Al Baraka Bank Egypt S.A.E.

ANNUAL REPORT 2020

Your Partner Bank

alBaraka

His Excellency Shaikh
Saleh Abdullah Kamel
Founder
Al Baraka Group

His Excellency
Mr. Abdullah Saleh
Chairman
Al Baraka Group

HIS EXCELLENCY
Mr. **Mazin Manna**
Group Chief Executive Officer
Al Baraka Group

HIS EXCELLENCY
Eng. **Abdul Aziz Mohamed Yamani**
Chairman
Al Baraka Bank Egypt

HIS EXCELLENCY
Mr. **Ashraf Ahmed El Ghamrawy**
Vice Chairman & Chief Executive
Al Baraka Bank Egypt

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01 INTRODUCTION

Al Baraka Bank of Egypt S.A.E is one of the most leading distinguished financial institutions in the business of Islamic banking in Egypt, as started to practice its various activities and business more than thirty years in accordance with the provisions of the tolerant Islamic Shari'a, and Bank was able to impose itself strongly in the banking market in Egypt in view of the integrated system of solutions, innovations and non-traditional services and advanced Islamic products, the mission of our Bank is represented in accompanying our partners on the road of success by providing innovative and renewable banking products depositing and employment via an integrated work team committed that complies with respecting the principles of tolerant Islamic Shari'a that guarantee the due ethical practices in commercial and financial operations and is committed to international and local standards in the exercise of its activity and business.

Despite the exceptional circumstances that the whole world went through this year as a result of the negative repercussions of the beginning of Corona virus pandemic, our Bank, thanks to Almighty God, to the sincere efforts of its executive staff, and the strategy developed by the Board of Directors and the continuous follow up of the committees branching thereof from the Board, was able to increase its market share and competitiveness. Where the customers' deposits were developed to reach EGP 66.5 billion, as well as Murabaha, investment and financial investments operations, to reach approximately EGP 66.7 billion. In spite of the selective policy of our bank for its customers, the total Balance increased to EGP 75.5 billion. The net profit for the year ended 2020 amounted EGP1247.7 million compared to EGP1053.8 million in 2019, this reflects the increasing of confidence in the bank on part of transactors in the market. Positive development in the volume of its activities, the growth of its activities and the business results.

In this concern it is worth mentioning that Al Baraka Bank Egypt is considered one of the tributaries of Al Baraka Banking located in Bahrain, Al Baraka Bank Egypt always launches new and developed financing programs for banking retail transactions that satisfy the requirements of the different brackets of the community, that are unprecedented in the Egyptian banking market; all of which conform to Islamic Shari'a, Also our Bank seeking to maintain its customers' base and developing it especially through individual deposits (family sector) and recently introduced a new saving pool, named current account for foreign trade clients with a competitive return rate, in order to activate the volume of documentary of credits (letters of guarantee and letters of Credit) thus the commissions will increase . Given the strength and balance of the Bank's financial position, funds, sovereign bodies and large financial institutions deposit part of their surpluses with our Bank.

Since its inception, Al Baraka Bank Egypt has always been active , and pioneer in several activities that benefit society, as the bank is proud to provide huge new job opportunities within the framework of financing and investment operations that it provides, either individually or through joint financing. Also the Bank contributed in development and purchasing hospital equipment and supplies most necessity within the governorates of the Arab Republic of Egypt, and provided financial support to new educational institutions, infrastructure development for existing educational institutions, in addition to scholarships for the talented and needy. The Bank also keen on its social role in the environment in which it operates through donations to zakat and charities institutions that provide aid and assistance to poor families and that provide job opportunities to youth through the provision of micro ,small, medium enterprises. The bank continued its support for "Tahya Misr" Fund, whether for casual labor whom negatively affected due to the pandemic, as well as supplying Corona vaccine for the poor, and the bank, through its Zakah Fund, established medical centers for free treatment for poor families at the universities of Al-Qasr Al-Aini, Ain Shams, Al-Demerdash, the College Center in Mansoura, and Magdi Yacoub Foundation for treating sick Heart children in Aswan and 57357 Hospital in Tanta.

The Islamic International Rating Agency (IIRA) has reaffirmed our Bank credit rating of the international level scale B-/B and confirmed the national scale rating of the local level, (A (eg)/A1(eg)) with Stable Outlook, IIRA Agency praised in its report the bank's ability to build private capital reserves through the strong profitability achieved, and expecting that our bank has the ability to generate the capital required by the Central Bank of Egypt within the next two years, in compliance with the new law and the minimum bank's capital of EGP 5 billion . Also IIRA agency confirmed our Bank has been strengthening its corporate governance framework not only to meet the local regulatory requirements, but also by adopting international best practices to protect the holders of various rights. The agency clarified that the updated Sharia governance regulations in our Bank enhance the Shari'a infrastructure.

The Bank practices its business from its headquarters in the Fifth Settlement Area in New Cairo which was equipped with the latest techniques; the matter that is considered a quantum and civilized leap to the Bank, and via its branches that currently amount to 32 that are distributed over major Egyptian cities & governorates, in addition to our foreign currency exchange offices. Recently necessary actions are being taken to prepare a new branch in East Alexandria to become fifth Branch in Alexandria Governorate, the second capital of Egypt as well as a new branch in fifth settlements district.

02
SHAREHOLDERS

As at 31 December 2020

Shareholders	Nationality	%
Al Baraka Group	Bahrain	73.68
Misr Life Insurance Company	Egypt	5.25
Others (Individuals)	Egypt	4.99
Misr Insurance Company	Egypt	4.50
Dallah Company for Real Estate Investment	Egypt	3.81
Others (Private Sector)	Foreigners	2.16
Others (Private Sector)	Egypt	1.59
Change Global Frontier Markets LP	USA	1.40
Mohsen Badr Ali Khalaf Allah	Egypt	1.15
King Abdullah University of Science and Technology	Saudi Arabia	1.04
Others (Individuals)	Foreigners	0.43

03
BOARD OF DIRECTORS' REPORT ATTACHED TO FINANCIAL STATEMENTS

REPORT OF THE BOARD OF DIRECTORS

ATTACHED TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING AS AT 31 DECEMBER, 2020

(Prepared in compliance with the provisions of Article "40" of the Registration Regulations"

Company's Name **Al Baraka Bank Egypt S.A.E.**

Profile

Company's Objectives	The Company's objectives are conducting all banking, financial and commercial services and operations which commercial banks are authorized to carry out, in compliance with Law number 43 for the year 1974, amended, Law number 163 for the year 1957 amended, Law number 120 for the year 1975 and such other Egyptian Laws regulating banking business in Egyptian Pound and foreign currencies, whether for its own behalf, for third party's account or in participation therewith; performing commercial business which commercial banks are authorized to assume & meeting all needs of development projects In general, the Company assumes all banking, commercial, financial and investment business allowed to be practiced by commercial banks and in all cases it is conditioned that the Company's practice of its activity should not be usurious and should be carried out in compliance with the principles of the graceful Islamic Shari'a.		
Company's Duration	25 years ending on 28/4/2030	**Date of registration at the Stock Exchange**	25/12/1984
Governing Law	Law number 8 for the year 1997	**Nominal value per share**	7 Egyptian pounds
Last authorized capital	2 billion Egyptian pounds	**Last issued capital**	LE 1 546 447 231
Last paid up capital	LE 1 546 447 231(other than the set aside amount under the capital increase account amounted EGP 309 289 456)	**Number & date of registration in the commercial register**	131593 on February 18, 2019

Investor Relations

Contact Person name	Dina Mahmoud El Hariry		
Head Office Address	Plot 29 Road 90, Al Baraka Bank Building, City Center, First Sector, Fifth Settlement-New Cairo, Egypt		
Telephone numbers	28103600-28103500	**Fax Numbers**	28103501/2/3
Website	www.Al Baraka-bank.com.eg		
E-mail	financial@Al Baraka-bank.com.eg		

Auditors

Auditor's name	Mr. Mohamed Mortada Abdel Hamid - BDO Office - Khaled & Partners		
Date of appointment	March 3, 2018		
Number of registration at the Authority	157	**Date of registration at the Authority**	December 7, 2006
Auditor's name	Mr. Hossam Eldin Abdel Wahab Ahmed Ismail - "KPMG" Office - Hazem Hassan & Partners		
Date of appointment	March 3, 2018		
Number of registration at the Authority	380	**Date of registration at the Authority**	February 8, 2017

Shareholders' Structure and Percentage of Ownership of the Board Members

Holders of 5% or more of the Company's shares	Number of shares on the date of preparing the financial statements	Percentage %
Al Baraka Group	162778129	73.6816%
Misr Life Insurance Company	11608592	5.2546%
Total	**174386721**	**78.9362%**

Board Members Ownership of the Company's Shares	Number of shares on the date of preparing the financial statements	Percentage %
Al Baraka Group	162778129	73.6816%
Misr Life Insurance Company	11608592	5.2546%
Misr Insurance Company	9951497	4.5045%
Mr. Ashraf Ahmed Moustafa El Ghamrawy	3086	0.0014%
Mr.Mohamed Abd ElSalam ElBasheer ElShokry	238404	0.1076%
Mr. Ismail Saleh Abdel Fattah	12220	0.0055%
Mr. Samy Fathy Mohamed Abdul Gawad	1220	0.0006%
Total of the Board Members Ownership	**184593148**	**83.5558%**

Treasury Shares kept by the Company, as per their purchase date	Number of shares as per last disclosure	Percentage %
Nil	Nil	Nil

BOARD OF DIRECTORS

Last Formation of the Board of Directors

Name	Post	Quarter Represented	Capacity
Eng. Abdel Aziz Mohamed Abdo Yamani	Chairman	Al Baraka Group	Non-Executive
Mr. Ashraf Ahmed Moustafa El-Ghamrawy	Vice Chairman & Chief Executive	Other Shareholders	Executive
Mrs. Nevine Essam El Din Gamea	Member	Al Baraka Group	Non-Executive
Mr. Ismail Saleh Abd El-Fattah	Member	Al Baraka Group	Non-Executive
Mr. Hamad Abdullah Al-Oqab	Member	Al Baraka Group	Non-Executive
Mr. Samy Fathy Mohamed Abdul Gawad	Member	Other Shareholders	Executive
Mr. Ahmed Moustafa Abd El-Hamid	Member	Other Shareholders	Non-Executive
Mr. Mohamed Ibrahim Gaafar	Member	Independent of experts	Non-Executive
Mr. Hossam Bin El Habib Bin ElHaj Omar	Member	Al Baraka Group	Non-Executive
Mrs. Omnia Ibrahim Ali AlNusairy Representative of (Misr Life Isurance Company)	Member	Other Shareholders	Non-Executive
Mr. Mohamed Abd ElSalam ElBasheer Elshokry	Member	Other Shareholders	Non-Executive

* The composition of the Board of Directors has not undergone any changes since the last date of the meeting of the General Assembly of the Bank on March 28 2020

Meetings of the Board of Directors

The Board of Directors convened eight times during the year.

Audit Committee

Last Formation of the Audit Committee

Mr. Mohamed Ibrahim Gaafar	Member of the Board of Directors	President
Mrs. Nevine Essam Eldin Gamea	Member of the Board of Directors	Member
Mr. Ahmed Mostafa Abd El Hameed	Member of the Board of Directors	Member

Committee Competences and the Tasks Assigned to it

Committee Objectives

Assisting the Board of Directors in assuming its supervisory responsibilities, supervise and follow up the internal control process and reviewing the financial data decided to be submitted before the Bank's shareholders and investors.

Committee Tasks and Competences

- Direct supervision on the Internal Auditing & Inspection Sector and assessment of their performance. This comprises ratification of the auditing programs, the annual work plans, the periodic reporting system, the type of reports and the administrative levels before which they are submitted and directing to the major risks facing the bank, taking into consideration its entire commitment to the International professional practice standards of the Internal auditing process.
- Recommendation with regard to the two auditors' appointment, the fixation of their fees, considering their resignation or discharge, in compliance with the provisions of Law and the Central Auditing Organization Regulating Law.
- Suggesting the auditors' assignment to perform services to the bank other than auditing the financial statements and also regarding the fees estimated for such services, without prejudice to their independence requisites.
- Discussing such issues which the Committee deems important to discuss with the internal inspector manager & the compliance responsible at the Bank and also with the two auditors and the officials in charge as well as all issues which any of these officials find necessary to discuss with the Committee.
- Studying the annual financial statements before submitting them for ratification by the Board of Directors and the General Assembly.
- Peruse the annual financial statements before publishing thereof and ascertaining their conformity to the data of financial statements and the publishing rules issued by the Central Bank.
- Coordination between internal and external auditing tasks and ascertaining the absence of any obstacles hindering communication between the internal inspector manager and the two auditors on the one hand and each of the Board of Directors and the Audit Committee on the other hand.
- Reviewing the annual internal audit plan and ratifying thereof.
- Reviewing the reports prepared by the Internal Auditing & Inspection Sector including those related to the extent of adequacy& efficiency of the internal control systems at the Bank and the extent of compliance thereto, as well as following up the recommendations of the sector and the extent of the Bank's management response thereto.
- Reviewing the reports prepared by the Compliance Responsible at the bank, particularly with regard to the infringement of the enforceable regulations and the Bank's bylaws as well as the regulatory instructions issued by the Central Bank.
- Studying the obstacles facing the internal auditing process or the tasks of the Compliance Responsible and propose the methods of tackling thereof ,if found.
- Reviewing the report of the Internal Auditing & Inspection Sector at the Bank with regard to the extent of availability of qualified personnel for this department and the extent of qualifying the Compliance Responsible at the bank and their training levels.

- Ascertainment that the Bank's Executive Management has reviewed the values of the collaterals submitted by customers against the finance and credit facilities offered to them periodically in accordance with the applied system and determination of the procedures that should be adopted to face any decrease in these values and reporting them to the Bank's Board of Directors to decide them.
- Reviewing the measures adopted by the Bank's Management regarding compliance to the supervisory standards and regulations laid down by the Central Bank and ascertaining the Management's adoption of rectifying procedures in cases of inconveniences, if found .
- Ascertaining that the Bank has constituted a supervisory system and has adopted executive measures against money laundering transactions.
- Studying the remarks of the Central Bank stated in its inspection reports and its remarks on the Bank's financial statements and reporting them to the Board of Directors, attached by the committee recommendations.
- Studying the auditors' remarks stated in their reports on the Bank's financial statements and their other reports dispatched to the Bank's Management through the year and reporting them to the Board of Directors, attached by the committee recommendations.
- Studying the adopted accounting policies and the changes ensuing upon applying new accounting standards.
- Examining and reviewing the periodic administrative reports submitted to the various levels of management, the systems adopted upon their preparations and the timing of their presentation.
- Examining the procedures adopted for preparing & reviewing the following:
  - Prospectuses, initial public and private offering
  - Budgets including cash flows statements and estimated income statement.
- Ascertaining the preparation of a report by the independent financial advisor for submission to the Board of Directors about transactions with related parties, before the ratification of such transactions.
- The Board of Directors should reply to the Committee recommendations within 15 days to the notification date, by means of serving notice by the Committee President to the Stock Exchange and the Authority, briefing them on the report, the proposals and recommendations it contained and the reply of the Board of Directors thereto.

Committee Meetings

- The Committee convenes on quarterly basis at most and its sessions are attended by the Bank's two Auditors . The Committee may seek the assistance of whoever it deems appropriate. Its recommendations are presented to the bank's board of directors , the two auditors have the right to request a meeting of the committee if necessary.
- The Committee sessions are attended by the internal inspection manager & the compliance officer at the Bank, in addition to any of the other board members or executive managers at the Bank which the Committee finds appropriate to invite, without having countable votes.
- The Head of the Internal Auditing & Inspection Sector shall assume the post of the committee secretary. The Committee shall have to prepare an annual report on its work and recommendations, to be submitted before the Bank's Board of Directors.

Performance of the Committee during the Year

Times of holding the Audit Committee	Four sessions during 2020
Have the committee reports been submitted before the Company's Board of Directors?	Yes, they have been submitted before the Board.
Have such reports comprised significant remarks that should be tackled?	There are no substantial remarks that represent high risk on the Bank's assets. They are merely remarks concerning executive and procedural aspects. The Committee issues its recommendations which execution follow-up results and correction are reported to the Committee.
Has the Board of Directors tackled such substantial remarks?	There are no high significant remarks constituting a risk to the bank's assets, as also reflected by the reports of the external auditing quarters. The Board of Directors admired the Committee and executive management performance in this regard.

Data concerning the Company's Personnel

Average number of the Bank Personnel during the year	983 employees
Average basic salary of the employee during the year	10986 pound/employee monthly

Rewarding and Incentives System for the Bank's Employees & Managers : Nil

Since more than 20 years the Bank adopts a quarterly incentives system , and it deservedly achieves the desired goal, it is to motivate workers who make distinct efforts and It is linked to achieving the targets

Total available shares according to the employees and managers rewarding and incentives system	Nil
Total rewarding and incentive shares granted to employees and managers during the year	Nil
Number of the employees and managers, beneficiaries of the rewarding and incentives system	Nil
Total rewarding and incentive shares granted to employees and managers since the system enforcement	Nil
Names and capacities of every individual having acquired 5% or more of the total available shares (or 1% of the company's capital) pursuant to the System	Nil

Infringements and Procedures pertaining to the Capital Market Law and the Registration Regulations

There is no infringements & procedures pertaining to the capital market law & the registration regulations

The Bank's Contribution to Society Development & Environment Protection during the Year:

(Social Responsibility- Donations)

The Bank has never neglected its social role as a leading Islamic Foundation. It has always responded and reacted towards the Society's financial needs since it performs its business based on the ethics derived from the graceful Islamic Shari'a, taking into consideration to apply the best professional standards ever, in a way enabling it to comply to the principle of sharing the realized gains with its society partners. The "Social Responsibility Committee" at the Bank has acknowledged and adopted the objectives of "Al Baraka Group" - the Principal Investor - and has set a plan to operate within its framework, endeavoring to realize the following:

- Providing 10000 new employment opportunities within the framework of the finance & investment operations provided by our Bank, whether individually or through syndicated loans and Co-finances.
- Contributing in development and purchasing hospital equipment and supplies most necessity within the governorates of the Arab Republic of Egypt to provide health care to the needy amounting of EGP 22 million
- Contributing by providing financial support to the new educational institutions and developing the infrastructure of existing educational institutions, in addition to scholarships for the talented and needy, amounting EGP 7 million.
- Donating to charities and Zakah Institutions that are interested in providing aids and assistance to needy families, and also contribute by presenting job opportunities to youth through Micro, Small and Medium Enterprises, by EGP 11 million
- Continuing support of Tahya Misr Fund, either for the casual labor whom negatively affected due to the pandemic. or lately providing support amounting EGP 15 million to supply the poor groups with Corona vaccine

Statement of Transactions with Related Parties:

Al Baraka Group - Bahrain the Principal Shareholder at the Bank - owns 73% of the ordinary shares. The remaining percentage, of 27%, is owned by other shareholders.

Several transactions have been concluded with related parties through the Bank's ordinary course of business.

Hereunder are balances and proceeds of transactions with the Top Management members, the subsidiaries and sister companies:

(A) Deposits by Related Parties

	Members of the Top Management and Close Family Members		Subsidiaries and Sister Companies	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	EGP	EGP	EGP	EGP
Dues to customers				
Balance as at January 1st	404 209 877	928 704 982	200 814 489	50 000 000
Deposits executed during the year	136 882 004	1 998 000	18 384 933	165 910 092
Deposits recovered during the year	(78 789 902)	(526 493 105)	(18 464 947)	(15 095 603)
End of Year Balance	462 301 979	404 209 877	200 734 475	200 814 489
Cost of deposits during the year	33 145 213	33 307 681	15 785 670	16 951 188

(B) Other Finances – Subordinated Finance by the Principal Investor

On March 16, 2008, an agreement (Investment Mudaraba Deposit Contract) has been concluded with Al Baraka Group - the Principal Shareholder at the Bank - to support the Bank's subordinated capital in an amount of 20 million US Dollars to keep it's mandatory percentage of capital adequacy ratio having fallen due on 31 March 2013.

On March 31, 2013, Al Baraka Group deposited the amount of 20 million US Dollars, through an offset between the values of the old and the new contracts, as an (Investment mudaraba deposit), in order to support the Bank's subordinated capital. The maturity date of this deposit is on 30 June 2018 and its profits are calculated according to the return rates applied on the Bank's depositors in US Dollars over five years. Their return are paid annually after relinquishing 10% of the Bank's share as the "mudareb". Al Baraka Group is not entitled to withdraw this deposit unless with the approval of the Central Bank of Egypt. On October 20, 2015, the deposit maturity date has been extended so as to fall due on June 20, 2021. On June 7, 2017, the deposit maturity date has been extended once more to fall due on June 30, 2025.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at January 1st	320 830 000	358 272 000
Foreign exchange valuation differences	(6 188 000)	(37 442 000)
End of year balance	314 642 000	320 830 000

(C) Other Finances – 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 25 million US Dollars. The contract's enforceability started as of February 23, 2017 for seven years. The deposit bears return of 6.75% approximately, paid on quarterly basis to support capital adequacy.

On July 2, 2017, another contract 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, for eight years. The deposit bears return of 6.25% approximately, paid on quarterly basis in order to maintain the required percentage for capital adequacy ratio

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at January 1st	721 867 500	806 112 000
Foreign exchange valuation differences	(13 923 000)	(84 244 500)
Closing Balance	707 944 500	721 867 500

Honorable Shareholders

Allah's peace and blessings upon you.....

On behalf of the Board of Directors and myself, I have the honor to submit before you the annual report on the performance of Al Baraka Bank Egypt S.A.E. – for the financial year ending as at December 31, 2020. In this regard, despite the exceptional circumstances that the whole world went through this year as a result of the negative repercussions of the spread of the Coronavirus pandemic . Our bank, thanks to Almighty God, and to the sincere efforts of its Executive Staff, the successful strategy of the Board of Directors and the continuous follow up of the committees branching thereof implemented to increase its market share and competitiveness in a way that has been praised by the concerned authorities , as the customers deposits were developed to reach EGP66.5 billion , as well as murabahah, investment and financial investments operations, to reach approximately EGP66.7 billion , inspite of the selective policy of our bank's for its customers, especially under the current difficult circumstances. Also the total balance increased to EGP 75.5 billion .. the Bank's net profit for the year 2020 achieved EGP 1247.7 million against to EGP1053.8 million in 2019 .

Which allowed our bank to offer a draft to distribute profits at the end of the fiscal year 2020, in which the proposed ratio for the distributions of the shareholders reached 60% of the issued and paid-in capital - after taking into account the set aside on account capital increase - with a value of EGP 1113.4 million , subject to the approval of your respectful Bank General assembly and the Central Bank of Egypt, taking into consideration that concrete profit proposed to be distributed, all of them will be in the form of bonus shares, which will be used to increase the issued and paid-up capital of our bank, in accordance with our bank's strategy to comply with the minimum bank capital stipulated in the new Central Bank law of EGP 5 billion , which also in accordance with the instructions recently issued by the Central Bank of Egypt in its letter dated 11/1/2021, including that banks are not allowed to make cash dividends from profits of the year and/or retained earnings that are distributable to shareholders, in order to subordinate the Bank's capital base to meet potential risks resulting from the continuing crisis of the spread of the Covid 19 pandemic .

Also and in accordance with the proposed profit distribution plane, 1% of the distributable profits of the year will be deducted at an amount of EGP 12.5 million for the Banking System Support and Development Fund, in accordance with Article no 178 of the Central Bank and the new banking system Law .

This report will cover the most important results achieved by your bank during the fiscal year 2020, which reflect the positive efforts made by both the board of directors and the bank's executive management

Most Important Indicators of the Balance Sheet

As at 31 December 2020

Total Balance Sheet

The total amount revealed by the Balance Sheet as at December 31, 2020 is 75.5 billion Egyptian pounds at a growth rate -despite the pandemic- 4%approximately to the previous year (with an average growth rate of 17% to the previous three years approximately).. This reflects the customers' trust in the Bank, the positive development of the volume of its business, the growth of its activities and the increase of its market share.

Murabaha Transactions, Investment Operations & Financial Investments

The value of Murabaha transaction, Investment Operations & Financial Investments as at December 31, 2020 amounted to EGP66.7 billion against EGP63.9 billion by the end of the previous year, at a growth rate of 4% approximately (with an average growth rate of 17% to the previous three years approximately), in a way reflecting the Bank's strategy, its executive plans and continuous vigorous heading towards investments, basically with its customers of high creditworthiness having appropriate cash flows as well as the sectors less affected by the situation arising from the pandemic(as possible) operating in vital sectors

Fixed & Intangible Assets

The balances of fixed & intangible assets as at 31 December 2020 amounted to EGP578.4 million, against EGP527.6 million as at 31 December, 2019, with an increase of EGP50.8 million, resulting of the following:

- The amounts disbursed on the information technology and the automatic systems, and new ATM machines, of 78.5 million pounds
- The addition of fixed assets in the amount of 38.8 million pounds, represented in the renewal of the Bank's existing branches
- The depreciation of fixed and intangible assets during the year in the amount of EGP(66.5) million

Customers' Deposits

The total of customers' saving pools as at December 31, 2020, amounted to EGP66.5 billion against EGP64.4 billion by the end of the previous year . Despite the intense competition in the market for deposits among banks, especially through the public sector Banks that previously issued saving certificates for a year with a fixed interest rate up to 15% and recently suspended, and replaced with certificates at a high interest rate with a fixed monthly interest rate 12.5%, then 11%Our Bank seeks not only to maintain its saving customers' base but also to develop -especially individual deposits (family sector) that characterized during normal times by stability and solidarity-through its saving pools which are periodically updated and developed to keep with the changes at the banking sector and compatible with the pursuant to the provisions and principles of the Islamic Shari'a that satisfies the requirements of the different sectors and segments of the community (deposits, certificates with various maturity dates and periodically interests in local currency and foreign currencies, sukuk).

Our bank launched a new savings pool, namely the "current account for foreign trade finance customers" at a competitive interest rate , in order to activate the volume of documentary credits, letters of guarantee and commissions earned from them.

I would like to mention that due to the strength and balance of the bank's financial position the, sovereign bodies and large financial institutions which have financial surpluses deposited part of this surplus with our bank.

Business Results of the Financial Year

Total Revenues

The total revenues as at December 31, 2020 amounted to EGP 8202.2 million, against EGP 8580.7 million during 2019, with decrease rate of 4% only, (against the decrease in the value of return expenses by 18%,) it represents a great achievement among the Egyptian banking market ,within the difficult current circumstances, ,it's worth mentioning the decline in the Egyptian Banking sector market interest rates as a result of the successive reduction in the deposit and lending interest rates announced by the Central Bank of Egypt As well as the decrease in the margin between the credit and debit returns as a result of the demand for deposits at fixed, high and approved interest rates from Al-Azhar and the inability to increase the debt returns for Corporate customers in same percentage due to inappropriate market conditions and its negative impact on the profitability of banks in general, including our bank, as well as the banks' endeavor to attract good customers from other banks reduce the debit return and commissions to the point of the cost of funds in some cases, in an effort to expand the base of good customers in these circumstances

Expenses

1- Returns Expenses

The value of returns expenses for the year 2020 amounted to 5126.2 million pounds, against 6232.3 million pounds for the year 2019 decreased by 1106.1 million pounds ,approximately 18%, this achievement as a result of the set strategy

(2) Administrative Expenses

The administrative expenses as at December 31, 2020 amounted to EGP654.8 million, taking into consideration the large expenses that have been introduced as a result of precautionary measures to prevent the spread of Coronavirus, as well as the new banking law which includes in terms of doubling the fees imposed on banks, including our Bank , in addition to the health insurance "symbiotic contribution" which results in additional charges incurred by our Bank, with all the negative impact in this regard. Besides, the cost of the production elements is continuously increasing as a result of abrogating the subsidy on fuel & electricity and the increase of the water-consumption costs, in addition to the cost of security, guarding, maintenance services and others. Also the donations set by the Federation of Egyptian Banks, It is worth mentioning that the efficiency rate of our bank reached 23% on 31/12/2020 , which considered very good rate according to banking system which enhances the great efforts made to reduce, pressure and rationalize expenses during the pandemic year.

Net Profit

Our Bank achieved a net profit during the year 2020 in the amount of 1247.7 million pounds, against 1053.8 million pounds during the previous year, at a growth rate of 18%. This enabled our Bank to prepare the proposed dividends draft, in the amount of 1113.4 million pounds, to distribute a percentage of 60% of the Bank's issued and paid up capital over the shareholders, taking into account (set aside on account of capital increase),and (pursuant to the approval of your respectful Assembly and the Central Bank of Egypt); in the form of bonus shares, which will be used to increase the issued and paid-up capital of our bank, in accordance with our bank's strategy to comply with the minimum bank capital stipulated in the new Central Bank law of EGP 5 billion , which also in accordance with the instructions recently issued by the Central Bank of Egypt in its letter dated 11/1/2021, including that banks are not allowed to make cash dividends from profits of the year and/or retained earnings that are distributable to shareholders, in order to subordinate the Bank's capital base to meet potential risks resulting from the continuing crisis of the spread of the Covid 19 pandemic .

Also and in accordance with the proposed profit distribution plane, 1% of the distributable profits of the year will be deducted at an amount of EGP 12.5 million for the Banking System Support and Development Fund, in accordance with Article no 178 of the Central Bank and the new banking system Law .

Most Important indicators during the Financial Year 2020

Item	Annual growth rates during 2020
Return on Capital	73%
Return on Equity	27%
Return on Assets	1.7%
Efficiency Ratio	23%
Capital Adequacy Ratio	20.5%

It is noteworthy that our Bank continued success in maintaining the quality of its assets due to the good selection of its clients and through preserving a high hedge rate for the non-performing debts - taking into consideration the collaterals kept by the Bank – in spite of the current circumstances - the executive management is committed to apply the strategies set by the Board of Directors, as well as the continuation of implemented policies to diversify its sources of profit.

The Bank's strategies during the year 2021

The Bank's most important strategies during the year 2021 based on the following:

- More activation of electronic banking services through the Internet, in a way contributes to achieving our bank's strategy towards the transition to digitization and non-monetary to a cashless society.
- More implementing to the procedures of financial inclusion
- Continuing in the process of developing and creating new products
- keeping on renewing the infrastructure and network technology
- Applying mobile application and other electronic services to provide banking services to our bank's customers in a safety and easy way to carry out banking operations quickly and easily without the need to increase branches of a large significantly and expensively
- More provision of services provided to VIP clients in order to expand the segment of said category, as well as the system of prizes on savings pools that our bank developed ,and achieved good success, such as the Umrah prizes.
- Continuing to update the computer system with a new global system that meets all the needs of our bank, as it has become the first competitive element for the customer at the level of banks.
- Deepening the Islamic identity of our bank
- Trending strongly to Islamic Sukuk
- Continuing and increasing spending on employees training, to refining their expertise and obtaining specialized banking certificates as they are the real wealth of the bank.

Overview on Our Bank's Strategies during the year 2020

The Bank's strategies during the coming year concentrate on maintaining the renovation, activation and updating of the principal aspects adopted by the Bank in this regard, in conformity to the "coming five-year ratified strategy" of the Bank, through the implementation of effective, real, short & medium-term plans, pursuant to the instructions and directions of the Central Bank of Egypt & Al Baraka Group - the Principal Investor. Hereunder is a display of such aspects:

Financial Strategies

- Continue on Realizing satisfactory level of profitability and return on equity
- Continuation of policy multiplicity of profit positions
- Maintaining the increase of the Bank's paid up capital & consolidating the shareholders' equity of the Bank so as to enhance its financial position
- More improvement of assets quality

Strategies for Maximizing the Market Share

- Enlargement of the Customers' Investments' Portfolio
- Products & savings pools innovation and providing best services
- Carefully studied geographical widespread
- Keeping on promotional & advertising campaigns
- Keeping on maintaining Customer Service Improvement

Strategies of Technology, Digitalization & Procedural Policies Subsidy

- Keeping on the technological & digitalization evolution plan
- Risks & Governance Policies and compliance with international standards
- Work Procedures and Centralizations

Strategies of Optimum Utilization of Human Resources, Training & Social Responsibility

- Continuation the Optimum Utilization of Human Resources & training
- Maximizing the Bank's Role in the Field of Social Responsibility

Finally, we are looking forward to the near future, praying to God to protect our precious Country, Egypt, and the Arab and Islamic nation as a whole hoping that things will settle down, conditions will get better and the economy will retrieve its strength and recover gradually, especially in the light of the continuation unfortunately of the pandemic, during the year 2021 and its negative deflation and recession on the markets as well as its negative affection on Banks to continue achieving appropriate growth rates ,Allah willing. so as to be able to achieve high growth rates, God willing. We have faith in our Foundation Al Baraka Bank Egypt and we are sure that it is capable of achieving its targets for the coming phase, being supported by Al Baraka Group -the Principal Investor - the Board of Directors and the Committees branching thereof, with the efforts of its sincere executive staff, to keep on our Bank's progress and for going ahead.

May Allah guide us and you to prosperity and success by His will.
Allah's peace and blessings upon you all.

Abdul Aziz Mohamed Yamani

Chairman

04
GOVERNANCE

Board of Directors

The Board of Directors is set up of a group of members who are qualified for their posts from among individual acquiring various potentials, skills and experiences. They are fully aware, knowledgeable and understandable of the tasks of the Board of Directors, the committees in which they participate and the supervisory and legal environment surrounding the Bank.

The Board of Directors pays special attention to control and apply the rules of governance. It issues several decisions that guarantee the compliance with the requirements of governance in all aspects of work at the Bank. It also endeavors to propagate and consolidate the culture of governance, whether among its members or among all staff of the Bank.

The Board of Directors endorses and follows up the implementation of strategies and policies that determine the current and future targets and govern the work of the main activities at the Bank within the framework of the accurate specification of the trend of risks and their acceptable levels pursuant the business circumstances and environment surrounding the Bank and within the framework of specified procedures to determine, measure and control the different risks pursuant to the activities of the targeted sectors; together with endorsing the limits, competencies and exceptions accepted for each type of them.

The Board of Directors assumes its specified and endorsed competencies directly either by itself and/or via the authorizations issued to the committees branching off it. It follows up continuously their work and ensures their effectiveness

The Members of Board of Directors

Eng. Abdel Aziz Mohamed Abdo Yamani

Chairman

Eng. Yamani was born in 1393 H, Taif , Kingdom of Saudi Arabia, graduated in 1995 from Faculty of Engineering- Industrial Engineering Section, King Abdul Aziz University, Jeddah. Eng. Yamani started his career as project manager for a year, then General Manager at Al-Samaha Commercial Company-Jeddah, Dallah for Industrial Investment Co, and Dallah Agricultural Co.

In 2003 occupied the Position of General Manager for Dallah Holding Co. In 2005, held the position of Chief Executive Officer for Arab Media Company (AMC), and the Assistant Chief Executive of Al Baraka Holding Co., in 2017 till present, He became Deputy Chief Executive of Business and Development Sector for the Group as a whole.

His Excellency is the Chairman of the Board of Directors for various Companies in Kingdom of Saudi Arabia of which are: Itqan Capital, Halawani Brothers, Maad International Co. and Al Thuraya Holdings .Co. Besides being the Chairman of Al Baraka Bank Egypt since 27 March 2020, Eng. Yamani is also the Chairman of the following Companies in Egypt: Dalla for Real Estate Investments Co., Ismailia Misr Poultry, Arab Investment Forum, Al-Tawfik for Financial Leasing, Halawani Brothers, Dallah for Real Estate Investment Co., Samla and Arab Al Rum , and Almaza for Real Estate Development.

