



# Separate Financial Statements

30 June 2023

Interim Condensed



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**Condensed separate interim financial statements**

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*Translation of limited review report  
originally issued in Arabic*

**Limited Review Report on the interim condensed separate 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 separate statement of financial position of Al Baraka Bank Egypt S.A.E as of 30 June 2023 and the related interim condensed separate statements of income, comprehensive income, cash flows and changes in equity for the six-months then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate 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 separate 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 separate 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 separate financial statements as of 30 June 2023 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.

Cairo: 13 August 2023

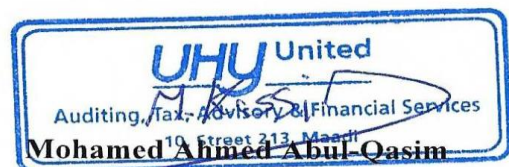


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**Auditors**



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**Condensed separate interim statement of financial position as of 30 June 2023**

	Note	30 June 2023 EGP Thousands	31 December 2022 EGP Thousands
<b>Assets</b>			
Cash and due from Central Bank of Egypt	13	6,154,659	7,251,399
Due from banks, net	14	7,764,853	13,790,473
Financing and credit facilities to customers, net	15	34,095,290	31,395,338
<b>Financial investments</b>			
- Measured at FVPL	1/16	76,193	67,928
- Measured at FVOCI	2/16	2,167,313	2,239,520
- Measured at Amortized cost	3/16	40,397,711	29,346,960
Investment in subsidiaries	17	98,000	98,000
Intangible assets, net		41,073	31,999
Other assets, net	18	2,197,433	2,414,759
Property, plant and equipment, net	19	763,646	588,565
<b>Total assets</b>		<b>93,756,171</b>	<b>87,224,941</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Due to banks	20	3,238,822	1,902,905
Customers' deposits	21	78,607,089	74,419,953
Subordinated and other financing	22	1,401,109	1,125,168
Other liabilities	23	1,317,529	1,428,354
Other provisions	24	143,537	150,738
Deferred tax liabilities		30,900	5,113
Current income tax liabilities		499,407	543,704
Defined benefits obligation		63,925	63,925
<b>Total liabilities</b>		<b>85,302,318</b>	<b>79,639,860</b>
<b>Equity</b>			
Issued and paid-up capital	25	5,089,974	5,089,974
Reserves	26	857,944	604,230
Retained earnings *		2,505,935	1,890,877
<b>Total equity</b>		<b>8,453,853</b>	<b>7,585,081</b>
<b>Total liabilities and equity</b>		<b>93,756,171</b>	<b>87,224,941</b>

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

(Limited review report attached)

\*Including net profit for the period



**Hesham Ghoneim**

Chief Financial Officer



**Hazem Hegazy**

Vice Chairman & CEO

Cairo: 13 August 2023

**Condensed separate interim income statement for the period ended 30 June 2023**

	Note	Last 6 Months 30 June 2023 EGP Thousands	Last 3 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands	Last 3 Months 30 June 2022 EGP Thousands
Income from Murabaha, Musharaka, Mudarabah and similar income	5	5,505,951	2,884,371	3,839,633	1,972,824
Cost of deposits and similar costs	5	(3,326,845)	(1,756,497)	(2,235,955)	(1,088,521)
<b>Net income from funds</b>		<b>2,179,106</b>	<b>1,127,874</b>	<b>1,603,678</b>	<b>884,303</b>
Fees and commission income	6	219,969	104,381	159,991	76,657
Fees and commission expenses	6	(27,405)	(15,827)	(18,176)	(8,562)
<b>Net fees and commission income</b>		<b>192,564</b>	<b>88,554</b>	<b>141,815</b>	<b>68,095</b>
Dividends income		15,685	11,445	15,349	10,221
Net trading income	8	33,615	15,097	43,258	13,798
Administrative expenses	7	(606,229)	(304,859)	(462,286)	(239,095)
Impairment charge of expected credit losses	10	(236,188)	(107,588)	(181,209)	(112,385)
Other operating income (expenses)	9	12,087	44,213	(7,362)	2,181
<b>Net profit for the period before tax</b>		<b>1,590,640</b>	<b>874,736</b>	<b>1,153,243</b>	<b>627,118</b>
Income tax expense	11	(570,595)	(298,727)	(370,131)	(212,653)
<b>Net profit for the period</b>		<b>1,020,045</b>	<b>576,009</b>	<b>783,112</b>	<b>414,465</b>
<b>Basic earning per share</b>	12	<b>1.18</b>	<b>0.69</b>	<b>0.95</b>	<b>0.50</b>

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

**Hesham Ghoneim**

Chief Financial Officer

**Hazem Hegazy**

Vice Chairman &amp; CEO

**Condensed separate interim statement of comprehensive Income for the period ended 30 June 2023**

	Last 6 Months 30 June 2023 EGP Thousands	Last 3 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands	Last 3 Months 30 June 2022 EGP Thousands
<b>Net profit for the period</b>	<b>1,020,045</b>	<b>576,009</b>	<b>783,112</b>	<b>414,465</b>
<b>Comprehensive income items that will not be reclassified to the profit or loss:</b>				
Net change in fair value of equity instruments measured at FVOCI	157,288	1,635	(14,930)	(19,428)
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(35,390)	(368)	-	-
<b>Comprehensive income items that is or may be reclassified to the profit or loss:</b>				
Net change in fair value of debt instruments measured at FVOCI	(61,916)	(61,025)	(25,248)	(20,863)
Expected credit loss for fair value of debt instruments measured at FVOCI	2,849	1,406	2,987	2,348
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	13,930	13,730	-	-
<b>Net other comprehensive income for the period , After tax</b>	<b>76,761</b>	<b>(44,622)</b>	<b>(37,191)</b>	<b>(37,943)</b>
<b>Total comprehensive income for the period , After tax</b>	<b>1,096,806</b>	<b>531,387</b>	<b>745,921</b>	<b>376,522</b>

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

**Condensed separate interim statement of changes in cash flow for the period ended 30 June 2023**

	Note	30 June 2023 EGP Thousands	30 June 2022 EGP Thousands
<b>Cash flows from operating activities</b>			
Profit before tax		1,590,640	1,153,243
<b>Adjusted by:</b>			
Property and Equipment depreciation and Intangible assets amortization	7	45,427	57,404
Impairment credit losses	10	236,188	181,209
Impairment charge (Released) of other provisions	24	19,628	7,000
Provisions no longer required other than financing provision	24	(27,026)	(8,003)
Provisions used other than financing provision	24	(2,432)	-
Provisions used Due from banks	14	(283,228)	-
Amortization of premium / discount for bonds	2/16	(3,614)	(3,701)
Exchange translation differences of financing provisions		178,874	30,112
Exchange translation differences of financial investment measured at FVOCI	2/16	(40,269)	(10,803)
Exchange translation differences of financial investment measured at Amortized cost	3/16	(1,263,216)	(698,745)
Exchange translation differences of subordinated financing	22	276,908	138,875
FV revaluation differences of financial investment measured at FVPL	1/16	(8,265)	3,977
Loss (Gain) on sale of property and equipment	9	(33,668)	6,934
Loss (Gain) on sale of assets reverted to the bank	9	(49,685)	-
Dividend income		(15,685)	(15,349)
<b>Operating profits before changes in operating assets and liabilities</b>		<b>620,577</b>	<b>842,153</b>
<b>Net decrease (increase) in assets and liabilities</b>			
Balances with central banks within the required reserve ratio	13	1,066,165	455,755
Due from banks with maturity more than 90 days		(3,501,624)	139,722
Treasury bills with maturity more than 90 days	3/16	(10,078,254)	(748,085)
Financing and facilities to customers	15	(2,871,351)	(4,392,860)
Financial investments measured at FVPL	1/16	-	(10,000)
Other assets	18	247,192	(950,008)
Due to banks	20	1,335,917	224,275
Customers' deposits	21	4,187,136	(432,697)
Other liabilities	23	(128,359)	39,707
Employees' Benefits obligations		-	20,126
Current income tax obligations paid		(610,564)	(207,351)
<b>Net cash flows (used in) generated from operating activities</b>		<b>(9,733,165)</b>	<b>(5,019,263)</b>

