



Consolidated Financial Statements

30 September 2023

Interim Condensed



Condensed consolidated interim financial statements as of 30 September 2023

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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 2023 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the nine-months 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 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.


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Cairo: 12 November 2023

**Condensed consolidated interim statement of financial position as of 30 September 2023**

	Note	30 September 2023 EGP Thousands	31 December 2022 EGP Thousands
Assets			
Cash and due from Central Bank of Egypt	13	6,410,481	7,251,399
Due from banks, net	14	8,115,542	13,790,473
Financing and credit facilities to customers, net	15	35,284,614	30,694,238
Financial investments			
- Measured at FVPL	1/16	96,665	81,551
- Measured at FVOCI	2/16	2,668,512	2,239,520
- Measured at Amortized cost	3/16	41,836,972	29,346,960
Intangible assets, net		26,510	31,999
Other assets, net	17	3,129,253	3,108,795
Property , plant and equipment, net	18	780,212	588,597
Total assets		98,348,761	87,133,532
Liabilities and Equity			
Liabilities			
Due to banks	19	2,394,832	1,902,905
Customers' deposits	20	82,252,829	74,317,312
Subordinated and other financing	21	2,321,337	1,125,168
Other liabilities	22	1,439,115	1,429,151
Other provisions	23	148,669	150,738
Deferred tax liabilities		39,981	5,117
Current income tax liabilities		621,151	544,287
Defined benefits obligation		63,925	63,925
Total liabilities		89,281,839	79,538,603
Equity			
Issued and paid-up capital	24	5,089,974	5,089,974
Reserves	25	879,986	605,586
Retained earnings *		3,094,934	1,897,010
Total equity attributable to equity holders of the bank		9,064,894	7,592,570
Non-controlling interests		2,028	2,359
Total equity		9,066,922	7,594,929
Total liabilities and equity		98,348,761	87,133,532

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

(Limited review report attached)

*Including net profit for the period

Hesham Ghoneim
Chief Financial Officer

Hazem Hegazy
Vice Chairman & CEO

Cairo: 12 November 2023

**Condensed consolidated interim income statement for the period ended 30 September 2023**

	Note	Last 9 Months	Last 3 Months	Last 9 Months	Last 3 Months
		30 September 2023	30 September 2023	30 September 2022	30 September 2022
		EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Income from Murabaha, Musharaka, Mudarabah and similar income	5	8,718,585	3,212,206	5,976,113	2,136,480
Cost of deposits and similar costs	5	(5,482,279)	(2,157,279)	(3,480,169)	(1,244,214)
Net income from funds		3,236,306	1,054,927	2,495,944	892,266
Fees and commission income	6	345,985	126,016	227,574	67,583
Fees and commission expenses	6	(41,056)	(13,651)	(24,392)	(6,216)
Net fees and commission income		304,929	112,365	203,182	61,367
Dividends income		14,331	169	15,349	-
Net trading income	8	49,151	14,619	75,125	31,867
Administrative expenses	7	(917,834)	(306,798)	(708,937)	(246,651)
Impairment charge of expected credit losses	10	(262,220)	(27,109)	(219,312)	(38,103)
Other operating income (expenses)	9	2,127	(10,290)	(17,180)	(9,818)
Net profit for the period before tax		2,426,790	837,883	1,844,171	690,928
Income tax expense	11	(822,590)	(253,207)	(587,700)	(217,569)
Net profit for the period		1,604,200	584,676	1,256,471	473,359
Attributable to:					
Equity holders of the Bank		1,604,288	584,740	1,256,443	473,331
Non-controlling interests		(88)	(64)	28	28
Net profit for the period		1,604,200	584,676	1,256,471	473,359
Basic earning per share	12	1.88	0.70	1.50	0.56

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 2023**

	Last 9 Months 30 September 2023 EGP Thousands	Last 3 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands	Last 3 Months 30 September 2022 EGP Thousands
Net profit for the period	1,604,200	584,676	1,256,471	473,359
Comprehensive income items that will not be reclassified to the profit or loss:				
Net change in fair value of equity instruments measured at FVOCI	158,310	1,022	(12,119)	2,257
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(35,620)	(230)	(6,345)	(6,345)
Comprehensive income items that is or may be reclassified to the profit or loss:				
Net change in fair value of debt instruments measured at FVOCI	(35,014)	26,902	(32,010)	(6,208)
Expected credit loss for fair value of debt instruments measured at FVOCI	1,785	(1,064)	1,976	(1,011)
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	7,875	(6,052)	4,650	4,650
Net other comprehensive income for the period , After tax	97,336	20,578	(43,848)	(6,657)
Total comprehensive income for the period , After tax	1,701,536	605,254	1,212,623	466,702
Attributable to:				
Equity holders of the Bank	1,701,624	605,318	1,212,595	466,674
Non-controlling interests	(88)	(64)	28	28
Total comprehensive income for the period , After tax	1,701,536	605,254	1,212,623	466,702

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

Condensed consolidated interim statement of cash flow for the period ended 30 September 2023

	Note	30 September 2023 EGP Thousands	30 September 2022 EGP Thousands
Cash flows from operating activities			
Profit before tax		2,426,790	1,844,171
<u>Adjusted by:</u>			
Property and Equipment depreciation and Intangible assets amortization	7	65,114	85,140
Impairment credit losses	10	262,221	219,312
Impairment charge (Released) of other provisions	23	31,007	44,849
Provisions no longer required other than financing provision	23	(32,057)	(8,003)
Provisions used other than financing provision	23	(3,643)	(30,341)
Provisions used due from banks	14	(283,228)	-
Amortization of premium / discount for bonds	16	(33,283)	(69,220)
Exchange translation differences of financing provisions		178,791	148,317
Exchange translation differences of financial investment measured at FVOCI	16	(34,890)	(6,860)
Exchange translation differences of financial investment measured at Amortized cost	16	(1,241,664)	(794,720)
Exchange translation differences of subordinated financing	21	276,750	172,602
FV revaluation differences of financial investment measured at FVPL	16	(15,114)	80
Loss (Gain) on sale of property and equipment	9	(33,668)	(1,357)
Loss (Gain) on sale of assets reverted to the bank	9	(54,455)	-
Dividend income		(14,331)	(15,349)
Operating profits before changes in operating assets and liabilities		1,494,340	1,588,621
Net decrease (increase) in assets and liabilities			
Balances with central banks within the required reserve ratio	13	843,102	346,350
Due from banks with maturity more than 90 days		(3,964,725)	(1,353,228)
Treasury bills with maturity more than 90 days	3/16	(12,333,487)	(2,013,482)
Financing and facilities to customers	15	(4,765,417)	(6,684,189)
Financial investments measured at FVPL	1/16	-	(10,000)
Other assets	17	(3,955)	(1,180,150)
Due to banks	19	491,927	1,384,634
Customers' deposits	20	7,935,517	28,742
Other liabilities	22	(7,570)	(1,731)
Employees' Benefits obligations		-	20,125
Current income tax obligations paid		(738,603)	(321,614)
Net cash flows (used in) operating activities		(11,048,871)	(8,195,922)