Eng. Yamani is also Board Member of Al Baraka Holding Group, Aseer for Trade and Industry, and Foras International for Investment. He was member of the board of Directors of Al Tawfik for leasing Company and MTN for Communication Co., Syria, Lessor SWI Corp National, and National Petrochemical Industries Company "NATPT".Eng. Yamani is the Vice Chairman of Al Tawfik Mutual Fund —Cayman Island, Chairman of Board of Sharaf club, Sharaf Co., Al Tawfeek Co. for Development and Investment (ADICO) and Godiva Investment, London, UK.

Awards:

- The Gold Medal of Merit for his leadership in the Arab region from the Academy of Excellence in December 2014.
- The Islamic Finance Awards from IFN in March 2018
- The Best Practice Award from The European society For Quality Research in May 2018.
- The Arabian Eagle Award as a Leading Banking Figure from Tatweej Academy in 2018.
- Otherways Management & Consulting Paris - France:
- The Global Award for Perfection Quality & Ideal Performance in July, 2017.
- The International Achievement Award for Quality and Business Excellence in September 2018.
- The Golden Europe Award for Quality & Commercial Prestige in 2019.
- The International Diamond Prize for Excellence in Quality from European Society for Quality Research (ESQR) in 2019.
- The Best Islamic Bank in Egypt for 2019 from World Union of Arab Bankers in 2019.

Positions:

- Member of the Board of Directors and the Executive Committee of Al Baraka Islamic Bank, Kingdom of Bahrain.
- Board member of the Egyptian Company for the establishment and management of commercial centers.
- Member of the Board of Trustees and Treasurer of the Egyptian Zakat Foundation.
- Board Member & Chairman of Board Credit Committee of Al-Tawfiq Leasing Company (A.T Lease).
- Board Member & Chairman of the Audit Committee at the Egyptian Takaful Insurance- Properties.
- Chairman of Employee's Insurance Funds of Al Baraka Bank Egypt.

Memberships:

- Member of the International Union of Arab Bankers.
- Member of the American Chamber of Commerce in Cairo.

Mr. Ashraf Ahmed Moustafa El-Ghamrawy

Vice Chairman and Chief Executive

Experience: 43 years

Mr. Ashraf El-Ghamrawy is the Vice Chairman and Chief Executive Officer of Al Baraka Bank Egypt since 2010. He has over 43 years' experience in the Banking and Financial Sector, starting as a chartered Accountant in 1977 until joining the Banking Sector in 1979. Hence, occupying various senior management positions till his appointment as the CEO and Managing Director of Al Baraka Bank Egypt in 2003 then-Egyptian Saudi Finance Bank. By that time the number of branches were 10 with total budget of LE3.3 billion.

Under his management, Mr. El Ghamrawy set Al Baraka Bank Egypt as an Islamic Financial Institution in the forefront of the Egyptian banking sector. As a subsidiary of Al Baraka Banking Group, the pioneer of Islamic banking in the region, the number of branches expanded reaching 32 in addition to 2 Exchange Offices in Giza, and Hurghada , also a new two branches under foundation in East Alexandria to become fifth Branch in Alexandria Governorate, the second capital of Egypt as well as a new branch in fifth settlements district. By 2020, the Total Budget reached 75.53 billion EGP, and the Net Profit exceeded 1.24 billion EGP.

Mr. Samy Fathy Abdul Gawad

Deputy CEO and Board Member (Executive)

Bachelor of Commerce - Accounting Division - Ain Shams University in 1981 and a postgraduate diploma "Banking Studies" from Ain Shams University in 1987, plus many professional certificates including:

Professional diploma in financial markets and investment portfolios as well as professional diploma in accounting and auditing, both from The Arab Academy for Banking and Financial Sciences in cooperation with the American Institute of Banking, in addition to many training programs from local, regional and international institutions, for example: "Certificate of effective board member" from the IFC in collaboration with the Egyptian Banking Institute and the Global Business for Efficient Manager from the Academic Union - London.

Mr. Samy Fathy has more than 37 years of banking experience in various banking fields: treasury, strategic planning, financial investments, corporate finance, banking operations management, business development, credit lines.

He also supervised: Financial Affairs Sector - Administrative, Engineering and Security Affairs Sector - Human Resources and Training Sector - Information Systems and IT Sector - Branches & Centralization Sector- Foreign Operations Sector - General Department of Financial Audit.

He represented the bank in many meetings and conferences inside and outside Egypt. He is currently the Deputy Chief executive and Board Member of Al Baraka Bank Egypt. He is also a member and president of several committees at the Bank: Executive Management Committee, Assets and Liabilities Management Committee, Credit Limits for Local and Foreign Banks Committee - The Financing Plan for Emergency Response Committee - The bank's employees' Fund Board committee, Debt Review and Provision Formation Committee, Social Responsibility Management Committee and IT Top Polices Committee. Personnel Affairs Committee, Approving lists of consultants and experts in addition to the Board of Directors Committees Top Management Committee, the Branches and Social Responsibility Committee, the Governance and Nominations Committee, the Salaries and Remuneration Committee. Mr. Samy also approves the recommendations of number of committees formed in the bank such as the banking services prices committee - monitoring insurance business - updating bank's website ... etc.

He also oversaw some of the major projects in the Bank, such as the implementation of IFRS 9, the application of the current Core banking system Equation (2011) and the implementation of the new Core banking system (application of 1/3/2020).

Mrs. Nevine Essam Eldin Gamea	Board Member	(Representative of Al-Baraka Group)	Non- Executive
Mr. Ismail Saleh Abd-El-Fattah	Board Member	(Representative of Al-Baraka Group)	Non- Executive
Mr. Hamad Abdallah AL-Oqab	Board Member	(Representative of Al-Baraka Group)	Non- Executive
Mr. Ahmed Moustafa Abd-El-Hamid **Misr Insurance Co representative**	Board Member	(Representative of other Shareholders)	Non- Executive
Mr. Mohamed Ibrahim Gaafar	Board Member	(Independent of Experts)	Non- Executive
Mr. Houssam bin El Habib bin El Hag Omar	Board Member	(Representative of Al-Baraka Group)	Non- Executive
Mrs. Omnia Ibrahim Ali Al Nusairy **Misr Life Insurance Co representative**	Board Member	(Representative of other Shareholders)	Non- Executive
Mr. Mohamed Abdel Salam Al Basheer Al-Shokry	Board Member	(Representative of other Shareholders)	Non- Executive

Top executive management

The Board of Directors always endeavors to keep attracting a unique group of members of the top management for the Bank that enjoys distinct experiences, high potentials and future vision for practicing good management and leadership for the staff of the Bank; together with determining the methods and means of communication via appropriate opened channels to achieve the required harmony between the top management of the Bank and the Board of Directors and its committees in the manner that achieves to the Board the constant supervision and the follow up of the work of the executive management at the Bank.

This is achieved by an organization chart with specific responsibilities that guarantee the presence of an effective system for internal control of all banking transactions continuously, based on segregating the tasks and avoiding conflict of interests.

The top management of the Bank applies strategies and policies that are ratified by the Board of Directors and ensures their activation. Its submits proposals for their development or amendment and implements the required steps and procedures to determine, measure, follow up, control and reduce risks and their minimizing methods.

Credit rating

The Islamic International Rating Agency (IIRA) has reaffirmed our Bank credit rating of the international level scale B-/B and confirmed the national scale rating of the local level, (A (eg)/A1(eg)) with Stable Outlook, IIRA Agency praised in its report that the bank's ability to build private capital reserves through the strong profitability achieved, and expecting that our bank has the ability to generate the capital required by the Central Bank of Egypt within the next two years, in compliance with the new law and the minimum bank's capital of EGP 5 billion . Also IIRA agency confirmed our Bank has been strengthening its corporate governance framework not only to meet the local regulatory requirements, but also by adopting international best practices to protect the holders of various rights. The agency clarified that the updated Sharia governance regulations in our Bank enhance the Shari'a infrastructure. (January 2021)

Governance & Compliance

Our Bank has complied and concurred with the instructions of governance starting from Feb. 2011 in the wake of the ratification of our Bank to the institutional system guide and the rules of good governance. The Bank continued applying the rules and standards of governance in the manner mentioned in the Governance Guide (Supervisory Instructions) which was endorsed in Aug. 2012 which agrees with the instructions of the Central Bank of Egypt. It also complied with the best international practices in the field of internal control systems and anchored the concept of governance at the banking sector issued by the Central Bank of Egypt in Sept. 2014 which included (Risk management Position, Internal Audit Position and The Role of The Legal department in the Internal Audit Framework).

The Board of Directors adopted several decisions pertaining to the aspects of applying governance, whether related to the Board itself or the committees branching off it, including determining the tasks, duties and responsibilities that guarantee the harmony of the administrative structure of the Bank and the correlated relationships among the Board, its committees, the executive management and the other parties pursuant to the rules of governance that regulate such relationships within the framework of the general strategy of the Bank that determines the targets, the means of achieving them and following up their implementation on part of the executive management and ensuring the effectiveness of the internal control systems and risk management in the manner that guarantees that the activity of the Bank is conducted in a safe and sound approach within the framework of complying with the laws and guidelines in force and applying the principles of disclosure and transparency.

The Board evaluates its performance as a whole and at the level of each member of the Board separately, including the evaluation of the performance of the committees branching off it.

Major shareholder of the Bank - Al Baraka Group

Al Baraka Group is a Bahraini joint-stock company licensed as an Islamic Wholesale Bank by the Central Bank of Bahrain. It is listed on Bahrain Stock-Exchange and on Dubai NASDAQ Stock-Exchange. Al Baraka Group is considered among the pioneers in the Islamic banking business at the level of the world, as it provides its distinctive banking services to approximately one billion persons in the countries wherein it operates. The Group has earned a credit rating BB+ (long term) / B (short term) by Standard & Poor's. Al Baraka banks provide their banking and financial products and services pursuant to the principles of the provisions of the magnanimous Islamic Shari'a in the fields of retail banking, trade and investment in addition to treasury services.

Performance Evaluation

Coping with the approved policy of governance ratified for our Bank, our Bank has taken official procedures with the objective of enabling the Board of Directors to officially evaluate its performance as a whole, its members as individuals and the committees branching off it pursuant to authenticated models.

Disclosure and Transparency

The bank applies the principle of disclosure and transparency in all its businesses within the framework of complying with the governance instructions, the rules issued by supervisory entities and the requirements of banking standards by providing the data and information that it is authorized to publish via the different mass media on the webpage of the official website of the Bank (www.Al Baraka- bank.com.eg) in a full manner that agrees with the requirements of Al Baraka Banking Group (main investor of the Bank) in the manner that guarantees giving access to all visitors and concerned persons to all what relates to conformity, compliance and anti-money laundering and combating the finance of terrorism to the competent entities. They also include an overview of the compliance of our Bank with the Foreign Account Tax Compliance Act (FATCA) of America.

Conflict of Interests

The Board of Directors endorses policies related to the management of any conflict of interests and applies them to the Board of Directors, the executive management, the staff and direct or indirect related entities.

The annual financial report of the Bank shows a detailed explanation of any transactions that could represent conflict of interests. Any transactions that could represent conflict of interests whether with regards to the members of the Board of Directors, the executive management, the staff of the Bank and other related entities are put forward and endorsed by the Board of Directors.

Preserving rights of Shareholders

The Board of Directors adopts the policy of opening communication channels with the shareholders within the framework of learning of the opinions of major shareholders with regards to the performance of the Bank. This is carried out via the meetings of the General Assembly of the Bank's shareholders that are held annually to encourage their effective participation in such meetings. Shareholders are provided with sufficient information at the right time with regards to the date, venue and the agenda of the assembly, and they are given the opportunity and are enabled to address their questions, whether oral or written within the framework of the compliance with Corporate Law no. 159/1981.

Social responsibility

Al Baraka Bank of Egypt has a pioneering role in achieving and activating the concept of social responsibility since 2012 as social responsibility is one of the determinants of the strategy of the Bank in order to reach the best practices at the local and regional level, where the bank is working to create a renaissance and development in the fields of life In the Egyptian society by promoting the values and principles of tolerant Islamic Sharia in dealing and strengthening the bonds of cooperation and cohesion, which encourage attention to the environment and society.

This is done through the application of Al Baraka social Responsibility program in accordance with an approved policy and regulation, and our bank has tools to achieve the objectives of Al Baraka Social Responsibility program annually (e.g. the objectives of Al Baraka Social Responsibility Program 2016-2020) through the Social Management Committee (Internal), the Committee of branches, Zakat and social responsibility emanating from the Board of directors and in coordination with the social Responsibility Committee of Al Baraka Group as a whole.

Spreading the culture of governance at our Bank

Our Bank endeavors to spread the culture of governance and encourage the top management, all employees as well as the customers of the Bank to apply the practices of governance. Such rules are established via the training courses that the employees at the Bank obtain from specialized training entities with the aim to spread the culture and raise the knowledge of all employees of the principles and applications of good governance through ambitious plans to lay the rules of governance and the constant intensification of the training courses in this field for all employees at the Bank and the top management; the matter that will have a good turnout for the comprehension and the good application of such rules.

Compliance with applying conformity & compliance policies

Since 2008 our bank has laid down policies for conformity and compliance aiming to document the tasks and responsibilities correlated to them. Such policy is updated periodically based on the principles mentioned in the legislation, laws, decisions and instructions issued by the supervisory authorities, in addition to the policies and procedures of the Bank and the trends of Al Baraka Group, the main investor of the Bank that influence the transactions implemented at the Bank in the manner that conforms to the banking customs, international rules and the principles of corporate governance and the compliance of the ethical standards and the practices of good business together with complying with transparency in the manner that maintains the highest amount of good reputation to our Bank. What consolidates such policies is that all employees at the Bank are responsible and are committed to the rules, procedures and responsibilities of conformity and compliance in all their work and they are shared in doing so by all managers including the top management of the Bank.

A periodic quarterly report is submitted on the activity of conformity and compliance to the Audit Committee branching off the Board of Directors after furnishing the Vice-Chairman of the Board of Directors and the CEO with a copy of it at the same time to take the required rectifying procedures (if need may be), together with putting it forward before the Audit Committee in its first following meeting in the manner that guarantees the following:

- The implementation of the transactions of the Bank via an integrated framework of internal and external instructions, the compliance with the banking rules (such as the rules of Know Your Customer "KYC"), controlling the money laundering and combating the finance of terrorism operations as well as international trends such as the Foreign Account Tax Compliance Act (FATCA) for Americans.

- Notifying the Compliance Chief/Officer with the default of any manager or employee in his duties towards the process of complying with the laws and regulations.

Islamic Shari'a operating risks

Our Bank, Al Baraka Bank Egypt practices all banking services and transactions, businesses and investments authorized to commercial banks on a non-usurious basis in the manner that agrees with the provisions and principles of the magnanimous Islamic Shari'a under the laws that regulate the foregoing.

Our bank belongs to Al Baraka Group (main investors of the bank) considering it one of its units, where the group represents one of the biggest banking entities in the world that complies with applying the provisions and principles of the Islamic Shari'a in all its transactions.

This is consolidated by the fact that the organization chart of the Bank includes the Shari'a Supervisory Board that reports directly to the Board of Directors. It comprises three individuals from among the biggest scientists specialized in Islamic financial transactions and Shari'a well known for their sound Islamic opinion and profound knowledge of the transactions jurisprudence. The Board studies and scrutinizes the models of practical contracts and agreements, the procedural and technical evidences and the models used in the activities of the Bank, as well as any new products from the Islamic Shari'a aspect.It issues decisions, recommendation and opinions that form to the Islamic Shari'a "Fatwa" in their final form. Its decisions are considered binding.

The Board through the endorsed mechanism inspects and audits the transactions of the Bank and audits and inspects the revenues of the Bank and their sources through the quarterly financial positions before their endorsement. It submits reports through its periodic meetings, in addition to its annual independent report on the compliance.extent of the Bank with all requirements of the Islamic Shari'a which it publishes within the annual financial report of the Bank.

In deepening this role, the Bank has appointed an internal Islamic Shari'a auditor that follows up and implements all Religious opinions, "Fatwa" provisions and recommendations issued by the Shari'a Supervisory Board pays field visits to all branches of the Bank to ensure the compliance with the foregoing in the daily businesses that the Bank performs, explains and draws the points of view of the Islamic Shari'a visions and the problems of application closer to each other. He puts forward the reports before the Shari'a Supervisory Board and the top management of the Bank. He has the authority to direct the competent entities to rectify the detected faults that do not conform to the Islamic Shari'a that could be corrected immediately.

The Board of Directors Committees

The Board of Directors issues its decisions on establishing and forming committees branching off it as stipulated by the supervisory instructions of governance, in addition to the other committees that branch off it which contribute to managing and controlling the bank's activities and sectors; together with correlating the formation of the committees and their competencies to the experiences of their members with regards to the financial, banking, economic and legal aspects pursuant to the competencies issued to such committees.

The committees branching off the Board of Directors practice their responsibilities and duties within the framework of the competencies, powers and authorizations issued to them by the Board of Directors which agree with the requirements of governance by adopting the latest and best banking methods in following up and controlling the banking businesses entrusted to them. The formation of the committees and convening number of times also agrees with the requirements of governance and the Laws and guidelines in force extent of the Bank with all requirements of the Islamic Shari'a which it publishes within the annual financial report of the Bank.

1. Governance & Nominations Committee

The committee comprises of four non-executive members of the Board of Directors. It is basically concerned, in addition to the other tasks, with the periodic evaluation of the governance system at the Bank, the proposal of the appropriate changes in the ratified governance policies, the submittal of proposals, the periodic supervision of the governance policies and practices in addition to ensuring the compliance of the Bank with the optimum practice standards, the local laws and legislation, the supervisory instructions and the directives of Al Baraka Banking Group in this concern as well as all what relates to nominating the independent members of the Board of Directors, the appointment or renewal of the membership or the dismissal of one of the members of the Board of Directors.

2. Executive Committee

The committee is set up pursuant to what is mentioned in Article no. 82 of law no. 88/2003 from 7 members and is chaired by the Vice-Chairman of the Board of Directors and the CEO. It is particularly competent, pursuant to what is mentioned in Article no. 29 of the Executive Regulations of the same law in addition to the other competencies entrusted to it by the Board of Directors, to study and make decisions in connection with the financing and the facilities that the Bank grants within the framework of the competencies granted by the Board of Directors, express the opinion with regards to the customers' internal credit rating reports and express the opinion with regards to the organization chart and the job structure at the Bank.

3. Audit Committee

The committee is set up pursuant to what is mentioned in Article no. 82 of Law no. 88/2003 from three nonexecutive members. Its competencies, pursuant to what is mentioned in Article no. 27 of the Executive Regulations of the same law, is represented mainly in assisting the Board of Directors in managing its supervisory responsibilities, verifying the independence of the internal audit at the Bank as well as the Bank's external auditors, evaluating the integrity of the financial data of the Bank and guaranteeing the compliance of the Bank with effective internal audit procedures in addition to the other competencies entrusted to it by the Board of Directors. Its meetings are attended by the Head of the Internal Audit and Follow up Sectors at the bank

4. Risk Committee

The committee is set up from three members. Its meetings are attended by the Head of the Risk Sectors at the Bank. The committee is competent to follow up the compliance extent with the strategies and policies endorsed for the Bank, submits proposals in their concern and in particular what relates to the strategies of the capital, management of the credit risks, the liquidity risks, the market risks , operational risk and the compliance and reputation risks. It lays down and implements a framework for the Risk and Control Departments at the Bank, follow up their work and evaluate the effects of such risks on achieving the targets of the Bank; together with guaranteeing the application of effective work policies, systems and evidences to manage all types of risks that the Bank faces and ensuring the effectiveness and efficiency of the Risk Department at the Bank with regards to determining, monitoring, measuring, following-up, controlling and reducing, minimizing the Bank's overall exposures to risks.

5. Payrolls Committee

The committee is set up from three non-executive members of the Board of Directors (in addition to the CEO of the Bank). The committee is chaired by an independent non-executive member. It is competent to ensure the independent supervision of all elements of the payrolls and the other incentives structure agreed upon in addition to determining the remunerations of the senior executives at the Bank, submitting its proposals with regards to the remunerations of the members of the Board of Directors, together with its concern with the supervisory jobs at the Bank (Risk Department — Compliance Department — Internal Audit) so that their variable salaries would reflect the performance level of the Bank and the risks to which it was exposed, and in general audit, develop and update the nominations and remunerations' policies at the Bank with the objective of evaluating them, measuring the extent of their appropriateness with other institutions and ensuring the ability of the Bank to attract and maintain the best elements.

The succession plan at the Bank which covers the labor turnover risk and which aim to provide a second and third row of leaders acquiring the potential and the efficiency to run the business in an effective way in case a job is vacated from its original occupant has been endorsed.

6. Credit Committee

The Committee verifies that the handling of the executive management of the Bank to the credit risks conforms to the decisions of the Board of Directors of the Bank in connection with the degrees of the accepted risk appetite, the minimum levels of credit rating and the utilization and financing policies at the Bank.

It verifies and ensures that the executive management of the Bank adopts the appropriate procedure to identify — and determine — the problems existing in the utilization and investment portfolio at an early stage in order to take the required rectifiable procedures and to form the sufficient volume of provision to face the utilization and investment losses and the preservation of this provision.

The Committee also decides whether or not the systems of controlling the utilization and investment risks are carried out according to what is required in the manner that guarantees the compliance with the laws, instructions and systems correlated to credit.

The Committee also evaluates the credit applications (pursuant to the powers granted to it by the Board) and evaluates the credit risks in all other business activities such as trading in securities, transactions of the foreign market exchange and borrowing by the collateral of shares .

A decision is issued by the Board of Directors on the set up of the Committee, the capacity of its members, its convening periodicity, its responsibilities, duties and powers.

7. Branches, Zakat Fund and Social Responsibility Committee

The committee's responsibilities with respect to the branches operations:

- This Committee is entrusted with the process of purchasing, fitting, preparing and renovating branches, ratifying the spending of the amounts prescribed in the items of the ratified budget as well as the special and/or determined approvals issued by the Board of Directors for establishing, fitting and renovating branches, Foreign currencies exchange outlets and service offices. The preparation of the required studies on the foregoing for opening new branches, Foreign exchange outlets , and offices, including required budgets and cost estimation along with their recommendation to the Board of Directors for examination and ratification.
- The Committee also reviews the tenders and mutual practices' policies at the Bank in the manner that guarantees verifying that the Bank adopts the best approaches with regards to tenders' procedures in the manner that also guarantees the compliance with all laws and the regulations of the Bank during looking into such tenders.

The committee's responsibilities with respect to The Social Responsibility:

- The general targets of the Committee is represented in submitting recommendations to the Board of Directors with regards to any and all issues that arise from the program of Al Baraka Bank Egypt for social responsibility in addition to taking along other relevant issues. Moreover, the targets of the Committee includes as well guaranteeing that Al Baraka Bank Egypt's social responsibility program would be a pioneer in the social responsibility in its vision and strategy.

The committee's responsibilities with respect to The Zakat Fund:

- The main task of the Zakat Fund Committee is to look into spending the Zakat due on the financial results of the Bank's activity achievement in its legal outlets pursuant to what is determined in the work system ratified for the Fund and in light of what is ratified and approved by the Islamic Shari'a advisor of Al Baraka Bank Egypt.

A decision is issued by the Board of Directors on the set up of the Committee, the capacity of its members, its convening periodicity, its responsibilities, duties and powers.

8. Top Management Committee

The Top Management Committee branching off the Board of Directors (Board Committee) represents the highest administrative authority after the Board of Directors. It is the main entity in charge of the detailed audits of the operating activities and information. The committee practices its work within the framework of the competencies and authorities prescribed for it by the Board of Directors. It acts on behalf of the Board and delegates by its powers in cases of necessity, hastiness and the difficult convening of the Board in full for any reason. This Committee is chaired by the Chairman of the Board of Directors and its formation includes the majority of members of the Board of Directors; consequently, its decisions acquire the force of the decisions of the Board of Directors by the majority.

A decision is issued by the Board of Directors on the set up of the Committee, the capacity of its members, its convening periodicity, its responsibilities, duties and powers.

9. Shari'a Supervisory Board

The Shari'a Supervisory Board of Al Baraka Bank Egypt is an independent body comprising scientists specialized in the Islamic Shari'a and the transactions jurisprudence. It is entrusted with directing the activities of the Bank, controlling and supervising them to ensure that they comply — in all fields of business, services and products — with the principles and provisions of the Islamic Shari'a.

10. Internal Shari'a Audit

An independent unit that reports directly to the Shari'a Supervisory Board from the technical aspect. It comprises one person or more entrusted with the task and responsibility of inspecting, rectifying and ensuring the compliance extent of the Bank with the Islamic Shari'a application in its transactions pursuant to the decisions and Religious opinions "Fatwa" of the Shari'a Supervisory Board.

The Board directs the internal Shari'a auditor to assume auditing and controlling the compliance with the decisions issued by the Shari'a Supervisory Board and the requirements of the compliance with the Islamic Shari'a at the Bank upon carrying out, processing transactions and the immediate amendment, correction of any deficiency aspects that does not comply with Islamic Shari'a. It prepares a bi-annual report on the results of the foregoing to be tabled before the Board, together with furnishing the Audit Committee branching off the Board of Directors with a summary of this report.

11. Members of the Top Executive Management of the Bank

Name	Title
Mr. Samy Fathy Mohamed Abdul- Gawad	Deputy CEO and Board Member
Mr. Hazem Mohamed Moustafa*	In Charge of Financing Sectors
Mr. Mahmoud Mohamed Saad Maher	In Charge of Legal Affairs Sector
Mr. Khaled Sahry Ahmed El-Ammary	Chief Officer Risk Sectors
Mr. Khaled Mohamed Mohamed Gad	Chief Information Officer
Mr. Osama Mohamed Effat El-Semary	Head sector of Human Resources Sector
Mrs. Dina Mahmoud El-Hariry	S.General Manager Financial Affairs Sector
Mr. Radwan Ibrahim Abu El-Azem Radwan	In Charge of Inspection and Internal Auditing
Mr. Reda Hanafi Abd Elmoeen Ali	General Manager of Foreign Operation Sector
Mr. Abdul Maqsood Allam Attia El-Bery	In Charge of debts' collection and adjustment
Mr. Emad Mohamed Shalaby Mohamed	Deputy Head Sector of General Department for Compliance
Mr. Sherif Salah Abd El-Salam	In Charge of Financial Institutions Sector

* As of April 2021 replaced by:

Mr. Alaa El-Din Taha Zaki	Head Sector Financing Sectors
Mr. Mohamed Hisham Nour	In Charge of Retail Marketing, Financing and SME'S

05 REPORT OF THE SHARIA SUPERVISORY BOARD

Report of the Sharia Supervisory Board

31 December 2020

To The Shareholders of Al Baraka Bank Egypt

Allah's peace and blessings upon you all

Pursuant to Article (29) of the Articles of Association of the Bank, the Shari'a Supervisory Board hereby submits its following report to the shareholders of Al Baraka Bank Egypt.

We have monitored the principles used and the contracts related to the dealings and the applications that the Bank has launched during and until the end of December 2020. Our monitoring was carried out to ensure that the Bank has complied with the provisions and principles of the Islamic Shari'a as well as the specific Fatwas, decisions and recommendations that we have issued.

We have carried out our monitoring that included documentation bases and the procedures adopted by the Bank on basis of testing each kind of transaction.

It is the responsibility of the management to ensure that the Bank operates pursuant to the provisions and principles of the Islamic Shari'a. Our responsibility is confined in expressing an independent opinion pursuant to our monitoring to the Bank's transactions and in preparing a report to you.

We have planned and implemented our monitoring in order to obtain all information and interpretations that we have considered necessary to provide us with sufficient evidences to give reasonable confirmation that the bank did not violate the provisions and principles of the Islamic Shari'a

We believe that

A. The contracts, transactions and dealings that the Bank concluded during the year ended 31 December 2020 were carried out pursuant to the provisions and principles of the Islamic Shari'a.

B That all the gaining made by the Bank from sources or through means prevented by the provisions and principles of Islamic Sharia have been avoided and eliminated

C. That the distribution of profits agrees with the basis that was accredited and that the dividends distributed among the holders of equity and the owners of investment accounts were paid according to the contracts concluded with them.

D. In view of the fact that the Articles of Association compels the Bank to pay the Zakah, it was calculated and paid in its legitimate outlets.

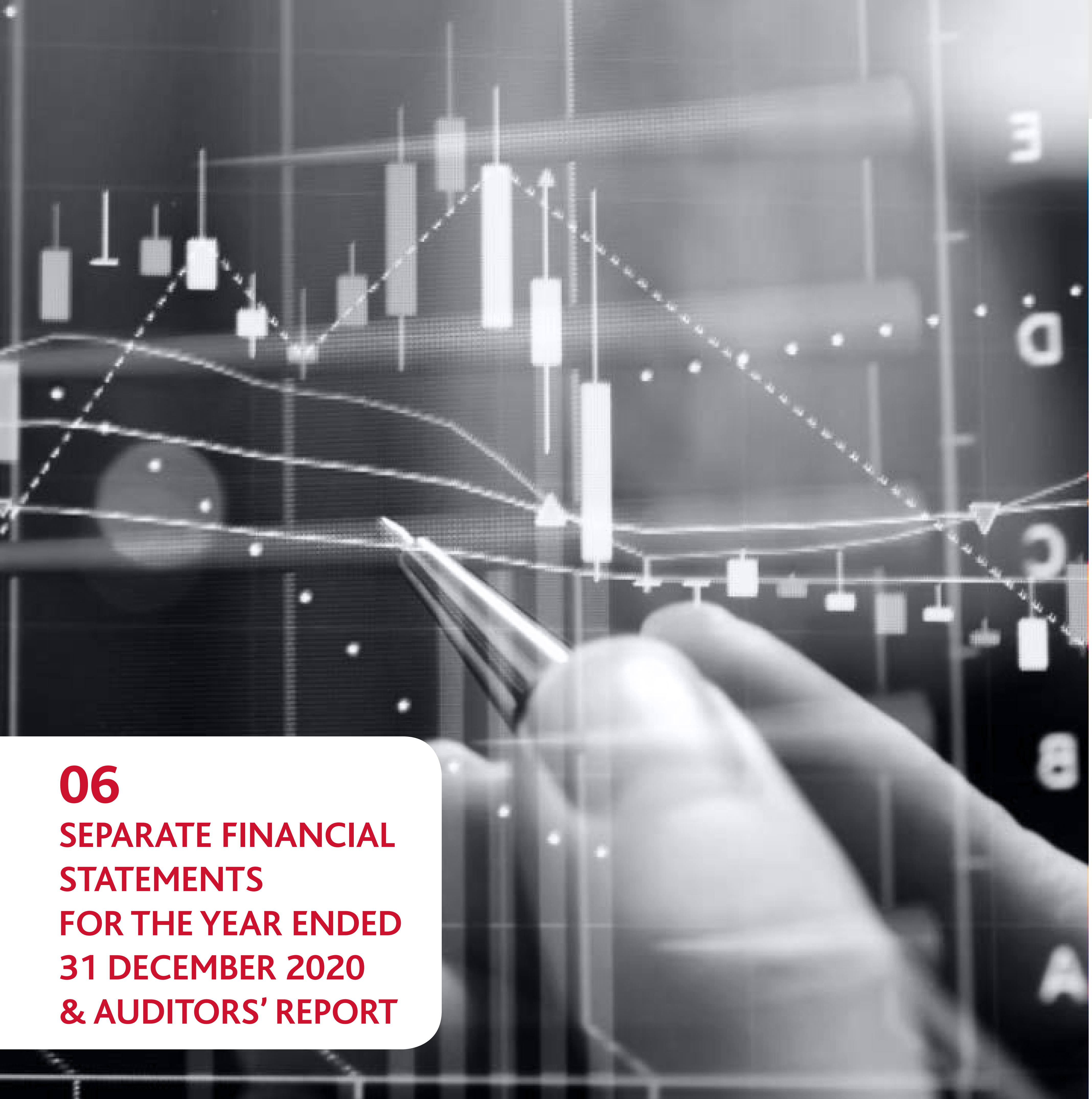
We pray to Allah Almighty to guide us to victory and prosperity.

Allah's peace and blessing upon you.

Dr. Abdul Latif Mahmoud Al Al-Mahmoud

Chairman
Sharia Supervisory Board

4/2/2021



06
SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 & AUDITORS' REPORT

Auditors' Report

Messrs/ Shareholders of Al Baraka Bank Egypt

An Egyptian Joint-Stock Company

Report on the Separate Financial Statements

We have audited the attached separate financial statements of Al Baraka Bank Egypt, an "Egyptian Joint-Stock Company", represented in the separate financial position as at 31 December 2020 as well as the separate income, comprehensive income, cash flows and change in equity statements for the financial year ending as at that date as well as a summary of the important accounting policies and such other notes.

Responsibility of the Management for the Separate Financial Statements

The preparation of these separate financial statements is the responsibility of the Bank's management since the management is responsible for the preparation and presentation of the separate financial statements fairly & clearly according to the principles of banks' financial statements preparation and presentation, the recognition and assessment bases ratified by the Board of Directors of the Central Bank of Egypt on December 16, 2008 amended by instructions issued in 26 February 2019 and in the light of related Egyptian laws and regulations. The management's responsibility also includes designing, implementing and maintaining an internal control relevant to the preparation and presentation of the separate financial statements fairly and clearly, free from any important and effective misstatements whether resulting from fraud or error. Such responsibility also comprises the selection of the appropriate accounting policies, the implementation thereof and preparing the accounting estimates appropriate to circumstances.

Responsibility of the Auditor

Our own responsibility is confined to express our opinion on these separate financial statements in the light of our auditing thereof. Our auditing process has been carried out according to the Egyptian Auditing Standards and in the light of the Egyptian Laws in force.

These Standards require commitment to the requirements of professional conduct & planning and performing auditing so as to obtain an adequate assurance that the financial statements are free from any significant and effective errors.

The auditing works comprise carrying out certain procedures in order to obtain auditing evidences concerning the values and disclosures in the separate financial statements. The selected procedures depend on the professional judgement of the Auditor. This comprises an evaluation of the risks of important & effective misstatements in the separate financial statements, whether resulting from fraud or error. Upon the assessment of these risks, the auditor puts into his consideration the internal control relative to the Bank's preparation of the separate financial statements and the fair and clear presentation thereof in order to design the auditing procedures appropriate to circumstances, not for the purpose of expressing opinion on the efficiency of the internal control at the Bank. The auditing process also comprises an assessment of the extent of appropriateness of the accounting policies & the important accounting estimates prepared by the Management as well as the soundness of the separate financial statements presentation.

We are of the opinion that the auditing evidences which we obtained are sufficient and adequate and are deemed an appropriate basis for expressing our opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above clearly & fairly express in all their important aspects the separate financial position of Al Baraka Bank Egypt - an Egyptian Joint-Stock Company - as at 31 December 2020, its financial performance & its separate cash flows for the financial year ending as at that date, according to the rules governing the preparation and presentation of banks' financial statements, the bases of recognition & measurement ratified by the Board of Directors of the Central Bank of Egypt on December 16, 2008 amended by instructions issued in 26 February 2019 and in the light of the Egyptian laws and regulations related to the preparation of the separate financial statements.