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

**Condensed separate interim statement of cash flows for the period ended 30 June 2023**

	Note	30 June 2023 EGP Thousands	30 June 2022 EGP Thousands
<b><u>Cash flows from investing activities</u></b>			
Acquisition of Property and Equipment	19	(213,085)	(15,369)
Proceeds from sale of Property and Equipment		35,750	-
Acquisition of Intangible assets		(18,579)	(40,364)
Acquisition of investment measured at FVOCI	2/16	(133,216)	(1,295,701)
Proceeds from sale of investment measured at FVOCI	2/16	327,930	-
Acquisition of investment measured at Amortized cost	3/16	-	(8,968,993)
Proceeds from sale of investment measured at Amortized cost	3/16	2,441,065	1,533,517
Dividends received		15,685	15,349
<b>Net cash flows (used in) generated from investing activities</b>		<b>2,455,550</b>	<b>(8,771,561)</b>
<b><u>Cash flows from financing activities</u></b>			
Subordinated Financing	22	(967)	(315,171)
Cash dividends (Share of employees, remuneration of BOD members)		(210,500)	(136,000)
<b>Net cash flows (used in) financing activities</b>		<b>(211,467)</b>	<b>(451,171)</b>
Net (decrease) increase in cash and cash equivalent during the Period		(7,489,082)	(14,241,995)
Beginning balance of cash and cash equivalent		10,854,364	30,148,808
<b>Cash and cash equivalent at the end of the period</b>	27	<b>3,365,282</b>	<b>15,906,813</b>

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



**Condensed separate interim statement of shareholders' equity for the period ended 30 June 2023– Cont.**

	(EGP Thousands)				
	Issued and paid-up capital	Paid under capital increase	Reserves	Retained earnings	Total
<b><u>30 June 2022</u></b>					
<b>Balance at 1 January 2022</b>	<b>1,546,447</b>	<b>1,422,731</b>	<b>1,770,503</b>	<b>1,264,489</b>	<b>6,004,171</b>
Net change in other comprehensive income	-	-	(37,191)	-	<b>(37,191)</b>
Net profit for the period	-	-	-	783,112	<b>783,112</b>
	<b>1,546,447</b>	<b>1,422,731</b>	<b>1,733,312</b>	<b>2,047,601</b>	<b>6,750,092</b>
Transferred to legal reserve	-	-	124,773	(124,773)	-
Cash dividends (share of employees and remuneration of members of the Board of Directors and shareholders)	-	-	-	(136,000)	<b>(136,000)</b>
Shareholders' dividends used to increase capital	-	742,294	-	(742,294)	-
Capital Increase by Dividend 2019	309,289	(309,289)	-	-	-
Banking system development fund	-	-	-	(11,312)	<b>(11,312)</b>
<b>Balance at 30 June 2022</b>	<b>1,855,736</b>	<b>1,855,736</b>	<b>1,858,085</b>	<b>1,033,222</b>	<b>6,602,780</b>
<b><u>30 June 2023</u></b>					
<b>Balance at 1 January 2023</b>	<b>5,089,974</b>	-	<b>604,230</b>	<b>1,890,877</b>	<b>7,585,081</b>
Net change in other comprehensive income	-	-	76,761	-	<b>76,761</b>
Net profit for the period	-	-	-	1,020,045	<b>1,020,045</b>
	<b>5,089,974</b>	-	<b>680,991</b>	<b>2,910,922</b>	<b>8,681,887</b>
Transferred to legal reserve	-	-	175,342	(175,342)	-
Transferred to capital reserve	-	-	1,611	(1,611)	-
Cash dividends (Share of employees, remuneration of BOD members)	-	-	-	(210,500)	<b>(210,500)</b>
Banking system support and development fund	-	-	-	(17,534)	<b>(17,534)</b>
<b>Balance at 30 June 2023</b>	<b>5,089,974</b>	-	<b>857,944</b>	<b>2,505,935</b>	<b>8,453,853</b>

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



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## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 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 “alBaraka Bank-Egypt”.

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 33 branches served by 1197 staff at the date of the financial statements. The Head Office is located in the southern 90<sup>th</sup> 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 condensed separate financial statements for the period ended 30 June 2023 were approved by the Board of Directors on 13 August 2023.

### 2. Basis of preparation of the condensed separate interim financial statements

The accompanying condensed separate interim financial statements of the bank have been prepared in accordance with the rules of preparation and presentation of the bank 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.

The bank also prepared the condensed consolidated interim financial statements and its subsidiaries in accordance with the rules of preparation and presentation of the banks’ financial statements approved by Central Bank of Egypt as mentioned previously. Subsidiaries are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity. The bank accounts for investments in subsidiaries companies in the separate financial statements at cost net of impairment loss.

These condensed separate interim financial statements do not include all the information and disclosures required for the annual separate financial statements and should to be read in conjunction with the bank’s consolidated financial statements as at and for the year ended 31 December 2022 to get complete information on the Bank’s financial position, income statement, cash flows and changes in ownership rights.

In preparing these condensed separate 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 separate financial statements as at and for the year ended 31 December 2022.



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## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 3. Financial Risk Management

Bank as a result of conducting its activities is exposed to various financial risks and those activities involve the analysis, evaluation, acceptance, and management of some degree of risk or combination of risks. Taking risks is core to the financial business, and the operational risks are an inevitable consequence of being in business. The bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also, market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates, and hedges financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

#### 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 separate interim financial statement for the period ended 30 June 2023****3. Financial Risk Management - continuing****3.1.1 Maximum limit for credit risk before collaterals**

	30 June 2023	31 December 2022
<b>Financial position items exposed to credit risks</b>	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Due from banks	7,764,853	13,790,473
<b><u>Financing and credit facilities to customers, net</u></b>		
<b>Retail</b>		
- Credit cards	34,259	29,299
- Personal financing	4,072,483	2,771,981
- Mortgages	269,045	447,065
<b>Corporate</b>		
- Direct financing	24,657,642	23,444,832
- Syndicated financing	5,061,861	4,702,161
<b><u>Financial investments</u></b>		
Debt instruments measured at FVOCI	1,896,400	2,133,492
Debt instruments measured at Amortized cost	40,397,711	29,346,960
<b>Total</b>	<b>84,154,254</b>	<b>76,666,263</b>
<b><u>Off balance sheet items exposed to credit risk</u></b>		
Letter of Credit (import and export)	70,314	334,254
Letter of Guarantee	3,017,070	2,902,881
Customers Acceptances	53,681	108,933
<b>Total</b>	<b>3,141,065</b>	<b>3,346,068</b>

## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 3. Financial Risk Management - continuing

#### 3.1.1 Maximum limit for credit risk before collaterals- continuing.

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

(EGP Thousands)

	30 June 2023				31 December 2022			
	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
<b>Due from banks</b>								
<u>Credit rating as per CBE classification</u>								
Good debts	7,772,370	-	-	7,772,370	11,123,277	2,671,213	-	13,794,490
Non-Performing debts	-	-	-	-	-	-	229,864	229,864
<b>Total</b>	<b>7,772,370</b>	<b>-</b>	<b>-</b>	<b>7,772,370</b>	<b>11,123,277</b>	<b>2,671,213</b>	<b>229,864</b>	<b>14,024,354</b>
<b>Deduct: Expected credit losses</b>	<b>(7,517)</b>	<b>-</b>	<b>-</b>	<b>(7,517)</b>	<b>(4,015)</b>	<b>(2)</b>	<b>(229,864)</b>	<b>(233,881)</b>
<b>Ending Balance</b>	<b>7,764,853</b>	<b>-</b>	<b>-</b>	<b>7,764,853</b>	<b>11,119,262</b>	<b>2,671,211</b>	<b>-</b>	<b>13,790,473</b>

	30 June 2023				31 December 2022			
	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
<b>Retail</b>								
<u>Credit rating as per CBE classification</u>								
Good financing	2,432,552	122,208	-	2,554,760	1,628,238	104,238	-	1,732,476
Regular watch list	1,821,269	28,843	-	1,850,112	1,433,764	122,502	-	1,556,266
Non-performing financing	-	-	74,306	74,306	-	-	55,098	55,098
<b>Total</b>	<b>4,253,821</b>	<b>151,051</b>	<b>74,306</b>	<b>4,479,178</b>	<b>3,062,002</b>	<b>226,740</b>	<b>55,098</b>	<b>3,343,840</b>
<b>Deduct: Expected credit losses</b>	<b>(52,589)</b>	<b>(2,618)</b>	<b>(48,184)</b>	<b>(103,391)</b>	<b>(37,659)</b>	<b>(4,127)</b>	<b>(53,709)</b>	<b>(95,495)</b>
<b>Ending Balance</b>	<b>4,201,232</b>	<b>148,433</b>	<b>26,122</b>	<b>4,375,787</b>	<b>3,024,343</b>	<b>222,613</b>	<b>1,389</b>	<b>3,248,345</b>

