

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

United for Auditing and Taxes
UHY – UNITED



Al Baraka Bank Egypt - S.A.E

Consolidated Financial Statements

Interim Condensed, September 30, 2024



Condensed consolidated interim financial statements as of 30 September 2024

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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 30 September 2024 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the nine-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 30 September 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
and Auditors**
R.A.A No. "26144"
F.R.A. No. "381"
C.B.E. No. "588"

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants
Plot No 211, Second Sector, New Cairo

Cairo 11 November 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"
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United for Auditing and Taxes
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Condensed consolidated interim financial position as of 30 September 2024

	Note	30 September 2024 EGP Thousands	31 December 2023 EGP Thousands
Assets			
Cash and due from Central Bank of Egypt	13	7,986,820	7,351,099
Due from banks, net	14	26,136,532	7,967,646
Financing and credit facilities to customers, net	15	46,398,410	37,901,944
Financial investments			
- Measured at FVPL	16/1	119,055	108,452
- Measured at FVOCI	16/2	3,743,143	3,914,038
- Measured at Amortized cost	16/3	36,519,023	39,119,660
Intangible assets, net		23,680	571
Other assets, net	17	3,637,839	3,053,229
Property, plant and equipment, net	18	1,094,598	950,640
Total assets		125,659,100	100,367,279
Liabilities and Equity			
Liabilities			
Due to banks	19	414,504	1,006,262
Customers' deposits	20	106,330,401	84,922,617
Subordinated and other islamic financing	21	4,588,745	2,320,044
Other liabilities	22	1,523,792	1,422,563
Other provisions	23	248,799	161,660
Deferred tax liabilities		30,262	50,437
Current income tax liabilities		779,743	680,767
Defined benefits obligation		64,582	64,582
Total liabilities		113,980,828	90,628,932
Equity			
Issued and paid-up capital	24	5,089,974	5,089,974
Reserves	25	1,099,914	936,806
Retained earnings		5,485,546	3,708,591
Total equity attributable to equity holders of the bank		11,675,434	9,735,371
Non-controlling interests		2,838	2,976
Total equity		11,678,272	9,738,347
Total liabilities and equity		125,659,100	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: 11 November 2024



Condensed consolidated interim income statement for the period ended 30 September 2024

		Last 9 Months 30 September 2024	Last 3 Months 30 September 2024	Last 9 Months 30 September 2023	Last 3 Months 30 September 2023
	Note	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Income from Murabaha, Musharaka, Mudarabah and similar income	5	13,702,269	5,114,826	8,718,585	3,212,206
Cost of deposits and similar expense	5	(9,311,270)	(3,581,386)	(5,482,279)	(2,157,279)
Net income from funds		4,390,999	1,533,440	3,236,306	1,054,927
Fees and commission income	6	668,931	309,226	362,944	132,366
Fees and commission expenses	6	(62,270)	(20,805)	(41,056)	(13,651)
Net fees and commission income		606,661	288,421	321,888	118,715
Dividends income		6,104	1,033	14,331	169
Net trading income	7	128,380	44,356	49,151	14,619
Administrative expenses	8	(1,168,154)	(396,486)	(917,833)	(306,798)
Impairment charge of expected credit losses	9	(490,257)	(180,348)	(262,221)	(27,110)
Other operating expenses	10	(293,162)	(50,942)	(14,832)	(16,642)
Net profit for the period before tax		3,180,571	1,239,474	2,426,790	837,880
Income tax expense	11	(961,265)	(351,284)	(822,590)	(253,207)
Net profit for the period		2,219,306	888,190	1,604,200	584,673
Attributable to:					
Equity holders of the Bank		2,219,444	888,216	1,604,288	584,737
Non-controlling interests		(138)	(26)	(88)	(64)
Net profit for the period		2,219,306	888,190	1,604,200	584,673
Basic earning per share	12	2.66	1.06	1.88	0.70

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

Hesham Ghoneim
Chief Financial Officer

Hazem Hegazy
Vice Chairman & CEO



Condensed consolidated interim statement of comprehensive Income for the period ended 30 September 2024

	Last 9 Months 30 September 2024 EGP Thousands	Last 3 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands	Last 3 Months 30 September 2023 EGP Thousands
Net profit for the period	2,219,306	888,190	1,604,200	584,673
Comprehensive (loss)/income items that will not be reclassified to the profit or loss:				
Net change in fair value of equity instruments measured at FVOCI	978	5,193	158,310	1,022
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(220)	(1,169)	(35,620)	(230)
Comprehensive income/(loss) items that is or may be reclassified to the profit				
Net change in fair value of debt instruments measured at FVOCI	15,661	15,578	(35,014)	26,902
Expected credit loss for fair value of debt instruments measured at FVOCI	7,028	2,990	1,785	(1,064)
Tax impact related to other comprehensive(loss)/income that will be reclassified to the profit or loss	(3,524)	(3,505)	7,875	(6,052)
Net other comprehensive income for the period , After tax	19,923	19,087	97,336	20,578
Total comprehensive income for the period , After tax	2,239,229	907,277	1,701,536	605,251
<u>Attributable to:</u>				
Equity holders of the Bank	2,239,367	907,303	1,701,624	605,315
Non-controlling interests	(138)	(26)	(88)	(64)
Total comprehensive income for the period , After tax	2,239,229	907,277	1,701,536	605,251

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

Condensed consolidated interim statement of shareholders' equity for the period ended 30 September 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
30 September 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	-	97,336	-	97,336	-	97,336
Net profit for the period	-	-	1,604,288	1,604,288	(88)	1,604,200
Total	5,089,974	702,922	3,501,298	9,294,194	2,271	9,296,465
Transferred to legal reserve	-	175,453	(175,453)	-	-	-
Transferred to capital reserve	-	1,611	(1,611)	-	-	-
Cash dividends (Share of employees, remuneration of BOD members)	-	-	(211,766)	(211,766)	(243)	(212,009)
Banking system support and development fund	-	-	(17,534)	(17,534)	-	(17,534)
Balance at 30 September 2023	5,089,974	879,986	3,094,934	9,064,894	2,028	9,066,922
30 September 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	-	19,923	-	19,923	-	19,923
Net profit for the period	-	-	2,219,444	2,219,444	(138)	2,219,306
Total	5,089,974	956,729	5,928,035	11,974,738	2,838	11,977,576
Transferred to legal reserve	-	109,517	(109,517)	-	-	-
Transferred to capital reserve	-	33,668	(33,668)	-	-	-
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 30 September 2024	5,089,974	1,099,914	5,485,546	11,675,434	2,838	11,678,272

