in accordance with the principles of Islamic sharia was concluded for an amount of \$50 million for one year renewable twice for the benefit of Al-Baraka Bank - Egypt for supporting the bank's expansion plans to finance sustainable projects and small and medium-sized companies, and to strengthen the bank's liquidity position in foreign currency.

(D) Subordinated Finance Other Shareholders

- On July 2, 2017, a financing contract was concluded in the form of Mudaraba with Misr Insurance Company (one of the largest shareholders of our bank and in accordance with the principles of Islamic sharia was concluded for an amount of 20 million US Dollars, over eight years. The deposit is entitled to a return of about 6.25% disbursed quarterly to support the Bank's subordinated capital.
- On February 23, 2024, the bank paid the entire supporting financing to Misr Insurance Company (one of our bank's largest shareholders) with a total amount of 25 million US dollars.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

22. Other liabilities

| | 31 March 2024 | 31 December 2023 |
|----------------------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Accrued interest | 599,813 | 430,090 |
| Deferred revenues | 9,588 | 12,719 |
| Accrued expenses | 167,314 | 169,922 |
| Accounts under settlements | 457,611 | 486,518 |
| Other credit balances | 374,923 | 323,314 |
| Total | 1,609,249 | 1,422,563 |

23. Other provisions

| | (EGP Thousands) | | | | |
|---|----------------------------|---------------------------|---------------------------|------------------|----------------|
| 31 March 2024 | Provision for legal claims | Provision for tax claims* | Provision for Contingents | Other provisions | Total |
| Beginning balance | 4,670 | 49,532 | 90,711 | 16,747 | 161,660 |
| Formed during the period | - | - | 37,705 | 9,149 | 46,854 |
| Provisions no longer required during the period | - | - | (25,550) | - | (25,550) |
| Used during the period | (36) | (641) | - | - | (677) |
| Foreign currencies translation differences | - | - | 6,962 | - | 6,962 |
| Ending balance | 4,634 | 48,891 | 109,828 | 25,896 | 189,249 |

| 31 December 2023 | Provision for legal claims | Provision for tax claims | Provision for Contingents | Other provisions | Total |
|---|----------------------------|--------------------------|---------------------------|------------------|----------------|
| Beginning balance | 6,158 | 38,039 | 94,954 | 11,587 | 150,738 |
| Formed during the year | - | 15,000 | 33,858 | 5,160 | 54,018 |
| Provisions no longer required during the year | - | - | (40,731) | - | (40,731) |
| Used during the year | (1,488) | (3,507) | - | - | (4,995) |
| Foreign currencies translation differences | - | - | 2,630 | - | 2,630 |
| Ending balance | 4,670 | 49,532 | 90,711 | 16,747 | 161,660 |

* **Corporate tax provision:** According to the tax provision study required to cover the tax inspection for the years 2018/2023, a provision liability should be retained at the end of 31 March 2024 amounting 29.5 million EGP to cover the expected tax dues.

Stamp Duty tax Provision: According to the last tax inspection and Stamp duty tax payment of all dues until the end of year 2020, the provision liability should be retained at the end of 31 March 2024 amounting EGP 3 million to cover the expected tax dues.

Salary tax provision: According to the last tax inspection and Salary tax payment of all dues until the end of year 2020, the provision liability should be retained at the end of 31 March 2024 amounting EGP 7 million to cover the expected tax dues.

Real estate tax provision: According to the current position of fixed assets and assets reverted to the bank, the expected tax liability for real estate tax provision at the end of 31 March 2024 with the delay penalties amounting EGP 9.4 million to cover the expected tax dues.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

24. Capital

24.1 Authorized Capital

The authorized capital amounted to EGP 10 billion on 31 March 2024 (31 December 2023: EGP 10 billion).