	30 June 2023				31 December 2022			
	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
<b>Corporate</b>								
<u>Credit rating as per CBE classification</u>								
Good financing	21,539,975	3,535,779	-	25,075,754	19,885,203	3,549,983	-	23,435,186
Regular watch list	334,573	4,685,079	-	5,019,652	710,825	4,277,645	-	4,988,470
Special watch list	-	411,537	-	411,537	-	380,355	-	380,355
Non-performing financing	-	-	1,598,632	1,598,632	-	-	1,541,979	1,541,979
<b>Total</b>	<b>21,874,548</b>	<b>8,632,395</b>	<b>1,598,632</b>	<b>32,105,575</b>	<b>20,596,028</b>	<b>8,207,983</b>	<b>1,541,979</b>	<b>30,345,990</b>
<b>Deduct: Expected credit losses</b>	<b>(72,338)</b>	<b>(870,846)</b>	<b>(1,442,888)</b>	<b>(2,386,072)</b>	<b>(68,641)</b>	<b>(752,221)</b>	<b>(1,378,135)</b>	<b>(2,198,997)</b>
<b>Ending Balance</b>	<b>21,802,210</b>	<b>7,761,549</b>	<b>155,744</b>	<b>29,719,503</b>	<b>20,527,387</b>	<b>7,455,762</b>	<b>163,844</b>	<b>28,146,993</b>

	30 June 2023				31 December 2022			
	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
<b>Debt instruments measured at FVOCI</b>								
<u>Credit rating as per CBE classification</u>								
Good debts	1,896,400	-	-	1,896,400	2,133,492	-	-	2,133,492
<b>Total</b>	<b>1,896,400</b>	<b>-</b>	<b>-</b>	<b>1,896,400</b>	<b>2,133,492</b>	<b>-</b>	<b>-</b>	<b>2,133,492</b>
<b>Ending Balance</b>	<b>1,896,400</b>	<b>-</b>	<b>-</b>	<b>1,896,400</b>	<b>2,133,492</b>	<b>-</b>	<b>-</b>	<b>2,133,492</b>

	30 June 2023				31 December 2022			
	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
<b>Debt instruments measured at Amortized cost</b>								
<u>Credit rating as per CBE classification</u>								
Good debts	40,672,964	-	-	40,672,964	29,460,712	-	-	29,460,712
<b>Total</b>	<b>40,672,964</b>	<b>-</b>	<b>-</b>	<b>40,672,964</b>	<b>29,460,712</b>	<b>-</b>	<b>-</b>	<b>29,460,712</b>
<b>Deduct: Expected credit losses</b>	<b>(275,253)</b>	<b>-</b>	<b>-</b>	<b>(275,253)</b>	<b>(113,752)</b>	<b>-</b>	<b>-</b>	<b>(113,752)</b>
<b>Ending Balance</b>	<b>40,397,711</b>	<b>-</b>	<b>-</b>	<b>40,397,711</b>	<b>29,346,960</b>	<b>-</b>	<b>-</b>	<b>29,346,960</b>



**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**

**3. Financial Risk Management - continuing**

**3.1.1 Maximum limit for credit risk before collaterals- continuing.**

The following table shows changes in customer financing balances during the period between the three stages:

	<u>30 June 2023</u>				<u>31 December 2022</u>			
	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
<b>Retail</b>								
Balance at 1 January 2023	3,062,002	226,740	55,098	3,343,840	1,851,741	77,052	55,160	1,983,953
Transferred to (from) stage 1	(56,480)	56,480	-	-	-	-	-	-
Transferred to (from) stage 2	112,960	(112,960)	-	-	-	-	-	-
Transferred to (from) stage 3	-	(19,209)	19,209	-	-	-	-	-
New financial assets purchased or issued	1,135,339	-	-	1,135,339	1,210,261	149,688	-	1,359,949
Matured or disposed financial assets	-	-	-	-	-	-	(62)	(62)
<b>Ending Balance</b>	<b>4,253,821</b>	<b>151,051</b>	<b>74,307</b>	<b>4,479,179</b>	<b>3,062,002</b>	<b>226,740</b>	<b>55,098</b>	<b>3,343,840</b>

	<u>June 2023 30</u>				<u>31 December 2022</u>			
	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
<b>Corporate</b>								
Balance at 1 January 2023	20,596,028	8,207,983	1,541,979	30,345,990	13,374,186	6,608,322	986,796	20,969,304
Transferred to (from) stage 1	1,030,550	(1,030,550)	-	-	371,405	(371,405)	-	-
Transferred to (from) stage 2	(1,266,192)	1,266,192	-	-	(1,176,685)	1,176,685	-	-
Transferred to (from) stage 3	-	(19,825)	19,825	-	-	(627,955)	627,955	-
New financial assets purchased or issued	1,881,623	10,830	-	1,892,453	9,347,477	1,277,593	-	10,625,070
Matured or disposed financial assets	(860,030)	(87,371)	(42,041)	(989,442)	(2,052,591)	(1,028,510)	(239,898)	(3,320,999)
Foreign exchange translation differences	492,569	285,136	78,869	856,574	732,236	1,173,253	167,126	2,072,615
<b>Ending Balance</b>	<b>21,874,548</b>	<b>8,632,395</b>	<b>1,598,632</b>	<b>32,105,575</b>	<b>20,596,028</b>	<b>8,207,983</b>	<b>1,541,979</b>	<b>30,345,990</b>

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

	<u>30 June 2023</u>				<u>31 December 2022</u>			
	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
<b>Retail</b>								
Balance at 1 January 2023	37,659	4,127	53,709	95,495	24,022	1,847	40,833	66,702
Released (charged) during the year	14,930	(1,509)	(5,467)	7,954	13,637	2,280	15,390	31,307
Written off during the year	-	-	(58)	(58)	-	-	(2,514)	(2,514)
<b>Ending Balance</b>	<b>52,589</b>	<b>2,618</b>	<b>48,184</b>	<b>103,391</b>	<b>37,659</b>	<b>4,127</b>	<b>53,709</b>	<b>95,495</b>

	<u>30 June 2023</u>				<u>31 December 2022</u>			
	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
<b>Corporate</b>								
Balance at 1 January 2023	68,641	752,221	1,378,135	2,198,997	39,445	942,277	874,061	1,855,783
Transferred to (from) stage 1	(61,617)	61,617	-	-	9,409	(9,409)	-	-
Transferred to (from) stage 2	(5,533)	5,533	-	-	(2,973)	2,973	-	-
Transferred to (from) stage 3	-	(19,825)	19,825	-	-	(466,910)	466,910	-
Released (charged) during the year	70,847	32,780	(39,311)	64,316	22,760	177,418	64,516	264,694
Written off during the year	-	-	(5,130)	(5,130)	-	-	(133,062)	(133,062)
Recoveries during the year	-	-	10,510	10,510	-	-	38,536	38,536
Foreign exchange translation differences	-	38,520	78,859	117,379	-	105,872	67,174	173,046
<b>Ending Balance</b>	<b>72,338</b>	<b>870,846</b>	<b>1,442,888</b>	<b>2,386,072</b>	<b>68,641</b>	<b>752,221</b>	<b>1,378,135</b>	<b>2,198,997</b>

## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 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 year, 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)