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

**Condensed consolidated interim statement of cash flows for the period ended 30 September 2023**

	Note	30 September 2023 EGP Thousands	30 September 2022 EGP Thousands
Cash flows from investing activities			
Acquisition of Property and Equipment	18	(246,365)	(30,531)
Proceeds from sale of Property and Equipment		35,750	8,291
Acquisition of Intangible assets		(5,183)	(40,393)
Acquisition of investment measured at FVOCI	16	(672,216)	(1,494,200)
Proceeds from sale of investment measured at FVOCI		400,583	-
Acquisition of investment measured at Amortized cost	16	-	(9,286,949)
Proceeds from sale of investment measured at Amortized cost		3,390,340	3,654,092
Dividends received		14,331	15,349
Net cash flows generated from (used in) investing activities		2,917,240	(7,174,341)
Cash flows from financing activities			
Subordinated Financing	21	919,419	-
Subordinated Financing - Albaraka group		-	(315,703)
Cash dividends (Share of employees, remuneration of BOD members)		(212,009)	(136,607)
Net cash flows (used in) financing activities		707,410	(452,310)
Net (decrease) increase in cash and cash equivalent during the period		(7,424,221)	(15,822,573)
Beginning balance of cash and cash equivalent		10,854,364	30,148,808
Cash and cash equivalent at the end of the period	27	3,430,143	14,326,235

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

Condensed consolidated interim statement of changes in equity for the period ended 30 September 2023

	EGP Thousands						
	Issued and paid-up capital	Paid under capital increase	Reserves	Retained earnings	Total equity attributable to equity holders of the bank	Non- controlling interests	Total equity
30 September 2022							
Balance at 1 January 2022	1,546,447	1,422,732	1,771,563	1,277,518	6,018,260	2,288	6,020,548
Net change in other comprehensive income	-	-	(43,848)	-	(43,848)	-	(43,848)
Net profit for the period	-	-	-	1,256,443	1,256,443	28	1,256,471
Total	1,546,447	1,422,732	1,727,715	2,533,961	7,230,855	2,316	7,233,171
Transferred to legal reserve	-	-	238,194	(238,194)	-	-	-
Transferred to capital reserve	-	-	1,125	(1,125)	-	-	-
Cash dividends (Share of employees, remuneration of BOD members and shareholders)	-	-	-	(136,595)	(136,595)	(12)	(136,607)
Dividends for year 2019 used in capital increase	309,289	(309,289)	-	-	-	-	-
Shareholders' dividends used in capital increase	-	742,295	-	(742,295)	-	-	-
Banking system support and development fund	-	-	-	(11,313)	(11,313)	-	(11,313)
Balance at 30 September 2022	1,855,736	1,855,738	1,967,034	1,404,439	7,082,947	2,304	7,085,251
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

The accompanying notes are an integral part of these financial statements

Notes to the condensed consolidated interim financial statements for the period ended 30 September 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 34 branches served by 1227 staff at the date of the financial statements. The Head Office is located 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 condensed consolidated financial statements for the period ended 30 September 2023 were approved by the Board of Directors on 12 November 2023.

2. Basis of preparation of the condensed consolidated interim 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.

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.

3. Financial Risk Management

The 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 practices. Risk management is carried out by the risk department under policies approved by the Board of Directors. The 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.

**Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023****3. Financial Risk Management - continuing****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 exposure arises principally in financing, advances and debt instruments. 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.

3.1.1 Maximum limit for credit risk before collaterals

	30 September 2023	31 December 2022
<u>Financial position items exposed to credit risks</u>	EGP Thousands	EGP Thousands
Due from banks	8,115,542	13,790,473
<u>Financing and credit facilities to customers, net</u>		
Retail		
- Credit cards	39,267	29,299
- Personal financing	4,668,129	2,771,981
- Mortgages	166,745	447,065
Corporate		
- Direct financing	26,121,946	22,743,732
- Syndicated financing	4,288,527	4,702,161
<u>Financial investments</u>		
Debt instruments measured at FVOCI	2,396,578	2,133,492
Debt instruments measured at Amortized cost	41,836,972	29,346,961
Total	87,633,706	75,965,164
<u>Off balance sheet items exposed to credit risk</u>		
Letter of Credit (import and export)	79,448	334,254
Letter of Guarantee	2,931,075	2,902,881
Customers Acceptances	27,400	108,933
Total	3,037,923	3,346,068

Notes to the condensed consolidated interim financial statements for the period ended 30 September 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 September 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
Due from banks								
<u>Credit rating as per CBE classification</u>								
Good debts	8,123,273	-	-	8,123,273	11,123,277	2,671,214	-	13,794,491
Non-Performing debts	-	-	-	-	-	-	229,864	229,864
Total	8,123,273	-	-	8,123,273	11,123,277	2,671,214	229,864	14,024,355
Deduct: Expected credit losses	(7,731)	-	-	(7,731)	(4,016)	(2)	(229,864)	(233,882)
Ending Balance	8,115,542	-	-	8,115,542	11,119,261	2,671,212	-	13,790,473

	30 September 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
Retail								
<u>Credit rating as per CBE classification</u>								
Good financing	2,820,062	136,940	-	2,957,002	1,628,238	104,238	-	1,732,476
Regular watch list	1,885,318	58,232	-	1,943,550	1,433,764	122,502	-	1,556,266
Non-performing financing	-	-	65,864	65,864	-	-	55,098	55,098
Total	4,705,380	195,172	65,864	4,966,416	3,062,002	226,740	55,098	3,343,840
Deduct: Expected credit losses	(32,788)	(11,651)	(47,836)	(92,275)	(37,659)	(4,127)	(53,709)	(95,495)
Ending Balance	4,672,592	183,521	18,028	4,874,141	3,024,343	222,613	1,389	3,248,345