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



Condensed consolidated interim statement of changes in cash flow for the period ended 30 September 2024

	Note	30 September 2024 EGP Thousands	30 September 2023 EGP Thousands
Cash flows from operating activities			
Profit before tax		3,180,571	2,426,790
<u>Adjusted by:</u>			
Property and Equipment depreciation and Intangible assets amortization	8	89,571	65,114
Impairment credit losses	9	490,257	262,221
Impairment charge (Released) of other provisions	23	87,393	31,007
Impairment charge (Released) of assets reverted to the bank	10	65,000	-
Impairment charge (Released) of other assets		-	(32,057)
Provisions used other than financing provision	23	(1,706)	(3,643)
Provisions used due from banks	14	-	(283,228)
Amortization of premium / discount for bonds	16/2	45,196	(33,283)
Exchange translation differences of impairment provisions		369,057	178,791
Exchange translation differences of financial investment measured at FVOCI	16/2	(108,646)	(34,890)
Exchange translation differences of financial investment measured at Amortized cost	16/3	(3,475,900)	(1,241,664)
Exchange translation differences of subordinated financing	21	1,698,269	276,750
FV revaluation differences of financial investment measured at FVPL	16/1	(25,035)	(15,114)
Loss (Gain) on sale of property and equipment	10	(3,210)	(33,668)
Loss (Gain) on sale of assets reverted to the bank	10	(3,595)	(54,455)
Dividend income		(6,104)	(14,331)
Operating profits before changes in operating assets and liabilities		2,401,118	1,494,340
Net decrease (increase) / decrease in assets and liabilities			
Balances with central banks within the required reserve ratio		(419,475)	843,102
Due from banks with maturity more than 90 days		-	(3,964,725)
Treasury bills with maturity more than 90 days		(3,226,338)	(12,333,487)
Financing and facilities to customers		(9,212,903)	(4,765,417)
Financial investments measured at FVPL	16/1	14,432	-
Other assets		(726,032)	(3,955)
Due to banks		(591,758)	491,927
Customers' deposits		21,407,784	7,935,517
Other liabilities		100,864	(7,570)
Current income tax obligations paid		(886,208)	(738,603)
Net cash flows generated from (used in) operating activities		8,861,484	(11,048,871)

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



Condensed consolidated interim statement of changes in cash flow for the period ended 30 September 2024–
Cont.

	Note	30 September 2024 EGP Thousands	30 September 2023 EGP Thousands
<u>Cash flows from investing activities</u>			
Acquisition of Property and Equipment	18	(229,985)	(246,365)
Proceeds from sale of Property and Equipment		3,385	35,750
Acquisition of Intangible assets		(26,713)	(5,183)
Acquisition of investment measured at FVOCI	16/2	(241,483)	(672,216)
Proceeds from sale of investment measured at FVOCI	16/2	534,749	400,583
Proceeds from sale of investment measured at Amortized cost	16/3	2,665,407	3,390,340
Proceeds from Dividend income		6,104	14,331
Net cash flows generated from investing activities		2,711,464	2,917,240
<u>Cash flows from financing activities</u>			
Proceeds from Subordinated and other financing	21	1,545,000	926,802
(Paid) from Subordinated and other financing	21	(974,568)	(7,383)
Cash dividends (Share of employees, remuneration of BOD members)		(277,400)	(212,009)
Net cash flows generated from financing activities		293,032	707,410
Net increase /decrease in cash and cash equivalent during the period		11,865,980	(7,424,221)
Beginning balance of cash and cash equivalent		15,014,334	10,854,364
Cash and cash equivalent at the end of the period	26	26,880,314	3,430,143

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



Notes to the condensed consolidated interim financial statement for the period ended 30 September 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 1323 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 period ended 30 September 2024 were approved by the Board of Directors on 11 November 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 30 September 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 30 September 2024

3. Financial risk management - continuing

3.1.1 Maximum limit for credit risk before collaterals.

	30 September 2024	31 December 2023
Financial position items exposed to credit risks	EGP Thousands	EGP Thousands
Due from banks	26,136,532	7,967,646
<u>Financing and credit facilities to customers, net</u>		
Retail		
- Credit cards	171,049	59,572
- Personal financing	7,592,275	5,035,368
- Mortgages	100,463	138,360
Corporate		
- Direct financing	32,369,276	28,717,502
- Syndicated financing	6,165,347	3,951,142
<u>Financial investments</u>		
Debt instruments measured at FVOCI	3,391,751	3,579,281
Debt instruments measured at Amortized cost	36,519,023	39,119,661
Total	112,445,716	88,568,532
<u>Off balance sheet items exposed to credit risk</u>		
Letter of Credit (import and export)	350,462	63,820
Letter of Guarantee	4,805,250	3,014,791
Customers Acceptances	193,707	126,933
Total	5,349,419	3,205,544



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

3. Financial risk management - continuing

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

EGP Thousands

	30 September 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	26,149,808	-	-	26,149,808	7,975,547	-	-	7,975,547
Total	26,149,808	-	-	26,149,808	7,975,547	-	-	7,975,547
Deduct: Expected credit losses	(13,276)	-	-	(13,276)	(7,901)	-	-	(7,901)
Ending Balance	26,136,532	-	-	26,136,532	7,967,646	-	-	7,967,646

	30 September 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	7,528,554	161,781	3,217	7,693,552	3,115,029	81,521	-	3,196,550
Regular watch list	-	146,435	175	146,610	2,020,433	42,714	-	2,063,147
Special watch list	-	49,072	1,099	50,171	-	-	-	-
Non-performing financing	-	-	43,915	43,915	-	-	49,012	49,012
Total	7,528,554	357,288	48,406	7,934,248	5,135,462	124,235	49,012	5,308,709
Deduct: Expected credit losses	(38,811)	(1,769)	(29,881)	(70,461)	(34,444)	(8,335)	(32,630)	(75,409)
Ending Balance	7,489,743	355,519	18,525	7,863,787	5,101,018	115,900	16,382	5,233,300