24.2 Issued and paid-up Capital

The Issued and Paid-up Capital amounted to EGP 5,089,974 thousand on March 31, 2024, with a nominal value of EGP 7 each, the shares were paid in Egyptian pound (31 December 2023: EGP 5,089,974 thousand).

| Shareholder Name | 31 March 2024 | | | 31 December 2023 | | |
|---------------------------------------|-------------------------------|--------------------------------|----------------|-------------------------------|--------------------------------|----------------|
| | Total number of common shares | Nominal value of common shares | Ownership % | Total number of common shares | Nominal value of common shares | Ownership % |
| Al Baraka Banking Group | 535,767,667 | 3,750,374 | 73.68% | 535,767,667 | 3,750,374 | 73.68% |
| Misr Life Insurance Company | 52,870,683 | 370,095 | 7.27% | 52,870,683 | 370,095 | 7.27% |
| Misr Insurance Company | 32,754,339 | 229,280 | 4.50% | 32,754,339 | 229,280 | 4.50% |
| Dallah Real Estate Investment Company | 27,675,873 | 193,731 | 3.81% | 27,675,873 | 193,731 | 3.81% |
| Other shareholders | 78,070,568 | 546,494 | 10.74% | 78,070,568 | 546,494 | 10.74% |
| Total | 727,139,130 | 5,089,974 | 100.00% | 727,139,130 | 5,089,974 | 100.00% |

25. Reserves

| | 31 March 2024 | 31 December 2023 |
|------------------------------|----------------|------------------|
| | EGP Thousands | EGP Thousands |
| Legal reserve | 414,705 | 414,705 |
| General banking risk reserve | 118,566 | 118,566 |
| Capital reserve | 11,975 | 11,975 |
| General risk reserve | 214,926 | 214,926 |
| Fair value reserve | 188,937 | 176,634 |
| Total | 949,109 | 936,806 |

- According to the instructions of the Central Bank issued in Circular No. 42 issued on February 26, 2019, the balance of the general risk reserve can't be disposed of after obtaining approval from CBE.

26. Cash and cash equivalent

| | 31 March 2024 | 31 March 2023 |
|---|-------------------|-------------------|
| | EGP Thousands | EGP Thousands |
| Cash and balances at the central bank | 698,808 | 385,086 |
| Balances with banks with a maturity of less than 3 months | 15,002,691 | 17,035,098 |
| Treasury bills have a maturity of 91 days | 9,582,575 | - |
| Total | 25,284,074 | 17,420,184 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

27. Contingent Liabilities and other Commitments

27.1 Legal Claims (litigation)

- Several lawsuits have been filed against the Bank, so the legal provision has been formed till March 31, 2024, amount of EGP 4,634 thousand (December 31, 2023: EGP 4,670 thousand).

27.2 Capital Commitments

| | EGP Thousands | | | |
|--|-----------------------|--|----------------------|---------|
| | Less than one year | More than one year and less than 5 years | More than 5 years | Total |
| 31 March 2024 | | | | |
| Operating lease commitments | 18,953 | 110,663 | 61,066 | 190,682 |
| Capital commitments resulting from acquisition of property and equipment | 189,942 | - | - | 189,942 |
| 31 December 2023 | | | | |
| Operating lease commitments | 7,422 | 38,592 | 23,801 | 69,815 |
| Capital commitments resulting from acquisition of property and equipment | 83,227 | - | - | 83,227 |

27.3 Contingent liabilities

| | 31 March 2024 | 31 December 2023 |
|---|----------------------|-------------------------|
| | EGP Thousands | EGP Thousands |
| Letter of Credit (import and export) | 212,877 | 63,820 |
| Letter of Guarantee | 3,358,853 | 3,014,791 |
| Accepted notes for suppliers facilities | 169,457 | 126,933 |
| Total | 3,741,187 | 3,205,544 |



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

28. Tax Position

28.1 Corporate Tax:

- **From the beginning of activity till 31 December 2017**

The Bank has been inspected, and the due tax was paid.

- **The period from 1 January 2018 till 31 December 2019**

The Bank has submitted the tax returns on the legal due date according to the Income Tax Law No. 91 of 2005 and its amendments, the inspection is in progress for the mentioned years.