	30 September 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
Corporate								
<u>Credit rating as per CBE classification</u>								
Good financing	22,432,472	3,525,994	-	25,958,466	19,181,263	3,549,983	-	22,731,246
Regular watch list	152,433	4,961,261	-	5,113,694	710,825	4,277,645	-	4,988,470
Special watch list	-	71,048	-	71,048	-	380,355	-	380,355
Non-performing financing	-	-	1,687,751	1,687,751	-	-	1,541,979	1,541,979
Total	22,584,905	8,558,303	1,687,751	32,830,959	19,892,088	8,207,983	1,541,979	29,642,050
Deduct: Expected credit losses	(55,983)	(894,037)	(1,470,466)	(2,420,486)	(65,801)	(752,221)	(1,378,135)	(2,196,157)
Ending Balance	22,528,922	7,664,266	217,285	30,410,473	19,826,287	7,455,762	163,844	27,445,893

	30 September 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
Debt instruments measured at FVOCI								
<u>Credit rating as per CBE classification</u>								
Good debts	2,396,578	-	-	2,396,578	2,133,492	-	-	2,133,492
Total	2,396,578	-	-	2,396,578	2,133,492	-	-	2,133,492
Ending Balance	2,396,578	-	-	2,396,578	2,133,492	-	-	2,133,492

	30 September 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
Debt instruments measured at Amortized cost								
<u>Credit rating as per CBE classification</u>								
Good debts	42,119,032	-	-	42,119,032	29,460,712	-	-	29,460,712
Total	42,119,032	-	-	42,119,032	29,460,712	-	-	29,460,712
Deduct: Expected credit losses	(282,060)	-	-	(282,060)	(113,752)	-	-	(113,752)
Ending Balance	41,836,972	-	-	41,836,972	29,346,960	-	-	29,346,960



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

	30 September 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time		12-Months	Life time	Life time	
Retail								
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	-	(10,766)	10,766	-	-	-	-	-
New financial assets purchased or issued	1,611,889	37,828	-	1,649,717	1,210,261	149,688	-	1,359,949
Matured or disposed financial assets	(24,991)	(2,150)	-	(27,141)	-	-	(62)	(62)
Ending Balance	4,705,380	195,172	65,864	4,966,416	3,062,002	226,740	55,098	3,343,840
Corporate								
Balance at 1 January 2023	19,892,088	8,207,983	1,541,979	29,642,050	13,374,186	6,608,322	986,796	20,969,304
Transferred to (from) stage 1	1,104,643	(1,104,643)	-	-	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)	108,944	89,119	-	(627,955)	627,955	-
New financial assets purchased or issued	3,243,179	10,830	-	3,254,009	8,643,537	1,277,593	-	9,921,130
Matured or disposed financial assets	(881,382)	(87,370)	(42,041)	(1,010,793)	(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
Ending Balance	22,584,905	8,558,303	1,687,751	32,830,959	19,892,088	8,207,983	1,541,979	29,642,050

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

EGP Thousands

	30 September 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time		12-Months	Life time	Life time	
Retail								
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	(4,871)	7,524	(5,815)	(3,162)	13,637	2,280	15,390	31,307
Written off during the year	-	-	(58)	(58)	-	-	(2,514)	(2,514)
Ending Balance	32,788	11,651	47,836	92,275	37,659	4,127	53,709	95,495
Corporate								
Balance at 1 January 2023	65,801	752,221	1,378,135	2,196,157	39,445	942,277	874,061	1,855,783
Transferred to (from) stage 1	(44,545)	44,545	-	-	9,409	(9,409)	-	-
Transferred to (from) stage 2	9,226	(9,226)	-	-	(2,973)	2,973	-	-
Transferred to (from) stage 3	-	(22,646)	22,646	-	-	(466,910)	466,910	-
Released (charged) during the year	25,501	90,652	(19,485)	96,668	19,920	177,418	64,516	261,854
Written off during the year	-	-	(10,585)	(10,585)	-	-	(133,062)	(133,062)
Recoveries during the year	-	-	20,945	20,945	-	-	38,536	38,536
Foreign exchange translation differences	-	38,491	78,812	117,303	-	105,872	67,174	173,046
Ending Balance	55,983	894,037	1,470,468	2,420,488	65,801	752,221	1,378,135	2,196,157

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

	<u>Arab Republic of Egypt</u>			Total	Gulf	Other	Total
	Great Cairo	Alex and Delta	Upper Egypt				
Cash and due from Central Bank of Egypt	6,410,481	-	-	6,410,481	-	-	6,410,481
Due from banks	7,281,406	-	-	7,281,406	354,953	486,914	8,123,273
<u>Gross financing and credit facilities to customers</u>							
Retail							
- Credit cards	31,086	9,199	-	40,285	-	-	40,285
- Personal financing	5,866,091	794,491	-	6,660,582	-	-	6,660,582
- Mortgages	191,058	26,911	-	217,969	-	-	217,969
Corporate							
- Direct financing	23,087,148	5,492,870	-	28,580,018	-	-	28,580,018
- Syndicated financing	4,717,459	-	-	4,717,459	-	-	4,717,459
<u>Financial investments</u>							
- Debt instruments measured at FVOCI	2,396,578	-	-	2,396,578	-	-	2,396,578
- Debt instruments measured at Amortized cost	42,730,290	-	-	42,730,290	333,836	-	43,064,126
Balance at 30 September 2023	92,711,597	6,323,471	-	99,035,068	688,789	486,914	100,210,771
Balance at 30 September 2022	80,172,616	4,597,421	-	84,770,037	2,092,248	882,523	87,744,808