	30 September 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	27,235,167	5,800,054	-	33,035,221	25,938,848	2,404,998	-	28,343,846
Regular watch list	692,210	4,951,126	-	5,643,336	195,612	4,728,121	-	4,923,733
Special watch list	-	385,736	-	385,736	-	225,546	-	225,546
Non-performing financing	-	-	2,475,203	2,475,203	-	-	1,463,085	1,463,085
Total	27,927,377	11,136,916	2,475,203	41,539,496	26,134,460	7,358,665	1,463,085	34,956,210
Deduct: Expected credit losses	(89,373)	(727,312)	(2,188,188)	(3,004,873)	(68,189)	(957,723)	(1,261,654)	(2,287,566)
Ending Balance	27,838,004	10,409,604	287,015	38,534,623	26,066,271	6,400,942	201,431	32,668,644

	30 September 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	3,391,751	-	-	3,391,751	3,579,281	-	-	3,579,281
Total	3,391,751	-	-	3,391,751	3,579,281	-	-	3,579,281
Ending Balance	3,391,751	-	-	3,391,751	3,579,281	-	-	3,579,281

	30 September 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	36,870,961	-	-	36,870,961	39,400,937	-	-	39,400,937
Total	36,870,961	-	-	36,870,961	39,400,937	-	-	39,400,937
Deduct: Expected credit losses	(351,938)	-	-	(351,938)	(281,277)	-	-	(281,277)
Ending Balance	36,519,023	-	-	36,519,023	39,119,660	-	-	39,119,660



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

3. Financial risk management - continuing

The following table shows changes in customer financing balances during the period

EGP Thousands

	30 September 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	(291,220)	291,220	-	-	114,936	(114,936)	-	-
Transferred to (from) stage 2	66,641	(66,641)	-	-	-	-	-	-
Transferred to (from) stage 3	-	(23,484)	23,484	-	-	(8,866)	8,866	-
New financial assets purchased or issued	2,839,790	51,023	-	2,890,812	1,958,524	36,912	-	1,995,436
Matured or disposed financial assets	(222,119)	(19,065)	(24,090)	(265,273)	-	(15,615)	(14,952)	(30,567)
Ending Balance	7,528,554	357,288	48,406	7,934,248	5,135,462	124,235	49,012	5,308,709
	30 September 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	(3,618,652)	3,618,652	-	-	(1,291,102)	1,291,102	-	-
Transferred to (from) stage 2	1,024,629	(1,024,629)	-	-	1,868,593	(1,868,593)	-	-
Transferred to (from) stage 3	-	(793,378)	793,378	-	-	(116,325)	116,325	-
New financial assets purchased or issued	4,747,179	307,576	-	5,054,755	5,883,037	63,067	-	5,946,104
Matured or disposed financial assets	(1,227,158)	(160,776)	(81,133)	(1,469,068)	(299,103)	(218,569)	(231,587)	(749,259)
Foreign exchange translation differences	866,919	1,830,807	299,873	2,997,599	80,947	-	36,368	117,315
Ending Balance	27,927,377	11,136,916	2,475,203	41,539,496	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

	30 September 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	4,367	(6,566)	15,938	13,739	(3,215)	4,208	(6,127)	(5,134)
Written off during the period	-	-	(18,846)	(18,846)	-	-	(14,952)	(14,952)
Recoveries during the period	-	-	159	159	-	-	-	-
Ending Balance	38,811	1,769	29,881	70,461	34,444	8,335	32,630	75,409
	30 September 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	(58,551)	58,551	-	-	8,055	(8,055)	-	-
Transferred to (from) stage 2	37,011	(37,011)	-	-	(5,452)	5,452	-	-
Transferred to (from) stage 3	-	(351,732)	351,732	-	-	(22,577)	22,577	-
Released (charged) during the period	38,141	(24,389)	393,174	406,926	(215)	192,190	(122,703)	69,272
Written off during the period	-	-	(81,133)	(81,133)	-	-	(116,313)	(116,313)
Recoveries during the period	-	-	36,772	36,772	-	-	21,142	21,142
Foreign exchange translation differences	4,583	124,170	225,989	354,742	-	38,492	78,816	117,308
Ending Balance	89,373	727,312	2,188,188	3,004,873	68,189	957,723	1,261,654	2,287,566

Notes to the condensed consolidated interim financial statement for the period ended 30 September 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

	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Governmental	Other activities	Individuals	Total
Cash and due from Central Bank of Egypt	7,986,820	-	-	-	-	-	-	7,986,820
Due from banks	26,149,808	-	-	-	-	-	-	26,149,808
Gross financing and credit facilities to customers								
Retail								
- Credit cards	-	-	-	-	-	-	171,529	171,529
- Personal financing	-	-	-	-	-	-	11,579,940	11,579,940
- Mortgages	-	-	-	-	-	-	125,949	125,949
Corporate								
- Direct financing	6,058,813	16,324,132	4,217,012	787,377	7,458,058	-	-	34,845,392
- Syndicated financing	-	4,198,806	684,525	1,199,462	1,010,566	-	-	7,093,359
Financial investments								
- Debt instruments measured at FVOCI	1,893,600	-	1,030,318	-	467,833	-	-	3,391,751
- Debt instruments measured at Amortized cost	-	-	-	-	36,870,961	-	-	36,870,961
Balance at 30 September 2024	42,089,041	20,522,938	5,931,855	1,986,839	45,807,418	-	11,877,418	128,215,509
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 30 September 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	7,986,820	-	-	-	-	-	-	7,986,820
Due from banks	26,149,808	-	-	-	-	-	-	26,149,808
Gross financing and credit facilities to customers								
Retail								
- Credit cards	-	-	-	-	-	-	171,529	171,529
- Personal financing	-	-	-	-	-	-	11,579,940	11,579,940
- Mortgages	-	-	-	-	-	-	125,949	125,949
Corporate								
- Direct financing	6,058,813	16,324,132	4,217,012	787,377	7,458,058	-	-	34,845,392
- Syndicated financing	-	4,198,806	684,525	1,199,462	1,010,566	-	-	7,093,359
Financial investments								
- Debt instruments measured at FVOCI	1,893,600	-	1,030,318	-	467,833	-	-	3,391,751
- Debt instruments measured at Amortized cost	-	-	-	-	36,870,961	-	-	36,870,961
Balance at 30 September 2024	42,089,041	20,522,938	5,931,855	1,986,839	45,807,418	-	11,877,418	128,215,509
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 30 September 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					
30 September 2024	EGP	USD	GBP	EUR	Other	Total
Financial assets						
Cash and due from Central Bank of Egypt	7,681,553	239,851	8,870	39,596	16,950	7,986,820
Due from banks	12,507,516	12,387,748	128,038	935,941	177,288	26,136,532
Gross financing and credit facilities to customers	39,970,953	6,427,457	-	-	-	46,398,410
Financial Investments measured at FVPL	119,055	-	-	-	-	119,055
Financial Investments measured at FVOCI	3,429,191	-	-	261,471	52,481	3,743,143
Financial Investments measured at Amortized cost	19,356,557	15,427,207	-	1,735,259	-	36,519,023
Other financial assets	1,432,489	208,660	66	27,787	165	1,669,167
Total financial assets	84,644,313	34,690,923	136,975	3,000,055	246,884	122,719,150
Financial liabilities						
Due to banks	-	406,711	79	6,439	1,276	414,504
Customers' deposits	73,360,228	29,653,045	135,737	2,987,430	193,961	106,330,401
Subordinated and other Islamic financing	1,600	4,587,145	-	-	-	4,588,745
Other financial liabilities	335,896	36,361	1,876	16,292	896	391,321
Total financial liabilities	73,697,725	34,683,261	137,692	3,010,161	196,132	111,724,971
Net financial position	10,946,589	7,662	(717)	(10,106)	50,751	10,994,179
31 December 2023						
Total financial assets	75,291,642	20,987,940	53,438	2,169,800	127,403	98,630,223
Total financial liabilities	65,446,110	21,130,878	53,523	2,202,253	92,721	88,925,486
Net financial position	9,845,532	(142,938)	(85)	(32,453)	34,682	9,704,738