Report on the other legal & organizational requirements

No infringement has been found to be made by the Bank during the financial year ending as at 31 December, 2020 of any of the provisions of the Law of the Central Bank of Egypt, the Banking & Monetary System number 194for the year 2020 having an important impact on these independent financial statements, taking in consideration the reconciliation period in accordance with the provisions of the law

The Bank keeps regular financial accounts including all that should be established therein according to the stipulation of the law and the Bank's articles of association. The separate financial statements have been found conformable to what is stated in these accounts.

The financial data stated in the report of the Board of Directors - prepared according to the requirements of Law no. 159/1981 & its executive regulations and amendments are conformable to what is stated in the Bank's registers, within the limits with which such data are stated therein

Auditors

Mohamed Mortada Abdel-Hamid

BDO

Recorded at the "Egyptian Financial Supervisory Authority' number 157
BDO - Khaled & Partners

Hossam Eldin Abdel-Wahab Ahmed

KPMG حـــازم حســن
محاسبون قانونيون ومستشارون

Recorded at the "Egyptian Financial Supervisory Authority" number (380)
KPMG Hazem Hassan
Chartered Accountants & Consultants

Cairo on: 1 March 2021

SEPARATE BALANCE SHEET

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note No.	31 December2020 EGP	31 December2019 EGP
Assets			
Cash & balances with the Central Bank of Egypt	(15)	**6 409 888 585**	6 430 167 430
Balances with banks	(16)	**13 468 307 993**	23 585 450 072
Governmental Securities	(17)	**13 640 276 356**	7 109 476 036
Investment operations with banks	(18)	**1 987 284 235**	2 293 669 207
Murabaha, Mudaraba & Musharaka to customers	(19)	**19 565 348 889**	16 793 497 768
Financial investments			
At fair value through profits & losses	(20)	**34 343 965**	28 789 228
At fair value through the comprehensive income	(20)	**490 171 429**	150 715 195
At amortized cost	(20)	**17 819 709 472**	14 031 173 222
Financial investments in subsidiaries & sister companies	(21)	**196 000 000**	196 000 000
Intangible assets	(22)	**22 785 274**	9 694 169
Other assets	(23)	**1 343 469 366**	1 418 965 064
Fixed Assets	(25)	**555 573 773**	517 860 919
Real estate investments	(26)	**------**	134 438 997
Total assets		**75 533 159 337**	72 699 897 307
Liabilities and Equity			
Liabilities			
Balances due to banks	(27)	**1 053 330 446**	1 269 616 878
Customers' Deposits	(28)	**66 471 128 097**	64 368 141 211
Other Financing	(29)	**1 025 374 938**	1 053 505 907
Other liabilities	(30)	**1 515 688 076**	1 709 650 735
Other provisions	(31)	**117 692 875**	78 101 670
Current income tax liabilities		**318 299 053**	145 825 539
Deferred tax liabilities	(24)	**3 454 300**	2 551 164
Total liabilities		**70 504 967 785**	68 627 393 104
Equity			
Issued & paid up capital	(32)	**1 546 447 231**	1 546 447 231
Set aside on account of the capital increase	(32)	**309 289 456**	---
Reserves	(33)	**1 750 186 021**	1 336 204 567
Retained earnings	(34)	**1 422 268 844**	1 189 852 405
Total Equity		**5 028 191 552**	4 072 504 203
Total liabilities & equity		**75 533 159 337**	72 699 897 307

Ashraf Ahmed El-Ghamrawy
Vice-Chairman & Chief Executive

Abdul Aziz Mohamed Yamani
Chairman

- The attached footnotes from (1) to (40) are an integral part of the financial statements.
- Auditors' Report is attached·

SEPARATE INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note	31 December2020	31 December2019
	No.	EGP	EGP
Return of Murabaha, Mudaraba & Musharaka and similar revenues	(6)	**7 576 474 395**	8 111 793 861
Cost of deposits and similar costs	(6)	**(5 126 168 633)**	(6 232 257 263)
Net income of return		**2 450 305 762**	1 879 536 598
Fees and commissions income	(7)	**239 400 358**	288 120 871
Fees and commissions expenses	(7)	**(42 532 877)**	(16 113 072)
Net income of fees and commissions		**196 867 481**	272 007 799
Dividends Income	(8)	**3 388 481**	7 893 357
Net trading income	(9)	**73 704 587**	95 268 855
Financial investments gains	(20)	----	98 920
Differences of evaluating financial assets at the fair value through profits & losses	(20)	**551 049**	(861 568)
(Burden) of expected credit loss impairment	(12)	**(371 594 653)**	(247 025 105)
Administrative expenses	(10)	**(654 776 762)**	(569 991 977)
Subsidy of the "Zakah & Charity Donations Funds"		**(10 428 709)**	(10 859 464)
Other operating revenues (expenses)	(11)	**308 681 063**	77 484 267
Year profits before income tax		**1 996 698 299**	1 503 551 682
Income Tax (expenses)	(13)	**(748 963 917)**	(449 714 097)
Net year profits		**1 247 734 382**	1 053 837 585
Earnings per share	(14)	**4.90**	4.11

Ashraf Ahmed El-Ghamrawy

Vice-Chairman & Chief Executive

Abdul Aziz Mohamed Yamani

Chairman

- The attached footnotes from (1) to (40) are an integral part of the financial statements.

SEPARATE COMPREHENSIVE INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	31 December2020	31 December2019
	EGP	EGP
Net Profit of the year	**1 247 734 382**	1 053 837 585
Items of the other comprehensive income, which are not to be reclassified in the Income Statement		
Net change in the fair value of financial assets at the fair value through comprehensive income(Equity Instruments)	**9 145 167**	(12 806 519)
Items of the other comprehensive income, that may be reclassified in the Income Statement		
Net change in the fair value of financial assets at the fair value through comprehensive income(Debt Instruments)	**(916 720)**	1 708 808
Expected credit losses of debt Instruments at fair value through comprehensive income	**369 248**	883 815
Total items of the other comprehensive income	**8 597 695**	**(10 213 896)**
Total comprehensive income of the year	**1 256 332 077**	1 043 623 689

- The attached footnotes from (1) to (40) are an integral part of the financial statements.

SEPARATE CASH FLOWS STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note	31 December2020	31 December2019
	No.	EGP	EGP
Cash flows of operating activities			
Net year profits before income tax		**1 996 698 299**	1 503 551 682
Adjustments to reconcile net profits with cash flows of operating activities:			
Fixed assets depreciation, real estate investments & amortization	(22/25/26)	**68 631 369**	52 858 198
Bonds premium/discount amortization	(20)	**13 720 618**	(1 960 993)
Assets impairment burden	(12)	**371 594 653**	247 025 105
Other provisions burden	(11)	**39 822 934**	(30 503 315)
Differences of reevaluating other provisions in foreign currencies	(30)	**(92 811)**	(1 295 554)
(Gains) of selling financial investments	(20)	**---**	(98 920)
Differences of evaluating financial assets at the fair value through profits and losses	(20)	**(551 049)**	861 568
Differences of reevaluating financial investments in foreign currencies	(20)	**34 110 553**	292 330 127
Gains of selling real estate investments		**(347 656 005)**	(70 909 725)
Dividends income	(8)	**(3 388 481)**	(7 893 357)
Used part of other provisions	(31)	**(138 918)**	(36 148 944)
Differences of evaluating subordinated finances	(29/B&C)	**(20 111 000)**	(121 686 500)
Operating profits before changes in assets and liabilities of operating activities		**2 152 640 162**	1 826 129 372
Net decrease (increase) in assets & liabilities			
Balances with central banks within the limit of the required reserve ratio	(15)	**(129 264 167)**	(1 694 444 079)
Balances with banks of more than three-month term		**---**	--
Governmental securities of more than three-month term	(17)	**(6 520 424 960)**	3 338 218 831
Investment operations with banks	(18)	**163 493 674**	1 181 694 096
Murabaha, Musharaka & Mudaraba for customers	(19)	**(3 083 542 189)**	(1 310 203 605)
Financial assets at the fair value through profits & losses	(20)	**(5 003 688)**	---
Other Assets	(22)	**71 380 220**	(331 150 089)
Balances due to banks	(27)	**(216 286 432)**	(227 314 831)
Customers' Deposits	(28)	**2 102 986 886**	9 832 740 343
Other Liabilities	(30)	**(193 962 659)**	125 835 373
Payments of current income tax		**(575 587 267)**	(509 234 182)
Net cash flows ensuing of operating activities		**(6 233 570 420)**	**12 232 271 229**

	Note	31 December 2020	31 December 2019
	No.	EGP	EGP
Cash flows of investment activities			
(Payments) for purchasing fixed assets, branches preparation and fitting& intangible assets	(23/26)	**(30 052 535)**	(42 799 227)
Payments for purchasing real estate investments		**---**	(147 010)
Collections of selling real estate investments		**480 000 000**	124 150 000
Collections of recovering financial investments other than financial assets for trading	(20)	**1 649 617 250**	653 862 020
(Purchases) of financial investments other than financial assets for trading	(20)	**(5 827 135 525)**	(3 976 826 435)
(Payments) of financial investments in subsidiaries and sister companies	(21)	**----**	(147 000 000)
Distributions of collected profits	(8)	**3 388 481**	7 893 357
Net cash flows (used in) ensuing of investment activities		**(3 724 182 329)**	(3 380 867 295)
Cash flows of financing activities			
Collections of long-term restricted finances	(28/A)	**---**	12 500 000
(Payments) of long-term restricted finances	(28/A)	**(8 019 969)**	(16 201 154)
Paid Dividends	(34)	**(300 644 728)**	(272 649 114)
Net cash flows (used in) financing activities		**(308 664 697)**	(276 350 268)
Net increase in cash and cash equivalents		**(10 266 417 446)**	8 575 053 666
Opening balance of cash and cash equivalents		**24 040 430 976**	15 465 377 310
Closing balance of cash & cash equivalents		**13 774 013 530**	24 040 430 976
Cash & cash equivalents are represented in the following:			
Cash & balances with the Central Bank		**6 409 888 585**	6 430 167 430
Balances with banks		**13 469 732 912**	23 586 607 346
Governmental Securities		**13 659 865 548**	7 139 440 588
Balances with central banks within the limits of the required reserve ratio		**(6 105 607 967)**	(5 976 343 800)
More than three-month-term balances with banks		**----**	--
More than three-month-term governmental securities		**(13 659 865 548)**	(7 139 440 588)
Cash & cash equivalents	**(35)**	**13 774 013 530**	**24 040 430 976**

Non-cash Transactions

For purposes of preparing the cash flows statement, the change in the item of "Murabaha, Musharaka & Mudaraba" to customers has been reconciled in a value equal to the change in the item of the assets devolving to the bank (included in the item of "Other Assets"), in an amount of EGP 82 879 660, currency evaluation differences in the amount of EGP 7 505 170, written off debts in the amount of EGP 6 130 026 as well as recovered amounts of previous written off debts in the amount of EGP 15 378 882. The influence of transferring the amount of EGP 87 287 791 of other assets to the item of (Fixed Assets) has been eliminated.

- The attached footnotes from (1) to (40) are an integral part of the financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note No.	Paid-up Capital	Set aside on account of capital increase	Reserves	Retained earnings	Total
		EGP	EGP	EGP	EGP	EGP
Balances as at January 1, 2019		1 266 541 549	139 319 572	903 349 111	1 122 445 633	3 431 655 865
Starting balance settlements		---	---	(128 929 802)	(1 196 435)	(130 126 237)
Balances as at 1 January 2019 after settlements		**1 266 541 549**	**139 319 572**	**774 419 309**	**1 121 249 198**	**3 301 529 628**
Net change in the items of the other comprehensive income	(33/F)	---	---	(10 213 896)	---	(10 213 896)
Net year profit		---	---	---	1 053 837 585	1 053 837 585
Total income of the year		**1 266 541 549**	**139 319 572**	**764 205 413**	**2 175 086 783**	**4 345 153 317**
Distributions of previous year profits (Personnel share & remuneration of the Board Members and shareholders) in cash	(34)	---	---	---	(272 649 114)	(272 649 114)
Dividends to shareholders used in increasing the capital, of the profits of 2017	(32)	139 319 572	(139 319 572)	---	---	---
Dividends to shareholders used in increasing the capital, of the profits of 2018	(32)	140 586 110	---	---	(140 586 110)	---
Transferred to the risk reserve according to the IFRS9	(33/L/ 34)	---	---	50 000 000	(50 000 000)	---
Transferred to the legal reserve	(33/B/34)	---	---	100 182 039	(100 182 039)	---
Transferred to the general reserve	(33/C/34)	---	---	420 000 000	(420 000 000)	---
Transferred to the capital reserve	(33/D/34)	---	---	1 817 115	(1 817 115)	---
Balances as at 31 December 2019		**1 546 447 231**	**---**	**1 336 204 567**	**1 189 852 405**	**4 072 504 203**

	Note No.	Paid-up Capital	Set aside on account of capital increase	Reserves	Retained earnings	Total
	No.	EGP	EGP	EGP	EGP	EGP
Balances as at January 1, 2020		1 546 447 231	---	1 336 204 567	1 189 852 405	4 072 504 203
Net change in the items of the other comprehensive income	(33/F)	--	--	**8 597 695**	---	**8 597 695**
Net year profits		---	---	---	1 247 734 382	1 247 734 382
Total income of the year		1 546 447 231	---	1 344 802 262	2 437 586 787	5 328 836 280
Distributions of previous year profits (Personnel share & remuneration of the Board Members and shareholders"cash")	(34)	---	---	---	**(300 644 728)**	**(300 644 728)**
Dividends to shareholders used in increasing the capital, of the profits of 2019	(34)	---	**309 289 456**	---	**(309 289 456)**	---
Transferred to the legal reserve	(32/B/33)	---	---	**105 383 759**	**(105 383 759)**	---
Transferred to the general reserve	(32/C/33)	---	---	**300 000 000**	**(300 000 000)**	---
Balances as at 31 December 2020		**1 546 447 231**	**309 289 456**	**1 750 186 021**	**1 422 268 844**	**5 028 191 552**

- The attached footnotes from (1) to (40) are an integral part of the financial statements.

PROPOSED PROFIT DISTRIBUTION STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	31 December2020	31 December2019
	EGP	EGP
Net year profits according to the Income Statement	**1 247 734 382**	1 053 837 585
Items transferred to retained earnings	**---**	(1 196 435)
Net distributable profits of the year	**1 247 734 382**	1 052 641 150
Added: Opening balance of retained earnings	**174 534 462**	137 211 255
Total	**1 422 268 844**	**1 189 852 405**
Distributed as follows:		
Legal Reserve	**124 773 438**	105 383 759
General Reserve	**---**	300 000 000
Shareholders' dividends – first quota – bonus shares	**77 322 364**	77 322 364
Personnel quota	**142 227 000**	126 000 000
Remuneration of the Board Members	**22 000 000**	20 000 000
Shareholders' dividends – second quota – bonus shares	**1 036 119 651**	231 967 092
Shareholders' dividends – second quota – cash	**--**	154 644 728
Support & development of banking sector fund	**12 477 344**	--
Closing retained earnings	**7 349 047**	174 534 462
Total	**1 422 268 844**	**1 189 852 405**

- The attached footnotes from (1) to (40) are an integral part of the financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

(1) Profile:

(Al Ahram Bank) - an Egyptian Joint-Stock Company - has been incorporated as a commercial bank on March 19, 1980, under Law 43 for the year 1974 and its amendments, replaced by the Investment Law.

Pursuant to the resolution of the Extraordinary General Meeting held on September 21, 1988, the Bank's name was amended to become (The Egyptian Saudi Finance Bank). On April 30, 2009, the Bank's Extraordinary General Meeting decided to change its name to (Al Baraka Bank Egypt). The Bank renders all corporation and retail banking services and investment pursuant to the provisions of the Islamic Shari'a in the Arab Republic of Egypt, through 32 branches. It hires 984 employees on the date of preparing the balance sheet. Its head office is located at El Teseen Southern Street, the Central Area, First Sector, the Fifth Settlement, New Cairo. It is recorded in the Egyptian Stock Exchange.

The Bank doesn't deal in financial derivatives, futures contracts or loans, pursuant to the nature of its Islamic business conduct. This applies to any of these terms wherever mentioned in the footnotes complementary to the financial statements.

The Bank's Board of Directors ratified the issuance of the financial statements for the financial year ending as at December 31, 2020, at its session held on March 1, 2021.

(2) Summary of the Accounting Policies

Hereunder is a statement of the most important accounting policies adopted upon preparing these financial statements. Such policies have been steadily adopted all over the reported years, unless otherwise is disclosed.

(A) Bases of Separate Financial Statements Preparations:

The separate financial statements are prepared pursuant to the Egyptian Accounting Standards issued during 2006 and their amendments, according to the instructions of the Central Bank of Egypt, ratified by its Board of Directors on December 16, 2008, conformable to the standards referred to, without prejudice to the stipulation of the final instructions issued by the Central Bank of Egypt on February 26, 2019, concerning the implementation the IFRS (9) (Financial Instruments: Classification & Measurement).

These financial statements of the Bank have been prepared according to the provisions of the related domestic laws.

(B) Changes in the Accounting Policies:

As of January 1, 2019, the Bank has applied the instructions of the Central Bank of Egypt issued on February 26, 2019, concerning the preparation of Banks' financial statements according to the requirements of the International Financial Reporting Standards. Hereunder is a brief account of the main changes having occurred to the accounting policies as a result of applying these instructions:

Classification of Financial Assets & Liabilities:

Upon initial recognition, the financial assets are classified as: financial assets at amortized cost, at the fair value through the comprehensive income or at the fair value through profits and losses.

Financial assets are classified according to the "Business Model" through which these financial assets and their contractual cash flows are managed.

The financial asset is measured at the amortized cost, if fulfilling the two following conditions and if not measured at the fair value through profits & losses:

- When the asset is retained within a business model aiming at keeping assets for the collection of contractual cash flows &
- When the contractual terms of the financial assets result in cash flows on certain dates that are solely payments of the principal and interest on the outstanding principal amount,

The debt instruments are measured at the fair value through the other comprehensive income if fulfilling the two following conditions, and if not classified at the fair value through profits & losses:

- If the asset is retained within a business model which target shall be deemed realized through the collection of contractual cash flows and sale of financial assets &
- When the contractual terms of the financial assets result in cash flows on certain dates that are solely payments of the principal and interest on the outstanding principal amount,

Upon initial recognition of the investment in shares which are not held for trading, the Bank may irrevocably decide to measure the subsequent changes in the fair value among the items of the other comprehensive income. This decision is made for each investment independently.

All other financial assets are considered as classified at the fair value through profits and losses.

Besides, the Bank may, upon initial recognition, irrevocably decide to measure a financial asset - that fulfills the requirements of measurement at the amortized cost or the fair value through the other comprehensive income – at the fair value through profits or losses, if this results in eliminating or largely extenuating accounting noncompliance that may otherwise result.

Business Model Evaluation

The Bank evaluates the business model in which it retains the asset all over the portfolio, since this optimally reflects the method of the business management and reporting information to the Management. The considered pieces of information comprise:

The portfolio proclaimed targets & policies, the mechanism of these policies practically, and in particular to figure out whether the Management's strategy concentrates on earning the contractual interests revenues or comparing the duration of financial assets with that of financial liabilities, for financing these assets or the realization of cash flows through selling assets

The method of evaluating the portfolio performance and reporting this to the Bank Management

The risks that influence the performance of the business model and the financial assets kept in the model as well as the manner of managing such risks

The number of transactions, the volume and timing of sales at previous periods, the reasons of such sales and the expectations regarding the sales activity in future – However the information pertaining to the sales activities are not independently considered, but as a part of a comprehensive evaluation of the manner of realizing the Bank's announced target of managing financial assets and the manner of realizing cash flows

The financial assets held for trading, or which performance is evaluated on basis of the fair value, are measured at the fair value through profits and losses, since they are held neither for collecting contractual cash flows solely nor for collecting contractual cash flows with the sale of financial assets.

Evaluation whether the contractual cash flows are merely payments of the principal amount & interest:

For purposes of this evaluation, the principal amount is defined as the fair value of the financial asset upon initial recognition and the interest is defined as the material counter-value of the time value of money, the credit risks pertaining to the outstanding principal amount during a specific period, the other main risks and costs pertaining to lending as well as the profit margin.

Upon evaluating whether the contractual cash flows are solely payments of the principal and interest on the outstanding principal amount, the Bank takes into account the instrument contractual terms. This comprises the evaluation of whether the financial asset contains contractual terms that may change the time and amount of the contractual cash flows, since in this way this term shall not be considered as fulfilled.

Decrease of the Financial Assets Value

The "International Financial Reporting Standard – IFRS – 9" replaces the "Incurred Loss" Model stipulated in the Egyptian Accounting Standard number "26" by the "Expected Credit Loss – ECL" Model. According to IFRS-9, credit losses are recognized earlier if compared to what is adopted by the Egyptian Accounting Standard "26".

The Bank applies a three-stage methodology for measuring the expected credit loss for the financial assets reported at the amortized cost and the debt instruments classified at the fair value through the items of the other comprehensive income. Assets move among the following three stages, based on the change in the credit quality, compared to the moment of their initial recognition:

First Stage: The financial assets which haven't witnessed significant increase in credit risks since initial recognition, for which the expected credit loss is calculated over a 12-month period

Second Stage: The financial assets which have witnessed significant increase in credit risks since initial recognition, without any objective evidence to the impairment of their value, for which the expected credit loss is calculated all over the asset useful life and the financial assets revenues continues to be calculated according to the asset total book value

Third stage: The financial assets having witnessed impairment in value according to the indicators determined in the instructions of the Central Bank of Egypt, which expected credit loss should be calculated over the asset useful life, on basis of the difference between the financial asset book value and the current value of the expected future cash flows

Date of initial application of the "IFRS-9"

According to the final instructions issued by the Central Bank of Egypt, concerning the application of the "IFRS-9", each of the "special reserve – credit", the "banking risks reserve – credit" and the "IFRS-9 risk reserve" have been merged in one reserve named: "the general risk reserve", in the amount of LE 345 052 291.

The opening balances of the impairment loss provisions, calculated according to the instructions in force up to December 31, 2018, have been amended to conform to the balances calculated according to the IFRS-9, by means of discounting the amount of LE 130 126 237 of the balance of the general risk reserve, in implementation to the instructions of the Central Bank of Egypt in this concern.

The following table demonstrates the financial assets and liabilities at the net value, according to the instructions of the Central Bank of Egypt issued on December 16, 2008 and the IFRS-9, according to the instructions of the Central Bank of Egypt issued on February 26, 2019:

Financial assets	Measurement category according to the instructions of the CBE on Dec. 16, 2008	Measurement category according to the instructions of the CBE on Feb. 26, 2019	Book value according to the instructions of the CBE on Dec. 16, 2008	Impact of applying the IFRS-9		Book value of financial instruments according to IFRS-9
				Reclassification	Re-measurement	
Governmental securities	Amortized cost	Amortized cost	10 477 659 419		(7 631 758)	10 470 027 661
Investment with banks	Amortized cost	Amortized cost	3 481 593 377		(3 208 483)	3 478 384 894
Murabaha, Mudaraba & Musharaka for customers	Amortized cost	Amortized cost	15 746 156 160		(50 051 214)	15 696 104 946
Financial investments – equity instruments	Available for sale	Fair value through the comprehensive income statement	68 544 095			68 544 095
Financial investments – debt instruments	Held to maturity	Amortized cost	11 124 941 625		(9 472 077)	11 115 469 548
Financial investments – investment funds documents	Held to maturity	Fair value through profits and losses	24 650 796	5 959		24 656 755

(C)Subsidiaries & Sister Companies

C/1 Subsidiaries:

They are the companies (including the Special Purpose Entities/SPEs), which the Bank has, directly or indirectly, the capability of controlling their financial and operating policies. Usually, the Bank holds an equity exceeding one half of the voting rights, taking into account the existence and influence of the future voting rights that can be practiced or transferred at present upon assessing whether the Bank is capable of having control on the Company.

C/2 Sister companies

Sister Companies are the entities on which the Bank has, directly or indirectly, influential power but not to the extent of entire control and usually the Bank maintains an equity ranging from 20% to 50% of the voting rights.

The Bank's acquisition of these companies is accounted for using the "Purchase Method". The cost of acquisition is measured at the fair value or the consideration offered by the bank, whether assets for purchase &/or issued owners' equity instruments &/or liabilities incurred by the bank &/or liabilities which it accepts on behalf of the acquired company, on the exchange date, added to which are any costs directly related to the acquisition process. The net assets, including the potential acquired liabilities, liable to be determined, are measured at the fair value on the acquisition date, regardless of any rights of minorities. The increase of the acquisition cost to the fair value of the Bank's share in this net value is considered "goodwill", while if this cost of acquisition falls below the fair value of the net value referred to, the difference shall directly be reported in the Income Statement under the item of [Other Operating revenues (expenses)].

Subsidiaries and sister companies are accounted for in the separate financial statements of the Bank using the cost method. According to this method, investments are established at the acquisition cost, including goodwill, less any losses of impairment in value. Profit distributions are reported in the Income Statement upon their ratification and attesting the Bank's entitlement to collect them.

D- Sector Reports

The "activity sector" is a group of assets and the operations carried out for providing products or services having common risks and benefits distinguished from those related to other activity sectors. The "geographical sector " indicates providing products or services within a certain economic environment having its own risks and benefits which differ from those related to the geographical sectors operating at a different economic environment.

E- Foreign Currencies Translation

E-1 Functional & presentation currencies

The items included in the financial statements of the Bank's foreign branches are measured using the currency of the economic environment where the foreign branch practices its business (Functional Currency).

The Bank's financial statements are displayed in Egyptian Pounds, which represents both the functional and presentation currencies of the Bank.

E-2 Transactions & balances in foreign currencies

The Bank keeps its accounts in Egyptian Pounds. The transactions in other currencies during the financial year are established on basis of the exchange rates prevailing upon the transaction implementation. The balances of cash assets and liabilities in other currencies are reevaluated by the end of the financial year on basis of the exchange rates prevailing on that date. The profits & losses ensuing of the settlement of these transactions are recognized in the Income Statement and the reevaluation differences are recognized in the following items:

- Net trading income or the net income of the financial instruments classified upon their institution at the fair value through profits or losses for the assets/liabilities held for trading or those classified upon institution at the fair value through profits or losses, per each type
- Other operating revenues (expenses) for the remaining items

The changes in the fair value of the cash financial instruments in foreign currencies, classified as "Available-for-Sale" Investments (debt instruments) are analyzed either as evaluation differences resulting of the changes in the instrument amortized cost, differences resulting of changing the prevailing exchange rates and differences resulting of the change of the instrument fair value.

The evaluation differences related to the changes of the amortized cost are recognized in the Income Statement under the item of "Murabaha, Musharaka & Mudaraba Return" and similar revenues, while the differences related to the change of the exchange rates are recognized under the item of "Other Operating Revenues (Expenses)". The differences of the change in the fair value are recognized among "shareholders' equity" (fair value reserve/financial investments Available for Sale).

The non-cash items evaluation differences comprise the gains and losses ensuing of the change in the fair value such as the equity instruments held at the fair value through profits and losses. The evaluation differences resulting of the equity instruments classified as "Available-for-Sale Financial Investments" are recognized in the "fair value reserve" under Shareholders' Equity.

E-3 Foreign branches

The work proceeds and financial position of foreign branches are translated to the presentation currency (if none of them is operating in a rapidly inflating economy), which functional currency is different from the Bank's presentation currency, as follows:

- The assets and liabilities in every displayed balance sheet of the foreign branch is translated using the closing rate on the date of that balance sheet.
- The revenues and expenses in every displayed income statement are translated using the average exchange rate, unless this average doesn't represent a reasonable approximation of the accumulated effect of the rates prevailing on the transaction dates. In this case, the revenues and expenses are translated using the exchange rates prevailing upon the transactions' dates.

The ensuing currency differences are recognized in an independent item (foreign currencies translation differences) under the "Shareholders' Equity". Likewise, the currency differences resulting of evaluating the net investment in foreign branches, the loans and the financial instruments in foreign currency allocated for hedging this investment are also carried forward to the "Shareholders' Equity" under the same item. These differences are recognized in the Income Statement upon writing off the foreign branch, under the Item of (Other Operating Revenues "Expenses").

F- Financial Assets

(F/1) Applied accounting policies up to December 31, 2018

The Bank classifies financial assets in the following groups: Financial assets classified at the fair value through profits & losses, facilities, debts, financial investments held-to-maturity & "available-for-sale" financial investments. The Management classifies investments upon their initial recognition.

(F/1/1) Financial assets classified at the fair value through profits & losses:

- This group comprises financial assets held for trading and the assets classified upon their institution at the fair value through profits & losses.
- The financial instrument is classified as held for trading if acquired and if its value is basically incurred for the purpose of selling thereof on short-term or else if it represents a part of a certain financial instruments portfolio managed as a whole and in case of an evidence to recent actual transactions indicating the obtainment of gains on the short term. Derivatives are classified as held for trading, unless allocated as hedging instruments.

(F/1/2) Facilities & debts

They represent non-derivative financial assets having a fixed value, or a value liable to be determined, and which are not traded in an active market, except for:

- The assets which the Bank intends to sell immediately or on short term, which in this case are classified among the assets held for trading
- The assets which the Bank classifies as available for sale upon initial recognition
- The assets which the Bank shall not be basically able to recover the value of its original investment for reasons other than the deterioration of the credit capacity.

(F/1/3)"Held-to-maturity" financial investments

The "Held-to-Maturity" Financial Investments represent non-derivative financial assets of a fixed value, or a value liable to be determined, and a fixed maturity date and which the Bank Management intends to and is capable of holding up to their maturity date. The whole group is reclassified as "available-for-sale" if the Bank sells a significant amount of the financial assets held-to-maturity, except in cases of necessity.

(F/1/4)"Available for sale" financial investments

The "Available for Sale" Financial Investments represent non-derivative financial assets intended to be held for an indefinite period. They may be sold in response to the need of liquidity or the changes in the return or exchange rates or shares.

The following measures are adopted regarding financial assets:

- The regular purchase and sale operations of financial assets are recognized on the trading date, which is the date on which the Bank undertakes to purchase or sell the asset. This applies to the assets classified at the fair value through profits and losses, the "Held-to-Maturity" Financial Investments and the "Available for Sale" Financial Investments.
- The financial assets which are not classified upon their institution at the fair value through profits and losses are initially recognized at the fair value, added to which are the transaction costs. The financial assets classified upon their institution at the fair value through profits and losses are classified at the fair value only, with charging the costs of the transaction to the Income Statement, under the Item of "Net Trading Income".
- Financial assets are written off upon the termination of the validity of the contractual right to obtain cash flows of the financial asset or when the Bank transfers most of the risks and benefits related to ownership to any third party. Liabilities are written off upon their termination, whether by disposal or abrogation thereof or in case of the termination of their contractual duration.
- Each of the financial investments available for sale & the financial assets classified at the fair value through profits and losses shall be subsequently measured at the fair value, while the facilities, debts and investments held-to-maturity shall be measured at the amortized cost.
- On the one hand, the gains and losses ensuing of the changes in the fair value of the "financial assets classified at the fair value through profits and losses" shall be recognized in the Income Statement in the year during which they occur, on the other hand the gains and losses ensuing of the changes in the "fair value of financial investments available for sale" shall be directly recognized under the "Shareholders' Equity", until writing off the asset or the impairment of its value, at which point the accumulated gains and losses previously recognized under "shareholders' equity" shall then be recognized in the (Income Statement).
- The return calculated using the amortized cost method & the profits & losses of foreign currencies of the cash assets classified as available for sale are recognized in the Income Statement, and so are the profit distributions ensuing of the equity instruments classified as available for sale, when the Bank becomes entitled to collect them.
- The fair value of the investments which prices are proclaimed at active markets shall be determined on basis of the bid prices. However, in case there is no active market for the financial asset or in case of the unavailability of bid prices, the Bank shall determine the fair value using one of the evaluation methods. This includes using recent neutral transactions or analyzing the discounted cash flows, using the "Option Pricing Models" or the other evaluation methods prevailing among the traders at the market. If the Bank fails to evaluate the fair value of the equity instruments classified as available for sale, their value shall be measured at the cost price after discounting any impairment in value.
- The Bank reclassifies the financial asset classified among the group of (Financial Instruments Available for Sale), defined as debts (Bonds), by transferring thereof from the group of financial instruments available for sale to the group of the financial assets held-to-maturity, when the Bank intends to and is capable of maintaining these financial assets in the near future or up to maturity. Reclassification is made at the fair value on that date and any gains or losses pertaining to these assets, previously recognized under shareholders' equity, shall be handled as follows:

– In case of the reclassified financial asset having a fixed maturity date, the gains & losses shall be depreciated over the remaining lifespan of the held-to-maturity investment, using the real return method. Any difference between the value on basis of the depreciated cost and the value on basis of the maturity date shall be depreciated over the remaining lifespan of the financial asset, using the real return method. In case of subsequent impairment of the financial asset value, any previously recognized gains or losses shall be directly recognized among the shareholders' equity in profits & losses.

– In case of the financial asset having no fixed maturity date, the profits or losses shall remain among the Shareholders' equity until selling the asset or disposing thereof, after which they shall be recognized in the (profit & loss account). In case of subsequent impairment of the financial asset value, any previously recognized gains or losses shall be directly recognized among the Shareholders' equity.

- If the Bank amends its estimates of payments or receivables, reconciliation of the book value of the financial asset (or the group of financial assets) shall be made so as to reflect the real cash flows and the amended estimates, so that the book value shall be recalculated by calculating the current value of the future cash flows estimated at the real return rate of the financial instrument. This reconciliation shall be recognized as revenue or expense in the Profit & Loss Account.
- In all cases, if the Bank reclassifies a financial asset as referred to above, and if it later increases its estimates of the future cash receipts as a result of the increase of what may be recovered of these cash receipts, the influence of this increase shall be recognized as reconciliation of the real return rate as of the date of the estimate change and not as reconciliation of the book balance of the asset on the date of the estimate change.

(F/2)Accounting policies applied as of January 1, 2019

Financial Assets Classification

Financial assets are classified into three main categories:

- Financial assets at the amortized cost
- Financial assets at the fair value through the comprehensive income
- Financial assets at the fair value through profits & losses

This classification generally relies on the business model through which the financial assets are managed, and which determine the characteristics of their contractual cash flows.

Main Characteristics of the Business Models

Business model	Financial asset	Main Characteristics
Business model of the financial assets held for collecting contractual cash flows	Financial assets at the amortized cost	The business model target is to maintain financial assets for collecting contractual cash flows, represented in the investment principal amount and returns
		Sale is an exceptional incidental event, according to the terms stipulated in the Standard, at the least sales volume in terms of frequency and value
Business model of the financial assets held for collecting contractual cash flows and sale	Financial assets at the fair value through the comprehensive income	Each of the collection of the contractual cash flows – represented in the investment principal amount & returns – and sale are integrated to realize the model target
		High sales in terms of frequency and value, in comparison to the business model retained for collecting contractual cash flows
Other business models (trading)	Financial assets at the fair value through profits & losses	The business model target is not maintaining the financial asset for collecting contractual cash flows or for collecting contractual cash flows or sale
		Collection of the contractual cash flows is an incidental event for this mode. Assets are managed through this model on basis of the fair value through profits & losses

Decrease of the Financial Assets Value

The "International Financial Reporting Standard – IFRS – 9" replaces the "Incurred Loss" Model stipulated in the Egyptian Accounting Standard number "26" by the "Expected Credit Loss – ECL" Model. According to IFRS-9, credit losses are recognized earlier if compared to what is adopted by the Egyptian Accounting Standard "26".