	<b>Arab Republic of Egypt</b>			<b>Total</b>	Gulf	Other Countries	<b>Total</b>
	Great Cairo	Alex and Delta	Upper Egypt				
Cash and due from Central Bank of Egypt	6,154,659	-	-	<b>6,154,659</b>	-	-	<b>6,154,659</b>
Due from banks	6,718,623	-	-	<b>6,718,623</b>	493,567	560,180	<b>7,772,370</b>
<b><u>Gross financing and credit facilities to customers</u></b>							
<b>Retail</b>							
- Credit cards	26,917	8,195	-	<b>35,112</b>	-	-	<b>35,112</b>
- Personal financing	5,128,952	642,418	-	<b>5,771,370</b>	-	-	<b>5,771,370</b>
- Mortgages	313,897	43,355	-	<b>357,252</b>	-	-	<b>357,252</b>
<b>Corporate</b>							
- Direct financing	21,930,746	5,144,926	-	<b>27,075,672</b>	-	-	<b>27,075,672</b>
- Syndicated financing	5,525,233	-	-	<b>5,525,233</b>	-	-	<b>5,525,233</b>
<b><u>Financial investments</u></b>							
- Debt instruments measured at FVOCI	1,896,400	-	-	<b>1,896,400</b>	-	-	<b>1,896,400</b>
- Debt instruments measured at Amortized cost	41,632,375	-	-	<b>41,632,375</b>	334,865	-	<b>41,967,240</b>
<b>Balance at 30 June 2023</b>	<b>89,327,802</b>	<b>5,838,894</b>	-	<b>95,166,696</b>	<b>828,432</b>	<b>560,180</b>	<b>96,555,308</b>
<b>Balance at 31 December 2022</b>	<b>80,876,554</b>	<b>4,597,421</b>	-	<b>85,473,975</b>	<b>2,092,248</b>	<b>882,523</b>	<b>88,448,746</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**
**3. Financial Risk Management - continuing**
**3.1.2 Concentration of the risks of financial assets exposed to the credit risk – continuing.**
**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	6,154,659	-	-	-	-	-	-	6,154,659
Due from banks	7,772,370	-	-	-	-	-	-	7,772,370
<b>Gross financing and credit facilities to customers</b>								
<b>Retail</b>								
- Credit cards	-	-	-	-	-	-	35,112	35,112
- Personal financing	-	-	-	-	-	-	5,771,370	5,771,370
- Mortgages	-	-	-	-	-	-	357,252	357,252
<b>Corporate</b>								
- Direct financing	6,179,628	10,145,515	116,034	5,642,727	67,461	4,924,307	-	27,075,672
- Syndicated financing	-	2,162,301	-	21,119	1,470,993	1,870,820	-	5,525,233
<b>Financial investments</b>								
- Debt instruments measured at FVOCI	396,131	-	1,168,537	-	331,732	-	-	1,896,400
- Debt instruments measured at Amortized cost	-	-	-	-	41,967,240	-	-	41,967,240
<b>Balance at 30 June 2023</b>	<b>20,502,788</b>	<b>12,307,816</b>	<b>1,284,571</b>	<b>5,663,846</b>	<b>43,837,426</b>	<b>6,795,127</b>	<b>6,163,734</b>	<b>96,555,308</b>
<b>Balance at 31 December 2022</b>	<b>27,391,717</b>	<b>12,302,356</b>	<b>2,084,576</b>	<b>5,218,403</b>	<b>31,617,031</b>	<b>6,063,284</b>	<b>3,771,379</b>	<b>88,448,746</b>



**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****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 June 2023	EGP	USD	GBP	EUR	Other	Total
<b>Financial assets</b>						
Cash and due from Central Bank of Egypt	5,976,043	139,397	5,234	28,365	5,619	6,154,658
Due from banks	1,342,726	6,112,666	60,946	141,643	106,872	7,764,853
Gross financing and credit facilities to customers	30,031,102	3,911,801	-	152,387	-	34,095,290
Financial Investments measured at FVPL	76,193	-	-	-	-	76,193
Financial Investments measured at FVOCI	2,015,877	-	-	118,945	32,491	2,167,313
Financial Investments measured at Amortized cost	28,396,589	10,763,806	-	1,237,316	-	40,397,711
Investment in subsidiaries	98,000	-	-	-	-	98,000
Other financial assets	1,233,888	160,003	82	7,802	164	1,401,939
<b>Total financial assets</b>	<b>69,170,417</b>	<b>21,087,673</b>	<b>66,262</b>	<b>1,686,458</b>	<b>145,146</b>	<b>92,155,957</b>
<b>Financial liabilities</b>						
Due to banks	-	2,585,627	48	646,483	6,664	3,238,822
Customers' deposits	60,325,279	17,029,448	66,421	1,083,010	102,931	78,607,089
Subordinated and other Islamic financing	10,748	1,390,361	-	-	-	1,401,109
Other financial liabilities	416,204	114,213	-	1,310	-	531,727
<b>Total financial liabilities</b>	<b>60,752,231</b>	<b>21,119,649</b>	<b>66,469</b>	<b>1,730,803</b>	<b>109,595</b>	<b>83,778,747</b>
<b>Net financial position</b>	<b>8,418,186</b>	<b>(31,976)</b>	<b>(207)</b>	<b>(44,345)</b>	<b>35,551</b>	<b>8,377,210</b>
<b>31 December 2022</b>						
Total financial assets	70,794,731	17,842,113	50,429	1,580,117	107,600	90,374,990
Total financial liabilities	58,731,421	17,616,024	51,659	1,603,623	87,159	78,089,886
<b>Net financial position</b>	<b>12,063,310</b>	<b>226,089</b>	<b>(1,230)</b>	<b>(23,506)</b>	<b>20,441</b>	<b>12,285,104</b>

**3.2.2 Interest 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 because 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.

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****3. Financial Risk Management - continuing****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, 2022, the Bank does 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 June 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Due from banks	7,764,853	7,917,843	13,790,473	13,949,380
Financing and credit facilities to customers, net	34,095,290	34,095,290	31,395,338	31,395,338
Debt instruments measured at Amortized cost	40,397,711	37,493,454	29,346,960	28,355,352
<b>Financial liabilities</b>				
Due to banks	3,238,822	3,253,620	1,902,905	1,926,991
Customers' deposits	78,607,089	79,189,699	74,419,953	75,045,679
Subordinated and other Islamic financing	1,401,109	1,416,301	1,125,168	1,137,426

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

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****3. Financial Risk Management - continuing****3.4 Fair Value of Financial Assets & Liabilities- continuing****3.4.1 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 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 according to EAS.

(EGP Thousands)

Financial Assets	30 June 2023			
	Level 1	Level 2	Level 3	Total
Debt instruments	-	1,896,400	-	1,896,400
Mutual funds	-	-	76,193	76,193
Equity Instruments	84,169	-	186,744	270,913

Financial Assets	31 December 2022			
	Level 1	Level 2	Level 3	Total
Debt instruments	-	2,133,492	-	2,133,492
Mutual funds	-	-	67,928	67,928
Equity Instruments	83,698	-	22,330	106,028



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## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 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 except the general banking risk reserve, interim profits and deducting previously recognized goodwill and any accumulated losses.

**Tier Two :** Represents the going concern capital which is composed of general provision according to stage one ECL to the maximum of 1.25% from 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 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 separate interim financial statement for the period ended 30 June 2023****3. Financial Risk Management - continuing****3.5.1 Capital Adequacy Ratio (CAR%)**

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

	30 June 2023	31 December 2022
<i>According to Basel II</i>	EGP Thousands	EGP Thousands
<b>Tier 1 capital</b>		
<b>Basic going concern capital</b>		
Issued and paid up capital	5,089,974	5,089,974
Other reserves	426,680	249,619
General risk reserve	214,926	214,926
Retained earnings	1,485,891	1,894,350
Other comprehensive income	99,239	24,776
Total disposal of additional basic capital	(32,529)	(22,963)
<b>Total basic going concern capital after disposal</b>	<b>7,284,181</b>	<b>7,450,682</b>
<b>Additional basic capital</b>		
Interim profit	1,020,155	-
Non-Controlling interest	2,032	2,315
Total deductions from capital invested	-	-
<b>Total additional basic capital</b>	<b>1,022,187</b>	<b>2,315</b>
<b>Total qualifying tier 1 capital</b>	<b>8,306,368</b>	<b>7,452,997</b>
<b>Tier 2 capital</b>		
Subordinated financing	525,271	540,676
Impairment provision for Financing, debt instruments and contingent liabilities in stage one*	417,377	274,157
<b>Total qualifying tier 2 capital</b>	<b>942,648</b>	<b>814,833</b>
<b>Total capital base after disposal</b>	<b>9,249,016</b>	<b>8,267,830</b>
<b>Risk weighted assets and contingent liabilities</b>		
Total credit risk	48,109,578	42,732,647
The overriding value of top 50 clients over the prescribed limit	1,233,594	-
Cross border over limit	-	104,908
Total market risk	213,731	388,448
Total operational risk	3,478,802	3,478,802
<b>Total risk weighted assets and contingent liabilities</b>	<b>53,035,705</b>	<b>46,704,805</b>
<b>*Capital adequacy ratio (%)</b>	<b>17.44%</b>	<b>17.70%</b>

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.