- **The period from 1 January 2020 till 31 December 2023**

The Bank has submitted the tax returns on the legal due date according to the Income Tax Law No. 91 of 2005 and its amendments, the mentioned years haven't been inspected yet.

28.2 Salaries Tax:

- **From the beginning of activity till 31 December 2020**

The Bank has been inspected, and the due tax was paid.

- **The period from 1 January 2021 till 31 December 2023**

For the years 2021 / 2022 The inspection is in progress.

Year 2023: hasn't been inspected yet.

28.3 Stamp duty Tax:

- **The period from the beginning of the activity till 31 December 2020**

The Bank has been inspected, and the due tax was paid.

- **The period from 1 January 2021 till 31 December 2023.**

The mentioned periods hasn't been inspected yet.



Notes to the condensed consolidated interim financial statement for the period ended 31 March 2024

29. Related Parties Transactions

(EGP Thousands)

| | <u>31 March 2024</u> | | <u>31 December 2023</u> | |
|--|----------------------|------------------------------------|-------------------------|------------------------------------|
| | Main Shareholders | Directors and other key management | Main Shareholders | Directors and other key management |
| Related parties outstanding balances can be analyzed below: | | | | |
| Due from banks | 528,166 | - | 134,207 | - |
| Financing and credit facilities to customers | - | 4,302 | - | 4,632 |
| Financial investments measured at FVOCI | 50,637 | - | 33,645 | - |
| Subordinated finance from Other Shareholders | 944,310 | - | 1,390,190 | - |
| Customers' deposits | 2,401,548 | 35,297 | 2,315,017 | 12,842 |
| Due to banks | 66,257 | - | 55,969 | - |

| | <u>31 March 2024</u> | | <u>31 March 2023</u> | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| | Main Shareholders | Directors and other key management | Main Shareholders | Directors and other key management |
| Related parties transactions can be analyzed below: | | | | |
| Profit received from financing and credit facilities | - | 131 | - | - |
| Profit received from placements and current accounts | 7,221 | - | 4,269 | - |
| Profit paid on subordinated finance | (18,670) | - | (21,932) | - |
| Profit paid on deposits and current accounts to customers | (14,571) | (318) | (9,428) | (181) |
| Profit paid on deposits and current accounts to banks | - | - | (711) | - |

- **Due from banks**, includes an amount of EGP 188,862 thousand on March 31, 2024, representing balances due from Al Baraka Banking Group ABG "The main shareholder". (Compared to EGP 61,786 thousand on 31 December 2023).
- **Due from banks** includes an amount of EGP 339,304 thousand on March 31, 2024, representing balances due from Al Baraka Banking Group "the main shareholder". (Compared to EGP 72,420 thousand on 31 December 2023).
- **Due to banks** includes an amount of EGP 66,257 thousand on March 31, 2024, representing balances due to Al Baraka Banking Group ABG "The main shareholder" and its subsidiaries (Compared to EGP 55,968 thousand at 31 December 2023).
- **Financial assets at FVTOCI** includes the amount of EGP 50,637 thousand on March 31, 2024, representing an investment in the Islamic Bank of Jordan "A member of Al Baraka Banking Group" (Compared to EGP 33,645 thousand on 31 December 2023).

30. Significant events

- On 6 March 2024, the Monetary Policy Committee (**MPC**) decided to raise the Central Bank of Egypt's overnight deposit rate, overnight lending rate, and the rate of the main operation by 600 basis points to reach 27.25 %, 28.25 %, and 27.75 % respectively. The discount rate was also raised by 600 basis points to 27.75 %.
- On 1 February 2024, the Monetary Policy Committee (**MPC**) decided to raise the Central Bank of Egypt's overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to reach 21.25 %, 22.25 %, and 21.75 % respectively. The discount rate was also raised by 200 basis points to 21.75 %.
- On January 18, 2024, Moody's credit rating agency changed Egypt's outlook on Egyptian government issuances to "negative" from "stable" and affirmed the long-term rating of foreign and local currency issuances at "Caa1."