The Bank applies a three-stage methodology for measuring the expected credit loss for the financial assets reported at the amortized cost and the debt instruments classified at the fair value through the items of the other comprehensive income.

Assets move among the following three stages, based on the change in the credit quality, compared to the moment of their initial recognition:

First Stage: The financial assets which haven't witnessed significant increase in credit risks since initial recognition, for which the expected credit loss is calculated over a 12-month period

Second Stage: The financial assets which have witnessed significant increase in credit risks since initial recognition, without any objective evidence to the impairment of their value, for which the expected credit loss is calculated all over the asset useful life and the financial assets revenues continues to be calculated according to the asset total book value

Third stage: The financial assets having witnessed impairment in value according to the indicators determined in the instructions of the Central Bank of Egypt, which expected credit loss should be calculated over the asset useful life, on basis of the difference between the financial asset book value and the current value of the expected future cash flows.

Measurement of Expected Credit Loss

The credit losses and the value impairment losses related to financial instruments are measured as follows:

The low-risk financial instrument is classified upon initial recognition under the First Stage. The credit risks are perpetually monitored by the Risk Management Department at the Bank.

In case of significant increase in the credit risk since initial recognition, the financial instrument is then transferred to the Second Stage in order not to be considered as impaired at that stage.

In case of indicators to impairment in the financial instrument value, it is then transferred to the Third Stage.

The financial assets acquired by the Bank, having a higher rate of credit risks to the rates acknowledged by the Bank for the low-risk financial assets, are directly classified upon initial recognition in the second stage. Consequently, the expected credit losses pertaining to them are measured on basis of the expected credit losses over the asset useful life.

Significant Increase in Credit Risks

The Bank assumes that the financial instrument has witnessed significant increase in the credit risk, taking into consideration related available & supporting information, including the future information available without incurring unnecessary costs or efforts, upon the realization of one or more of the following quantitative and qualitative criteria and the factors pertaining to payment suspension

Quantitative Criteria

Upon the increase of the probability of default throughout the remaining useful life of the financial instrument as of the date of the financial position preparation, compared to the probability of default throughout the remaining useful life expected upon initial recognition, according to the risk structure acknowledged by the Bank.

Qualitative Criteria

First: Loans of retail banking, small and micro enterprises

If the borrower faces one or more of the following events:

The borrower's submission of an application, requesting to transfer short-term payment to a long-term one, as a result of negative influences pertaining the borrower's cash flows

Extending the payment grace period at the borrower's request

Prior repeated delays during the previous twelve months

Negative future economic changes affecting the borrower's future cash flows

Second: Loans for corporates and medium enterprises

If the borrower is on the follow-up statement&/or if the financial instrument has faced one or more of the following events:

- Significant increase of the rate of return on the financial asset as a result of the increase of credit risks
- Essential negative changes in the activity and the financial or economic circumstances under which the borrower works
- Request of rescheduling as a result of difficulties facing the borrower
- Essential negative changes in the actual or expected results or cash flows
- Negative future economic changes affecting the borrower's future cash flows
- Early indicators to the cash flows/liquidity problems such as the delay in the creditors' service/commercial loans
- Abrogation of one of the direct facilities by the Bank due to the increase of the credit risks of the borrower

The Bank carries out this evaluation periodically all over the portfolio for all financial assets for individuals, entities, small, medium and micro enterprises and also regarding the financial assets of the entities classified in the follow-up statement for the purpose of monitoring their credit risks. Likewise, this evaluation is periodically carried out for the counter-party. The criteria used for determining the significant increase in the credit risk is periodically monitored by the Credit Risks Department.

Third: Suspension of Payment regarding the Retail Banking Customers, the Small and Micro Enterprises:

In all cases, the payment suspension criterion is applied as a significant increase in the credit risk if the borrower's behavior reveals regular delay in payment to the grace period, in spite of his non-classification among impaired financial assets.

Fourth: Suspension of Payment regarding the corporates and Medium Enterprises Loan Customers:

In all cases, the payment suspension criterion is applied as a significant increase in the credit risk if the borrower delays the settlement of his contractual undertakings for sixty days to the maturity date.

Default and the Credit-Impaired Assets

The financial asset is considered as credit-impaired in value in case of the fulfillment of one or more of the following criteria:

Specific Criteria of the corporates Loan Customers, the Banking Retail Customers, the Medium, Small & Micro Enterprises

- When the Borrower fails to fulfill one or more of the following criteria, indicating that he faces significant financial difficulties
- The death or disability of the borrower
- The borrower's insolvency
- Rescheduling as a result of the deterioration of the borrower's credit capacity
- Non-commitment to the financial undertakings – the absence of an active market for the financial asset or one of the financial instruments of the borrower due to financial difficulties
- Granting the borrower privileges as a result of financial difficulties facing him, that wouldn't have been granted to him under normal circumstance
- The probability of the borrower's bankruptcy or rescheduling due to financial difficulties
- If the borrower's financial assets are purchased with a large discount, reflecting the incurred credit losses

The above-stated criteria are applied on all the financial instruments held by the Bank, which conform to the default definition used for the purposes of managing internal credit risks. The default definition is applied consistently with the probability of default model of the assets exposed to the risk of loss when the default occurs, upon calculating all expected losses of the Bank.

Quantitative Criteria of the corporates Loan Customers, the Banking Retail Customers, the Medium, Small & Micro Enterprises

Regarding the banking retail customers, the small and micro enterprises, in all cases when the borrower delays the payment of his contractual installments for more than thirty days, he is considered in default.

Regarding the corporates and medium enterprises, in all cases when the borrower delays the payment of his contractual installments for more than ninety days, he is considered in default.

Promotion among Stages

Promotion from the Second to the First Stage:

The financial asset should not be transferred from the second to the first stage unless after fulfilling all quantitative & qualitative elements of the first stage and payment of all delays including the principal amount and returns.

Promotion from the Third to the Second Stage:

The financial asset should not be transferred from the third to the second stage unless after fulfilling the following terms:

1. Fulfilling all quantitative and qualitative elements of the second stage
2. Payment of 25% of the due balances, including the set aside due return as the case may be
3. Punctuality of payment for 12 months at least

Period of recognition of the financial asset within the second stage

In all cases, the period of recognizing (classifying) the financial asset in the second stage should not exceed nine months to the date of being transferred to this stage.

Calculation of the Loss Given Default

Upon calculating the LGD of the balances held by banks in Egypt and abroad, a maximum of 45% recovery rate is applied.

As for the value of the collaterals used upon calculating the LGD, the rules of preparation and presentation of banks' financial statements, the bases of recognition and measurement issued by the Central Bank of Egypt on December 26, 2008 should be complied with, taking the following into consideration:

Upon calculating the LGD of the financial assets classified in the first stage, only the cash collaterals and their equivalents, which can be easily transferred into cash on short-term (three months or less) without any change (loss) in their value as a result of the credit risks, are accepted.

Upon calculating the LGD of the financial assets classified in the second or third stages, only the collaterals conformable to the rules issued by the Central Bank of Egypt on May 24, 2005 concerning the basis of evaluating credit worthiness of customers and formation of provisions are accepted. The collaterals value shall be settled according to the rules of preparation and presentation of banks financial statements, basis of recognition and measurement issued by the Central Bank on December 16, 2008.

Financial Instruments Measurement & Classification

The debt and equity instruments are classified and measured as follows:

Financial instrument	Methods of measurement according to the business model		
	Amortized cost	Through the comprehensive income	Through profits or losses
Equity instruments	Not applicable	Option for once only upon initial recognition and is irrevocable	The basic transaction of equity instruments
Debt instruments	Business model of the assets held for collecting contractual cash flows	Business model of the assets held for collecting contractual cash flows and sale	Business model of the assets held for trading

The equity instruments classified among the "financial assets at the fair value through the other comprehensive income" are classified at the fair value. All credit or debit differences, whether or not significant or extended, are inserted among the other comprehensive income elements for each instrument independently, under the item of (Differences of change of the fair value of the financial assets at the fair value through the other comprehensive income). However in case of the sale or writing off of the instrument, the related differences are directly transferred to the retained earnings. The Bank measures all the financial assets recognized at the amortized cost using the real return method.

Reclassification

The financial assets classified at the amortized cost are not reclassified under any other item, unless in the following cases:

- Deterioration of the debtor's credit capacity

- If the reclassification or sale doesn't result in any significant changes to the future cash flows of the financial assets

Regarding the financial assets classified at the fair value through profits and losses, they shall not be reclassified in all cases.

In all cases, financial assets are only reclassified when the Bank changes the business model, which only occurs in extraordinary cases.

G- Clearing Between Financial Instruments

Clearing shall be made between financial assets & liabilities in case of an enforceable legal right to perform clearing between the recognized amounts and in case of the intention to perform reconciliation on basis of the net amounts or to receive the asset and settle the liability at the same time. The items of the treasury bills purchase agreements with the commitment to resell and the treasury bills sale agreements with the commitment to repurchase, on basis of the net value, shall be reported in the balance sheet under the item of "Government Securities"

H- Return Revenues & Expenses

The maturity principle is adopted upon reporting the "Murabaha" return. The value of this return is reported in advance and is charged to the "Murabaha" Account. This return is proportionally distributed over the period of "Murabaha" all over the year, as of the date of paying funds up to the settlement date. The unrealized part of the "Murabaha" returns shall be reported by the end of the year under the Item of "Credit Balances and Other Liabilities" under the "Liabilities" in the Balance Sheet, being a deferred revenue. It shall be discounted of the total of "Murabaha" in the balance sheet. Reporting the "Murabaha" return under the item of "Revenues" shall be suspended when the recovery of the value of these returns or the principal "Murabaha" is uncertain.

I- Fees & Commissions Revenues

The fees due for the service of Murabaha, Musharaka & Mudaraba are recognized among revenues upon providing the service. Recognition of the fees and commissions revenues pertaining to irregular or impaired Murabaha, Musharaka & Mudaraba and debts shall be suspended, as they shall be recorded in subsidiary books off the financial statements. They shall be recognized among revenues according to the cash basis upon recognizing the return revenues as stated under Footnote (G-2). As for the fees representing a complementary part of the real return of the financial asset in general, they are handled as an amendment to the real return rate.

The commitment fees due on Murabaha, Musharaka & Mudaraba shall be postponed in case of the probability of withdrawing these Murabaha, Musharaka & Mudaraba, since the commitment fees collected by the Bank are considered as a compensation for the perpetual interference to acquire the financial instrument. They are recognized by means of amending the real return rate on the (Murabaha, Musharaka & Mudaraba).In case of the termination of the commitment period without issuing the (Murabaha, Musharaka & Mudaraba) by the Bank, the fees shall be recognized among revenues upon the termination of the commitment enforceability.

The fees pertaining to the debt instruments, measured at the fair value, shall be recognized among revenues upon initial recognition. The fees of promoting joint (Murabaha, Musharaka & Mudaraba) shall be recognized among revenues upon accomplishment of promotion, when the Bank doesn't keep any part of the (Murabaha, Musharaka & Mudaraba) or if it keeps a part having the same real return rate available to other participants.

The fees and commissions ensuing of negotiation or participation in negotiation on a transaction in favor of a third party, such as arranging the purchase of shares or other financial instruments, acquisition or sale of entities, shall be recognized in the Income Statement upon accomplishment of the concerned transaction. The fees of administrative consultations and other services are usually recognized on basis of proportional time distribution over the period of service provision. The fees of financial planning management and custody services provided on long terms are recognized over the year during which the service is provided.

J- Profit Distribution Revenues

Dividends are recognized in the Income Statement upon the issuance of the right of collecting them.

K- Real Estate Investments

The real estate investments are represented in the lands and buildings owned by the Bank for the purpose of obtaining rental revenues or capital increase. Accordingly, they don't include the real estate assets through which the Bank practices its business or those which devolved to it against payment of debts. The real estate investments shall be accounted for the same way applied on fixed assets.

L- Intangible Assets

L-1 Goodwill

The goodwill is represented in the increase in the acquisition cost to the fair value of the Bank's share in the net assets, including the probable acquired liabilities, liable to be determined, of the subsidiary or sister company on the acquisition date in the Bank's separate financial statements. The extent of the goodwill impairment is considered annually. The larger of the goodwill depreciation value at the rate of 20% annually or the impairment of its value shall be debited to the Income Statement. The goodwill of subsidiaries and sister companies represents an element upon determining the gains and losses of selling such companies.

The goodwill is distributed on the cash generating units for purposes of examining impairment. The cash generating units are represented in the Bank's principal sectors.

L-2 Computer programs

The expenses related to software development or maintenance are recognized as an expense in the Income Statement upon incurring thereof. The expenses directly related to specific programs, under the Bank control, which are expected to generate economic benefits with a cost exceeding one year, shall be recognized as intangible asset. The direct expenses comprise the cost of the personnel of the programs development team in addition to an appropriate share of the related general expenses.

The expenses leading to the enhancement and expansion of the computer programs performance to their original specifications shall be recognized as development cost and shall be added to the programs original cost.

The cost of computer programs recognized as an asset shall be depreciated over the period during which it is expected to be benefited of, with a maximum of three years.

L-3 Other intangible assets

This is represented in intangible assets other than the goodwill and computer programs (as for instance trademarks, licenses and lease contracts benefits)

The other intangible assets are established at the cost of their acquisition and are depreciated using the fixed installment method or on basis of the economic benefits expected to be realized, over the estimated useful lives thereof. As for the assets having no specific production lifetime, they are not depreciated. However, the impairment in their value is considered annually and the impairment value – if any – is charged to the Income Statement.

M- Fixed Assets

The lands and buildings are basically represented in the premises of the head office, branches and offices. All fixed assets are reported at the historical cost less depreciation and impairment losses. The historical cost comprises the expenses directly related to the acquisition of the fixed assets items.

The subsequent expenses are recognized among the book value of the outstanding asset or as an independent asset, as appropriate, when it is probable that future economic benefits related to the asset inflows to the Bank and when it is possible to determine this cost reliably. The maintenance and repair expenses shall be recognized during the year when they are incurred among (Other Operating Expenses).

Lands are not depreciated and the depreciation of other fixed assets shall be calculated using the fixed installment method for distributing cost so as to reach the salvage value over the useful lives, as follows:

Buildings and constructions	20 years
Refurbishments of leased properties	As per the asset type – (4-20 years)
Office furniture and safes	4 years
Means of transportation	4 years
Computers/Integrated automatic systems	2 years
Fittings and installations	20 years

The salvage value and the useful lives of fixed assets are reviewed on the date of preparing each balance sheet and amended when necessary. The depreciated assets are reviewed for the purpose of determining impairment upon the occurrence of events or changes in circumstances indicating that the book value may not be recovered. If the book value exceeds the recovery value it shall be immediately reduced to be equal to that value.

The recovery value represents the higher of the net realizable value of the asset or its utilization value. The profits and losses of written-off fixed assets shall be determined by means of comparing net receivables to the book value. Profits (losses) shall be reported under the item of "Other Operating Revenues (Expenses)" in the Income Statement.

N- Impairment of Nonfinancial Assets

Except for the goodwill, the assets having no fixed useful life are not depreciated. Their impairment is tested annually. Impairment of the depreciated assets is studied upon the occurrence of events or changes in circumstances indicating that the book value may not be recovered.

The impairment loss is recognized and the asset value is decreased in the amount representing the difference between the asset book value and its recovery value. The recovery value represents the net realizable value of the asset or its utilization value, whichever is higher. For purposes of estimating impairment, the asset is attached to the least possible cash generating unit. The nonfinancial assets revealing impairment shall be reviewed to find out whether impairment is reversed to the Income Statement on the date of preparing each balance sheet. The decrease in the assets value shall be reversed to the extent where the asset book value doesn't exceed its recoverable value which shall be determined after discounting depreciation, unless the losses of decrease in the assets value is recognized.

O- Leases

The finance lease is accounted for pursuant to Law number 95/1995 regulating finance lease, if the contract authorizes the lessee to purchase the asset on a fixed date and against a fixed value and if the contract duration represents at least 75% of the useful life expected for the asset, or if the current value of the total lease payments represents at least 90% of the asset value. Other lease contracts are considered "Operating Lease Contracts".

O/1 Leasing

Regarding finance lease contracts, the lease cost, including the maintenance cost of the leased assets, is recognized under "Expenses" in the Income Statement for the year when they occur. If the Bank decides to exercise the right of purchasing leased assets, the cost of the purchase right is capitalized as a fixed asset and is depreciated over the remaining expected useful life of the asset, the same way adopted with similar assets.

Payments on account of operating lease are recognized, less any discounts acquired from the Lessor, under "Expenses" in the Income Statement, using the fixed installment method over the contract duration.

O/2 Letting

Regarding the finance lease assets, they are reported in the balance sheet among fixed assets, and are depreciated over the expected useful life of the asset using the same way adopted with similar assets. The lease revenues are recognized on basis of the rate of return on the lease contract, in addition to an amount equal to the year depreciation cost. The difference between the revenue of the lease recognized in the Income Statement and the total accounts of finance lease customers is carried forward in the balance sheet until the lapse of the lease contract duration, where it is used for performing a clearing with the net book value of the leased asset. The maintenance and insurance expenses are charged to the Income Statement upon their occurrence, to the extent that the lessee is not charged therewith.

When there is objective evidence that the Bank won't be able to collect all the balances of finance lease debtors, they shall be reduced to the value expected to be recovered.

As for the operating lease assets, they are reported among fixed assets in the balance sheet and are depreciated over the expected useful life of the asset, the same way applied on similar assets. The lease revenue is reported less any discounts granted to the lessee, using the fixed installment method over the contract duration.

P- Cash & Cash Equivalents

For purposes of the cash flows statement preparation, the Item of "cash and cash equivalents" includes the balances which maturity doesn't exceed three months to the acquisition date. It includes cash, balances with the Central Bank outside the framework of required reserve ratio, balances with banks& government securities.

Q- Other Provisions

The provision of the restructuring costs and legal claims is recognized when there is a current legal obligation resulting of past events, which may probably require the use of the Bank's resources for settling such obligations, with the possibility of reaching a reliable assessment of the value of this obligation.

In case of similar obligations, the outgoing cash flow that can be used in settlement should be determined, taking into consideration this group of obligations. The provision shall be recognized even in case of a very slight probability of having an outgoing cash flow for an item of this group.

The provisions which are no longer required, totally or partially, shall be reversed under the Item of "Other Operating Revenues (Expenses)".

The current value of the payments estimated to be made for the settlement of the obligations, having a one-year value date as of the date of reporting, is measured using a rate appropriate to the obligation settlement term – without being influenced by the prevailing tax rate – which reflects the time value of money. If this value date is less than a year, the obligation estimated value shall be calculated at the current value, unless having substantial influence.

R- Financial Collaterals Contracts

The financial collaterals contracts are the contracts issued by the Bank as a guarantee to the (Murabaha, Musharaka & Mudaraba) or debit current accounts submitted to its customers by other quarters. The Bank is required to make certain settlements to compensate the beneficiary for a loss which he has incurred due to the debtor's nonpayment upon maturity of settlement as per the conditions of the debt instrument. Such financial collaterals are submitted to banks, financial institutions and other quarters on behalf of the Bank customers.

The fair value, which may reflect the collateral charges, is initially recognized in the financial statements on the date of granting the collateral. Subsequently, the Bank's obligation under the collateral is measured on basis of the initial measurement amount, less the calculated depreciation for recognizing the collateral charges in the Income Statement using the fixed installment method all over the collateral useful life, or the best estimate of the payments required for settling any financial obligation resulting of the financial collateral on the reporting date, whichever is higher. These estimates are determined pursuant to the experience gained of similar transactions or historical losses, confirmed by the Management judgement.

Any increase in the obligations resulting of the financial collateral is recognized in the Income Statement, under the Item of "Other Operating Revenues (Expenses)".

S- Income Taxes

The Income Tax on the year gains or losses includes each of the year tax & the deferred tax. It is recognized in the Income Statement, except for the Income Tax pertaining to shareholders' equity items, which is directly recognized in the shareholders' equity.

The Income Tax is recognized on basis of the net taxable profit using the tax rates prevailing on the date of reporting, in addition to the tax settlements of previous years.

The deferred taxes ensuing of temporary time differences between the book value of assets and liabilities on accounting bases and their tax-based amount is recognized. The deferred tax is determined using the method expected to realize or reconcile the assets and liabilities values using the tax rates prevailing on the reporting date.

The Bank's deferred tax assets are recognized when there is a strong probability to achieve taxable profits in future, through which this asset may be benefited of. The value of the deferred tax assets shall be discounted with the value of the part which is not expected to achieve the tax benefit throughout the following years. However, in case of the increase of the expected tax benefit, the deferred tax asset shall be increased within the limits of the part previously discounted thereof.

T- Borrowing:

The facilities obtained by the Bank are initially recognized at the fair value, less the cost of the facility acquisition and is subsequently measured at the depreciated cost. The difference between the net receivables and the payment value shall be charged to the Income Statement over the borrowing duration, using the real return method.

U- Capital:

U/1 Cost of capital

The issuance expenses directly related to the issuance of new shares or shares against an entity acquisition or else options issuance are displayed, being discounted of the shareholders' equity, at the net collections after taxation.

U/2 Dividends

Dividends are reported, being discounted of the shareholders' equity, for the year during which the Shareholders' General Assembly ratifies such distributions. Dividends include the personnel share in profits and the Board of Directors' remuneration stipulated in the Articles of Association & the Law.

U/3 Treasury shares

If the Bank purchases capital shares, the purchase amount shall be discounted of the total shareholders' equity, as this represents treasury shares cost until they are abrogated. In case of selling these shares or reissuing them at a subsequent period, all collected amounts shall be credited to the shareholders' equity.

V- Custody activities

The Bank doesn't practice custody activities. However, in case of practicing such an activity, resulting in the ownership or management of third party's assets, the assets and the ensuing profits shall be written off the Bank's financial statements, since they are not among the Bank's assets.

W- Comparison Figures

The comparison figures of the financial assets and liabilities elements are reclassified so as to conform to the presentation of the financial statements for the current period, witnessing initial application of the IFRS -9, and are not re-measured pursuant to the instructions of the Central Bank of Egypt issued on February 26, 2019.

3- Financial Risk Management

The Bank is exposed to various financial risks resulting of the activities it practices, since risk tolerance is the basis of financial business. Some or a group of risks are collectively analyzed, assessed and managed and therefore the Bank aims at realizing equilibrium between risk and return and at extenuating the probable negative effects on its financial performance. The most significant types of risks are the risk of credit, the market risk, the liquidity risk and such other operating risks. The market risk includes each of the foreign currencies exchange risk, the return rates risk and the risks of other rates.

Risk management policies have been laid down so as to determine, analyze, mitigate and control risks, monitor them and comply with such limits through reliable methods and updated information systems. The Bank periodically reviews risk management policies and systems and amend them so as to reflect changes at markets, products and services as well as the best up-to-date applications.

Risks are managed by the (Risk Management Sector) in the light of the policies ratified by the Board of Directors. The (Risk Management Sector) determines, assesses and hedges financial risks, with the cooperation of the various operating units at the Bank. The Board of Directors provides the (Risk Management Sector) with written risk management regulations, in addition to the written policies hedging certain risk areas such as the credit risk, the foreign currencies exchange risk, the return rates risk, the use of financial derivative and non-derivative instruments. Besides, the (Risk Management Sector) is responsible for carrying out periodic review of risk management and the supervisory environment independently.

A- Credit Risk

The Bank is exposed to the credit risk which results of any party's failure to fulfill his undertakings. The credit risk is considered the most significant to the Bank, therefore the Management carefully works on managing thereof. The credit risk is basically represented in the lending activities, resulting in (Murabaha, Musharaka & Mudaraba), as well as the investment activities resulting in having debt instruments among the Bank's assets.

There is also credit risk related to the financial instruments off the balance sheet, such as the commitments of (Murabaha, Musharaka & Mudaraba). The processes of credit risk management and control are mainly carried out by the (Credit Risk Management Team) at the (Risk Sector) which periodically reports to the Board of Directors, the Top Management and the Head of the Activity Units.

A/1 Credit risk measurement

Murabaha, Mudaraba & Musharaka to Customers

In order to measure the credit risk pertaining to (Murabaha, Musharaka & Mudaraba) to banks and customers, the Bank considers three factors:

- The (Probability of Default) by the customer or the third party to fulfill his contractual obligations
- The current status and future probable development of which the Bank can deduce (Exposure at Default)
- The (Loss given default)

The Bank's daily management tasks include these measurements of credit risks reflecting expected loss (The Expected Loss Model), required by Basel Committee on Banking Supervision. Operating Standards may contradict with the impairment charges according to the Egyptian Accounting Standard number 26 which relies on the losses incurred on the reporting date (Incurred Loss Model) and not the (Expected Loss Model) "Footnote number 3/A".

The Bank assesses the (Probability of Default) of each customer, using internal assessment methods so as to classify creditworthiness of the customers' various categories. These assessment methods have been developed internally, taking into consideration statistical analysis together with the personal judgement of the officials in charge with credit risk management so as to realize the appropriate creditworthiness classification. The Bank customers have been divided into four categories in terms of creditworthiness. The creditworthiness structure used by the Bank, as shown in the following table, reflects the probability of default for each category, basically meaning that the credit positions transfer among the creditworthiness categories pursuant to the change in the (probability of default) assessment. The assessment methods are reviewed and developed whenever necessary. The Bank periodically assesses the credit rating methods and the extent of their capability to predict cases of default.

The Bank's internal credit rating categories:

Rating	Rating indication
1	Performing debts
2	Regular watching
3	Watch list
4	Non performing debts

The position exposed to default relies on the amounts which the Bank expects to be outstanding upon the default occurrence. For instance, in cases of (Murabaha, Musharaka & Mudaraba), this position is the nominal value while in case of commitments, the Bank enlists all actually withdrawn amounts in addition to such other amounts which it expects to be withdrawn up to the date of default, if any.

The given or acute loss represents the Bank's expectation of the extent of loss upon claiming the debt in case of default. This is expressed by the ratio of loss to debt. This inevitably differs as per the type of debtor, claim priority and the availability of collaterals or other methods for hedging credit.

Debt Instruments, Treasury Bills & Other Bills

Regarding debt instruments and bills, the Bank uses external ratings for managing credit risk, such as (Standard & Poor's) Rating and such similar ratings. If such ratings are not available, methods similar to those applied on the credit customers are also used. Investments in securities and governmental notes are regarded as a method for acquiring a better credit quality and at the same time provide an available source for fulfilling the finance requirements.

A/2 Risk mitigation & avoidance policies

The Bank manages, mitigates and controls credit risk concentration over debtors, groups, industries and countries. It sets acceptable credit risk levels and acceptable limits for each borrower, group of borrowers, economic activities and geographical sectors. Such risks are perpetually controlled and are subject to annual or repeated review whenever necessary. Limits of credit risks are quarterly ratified by the Board of Directors for the borrower/group of borrowers, producer, sector and the State.

The credit limits of any borrower, including banks, are subdivided comprising all amounts reported or off the balance sheet and the daily risk limit pertaining to trading items such as the deferred foreign exchange contracts. Real amounts are daily compared to these limits. The credit risks are also managed through periodic analysis of the capability of borrowers and potential borrowers to settle their liabilities and through amending the lending limits whenever appropriate.

Stated hereunder are some risk mitigation methods:

Collaterals:

The Bank lays down several policies and restrictions to mitigate credit risks, including obtaining collaterals against offered funds. The Bank also sets guiding rules to certain categories of acceptable collaterals. The principal types of (Murabaha, Musharaka & Mudaraba) collaterals include:

Real estate mortgage

Mortgage of the business assets such as machines and commodities

Mortgage of financial instruments such as the equity& debt instruments

Most probably the long-term finance and the loans for companies are guaranteed while the credit facilities granted to individuals are without collateral. In order to minimize credit losses, the Bank seeks the obtainment of additional collaterals from the parties concerned immediately upon the revelation of indicators to the impairment of any "Murabaha, Musharaka & Mudaraba" or Facilities.

The collaterals taken as a guarantee to assets other than "Murabaha, Musharaka & Mudaraba" are determined pro rata the instrument nature and usually the debt instruments and treasury bills are without collaterals, except for the groups of (Asset-Backed Securities) and similar instruments which are guaranteed by a "financial instruments portfolio".

The risk of settlement arises in the situations when settlement is effected in cash or through equity instruments, other financial securities or against the expectation to acquire cash, equity instruments or other financial securities. Daily settlement limits shall be laid down for each of the other parties so as to hedge the cumulative settlement risks ensuing of the Bank's transactions on any day.

Master Netting Arrangements

The Bank mitigates credit risks via entering into "Master Netting Arrangements" with the parties representing a significant volume of transactions. The (Master Netting Arrangements) don't generally result in performing netting between the assets and liabilities reported in the balance sheet, since such settlement is usually carried out on collective basis. However, the credit risk accompanying the contracts in favour of the Bank is mitigated through the Master Netting Arrangements, since in case of default, all amounts shall be settled with the other party via performing netting. The extent of the Bank's exposure to the credit risk resulting of the derivative instruments subject to the Master Netting Arrangements may change on short terms since it is influenced by every transaction subject to these arrangements.

Commitments Pertaining to Credit

The main purpose of commitments pertaining to credit is to ascertain the availability of funds to the customer on demand. The (Guarantees & Standby Letters of Credit) have the same credit risk pertaining to "Murabaha, Musharaka & Mudaraba". The (Documentary & Commercial Letters of Credit) issued by the Bank on behalf of the Customer to grant a third party the right of withdrawing from the Bank within certain amounts and by virtue of specific provisions and terms are probably guaranteed by the shipped commodities and consequently bear a less degree of risk than the direct "Murabaha, Musharaka & Mudaraba".

The credit-granting commitments represent the unused part of the limit allowed for granting "Murabaha, Musharaka & Mudaraba", collaterals or documentary credits. The Bank is exposed to a probable loss in an amount equal to the total unused commitments regarding the credit risk ensuing of credit-granting commitments. However, the probable loss is actually less than the unused commitments, since most of the credit-granting commitments represent probable liabilities for customers having certain credit specifications. The Bank monitors the period of credit commitments up to the maturity date, since the long-term commitments usually bear a higher degree of credit risk if compared to short-term commitments.

A/3 Provisions & impairment policies

The internal assessment systems previously stated in footnote (1/A) largely concentrate on planning credit quality, as of the date of establishing the lending and investment activities. Without prejudice to the foregoing, only the impairment losses having occurred on the date of reporting are recognized for the purpose of preparing financial reports, based on objective evidences indicating impairment, as shall be stated in this footnote. Due to the variation of the adopted methods, the credit losses reported in the financial statements are usually less than the loss estimated using the (expected loss model) used on the reporting date, according to the regulations of the Central Bank of Egypt.

The impairment loss provision reported in the balance sheet is derived of the four internal ratings. The following table shows the percentage of the items reported in the balance sheet pertaining to "Murabaha, Musharaka & Mudaraba" and the impairment related to them for each of the Bank's internal ratings:

31 December, 2020				EGP
The Bank's Ratings	Murabaha, Musharaka & Mudaraba to Customers	%	Impairment loss provision	%
Performing debts	16 940 982 902	74.5%	237 154 076	13.9%
Regular watching	4 406 518 407	19.4%	382 924 772	22.4%
Watch list	50 818 464	0.2%	11 258 605	0.7%
Non-performing debts	1 343 620 789	5.9%	1 078 561 086	63.0%
	22 741 940 562	**100%**	**1 709 898 539**	**100%**

31 December, 2019 EGP

The Bank's Ratings	Murabaha, Musharaka & Mudaraba to Customers	%	Impairment loss provision	%
Performing debts	14 998 781 354	76.9%	9 553 980	0.6%
Regular watching	2 976 849 846	15.3%	520 013 572	35.2%
Watch list	102 640 133	0.5%	6 609 444	0.4%
Non-performing debts	1 423 266 366	7.3%	943 167 449	63.8%
	19 501 537 699	**100%**	**1 479 344 445**	**100%**

The internal assessment methods help the management to detect any objective evidences indicating impairment, pursuant to the Egyptian Accounting Standard number 26, based on the following indicators fixed by the Bank:

- Significant financial difficulties facing the borrower or debtor
- Violation of the terms of the "Murabaha, Musharaka & Mudaraba"agreement, such as nonpayment
- Expecting the borrower's bankruptcy or his involvement in a liquidation lawsuit or else rescheduling the finance granted to him
- Deterioration of the competitive situation of the borrower
- If the Bank grants the borrower exceptional privileges or terms which it doesn't usually agree to grant in normal cases, due to economic or legal reasons related to financial difficulties facing him
- Impairment of the collateral value
- Deterioration of his creditworthiness

The Bank policies require reviewing all the financial assets exceeding certain proportional importance, at least on annual intervals or more, when necessary. The burden of impairment on the accounts, assessed on individual basis, is determined by means of assessing the loss incurred on the reporting date, for each case independently, which is to be applied on all proportionally significant accounts individually. Assessment usually comprises the outstanding guarantee, including the reassurance of using the guarantee and the collections expected of these accounts.

The impairment loss provision is formed of a group of homogenous assets using available historical experience, personal judgement and statistical methods.

A/4 The general banking risk measurement model

Further to the four credit rating categories stated in footnote number (A/1), the Management makes classifications in the form of more detailed subgroups in conformity with the requirements of the Central Bank of Egypt. The assets exposed to credit risks are classified in these groups according to more detailed rules and conditions, largely relying on the information about the customer, his business, financial position and his regularity in payment.

The Bank calculates the provisions required for the impairment of the assets exposed to credit risk, including the credit commitments, based on percentages fixed by the Central Bank of Egypt. If the impairment loss provision required according to the regulations of the Central Bank of Egypt exceeds the one required for the purposes of preparing financial statements according to the Egyptian Accounting Standards, the general banking risk reserve shall be set aside among shareholders' equity items, by discounting this increase from the retained earnings. This reserve is periodically modified, by increase or decrease so as to always remain equal to the difference between the two provisions. This reserve shall always be non-distributable. Footnote number (33/A) shows the movement on the account of the general banking risk reserve throughout the financial year.