**3.5.2 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 June 2023	31 December 2022
<i>The tables below summarizes the leverage financial ratio:</i>	EGP Thousands	EGP Thousands
<b>Total qualifying tier 1 capital</b>	<b>8,306,368</b>	<b>7,452,997</b>
Total on-balance sheet exposures	96,515,144	87,514,040
Total off-balance sheet exposures	5,022,733	4,903,068
<b>Total exposures on-balance sheet and off-balance sheet</b>	<b>101,537,877</b>	<b>92,417,108</b>
<b>Leverage financial ratio % (1/2)</b>	<b>8.18%</b>	<b>8.06%</b>

\* 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 June 2023 NSFR% recorded 188.24% and LCR% recorded 538.35%
- In December 2022 NSFR% recorded 207.54% and LCR% recorded 854.11%

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****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 activity 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 June 2023	Head office	Cairo branches	Giza branches	Alex branches	Other branches	Total
<b>Total revenues and expenses according to segmental activities</b>						
Total revenues	1,107,118	3,164,044	865,842	483,691	237,877	5,858,572
Total expenses	(966,291)	(2,296,280)	(545,227)	(322,797)	(137,337)	(4,267,932)
<b>Net profit for the year before tax</b>	<b>140,827</b>	<b>867,764</b>	<b>320,615</b>	<b>160,894</b>	<b>100,540</b>	<b>1,590,640</b>
Income tax expense	(570,595)	-	-	-	-	(570,595)
<b>Net profit for the year</b>	<b>(429,768)</b>	<b>867,764</b>	<b>320,615</b>	<b>160,894</b>	<b>100,540</b>	<b>1,020,045</b>
<b>Total assets and liabilities according to segmental activities</b>						
<b>Total assets</b>	<b>8,243,867</b>	<b>52,245,308</b>	<b>18,072,310</b>	<b>10,100,147</b>	<b>5,094,539</b>	<b>93,756,171</b>
<b>Total liabilities</b>	<b>8,667,875</b>	<b>43,949,495</b>	<b>17,751,696</b>	<b>9,939,253</b>	<b>4,993,999</b>	<b>85,302,318</b>
<b>31 December 2022</b>						
<b>Total revenues and expenses according to segmental activities</b>						
Total revenues	1,480,394	4,698,597	1,176,152	724,807	697,495	8,777,445
Total expenses	(1,860,289)	(2,516,212)	(751,827)	(536,114)	(457,988)	(6,122,430)
<b>Net profit for the year before tax</b>	<b>(379,895)</b>	<b>2,182,385</b>	<b>424,325</b>	<b>188,693</b>	<b>239,507</b>	<b>2,655,015</b>
Income tax expense	(899,998)	-	-	-	-	(899,998)
<b>Net profit for the year</b>	<b>(1,279,893)</b>	<b>2,182,385</b>	<b>424,325</b>	<b>188,693</b>	<b>239,507</b>	<b>1,755,017</b>
<b>Total assets and liabilities according to segmental activities</b>						
<b>Total assets</b>	<b>5,274,773</b>	<b>51,246,174</b>	<b>13,865,926</b>	<b>8,930,468</b>	<b>7,907,600</b>	<b>87,224,941</b>
<b>Total liabilities</b>	<b>5,274,773</b>	<b>43,661,093</b>	<b>13,865,926</b>	<b>8,930,468</b>	<b>7,907,600</b>	<b>79,639,860</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****4. Segments Reporting - continuing****4.2 Segmental analysis by geographic area**

(EGP Thousands)

30 June 2023	Arab Republic of Egypt			Total
	Great Cairo	Alex and Delta	Upper Egypt	
<b>Total revenues and expenses according to geographical segment</b>				
Total revenues	5,137,003	721,569	-	5,858,572
Total expenses	(3,807,798)	(460,134)	-	(4,267,932)
<b>Net profit for the year before tax</b>	<b>1,329,205</b>	<b>261,435</b>	-	<b>1,590,640</b>
Income tax expense	(570,595)	-	-	(570,595)
<b>Net profit for the year</b>	<b>758,610</b>	<b>261,435</b>	-	<b>1,020,045</b>
<b>Total assets and liabilities according to geographical segment</b>				
Total assets	78,561,484	15,194,687	-	93,756,171
Total liabilities	70,369,066	14,933,252	-	85,302,318

(EGP Thousands)

31 December 2022	Arab Republic of Egypt			Total
	Great Cairo	Alex and Delta	Upper Egypt	
<b>Total revenues and expenses according to geographical segment</b>				
Total revenues	7,739,068	1,038,377	-	8,777,445
Total expenses	(5,365,279)	(757,151)	-	(6,122,430)
<b>Net profit for the year before tax</b>	<b>2,373,789</b>	<b>281,226</b>	-	<b>2,655,015</b>
Income tax expense	(899,998)	-	-	(899,998)
<b>Net profit for the year</b>	<b>1,473,791</b>	<b>281,226</b>	-	<b>1,755,017</b>
<b>Total assets and liabilities according to geographical segment</b>				
Total assets	74,880,393	12,344,548	-	87,224,941
Total liabilities	67,295,312	12,344,548	-	79,639,860

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****5. Net income from funds**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
<b><u>Income from Murabaha, Musharaka, Mudaraba and other similar income:</u></b>		
<b>Financing and credit facilities</b>		
- Customers	2,628,801	1,234,479
<b>Total</b>	<b>2,628,801</b>	<b>1,234,479</b>
Debt instruments at fair value through OCI and AC	2,448,731	1,613,955
Deposits and current accounts	428,420	991,199
<b>Total</b>	<b>5,505,952</b>	<b>3,839,633</b>
<b><u>Cost of deposits and similar expenses:</u></b>		
<b>Deposits and current accounts</b>		
- Banks	(115,264)	(4,647)
- Customers	(3,166,638)	(2,212,111)
<b>Total</b>	<b>(3,281,902)</b>	<b>(2,216,758)</b>
Other financings	(44,944)	(19,197)
<b>Total</b>	<b>(3,326,846)</b>	<b>(2,235,955)</b>
<b>Net income from funds</b>	<b>2,179,106</b>	<b>1,603,678</b>

**6. Net fees and commission income**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
<b><u>Fees and commission income:</u></b>		
Fees and commissions related to credit	100,281	95,436
Investment commission	-	1,600
Custody fees	778	648
Other fees	118,910	62,307
<b>Total</b>	<b>219,969</b>	<b>159,991</b>
<b><u>Fees and commission expenses:</u></b>		
Other fees paid	(27,405)	(18,176)
<b>Total</b>	<b>(27,405)</b>	<b>(18,176)</b>
<b>Net fees and commission income</b>	<b>192,564</b>	<b>141,815</b>



**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****7. Administrative expenses**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
<b>Staff cost:</b>		
Salaries and wages	(264,764)	(188,480)
Social insurance	(10,370)	(7,634)
<b>Pension cost:</b>		
Defined contribution scheme	(16,161)	(6,703)
Zakah and charity fund	(15,000)	(7,500)
Depreciation and amortization	(45,427)	(57,404)
Other administrative expenses	(254,507)	(194,565)
<b>Total</b>	<b>(606,229)</b>	<b>(462,286)</b>

**8. Net trading income**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
Profit from foreign exchange transactions	25,350	47,235
Mutual funds measured at FVPL	8,265	(3,977)
<b>Total</b>	<b>33,615</b>	<b>43,258</b>

**9. Other operating income (expenses)**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 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	(57,849)	166
Gain (loss) on sale of assets reverted to the bank	49,685	108
Gain on sale of property and equipment	33,668	(6,934)
Operating lease rental expense	(13,486)	(1,289)
Other provisions (net of reversed amounts)*	7,398	1,003
Other income	(7,329)	(416)
<b>Total</b>	<b>12,087</b>	<b>(7,362)</b>
	<b>30 June 2023</b>	<b>30 June 2022</b>
<b>Other provisions (net of reversed amounts)*</b>	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Tax provision	(6,000)	(7,000)
Contingent liabilities provision	13,398	8,003
<b>Total</b>	<b>7,398</b>	<b>1,003</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****10. Impairment charge of expected credit losses**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
Financing and credit facilities to customers	(72,270)	(147,727)
Due from banks	2,002	6,174
Debt instruments at fair value through other comprehensive income	(2,848)	(2,987)
Debt instruments at amortized cost	(161,501)	(36,763)
Other assets	(1,571)	94
<b>Total</b>	<b>(236,188)</b>	<b>(181,209)</b>

**11. Income tax expense**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
Current tax	(566,267)	(374,236)
Deferred tax	(4,328)	4,105
<b>Total</b>	<b>(570,595)</b>	<b>(370,131)</b>