Notes to the condensed consolidated interim financial statements for the period ended 30 September 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	6,410,481	-	-	-	-	-	-	6,410,481
Due from banks	8,123,273	-	-	-	-	-	-	8,123,273
Gross financing and credit facilities to customers								
Retail								
- Credit cards	-	-	-	-	-	-	40,285	40,285
- Personal financing	-	-	-	-	-	-	6,660,582	6,660,582
- Mortgages	-	-	-	-	-	-	217,969	217,969
Corporate								
- Direct financing	5,663,992	12,444,012	151,359	4,965,427	58,325	5,296,903	-	28,580,018
- Syndicated financing	-	2,175,779	-	575,152	1,429,824	536,704	-	4,717,459
Financial investments								
- Debt instruments measured at FVOCI	929,102	-	1,130,936	-	336,540	-	-	2,396,578
- Debt instruments measured at Amortized cost	-	-	-	-	43,064,126	-	-	43,064,126
Balance at 30 September 2023	21,126,848	14,619,791	1,282,295	5,540,579	44,888,815	5,833,607	6,918,836	100,210,771
Balance at 30 September 2022	27,391,718	12,302,356	2,084,576	5,218,403	31,617,031	5,359,345	3,771,379	87,744,808

**Notes to the condensed consolidated interim financial statements for the period ended 30 September 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 September 2023	EGP	USD	GBP	EUR	Other	Total
Financial assets						
Cash and due from Central Bank of Egypt	6,221,109	144,967	6,837	30,724	6,844	6,410,481
Due from banks	590,865	7,224,444	49,158	147,782	103,293	8,115,542
Gross financing and credit facilities to customers	31,634,259	3,417,686	-	232,668	-	35,284,614
Financial Investments measured at FVPL	96,665	-	-	-	-	96,665
Financial Investments measured at FVOCI	2,520,362	-	-	114,668	33,481	2,668,512
Financial Investments measured at Amortized cost	29,829,015	10,823,364	-	1,184,593	-	41,836,972
Other financial assets	1,352,631	108,631	78	16,688	135	1,478,163
Total financial assets	72,244,908	21,719,093	56,073	1,727,123	143,753	95,890,949
Financial liabilities						
Due to banks	-	1,673,480	46	714,642	6,664	2,394,832
Customers' deposits	63,381,861	17,664,596	55,820	1,050,611	99,940	82,252,829
Subordinated and other Islamic financing	4,332	2,317,005	-	-	-	2,321,337
Other financial liabilities	451,783	99,238	1	1,816	(7)	552,831
Total financial liabilities	63,837,976	21,754,319	55,867	1,767,069	106,598	87,521,829
Net financial position	8,406,931	(35,226)	206	(39,946)	37,155	8,369,120
31 December 2022						
Total financial assets	70,006,415	17,842,113	50,429	1,580,117	107,600	89,586,674
Total financial liabilities	58,628,708	17,616,024	51,659	1,603,623	87,159	77,987,174
Net financial position	11,377,707	226,089	(1,230)	(23,506)	20,441	11,599,500

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 consolidated interim financial statements for the period ended 30 September 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 are measured at amortized cost.

	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
EGP Thousands				
Financial Assets				
Due from banks	8,123,273	8,123,273	14,024,355	13,949,380
Financing and credit facilities to customers, net	37,797,375	37,797,375	32,985,890	30,694,238
Debt instruments measured at Amortized cost	42,119,032	39,277,858	29,460,712	28,355,352
Financial liabilities				
Due to banks	2,394,832	2,397,763	1,902,905	1,926,991
Customers' deposits	82,252,829	82,781,952	74,317,312	74,943,038
Subordinated and other Islamic financing	2,321,337	2,342,113	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 consolidated interim financial statements for the period ended 30 September 2023****3. Financial Risk Management - continuing****3.4 Fair Value of Financial Assets & Liabilities - 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 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

Financial Assets	30 September 2023			
	Level 1	Level 2	Level 3	Total
Debt instruments	-	2,396,578	-	2,396,578
Mutual funds	-	96,665	-	96,665
Equity Instruments	85,190	-	186,744	271,934

EGP Thousands

Financial Assets	31 December 2022			
	Level 1	Level 2	Level 3	Total
Debt instruments	-	2,133,492	-	2,133,492
Mutual funds	-	81,551	-	81,551
Equity Instruments	83,698	-	22,330	106,028



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

It must be considered that additional going concern capital does not exceed the common equity CET1 and supporting financing (deposits) does not exceed half of the common equity CET1. The bank has complied with all local capital requirements during the past two years.

**Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023****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.

According to Basel II	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Tier 1 capital		
Basic going concern capital		
Issued and paid up capital	5,089,974	5,089,974
Other reserves	428,148	249,619
General risk reserve	214,926	214,926
Retained earnings	1,485,891	1,894,350
Other comprehensive income	81,913	24,776
Total disposal of additional basic capital	(47,238)	(22,963)
Total basic going concern capital after disposal	7,253,614	7,450,682
Additional basic capital		
Interim profit	1,602,079	-
Non-Controlling interest	1,956	2,315
Difference between FV and PV for subordinated financing	-	-
Total deductions from capital invested	-	-
Total additional basic capital	1,604,035	2,315
Total qualifying tier 1 capital	8,857,649	7,452,997
Tier 2 capital		
Subordinated financing	401,614	540,676
Impairment provision for Financing, debt instruments and contingent liabilities in stage one*	394,550	274,157
Total qualifying tier 2 capital	796,164	814,833
Total capital base after disposal	9,653,814	8,267,830
Risk weighted assets and contingent liabilities		
Total credit risk	49,553,151	42,732,647
The overriding value of top 50 clients over the prescribed limits	799,259	-
Cross border over limit	-	104,908
Total market risk	244,920	388,448
Total operational risk	3,478,799	3,478,802
Total risk weighted assets and contingent liabilities	54,076,128	46,704,805
*Capital adequacy ratio (%)	17.85%	17.70%

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.