Hereunder is a statement of the entities credit ratings according to the internal assessment bases, compared to the assessment bases of the Central Bank of Egypt and the percentages of the provisions required for the impairment of the assets exposed to credit risk:

Rating of the Central Bank of Egypt	Rating indicators	Percentage of the required provision %	Internal Rating	Internal rating indicators
1	Low risks	Zero	1	Performing debts
2	Moderate risks	1%	1	Performing debts
3	Satisfactory risks	1%	1	Performing debts
4	Suitable risks	2%	1	Performing debts
5	Acceptable risks	2%	1	Performing debts
6	Marginally acceptable risks	3%	2	Regular follow up
7	Watch list	5%	3	Special follow up
8	Sub standard	20%	4	Non-performing debts
9	Doubtful debts	50%	4	Non-performing debts
10	Bad debts	100%	4	Non-performing debts

A/5 Maximum credit risk before collaterals

	31 December 2020	31 December 2019
	EGP	EGP
Balance sheet Items exposed to the credit risk (Net value)		
Governmental securities	13 640 276 356	7 109 476 036
Financial assets for trading		
Debt instruments	---	--
Investment Operations with banks	1 987 284 235	2 293 669 207
(Murabaha, Mudaraba & Musharaka) for customers		
Individuals:		
Debit current accounts	---	--
Credit cards	25 814 415	23 227 357
Personal Murabaha, Musharaka & Mudaraba	1 215 177 135	1 087 238 424
Real Estate Murabaha, Musharaka & Mudaraba	435 750 882	317 073 864
Corporates		
Debit current accounts	--	--
Direct Murabaha, Musharaka & Mudaraba	14 762 880 293	12 330 587 281
Joint Murabaha, Musharaka & Mudaraba	3 121 410 353	3 018 563 904
Other Murabaha, Musharaka & Mudaraba	4 315 811	16 806 938
Financial investments:		
Debt instruments at the fair value	425 288 686	94 977 619
Debt instruments at amortized cost	17 819 709 472	14 031 173 222
Total	**53 437 907 638**	**40 322 793 852**
Off balance sheet items exposed to the credit risk (Net Value)		
Acceptable securities for suppliers facilities	414 232 655	384 752 816
Letters of guarantee	1 850 508 738	1 460 462 906
Documentary credits	294 136 238	268 464 908
Total	**2 558 877 631**	**2 113 680 630**

The above table represents maximum exposure as at the reporting date, without taking any collateral into consideration. Regarding the balance sheet items, the reported amounts rely on the net book value displayed in the balance sheet.

As stated in the table above, 37% of the maximum exposed to the risk of credit result of (Murabaha, Mudaraba & Musharaka) to customers, against 42% as at 31/12/2019, while the investments in debt instruments represent 34% against 35% as at 31/12/2019.

The Management trusts its capability to retain control and maintain the minimum credit risk resulting of each of the portfolios of Murabaha, Mudaraba & Musharaka and debt instruments, as follows:

- 94% of the portfolio of (Murabaha, Mudaraba & Musharaka) is rated at the two highest degrees of internal rating, against 92% as at 31/12/2019.
- 90% of the portfolio of (Murabaha, Mudaraba & Musharaka) has no delays or impairment indicators, against 90% as at 31/12/2019.
- The (Murabaha, Mudaraba & Musharaka) having been individually assessed amount to EGP 1 343 620 789 against EGP 1 423 266 366 as at 31 December 2019. Less than 77% thereof showed impairment, against 66% as at 31/12/2019.
- 98% of the debt instruments represent debt instruments of the Egyptian Government against 100% at 31/12/2019

The following table reveals information about the financial assets quality:

Balances with banks	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	13 469 732 912	---	---	13 469 732 912
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	13 469 732 912	---	---	13 469 732 912
Less: impairment loss provision	(1 424 919)	---	---	(1 424 919)
Book value	**13 468 307 993**	**---**	**---**	**13 468 307 993**

Government securities	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	13 659 865 548	---	---	13 659 865 548
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	13 659 865 548	---	---	13 659 865 548
Less: impairment loss provision	(19 589 192)	---	---	(19 589 192)
Book value	**13 640 276 356**	**---**	**---**	**13 640 276 356**

Investments with banks	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	648 053 956	1 339 852 832	---	1 987 906 788
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	(148 498 819)	148 498 819
	648 053 956	1 339 852 832	148 498 819	2 136 405 607
Less: impairment loss provision	(336 584)	(285 969)	(148 498 819)	(149 121 372)
Book value	**647 717 372**	**1 339 566 863**	**---**	**1 987 284 235**

Murabaha, Mudarabah & Musharaka to customers (individuals)	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	669 832 411	---	---	669 832 411
Regular watching	981 390 326	39 818 387	---	1 021 208 713
Watch list	---	9 351 280	---	9 351 280
Non-performing debts	---	---	44 824 214	44 824 214
	1 651 222 737	49 169 667	44 824 214	1 745 216 618
Less: impairment loss provision	(28 936 669)	(12 151 222)	(27 386 295)	(68 474 186)
Book value	**1 622 286 068**	**37 018 445**	**17 437 919**	**1 676 742 432**

Murabaha, Mudarabah & Musharaka to customers (Corporates)	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	8 220 737 727	14 498 604	---	8 235 236 331
Regular watching	5 898 385 253	3 998 782 109	---	9 887 167 362
Watch list	---	108 830 542	---	108 830 542
Non-performing debts	---	---	1 298 796 575	1 298 796 575
	14 119 122 980	4 112 111 255	1 298 796 575	19 530 030 810
Less: impairment loss provision	(169 464 052)	(420 785 510)	(1 051 174 791)	(1 641 424 353)
Book value	**13 949 658 928**	**3 691 325 745**	**247 621 784**	**17 888 606 457**

Debt instruments at the fair value through the comprehensive income	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	425 288 686	---	---	425 288 686
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	425 288 686	---	---	425 288 686

Debt instruments at amortized cost	First stage	Second stage	Third stage	Total
	12 months	Lifetime	Lifetime	
Credit rating				
Performing debts	17 857 826 332	---	---	17 857 826 332
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	17 857 826 332	---	---	17 857 826 332
Less: impairment loss provision	(38 116 860)	---	---	(38 116 860)
Book value	**17 819 709 472**	**---**	**---**	**17 819 709 472**

The following table reveals the changes in the provision of Expected Credit Losses "ECL" during the year:

Balances with banks	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	1 157 274	----	----	1 157 274
Net impairment burden during the year	267 645	---	---	267 645
Closing balance	**1 424 919**	**---**	**---**	**1 424 919**

Government securities	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	29 964 552	---	---	29 964 552
Net impairment burden during the year	(10 375 360)	---	---	(10 375 360)
Closing balance	**19 589 192**	**---**	**---**	**19 589 192**

Investment with banks	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	33 299	6 196 775		6 230 074
Net impairment burden during the year	303 285	(5 910 806)	148 498 819	142 891 298
Closing balance	**336 584**	**285 969**	**148 498 819**	**149 121 372**

Murabaha, Mudaraba & Musharaka to customers (individuals)	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	9 650 428	25 288 297	22 146 873	57 085 598
Net impairment burden during the year	19 286 241	(13 137 075)	5 821 208	11 970 374
Written off amounts	---	---	(733 892)	(733 892)
Recovered amounts	---	---	152 106	152 106
Foreign currency evaluation differences	---	---	---	---
Closing balance	**28 936 669**	**12 151 222**	**27 386 295**	**68 474 186**

Murabaha, Mudaraba & Musharaka to customers (Corporates)	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	21 588 133	479 650 138	921 020 576	1 422 258 847
Transferred to the first stage	10 633 543	(10 633 543)	---	---
Transferred to the second stage	(778 437)	778 437	---	---
Transferred to the third stage	---	(20 152 286)	20 152 286	---
Net impairment burden during the year	138 020 813	(27 079 363)	105 899 584	216 841 034
Written off amounts	---	---	(5 397 134)	(5 397 134)
Recovered amounts	---	---	15 226 776	15 226 776
Foreign currency evaluation differences	---	(1 777 873)	(5 727 297)	(7 505 170)
Closing balance	**169 464 052**	**420 785 510**	**1 051 174 791**	**1 641 424 353**

Debt instruments at amortized cost	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	28 193 793	--		28 193 793
Net impairment burden during the year	9 923 067	---	---	9 923 067
Closing balance	**38 116 860**	**--**	**--**	**38 116 860**

A/6 Murabaha, mudaraba & musharaka transactions

- Hereunder is the position of murabaha, mudaraba & musharaka in terms of credit worthiness:

	31 December 2020	
	EGP	EGP
Bank's Rating	**Murabaha, Mudaraba & Musharaka to customers**	**Investment Operations with banks**
With no delays or impairment	20 180 874 773	2 136 405 607
With delays but not subject to impairment	1 217 445 000	---
Subject to impairment	1 343 620 789	---
Total	**22 741 940 562**	**2 136 405 607**
Less		
Returns under settlement	(1 466 693 134)	---
Impairment loss provision	(1 709 898 539)	(149 121 372)
Net	**19 565 348 889**	**1 987 284 235**

	31 December 2019	
	EGP	EGP
Bank's Rating	**Murabaha, Mudaraba & Musharaka to customers**	**Investment operations with banks**
With no delays or impairment	17 584 145 333	2 299 899 281
With delays but not subject to impairment	494 126 000	---
Subject to impairment	1 423 266 366	---
Total	**19 501 537 699**	**2 299 899 281**
Less		
Returns under settlement	(1 228 695 486)	---
Impairment loss provision	(1 479 344 445)	(6 230 074)
Net	**16 793 497 768**	**2 293 669 207**

- The total burden of impairment of (Murabaha, Mudaraba & Musharaka) amounts to EGP1 709 898 539 against EGP1 479 344 445 as at 31/12/2019 , of which the amount of EGP1 078 561 086 , against EGP1 004 112 404 as at 31/12/2019, representing impairment of individual (Murabaha, Mudaraba & Musharaka). The remaining, in the amount of EGP631 337 453, represents impairment burden on group basis of the credit portfolio.

"Murabaha, mudaraba & musharaka" bearing no delays & not subject-matter of impairment

- The credit quality of the portfolio of (Murabaha, Mudaraba & Musharaka) with no delays and not subject-matter of impairment shall be rated by means of referring to the internal rating used by the Bank.

"Murabaha, Mudaraba & Musharaka" to Customers & Banks (At net value)

31 December 2020	Individuals			Corporate				EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total Murabaha, Mudaraba & Musharaka to customers	Investment operations with banks
Performing	15 643 961	369 294 247	333 305 375	13 189 968 160	2 494 631 404	---	16 402 843 147	1 987 284 235
Regular watching	9 915 347	829 123 825	102 021 778	1 542 570 956	488 205 873	4 315 811	2 976 153 590	---
Watch list	---	---	---	30 341 177	---	---	30 341 177	---
Non-performing	255 107	16 759 063	423 729	---	138 573 076	---	156 010 975	---
Total	**25 814 415**	**1 215 177 135**	**435 750 882**	**14 762 880 293**	**3 121 410 353**	**4 315 811**	**19 565 348 889**	**1 987 284 235**

The guaranteed (Murabaha, Mudaraba & Musharaka) haven't been considered as subject-matter of impairment, regarding the "non-performing category, taking into consideration the eligibility of such collaterals for collection.

31 December 2019	Individuals			Corporate				EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total Murabaha, Mudaraba & Musharaka to customers	Investment operations with banks
Performing	14 029 622	455 394 110	316 505 329	10 416 077 408	3 018 563 904	---	14 220 570 373	2 293 669 207
Regular watching	8 957 571	621 820 799	---	1 403 870 315	---	16 806 938	2 051 455 623	--
Watch list	--	--	--	93 433 883	--	--	93 433 883	--
Non-performing	240 164	10 023 515	568 535	417 205 675	---	---	428 037 889	--
Total	**23 227 357**	**1 087 238 424**	**317 073 864**	**12 330 587 281**	**3 018 563 904**	**16 806 938**	**16 793 497 768**	**2 293 669 207**

Murabaha, Mudaraba & Musharaka bearing delays but not subject-matter of impairment

These are the "Murabaha, Mudaraba & Musharaka" bearing delays up to 90 days but are not subject to impairment, unless other information attesting the contrary is available. The "Murabaha" to customers bearing delays but not subject to impairment & the fair value of the related collaterals are represented in the following:

31 December 2020	Individuals			EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	--	113 602 000	21 810 000	135 412 000
Delays more than 30 days up to 60 days	--	--	--	--
Delays more than 60 days up to 90 days	--	--	--	--
Total	--	113 602 000	21 810 000	135 412 000
Collaterals fair value	**--**	**54 017 000**	**---**	**54 017 000**

31 December 2020	Corporate			EGP
	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	533 080 000	---	---	533 080 000
Delays more than 30 days up to 60 days	415 547 000	---	---	415 547 000
Delays more than 60 days up to 90 days	133 406 000	---	---	133 406 000
Total	1 082 033 000	---	---	1 082 033 000
Collaterals fair value	**966 478 000**	**---**	**---**	**966 478 000**

Upon initial recognition of "Murabaha, Mudaraba & Musharaka", the collaterals fair value shall be evaluated using the

assessment methods usually adopted with similar assets, and at subsequent periods the fair value shall be updated according to the market prices or the similar assets prices.

31 December 2019	Individuals			EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	--	47 873 000	--	47 873 000
Delays more than 30 days up to 60 days	--	--	--	--
Delays more than 60 days up to 90 days	--	--	--	--
Total	--	47 873 000	--	47 873 000
Collaterals fair value	**--**	**13 648 000**	**--**	**13 648 000**

31 December 2019	Corporate			EGP
	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	137 596 000	--	--	137 596 000
Delays more than 30 days up to 60 days	307 763 000	--	--	307 763 000
Delays more than 60 days up to 90 days	894 000	--	--	894 000
Total	446 253 000	--	--	446 253 000
Collaterals fair value	**380 069 000**	**--**	**--**	**380 069 000**

murabaha, mudaraba & musharaka to customers, subject to impairment individually

- The balance of "Murabaha, Mudaraba & Musharaka", individually subject to impairment, before taking into consideration the cash flows of collaterals, amounts to EGP1 343 620 789, against EGP1 423 266 366 as at 31/12/2019.
- Hereunder is an analysis of the total value of the "Murabaha, Mudaraba & Musharaka"subject to impairment individually, including the fair value of the collaterals obtained by the Bank in return:

EGP	31 December 2020		31 December 2019	
	Murabaha, Mudaraba & Musharaka, individually subject to impairment	Fair value of collaterals	Murabaha, Mudaraba & Musharaka, individually subject to impairment	Fair value of collaterals
Individuals				
Debit current accounts	--	--	--	--
Credit cards	421 642	--	435 534	--
Personal Murabaha, Mudaraba & Musharaka	46 266 921		33 989 599	--
Real estate Murabaha, Mudaraba & Musharaka	7 162 876	---	6 062 494	--
Corporates				
Debit current accounts	--	--	--	--
Direct Murabaha, Mudaraba & Musharaka	804 627 808	892 222 715	887 037 214	908 169 988
Joint Murabaha, Mudaraba & Musharaka	483 503 652	---	493 012 314	--
Other Murabaha, Mudaraba & Musharaka	1 637 890	---	2 729 211	--
Total	**1 343 620 789**	**892 222 715**	**1 423 266 366**	**908 169 988**

A/7 Debt instruments and other government securities

The following table represents the analysis of the debt instruments and governmental securities according to the rating agencies, pursuant to Standard & Poor's Rating and its equivalent.

31 December 2020				EGP
	Governmental securities	Trading Securities	Investments in Securities	Total
AAA	---	---	---	---
AA- to AA+	---	---	---	---
A- to A+	---	---	---	---
B	13 991 458 830	---	18 283 115 018	32 274 573 848
Unrated	---	---	---	---
Total	**13 991 458 830**	**---**	**18 283 115 018**	**32 274 573 848**

A/8 Acquisition of collaterals

- During the current period, the Bank obtained assets by means of acquiring some collaterals as follows:

Asset's Nature	Book Value (EGP)
Land	77 034 558
Units	6 422 306

- The acquired assets are classified in the balance sheet under the item of other assets. Such assets are sold whenever practical.

A/9 Concentration of the risks of financial assets exposed to the credit risk

Geographical segments

- The following table represents the analysis of the most important limits of the credit risk of the Bank in the book value, distributed according to the geographical segments as at the end of the current year. Upon preparing this table, risks have been distributed on the geographical sectors according to the areas related to the Bank customers:

31 December 2020	Arab Republic of Egypt						EGP
	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total	The Arab Gulf Countries	Other Countries	Total
Governmental securities	13 991 458 830	---	---	13 991 458 830	---	---	13 991 458 830
Financial assets for trading:							
Debt instruments	---	---	---	---	---	---	---
Investments with banks	780 972 241	---	---	780 972 241	845 415 247	510 018 119	2 136 405 607
Murabaha, Mudaraba & Musharaka to customers:							
Individuals:							
Debit current accounts	---	---	---	---	---	---	---
Credit cards	20 370 356	5 611 241	---	25 981 597	---	---	25 981 597
Personal Murabaha, Mudaraba & Musharaka	1 398 498 373	202 194 203	---	1 600 692 576	---	---	1 600 692 576
Real estate Murabaha, Mudaraba & Musharaka	473 598 455	83 495 342	---	557 093 797	---	---	557 093 797
Corporates:							
Debit current accounts	---	---	---	---	---	---	---
Direct Murabaha, Mudaraba & Musharaka	13 779 011 592	3 205 797 000	---	16 984 808 592	----	---	16 984 808 592
Joint Murabaha, Mudaraba & Musharaka	3 566 564 000	---	---	3 566 564 000	---	---	3 566 564 000
Other Murabaha, Mudaraba & Musharaka	2 155 000	4 645 000	---	6 800 000	---	---	6 800 000
Financial investments							
Debt instruments –at fair value	425 288 686	---	---	425 288 686	---	---	425 288 686
Debt instruments – amortized cost	17 682 562 370	---	---	17 682 562 370	175 263 962	---	17 857 826 332
Total	**52 120 479 903**	**3 501 742 786**	**---**	**55 622 222 689**	**1 020 679 209**	**510 018 119**	**57 152 920 017**
31 December 2019	**39 262 533 600**	**2 752 030 163**	**--**	**42 014 563 763**	**810 487 651**	**643 264 150**	**43 468 315 564**

Continued: A/9 – Activity sectors

- The following table represents the most important limits of the credit risk of the bank at the book value, distributed according to the business carried out by the Bank Customers.

31 December 2020								EGP
	Financial institutions	Industrial Institutions	Real estate activity	Wholesale and retail trading	Governmental sector	Other activities	Individuals	Total
Government securities	--	--	--	--	13 991 458 830	--	--	13 991 458 830
Financial assets for trading:								
Debt instruments	22 136 405 607	--	--	--	--	--	--	22 136 405 607
Investments with banks	2 2136 405 607	--	--	--	--	--	--	2 2136 405 607
(Murabaha, Mudaraba & Musharaka) to customers:								
Individuals:								
Debit current accounts							--	--
Credit cards							25 981 597	25 981 597
Personal Murabaha, Mudaraba & Musharaka							1 600 692 576	1 600 692 576
Real estate Murabaha, Mudaraba & Musharaka							557 093 797	557 093 797
corporates								
Debit current accounts	--	--	--	--	--	--	--	--
Direct Murabaha, Mudaraba & Musharaka	41 490 363	6 373 649 388	142 979 672	4 838 265 198	383 511 999	5 204 911 972	---	16 984 808 592
Joint Murabaha, Mudaraba & Musharaka	---	989 367 413	---	115 887 971	2 144 688 003	316 620 613	---	3 566 564 000
Other Murabaha, Mudaraba & Musharaka	---	---	---	---	---	6 800 000	---	6 800 000
Financial investments								
Debt instruments – at fair value	--	---	325 000 000	---	100 288 686	---	---	425 288 686
Debt instruments – amortized cost	--	---	---	---	17 857 826 332	---	---	17 857 826 332
Total	**2 177 895 970**	**7 363 016 801**	**467 979 672**	**4 954 153 169**	**34 477 773 850**	**5 528 332 585**	**2 183 767 970**	**57 152 920 017**
31 December 2019	**2 436 398 956**	**6 741 292 788**	**140 764 353**	**3 640 552 197**	**24 175 718 940**	**4 521 091 339**	**1 812 496 991**	**43 468 315 564**

B- The Market Risk

- The Bank is exposed to the market risks, represented in the fluctuation of the fair value or the future cash flows ensuing of the change in the market prices. The market risk results of the open positions of the return rate, currency and the equity products, since each of them is exposed to the general and special market movements and the changes in the level of sensitivity to the market rates such as the return rates, the exchange rates and the prices of the equity instruments. The Bank classifies the extent of its exposure to the market risk into trading or non-trading portfolios.
- The trading portfolios include the positions ensuing of the Bank's direct transaction with customers or the market, while the non-trading portfolios are basically originated from managing the return rates of the assets and liabilities pertaining to the retail transactions. These portfolios include the risks of foreign currencies exchange and the equity instruments resulting of the investments held to maturity and the available for sale investments.

B/1 Methods of measuring the market risk

- Hereunder are the most important measurement methods used for controlling the market risks:

Value at Risk

- The Bank applies the method of "Value at Risk" both for the trading and non-trading portfolios in order to estimate the market risks of the outstanding positions and the maximum expected loss, based on a number of assumptions of the variable changes of the market circumstances. The Board of Directors sets limits to the (value at risk) acceptable by the Bank for both the trading and non-trading portfolios independently.

- The (Value at Risk) is a statistical expectation of the probable loss of the current portfolio resulting of the market reverse movements. It expresses the maximum value that the Bank may lose, yet through using a fixed confidence coefficient (98%). Accordingly, there is a (2%) statistical probability that the real loss is larger than the expected (value at risk). The (Value at Risk Model) assumes having fixed retention period (ten days) before closing the opened positions, with assuming that during this retention period, the market movement shall be the same as it was during the prior ten days. The Bank estimates the prior movement pursuant to the data of the previous five years and applies these historical changes in rates, prices and indicators directly to the current positions, and this is known to be the "Historical Simulation Method". Actual outputs are monitored on regular basis to measure the soundness of the assumptions and factors used for calculating the (Value at Risk).
- Adoption of this method doesn't however guarantee that the loss won't surpass these limits in case of larger market movements.
- Whereas the (value at risk) is considered a principal part of the system adopted by the Bank for controlling the market risk, the Board of Directors annually sets the limits of the (value at risk) of each trading and non-trading operation and divide them on the activity units. The real values at risk are compared to the limits laid down by the Bank.
- The quality of the (Value at Risk Model) is perpetually reviewed through testing the results of the value at risk of the trading portfolio and reporting the test results to the Top Management and the Board of Directors.

Stress Testing

- The "Stress Testing" gives an indicator to the volume of expected loss which may result of intense reverse circumstances. The stress testing is appropriately designed for the activity, using stereotype analyses of specific scenarios. The stress testing carried out by the (Risk Management) at the Bank comprises (risk factors stress testing), by means of applying a group of intense movements on each category of risk. It also comprises (developing markets stress testing), as these developing markets are exposed to intense movements and special stress testing including probable incidents influencing certain positions or areas, as for instance the consequences of liberating a certain currency at a certain area. The Top Management & the Board of Directors review the results of stress testing.

B/2 Summary of the (Value at Risk)

- Total value at risk as per the risk type

EGP

	31 December 2020			31 December 2019		
	Average	Higher	Less	Average	Higher	Less
Exchange rate risk	15 685 000	58 781 000	2 721 000	10 651 000	59 210 570	5 200 090
Return rate risk	--	--	--	--	--	--
Total value at risk	**15 685 000**	**58 781 000**	**2 721 000**	**10 651 000**	**59 210 570**	**5 200 090**

- Total value at risk of the trading portfolio according to the type of risk

EGP

	31 December 2020			31 December 2019		
	Average	Higher	Less	Average	Higher	Less
Exchange rates risk	--	--	--	--	--	--
Return rate risk	--	--	--	--	--	--
Total value at risk	**--**	**--**	**--**	**--**	**--**	**--**

- Total value at risk of the non-trading portfolio according to the type of risk

EGP

	31 December 2020			31 December 2019		
	Average	Higher	Less	Average	Higher	Less
Exchange rate risk	15 685 000	58 781 000	2 721 000	10 651 000	59 210 570	5 200 090
Return rate risk	--	--	--	--	--	--
Total value at risk	**15 685 000**	**58 781 000**	**2 721 000**	**10 651 000**	**59 210 570**	**5 200 090**

The Bank isn't exposed to the return rate risk as it distributes variable return on its customers as per the quarterly achieved revenues and returns.
The increase in the value at risk, particularly the return rate, is linked to the increase of the return rate sensitivity at the world financial markets.
The three previous results of the value at risk have been calculated independently for the concerned positions and the markets' historical movements. The total value at risk of the trading and non-trading portfolios doesn't represent the Bank's value at risk due to the relationship between the types of risk and the types of portfolios and the subsequent variable influences.

B/3 Risk of fluctuation of foreign currencies exchange rates

- The Bank is exposed to the risk of fluctuation of the foreign currencies exchange rates on the financial position and cash flows. The board of directors has set limits for foreign currencies at the total value for each position by the end of the day and also during the day as they are instantly monitored. The following table briefs the extent of the Bank's exposure to the risk of foreign currencies exchange rates fluctuation by the end of the reported period. The table reveals the book value of the financial instruments distributed on the currencies thereof:

Equivalent in EGP

31 December 2020	Egyptian Pounds	US Dollars	European Euro	Sterling Pounds	Other Currencies	Total
Financial Assets						
Cash & balances with the Central Bank of Egypt	6 305 124 257	69 785 159	26 919 494	2 944 833	5 114 842	6 409 888 585
Balances with banks	12 028 427 619	1 356 883 320	65 175 590	4 468 922	14 777 461	13 469 732 912
Government securities	11 155 800 000	2 485 671 800	349 987 030	--	--	13 991 458 830
Financial assets at the fair value through profits & losses	34 343 965	--	--	--	--	34 343 965
Investments with banks	--	2 065 922 811	--	25 831 440	44 651 356	2 136 405 607
Murabaha, Mudaraba & Musharaka for customers	20 046 214 645	2 580 716 533	111 491 392	3 517 992	--	22 741 940 562
Financial Investments						
Financial assets at the fair value through comprehensive income	376 906 179	--	100 288 686	--	12 976 564	490 171 429
Financial assets at amortized cost	14 100 255 180	3 391 817 852	365 753 300	--	--	17 857 826 332
Total financial assets	**64 047 071 845**	**11 950 797 475**	**1 019 615 492**	**36 763 187**	**77 520 223**	**77 131 768 222**
Financial Liabilities						
Balances due to banks		619 553 716	432 920 789	--	855 941	1 053 330 446
Deposits to customers	56 216 486 732	9 610 970 386	544 098 508	36 449 012	63 123 459	66 471 128 097
Other finances	2 788 438	1 022 586 500	--	--	--	1 025 374 938
Total financial liabilities	**56 219 275 170**	**11 253 110 602**	**977 019 297**	**36 449 012**	**63 979 400**	**68 549 833 481**
Net financial position	**7 827 796 675**	**697 686 783**	**42 596 195**	**314 175**	**13 540 823**	**8 581 934 741**
31 December 2019						
Total Financial Assets	60 475 528 024	11 825 113 501	919 490 237	52 092 208	297 393 174	73 569 617 144
Total financial liabilities	54 259 007 949	11 448 240 704	849 392 314	54 038 569	80 584 460	66 691 263 996
Net financial position	**6 216 520 075**	**376 872 797**	**70 097 923**	**(1 946 361)**	**216 808 714**	**6 878 353 148**

B/4 return rate risk

- The Bank is exposed to the influences of fluctuations in the levels of the return rates prevailing at the market, which is the risk of cash flows of the return rate, represented in the fluctuation of the future cash flows of the financial instrument due to the changes in the instrument return rate, and the risk of the fair value of the return rate which is the risk of fluctuation of the financial instrument value due to the change in the return rates at the market. The return margin may increase due to these changes. Yet, profits may decrease in case of the occurrence of unexpected movements. The Board of Directors sets limits to the level of differences in re-pricing the return which the Bank may retain. The following table briefs the extent of the Bank's exposure to the risk of return rate fluctuation. It includes the book value of the financial instruments distributed on basis of the earlier of the re-pricing or maturity dates.

EGP

31 December, 2020	Up to one month	More than a month to three months	More than three months to one year	More than a year up to five years	More than five years	Without return	Total
Financial Assets							
Cash & balances with the Central Bank of Egypt	--	--	--	--	--	6 409 888 585	6 409 888 585
Balances with banks	8 000 000 000	5 015 066 555	--	--	--	454 666 357	13 469 732 912
Government securities	1 900 000 000	4 117 345 990	7 974 112 840	--	--	--	13 991 458 830
Financial assets at the fair value through profits & losses	--	--	--	--	--	34 343 965	34 343 965
Investments with banks	1 339 979 214	646 971 443	149 454 950	--	--	--	2 136 405 607
Murabaha, Mudaraba & Musharaka for customers	3 160 740 789	2 520 121 012	7 007 513 898	7 112 000 708	2 941 564 155	--	22 741 940 562
Financial Investments							
Financial assets at the fair value through comprehensive income	--	--	--	--	--	490 171 429	490 171 429
Financial assets at amortized cost	--	210 810 140	2 893 033 560	10 838 195 922	3 915 786 710	--	17 857 826 332
Total financial assets	**14 400 720 003**	**12 510 315 140**	**18 024 115 248**	**17 950 196 630**	**6 857 350 865**	**7 389 070 336**	**77 131 768 222**
Financial Liabilities							
Balances due to banks	541 342 159	290 044 500	--	--	--	221 943 787	1 053 330 446
Deposits to customers	27 180 260 176	34 850 831 867	--	--	--	4 440 036 054	66 471 128 097
Other finances	--	2 788 438	--	--	1 022 586 500	--	1 025 374 938
Total financial liabilities	**27 721 602 335**	**35 143 664 805**	**--**	**--**	**1 022 586 500**	**4 661 979 841**	**68 549 833 481**
Re-pricing Gap	**(13 320 882 332)**	**(22 633 349 665)**	**18 024 115 248**	**17 950 196 630**	**5 834 764 365**	**2 727 090 495**	**8 581 934 741**
31 December, 2019							
Total Financial Assets	20 855 042 032	15 814 183 839	12 999 891 589	11 744 043 976	5 336 681 796	6 819 773 912	73 569 617 144
Total financial liabilities	25 201 354 100	34 532 675 057	180 595 000	--	1 042 697 500	5 733 942 339	66 691 263 996
Re-pricing Gap	**(4 346 312 068)**	**(18 718 491 218)**	**12 819 296 589**	**11 744 043 976**	**4 293 984 296**	**1 085 831 573**	**6 878 353 148**

C- Risk of Liquidity

The risk of liquidity is the risk of the Bank's exposure to difficulties in fulfilling its commitments related to its financial liabilities upon maturity and redeeming the withdrawn amounts. This may result in the failure to fulfill the liabilities pertaining to payment to depositors and the lending commitments.

Management of Liquidity Risks

The liquidity risk management operations, adopted by the (Liquidity Risks Department) at the Bank, comprise the following:

- Management of daily finance through controlling the future cash flows to ascertain the possibility of fulfilling all requirements. This includes redeeming money upon maturity or upon lending to customers. The Bank exists at the global stock markets to assure the realization of this target.
- Maintaining a portfolio of highly marketable assets that can be easily liquidated for facing any unexpected disturbances in the cash flows
- Monitoring liquidity percentages in comparison to the Bank's internal requirements and those of the Central Bank of Egypt.
- Managing concentrations and stating facilities maturities

For purposes of control and reporting, the cash flows of the following day, week and month, which are the principal periods for managing liquidity, are measured and forecasted. The starting point of these forecasts is represented in analyzing contractual maturities of the financial liabilities and the dates of expected collections of the financial assets.

The (Liquidity Risk Department) also controls inconsistency between the medium-term assets, the level and type of the unused part of the commitments of (Murabaha, Musharaka & Mudaraba), the extent of utilizing the facilities of the debit current accounts and the influence of contingent liabilities such as letters of guarantee and documentary credits.

Finance Methodology

The liquidity sources are reviewed by an independent team at the (Liquidity Risk Department) at the Bank for providing ample diversity of currencies, geographical areas, resources, products and terms.

Non-Derivative Cash Flows:

The following table represents the cash flows paid by the Bank using the non-derivative financial liabilities method, distributed on basis of the remaining period of contractual maturities on the date of reporting. The amounts displayed in the table represent the undiscounted contractual cash flows, while the Bank manages the risk of liquidity on basis of the expected undiscounted cash flows and not the contractual ones.

31 December, 2020 — EGP

	Up to one month	More than a month to three months	More than three months to one year	More than a year up to five years	More than five years	Total
Financial Liabilities						
Balances due to banks	763 285 946	290 044 500	-	-	-	1 053 330 446
Deposits to customers	22 384 228 342	4 431 631 439	7 961 394 539	28 623 099 465	3 070 774 312	66 471 128 097
Other finances	--	--	--	2 788 438	1 022 586 500	1 025 374 938
Total financial liabilities	**23 147 514 288**	**4 721 675 939**	**7 961 394 539**	**28 625 887 903**	**4 093 360 812**	**68 549 833 481**
Total financial assets	**15 159 666 977**	**11 495 248 585**	**18 024 115 248**	**25 561 042 582**	**6 891 694 830**	**77 131 768 222**

31 December 2019 — EGP

	Up to one month	More than a month to three months	More than three months to one year	More than a year up to five years	More than five years	Total
Financial Liabilities						
Balances due to banks	1 089 021 878	--	180 595 000	--	--	1 269 616 878
Deposits to customers	16 670 989 204	9 014 577 585	17 840 790 821	11 312 204 551	9 529 579 050	64 368 141 211
Other finances	--	--	--	10 808 407	1 042 697 500	1 053 505 907
Total financial liabilities	**17 760 011 082**	**9 014 577 585**	**18 021 385 821**	**11 323 012 958**	**10 572 276 550**	**66 691 263 996**
Total financial assets	**35 673 312 355**	**14 592 732 911**	**11 621 476 825**	**10 542 939 332**	**1 139 155 721**	**73 569 617 144**

The available assets for facing all liabilities and for hedging the commitments related to (Murabaha, Musharaka & Mudaraba) include cash, balances with central banks, balances with banks, government securities, Murabaha, Musharaka & Mudaraba to banks and customers. The term of a percentage of the (Murabaha, Musharaka & Mudaraba) to customers, falling due within a year, is extended during the ordinary course of the Bank business. Besides, some debt instruments and government securities are mortgaged to guarantee liabilities. The Bank is capable of facing the net unexpected cash flows through selling securities and creating other sources of finance.

Off Balance Sheet Items (Total amounts)

31 December 2020				EGP
	Not more than 1 year	More than 1 year& less than 5 years	More than 5 years	Total
Acceptances	545 857 150	--	--	545 857 150
Letters of guarantee	3 142 056 446	153 561 277	850 000	3 296 467 723
Import letters of credit	578 030 277	--	--	578 030 277
Export letters of credit	4 856 553	--	--	4 856 553
Capital commitments	49 087 491	--	--	49 087 491
Total	**4 319 887 917**	**153 561 277**	**850 000**	**4 474 299 194**

31 December 2019				EGP
	Not more than 1 year	More than 1 year& less than 5 years	More than 5 years	Total
Acceptances	459 940 967	--	--	459 940 967
Letters of guarantee	2 685 660 020	242 105 060	2 803 993	2 930 569 073
Import letters of credit	633 634 144	--	--	633 634 144
Export letters of credit	95 878 388	--	--	95 878 388
Capital commitments	28 180 419	--	--	28 180 419
Total	**3 903 293 938**	**242 105 060**	**2 803 993**	**4 148 202 991**

In the light of the strategy of the Central Bank of Egypt for applying the best international practices in the field of banking supervision, and in particular "Basel Committee" requirements, the Central Bank issued instructions concerning the liquidity risks management, including the liquidity coverage ratio "LCR" and the net stable financing ratio.