Notes to the condensed consolidated interim financial statement for the period ended 30 September 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.

The table below summarizes the Bank's exposure to profit rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

EGP Thousands

	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 3 years	More than 3 years	Non-Profit Bearing	Total
30 September 2024							
Financial assets							
Cash and due from Central Bank of Egypt	-	-	-	-	-	7,986,820	7,986,820
Due from banks	25,307,039	-	-	-	-	842,769	26,149,808
Gross financing and credit facilities to customers	5,257,236	4,796,620	17,297,969	7,222,325	19,242,020	-	53,816,169
Financial Investments measured at FVPL	-	-	-	-	-	119,055	119,055
Financial Investments measured at FVOCI	1,895	5,280	261,800	2,006,957	1,115,819	351,392	3,743,143
Financial Investments measured at Amortized cost	-	6,265,564	19,135,933	7,754,228	3,715,236	-	36,870,961
Total financial assets	30,566,170	11,067,464	36,695,702	16,983,509	24,073,075	9,300,036	128,685,956
Financial liabilities							
Due to banks	364,025	-	-	-	-	50,479	414,504
Customers' deposits	12,238,768	11,096,580	12,420,046	59,068,666	336,050	11,170,291	106,330,401
Subordinated and other Islamic financing	-	-	2,681,444	1,567,259	340,042	-	4,588,745
Total financial liabilities	12,602,793	11,096,580	15,101,490	60,635,925	676,092	11,220,770	111,333,650
Total profit re-pricing gap	17,963,377	(29,116)	21,594,211	(43,652,415)	23,396,983	(1,920,734)	17,352,306
31 December 2023							
Total financial assets	19,404,168	12,535,095	22,642,199	17,345,391	22,224,292	8,327,991	102,479,136
Total financial liabilities	6,708,406	17,771,009	10,703,000	45,371,607	975,614	6,803,981	88,333,617
Total profit re-pricing gap	12,695,762	(5,235,914)	11,939,199	(28,026,216)	21,248,678	1,524,010	14,145,519

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.

Non-derivative cash flows

All balances shown in the table below represent the paid cash flows of the bank's financial liabilities based on the remaining contractual maturities, at the date of balance sheet.

EGP Thousands

	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 3 years	More than 3 years	Total
30 September 2024						
Financial liabilities						
Due to banks	1,775,579	-	-	-	-	1,775,579
Customers' deposits	34,347,962	12,274,174	20,017,295	41,805,809	4,843,213	113,288,453
Subordinated and other Islamic financing	-	15,092	4,761,809	-	-	4,776,901
Total financial liabilities (contractual and non contractual maturity dates)	36,123,541	12,289,266	24,779,104	41,805,809	4,843,213	119,840,933
Total financial assets (contractual and non contractual maturity dates)	25,585,242	42,239,652	23,851,204	12,305,908	20,579,738	124,561,743
31 December 2023						
Total financial liabilities (contractual and non contractual maturity dates)	21,771,691	20,842,532	15,958,093	37,173,686	3,113,812	98,859,815
Total financial assets (contractual and non contractual maturity dates)	20,575,812	34,358,562	13,876,193	18,623,663	14,520,100	101,954,331

All financial assets are available to meet all liabilities and to cover the outstanding financing commitments include Cash and due from CBE, Due from banks, T-bills and other government notes, financing and advances to customers in the normal course of business, a proportion of customer financing contractually matured within one year, will be extended. In addition, debt instruments and treasury bills and other governmental notes have been pledged to secure liabilities. Also, The Bank would be able to meet the unexpected net cash outflows by selling securities and accessing additional funding sources.



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

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 September 30, 2024, 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

	30 September 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial Assets</u>				
Due from banks	26,149,808	26,149,808	7,975,547	7,975,547
Financing and credit facilities to customers, net	49,473,744	49,473,744	40,264,919	40,264,919
Debt instruments measured at Amortized cost	36,870,961	35,521,917	39,400,937	37,204,188
<u>Financial liabilities</u>				
Due to banks	414,504	414,504	1,006,262	1,006,262
Customers' deposits	106,330,401	106,330,401	84,922,617	84,922,617
Subordinated and other Islamic financing	4,588,745	4,588,745	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 30 September 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				
30 September 2024				
Financial Assets	Level 1	Level 2	Level 3	Total
Debt instruments	-	3,391,751	-	3,391,751
Equity Instruments	114,513	119,055	236,879	470,447
31 December 2023				
Financial Assets	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 30 September 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 30 September 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 .