**12. Basic earnings per share**

	Last 6 Months 30 June 2023 EGP Thousands	Last 6 Months 30 June 2022 EGP Thousands
Net profit for the period ( from income statement )	1,020,045	783,112
Add/(Deduct) : Profits of sale fixed assets	(33,668)	6,934
<b>Net profit for the period, available for distribution</b>	<b>986,377</b>	<b>790,046</b>
staff profit share	(98,638)	(79,005)
Remuneration for the board members	(19,728)	(15,801)
Banking system support and development fund	(9,864)	(7,900)
<b>Profit available to shareholders</b>	<b>858,147</b>	<b>687,340</b>
<b>Weighted average number of the shares outstanding during the period</b>	<b>727,139</b>	<b>727,139</b>
<b>Basic earning per share</b>	<b>1.18</b>	<b>0.95</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**
**13. Cash and due from Central Bank of Egypt**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
Cash	431,762	462,337
Mandatory reserve balances with CBE	5,722,896	6,789,062
<b>Total</b>	<b>6,154,658</b>	<b>7,251,399</b>
Non-profit bearing balances	6,154,659	7,251,399
<b>Total</b>	<b>6,154,659</b>	<b>7,251,399</b>

**14. Due from banks, net**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
Current accounts	519,670	484,070
Deposits	7,252,700	13,540,284
	<b>7,772,370</b>	<b>14,024,354</b>
<b>Deduct: Expected Credit Losses*</b>	(7,517)	(233,881)
<b>Total</b>	<b>7,764,853</b>	<b>13,790,473</b>
Balances at CBE other than those under the mandatory reserve	3,095,855	9,806,805
Local banks	3,622,768	1,228,636
Foreign Banks	1,053,747	2,988,913
<b>Deduct: Expected Credit Losses*</b>	(7,517)	(233,881)
<b>Total</b>	<b>7,764,853</b>	<b>13,790,473</b>
Non-profit bearing balances	519,670	484,070
Fixed profit bearing balances	7,252,700	13,540,284
<b>Deduct: Expected Credit Losses*</b>	(7,517)	(233,881)
<b>Total</b>	<b>7,764,853</b>	<b>13,790,473</b>
<b><u>Due from banks-ECL provision analysis*</u></b>		
Beginning balance	233,881	154,630
Net impairment loss recognized during the year	(2,002)	(5,577)
Written off during the year	(283,228)	-
Foreign currencies translation differences	58,866	84,828
<b>Ending balance</b>	<b>7,517</b>	<b>233,881</b>

- Due from banks on 30 June 2023 includes an amount of EGP 61,793 thousand representing due from banks belonging to Al Baraka Group (EGP 222,691 thousand at 31 December 2022).
- Due from banks on 30 June 2023 includes an amount of EGP 115,307 thousand representing balances with banks belonging to Al Baraka Group - the bank's main shareholder. (Compared to EGP 458,713 thousand at 31 December 2022).

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****15. Financing and credit facilities to customers, net**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
<b><u>Retail</u></b>		
Credit cards	35,112	29,706
Personal financing	5,771,370	3,741,673
Mortgages	357,252	554,475
<b>Total (1)</b>	<b>6,163,734</b>	<b>4,325,854</b>
<b><u>Corporate including (SMEs)</u></b>		
Direct financing	27,075,672	25,936,511
Syndicated financing	5,525,233	5,117,299
<b>Total (2)</b>	<b>32,600,905</b>	<b>31,053,810</b>
<b>Gross financing and credit facilities (1+2)</b>	<b>38,764,639</b>	<b>35,379,664</b>
<b><u>Deduct:</u></b>		
Expected Credit Losses*	(2,489,463)	(2,294,492)
Deferred profit	(2,179,886)	(1,689,834)
<b>Net financing and credit facilities</b>	<b>34,095,290</b>	<b>31,395,338</b>
<b><u>Financing and credit facilities-ECL provision analysis*</u></b>		
Beginning balance	2,294,492	1,922,485
Net impairment loss recognized during the year	72,270	296,001
Recoveries during the year	10,510	38,536
Written off during the year	(5,188)	(135,576)
Foreign currencies translation differences	117,379	173,046
<b>Ending balance</b>	<b>2,489,463</b>	<b>2,294,492</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**
**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 June 2023				31 December 2022			
	Credit cards	Personal financing	Mortgages	Total	Credit cards	Personal financing	Mortgages	Total
Beginning balance	1,446	79,467	14,582	95,495	266	48,032	18,404	66,702
Net impairment loss recognized during the year	(593)	8,919	(372)	7,954	1,180	31,517	(1,390)	31,307
Written off during the year	-	(58)	-	(58)	-	(82)	(2,432)	(2,514)
<b>Ending balance (1)</b>	<b>853</b>	<b>88,328</b>	<b>14,210</b>	<b>103,391</b>	<b>1,446</b>	<b>79,467</b>	<b>14,582</b>	<b>95,495</b>

Corporate	30 June 2023				31 December 2022			
	Direct financing	Syndicated financing	Other financing	Total	Direct financing	Syndicated financing	Other financing	Total
Beginning balance	1,783,857	415,140	-	2,198,997	1,574,390	274,612	6,781	1,855,783
Net impairment loss recognized during the year	54,052	10,264	-	64,316	199,281	72,194	(6,781)	264,694
Recoveries during the year	310	10,200	-	10,510	1,619	36,917	-	38,536
Written off during the year	(5,130)	-	-	(5,130)	(133,062)	-	-	(133,062)
Foreign currencies translation differences	80,980	36,399	-	117,379	141,629	31,417	-	173,046
<b>Ending balance (2)</b>	<b>1,914,069</b>	<b>472,003</b>	<b>-</b>	<b>2,386,072</b>	<b>1,783,857</b>	<b>415,140</b>	<b>-</b>	<b>2,198,997</b>
<b>Ending balance (1+2)</b>	<b>1,914,922</b>	<b>560,331</b>	<b>14,210</b>	<b>2,489,463</b>	<b>1,785,303</b>	<b>494,607</b>	<b>14,582</b>	<b>2,294,492</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****16. Financial investments****16.1 Measured at FVPL**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
<b>A) Mutual Funds</b>		
Unlisted in stock exchange market	76,193	67,928
<b>Total financial instruments measured at FVPL (1)</b>	<b>76,193</b>	<b>67,928</b>
Beginning balance	67,928	47,275
Additions	-	10,000
FV revaluation differences of financial investment measured at FVPL	8,265	10,653
<b>Total financial instruments measured at FVPL (1)</b>	<b>76,193</b>	<b>67,928</b>

**16.2 Measured at FVOCI**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
<b>A) Islamic Sukuk at fair value</b>		
Listed in stock exchange market	1,168,537	1,506,878
<b>Total</b>	<b>1,168,537</b>	<b>1,506,878</b>
<b>B) Treasury bonds at fair value</b>		
Listed in stock exchange market	331,732	333,943
<b>Total</b>	<b>331,732</b>	<b>333,943</b>
<b>C) Securitization bonds at fair value</b>		
Listed in stock exchange market	396,131	292,671
<b>Total</b>	<b>396,131</b>	<b>292,671</b>
<b>D) Equity instruments at fair value</b>		
Listed in stock exchange market	84,169	83,698
Unlisted in stock exchange market	186,744	22,330
<b>Total</b>	<b>270,913</b>	<b>106,028</b>
<b>Total financial instruments measured at FVOCI (2)</b>	<b>2,167,313</b>	<b>2,239,520</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****16. Financial investments - continuing****16.3 Measured at Amortized Cost**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
<b>A) Treasury bonds</b>		
Listed in stock exchange market	21,989,657	22,957,202
Unlisted in stock exchange market	-	258,697
<b>Deduct: Expected Credit Losses*</b>	<b>(161,601)</b>	<b>(76,374)</b>
<b>Total</b>	<b>21,828,056</b>	<b>23,139,525</b>
<b>B) Islamic Sukuk</b>		
Listed in stock exchange market	334,865	269,724
<b>Total</b>	<b>334,865</b>	<b>269,724</b>
<b>C) Treasury bills</b>		
EGP TBills - 91 Days maturity	2,413,850	118,750
EGP TBills - 182 Days maturity	5,644,675	659,175
EGP TBills - 273 Days maturity	3,074,025	100,000
EGP TBills - 364 Days maturity	2,604,700	900,000
USD TBills - 364 Days maturity	5,295,729	3,909,457
EUR TBills - 364 Days maturity	609,739	475,352
<b>Total</b>	<b>19,642,718</b>	<b>6,162,734</b>
<b>Deduct: Unearned interest</b>	<b>(1,294,276)</b>	<b>(187,645)</b>
<b>Deduct: Expected Credit Losses*</b>	<b>(113,652)</b>	<b>(37,378)</b>
<b>Net</b>	<b>18,234,790</b>	<b>5,937,711</b>
<b>Total financial instruments measured at Amortized cost (3)</b>	<b>40,397,711</b>	<b>29,346,960</b>
<b>Total financial investment (1+2+3)</b>	<b>42,641,217</b>	<b>31,654,408</b>
Non-profit bearing balances	347,106	173,956
Floating profit bearing balances	1,503,402	1,776,602
Fixed profit bearing balances	40,790,709	29,703,850
<b>Total financial investment (1+2+3)</b>	<b>42,641,217</b>	<b>31,654,408</b>
<b>Debt instruments-ECL provision analysis*</b>		
Beginning balance	113,752	63,178
Net impairment loss recognized during the year	161,501	50,574
<b>Ending balance</b>	<b>275,253</b>	<b>113,752</b>

- The carried value of financial investments in governmental debts at 30 June 2023 reached to EGP 40,669,831 thousand, these investments are used to contribute to the financing of Egypt national projects, strategic and development projects.