First: The LCR – Liquidity Coverage Ratio

(With a minimum of 70% for the year 2016, 80% for 2017, 90% for 2018 and 100% for 2019)

The liquidity coverage ratio consists of:

	EGP'000	EGP'000
	31 December 2020	31 December 2019
Numerator ratio: High quality liquidated assets	33 801 431	23 552 504
Denominator ratio: Net cash outflows during 30 days	7 299 905	6 016 056
Liquidity Coverage Ratio LCR	**463.0%**	**391.5%**

Second: The Net Stable Financing Ratio NSFR (With a minimum of 100%)

The net stable Financing ratio consists of:

	EGP'000	EGP'000
	31 December 2020	31 December 2019
Numerator ratio: value of available stable financing	51 033 454	48 223 898
Denominator ratio: value of required stable financing	18 271 552	13 636 970
Net stable financing ratio NSFR	**279.3%**	**353.6%**

D- Fair Value of Financial Assets & Liabilities

D/1 Financial Instruments measured at the Fair Value using assessment methods

- None of the financial assets and liabilities have been assessed using the assessment methods during the financial period ending as at the date of reporting.

D/2 Financial Instruments not measured at the Fair Value

- The following table briefs the current and fair values of the financial assets and liabilities which have not been reported in the Bank's balance sheet at the fair value:

				EGP
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Book Value		Fair Value	
Financial Assets				
Balances with banks	**13 468 307 993**	23 585 450 072	**13 539 351 487**	23 973 368 950
Investments with banks	**1 987 284 235**	2 293 669 207	**1 989 329 902**	2 307 101 944
Murabaha, Mudarabah & Musharaka to customers				
Individuals	**1 676 742 432**	1 427 539 645	**1 676 742 432**	1 427 539 645
Corporates	**17 888 606 457**	15 365 958 123	**17 888 606 457**	15 365 958 123
Financial Investments				
At amortized cost	**17 819 709 472**	14 031 173 222	**18 389 722 580**	14 647 117 583
Financial Liabilities				
Balances due to banks	**1 053 330 446**	1 269 616 878	**1 053 907 247**	1 272 091 282
Customers' deposits	**66 471 128 097**	64 368 141 211	**67 249 703 680**	65 510 769 200
Other finances	**1 025 374 938**	1 053 505 907	**1 045 873 623**	1 075 264 465

Balances with banks

The value of deposits and overnight deposits of variable return represents the current value thereof. The expected fair value of the deposits bearing variable return is estimated pursuant to the discounted cash flows using the return rate prevailing at the financial markets for debts with similar credit risks and value date.

Investment with Banks

The "Investment with Banks" is represented in facilities other than deposits with banks. The expected fair value of the investment with banks represents the discounted value of future cash flows expected to be collected. The cash flows are discounted using the return rate prevailing at the market so as to determine the fair value.

Murabaha, Musharaka & Mudarabah for Customers

Represents the net "Murabaha, Musharaka & Mudaraba" after discounting the impairment losses provision - The expected fair value of "Murabaha, Musharaka & Mudaraba" to customers represents the discounted value of the future cash flows expected to be collected. The cash flows are discounted using the return rate prevailing at the market for determining the fair value.

Investments in Securities

In the previous table, the investments in securities comprise only the return -earning assets held to maturity, as the assets available for sale are evaluated at the fair value, except for the equity instruments which the Bank can't reliably assess their value. The fair value of the financial assets held to maturity is determined according to the market rates or those obtained from brokers. If such data is not available, the fair value is assessed using the financial market rates for the traded securities having similar credit characteristics, value dates and rates.

Dues to other Banks & Customers

The fair value estimated for the deposits having indefinite value dates, including non- return -bearing deposits, represents the amount to be paid on demand.

The fair value of the deposits bearing fixed return and other finances which are not traded in active markets is determined according to the discounted cash flows, using the return rate on the new debts having similar value dates.

E- Capital Management

The Bank's goals upon capital management, comprising elements other than the shareholders' equity reported in the balance sheet, are represented in the following:

- Compliance to the capital legal requirements in the Arab Republic of Egypt& in the Countries where the Bank branches operate
- Sustainability of the Bank's business and enabling it to continue generating the shareholders and customers revenue
- Maintaining a strong capital base supporting growth of its activity

The capital adequacy ratio and utilizations are daily reviewed by the Bank Management pursuant to the requirements of the regulatory authority (The Central Bank of Egypt in the Arab Republic of Egypt), through models relying on the guidelines of (Basel Committee on Banking Supervision). The required particulars are prepared and submitted to the Central Bank of Egypt on quarterly basis.

The Central Bank of Egypt requires that the Bank:

- Retains the amount of 500 million Egyptian Pounds as a minimum issued and paid up capital
- Retains a certain ratio between the capital elements and the risk-weighted assets and contingent liabilities, equal to or exceeding 10%

The Bank branches operating abroad are subject to the supervisory regulations organizing banking business in the countries where they conduct their business.

The numerator of the capital adequacy ratio consists of the two following tiers:

Tier 1: Tier 1 consists of two parts: The core capital & the additional core capital.

Tier 2: The subordinated capital, consisting of:

- 45% of the value of the reserve of positive foreign currencies translation differences
- 45% of the value of the special reserve
- 45% of the increase in the fair value to the book value of financial investments (if positive)
- 45% of the balance of the reserve of the fair value of the "Available-for-sale" financial investments
- 45% of the increase in the fair value to the book value of the held-to-maturity financial investments
- 45% of the increase in the fair value to the book value of the financial investments in sister companies & subsidiaries
- Loans (subordinated deposits, with depreciating 20% of their value over each of the last five years of their terms)
- Reserve of the impairment losses of regular loans, facilities and contingent liabilities of a maximum of 1.25% of the credit risks of risk-weighted regular assets and contingent liabilities

The denominator of the "capital adequacy ratio" consists of the following:

- Credit risks
- Market risks
- Operating risks

The risk-weighted assets range from zero to 200%, classified according to the nature of the debtor of each asset so as to reflect the related credit risks, taking cash collaterals into consideration. The off-balance sheet amounts shall be handled the same way, after carrying out modifications so as to reflect the contingent nature and the given losses concerning these amounts. The Bank has always been committed to all local capital requirements. The following table briefs the calculation of the capital adequacy ratio according to "Basel Committee" requirements by the end of the financial period:

Capital	31 December 2020 EGP '000	31 December 2019 EGP '000
Tier 1		
Sustained Core Capital		
Issued & Paid up capital	1 546 447	1 546 447
Reserves	1 387 740	982 356
General risks reserve	214 926	214 926
Retained earnings	1 554 854	888 012
Total Items of other accumulated comprehensive Income	28 955	19 473
Total Core Capital	**4 732 922**	**3 651 214**
Additional Core Capital	4 184	-
Differences of nominal value to current value of subordinated finance	-	-
Total deductions of the sustained core capital	**(21 128)**	**(191 916)**
Total of Tier 1 after deductions	**4 715 978**	**3 459 298**
Tier 2		
45% of the special reserve value	--	--
45% of the increase of fair value to book value of financial investments	--	--
subordinated finances by the Principal Investor/ subordinated deposits	943 926	1 042 698
Impairment losses provision for regular contingent liabilities, facilities & loans	297 756	91 842
Total of Tier 2	**1 241 682**	**1 134 540**
Total capital	**5 957 660**	**4 593 838**
Total credit, market & operating risk-weighted contingent liabilities and assets	29 138 966	26 515 283
Capital adequacy ratio (%)	**20.45%**	**17.33%**

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

Within the framework of its endeavor 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:

- As a guiding ratio as of the end of September 2015 up to 2017
- As a mandatory ratio as of 2018

The financial leverage numerator & denominator consist of the following:

Numerator's components:

The ratio numerator consists of "Tier 1" of the capital (after deductions) used in the numerator of the currently applied "capital adequacy ratio" pursuant to the instructions of the Central Bank of Egypt.

Denominator's components:

The ratio denominator consists of all the Bank's reported and off balance sheet assets, called "The Bank's Exposures", comprising the total of:

- Exposure of the "balance sheet" items after deducting some of the written off items of the first tier of the capital base
- Exposures resulting of the derivatives contracts
- Exposures resulting of securitization
- Off-balance sheet exposures

	31 December 2020	31 December 2019
	EGP'000	EGP'000
First: Ratio Numerator		
Total Core Capital	**4 715 978**	**3 459 298**
Second: Ratio Denominator		
Total reported exposure	75 596 643	68 929 023
Total off balance sheet exposure	3 487 689	2 818 205
Total on & off balance sheet exposure	**79 084 332**	**71 747 228**
Financial leverage ratio (%)	**5.96%**	**4.82%**

4- Important Accounting Estimates & Assumptions:

The Bank uses estimates and assumptions that influence the assets and liabilities amounts, which are disclosed during the following financial years. The estimates and assumptions are perpetually evaluated on basis of historical experience and such other factors, including the future events expectations thought to be reasonable in the light of available circumstances and information.

A- Impairment Losses of "Murabaha, Musharaka & Mudaraba" (Expected losses):

The Bank reviews the "Murabaha, Musharaka & Mudaraba" portfolio to evaluate impairment on quarterly basis as a minimum. It depends on personal judgement upon deciding whether or not the impairment burden is to be reported in the Income Statement, so as to realize if there is any reliable information indicating a measurable decrease in the expected future cash flows of the "Murabaha, Musharaka & Mudaraba" portfolio, before recognizing the decrease over each "Murabaha, Musharakah & Mudarabah" in this portfolio. Evidences may comprise the existence of any particulars indicating any negative change in the ability of the borrowers' portfolio to settle the Bank's entitlements, or any local or economic circumstances related to default in the bank's assets. Upon scheduling the future cash flows, the Management uses estimates based on its previous experiences regarding the losses of assets having similar credit risk characteristics to those included in the portfolio. The manner and assumptions used for estimating every amount and the timing of the future cash flows are regularly reviewed so as to extenuate any differences between estimated and real loss based on experience.

B- Debt Instruments at Amortized Cost

The non-derivative financial assets, having fixed payments and value dates, or which are liable to be determined, are classified as debt instruments at the amortized cost, within the business model of the financial assets retained for collecting contractual cash flows.

If the investments classification as debt instruments at the amortized cost is suspended, the book value shall be increased in the amount of 570 013 108, so as to reach the fair value, by means of reporting a contra entry in the "fair value reserve" in the comprehensive income statement.

C- Income Taxes

On the occasion of issuing the Income Tax Law number 91/2005 and its Executive Regulations, the income tax on the net taxable profits shall be calculated according to the tax return issued in compliance with the Law, using the tax rates prevailing upon preparing the financial statements, to be charged to the Income Statement.

(5) Sector Reports

A- Sector Analysis of Activities

The sector activity comprises the operating processes and the assets used for providing banking services and managing the risks pertaining to them as well as the return on this activity which may differ from other activities. The operating sector analysis of banking business comprises:

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

31 December 2020						EGP
	Bank Head Office	Cairo Governorate Branches	Giza Governorate Branches	Alexandria Governorate Branches	Other Governorates Branches	Total
Revenues & expenses according to sector activity						
Sector activity revenues	1 569 821 370	4 269 885 649	1 069 227 741	669 911 811	623 353 362	8 202 199 933
Sector activity expenses	(1 003 016 265)	(3 358 306 715)	(825 281 589)	(520 337 373)	(489 559 692)	(6 205 501 634)
Profit before taxation	566 805 105	911 578 934	243 946 152	149 574 438	124 793 670	1 996 698 299
Tax	(748 963 917)	--	--	--	--	(748 963 917)
Profit after taxation	**(182 158 812)**	**911 578 934**	**243 946 152**	**149 574 438**	**124 793 670**	**1 247 734 382**
Assets & liabilities according to the sector activity						
Total assets of sector activity	5 667 410 996	43 289 579 350	12 239 722 436	6 951 686 086	7 384 760 469	75 533 159 337
Total liabilities of sector activity	5 667 410 996	38 261 387 798	12 239 722 436	6 951 686 086	7 384 760 469	70 504 967 785
Other items of the sector activity						
Capital expenses	30 052 535					
Depreciation	68 631 369					
(Burden) of credit losses impairment	(371 594 653)					

31 December 2019						EGP
	Bank Head office	Cairo Governorate Branches	Giza Governorate Branches	Alexandria Governorate Branches	Other Governorates Branches	Total
Revenues & expenses according to sector activity						
Sector activity revenues	6 111 407 116	5 121 409 266	1 406 772 214	767 799 692	769 072 891	14 176 461 179
Sector activity expenses	(6 344 698 423)	(4 145 847 349)	(1 021 423 941)	(558 632 072)	(602 307 712)	(12 672 909 497)
Profit before taxation	(233 291 307)	975 561 917	385 348 273	209 167 620	166 765 179	1 503 551 682
Tax	(449 714 097)	--	--	--	--	(449 714 097)
Profit after taxation	**(683 005 404)**	**975 561 917**	**385 348 273**	**209 167 620**	**166 765 179**	**1 053 837 585**
Assets & liabilities according to the sector activity						
Total assets of sector activity	5 308 012 182	43 504 421 435	11 609 047 875	6 252 306 157	6 026 109 658	72 699 897 307
Total liabilities of sector activity	1 235 507 979	43 504 421 435	11 609 047 875	6 252 306 157	6 026 109 658	68 627 393 104
Other items of the sector activity						
Capital expenses	42 799 227					
Depreciation	52 858 198					
(Burden) of credit losses impairment	(247 025 105)					

(5) Sector Reports

(A) Geographical Sectors Analysis

31 December 2020	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	EGP Total
Revenues & expenses according to geographical sectors				
Geographical sectors revenues	7 231 208 036	970 991 897	--	8 202 199 933
Geographical sectors expenses	(5 447 159 231)	(758 342 403)	---	(6 205 501 634)
Profit before taxation	1 784 048 805	212 649 494	---	1 996 698 299
Tax	(748 963 917)	---	---	(748 963 917)
Profit after taxation	**1 035 084 888**	**212 649 494**	**--**	**1 247 734 382**
Assets & liabilities according to geographical sectors				
Total geographical sectors assets	65 186 724 865	10 346 434 472	--	75 533 159 337
Total geographical sectors liabilities	60 158 533 313	10 346 343 472	---	70 504 967 785
Other items of geographical sectors				
Capital expenses	30 052 535			
Depreciation	68 631 369			
(Burden) of credit losses impairment	(371 594 653)			

31 December 2019	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	EGP Total
Revenues & expenses according to geographical sectors				
Geographical sectors revenues	13 056 017 013	1 120 444 166	--	14 176 461 179
Geographical sectors expenses	(11 840 459 383)	(832 450 114)	--	(12 672 909 497)
Profit before taxation	1 215 557 630	287 994 052	--	1 503 551 682
Tax	(449 714 097)	--	--	(449 714 097)
Profit after taxation	**765 843 533**	**287 994 052**	**--**	**1 053 837 585**
Assets & liabilities according to geographical sectors				
Total geographical sectors assets	63 746 029 130	8 953 868 177	--	72 699 897 307
Total geographical sectors liabilities	59 673 524 927	8 953 868 177	--	68 627 393 104
Other items of geographical sectors				
Capital expenses	42 799 227			
Depreciation	52 858 198			
(Burden) of credit losses impairment	(247 025 105)			

(6) Net Return Income

	31 December 2020 EGP	31 December 2019 EGP
Return on "Murabaha, Musharaka, Mudaraba & such similar revenues of murabaha, mudaraba & musharaka:		
To banks	1 355 676 964	3 058 467 791
To customers	2 174 598 549	2 529 477 220
	3 530 275 513	5 587 945 011
Government securities	1 828 064 402	833 951 242
Investments in debt instruments at amortized cost	2 218 134 480	1 689 897 608
	7 576 474 395	8 111 793 861
Cost of deposits and similar costs of deposits & current accounts:		
To banks	(32 839 517)	(52 786 381)
To customers	(5 035 831 626)	(6 114 138 771)
	(5 068 671 143)	(6 166 925 152)
Other Finances	(57 497 490)	(65 332 111)
	(5 126 168 633)	(6 232 257 263)
Net	**2 450 305 762**	**1 879 536 598**

The Bank keeps debt instruments to cover the percentage of liquidity of customers' balances according to the requirements of the competent authorities, and we usually recommend depositors to take this into consideration with regard to the returns of such instruments, taking into account that the "purification percentage" of the returns of such instruments is 65%

(7) Net Fees & Commissions Income

	31 December 2020 EGP	31 December 2019 EGP
Fees and commissions revenues		
Fees & commissions pertaining to credit	**110 892 489**	128 985 552
Fees of corporates financing services	**--**	22 676
Custody fees	**868 842**	795 887
Other fees	**127 639 027**	158 316 756
	239 400 358	288 120 871
Fees & Commissions Expenses		
Other paid up fees	**(42 532 877)**	(16 113 072)
	(42 532 877)	(16 113 072)
Net	**196 867 481**	**272 007 799**

(8) Dividend Income

	31 December 2020	31 December 2019
	EGP	EGP
Equity instruments at the fair value through the comprehensive income	3 388 481	7 774 139
Investment Funds Documents	---	119 218
	3 388 481	7 893 357

(9) Net Trading Income

	31 December 2020	31 December 2019
	EGP	EGP
Foreign Currencies Operations		
Profits of dealing in foreign currencies	73 704 587	95 268 855
Total	73 704 587	95 268 855

(10) Administrative Expenses

	31 December 2020	31 December 2019
	EGP	EGP
Personnel costs		
Wages & salaries	(276 199 613)	(250 016 824)
Social Insurance	(10 421 774)	(9 933 892)
	(286 621 387)	(259 950 716)
Other administrative expenses	(368 155 375)	(310 041 261)
	(654 776 762)	(569 991 977)

The monthly average of the net salaries, remunerations and monthly profits received by the top twenty personnel at the Bank jointly during 2020, after taxes and insurance deductions, amounts to 2 347 958 Egyptian Pounds, against 2 378 942 Egyptian Pounds during 2019

(11) Other Operating Revenues (Expenses)

	31 December 2020	31 December 2019
	EGP	EGP
(Losses) of evaluation of the balances of cash assets and liabilities in foreign currencies, other than those held for trading or those classified upon institution at the fair value through profits & losses	(892 718)	(21 068 027)
(Burden) of operating lease	(1 514 791)	(4 198 151)
(Burden) other provisions – lawsuits & taxes	(10 434 804)	(3 118 349)
Reversal (burden) of other provisions– contingent liabilities	(29 388 130)	33 621 664
Others*	350 911 506	72 247 130
	308 681 063	77 484 267

(12) (Burden) of Expected Credit Loss Impairment

	31 December 2020	31 December 2019
	EGP	EGP
"Murabaha, Musharaka & Mudaraba" for Customers	(228 811 408)	(200 783 266)
Reserve of customers' foreign deposits with the Central Bank of Egypt	(267 645)	(1 157 274)
Government securities	10 375 360	(22 332 794)
Investment with banks	(142 891 298)	(3 021 591)
Financial assets at the fair value through the comprehensive income – treasury Bonds	(369 248)	(883 815)
Financial assets at amortized cost – treasury Bonds	9 923 067	(18 721 716)
Accrued revenues	292 653	(124 649)
	(371 594 653)	(247 025 105)

(13) Income Tax (Expenses)

	31 December 2020	31 December 2019
	EGP	EGP
Current taxes	(748 060 781)	(449 564 999)
Deferred taxes	(903 136)	(149 098)
	(748 963 917)	(449 714 097)

(14) Earnings Per Share

	31 December 2020	31 December 2019
	EGP	EGP
Net Profit distributable on the Bank's shareholders	1 083 507 382	907 837 585
Weighted average of the number of shares	220 921 033	220 921 033
	4.90	4.11

(15) Cash & Balances with the Central Bank of Egypt

	31 December 2020	31 December 2019
	EGP	EGP
Cash	304 280 618	453 823 630
Balances with the Central Bank of Egypt within the limits of mandatory reserve ratio	6 105 607 967	5 976 343 800
	6 409 888 585	6 430 167 430
Balances without return	6 409 888 585	6 430 167 430
	6 409 888 585	6 430 167 430

(16) Balances with Banks

	31 December 2020	31 December 2019
	EGP	EGP
Current accounts	**454 666 356**	305 079 678
Deposits	**13 015 066 556**	23 281 527 668
Less: provision of expected credit losses	**(1 424 919)**	(1 157 274)
	13 468 307 993	23 585 450 072
Central Bank of Egypt, other than the mandatory reserve ratio	**13 013 641 637**	23 280 370 394
Local banks	**115 081 278**	81 595 992
Foreign banks	**339 585 078**	223 483 686
	13 468 307 993	23 585 450 072
Balances without return	**454 666 356**	305 079 678
Return-bearing balances	**13 013 641 637**	23 280 370 394
	13 468 307 993	23 585 450 072
Current balances	**13 468 307 993**	23 585 450 072
	13 468 307 993	23 585 450 072
Provision of Expected Credit Losses		
Opening balance	**1 157 274**	--
Impairment burden during the year	**267 645**	1 157 274
Closing balance	**1 424 919**	1 157 274

(17) Government Securities

	31 December 2020	31 December 2019
	EGP	EGP
Treasury bills due 182-day	**4 950 000**	--
Treasury bills due 273-day	**3 000 000 000**	1 400 000 000
Treasury bills due 364-day	**8 150 850 000**	3 251 100 000
US$ treasury bills due 364-day	**2 485 671 800**	2 534 557 000
European Euro treasury bills due 364-day	**349 987 030**	326 876 950
	13 991 458 830	7 512 533 950
Returns haven't yet fallen due	**(331 593 282)**	(373 093 362)
Less: Provision of expected credit losses	**(19 589 192)**	(29 964 552)
	13 640 276 356	7 109 476 036

The Bank keeps debt instruments to cover the percentage of liquidity of customers' balances according to the requirements of the competent authorities, and we usually recommend depositors to take this into consideration with regard to the returns of such instruments, taking into account that the "purification percentage" of the returns of such instruments is 65%.

Provision of Expected Credit Losses (ECL)

	31 December 2020	31 December 2019
	EGP	EGP
Opening balance	**29 964 552**	--
Settlements of opening balance	**--**	7 631 758
Opening balance after settlements	**29 964 552**	7 631 758
Impairment burden during the year	**(10 375 360)**	**22 332 794**
Closing balance	**19 589 192**	**29 964 552**

(18) Investments with Banks*

	31 December 2020	31 December 2019
	EGP	EGP
Investments with banks	**2 136 405 607**	2 299 899 281
Less: Provision of expected credit losses	**(149 121 372)**	(6 230 074)
	1 987 284 235	2 293 669 207
Current Balances	**1 987 284 235**	2 293 669 207
Non-current Balances	**--**	**--**
	1 987 284 235	2 293 669 207

Provision of Expected Credit Losses (ECL)

	31 December 2020	31 December 2019
	EGP	EGP
Opening balance	**6 230 074**	--
Settlements of opening balance	**---**	**3 208 483**
Opening balance after settlements	**6 230 074**	**3 208 483**
Impairment burden during the year	**142 891 298**	**3 021 591**
Closing balance	**149 121 372**	**6 230 074**

*Representing "commodity murabaha" with local and correspondent banks in foreign currencies.Including the amount of EGP138 442 480, representing investment operations with (Al Baraka Group) - the Principal Shareholder at the Bank - (against EGP157 206 700 as at 31 December 2019). The returns of these operations during the year amounted to EGP 1 876 438 (against EGP3 767 382 during the previous year).

Also includes EGP354 270 331 representing investment operations with Al Baraka Group's subsidiary Banks (against EGP497 286 500 as at 31 December 2019)

19) "Murabaha, Mudaraba & Musharaka" to Customers

	31 December 2020	31 December 2019
	EGP	EGP
Individuals		
Debit current accounts	--	--
Credit cards	25 981 597	23 497 716
Personal "Murabaha, Musharaka & Mudaraba"	1 600 692 576	1 385 896 008
Real estate "Murabaha, Musharaka & Mudaraba"	557 093 797	403 103 267
Total (1)	**2 183 767 970**	**1 812 496 991**
Corporates		
Debit current accounts	--	--
Direct "Murabaha, Musharaka & Mudaraba"	16 984 808 592	14 050 265 835
Joint "Murabaha, Musharaka & Mudaraba"	3 566 564 000	3 618 005 994
Other "Murabaha, Musharaka & Mudaraba"	6 800 000	20 768 879
Total (2)	**20 558 172 592**	**17 689 040 708**
Total "Murabaha, Musharaka & Mudaraba" to customers (1+2)	22 741 940 562	19 501 537 699
Less: Outstanding returns	(1 466 693 134)	(1 228 695 486)
Less: Expected credit loss provision	(1 709 898 539)	(1 479 344 445)
Net	**19 565 348 889**	**16 793 497 768**
Current balances	13 189 968 160	10 566 775 296
Non-current balances	6 375 380 729	6 226 722 472
	19 565 348 889	**16 793 497 768**

Expected Credit Loss Provision (ECL)

Analysis of the movement of the impairment loss provision of the "Murabaha, Musharaka & Mudaraba" to customers, per the type of each of them:

31 December 2020			Individuals		EGP
	Debit current accounts	Credit cards	Personal "Murabaha, Musharaka & Mudaraba"	Real estate "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1 January 2020	**--**	**270 359**	**29 080 883**	**27 734 356**	**57 085 598**
Impairment (reversal) burden	--	(130 283)	27 491 638	(15 390 981)	11 970 374
Written off amounts	--	--	(705 398)	(28 494)	(733 892)
Recovered amounts	--	27 106	125 000	--	152 106
Balance as at 31 December 2020 (A)	**--**	**167 182**	**55 992 123**	**12 314 881**	**68 474 186**

31 December 2020			Corporates		EGP
	Debit current accounts	Direct "Murabaha, Musharaka & Mudaraba"	Joint "Murabaha, Musharaka & Mudaraba"	Other "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1 January 2020	--	1 096 591 958	322 905 998	2 760 981	1 422 258 847
Impairment burden	--	106 649 430	112 115 476	(1 923 872)	216 841 034
Written off amounts	--	(5 178 040)	--	(219 094)	(5 397 134)
Recovered amounts	--	4 570 088	10 656 688	--	15 226 776
Differences of foreign currency evaluation	--	(6 980 655)	(524 515)	--	(7 505 170)
Balance as at 31 December 2020 (B)	**--**	**1 195 652 781**	**445 153 647**	**617 925**	**1 641 424 353**
Total of individuals & corporates (A)+ (B)					**1 709 898 539**

31 December 2019			Individuals		EGP
	Debit current accounts	Credit cards	Personal "Murabaha, Musharaka & Mudaraba"	Real estate "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1 January 2019	--	145 977	12 632 726	2 883 200	15 661 903
Opening balance settlements	--	114 159	21 994 686	26 311 297	48 420 142
Balance as at Jan. 1, 2019 after settlements	---	260 136	34 627 412	29 194 497	64 082 045
Impairment (reversal) burden	--	102 661	(5 410 395)	(1 435 842)	(6 743 576)
Written off amounts	--	(103 868)	(136 134)	(24 299)	(264 301)
Recovered amounts	--	11 430	--	--	11 430
Balances as at 31 December 2019 (A)	**--**	**270 359**	**29 080 883**	**27 734 356**	**57 085 598**

31 December 2019			Corporates		EGP
	Debit current accounts	Direct "Murabaha, Musharaka & Mudaraba"	Joint "Murabaha, Musharaka & Mudaraba"	Other "Murabaha, Musharaka & Mudaraba"	Total
Balance as 1 January 2019	--	900 431 399	347 077 207	1 731 277	1 249 239 883
Opening balance settlements		95 301 762	(93 191 644)	(479 046)	1 631 072
Balance as at Jan. 1, 2019 after settlements		995 733 161	253 885 563	1 252 231	1 250 870 955
Impairment burden	--	134 086 603	71 931 579	1 508 660	207 526 842
Written off amounts	---	--	--	--	--
Recovered amounts	--	250 347	--	--	250 347
Differences of foreign currencies evaluation	--	(33 478 153)	(2 911 144)	--	(36 389 297)
Balance as at 31 December 2019 (B)	--	1 096 591 958	322 905 998	2 760 891	1 422 258 847
Total of individuals & Corporates (A) + (B)					**1 479 344 445**

(20) Financial Investments

	31 December 2020	31 December 2019
	EGP	EGP
Financial investments at the fair value through profits & losses		
Opening balance – investment funds documents	28 789 228	24 650 796
Additions during the year – "Al Barakat" Fund	5 003 688	5 000 000
Evaluation differences during the year	551 049	(861 568)
Total Financial Investments at the fair value through profits & losses	**34 343 965**	**28 789 228**
Financial investments at the fair value through comprehensive income		
Equity instruments – at the fair value		
Quoted	44 945 427	35 800 260
Unquoted	19 937 316	19 937 316
Debt instruments – at the fair value	100 288 686	94 977 619
Sukuk according to Islamic Shari'a	325 000 000	--
Total financial investments at the fair value through comprehensive income	**490 171 429**	**150 715 195**

Financial investments at amortized cost		
Debt instruments at the amortized cost		
Quoted	17 472 942 711	13 853 822 497
Unquoted	209 619 659	205 544 518
Sukuk according to Islamic Shari'a	175 263 962	--
Less: Provision of expected credit loss	(38 116 860)	(28 193 793)
Total Financial Investments at amortized cost	**17 819 709 472**	**14 031 173 222**

Expected credit loss provision ECL – financial assets at amortized cost		
Opening balance	28 193 793	--
Opening balance settlements	--	9 472 077
Opening balance after settlements	28 193 793	9 472 077
Impairment burden during the year	9 923 067	18 721 716
Closing balance	**38 116 860**	**28 193 793**
Current balances	3 147 000 271	665 505 431
Non-current balances	15 162 880 630	13 516 382 986
	18 309 880 901	**14 181 888 417**
Fixed-return debt instruments	17 819 709 472	14 031 173 222
Variable-return debt instruments	--	--
	17 819 709 472	**14 031 173 222**

The Bank keeps debt instruments to cover the percentage of liquidity of customers' balances according to the requirements of the competent authorities, and we usually recommend depositors to take this into consideration with regard to the returns of such instruments, taking into account that the "purification percentage" of the returns of such instruments is 65%.

	EGP	EGP	EGP
31 December 2020	**Financial assets at the fair value through comprehensive income**	**Financial assets at amortized cost**	**Total**
Balance as at 1 January 2020	150 715 195	14 031 173 222	14 181 888 417
Additions during the year	325 000 000	5 502 135 525	5 827 135 525
Written off during the year	--	(1 649 617 250)	(1 649 617 250)
Differences of evaluating cash assets in foreign currencies	6 482 018	(40 825 436)	(34 343 418)
Amortization of issuance premium & discount	(487 096)	(13 233 522)	(13 720 618)
Profits of change in the fair value	8 461 312	--	8 461 312
(Burden) impairment loss provision	--	(9 923 067)	(9 923 067)
Balance as at 31 December 2020	**490 171 429**	**17 819 709 472**	**18 309 880 901**

	EGP	EGP	EGP
31 December 2019	**Financial assets at the fair value through comprehensive income**	**Financial assets at amortized cost**	**Total**
Balance as at 1January 2019	**68 544 095**	**11 149 592 421**	11 218 136 516
Transferred to financial assets at the fair value through profits & losses	--	(24 650 796)	(24 650 796)
Opening impairment loss provision	--	(9 472 077)	(9 472 077)
Balance after settlements	68 544 095	11 115 469 548	11 184 013 643
Additions during the year	93 268 811	3 878 557 624	3 971 826 435
Written off during the year	--	(653 763 100)	(653 763 100)
Differences of evaluating cash assets in foreign currencies	--	(292 330 127)	(292 330 127)
Amortization of issuance premium & discount	--	1 960 993	1 960 993
Profits of change in the fair value	(11 097 711)	--	(11 097 711)
(Burden) impairment loss provision	--	(18 721 716)	(18 721 716)
Balance as at 31 December 2019	**150 715 195**	**14 031 173 222**	14 181 888 417

Profits of Financial Investments

	31 December 2020	31 December 2019
	EGP	EGP
Profits of selling financial assets at the fair value through comprehensive income	----	98 920
	----	**98 920**

(21) Financial Investments in Subsidiaries & Sister Companies

	31 December 2020	31 December 2019
	EGP	EGP
Al Baraka Company for Financial Investments	196 000 000	196 000 000
	196 000 000	196 000 000

During the financial year ending as at 31/12/2018, the Bank incorporated (Al Baraka Company for Financial Investments), (annotated in the commercial register on October 17, 2018), with an authorized capital of 200 million Egyptian pounds. The subscription percentage of the Bank in the Company's capital is 98%.

(22) Intangible Assets

	31 December 2020	31 December 2019
Computer Programs	EGP	EGP
Opening net book value	9 694 169	7 000 882
Additions	28 494 216	14 372 112
Depreciation during the year	(15 403 111)	(11 678 825)
Closing net book value	**22 785 274**	**9 694 169**

(23) Other Assets

	31 December 2020	31 December 2019
	EGP	EGP
Accrued revenues	**901 086 631**	1 095 775 177
Less: Provision of expected credit loss	**(199 874)**	(492 527)
Net accrued revenues	**900 886 757**	1 095 282 650
Prepaid expenses	**3 260 445**	9 291 128
Payments on account of purchasing & fitting new branches	**130 183 643**	95 787 376
Assets which ownership devolved against debts fulfillment (After discounting impairment)	**232 030 446**	149 150 786
Deposits and custody	**7 558 645**	7 535 701
Others	**69 549 430**	61 917 423
	1 343 469 366	1 418 965 064

Provision of Expected Credit Losses – Accrued Revenues		
Opening balance	492 527	--
Settlements of opening balance	---	367 878
Opening balance after settlements	492 527	367 878
Impairment burden during the year	(292 653)	124 649
Closing balance	**199 874**	**492 527**

(24) Deferred Income Taxes

The deferred income tax has been fully calculated on the deferred tax differences according to the "liabilities method".

The deferred tax assets ensuing of the carried forward tax losses are not recognized unless in case of probable future tax profits through which the carried forward tax losses can be benefited of.

An offset between the deferred tax assets and liabilities is to be carried out in case of a legal justification for carrying out an offset between the current tax on assets against the current tax on liabilities and also when the deferred income tax is affiliated to the same tax department.