	30 September 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	571,332	428,147
General risk reserve	214,926	214,926
Retained earnings	3,267,406	3,703,694
Interim profit	2,219,065	-
Other comprehensive income	169,166	176,635
Total deductions from capital invested	(57,339)	(44,439)
Total basic going concern capital after disposal	11,474,530	9,568,937
<u>Additional basic capital</u>		
Non-Controlling interest	2,784	2,903
Total additional basic capital	2,784	2,903
Total qualifying tier 1 capital	11,477,314	9,571,840
<u>Tier 2 capital</u>		
Subordinated financing	193,179	401,610
Impairment provision for Financing, debt instruments and contingent liabilities in stage one*	499,040	417,485
Total qualifying tier 2 capital	692,219	819,095
Total capital base after disposal	12,169,533	10,390,935
<u>Risk weighted assets and contingent liabilities</u>		
Total credit risk	64,591,093	51,832,713
The overriding value of top 50 clients over the prescribed limits	623,980	-
Total market risk	291,330	273,760
Total operational risk	3,872,999	3,872,999
Total risk weighted assets and contingent liabilities	69,379,402	55,979,472
*Capital adequacy ratio (%)	17.54%	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 30 September 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:

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
The tables below summarizes the leverage financial ratio:		
Total qualifying tier 1 capital	11,477,314	9,571,840
Total on-balance sheet exposures	114,754,140	97,912,700
Total off-balance sheet exposures	7,407,888	5,405,294
Total exposures on-balance sheet and off-balance sheet	122,162,028	103,317,994
Leverage financial ratio % (1/2)	9.40%	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 September 2024 NSFR% recorded 212.79% and LCR% recorded 601.18 %
- In December 2023 NSFR% recorded 199.74% and LCR% recorded 643.33%



Notes to the condensed consolidated interim financial statement for the period ended 30 September 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

30 September 2024	Head office	Cairo branches	Giza branches	Alex branches	Other branches	Total
Total revenues and expenses according to segmental activities						
Total revenues	2,775,756	7,411,233	2,320,920	1,270,968	733,613	14,512,490
Total expenses	(2,079,947)	(5,965,563)	(1,707,127)	(1,005,000)	(574,282)	(11,331,919)
Net profit for the period before tax	695,809	1,445,670	613,793	265,968	159,331	3,180,571
Income tax expense	(961,265)	-	-	-	-	(961,265)
Net profit for the period	(265,456)	1,445,670	613,793	265,968	159,331	2,219,306
Total assets and liabilities according to segmental activities						
Total assets	7,006,400	65,374,940	28,033,228	15,306,674	9,937,858	125,659,100
Total liabilities	7,258,625	54,483,535	27,419,435	15,040,706	9,778,527	113,980,828

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 30 September 2024

4. Segments Reporting - continuing

4.2 Segmental analysis by geographic area

EGP Thousands

30 September 2024	Arab Republic of Egypt			
	Great Cairo	Alex and Delta	Upper Egypt	Total
<u>Total revenues and expenses according to geographical segment</u>				
Total revenues	12,507,909	2,007,315	(2,734)	14,512,490
Total expenses	(9,752,638)	(1,571,358)	(7,923)	(11,331,919)
Net profit for the period before tax	2,755,271	435,957	(10,657)	3,180,571
Income tax expense	(961,265)	-	-	(961,265)
Net profit for the period	1,794,006	435,957	(10,657)	2,219,306
<u>Total assets and liabilities according to geographical segment</u>				
Total assets	100,414,569	25,152,531	92,000	125,659,100
Total liabilities	89,161,595	24,716,575	102,658	113,980,828

EGP Thousands

31 December 2023	Arab Republic of Egypt			
	Great Cairo	Alex and Delta	Upper Egypt	Total
<u>Total revenues and expenses according to geographical segment</u>				
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
<u>Total assets and liabilities according to geographical segment</u>				
Total assets	84,095,849	16,271,419	11	100,367,279
Total liabilities	74,783,093	15,845,828	11	90,628,932



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

5. Net income from funds

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
<u>Income from Murabaha, Musharaka, Mudaraba and other similar income:</u>		
Financing and credit facilities		
- Customers	7,038,052	4,190,407
Total	7,038,052	4,190,407
Debt instruments at fair value through OCI and AC	4,479,942	3,989,003
Deposits and current accounts	2,184,275	539,175
Total	13,702,269	8,718,585
<u>Cost of deposits and similar expenses:</u>		
Deposits and current accounts		
- Banks	(68,865)	(143,139)
- Customers	(9,003,085)	(5,266,028)
Total	(9,071,950)	(5,409,167)
Other financings	(239,320)	(73,112)
Total	(9,311,270)	(5,482,279)
Net income from funds	4,390,999	3,236,306

6. Net fees and commission income

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
<u>Fees and commission income:</u>		
Fees and commissions related to credit	361,547	168,737
Investment commission	68,091	32,225
Custody fees	1,433	790
Other fees	237,860	161,192
Total	668,931	362,944
<u>Fees and commission expenses:</u>		
Other fees paid	(62,270)	(41,056)
Total	(62,270)	(41,056)
Net fees and commission income	606,661	321,888



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

7. Net trading income

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
Profit from foreign exchange transactions	103,345	34,037
Mutual funds measured at FVPL	25,035	15,114
Total	128,380	49,151

8. Administrative expenses

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
<u>Staff cost:</u>		
Salaries and wages	(533,742)	(409,521)
Social insurance	(18,882)	(15,941)
<u>Pension cost:</u>		
Defined contribution scheme	(32,001)	(23,976)
Zakah and charity fund	(27,000)	(22,500)
Depreciation and amortization	(89,571)	(65,114)
Other administrative expenses	(466,958)	(380,781)
Total	(1,168,154)	(917,833)

9. Impairment charge of expected credit losses

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
Financing and credit facilities to customers	(420,665)	(93,504)
Due from banks	(647)	1,787
Debt instruments at fair value through other comprehensive income	(7,027)	(1,784)
Debt instruments at amortized cost	(62,526)	(168,309)
Accrued revenues	608	(411)
Total	(490,257)	(262,221)