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****17. Investment in subsidiaries**

Subsidiaries:	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
alBaraka Investment Company	98,000	98,000
<b>Total</b>	<b>98,000</b>	<b>98,000</b>

- During the year ended December 31, 2018, the bank established Al Baraka Financial Investments Company (it was entered in the commercial register on 10/17/2018) with a capital of 200 million Egyptian pounds and the contribution rate was 98% of the company's capital on 8/16/2021. In the commercial register of the company, it was noted that the capital would be reduced to 100 million pounds.
- Al Baraka Financial Investments Company during the year ended December 31, 2022, established Tanfezz Company for real estate investment (Date of registration in the commercial register 10 November 2022), the value of the authorized capital of EGP 50 million and issued capital of EGP 5 million. And paid-up capital of EGP 1.25 million, while the share of Al Baraka Financial Investments Company in

**18. Other assets, net**

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued revenues	1,401,939	1,654,287
<b>Deduct:</b> Expected Credit Losses*	(3,333)	(1,762)
<b>Accrued revenues, net</b>	<b>1,398,606</b>	<b>1,652,525</b>
Pre-paid expenses	32,967	15,649
Advance payments for acquisition of property and equipment	256,157	352,583
Assets reverted to the bank in settlement of debts, net	293,023	261,588
Deposits held with others and custody	12,108	11,070
Others debit balances	204,572	121,344
<b>Total</b>	<b>2,197,433</b>	<b>2,414,759</b>
<b>Accrued revenues-ECL provision analysis*</b>		
Beginning balance	1,762	1,331
Net impairment loss recognized during the year	1,571	431
<b>Ending balance</b>	<b>3,333</b>	<b>1,762</b>



**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**
**19. Property, plant and equipment, net**

(EGP Thousands)

<b>30 June 2023</b>	<b>Lands and Premises</b>	<b>Machines and Equipment</b>	<b>Information Technology</b>	<b>Furniture and Renovations</b>	<b>Others</b>	<b>Total</b>
Cost	564,247	114,583	132,557	398,269	20,194	<b>1,229,850</b>
Accumulated depreciation	(164,329)	(65,667)	(124,642)	(99,242)	(12,324)	<b>(466,204)</b>
<b>Net book value</b>	<b>399,918</b>	<b>48,916</b>	<b>7,915</b>	<b>299,027</b>	<b>7,870</b>	<b>763,646</b>
Net book value at the beginning of the year	313,439	30,708	10,309	224,959	9,150	<b>588,565</b>
Additions	97,736	26,367	4,887	84,095	-	<b>213,085</b>
Disposals	(1,720)	(1,366)	(472)	(3,093)	(1,619)	<b>(8,270)</b>
Depreciation for the year	(9,806)	(8,109)	(7,283)	(9,445)	(1,279)	<b>(35,922)</b>
Disposals' accumulated depreciation	269	1,316	474	2,511	1,618	<b>6,188</b>
<b>Net book value</b>	<b>399,918</b>	<b>48,916</b>	<b>7,915</b>	<b>299,027</b>	<b>7,870</b>	<b>763,646</b>

(EGP Thousands)

<b>31 December 2022</b>	<b>Lands and Premises</b>	<b>Machines and Equipment</b>	<b>Information Technology</b>	<b>Furniture and Renovations</b>	<b>Others</b>	<b>Total</b>
Cost	468,231	89,582	128,142	317,267	21,813	<b>1,025,035</b>
Accumulated depreciation	(154,792)	(58,874)	(117,833)	(92,308)	(12,663)	<b>(436,470)</b>
<b>Net book value</b>	<b>313,439</b>	<b>30,708</b>	<b>10,309</b>	<b>224,959</b>	<b>9,150</b>	<b>588,565</b>
Net book value at the beginning of the year	326,668	39,763	25,415	237,989	3,789	<b>633,624</b>
Additions	9,472	6,257	3,671	8,111	8,007	<b>35,518</b>
Disposals	(4,873)	-	-	(4,253)	(181)	<b>(9,307)</b>
Depreciation for the year	(18,986)	(15,312)	(18,777)	(17,921)	(2,646)	<b>(73,642)</b>
Disposals' accumulated depreciation	1,158	-	-	1,033	181	<b>2,372</b>
<b>Net book value</b>	<b>313,439</b>	<b>30,708</b>	<b>10,309</b>	<b>224,959</b>	<b>9,150</b>	<b>588,565</b>

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****20. Due to banks**

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Current accounts	63,677	68,075
Deposits	3,175,145	1,834,830
<b>Total</b>	<b>3,238,822</b>	<b>1,902,905</b>
Local banks	134,749	866,019
Foreign banks	3,104,073	1,036,886
<b>Total</b>	<b>3,238,822</b>	<b>1,902,905</b>
Non-profit bearing balances	63,677	68,075
Floating profit bearing balances	3,175,145	1,834,830
<b>Total</b>	<b>3,238,822</b>	<b>1,902,905</b>

- Due to banks on 30 June 2023 includes an amount of EGP 54,911 thousand representing due to banks belonging to Al Baraka Group - the bank's main shareholder (EGP 623,819 thousand at 31 December 2022).

**21. Customers' deposits**

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Demand deposits	13,835,462	11,029,713
Time deposits and call accounts	29,140,712	27,741,162
Term saving certificates	27,489,204	26,449,754
Saving deposits	7,049,624	7,843,402
Other deposits	1,092,087	1,355,922
<b>Total</b>	<b>78,607,089</b>	<b>74,419,953</b>
Corporate deposits	39,836,388	37,350,838
Retail deposits	38,770,701	37,069,115
<b>Total</b>	<b>78,607,089</b>	<b>74,419,953</b>
Non-profit bearing balances	6,824,039	6,415,269
Floating profit bearing balances	71,783,050	68,004,684
<b>Total</b>	<b>78,607,089</b>	<b>74,419,953</b>



**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**

**22. Subordinated and other Islamic financing**

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
<b>(A)</b> Long-Term Restricted Finances	10,748	11,715
<b>(B)</b> Subordinated Finance (Other Shareholders)	1,390,361	1,113,453
<b>Total</b>	<b>1,401,109</b>	<b>1,125,168</b>

**(A) Long-Term Restricted Finances**

- 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.

**(C) 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 July 2, 2017, another agreement has been concluded with Misr Insurance Company (Investment Mudaraba Deposit Contract) to support the Bank's subordinated capital in the amount of 20 million US Dollars, over eight years. The deposit is entitled to a return of about 6.25% disbursed quarterly.

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023**
**23. Other liabilities**

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Accrued interest	531,727	642,071
Deferred revenues	17,866	25,119
Accrued expenses	215,115	176,166
Accounts under settlements	318,334	310,309
Other credit balances	234,487	274,689
<b>Total</b>	<b>1,317,529</b>	<b>1,428,354</b>

**24. Other provisions**

	(EGP Thousands)				
<b>30 June 2023</b>	<b>Provision for legal claims</b>	<b>Provision for tax claims*</b>	<b>Provision for Contingents</b>	<b>Other provisions</b>	<b>Total</b>
Beginning balance	6,158	38,039	94,954	11,587	150,738
Formed during the year	-	6,000	13,628	-	19,628
Provisions no longer required during the year*	-	-	(27,026)	-	(27,026)
Used during the year	(150)	(2,282)	-	-	(2,432)
Foreign currencies translation differences	-	-	2,629	-	2,629
<b>Ending balance</b>	<b>6,008</b>	<b>41,757</b>	<b>84,185</b>	<b>11,587</b>	<b>143,537</b>

<b>31 December 2022</b>	<b>Provision for legal claims</b>	<b>Provision for tax claims</b>	<b>Provision for Contingents</b>	<b>Other provisions</b>	<b>Total</b>
Beginning balance	6,628	15,436	81,531	11,587	115,182
Formed during the year	-	20,000	41,517	-	61,517
Provisions no longer required during the year*	-	(109,000)	(29,538)	-	(138,538)
Transferred from credit balances to tax provision	-	145,250	-	-	145,250
Used during the year	(470)	(33,647)	-	-	(34,117)
Foreign currencies translation differences	-	-	1,444	-	1,444
<b>Ending balance</b>	<b>6,158</b>	<b>38,039</b>	<b>94,954</b>	<b>11,587</b>	<b>150,738</b>

\* **Corporate tax provision** according to the tax provision study required to cover the tax inspection for the years 2018/2022, a corporate tax provision should be retained at the end of the second quarter of 2023 in the amount of 23.5 million EGP to cover the expected tax dues.