Balances of Deferred Tax Assets & Liabilities

	EGP	EGP	EGP
31 December 2020	**Deferred Tax Assets**	**Deferred Tax Liabilities**	**31 December 2020**
Fixed Assets	--	(7 088 245)	(7 088 245)
Provisions (other than the impairment loss provision)	3 633 945	--	3 633 945
	3 633 945	**(7 088 245)**	**(3 454 300)**

	EGP	EGP	EGP
31 December 2019	**Deferred Tax Assets**	**Deferred Tax Liabilities**	**31 December 2019**
Fixed Assets	--	(6 118 535)	(6 118 535)
Provisions (other than the impairment loss provision)	3 567 371	--	3 567 371
	3 567 371	**(6 118 535)**	**(2 551 164)**

Movement of Deferred Tax Assets & Liabilities

	EGP	EGP	EGP
31 December 2020	**Deferred Tax Assets**	**Deferred Tax Liabilities**	**31 December 2020**
Balance as at 1 January 2020	3 567 371	(6 118 535)	(2 551 164)
Additions during the year	66 574		66 574
Disposal during the year	--	(969 710)	(969 710)
Balance as at 31 December 2020	**3 633 945**	**(7 088 245)**	**(3 454 300)**

	EGP	EGP	EGP
31 December 2019	**Deferred Tax Assets**	**Deferred Tax Liabilities**	**31 December 2019**
Balance as at 1 January 2019	3 563 005	(5 965 071)	(2 402 066)
Additions during the year	4 366	(153 464)	(149 098)
Disposal during the year	--	--	--
Balance as at 31 December 2019	**3 567 371**	**(6 118 535)**	**(2 551 164)**

(25) Fixed Assets

	EGP	EGP	EGP	EGP	EGP
	Lands & buildings	Improvements on leased assets	Machines & Equipment	Others	Total
Balance as at 1/1/2019					
Cost	413 645 639	4 895 364	27 844 524	183 979 827	630 365 354
Accumulated depreciation	(98 387 129)	(1 615 530)	(22 599 240)	(107 056 522)	(229 658 421)
Net book value	315 258 510	3 279 834	5 245 284	76 923 305	400 706 933
Additions	65 120 857	--	5 355 201	136 911 249	207 387 307
Exclusions	(62 262 581)	--	(97 630)	(11 794 511)	(74 154 722)
Depreciation cost	(17 032 879)	(116 124)	(2 865 496)	(16 978 547)	(36 993 046)
Accumulated depreciation exclusions	13 275 634	--	97 625	7 541 188	20 914 447
Net book value as at 31/12/2019	**314 359 541**	**3 163 710**	**7 734 984**	**192 602 684**	**517 860 919**
Balance as at 1/1/2020					
Cost	416 503 915	4 895 364	33 102 095	309 096 565	763 597 939
Accumulated depreciation	(102 144 374)	(1 713 654)	(25 367 111)	(116 493 881)	(245 737 020)
Net book value	314 359 541	3 163 710	7 734 984	192 602 684	517 860 919
Additions	3 906 948	--	32 727 894	52 211 268	88 846 110
Exclusions	--	--	(277 728)	(41 773)	(319 501)
Depreciation cost	(16 924 113)	--	(5 446 247)	(28 762 896)	(51 133 256)
Accumulated depreciation exclusions	--	--	277 728	41 773	319 501
Net book value as at 31/12/2020	**301 342 376**	**3 163 710**	**35 016 631**	**216 051 056**	**555 573 773**
Balance as at 31/12/2020					
Cost	420 410 863	4 895 364	65 552 261	361 266 060	852 124 548
Accumulated depreciation	(119 068 487)	(1 731 654)	(30 535 630)	(145 215 004)	(296 550 775)
Net book value	**301 342 376**	**3 163 710**	**35 016 631**	**216 051 056**	**555 573 773**

(26) Real Estate Investments

	31 December 2020	31 December 2019
	EGP	EGP
Opening balance	139 670 987	139 523 977
Additions	--	53 387 278
Exclusions	(132 343 995)	(53 240 268)
Closing cost	7 326 992	139 670 987
Opening accumulated depreciation	(5 231 990)	(1 045 663)
Cost of depreciation	(2 095 002)	(4 186 327)
Closing accumulated depreciation	(7 326 992)	(5 231 990)
Net	**----**	**134 438 997**

(27) Balances due to Banks

	31 December 2020	31 December 2019
	EGP	EGP
Current accounts	221 943 787	54 866 100
Deposits	831 386 659	1 214 750 778
	1 053 330 446	**1 269 616 878**
Local banks	290 044 500	469 421 515
Foreign banks	763 285 946	800 195 363
	1 053 330 446	**1 269 616 878**
Balances without returns	221 943 787	54 866 100
return-bearing balances	831 386 659	1 214 750 778
	1 053 330 446	1 269 616 878
Current balances	1 053 330 446	1 269 616 878
	1 053 330 446	**1 269 616 878**

(28) Customers' Deposits

	31 December 2020	31 December 2019
	EGP	EGP
Demand deposits	3 565 479 312	4 533 046 958
Time and notice deposits	32 139 889 279	31 030 770 379
Certificates of deposit and saving	20 869 023 490	19 268 951 590
Savings deposits	9 022 179 273	8 389 343 002
Other deposits	874 556 743	1 146 029 282
	66 471 128 097	**64 368 141 211**
Corporate deposits	33 872 829 242	33 569 255 521
Individuals deposits	32 598 298 855	30 798 885 690
	66 471 128 097	**64 368 141 211**
Balances without return	4 440 036 055	4 066 362 419
Balances with variable return	62 031 092 042	60 301 778 792
	66 471 128 097	**64 368 141 211**
Current balances	50 007 644 805	42 288 017 670
Non-current balances	16 463 483 292	22 080 123 541
	66 471 128 097	**64 368 141 211**

(29) Other Finances

(A) Long-Term Restricted Finances

This item is represented in the "Musharaka" Contract concluded by and between the Bank & the Social Fund for Development with a capital of 200 million pounds (amended to be 100 million pounds only) to finance small enterprises with financing formulas conformable to the Islamic Shari'a.

The contract is implemented on four equal payments each of 50 million pounds, 50% by each of the contract parties, over six years, starting as of the date of the transfer of the first payment by the Fund to the Bank on February 28, 2013. On July 4, 2016 the Bank concluded a new contract with the Social Fund for Development in the amount of 100 million pounds for financing small enterprises by financing formulas conformable to the Islamic Shari'a. The contract is implemented on four equal payments each of 25 million pounds, 50% by each of the contract parties, over six years, starting as of the date of the transfer of the first payment by the Fund to the Bank on August 28, 2016.

The "Musharaka" profits (resulted from financing operations) shall be equally distributed over the Bank and the Social Fund for Development, after deducting a percentage of that return in favour of the Bank in its capacity as the Fund Manager.

The Bank undertakes to settle a return equal to the return rate applied by the Bank on deposits (3 months) for the least credit balance to the unused balance of the Fund's share in the "Musharaka" capital.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	**10 808 407**	14 509 561
Additions during the year	---	12 500 000
Settlements during the year	**(8 019 969)**	(16 201 154)
Closing balance	**2 788 438**	10 808 407

(B) Subordinated Finance by the Principal Investor

On March 16, 2008, an "Investment Mudaraba Deposit Contract" has been concluded with (Al Baraka Group) – the Principal Shareholder at the Bank – to support the Bank's subordinated capital in an amount of 20 million US Dollars, this deposit having fallen due on March 31, 2013.

On March 31, 2013, (Al Baraka Group) deposited the amount of 20 million US Dollars, through an offset between the values of the old and the new contracts, as an (investment mudaraba deposit), in order to support the Bank's subordinated capital. The maturity date of this deposit is on 30/6/2018 and its profits are calculated according to the return rates applied on the Bank's depositors in US Dollars over five years. The returns are paid annually after relinquishing 10% of the Bank's share as Mudarib.

(Al Baraka Group) is not entitled to withdraw this deposit unless with the approval of the Central Bank of Egypt. On October 20, 2015, the deposit maturity date has been extended so as to fall due on June 20, 2021. On June 7, 2017, the deposit maturity date has been extended once more to fall due on June 30, 2025.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	**320 830 000**	358 272 000
Differences of foreign currencies evaluation	(6 188 000)	(37 442 000)
Closing balance	**314 642 000**	320 830 000

(C) Subordinated Finance by the 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 25 million US Dollars. The contract's enforceability started as of February 23, 2017 for seven years. The deposit bears a return of 6.75% approximately, paid on quarterly basis.

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 bears return of 6.25% approximately, paid on quarterly basis.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	**721 867 500**	**806 112 000**
Differences of foreign currencies evaluation	**(13 923 000)**	**(84 244 500)**
Closing balance	**707 944 500**	**721 867 500**
Total other finances (A+B+C)	**1 025 374 938**	**1 053 505 907**

(30) Other Liabilities

	31 December 2020	31 December 2019
	EGP	EGP
Accrued returns	799 651 069	1 216 860 951
Advance revenues	59 380 135	63 047 349
Accrued expenses	148 947 966	84 993 041
Sundry credit balances	507 708 906	344 749 394
	1 515 688 076	**1 709 650 735**

(31) Other Provisions

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	78 101 670	86 654 656
Settlement of opening balance	---	59 394 827
Balance as at 1 January after settlement	78 101 670	146 049 483
Charged to the Income Statement – lawsuits & taxes	10 434 804	3 118 349
Charged (reverse) to the Income Statement – contingent liabilities	29 388 130	(33 621 664)
Used during the year	(138 918)	(36 148 944)
Differences of foreign currencies evaluation	(92 811)	(1 295 554)
Closing balance	**117 692 875**	**78 101 670**

The balances of other provisions are represented in the following:

	31 December 2020	31 December 2019
	EGP	EGP
Contingent liabilities provisions	86 106 101	56 810 782
Provision of probable claims & lawsuits	4 564 229	4 268 343
Tax provision	15 435 907	5 435 907
Provision of assets devolved to the bank, formed before 2010	11 586 638	11 586 638
	117 692 875	**78 101 670**

(32) Capital

The authorized capital amounts to 2 billion Egyptian Pounds and the issued & paid-up capital amounts to 1 546 447 231 Egyptian Pounds as at the reporting date, the nominal value per share being 7 Egyptian Pounds, all issued shares being settled in full.

	EGP	EGP	EGP
31 December 2020	**Number of shares**	**Ordinary shares**	**Total**
Balance as at January 1, 2020	220 921 033	1 546 447 231	1 546 447 231
Balance as at December 31, 2020	220 921 033	1 546 447 231	1 546 447 231

	EGP	EGP	EGP
31 December 2019	**Number of shares**	**Ordinary shares**	**Total**
Balance as at January 1, 2019	180 934 507	1 266 541 549	1 266 541 549
Part of the shareholder's dividends of the profits of 2017	19 902 796	139 319 572	139 319 572
Part of the shareholder's dividends of the profits of 2018	20 083 730	140 586 110	140 586 110
Balance as at December 31,2019	220 921 033	1 546 447 231	1 546 447 231

On March 28, 2020, the bank's General Assembly approved the increase in capital by EGP 309 289 456 through distributing bonus shares to the shareholders, and uptil completing the registration procedures for said increase, the amount has been proved as set-aside under capital increase account.

(33) Reserves

	31 December 2020	31 December 2019
	EGP	EGP
Reserves are represented in:		
General banking risks reserve	118 565 786	118 565 786
Legal reserve	448 666 040	343 282 281
General reserve	929 834 490	629 834 490
Capital reserve	9 239 000	9 239 000
General risk reserve	214 926 054	214 926 054
Reserve of the fair value "financial assets at the fair value through comprehensive income"	28 954 651	20 356 956
	1 750 186 021	1 336 204 567

(A) General Banking Risks Reserve

The instructions of the Central Bank of Egypt stipulate the necessity of constituting a general banking risks reserve to face unpredicted risks. No distributions are to be made of this reserve unless after obtaining the approval of the Central Bank of Egypt. According to the final instructions issued by the Central Bank of Egypt in February 2019, concerning the application of the IFRS9, the general banking risks reserve - credit has been transferred to the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	118 565 786	134 043 805
Opening balance settlement – transferred to the general risks reserve	--	(15 478 019)
	118 565 786	118 565 786
Transferred (to) from retained earings	--	--
Closing balance	**118 565 786**	**118 565 786**

(B) Legal Reserve

Pursuant to the Bank's Articles of Association, 10% of the year net profits is set aside for feeding a non-distributable reserve, until its balance becomes 100% of the capital.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	343 282 281	243 100 242
Transferred from retained earning	105 383 759	100 182 039
Closing balance	**448 666 040**	**343 282 281**

(C) General Reserve

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	629 834 490	209 834 490
Transferred from retained earnings	300 000 000	420 000 000
Closing balance	**929 834 490**	**629 834 490**

(D) Capital Reserve

It is supported by the profits ensuing of selling the fixed assets owned by the Bank, for the purpose of consolidating the Bank's financial position.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	9 239 000	7 421 885
Transferred from retained earnings	-	1 817 115
Closing balance	**9 239 000**	**9 239 000**

(E)Special Reserve

In implementation to the regulations of banks' financial statements preparation & presentation, as well as the recognition and measurement rules ratified by the Board of Directors of the Central Bank of Egypt, at its session held on December 16, 2008, the "Special Reserve" is represented in the influence of change in accounting treatments. According to the final instructions issued by the Central Bank of Egypt in February 2019, concerning the application of the IFRS9, the special reserve – credit has been transferred to the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	--	41 212 327
Opening balance settlements – transferred to the general risks reserve	--	(42 408 762)
Opening balance settlements – transferred to the retained earnings	--	1 196 435
Closing balance	**--**	**--**

(F) Reserve of the Risks of "IFRS9" – (International Financial Reporting Standard number 9)

In implementation to the instructions of the Central Bank of Egypt, issued on January 28, 2018, a reserve has been formed for the risks of the (International Financial Reporting Standard 9) "IFRS9", at 1% of the total risk-weighted credit risks as at 31/12/2017. According to the final instructions issued by the Central Bank of Egypt on February 26, 2019, concerning the application of the IFRS9, the reserve balance has been transferred to the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	--	237 165 510
Settlement of opening balance – transferred to the general risks reserve	--	(287 165 510)
Balance as at 1 January after settlements	--	(50 000 000)
Transferred from retained earning	--	50 000 000
Closing balance	**--**	**--**

(G) General Risks Reserve

According to the final instructions issued by the Central Bank of Egypt concerning the application of the IFRS9, the special reserve – credit, the banking risks reserve-credit and the IFRS9 reserve have been merged in one reserve in the name of the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	214 926 054	--
Transferred from the special reserve	--	42 408 762
Transferred from the banking risks reserve	--	15 478 019
Transferred from the reserve of IFRS9	--	287 165 510
Less: Settlements of opening balances of the expected credit loss provision	--	(130 126 237)
Closing balance	**214 926 054**	**214 926 054**

(H) Fair Value Reserve – Financial Assets at the Fair Value Through the Comprehensive Income

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	20 356 956	30 570 852
Net profit of change in the fair value	8 228 447	(11 097 711)
Expected credit losses of debit instruments through comprehensive income	369 248	883 815
Closing balance	**28 954 651**	**20 356 956**

(34) Retained Earnings

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at January 1	1 189 852 405	1 122 445 633
Opening balance settlements – transferred from the special reserve	--	(1 196 435)
	1 189 852 405	1 121 249 198
Distributions of the previous year profits		
(Personnel share, Board Members remuneration & Shareholders cash distributions)	(300 644 728)	(272 649 114)
Transferred (to) the legal reserve	(105 383 759)	(100 182 039)
Transferred (to) the general reserve	(300 000 000)	(420 000 000)
Transferred (to) the capital reserve	--	(1 817 115)
Transferred (to) the reserve of the IFRS9	--	(50 000 000)
Distributions to shareholders, used for capital increase	(309 289 456)	(140 586 110)
Net profit of year	1 247 734 382	1 053 837 585
Closing balance	**1 422 268 844**	**1 189 852 405**

(35) Cash & Cash Equivalents

For purposes of the Cash Flows Statement presentation, the item of "Cash & Cash Equivalents" includes the following balances, which maturity dates don't exceed three months to the acquisition date.

	31 December 2020	31 December 2019
	EGP	EGP
Cash & balances with the Central Bank	304 280 618	453 823 630
Balances with banks	13 469 732 912	23 586 607 346
Governmental securities	---	--
	13 774 013 530	**24 040 430 976**

(36) Contingent Liabilities & Commitments

(A) Judicial Claims

Several lawsuits have been filed versus the Bank and accordingly a provision has been formed for this purpose on December 31, 2020, in the amount of 4 564 229 Egyptian Pounds, against 4 268 343 Egyptian Pounds as at December 31, 2019.

(B) Capital Commitments

	31 December 2020	31 December 2019
	EGP	EGP
Capital commitments represented in contracts for purchasing fixed assets and branch fittings	66 732 931	28 180 419
Capital commitments represented in financial investments	---	--
	66 732 931	**28 180 419**

(C) Commitments for Finance, Guarantees & Facilities (Net Value)

The Bank's commitments related to finance, guarantees and facilities are represented in the following:

	31 December 2020	31 December 2019
	EGP	EGP
Acceptances	414 232 655	384 752 816
Letters of guarantee	1 850 508 738	1 460 462 906
Documentary credits	294 136 238	268 464 908
	2 558 877 631	**2 113 680 630**

(37) Tax Position of the Bank

Stock Companies Taxes

- No commitments are due on the Bank since starting transaction up to 31/12/2006, as all dues have been settled.
- The years from 2007 up to 2019 the tax returns for these years have been submitted to the Tax Authority on the due dates, revealing no commitment on the Bank.

Income Taxes

- Regarding the period from starting operating up to December 31, 2017, examination has been accomplished and the final settlement has been made. The Bank settled the due tax differences
- The years 2018 & 2019 haven't been examined, taking into consideration that taxes are paid on monthly basis.

Proportional Stamp-Duty Taxes:

- The Bank has been examined up to 31/7/2006, revealing no due commitments on our bank.
- The Bank has been examined from 1/8/2006 up to 31/3/2019, revealing no commitment as all dues have been settled.
- The period from 1/1/2020 till the date of the financial statements, the bank deducts the stamp duty and sending them to tax office, without receiving any notification for the examination.

(38) Transactions with Related Parties

(Al Baraka Group) (Bahrain) – the Principal Shareholder at the Bank – owns 73% of the ordinary shares, while the remaining 27% is owned by other shareholders. Several transactions have been entered in with related parties through the Bank's normal course of business.

Hereunder is a statement of the balances and results of transactions with the members of the Top Management, subsidiaries & sister companies:

(A) Deposits by Related Parties

	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	EGP	EGP	EGP	EGP
	Members of the Top Management & Close Family Members		Subsidiaries & Sister Companies	
Due to customers				
Balance as at 1 January	404 209 877	928 704 982	200 814 489	50 000 000
Deposits executed during the year	136 882 004	1 998 000	18 384 933	165 910 092
Deposits recovered during the year	(78 789 902)	(526 493 105)	(18 464 947)	(15 095 603)
Closing balance	**462 301 979**	**404 209 877**	**200 734 475**	**200 814 489**
Cost of deposits during the year	**33 145 213**	**33 307 681**	**15 785 670**	**16 951 188**

(B) Other Financing – Subordinated Finance by the Principal Investor:

On March 16, 2008, an "Investment Mudaraba Deposit Contract" has been concluded with (Al Baraka Group) – the Principal Shareholder at the Bank – to support the Bank's supplementary capital in an amount of 20 million US Dollars, this deposit having fallen due on 31 March 2013.

On 31 March, 2013, (Al Baraka Group) deposited the amount of 20 million US Dollars, through an offset between the values of the old and the new contracts, as an (investment mudaraba deposit), in order to support the Bank's subordinated capital. The maturity date of this deposit is on 30/6/2018 and its profits are calculated according to the return rates applied on the Bank's depositors in US Dollars over five years. Its return is paid annually after relinquishing 10% of the Bank's share as mudarib. (Al Baraka Group) is not entitled to withdraw this deposit unless with the approval of the Central Bank of Egypt. On 20 October 2015, the deposit maturity date has been extended so as to fall due on 20 June 2021. On 7 June 2017, the deposit maturity date has been extended once more to fall due on 30 June, 2025.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	320 830 000	358 272 000
Differences of foreign currencies evaluation	(6 188 000)	(37 442 000)
Closing balance	**314 642 000**	**320 830 000**

(C) Other Finances – Other Shareholders:

On 5 February 2017, an (Investment Mudaraba Deposit Contract) has been concluded with (Misr Insurance Company) (one of the shareholders of our Bank) to support the Bank's subordinated capital in the amount of 25 million US Dollars. The contract's enforceability started as of 23 February 2017 for seven years. The deposit bears return of 6.75% approximately, paid on quarterly basis.

On 2 July 2017, another contract 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, for eight years. The deposit bears return of 6.25% approximately, paid on quarterly basis.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	721 867 500	806 112 000
Differences of foreign currencies evaluation	(13 923 000)	(84 244 500)
Closing balance	**707 944 500**	**721 867 500**

(D) Benefits of the Board of Directors & Top Management:

	31 December 2020	31 December 2019
	EGP	EGP
Salaries and short-term benefits during the year	35 005 421	33 801 503
	35 005 421	33 801 503

(39) Mutual Funds

31 December 2020	Fund of Al Baraka Bank Egypt (Al Baraka)	National Bank of Egypt & Al Baraka Bank Egypt Fund (Bashayer)	Al Baraka Bank Egypt Fund (Al Motawazen)	Fund of Al Baraka Bank Egypt "Al Barakat"
Establishment date	30 March 2006	31 March 2009	10 May 2010	24 June 2019
License	Number 246 issued by the Capital Market General Authority	Number 432 issued by the Capital Market General Authority	Number 580 issued by the Egyptian Financial Supervisory Authority	Number 778 issued by the Egyptian Financial Supervisory Authority
Fund Manager	**Hermes Funds Management Company**	**The National Funds Management Company**	**Al Tawfik Company for Portfolio Management**	**Hermes Funds Management Company**
Total number of the fund documents "Wathika"	283 613	1 427 507	173 672	2 512 758
Nominal value of the total number of the fund documents in (LE)	28 361 300	142 750 700	17 367 200	251 275 800
Recoverable value of the total number of the fund documents in (LE)	29 498 588	102 366 527	16 102 868	285 097 523
Bank's share of the Fund documents (Wathika)	147 630	45 403	52 700	95 600
Nominal value of the Bank's share of the Fund documents (LE)	14 763 000	4 540 300	5 270 000	9 560 000
Recoverable value of the Bank's share of the Fund documents (LE)	15 354 996	3 255 849	4 886 344	10 846 776
Fees and commissions reported under the item of "Fees & Commissions Revenues" – Other Fees – in the Income Statement (LE)	165 462	201 470	76 329	1 169 521
Revenues of the Bank's contribution to the Fund, reported under "dividends" in the (Income Statement) (LE)	--	--	--	--

(40) Significant events

As spreading of coronavirus across different geographies globally, causing disruption to commercial and economic activities. The spread of Corona Virus (COVID 19) has created uncertainty in the global economic environment. Al Baraka Bank Egypt is closely monitoring the situation by activating the Business Continuity Plan and other special practices to managing risks related to the potential business disruption as a result of the COVID-19 outbreak and its impact on banking operations and financial performance.

As a result of the uncertainty caused by the outbreak of the coronavirus (COVID-19) and in anticipation of economic slowdown. Al Baraka Bank Egypt closely monitors the loans portfolio to determine the impact of the virus on the various quantitative and qualitative factors, in order to find out the significant increases in credit risks specially that related to debts of the sectors most affected by crisis. Accordingly, Al Baraka Bank Egypt has taken proactive measures by creating required provisions to reduce the impact of the pandemic on finance portfolio at the end of December 2020, as well as take all necessary procedures to minimize the negative impacts of the pandemic by making adequate additional provisions as a precautionary step till the end of the customers' entitlements postponed period , and the actual performance of the credit loan portfolio becomes clear.

On September 15, 2020, new law No. 194 of 2020 of Central Bank of Egypt and Banking System has been issued and repealed Law No. 88 of 2003 of the Central Bank, the Banking System and Monetary , the new law applies on entities, the most important are the Central Bank of Egypt and the Egyptian banking system. Those who are addressed by the provisions of new law are obliged to adjust their status in accordance with its provisions, within a period not exceeding one year from the date of its enforcement, and the Board of Directors of the Central Bank has the right to extend this period for one or more period not exceeding two years, provided that Central Bank of Egypt issues regulations and decisions implementing the provisions of said new law. The new Law stipulated that bank's financial statements has to be prepared every three months, attached by a summary of the auditor's report in accordance with the Egyptian auditing standards as well as the bank's board of directors report. These lists are published in one of daily newspaper, and on the website of each bank.

07
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 & AUDITORS' REPORT

Auditors' Report

Messrs/ Shareholders of Al Baraka Bank Egypt
Egyptian Joint-Stock Company

Report on the Consolidated Financial Statements

We have audited the attached consolidated financial statements of Al Baraka Bank Egypt, an "Egyptian Joint-Stock Company", and its subsidiaries (Group) represented in the consolidated financial position as at 31 December 2020 as well as the consolidated income, comprehensive Income, cash flows and change in equity statements for the financial year ending as at that date as well as a summary of the important accounting policies and such other clarifications.

Responsibility of the Management for the Consolidated Financial Statements

The preparation of these consolidated financial statements is the responsibility of the Bank's management since the management is responsible for the preparation and presentation of the consolidated financial statements fairly & clearly according to the principles of banks' financial statements preparation and presentation, the recognition and assessment bases ratified by the Board of Directors of the Central Bank of Egypt on December 16, 2008 amended by instructions issued in 26 February 2019 and in the light of related Egyptian laws and regulations . The management's responsibility also includes designing, implementing and maintaining an internal control relevant to the preparation and presentation of the consolidated financial statements fairly and clearly, free from any important and effective misstatements whether resulting from fraud or error. Such responsibility also comprises the selection of the appropriate accounting policies, the implementation thereof and preparing the accounting estimates appropriate to circumstances.

Responsibility of the Auditor

Our own responsibility is confined to express our opinion on these consolidated financial statements in the light of our auditing thereof. Our auditing process has been carried out according to the Egyptian Auditing Standards and in the light of the Egyptian Laws in force. These Standards require commitment to the requirements of professional conduct & planning and performing auditing so as to obtain an adequate assurance that the consolidated financial statements are free from any significant and effective errors.

The auditing works comprise carrying out certain procedures in order to obtain auditing evidences concerning the values and disclosures in the consolidated financial statements. The selected procedures depend on the professional judgement of the Auditor. This comprises an evaluation of the risks of important & effective misstatements in the consolidated financial statements, whether resulting from fraud or error. Upon the assessment of these risks, the auditor puts into his consideration the internal control relative to the Bank's preparation of the consolidated financial statements and the fair and clear presentation thereof in order to design the auditing procedures appropriate to circumstances, not for the purpose of expressing opinion on the efficiency of the internal control at the Bank. The auditing process also comprises an assessment of the extent of appropriateness of the accounting policies & the important accounting estimates prepared by the Management as well as the soundness of the consolidated financial statements presentation.

We are of the opinion that the auditing evidences which we obtained are sufficient and adequate and are deemed an appropriate basis for expressing our opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above clearly & fairly express in all their important aspects the consolidated financial position of Al Baraka Bank Egypt – an Egyptian Joint-Stock Company and its subsidiaries (Group) as at 31 December 2020, its financial performance & its consolidated cash flows for the financial year ending as at that date, according to the rules governing the preparation and presentation of banks' financial statements, the bases of recognition & measurement ratified by the Board of Directors of the Central Bank of Egypt on December 16, 2008 amended by instructions issued in 26 February 2019 and in the light of the Egyptian laws and regulations related to the preparation of the consolidated financial statements.

Auditors

Mohamed Mortada Abdel-Hamid	Hossam Eldin Abdel-Wahab Ahmed
BDO	KPMG حـــازم حسَــن محاسبون قانونيون ومستشارون
Recorded at the "Egyptian Financial Supervisory Authority" number 157	Recorded at the "Egyptian Financial Supervisory Authority" number (380)
BDO - Khaled & Partners	KPMG Hazem Hassan
	Chartered Accountants & Consultants

Cairo on: 1 March 2021

CONSOLIDATED BALANCE SHEET

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note No.	31 December2020 EGP	31 December2019 EGP
Assets			
Cash & balances with the Central Bank of Egypt	(15)	**6 409 888 585**	6 430 167 430
Balances with banks	(16)	**13 468 307 993**	23 585 450 072
Governmental Securities	(17)	**13 640 276 356**	7 109 476 036
Investment operations with banks	(18)	**1 987 284 235**	2 293 669 207
"Murabaha, Mudaraba & Musharaka" to customers	(19)	**19 565 348 889**	16 793 497 768
Financial Investments			
At fair value through profits & losses	(20)	**57 399 037**	43 888 548
At fair value through the comprehensive income	(20)	**490 171 429**	150 715 195
At amortized cost	(20)	**17 819 709 472**	14 031 173 222
Intangible assets	(21)	**22 785 274**	9 694 169
Other assets	(22)	**1 343 469 366**	1 418 965 064
Fixed assets	(24)	**555 668 998**	517 897 950
Real estate investments	(25)	**---**	134 438 997
Total Assets		**75 360 309 634**	72 519 033 658
Liabilities & Equity			
Liabilities			
Balances due to banks	(26)	**1 053 330 446**	1 269 616 878
Customers' Deposits	(27)	**66 270 393 622**	64 167 326 724
Other Financing	(28)	**1 025 374 938**	1 053 505 907
Other liabilities	(29)	**1 515 902 798**	1 708 749 667
Other provisions	(30)	**117 692 875**	78 101 670
Current income tax liabilities		**320 294 470**	149 535 949
Deferred tax liabilities	(23)	**3 459 195**	2 556 059
Total liabilities		**70 306 448 344**	68 429 392 854
Equity			
Issued & paid up capital	(31)	**1 546 447 231**	1 546 447 231
Set aside on account of the capital increase	(31)	**309 289 456**	---
Reserves	(32)	**1 750 829 715**	1 336 204 567
Retained earnings	(33)	**1 442 861 493**	1 202 726 274
Total equity attributable to the Bank's shareholders		**5 049 427 895**	4 085 378 072
Non-controlling interest		**4 433 395**	4 262 732
Total Equity		**5 053 861 290**	4 089 640 804
Total liabilities & equity		**75 360 309 634**	72 519 033 658

Ashraf Ahmed El-Ghamrawy	Abdul Aziz Mohamed Yamani
Vice-Chairman & Chief Executive	Chairman

- The attached footnotes from (1) to (39) are an integral part of the financial statements.
- Auditor's report is attached.

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note No.	31 December2020 EGP	31 December2019 EGP
Return of "Murabaha, Mudaraba & Musharaka" and similar revenues	(6)	**7 576 474 395**	8 111 793 861
Cost of deposits and similar costs	(6)	**(5 110 382 963)**	(6 215 291 618)
Net income of return		**2 466 091 432**	1 896 502 243
Fees and commissions income	(7)	**239 400 358**	288 120 871
Fees and commissions expenses	(7)	**(42 532 877)**	(16 113 072)
Net income of fees and commissions		**196 867 481**	272 007 799
Dividends income	(8)	**3 388 481**	7 893 357
Net trading income	(9)	**73 704 587**	95 268 855
Financial investments gains	(20)	**--**	98 920
Differences of evaluating financial assets at the fair value through profits & losses	(20)	**2 348 538**	(467 453)
(Burden) of expected credit loss impairment	(12)	**(371 594 653)**	(247 025 105)
Administrative expenses	(10)	**(661 831 367)**	(570 499 831)
Subsidy of the "Zakah & Charity Donations Fund"		**(10 428 709)**	(10 859 464)
Other operating revenues (expenses)	(11)	**308 681 063**	77 484 267
Year profits before income tax		**2 007 226 853**	1 520 403 588
Income Tax (expenses)	(13)	**(750 959 334)**	(453 429 402)
Net year profits		**1 256 267 519**	1 066 974 186
Attributable to			
The share of the Bank shareholders		**1 256 096 856**	1 066 711 454
The share of the non-controlling interest		**170 663**	262 732
Net year profits		**1 256 267 519**	1 066 974 186
Earnings per share	(14)	**4.90**	4.11

Ashraf Ahmed El-Ghamrawy

Vice-Chairman & Chief Executive

Abdul Aziz Mohamed Yamani

Chairman

- The attached footnotes from (1) to (39) are an integral part of the financial statements.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	31 December2020 EGP	31 December2019 EGP
Net Profit of the year	**1 256 267 519**	1 066 974 186
Items of the Other comprehensive income, which are not to be reclassified in the Income Statment		
Net change in the fair value of financial assets at the fair value through comprehensive income(Equity Instruments)	**9 145 167**	(12 806 519)
Items of the other comprehensive income, that may be reclassified in the Income Statement		
Net change in the fair value of financial assets at the fair value through comprehensive income(Debt Instruments)	**(916 720)**	1 708 808
Expected credit losses of debt Instruments at fair value through comprehensive income	**369 248**	883 815
Total items of the other comprehensive income	**8 597 695**	(10 213 896)
Total comprehensive income of the year	**1 264 865 214**	1 056 760 290
Attributable to		
The share of the Bank's shareholders	**1 264 694 551**	1 056 497 558
The share of the non-controlling interest	**170 663**	262 732
Total comprehensive income of the year	**1 264 865 214**	**1 056 760 290**

- The attached footnotes from (1) to (39) are an integral part of the financial statements.

CONSOLIDATED CASH FLOWS STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note No.	31 December2020 EGP	31 December2019 EGP
Cash flows of operating activities			
Net year profits before income tax		**2 007 226 853**	1 520 403 588
Adjustment to reconcile net profits with cash flows of operating activities:			
Fixed assets depreciation, real estate investments & amortization	(21/24/25)	**68 661 033**	52 860 667
Bonds premium/discount amortization	(20)	**13 720 618**	(1 960 993)
Assets impairment burden	(12)	**371 594 653**	247 025 105
Other provisions burden	(11)	**39 822 934**	(30 503 315)
Differences of reevaluating other provisions in foreign currencies	(30)	**(92 811)**	(1 295 554)
(Gains) of selling financial investments	(20)	**---**	(98 920)
Differences of evaluating financial assets at the fair value through profits and losses	(20)	**(2 348 538)**	467 453
Differences of reevaluating financial investments in foreign currencies	(20)	**34 110 553**	292 330 127
Gains of selling real estate investments		**(347 656 005)**	(70 909 725)
Dividends income	(8)	**(3 388 481)**	(7 893 357)
Used part of other provisions	(30)	**(138 918)**	(36 148 944)
Differences of evaluating subordinated finances	(28/B&C)	**(20 111 000)**	(121 686 500)
Operating profits before changes in assets and liabilities of operating activities		**2 161 400 891**	1 842 589 632
Net decrease (increase) in assets & liabilities			
Balances with central banks within the limit of the "required reserve ratio"	(15)	**(129 264 167)**	(1 694 444 079)
Balances with banks of more than three-month term		**---**	--
Governmental securities of more than three-month term	(17)	**(6 520 424 960)**	3 338 218 831
Investment operations with banks	(18)	**163 493 674**	1 181 694 096
"Murabaha, Musharaka & Mudaraba" for customers	(19)	**(3 083 542 189)**	(1 310 203 605)
Financial assets at the fair value through profits & losses	(20)	**(11 161 951)**	---
Other Assets	(22)	**71 380 220**	(331 150 089)
Balances due to banks	(26)	**(216 286 432)**	(227 314 831)
Customers' Deposits	(27)	**2 103 066 898**	9 684 925 856
Other Liabilities	(29)	**(196 557 279)**	124 934 305
Payments of current income tax		(575 587 267)	(509 234 182)
Net cash flows ensuing of operating activities		**(6 233 482 562)**	12 100 015 934

	Note No.	31 December2020 EGP	31 December2019 EGP
Cash flows of investment activities			
(Payments) for purchasing fixed assets, branches preparation and fitting & intangible assets	(22/25)	**(30 140 393)**	(42 838 727)
Payments for purchasing real estate investments		**---**	(147 010)
Collections of selling real estate investments		**480 000 000**	124 150 000
Collections of recovering financial investments other than financial assets for trading	(20)	**1 649 617 250**	653 862 020
(Purchases) of financial investments other than financial assets for trading	(20)	**(5 827 135 525)**	(3 991 531 640)
Distributions of collected profits	(8)	**3 388 481**	7 893 357
Net cash flows (used in) ensuing of investment activities	(8)	**(3 724 270 187)**	(3 248 612 000)
Cash flows of financing activities			
Collections of long-term restricted finances	(28/A)	**---**	12 500 000
(Payments) of long-term restricted finances	(28/A)	**(8 019 969)**	(16 201 154)
Paid Dividends	(33)	**(300 644 728)**	(272 649 114)
Net cash flows (used in) financing activities		**(308 664 697)**	(276 350 268)
Net increase in cash and cash equivalents		**(10 266 417 446)**	8 575 053 666
Opening balance of cash and cash equivalents		**24 040 430 976**	15 465 377 310
Closing balance of cash & cash equivalents		**13 774 013 530**	24 040 430 976
Cash & cash equivalents are represented in the following:			
Cash & balances with the Central Bank		**6 409 888 585**	6 430 167 430
Balances with banks		**13 469 732 912**	23 586 607 346
Governmental Securities		**13 659 865 548**	7 139 440 588
Balances with central banks within the limits of the required reserve ratio		**(6 105 607 967)**	(5 976 343 800)
More than three-month-term balances with banks		**----**	----
More than three-month-term governmental securities		**(13 659 865 548)**	(7 139 440 588)
Cash & cash equivalents	**(34)**	**13 774 013 530**	**24 040 430 976**

Non-Cash Transactions

For purposes of preparing the cash flows statement, the change in the item of "Murabaha, Musharaka & Mudaraba" to customers has been reconciled in a value equal to the change in the item of the assets devolving to the bank (included in the item of "Other Assets"), in an amount of EGP 82 879 660, currency evaluation differences in the amount of EGP 7 505 170, written off debts in the amount of EGP 6 130 026 as well as recovered amounts of previous written off debts in the amount of EGP 15 378 882. The influence of transferring the amount of EGP 87 287 791 of other assets to the item of (Fixed Assets) has been eliminated.