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

10. Other operating expenses

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 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	(77,315)	(56,098)
Gain (loss) on sale of assets reverted to the bank	3,595	54,455
Gain on sale of property and equipment	3,210	33,668
Operating lease rental expense	(28,995)	(20,267)
Impairment release (charges) of assets reverted to the bank	(65,000)	-
Other provisions (net of reversed amounts)*	(87,393)	1,050
Others	(41,264)	(27,640)
Total	(293,162)	(14,832)

11. Income tax expense

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
Current tax	(985,184)	(815,467)
Deferred tax	23,919	(7,123)
Total	(961,265)	(822,590)

12. Basic earnings per share

	Last 9 Months 30 September 2024 EGP Thousands	Last 9 Months 30 September 2023 EGP Thousands
Net profit for the period (from income statement)	2,225,031	1,607,042
Add/(Deduct) : Profits of sale fixed assets	(3,210)	(33,668)
Net profit for the period, available for distribution	2,221,821	1,573,374
Staff profit share	(222,182)	(157,337)
Remuneration for the board members	(44,436)	(31,467)
Banking system support and development fund	(22,218)	(15,734)
Profit available to shareholders	1,932,985	1,368,836
Weighted average number of the shares outstanding during the period	727,139	727,139
Basic earning per share	2.66	1.88

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



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

13. Cash and due from Central Bank of Egypt

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Cash	683,008	466,762
Mandatory reserve balances with CBE	7,303,812	6,884,337
Total	7,986,820	7,351,099
Non-profit bearing balances	7,986,820	7,351,099
Total	7,986,820	7,351,099

14. Due from banks, net

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Current accounts	842,770	449,542
Deposits	25,307,038	7,526,005
	26,149,808	7,975,547
Deduct: Expected Credit Losses*	(13,276)	(7,901)
Total	26,136,532	7,967,646
Balances at CBE other than those under the mandatory reserve	16,038,197	3,055,381
Local banks	4,320,325	3,965,173
Foreign Banks	5,791,286	954,993
Deduct: Expected Credit Losses*	(13,276)	(7,901)
Total	26,136,532	7,967,646
Non-profit bearing balances	842,769	449,542
Fixed profit bearing balances	25,307,039	7,526,005
Deduct: Expected Credit Losses*	(13,276)	(7,901)
Total	26,136,532	7,967,646
<u>Due from banks-ECL provision analysis*</u>		
Beginning balance	7,901	233,882
Net impairment loss recognized during the period	647	(1,618)
Written off during the period	-	(283,228)
Foreign currencies translation differences	4,728	58,865
Ending balance	13,276	7,901

- **Due from banks**, includes an amount of EGP 193,178 thousand on September 30, 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 108,384 thousand on September 30, 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 30 September 2024

15. Financing and credit facilities to customers, net

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
<u>Retail</u>		
Credit cards	171,529	60,030
Personal financing	11,579,940	7,342,252
Mortgages	125,949	177,880
Total (1)	11,877,418	7,580,162
<u>Corporate including (SMEs)</u>		
Direct financing	34,845,392	30,925,196
Syndicated financing	7,093,359	4,528,471
Total (2)	41,938,751	35,453,667
Gross financing and credit facilities (1+2)	53,816,169	43,033,829
<u>Deduct:</u>		
Expected Credit Losses*	(3,075,334)	(2,362,975)
Deferred profit	(4,342,425)	(2,768,910)
Net financing and credit facilities	46,398,410	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	420,665	64,138
Recoveries during the period	36,931	21,142
Written off during the period	(99,979)	(131,265)
Foreign currencies translation differences	354,742	117,308
Ending balance	3,075,334	2,362,975



Notes to the condensed consolidated interim financial statement for the period ended 30 September 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

Retail	30 September 2024				31 December 2023			
	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	23	15,622	(1,906)	13,739	(225)	6,427	(11,336)	(5,134)
Recoveries during the period	-	159	-	159	-	-	-	-
Written off during the period	-	(18,846)	-	(18,846)	(763)	(14,189)	-	(14,952)
Ending balance (1)	481	68,640	1,340	70,461	458	71,705	3,246	75,409

Corporate	30 September 2024				31 December 2023			
	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	284,634	122,292	-	406,926	15,071	54,201	-	69,272
Recoveries during the period	36,120	652	-	36,772	517	20,625	-	21,142
Written off during the period	(81,133)	-	-	(81,133)	(116,313)	-	-	(116,313)
Foreign currencies translation differences	120,587	234,155	-	354,742	36,360	80,948	-	117,308
Ending balance (2)	2,076,860	928,013	-	3,004,873	1,716,652	570,914	-	2,287,566
Ending balance (1+2)	2,077,341	996,653	1,340	3,075,334	1,717,110	642,619	3,246	2,362,975



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

16. Financial investments

16.1 Measured at FVPL

	30 September 2024 EGP Thousands	31 December 2023 EGP Thousands
A) Mutual Funds		
Unlisted in stock exchange market	119,055	108,452
Total financial instruments measured at FVPL (1)	119,055	108,452
Beginning balance	108,452	81,551
Disposals (sale/redemption)	(14,432)	(1,904)
FV revaluation differences of financial investment measured at FVPL	25,035	28,805
Total financial instruments measured at FVPL (1)	119,055	108,452

16.2 Measured at FVOCI

	30 September 2024 EGP Thousands	31 December 2023 EGP Thousands
A) Islamic Sukuk at fair value		
Listed in stock exchange market	1,030,318	1,090,225
Total	1,030,318	1,090,225
B) Treasury bonds at fair value		
Listed in stock exchange market	467,833	352,650
Total	467,833	352,650
C) Securitization bonds at fair value		
Listed in stock exchange market	1,893,600	2,136,406
Total	1,893,600	2,136,406
D) Equity instruments at fair value		
Listed in stock exchange market	114,513	101,173
Unlisted in stock exchange market	236,879	233,584
Total	351,392	334,757
Total financial instruments measured at FVOCI (2)	3,743,143	3,914,038

- **Financial assets at FVTOCI** includes the amount of EGP 52,480 thousand on September 30, 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 30 September 2024