**Stamp Duty tax Provision:** according to the last tax inspection for the years until 2020 the expected tax dues amounted EGP 2 million.

**Salary tax provision:** according to the last tax inspection for the years until 2017 the expected tax dues amounted EGP 6.9 million.

**Real estate tax provision:** according to the current position of fixed assets and assets that were expropriated to the bank, the expected tax liability for real estate tax provision and the delay penalties amounted EGP 9.3 million.

## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 25. Capital

#### 25.1 Authorized Capital

The authorized capital amounted to EGP 10 billion (31 December 2022: EGP 10 billion).

#### 25.2 Issued and paid-up Capital

The Issued and Paid-up Capital amounted to EGP 5,089,974 thousand with a nominal value of EGP 7 each, the shares were paid in Egyptian pound (31 December 2022: EGP 5,089,974 thousand).

30 June 2023	EGP Thousands			
	30 June 2023		31 December 2022	
	No. of common shares	Common shares	No. of common shares	Common shares
Beginning balance	727,139,130	5,089,974	220,921,033	1,546,447
Dividends for year 2019 used to capital increase	-	-	44,184,208	309,290
Reserves used to capital increase	-	-	462,033,889	3,234,237
<b>Ending balance</b>	<b>727,139,130</b>	<b>5,089,974</b>	<b>727,139,130</b>	<b>5,089,974</b>

- On April 15, 2021, albaraka's OGM approved to increase the Paid-up Capital with a total amount of EGP 1 113 442 thousand, this amount was recognized under amounts paid under capital increase line, until the completion of the procedures for registering this increase to reach EGP 1,422,732 thousand, on April 14, 2022, the capital increase was approved with a total amount of EGP 2,120,795 thousand through the distribution of bonus shares, which funded by: the shareholders' share in the profits of the year 2021 of EGP 742,295 thousand; and using the balances of the legal and general reserve of EGP 1,378,501 thousand; On December 7, 2022, the bonus shares were distributed in accordance with the decision of the extraordinary general assembly dated September 29, 2022. Accordingly the issued and paid-up capital became EGP 5,089,974 thousand on December 31, 2022.

### 26. Reserves

	30 June 2023	31 December 2022
	EGP Thousands	EGP Thousands
Legal reserve	413,238	237,897
General banking risk reserve	118,566	118,566
Capital reserve	11,975	10,365
General risk reserve	214,926	214,926
Fair value reserve	99,239	22,476
<b>Total</b>	<b>857,944</b>	<b>604,230</b>

- 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.

**Notes to the condensed separate interim financial statement for the period ended 30 June 2023****27. Cash and cash equivalent**

For the purposes of presentation of the list of cash flows, the following balances shall be included in the cash and other terms, the due dates of which shall not exceed three months from the date of acquisition.

	30 June 2023 EGP Thousands	30 June 2022 EGP Thousands
Cash and balances at the central bank	431,762	389,548
Due from banks - Current accounts	519,670	15,417,264
Treasury bills with maturity more than three months	2,413,850	100,001
<b>Total</b>	<b>3,365,282</b>	<b>15,906,813</b>

**28. Contingent Liabilities and Commitments****28.1 Legal Claims (litigation)**

Several lawsuits have been filed against the Bank and accordingly a provision has been formed for this purpose on 30 June 2023, in the amount of EGP 6,008 thousand.

**28.2 Capital Commitments**

	(EGP Thousands)			
	Less than one year	More than one year and less than 5 years	More than 5 years	Total
<b>30 June 2023</b>				
Operating lease commitments	12,330	70,165	42,960	125,455
Capital commitments resulting from acquisition of property and equipment	109,781	-	-	109,781
<b>31 December 2022</b>				
Operating lease commitments	7,422	38,592	23,801	69,815
Capital commitments resulting from acquisition of property and equipment	83,227	-	-	83,227

**28.3 Contingent liabilities**

	30 June 2023 EGP Thousands	31 December 2022 EGP Thousands
Letter of Credit (import and export)	70,314	334,254
Letter of Guarantee	3,017,070	2,902,881
Accepted notes for suppliers facilities	53,681	108,933
<b>Total</b>	<b>3,141,065</b>	<b>3,346,068</b>



## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 29. Tax Position

#### 29.1 Corporate Tax:

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

The Bank's books have been inspected, and the due tax was paid.

- **Years 1 January 2018 till 31 December 2022**

The Bank submitted its tax return on the due date according to the Income Tax Law No. 91 of 2005 and its amendments, the Bank's books have not been inspected yet.

#### 29.2 Salaries Tax:

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

The Bank's books have been inspected, and the due tax was paid.

- **Years from 1 January 2021 till 30 June 2023.**

The Bank's books have not been inspected yet, noting that the bank regularly calculating the salaries tax monthly and submit it to the Tax Authority and the yearly submission of the final regulations.

#### 29.3 Stamp duty Tax:

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

The Bank's books have been inspected, and the due tax was paid, and a final settlement was extracted for the period.

- **Years from 1 January 2021 till 30 June 2023.**

We have not received notice of inspection for the period referred to. The bank regularly submits stamp duty monthly and quarterly to the Tax Authority.

#### 29.4 Withholding Tax:

The bank regularly calculates and pays its withholding tax, and no notice of inspection has been received to date.



## Notes to the condensed separate interim financial statement for the period ended 30 June 2023

### 30. Related Parties Transactions

(EGP Thousands)

	30 June 2023			31 December 2022		
	Main Shareholders	Directors and other key	Subsidiaries	Main Shareholders	Directors and other key	Subsidiaries
<b>Related parties outstanding balances can be analyzed below:</b>						
Due from banks	175,647	-	-	681,404	-	-
Financing and credit facilities to customers	-	5,073	724,947	-	1,000	693,397
Financial investments measured at FVOCI	32,491	-	-	25,600	-	-
Subordinated finance from Other Shareholders	1,390,361	-	-	1,113,453	-	-
Customers' deposits	2,284,236	15,368	47,609	597,803	18,674	102,641
Due to banks	391,783	-	-	623,819	-	-

	30 June 2023			30 June 2022		
	Main Shareholders	Directors and other key	Subsidiaries	Main Shareholders	Directors and other key	Subsidiaries
<b>Related parties transactions can be analyzed below:</b>						
Profit received from financing and credit facilities	-	-	63,493	-	-	-
Profit received from placements and current accounts	7,401	-	-	1,047	-	-
Profit paid on subordinated finance	(44,735)	-	-	21,932	-	-
Profit paid on deposits and current accounts to customers	(21,068)	(447)	(1,845)	(14,462)	-	(3,239)
Profit paid on deposits and current accounts to banks	(2,202)	-	-	(2,413)	-	-

- Due from banks on June 30, 2023, includes an amount of EGP 61,793 thousand representing due from banks belonging to Al Baraka Group (Compared to EGP 222,691 thousand at 31 December 2022).
- Due from banks on June 30, 2023, includes an amount of EGP 115,307 thousand representing balances with banks belonging to Al Baraka Group - the bank's main shareholder. (Compared to EGP 458,713 thousand at 31 December 2022).
- Due to banks on June 30, 2023, includes an amount of EGP 54,911 thousand representing due to banks belonging to Al Baraka Group - the bank's main shareholder (Compared to EGP 623,819 thousand at 31 December 2022).
- Financial assets at FVTOCI on June 30, 2023 includes the amount of EGP 32,491 thousand representing investments in the Islamic Bank of Jordan of Al Baraka Group - the bank's main shareholder (Compared to EGP 25,600 thousand at 31 December 2022).

### 31. Prior year adjustments

Comparative figures have been adjusted to reflect the reclassification of investments with banks in bank balances as follows:

(EGP Thousands)

Balance sheet	Before	31 December 2022		After
		Transferred from	Transferred to	
Due from banks ,Net	10,269,262	-	3,521,211	13,790,473
Investment with banks ,Net	3,521,211	(3,521,211)	-	-