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:

The tables below summarizes the leverage financial ratio:	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Total qualifying tier 1 capital	8,857,649	7,452,997
Total on-balance sheet exposures	98,561,354	87,514,040
Total off-balance sheet exposures	5,007,200	4,903,068
Total exposures on-balance sheet and off-balance sheet	103,568,554	92,417,108
Leverage financial ratio % (1/2)	8.55%	8.06%

* 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 2023 NSFR% recorded 198.78% and LCR% recorded 1078.19%

Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023

- In December 2022 NSFR% recorded 207.54% and LCR% recorded 854.11%

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 2023	Head office	Cairo branches	Giza branches	Alex branches	Other branches	Total
Total revenues and expenses according to segmental activities						
Total revenues	1,804,673	4,945,350	1,335,050	757,023	374,079	9,216,175
Total expenses	(1,309,632)	(3,791,840)	(910,288)	(543,532)	(234,093)	(6,789,385)
Net profit for the year before tax	495,041	1,153,510	424,762	213,491	139,986	2,426,790
Income tax expense	(822,590)	-	-	-	-	(822,590)
Net profit for the year	(327,549)	1,153,510	424,762	213,491	139,986	1,604,200
Total assets and liabilities according to segmental activities						
Total assets	8,523,501	54,843,958	18,859,782	10,587,012	5,534,508	98,348,761
Total liabilities	8,844,908	46,233,867	18,435,020	10,373,521	5,394,523	89,281,839

31 December 2022	Head office	Cairo branches	Giza branches	Alex branches	Other branches	Total
Total revenues and expenses according to segmental activities						
Total revenues	1,460,447	4,698,597	1,176,152	724,807	697,495	8,757,498
Total expenses	(1,845,693)	(2,516,212)	(751,827)	(536,114)	(457,989)	(6,107,835)
Net profit for the year before tax	(385,246)	2,182,385	424,325	188,693	239,506	2,649,663
Income tax expense	(900,577)	-	-	-	-	(900,577)
Net profit for the year	(1,285,823)	2,182,385	424,325	188,693	239,506	1,749,086
Total assets and liabilities according to segmental activities						
Total assets	5,183,365	51,246,173	13,865,926	8,930,468	7,907,600	87,133,532
Total liabilities	5,173,516	43,661,093	13,865,926	8,930,468	7,907,600	79,538,603

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

EGP Thousands

30 September 2023	Arab Republic of Egypt			Total
	Great Cairo	Alex and Delta	Upper Egypt	
Total revenues and expenses according to geographical segment				
Total revenues	8,085,072	1,131,101	-	9,216,173
Total expenses	(6,011,759)	(777,624)	-	(6,789,383)
Net profit for the year before tax	2,073,313	353,477	-	2,426,790
Income tax expense	(822,590)	-	-	(822,590)
Net profit for the year	1,250,723	353,477	-	1,604,200
Total assets and liabilities according to geographical segment				
Total assets	82,227,241	16,121,520	-	98,348,761
Total liabilities	73,513,795	15,768,044	-	89,281,839

EGP Thousands

31 December 2022	Arab Republic of Egypt			Total
	Great Cairo	Alex and Delta	Upper Egypt	
Total revenues and expenses according to geographical segment				
Total revenues	7,719,121	1,038,377	-	8,757,498
Total expenses	(5,350,684)	(757,151)	-	(6,107,835)
Net profit for the year before tax	2,368,437	281,226	-	2,649,663
Income tax expense	(900,577)	-	-	(900,577)
Net profit for the year	1,467,860	281,226	-	1,749,086
Total assets and liabilities according to geographical segment				
Total assets	74,788,984	12,344,548	-	87,133,532
Total liabilities	67,194,055	12,344,548	-	79,538,603

**Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023****5. Net income from funds**

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
<u>Income from Murabaha, Musharaka, Mudaraba and other similar income:</u>		
Financing and credit facilities		
- Customers	4,190,407	2,048,779
Total	4,190,407	2,048,779
Debt instruments at fair value through OCI and AC	3,989,003	2,532,079
Deposits and current accounts	539,175	1,395,255
Total	8,718,585	5,976,113
<u>Cost of deposits and similar expenses:</u>		
Deposits and current accounts		
- Banks	(143,139)	(10,472)
- Customers	(5,266,028)	(3,436,329)
Total	(5,409,167)	(3,446,801)
Other financings	(73,112)	(33,368)
Total	(5,482,279)	(3,480,169)
Net income from funds	3,236,306	2,495,944

6. Net fees and commission income

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
<u>Fees and commission income:</u>		
Fees and commissions related to credit	153,578	138,381
Investment commission	-	1,600
Custody fees	790	1,058
Other fees	191,617	86,535
Total	345,985	227,574
<u>Fees and commission expenses:</u>		
Other fees paid	(41,056)	(24,392)
Total	(41,056)	(24,392)
Net fees and commission income	304,929	203,182

Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023
7. Administrative expenses

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Staff cost:		
Salaries and wages	(409,315)	(292,482)
Social insurance	(15,941)	(11,688)
Pension cost:		
Defined contribution scheme	(23,976)	(9,080)
Zakah and charity fund	(22,500)	(16,500)
Depreciation and amortization	(65,114)	(85,140)
Other administrative expenses	(380,988)	(294,047)
Total	(917,834)	(708,937)

8. Net trading income

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Profit from foreign exchange transactions	34,037	75,206
Mutual funds measured at FVPL	15,114	(81)
Total	49,151	75,125

9. Other operating income (expenses)

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 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	(56,098)	(8,139)
Gain (loss) on sale of assets reverted to the bank	54,455	15,974
Gain on sale of property and equipment	33,668	1,357
Operating lease rental expense	(20,267)	(2,822)
Other provisions (net of reversed amounts)*	1,050	(36,846)
Others	(10,681)	13,296
Total	2,127	(17,180)

Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023
10. Impairment charge of expected credit losses

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Financing and credit facilities to customers (Note 15)	(93,504)	(196,116)
Due from banks (Note 14)	1,787	6,951
Debt instruments at fair value through other comprehensive income (Note 16/2)	(1,784)	(1,976)
Debt instruments at amortized cost (Note 16/3)	(168,308)	(28,689)
Accrued revenues (Note 17)	(411)	518
Total	(262,220)	(219,312)

11. Income tax expense

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Current tax	(815,467)	(589,631)
Deferred tax	(7,123)	1,931
Total	(822,590)	(587,700)

12. Basic earnings per share

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Net profit for the period (from separate income statement)	1,607,042	1,255,053
Add/(Deduct) : Profits of sale fixed assets	(33,668)	(1,357)
Net profit for the period, available for distribution	1,573,374	1,253,696
staff profit share	(157,337)	(125,370)
Remuneration for the board members	(31,467)	(25,074)
Banking system support and development fund	(15,734)	(12,537)
Profit available to shareholders	1,368,836	1,090,715
Weighted average number of the shares outstanding during the period	727,139	727,139
Basic earning per share	1.88	1.50