16. Financial investments - continuing

16.3 Measured at Amortized Cost

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
A) Treasury bonds		
Listed in stock exchange market	21,265,904	20,439,135
Deduct: Expected Credit Losses*	(213,337)	(162,018)
Total	21,052,567	20,277,117
B) Islamic Sukuk		
Listed in stock exchange market	274,276	332,832
Deduct: Expected Credit Losses*	(1,053)	(5,607)
Total	273,223	327,225
C) Treasury bills		
EGP TBills - 91 Days maturity	47,499	6,572,024
EGP TBills - 182 Days maturity	2,245,500	2,599,275
EGP TBills - 273 Days maturity	2,934,800	2,224,175
EGP TBills - 364 Days maturity	2,693,549	1,754,700
USD TBills - 364 Days maturity	7,519,453	5,295,077
EUR TBills - 364 Days maturity	750,291	618,549
Total	16,191,092	19,063,800
Deduct: Unearned interest	(860,311)	(434,830)
Deduct: Expected Credit Losses*	(137,548)	(113,652)
Net	15,193,233	18,515,318
Total financial instruments measured at Amortized cost (3)	36,519,023	39,119,660
Total financial investment (1+2+3)	40,381,221	43,142,150
Non-profit bearing balances	470,447	443,209
Floating profit bearing balances	1,303,541	1,417,450
Fixed profit bearing balances	38,607,233	41,281,491
Total financial investment (1+2+3)	40,381,221	43,142,150
Debt instruments-ECL provision analysis*		
Beginning balance	281,277	113,752
Net impairment loss recognized during the period	62,526	167,525
Foreign currencies translation differences	8,135	-
Ending balance	351,938	281,277

▪ The carried value of financial investments in governmental debts on 30 September 2024 reached EGP 37,064,518 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 30 September 2024

16. Financial investments – continuing.

The following table analyzes the movements on financial investments:

(EGP Thousands)

30 September 2024	Fair value through OCI	Amortized cost	Total
Beginning balance	3,914,038	39,119,660	43,033,698
Additions	241,484	20,833,809	21,075,293
Amortization of premium / discount	(2,915)	1,817,904	1,814,989
Disposals (sale/redemption)	(534,749)	(31,828,276)	(32,363,025)
Foreign currencies translation differences	108,646	6,646,587	6,755,233
Changes in fair value reserve	16,639	-	16,639
Net impairment loss recognized during the period	-	(70,661)	(70,661)
Ending balance	3,743,143	36,519,023	40,262,166

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 30 September 2024

17. Other assets, net

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Accrued revenues	1,592,761	1,453,040
Deduct: Expected Credit Losses*	(3,171)	(3,779)
Accrued revenues, net	1,589,590	1,449,261
Pre-paid expenses	140,859	57,204
Advance payments for acquisition of property and equipment	659,155	255,929
Assets reverted to the bank in settlement of debts, net	259,375	379,747
Deposits held with others and custody	47,413	12,554
Other debit balances	941,447	898,534
Total	3,637,839	3,053,229
<u>Accrued revenues-ECL provision analysis*</u>		
Beginning balance	3,779	1,762
Net impairment loss recognized during the period	(608)	2,017
Ending balance	3,171	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 30 September 2024

18. Property, plant and Equipment, net

EGP Thousands

30 September 2024	Lands and Premises	Machines and Equipment	Information Technology	Furniture and Renovations	Motor Vehicles	Total
Cost	663,912	205,750	312,234	483,613	20,195	1,685,704
Accumulated depreciation	(189,971)	(98,636)	(160,714)	(126,563)	(15,222)	(591,106)
Net book value	473,941	107,114	151,520	357,050	4,973	1,094,598
Net book value at the beginning of the period	389,722	88,338	126,198	339,671	6,711	950,640
Additions	99,745	42,239	48,906	39,095	-	229,985
Disposals	(80)	(2,206)	(4,384)	(6,435)	-	(13,105)
Depreciation for the period	(15,495)	(23,462)	(23,469)	(21,688)	(1,738)	(85,852)
Disposals' accumulated depreciation	49	2,205	4,269	6,407	-	12,930
Net book value	473,941	107,114	151,520	357,050	4,973	1,094,598

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 30 September 2024

19. Due to banks

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Current accounts	50,479	64,782
Deposits	364,025	941,480
Total	414,504	1,006,262
Local banks	-	580,958
Foreign banks	414,504	425,304
Total	414,504	1,006,262
Non-profit bearing balances	50,479	64,782
Floating profit bearing balances	364,025	941,480
Total	414,504	1,006,262

- **Due to banks** includes an amount of EGP 36,652 thousand on September 30, 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

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Demand deposits	21,378,407	13,952,373
Time deposits and call accounts	31,360,044	34,212,418
Term saving certificates	34,870,319	29,008,934
Saving deposits	15,420,625	6,668,448
Other deposits	3,301,006	1,080,444
Total	106,330,401	84,922,617
Corporate deposits	47,654,264	43,251,553
Retail deposits	58,676,137	41,671,064
Total	106,330,401	84,922,617
Non-profit bearing balances	11,170,291	6,705,490
Floating profit bearing balances	95,160,110	78,217,127
Total	106,330,401	84,922,617



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

21. Subordinated and other Islamic financing

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
(A) Long Term Financing_Social fund	1,600	3,062
(B) Long Term Financing_ICD	1,206,530	926,792
(C) Short Term Financing_IFC	2,414,725	-
(C) Subordinated Finance_Other Shareholders	965,890	1,390,190
Total	4,588,745	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	(974,568)	(8,653)
Foreign currencies translation differences	1,698,269	276,727
Net book value	4,588,745	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 February 5, 2017, an (Investment Mudaraba Deposit Contract) has been concluded with (Misr Insurance Company) (one of the largest shareholders of our Bank) to support the Bank's subordinated capital in the amount of USD 25 million. The contract commences on February 23, 2017, for seven years. and the deposit is entitled to a return of 6.75% approximately with quarterly disbursement, On February 23, 2024, the bank paid the entire supporting financing to Misr Insurance Company.
- 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.



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

22. Other liabilities

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Accrued interest	519,322	430,090
Deferred revenues	58,678	12,719
Accrued expenses	110,682	169,922
Accounts under settlements	469,919	486,518
Other credit balances	365,191	323,314
Total	1,523,792	1,422,563

23. Other provisions

	(EGP Thousands)				
30 September 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	15	64,000	15,009	14,346	93,370
Provisions no longer required during the period	-	-	(5,977)	-	(5,977)
Used during the period	(36)	(1,670)	-	-	(1,706)
Foreign currencies translation differences	-	-	1,452	-	1,452
Ending balance	4,649	111,862	101,195	31,093	248,799

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 30 September 2024 amounting 93.5 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 30 September 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 30 September 2024 amounting EGP 6.3 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 30 September 2024 with the delay penalties amounting EGP 9.02 million to cover the expected tax dues.



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

24. Capital

24.1 Authorized Capital

The authorized capital amounted to EGP 10 billion on 30 September 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 September 30, 2024, with a nominal value of EGP 7 each, the shares were paid in Egyptian pound (31 December 2023: EGP 5,089,974 thousand).

EGP Thousands

Shareholder Name	30 September 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

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Legal reserve	524,222	414,705
General banking risk reserve	118,566	118,566
Capital reserve	45,643	11,975
General risk reserve	214,926	214,926
Fair value reserve	196,557	176,634
Total	1,099,914	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

	30 September 2024	30 September 2023
	EGP Thousands	EGP Thousands
Cash and balances at the central bank	683,007	464,521
Balances with banks with a maturity of less than 3 months	26,149,807	407,472
Treasury bills have a maturity of 91 days	47,500	2,558,150
Total	26,880,314	3,430,143



Notes to the condensed consolidated interim financial statement for the period ended 30 September 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 September 30, 2024, amount of EGP 4,649 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
30 September 2024				
Operating lease commitments	37,052	248,833	145,281	431,166
Capital commitments resulting from acquisition of property and equipment	-	406,831	-	406,831
	Less than one year	More than one year and less than 5 years	More than 5 years	Total
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

	30 September 2024	31 December 2023
	EGP Thousands	EGP Thousands
Letter of Credit (import and export)	350,462	63,820
Letter of Guarantee	4,805,250	3,014,791
Accepted notes for suppliers facilities	193,707	126,933
Total	5,349,419	3,205,544



Notes to the condensed consolidated interim financial statement for the period ended 30 September 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 Salary Tax:

- **From the beginning of activity till 31 December 2022**

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

- **The period from 1 January 2023 till 30 September 2024**

The mentioned periods haven'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 30 September 2024.**

The mentioned periods haven't been inspected yet.



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

29. Mutual Funds

Al Baraka Bank Egypt Mutual Fund (Al Baraka)

- The Bank established Al Baraka Bank Egypt Investment Fund (Al Baraka) with periodic return and in compliance with the principles of Islamic Sharia under License No. 246 dated March 30, 2006, issued by the Financial Regulatory Authority. The EFG Hermes for Portfolio and Investment Fund Management manages the Fund. The total number of issued Fund certificates as of September 30, 2024, amounted to 234,430 certificates.
- The total number of certificates invested in by the bank on September 30, 2024, amounted to 147,630 with a market value per certificates of EGP 320.32 and the total redemption value on September 30, 2024, to EGP 47,288 thousand (December 31, 2023: EGP 35,716 thousand).

Al Baraka Bank Egypt Mutual Fund in partnership with the National Bank of Egypt (Bashaer)

- The Bank established “Al Baraka Bank Egypt Investment Fund in partnership with the National Bank of Egypt (Bashaer)” “with an accumulated periodic return and in compliance with the principles of Islamic Sharia under License No. 432 dated March 31, 2009, issued by the Financial Regulatory Authority. Al Ahli Investment Fund Management Company manages the Fund. The total number of issued Fund certificates as of September 30, 2024, amounted to 3,897,670 certificates.
- The total number of certificates invested in by the bank on September 30, 2024, amounted to 45,403 with a market value per certificates of EGP 226.41, and the total redemption value on September 30, 2024, to EGP 10,280 thousand (December 31, 2023: EGP 7,738 thousand).

Al Baraka Bank Egypt Mutual Fund (Motawazen)

- The Bank established “Al Baraka Bank Egypt Mutual Fund (Motawazen)” “with an accumulated periodic return and in compliance with the principles of Islamic Sharia under License No. 580 dated May 10, 2010, issued by the Financial Regulatory Authority. Al Naeem Financial Investments Company manages the Fund. The total number of issued Fund certificates as of September 30, 2024, amounted to 175,766 certificates.
- The total number of certificates invested in by the bank on September 30, 2024, amounted to 52,700 with a market value per certificates of EGP 207.82, and the total redemption value on September 30, 2024, to EGP 10,952 thousand (December 31, 2023: EGP 8,999 thousand).

Al Baraka Bank Egypt Money Market Fund (Al Barakat)

- The Bank established “Al Baraka Bank Egypt Money Market Fund (Al Barakat)” “with an accumulated periodic return and in compliance with the principles of Islamic Sharia under License No. 778 dated June 24, 2019, issued by the Financial Regulatory Authority. The EFG Hermes for Portfolio and Investment Fund Management manages the Fund. The total number of issued Fund certificates as of September 30, 2024, amounted to 1,008,927 certificates.
- The total number of certificates invested in by the bank on September 30, 2024, amounted to 124,255 with a market value per certificates of EGP 181.25 and the total redemption value on September 30, 2024, to EGP 22,521 thousand (December 31, 2023: EGP 19,467 thousand).



Notes to the condensed consolidated interim financial statement for the period ended 30 September 2024

30. Related Parties Transactions

(EGP Thousands)

	<u>30 September 2024</u>		<u>31 December 2023</u>	
	Main Shareholders	Directors and other key management	Main Shareholders	Directors and other key management
Related parties outstating balances can be analyzed below:				
Due from banks	301,562	-	134,207	-
Financing and credit facilities to customers	-	3,861	-	4,632
Financial investments measured at FVOCI	52,481	-	33,645	-
Subordinated finance from Other Shareholders	965,890	-	1,390,190	-
Customers' deposits	2,260,858	21,461	2,315,017	12,842
Due to banks	36,653	-	55,969	-

	<u>30 September 2024</u>		<u>30 September 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	-	292	-	-
Profit received from placements and current accounts	5,932	-	1,677	-
Profit paid on subordinated finance	(48,707)	-	(67,432)	-
Profit paid on deposits and current accounts to customers	(62,637)	(1,895)	(32,890)	(5,852)
Profit paid on deposits and current accounts to banks	-	-	(3,070)	-

- **Due from banks**, includes an amount of EGP 193,178 thousand on September 30, 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 108,384 thousand on September 30, 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 36,652 thousand on September 30, 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 52,480 thousand on September 30, 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).

31. 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."