* Based on the separate financial statement

**Notes to the condensed consolidated interim financial statements for the period ended 30 September 2023****13. Cash and due from Central Bank of Egypt**

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Cash	464,520	462,337
Mandatory reserve balances with CBE	5,945,961	6,789,062
Total	6,410,481	7,251,399
Non-profit bearing balances	6,410,481	7,251,399
Total	6,410,481	7,251,399

14. Due from banks, net

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Current accounts	407,473	484,070
Deposits	7,715,800	13,540,285
	8,123,273	14,024,355
Deduct: Expected Credit Losses*	(7,731)	(233,882)
Total	8,115,542	13,790,473
Balances at CBE other than those under the mandatory reserve	2,410,211	9,806,805
Local banks	4,871,194	1,228,636
Foreign Banks	841,868	2,988,914
Deduct: Expected Credit Losses*	(7,731)	(233,882)
Total	8,115,542	13,790,473
Non-profit bearing balances	407,473	484,070
Fixed profit bearing balances	7,715,800	13,540,285
Deduct: Expected Credit Losses*	(7,731)	(233,882)
Total	8,115,542	13,790,473
<u>Due from banks-ECL provision analysis*</u>		
Beginning balance	233,882	154,630
Net impairment loss recognized during the period	(1,787)	(5,577)
Written off during the period	(283,228)	-
Foreign currencies translation differences	58,864	84,829
Ending balance	7,731	233,882

- Due from banks on 30 September 2023 includes an amount of EGP 73,343 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 consolidated interim financial statements for the period ended 30 September 2023****15. Financing and credit facilities to customers, net**

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
<u>Retail</u>		
Credit cards	40,285	29,706
Personal financing	6,660,582	3,737,181
Mortgages	217,969	554,475
Total (1)	6,918,836	4,321,362
<u>Corporate including (SMEs)</u>		
Direct financing	28,580,018	25,211,657
Syndicated financing	4,717,459	5,117,299
Total (2)	33,297,477	30,328,956
Gross financing and credit facilities (1+2)	40,216,313	34,650,318
<u>Deduct:</u>		
Expected Credit Losses*	(2,512,761)	(2,291,652)
Deferred profit	(2,418,938)	(1,664,428)
Net financing and credit facilities	35,284,614	30,694,238
<u>Financing and credit facilities-ECL provision analysis*</u>		
Beginning balance	2,291,652	1,922,485
Net impairment loss recognized during the period	93,504	293,161
Recoveries during the period	20,945	38,536
Written off during the period	(10,643)	(135,576)
Foreign currencies translation differences	117,303	173,046
Ending balance	2,512,761	2,291,652

Notes to the Condensed Consolidated interim financial statements for the period ended 30 September 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

	<u>30 September 2023</u>				<u>31 December 2022</u>			
	Credit cards	Personal financing	Mortgages	Total	Credit cards	Personal financing	Mortgages	Total
Retail								
Beginning balance	1,446	79,467	14,582	95,495	266	48,032	18,404	66,702
Net impairment loss recognized during the period	(428)	6,442	(9,176)	(3,162)	1,180	31,517	(1,390)	31,307
Written off during the period	-	(58)	-	(58)	-	(82)	(2,432)	(2,514)
Ending balance (1)	1,018	85,851	5,406	92,275	1,446	79,467	14,582	95,495
	<u>30 September 2023</u>				<u>31 December 2022</u>			
Corporate	Direct financing	Syndicated financing	Other financing	Total	Direct financing	Syndicated financing	Other financing	Total
Beginning balance	1,781,017	415,140	-	2,196,157	1,574,390	274,612	6,781	1,855,783
Net impairment loss recognized during the period	141,280	(44,614)	-	96,666	196,441	72,194	(6,781)	261,854
Recoveries during the period	320	20,625	-	20,945	1,619	36,917	-	38,536
Written off during the period	(10,585)	-	-	(10,585)	(133,062)	-	-	(133,062)
Foreign currencies translation differences	80,937	36,366	-	117,303	141,629	31,417	-	173,046
Ending balance (2)	1,992,969	427,517	-	2,420,486	1,781,017	415,140	-	2,196,157
Ending balance (1+2)	1,993,987	513,368	5,406	2,512,761	1,782,463	494,607	14,582	2,291,652

**Notes to the Condensed Consolidated interim financial statements for the period ended 30 September 2023****16. Financial investments****16.1 Measured at FVPL**

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
A) Mutual Funds		
Unlisted in stock exchange market	96,665	81,551
Total financial instruments measured at FVPL (1)	96,665	81,551
Beginning balance	81,551	59,703
Additions	-	10,000
FV revaluation differences of financial investment measured at FVPL	15,114	11,848
Total financial instruments measured at FVPL (1)	96,665	81,551

16.2 Measured at FVOCI

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
A) Islamic Sukuk at fair value		
Listed in stock exchange market	1,130,936	1,506,878
Total	1,130,936	1,506,878
B) Treasury bonds at fair value		
Listed in stock exchange market	336,540	333,943
Total	336,540	333,943
C) Securitization bonds at fair value		
Listed in stock exchange market	929,102	292,671
Total	929,102	292,671
D) Equity instruments at fair value		
Listed in stock exchange market	85,190	83,698
Unlisted in stock exchange market	186,744	22,330
Total	271,934	106,028
Total financial instruments measured at FVOCI (2)	2,668,512	2,239,520

- Financial assets at FVTOCI on September 30, 2023 includes the amount of EGP 33,563 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).

Notes to the Condensed Consolidated interim financial statements for the period ended 30 September 2023
16. Financial investments - continuing
16.3 Measured at Amortized Cost

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
A) Treasury bonds		
Listed in stock exchange market	21,037,221	22,957,202
Unlisted in stock exchange market	-	258,697
Deduct: Expected Credit Losses*	(162,018)	(72,603)
Total	20,875,203	23,143,296
B) Islamic Sukuk		
Listed in stock exchange market	333,836	269,724
Deduct: Expected Credit Losses*	(6,390)	(3,771)
Total	327,446	265,953
C) Treasury bills		
EGP TBills - 91 Days maturity	2,558,150	118,750
EGP TBills - 182 Days maturity	8,220,175	659,175
EGP TBills - 273 Days maturity	3,074,025	100,000
EGP TBills - 364 Days maturity	1,954,700	900,000
USD TBills - 364 Days maturity	5,295,129	3,909,457
EUR TBills - 364 Days maturity	590,890	475,352
Total	21,693,069	6,162,734
Deduct: Unearned interest	(945,094)	(187,645)
Deduct: Expected Credit Losses*	(113,652)	(37,378)
Net	20,634,323	5,937,711
Total financial instruments measured at Amortized cost (3)	41,836,972	29,346,960
Total financial investment (1+2+3)	44,602,149	31,668,031
Non-profit bearing balances	368,599	187,579
Floating profit bearing balances	1,458,382	1,772,831
Fixed profit bearing balances	42,775,168	29,707,621
Total financial investment (1+2+3)	44,602,149	31,668,031
Debt instruments-ECL provision analysis*		
Beginning balance	113,752	63,177
Net impairment loss recognized during the period	168,308	50,575
Ending balance	282,060	113,752

- The carried value of financial investments in governmental debts at 30 September 2023 reached to EGP 42,121,736 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 statements for the period ended 30 September 2023****16. Financial investments - continuing**

The following table analyzes the movements on financial investments:

	(EGP Thousands)		
30 September 2023	Fair value through OCI	Amortized cost	Total
Beginning balance	2,239,520	29,346,960	31,586,480
Additions	672,215	35,869,354	36,541,569
Amortization of premium / discount	(826)	(723,340)	(724,166)
Disposals (sale/redemption)	(400,583)	(24,150,502)	(24,551,085)
Foreign currencies translation differences	34,890	1,662,808	1,697,698
Changes in fair value reserve	123,296	-	123,296
Net impairment loss recognized during the year	-	(168,308)	(168,308)
Ending balance	2,668,512	41,836,972	44,505,484

	Fair value through OCI	Amortized cost	Total
31 December 2022			
Beginning balance	721,436	19,693,874	20,415,310
Additions	1,506,962	11,064,874	12,571,836
Amortization of premium / discount	(2,701)	(18,968)	(21,669)
Disposals (sale/redemption)	(8,549)	(4,957,342)	(4,965,891)
Foreign currencies translation differences	46,015	3,615,097	3,661,112
Changes in fair value reserve	(23,643)	-	(23,643)
Net impairment loss recognized during the year	-	(50,575)	(50,575)
Ending balance	2,239,520	29,346,960	31,586,480

**Notes to the Condensed Consolidated interim financial statements for the period ended 30 September 2023****17. Other assets, net**

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued revenues	1,478,163	1,654,287
Deduct: Expected Credit Losses*	(2,173)	(1,762)
Accrued revenues,net	1,475,990	1,652,525
Pre-paid expenses	66,088	15,649
Advance payments for acquisition of property and equipment	368,131	352,630
Assets reverted to the bank in settlement of debts,net	278,503	261,588
Deposits held with others and custody	12,486	11,721
Other debit balances	928,055	814,682
Total	3,129,253	3,108,795
Accrued revenues-ECL provision analysis*		
Beginning balance	1,762	1,331
Net impairment loss recognized during the period	411	431
Ending balance	2,173	1,762

- 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 statements for the period ended 30 September 2023
18. Property, plant and equipment, net

EGP Thousands

30 September 2023	Lands and Premises	Machines and Equipment	Information Technology	Furniture and Renovations	Others	Total
Cost	564,247	119,038	150,771	409,006	20,195	1,263,257
Accumulated depreciation	(169,427)	(70,193)	(125,752)	(104,770)	(12,903)	(483,045)
Net book value	394,820	48,845	25,019	304,236	7,292	780,212
Net book value at the beginning of the year	313,439	30,679	10,371	224,958	9,150	588,597
Additions	97,736	30,818	22,977	94,834	-	246,365
Disposals	(1,720)	(1,365)	(473)	(3,093)	(1,618)	(8,269)
Depreciation for the Period	(14,904)	(12,603)	(8,329)	(14,974)	(1,858)	(52,668)
Disposals' accumulated depreciation	269	1,316	473	2,511	1,618	6,187
Net book value	394,820	48,845	25,019	304,236	7,292	780,212
31 December 2022	Lands and Premises	Machines and Equipment	Information Technology	Furniture and Renovations	Others	Total
Cost	468,231	89,585	128,267	317,265	21,813	1,025,161
Accumulated depreciation	(154,792)	(58,906)	(117,896)	(92,307)	(12,663)	(436,564)
Net book value	313,439	30,679	10,371	224,958	9,150	588,597
Net book value at the beginning of the year	326,668	39,766	25,477	237,989	3,789	633,689
Additions	9,472	6,257	3,671	8,111	8,007	35,518
Disposals	(4,873)	-	-	(4,254)	(181)	(9,308)
Depreciation for the Period	(18,986)	(15,344)	(18,777)	(17,921)	(2,646)	(73,674)
Disposals' accumulated depreciation	1,158	-	-	1,033	181	2,372
Net book value	313,439	30,679	10,371	224,958	9,150	588,597

**Notes to the Condensed Consolidated interim financial statements for the period ended 30 September 2023****19. Due to banks**

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Current accounts	75,403	68,075
Deposits	2,319,429	1,834,830
Total	2,394,832	1,902,905
Local banks	218,727	866,019
Foreign banks	2,176,105	1,036,886
Total	2,394,832	1,902,905
Non-profit bearing balances	75,403	68,075
Floating profit bearing balances	2,319,429	1,834,830
Total	2,394,832	1,902,905

- Due to banks on 30 September 2023 includes an amount of EGP 66,738 thousand representing due to banks belonging to Al Baraka Group - the bank's main shareholder (EGP 623,819 thousand at 31 December 2022).

20. Customers' deposits

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Demand deposits	15,189,083	11,027,073
Time deposits and call accounts	30,982,774	27,641,162
Term saving certificates	28,355,888	26,449,754
Saving deposits	6,652,164	7,843,402
Other deposits	1,072,920	1,355,921
Total	82,252,829	74,317,312
Corporate deposits	42,249,550	37,248,197
Retail deposits	40,003,279	37,069,115
Total	82,252,829	74,317,312
Non-profit bearing balances	6,610,538	6,413,974
Floating profit bearing balances	75,642,291	67,903,338
Total	82,252,829	74,317,312



21. Subordinated and other Islamic financing

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
(A) Long Term Financing_Social fund	4,332	11,715
(B) Long Term Financing_ICD	926,802	-
(C) Subordinated Finance_Other Shareholders	1,390,203	1,113,453
Total	2,321,337	1,125,168

(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 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 a period of \$30 million for five years for the benefit of Al-Baraka Bank - Egypt to support and finance green projects in order to achieve the sustainable development goals of the Egyptian economy.

(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.

22. Other liabilities

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued interest	552,831	642,001
Deferred revenues	18,406	25,119
Accrued expenses	230,281	176,371
Accounts under settlements	360,786	310,309
Other credit balances	276,811	275,351
Total	1,439,115	1,429,151

23. Other provisions

	(EGP Thousands)				
30 September 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 period	-	6,000	25,007	-	31,007
Provisions no longer required during the period	-	-	(32,057)	-	(32,057)
Used during the period	(901)	(2,742)	-	-	(3,643)
Foreign currencies translation differences	-	-	2,624	-	2,624
Ending balance	5,257	41,297	90,528	11,587	148,669
31 December 2022	Provision for legal claims	Provision for tax claims*	Provision for Contingents	Other provisions	Total
Beginning balance	6,628	15,436	81,531	11,587	115,182
Formed during the period	-	20,000	41,517	-	61,517
Provisions no longer required during the period*	-	(109,000)	(29,538)	-	(138,538)
Transferred from credit balances to tax provision	-	145,250	-	-	145,250
Used during the period	(470)	(33,647)	-	-	(34,117)
Foreign currencies translation differences	-	-	1,444	-	1,444
Ending balance	6,158	38,039	94,954	11,587	150,738

***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 third quarter of 2023 in the amount of 23.54 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 6.94 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 8.82 million.

**Notes to the Condensed Consolidated interim financial statements for the period ended 30 September 2023****24. Capital****24.1 Authorized Capital**

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

24.2 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 September 2023		31 December 2022	
	No. of common stock	total value of common stock	No. of common stock	total value of common stock
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
Ending balance	727,139,130	5,089,974	727,139,130	5,089,974

- 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.

25. Reserves

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Legal reserve	414,705	239,254
General banking risk reserve	118,566	118,566
Capital reserve	11,975	10,365
General risk reserve	214,926	214,926
Fair value reserve	119,814	22,475
Total	879,986	605,586

- 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 Consolidated interim financial statements for the period ended 30 September 2023****26. 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 September 2023	30 September 2022
	EGP Thousands	EGP Thousands
Cash and balances at the central bank	464,521	411,200
Due from banks - Current accounts	407,472	13,865,535
Treasury bills with maturity more than three months	2,558,150	49,500
Total	3,430,143	14,326,235

27. Contingent liabilities and commitments**27.1 Legal Claims (litigation)**

Several lawsuits have been filed versus the Bank and accordingly a provision has been formed for this purpose on 30 September 2023, in the amount of EGP 5,257 thousand (Note 23).

27.2 Capital Commitments

	EGP Thousands			Total
	Less than one year	More than one year and less than 5 years	More than 5 years	
30 September 2023				
Operating lease commitments	16,135	93,108	57,684	166,927
Capital commitments resulting from acquisition of property and equipment	136,501	-	-	136,501
31 December 2022				
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 2023	31 December 2022
	EGP Thousands	EGP Thousands
Letter of Credit (import and export)	79,448	334,254
Letter of Guarantee	2,931,075	2,902,881
Accepted notes for suppliers facilities	27,400	108,933
Total	3,037,923	3,346,068



28. Tax Position

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.

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 September 2023.**

We have not received notice of inspection for the period referred to . 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.

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 September 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.

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 Consolidated interim financial statements for the period ended 30 September 2023****29. Related Parties Transactions**

(EGP Thousands)

	<u>30 September 2023</u>		<u>31 December 2022</u>	
	Main Shareholders	Directors and other key management	Main Shareholders	Directors and other key management
Related parties outstanding balances can be analyzed below:				
Due from banks	73,343	-	681,404	-
Financing and credit facilities to customers	-	4,963	-	1,000
Financial investments measured at FVOCI	33,563	-	25,600	-
Subordinated finance from Other Shareholders	1,390,203	-	1,113,453	-
Customers' deposits	2,310,687	14,151	597,803	18,674
Due to banks	393,197	-	623,819	-
Related parties transactions can be analyzed below:				
	<u>30 September 2023</u>		<u>30 September 2022</u>	
	Main Shareholders	Directors and other key management	Main Shareholders	Directors and other key management
Profit received from placements and current accounts	1,677	-	1,076	-
Profit paid on subordinated finance	(67,432)	-	(32,954)	-
Profit paid on deposits and current accounts to customers	(32,890)	(5,852)	(12,823)	(8,142)
Profit paid on deposits and current accounts to banks	(3,070)	-	-	-

- Due from Banks on September 30, 2023, includes an amount of EGP 73,343 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 September 30, 2023, includes an amount of EGP 66,738 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 September 30, 2023 includes the amount of EGP 33,563 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).

30. Significant events

- On October 5, 2023, **Moody's** Rating Agency downgrades Egypt's rating from B3 to **Caa1**, with a stable outlook, and on October 20, 2023, **Standard & Poor's** Rating Agency downgrades Egypt's rating from B to **B-** with a stable outlook, on November 3, 2023, **Fitch** Rating Agency downgrades Egypt's rating from B to **B-** with a stable outlook Therefore, the Egyptian government reported that it is implementing reforms to confront economic challenges and is setting measures to stimulate investment and enhance private sector participation in the Egyptian market. The bank's management has hedged against the impact of downgrading Egypt's credit rating, which had an impact on the value of expected credit losses calculated in the bank's financial statements.
- On 3 August 2023, 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 100 basis points to reach 19.25 %, 20.25 %, and 19.75 % respectively. The discount rate was also raised by 100 basis points to 19.75 %, On 30 March 2023, 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 18.25 %, 19.25 %, and 18.75 %, respectively. The discount rate was also raised by 200 basis points to 18.75 % which may affect the bank's policies in pricing current and future banking products.