- The attached footnotes from (1) to (39) are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

	Note no.	Paid-up capital	Set aside on account of capital increase	Reserves	Retained earnings	Bank's shareholders equity	Non-controlling interests	Total
		EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balances as at January 1, 2019		1 266 541 549	139 319 572	903 349 111	1 122 445 633	3 431 655 865	1 000 000	3 432 655 865
Starting balance settlements		---	---	(128 929 802)	(1 196 435)	(130 126 237)	--	(130 126 237)
Balances as at 1 January 2019 after settlements		1 266 541 549	139 319 572	774 419 309	1 121 249 198	3 301 529 628	1 000 000	3 302 529 628
Net change in the items of other comprehensive income	(32/F)	---	---	(10 213 896)	---	(10 213 896)	--	(10 213 896)
Net year profits		---	---	---	1 066 711 454	1 066 711 454	262 732	1 066 974 186
Total income of the year		1 266 541 549	139 319 572	764 205 413	2 187 960 652	4 358 027 186	1 262 732	4 359 289 918
Non-controlling Interest		--	--	--	--	--	3 000 000	3 000 000
Distributions of previous year profits (Personnel share, remuneration of the Board Members & shareholders in cash)	(25)	---	---	---	(272 649 114)	(272 649 114)	--	(272 649 114)
Dividends to shareholders used in increasing the capital, of the profits of 2017		139 319 572	(139 319 572)	--	--	--	--	---
Dividends to shareholders used in increasing the capital, of the profits of 2018	(25)	140 586 110	--	--	(140 586 110)	--	--	---
Transferred to the risk reserve according to the IFRS9	(32/L/ 33)	---	---	50 000 000	(50 000 000)	--	--	---
Transferred to the legal reserve	(32/B/33)	---	---	100 182 039	(100 182 039)	--	--	---
Transferred to the general reserve	(32/C/33)	---	---	420 000 000	(420 000 000)	--	--	---
Transferred to the capital reserve	(32/D/33)	---	---	1 817 115	(1 817 115)	--	--	---
Balances as at 31 December 2019		**1 546 447 231**	**---**	**1 336 204 567**	**1 202 726 274**	**4 085 378 072**	**4 262 732**	**4 089 640 804**

	Note no.	Paid-up capital	Set aside on account of capital increase	Reserves	Retained earnings	Bank's shareholders equity	Non-controlling interests	Total
	No.	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balances as at January 1, 2020		1 546 447 231	---	1 336 204 567	1 202 726 274	4 085 378 072	4 262 732	4 089 640 804
Net change in the items of the other comprehensive income	(32/F)	---	---	**8 597 695**	---	**8 597 695**	--	**8 597 695**
Net year profit		---	---	---	**1 256 096 856**	**1 256 096 856**	**170 663**	**1 256 267 519**
Total income of the year		**1 546 447 231**	---	**1 344 802 262**	**2 458 823 130**	**5 350 072 623**	**4 433 395**	**5 354 506 018**
Distributions of previous year profits (Personnel share & remuneration of the Board Members and shareholders)	(33)	---	---	---	**(300 644 728)**	**(300 644 728)**	---	**(300 644 728)**
Dividends to shareholders used in increasing the capital, of the profits of 2019	(33)	---	**309 289 456**	---	**(309 289 456)**	---	---	---
Transferred to the legal reserve	(32/B/33)	---	---	**106 027 453**	**(106 027 453)**	---	---	---
Transferred to the general reserve	(32/C/33)	---	---	**300 000 000**	**(300 000 000)**	---	---	---
Balances as at 31 December 2020		**1 546 447 231**	**309 289 456**	**1 750 829 715**	**1 442 861 493**	**5 049 427 895**	**4 433 395**	**5 053 861 290**

- The accompanying notes from (1) to (39) are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

(1) Profile:

(Al Ahram Bank) – an Egyptian Joint-Stock Company – has been incorporated as a commercial bank on March 19, 1980, under Law 43 for the year 1974 and its amendments, replaced by the Investment Law.

Pursuant to the resolution of the Extraordinary General Meeting held on September 21, 1988, the Bank's name was amended to become (The Egyptian Saudi Finance Bank). On April 30, 2009, the Bank's Extraordinary General Meeting decided to change its name to (Al Baraka Bank Egypt). The Bank renders all corporation and retail banking services and investment pursuant to the provisions of the Islamic Shari'a in the Arab Republic of Egypt, through 32 branches. It hires 984 employees on the date of preparing the balance sheet. Its head office is located at El Teseen Southern Street, the Central Area, First Sector, the Fifth Settlement, New Cairo. It is recorded in the Egyptian Stock Exchange.

The Bank doesn't deal in financial derivatives, futures contracts or loans, pursuant to the nature of its Islamic business conduct. This applies to any of these terms wherever mentioned in the footnotes complementary to the financial statements.

The Bank's Board of Directors ratified the issuance of the financial statements for the financial year ending as at December 31, 2020, at its session held on March 1st , 2021.

(2) Summary of the Accounting Policies

Hereunder is a statement of the most important accounting policies adopted upon preparing these financial statements. Such policies have been steadily adopted all over the reported years, unless otherwise is disclosed.

(A) Bases of Consolidated Financial Statements Preparations

The consolidated financial statements are prepared pursuant to the Egyptian Accounting Standards issued during 2006 and their amendments, according to the instructions of the Central Bank of Egypt, ratified by its Board of Directors on December 16, 2008, conformable to the standards referred to, without prejudice to the stipulation of the final instructions issued by the Central Bank of Egypt on February 26, 2019, concerning the implementation the IFRS (9) (Financial Instruments: Classification & Measurement).

These financial statements of the Bank have been prepared according to the provisions of the related domestic laws.

(B) Changes in the Accounting Policies

As of January 1, 2019, the Bank has applied the instructions of the Central Bank of Egypt issued on February 26, 2019, concerning the preparation of Banks' financial statements according to the requirements of the International Financial Reporting Standards. Hereunder is a brief account of the main changes having occurred to the accounting policies as a result of applying these instructions:

Classification of Financial Assets & Liabilities

Upon initial recognition, the financial assets are classified as: financial assets at amortized cost, at the fair value through the comprehensive income or at the fair value through profits and losses.

Financial assets are classified according to the "Business Model" through which these financial assets and their contractual cash flows are managed.

The financial asset is measured at the amortized cost, if fulfilling the two following conditions and if not measured at the fair value through profits & losses:

- When the asset is retained within a business model aiming at keeping assets for the collection of contractual cash flows &
- When the contractual terms of the financial assets result in cash flows on certain dates that are solely payments of the principal and interest on the outstanding principal amount,

The debt instruments are measured at the fair value through the other comprehensive income if fulfilling the two following conditions, and if not classified at the fair value through profits & losses:

- If the asset is retained within a business model which target shall be deemed realized through the collection of contractual cash flows and sale of financial assets &
- When the contractual terms of the financial assets result in cash flows on certain dates that are solely payments of the principal and interest on the outstanding principal amount,

Upon initial recognition of the investment in shares which are not held for trading, the Bank may irrevocably decide to measure the subsequent changes in the fair value among the items of the other comprehensive income. This decision is made for each investment independently.

All other financial assets are considered as classified at the fair value through profits and losses.

Besides, the Bank may, upon initial recognition, irrevocably decide to measure a financial asset - that fulfills the requirements of measurement at the amortized cost or the fair value through the other comprehensive income – at the fair value through profits of losses, if this results in eliminating or largely extenuating accounting noncompliance that may otherwise result.

Business Model Evaluation

The Bank evaluates the business model in which it retains the asset all over the portfolio, since this optimally reflects the method of the business management and reporting information to the Management. The considered pieces of information comprise:

The portfolio proclaimed targets & policies, the mechanism of these policies practically, and in particular to figure out whether the Management's strategy concentrates on earning the contractual interests revenues or comparing the duration of financial assets with that of financial liabilities, for financing these assets or the realization of cash flows through selling assets

The method of evaluating the portfolio performance and reporting this to the Bank Management

The risks that influence the performance of the business model and the financial assets kept in the model as well as the manner of managing such risks

The number of transactions, the volume and timing of sales at previous periods, the reasons of such sales and the expectations regarding the sales activity in future – However the information pertaining to the sales activities are not independently considered, but as a part of a comprehensive evaluation of the manner of realizing the Bank's announced target of managing financial assets and the manner of realizing cash flows

The financial assets held for trading, or which performance is evaluated on basis of the fair value, are measured at the fair value through profits and losses, since they are held neither for collecting contractual cash flows solely nor for collecting contractual cash flows with the sale of financial assets.

Evaluation whether the contractual cash flows are merely payments of the principal amount & interest:

For purposes of this evaluation, the principal amount is defined as the fair value of the financial asset upon initial recognition and the interest is defined as the material counter-value of the time value of money, the credit risks pertaining to the outstanding principal amount during a specific period, the other main risks and costs pertaining to lending as well as the profit margin.

Upon evaluating whether the contractual cash flows are solely payments of the principal and interest on the outstanding principal amount, the Bank takes into account the instrument contractual terms. This comprises the evaluation of whether the financial asset contains contractual terms that may change the time and amount of the contractual cash flows, since in this way this term shall not be considered as fulfilled.

Decrease of the Financial Assets Value

The "International Financial Reporting Standard – IFRS – 9" replaces the "Incurred Loss" Model stipulated in the Egyptian Accounting Standard number "26" by the "Expected Credit Loss – ECL" Model. According to IFRS-9, credit losses are recognized earlier if compared to what is adopted by the Egyptian Accounting Standard "26".

The Bank applies a three-stage methodology for measuring the expected credit loss for the financial assets reported at the amortized cost and the debt instruments classified at the fair value through the items of the other comprehensive income. Assets move among the following three stages, based on the change in the credit quality, compared to the moment of their initial recognition:

First Stage: The financial assets which haven't witnessed significant increase in credit risks since initial recognition, for which the expected credit loss is calculated over a 12-month period

Second Stage: The financial assets which have witnessed significant increase in credit risks since initial recognition, without any objective evidence to the impairment of their value, for which the expected credit loss is calculated all over the asset useful life and the financial assets revenues continues to be calculated according to the asset total book value

Third stage: The financial assets having witnessed impairment in value according to the indicators determined in the instructions of the Central Bank of Egypt, which expected credit loss should be calculated over the asset useful life, on basis of the difference between the financial asset book value and the current value of the expected future cash flows

Date of initial application of the "IFRS-9"

According to the final instructions issued by the Central Bank of Egypt, concerning the application of the "IFRS-9", each of the "special reserve – credit", the "banking risks reserve – credit" and the "IFRS-9 risk reserve" have been merged in one reserve named: "the general risk reserve", in the amount of LE 345 052 291.

The opening balances of the impairment loss provisions, calculated according to the instructions in force up to December 31, 2018, have been amended to conform to the balances calculated according to the IFRS-9, by means of discounting the amount of LE 130 126 237 of the balance of the general risk reserve, in implementation to the instructions of the Central Bank of Egypt in this concern.

The following table demonstrates the financial assets and liabilities at the net value, according to the instructions of the Central Bank of Egypt issued on December 16, 2008 and the IFRS-9, according to the instructions of the Central Bank of Egypt issued on February 26, 2019:

Financial assets	Measurement category according to the instructions of the CBE on Dec. 16, 2008	Measurement category according to the instructions of the CBE on Feb. 26, 2019	Book value according to the instructions of the CBE on Dec. 16, 2008	Impact of applying the IFRS-9		Book value of financial instruments according to IFRS-9
				Reclassification	Re-measurement	
Governmental securities	Amortized cost	Amortized cost	10 477 659 419	--	(7 631 758)	10 470 027 661
Investment with banks	Amortized cost	Amortized cost	3 481 593 377	--	(3 208 483)	3 478 384 894
Murabaha, Mudaraba & Musharaka for customers	Amortized cost	Amortized cost	15 746 156 160	--	(50 051 214)	15 696 104 946
Financial investments – equity instruments	Available for sale	Fair value through the comprehensive income statement	68 544 095	--	--	68 544 095
Financial investments – debt instruments	Held to maturity	Amortized cost	11 124 941 625	--	(9 472 077)	11 115 469 548
Financial investments – investment funds documents	Held to maturity	Fair value through profits and losses	24 650 796	5 959		24 656 755

(C) Basis of Consolidation

The consolidated financial statements represent the financial statements of the Group, comprising the Bank (the mother entity) and all other entities subject to its control (subsidiaries). Acquisition of subsidiaries is accounted for, using the purchase method.

Subsidiaries

They are the companies (including the Special Purpose Entities/SPEs), which the Bank has, directly or indirectly, the capability of controlling their financial and operating policies. Usually, the Bank holds an equity exceeding one half of the voting rights, taking into account the existence and influence of the future voting rights that can be practiced or transferred at present upon assessing whether the Bank is capable of having control on the Company.

During the financial year ending as at December 31, 2018, the Bank incorporated "Al Baraka Company for Financial Investments", annotated in the commercial register on October 17, 2018, with a capital amounting to 200 million Egyptian Pounds. The percentage of the Bank's participation to the capital of this company is 98%.

Transactions excluded upon calculating consolidated statements

Upon preparing the consolidated financial statements, the balances, revenues and expenses resulting of the transactions among the Group companies are excluded (except for the gains and losses of foreign currencies exchange). Unrealized losses are excluded the same way of handling unrealized gains, only to the extent that won't lead to a decrease in value.

Lapse of Controlling Interest

Upon the lapse of the controlling interest, the Group derecognizes the assets and liabilities of subsidiaries, the non-controlling interests and such other components of the shareholders' equity of this company. Any surplus or deficit resulting of the lapse of the controlling interest shall be recognized in the Income Statement. If the Group maintains any participation in the subsidiary, such subscription shall be measured at the fair value upon date of the lapse of the controlling interest. It shall be subsequently accounted for as a company invested in, using the shareholders' equity method or according to the accounting policy adopted by the Group regarding financial instruments, based on the maintained controlling level.

Non-Controlling Interests

The non-controlling interests consist of the value of these interests upon time of initial consolidation, in addition to the share of the holders of non-controlling interests in the changes that occur to the shareholders' equity since the consolidation date. However, if the share of the non-controlling interests in the losses of subsidiaries exceeds the book value of these interests, this excess shall be charged to the equity of the Group shareholders, unless this contradicts with any contracts binding to the holders of the non-controlling interests, obliging them to incur such losses.

(D) Sister Companies

Sister Companies are the entities on which the Bank has, directly or indirectly, influential power but not to the extent of entire control and usually the Bank maintains an equity ranging from 20% to 50% of the voting rights.

Sister Companies are accounted for in the Bank's financial statements using the cost method. According to this method, investments are established at the acquisition cost, including goodwill, less any losses of impairment in value. Profit distributions are reported in the Income Statement upon their ratification and attesting the Bank's entitlement to collect them.

E- Sector Reports

The "activity sector" is a group of assets and the operations carried out for providing products or services having common risks and benefits distinguished from those related to other activity sectors. The "geographical sector" indicates providing products or services within a certain economic environment having its own risks and benefits which differ from those related to the geographical sectors operating at a different economic environment.

F- Foreign Currencies Translation

F-1 Functional & presentation currencies

The items included in the financial statements of the Bank's foreign branches are measured using the currency of the economic environment where the foreign branch practices its business (Functional Currency).

The Bank's financial statements are displayed in Egyptian Pounds, which represents both the functional and presentation currencies of the Bank.

F-2 Transactions & balances in foreign currencies

The Bank keeps its accounts in Egyptian Pounds. The transactions in other currencies during the financial year are established on basis of the exchange rates prevailing upon the transaction implementation. The balances of cash assets and liabilities in other currencies are reevaluated by the end of the financial year on basis of the exchange rates prevailing on that date. The profits & losses ensuing of the settlement of these transactions are recognized in the Income Statement and the reevaluation differences are recognized in the following items:

- Net trading income or the net income of the financial instruments classified upon their institution at the fair value through profits or losses for the assets/liabilities held for trading or those classified upon institution at the fair value through profits or losses, per each type
- Other operating revenues (expenses) for the remaining items

The changes in the fair value of the cash financial instruments in foreign currencies, classified as "Available-for-Sale" Investments (debt instruments) are analyzed either as evaluation differences resulting of the changes in the instrument amortized cost, differences resulting of changing the prevailing exchange rates and differences resulting of the change of the instrument fair value.

The evaluation differences related to the changes of the amortized cost are recognized in the Income Statement under the item of "Murabaha, Musharaka & Mudaraba Return" and similar revenues, while the differences related to the change of the exchange rates are recognized under the item of "Other Operating Revenues (Expenses)". The differences of the change in the fair value are recognized among "shareholders' Equity" (Fair Value Reserve/Financial Investments Available for Sale).

The non-cash items evaluation differences comprise the gains and losses ensuing of the change in the fair value such as the shareholders' equity instruments held at the fair value through profits and losses. The evaluation differences resulting of the shareholders' equity instruments classified as "Available-for-Sale Financial Investments" are recognized in the "fair value reserve" under shareholders' equity.

F-3 Foreign branches

The work proceeds and financial position of foreign branches are translated to the presentation currency (if none of them is operating in a rapidly inflating economy), which functional currency is different from the Bank's presentation currency, as follows:

- The assets and liabilities in every displayed balance sheet of the foreign branch is translated using the closing rate on the date of that balance sheet.
- The revenues and expenses in every displayed income statement are translated using the average exchange rate, unless this average doesn't represent a reasonable approximation of the accumulated effect of the rates prevailing on the transaction dates. In this case, the revenues and expenses are translated using the exchange rates prevailing upon the transactions' dates.

The ensuing currency differences are recognized in an independent item (foreign currencies translation differences) under the "Shareholders' Equity". Likewise, the currency differences resulting of evaluating the net investment in foreign branches, the loans and the financial instruments in foreign currency allocated for hedging this investment are also carried forward to the "Shareholders' Equity" under the same item. These differences are recognized in the Income Statement upon writing off the foreign branch, under the Item of (Other Operating Revenues "Expenses").

G- Financial Assets

(G/1) Applied accounting policies up to December 31, 2018

The Bank classifies financial assets in the following groups: Financial assets classified at the fair value through profits & losses, facilities, debts, financial investments held-to-maturity & "available-for-sale" financial investments. The Management classifies investments upon their initial recognition.

(G/1/1) Financial assets classified at the fair value through profits & losses

- This group comprises financial assets held for trading and the assets classified upon their institution at the fair value through profits & losses.
- The financial instrument is classified as held for trading if acquired and if its value is basically incurred for the purpose of selling thereof on short-term or else if it represents a part of a certain financial instruments portfolio managed as a whole and in case of an evidence to recent actual transactions indicating the obtainment of gains on the short term. Derivatives are classified as held for trading, unless allocated as hedging instruments.

(G/1/2) Facilities & debts

They represent non-derivative financial assets having a fixed value, or a value liable to be determined, and which are not traded in an active market, except for:

- The assets which the Bank intends to sell immediately or on short term, which in this case are classified among the assets held for trading
- The assets which the Bank classifies as available for sale upon initial recognition
- The assets which the Bank shall not be basically able to recover the value of its original investment for reasons other than the deterioration of the credit capacity.

(G/1/3) "Held-to-maturity" financial investments

The "Held-to-Maturity" Financial Investments represent non-derivative financial assets of a fixed value, or a value liable to be determined, and a fixed maturity date and which the Bank Management intends to and is capable of holding up to their maturity date. The whole group is reclassified as "available-for-sale" if the Bank sells a significant amount of the financial assets held-to-maturity, except in cases of necessity.

(G/1/4) "Available for sale" financial investments

The "Available for Sale" Financial Investments represent non-derivative financial assets intended to be held for an indefinite period. They may be sold in response to the need of liquidity or the changes in the return or exchange rates or shares.

The following measures are adopted regarding financial assets:

- The regular purchase and sale operations of financial assets are recognized on the trading date, which is the date on which the Bank undertakes to purchase or sell the asset. This applies to the assets classified at the fair value through profits and losses, the "Held-to-Maturity" Financial Investments and the "Available for Sale" Financial Investments.
- The financial assets which are not classified upon their institution at the fair value through profits and losses are initially recognized at the fair value, added to which are the transaction costs. The financial assets classified upon their institution at the fair value through profits and losses are classified at the fair value only, with charging the costs of the transaction to the Income Statement, under the Item of "Net Trading Income".
- Financial assets are written off upon the termination of the validity of the contractual right to obtain cash flows of the financial asset or when the Bank transfers most of the risks and benefits related to ownership to any third party. Liabilities are written off upon their termination, whether by disposal or abrogation thereof or in case of the termination of their contractual duration.
- Each of the financial investments available for sale & the financial assets classified at the fair value through profits and losses shall be subsequently measured at the fair value, while the facilities, debts and investments held-to-maturity shall be measured at the amortized cost.
- On the one hand, the gains and losses ensuing of the changes in the fair value of the "financial assets classified at the fair value through profits and losses" shall be recognized in the Income Statement in the year during which they occur, on the other hand the gains and losses ensuing of the changes in the "fair value of financial investments available for sale" shall be directly recognized under the "Shareholders' Equity", until writing off the asset or the impairment of its value, at which point the accumulated gains and losses previously recognized under "Shareholders' Equity" shall then be recognized in the (Income Statement).
- The return calculated using the amortized cost method & the profits & losses of foreign currencies of the cash assets classified as available for sale are recognized in the Income Statement, and so are the profit distributions ensuing of the equity instruments classified as available for sale, when the Bank becomes entitled to collect them.
- The fair value of the investments which prices are proclaimed at active markets shall be determined on basis of the bid prices. However, in case there is no active market for the financial asset or in case of the unavailability of bid prices, the Bank shall determine the fair value using one of the evaluation methods. This includes using recent neutral transactions or analyzing the discounted cash flows, using the "Option Pricing Models" or the other evaluation methods prevailing among the traders at the market. If the Bank fails to evaluate the fair value of the equity' instruments classified as available for sale, their value shall be measured at the cost price after discounting any impairment in value.
- The Bank reclassifies the financial asset classified among the group of (Financial Instruments Available for Sale), defined as debts (bonds), by transferring thereof from the group of financial instruments available for sale to the group of the financial assets held-to-maturity, when the Bank intends to and is capable of maintaining these financial assets in the near future or up to maturity. Reclassification is made at the fair value on that date and any gains or losses pertaining to these assets, previously recognized under Shareholders' Equity, shall be handled as follows:
- In case of the reclassified financial asset having a fixed maturity date, the gains & losses shall be depreciated over the remaining lifespan of the held-to-maturity investment, using the real return method. Any difference between the value on basis of the depreciated cost and the value on basis of the maturity date shall be depreciated over the remaining lifespan of the financial asset, using the real return method. In case of subsequent impairment of the financial asset value, any previously recognized gains or losses shall be directly recognized among the owners' equity in profits & losses.
- In case of the financial asset having no fixed maturity date, the profits or losses shall remain among the shareholders' equity until selling the asset or disposing thereof, after which they shall be recognized in the (profit & loss account). In case of subsequent impairment of the financial asset value, any previously recognized gains or losses shall be directly recognized among the shareholders' equity.
- If the Bank amends its estimates of payments or receivables, reconciliation of the book value of the financial asset (or the group of financial assets) shall be made so as to reflect the real cash flows and the amended estimates, so that the book value shall be recalculated by calculating the current value of the future cash flows estimated at the real return rate of the financial instrument. This reconciliation shall be recognized as revenue or expense in the Profit & Loss Account.
- In all cases, if the Bank reclassifies a financial asset as referred to above, and if it later increases its estimates of the future cash receipts as a result of the increase of what may be recovered of these cash receipts, the influence of this increase shall be recognized as reconciliation of the real return rate as of the date of the estimate change and not as reconciliation of the book balance of the asset on the date of the estimate change.

(G/2)Accounting policies applied as of January 1, 2019

Financial Assets Classification

Financial assets are classified into three main categories:

1. Financial assets at the amortized cost

2. Financial assets at the fair value through the comprehensive income

3. Financial assets at the fair value through profits & losses

This classification generally relies on the business model through which the financial assets are managed, and which determine the characteristics of their contractual cash flows.

Main Characteristics of the Business Models

Business model	Financial asset	Main Characteristics
Business model of the financial assets held for collecting contractual cash flows	Financial assets at the amortized cost	The business model target is to maintain financial assets for collecting contractual cash flows, represented in the investment principal amount and returns.
		Sale is an exceptional incidental event, according to the terms stipulated in the Standard, at the least sales volume in terms of frequency and value
Business model of the financial assets held for collecting contractual cash flows and sale	Financial assets at the fair value through the comprehensive income	Each of the collection of the contractual cash flows – represented in the investment principal amount & returns – and sale are integrated to realize the model target
		High sales in terms of frequency and value, in comparison to the business model retained for collecting contractual cash flows
Other business models (trading)	Financial assets at the fair value through profits & losses	The business model target is not maintaining the financial asset for collecting contractual cash flows or for collecting contractual cash flows or sale
		Collection of the contractual cash flows is an incidental event for this mode. Assets are managed through this model on basis of the fair value through profits & losses

Decrease of the Financial Assets Value

The "International Financial Reporting Standard – IFRS – 9" replaces the "Incurred Loss" Model stipulated in the Egyptian Accounting Standard number "26" by the "Expected Credit Loss – ECL" Model. According to IFRS-9, credit losses are recognized earlier if compared to what is adopted by the Egyptian Accounting Standard "26".

The Bank applies a three-stage methodology for measuring the expected credit loss for the financial assets reported at the amortized cost and the debt instruments classified at the fair value through the items of the other comprehensive income. Assets move among the following three stages, based on the change in the credit quality, compared to the moment of their initial recognition:

First Stage: The financial assets which haven't witnessed significant increase in credit risks since initial recognition, for which the expected credit loss is calculated over a 12-month period

Second Stage: The financial assets which have witnessed significant increase in credit risks since initial recognition, without any objective evidence to the impairment of their value, for which the expected credit loss is calculated all over the asset useful life and the financial assets revenues continues to be calculated according to the asset total book value

Third stage: The financial assets having witnessed impairment in value according to the indicators determined in the instructions of the Central Bank of Egypt, which expected credit loss should be calculated over the asset useful life, on basis of the difference between the financial asset book value and the current value of the expected future cash flows

Measurement of Expected Credit Loss

The credit losses and the value impairment losses related to financial instruments are measured as follows:

The low-risk financial instrument is classified upon initial recognition under the First Stage. The credit risks are perpetually monitored by the Risk Management Department at the Bank.

In case of significant increase in the credit risk since initial recognition, the financial instrument is then transferred to the Second Stage in order not to be considered as impaired at that stage.

In case of indicators to impairment in the financial instrument value, it is then transferred to the Third Stage.

The financial assets acquired by the Bank, having a higher rate of credit risks to the rates acknowledged by the Bank for the low-risk financial assets, are directly classified upon initial recognition in the second stage. Consequently, the expected credit losses pertaining to them are measured on basis of the expected credit losses over the asset useful life.

Significant Increase in Credit Risks

The Bank assumes that the financial instrument has witnessed significant increase in the credit risk, taking into consideration related available & supporting information, including the future information available without incurring unnecessary costs or efforts, upon the realization of one or more of the following quantitative and qualitative criteria and the factors pertaining to payment suspension:

Quantitative Criteria

Upon the increase of the probability of default throughout the remaining useful life of the financial instrument as of the date of the financial position preparation, compared to the probability of default throughout the remaining useful life expected upon initial recognition, according to the risk structure acknowledged by the Bank.

Qualitative Criteria

First: Loans of retail banking, small and micro enterprises

If the borrower faces one or more of the following events:

The borrower's submission of an application, requesting to transfer short-term payment to a long-term one, as a result of negative influences pertaining the borrower's cash flows

Extending the payment grace period at the borrower's request

Prior repeated delays during the previous twelve months

Negative future economic changes affecting the borrower's future cash flows

Second: Loans for corporates and medium enterprises

If the borrower is on the follow-up statement &/or if the financial instrument has faced one or more of the following events:

Significant increase of the rate of return on the financial asset as a result of the increase of credit risks

Essential negative changes in the activity and the financial or economic circumstances under which the borrower works

Request of rescheduling as a result of difficulties facing the borrower

Essential negative changes in the actual or expected results or cash flows

Negative future economic changes affecting the borrower's future cash flows

Early indicators to the cash flows/liquidity problems such as the delay in the creditors' service/commercial loans

Abrogation of one of the direct facilities by the Bank due to the increase of the credit risks of the borrower

The Bank carries out this evaluation periodically all over the portfolio for all financial assets for individuals, entities, small, medium and micro enterprises and also regarding the financial assets of the entities classified in the follow-up statement for the purpose of monitoring their credit risks. Likewise, this evaluation is periodically carried out for the counter-party. The criteria used for determining the significant increase in the credit risk is periodically monitored by the Credit Risks Department.

Third: Suspension of Payment regarding the Retail Banking Customers, the Small and Micro Enterprises:

In all cases, the payment suspension criterion is applied as a significant increase in the credit risk if the borrower's behaviour reveals regular delay in payment to the grace period, in spite of his non-classification among impaired financial assets.

Fourth: Suspension of Payment regarding the corporates and Medium Enterprises Loan Customers

In all cases, the payment suspension criterion is applied as a significant increase in the credit risk if the borrower delays the settlement of his contractual undertakings for sixty days to the maturity date.

Default and the Credit-Impaired Assets

The financial asset is considered as credit-impaired in value in case of the fulfillment of one or more of the following criteria:

Specific Criteria of the Entities Loan Customers, the Banking Retail Customers, the Medium, Small & Micro Enterprises

When the Borrower fails to fulfill one or more of the following criteria, indicating that he faces significant financial difficulties

The death or disability of the borrower

The borrower's insolvency

Rescheduling as a result of the deterioration of the borrower's credit capacity

Non-commitment to the finantcial undertakings – the absence of an active market for the financial asset or one of the financial instruments of the borrower due to financial difficulties

Granting the borrower privileges as a result of financial difficulties facing him, that wouldn't have been granted to him under normal circumstance

The probability of the borrower's bankruptcy or rescheduling due to financial difficulties

If the borrower's financial assets are purchased with a large discount, reflecting the incurred credit losses

The above-stated criteria are applied on all the financial instruments held by the Bank, which conform to the default definition used for the purposes of managing internal credit risks. The default definition is applied consistently with the probability of default model of the assets exposed to the risk of loss when the default occurs, upon calculating all expected losses of the Bank.

Quantitative Criteria of the Entities Loan Customers, the Banking Retail Customers, the Medium, Small & Micro Enterprises

Regarding the banking retail customers, the small and micro enterprises, in all cases when the borrower delays the payment of his contractual installments for more than thirty days, he is considered in default.

Regarding the entities and medium enterprises, in all cases when the borrower delays the payment of his contractual installments for more than ninety days, he is considered in default.

Promotion among Stages

Promotion from the Second to the First Stage:

The financial asset should not be transferred from the second to the first stage unless after fulfilling all quantitative & qualitative elements of the first stage and payment of all delays including the principal amount and returns.

Promotion from the Third to the Second Stage:

The financial asset should not be transferred from the third to the second stage unless after fulfilling the following terms:

1. Fulfilling all quantitative and qualitative elements of the second stage

2. Payment of 25% of the due balances, including the set aside due returns as the case may be

3. Punctuality of payment for 12 months at least

Period of recognition of the financial asset within the second stage

In all cases, the period of recognizing (classifying) the financial asset in the second stage should not exceed nine months to the date of being transferred to this stage.

Calculation of the Loss Given Default

Upon calculating the LGD of the balances held by banks in Egypt and abroad, a maximum of 45% recovery rate is applied.

As for the value of the collaterals used upon calculating the LGD, the rules of preparation and presentation of banks' financial statements, the bases of recognition and measurement issued by the Central Bank of Egypt on December 26, 2008 should be complied with, taking the following into consideration:

Upon calculating the LGD of the financial assets classified in the first stage, only the cash collaterals and their equivalents, which can be easily transferred into cash on short-term (three months or less) without any change (loss) in their value as a result of the credit risks, are accepted.

Upon calculating the LGD of the financial assets classified in the second or third stages, only the collaterals conformable to the rules issued by the Central Bank of Egypt on May 24, 2005 concerning the basis of evaluating credit worthiness of customers and formation of provisions are accepted. The collaterals value shall be settled according to the rules of preparation and presentation of banks financial statements, basis of recognition and measurement issued by the Central Bank on December 16, 2008.

Financial Instruments Measurement & Classification

The debt and equity Instruments are classified and measured as follows:

Financial instrument	Methods of measurement according to the business model		
	Amortized cost	Through the comprehensive income	Through profits or losses
Equity instruments	Not applicable	Option for once only upon initial recognition and is irrevocable	The basic transaction of equity instruments
Debt instruments	Business model of the assets held for collecting contractual cash flows	Business model of the assets held for collecting contractual cash flows and sale	Business model of the assets held for trading

The equity instruments classified among the "financial assets at the fair value through the other comprehensive income" are classified at the fair value. All credit or debit differences, whether or not significant or extended, are inserted among the other comprehensive income elements for each instrument independently, under the item of (Differences of change of the fair value of the financial assets at the fair value through the other comprehensive income). However in case of the sale or writing off of the instrument, the related differences are directly transferred to the retained earnings. The Bank measures all the financial assets recognized at the amortized cost using the real return method.

Reclassification

The financial assets classified at the amortized cost are not reclassified under any other item, unless in the following cases:

Deterioration of the debtor's credit capacity

If the reclassification or sale doesn't result in any significant changes to the future cash flows of the financial assets

Regarding the financial assets classified at the fair value through profits and losses, they shall not be reclassified in all cases.

In all cases, financial assets are only reclassified when the Bank changes the business model, which only occurs in extraordinary cases.

H- Clearing Between Financial Instruments

Clearing shall be made between financial assets & liabilities in case of an enforceable legal right to perform clearing between the recognized amounts and in case of the intention to perform reconciliation on basis of the net amounts or to receive the asset and settle the liability at the same time. The items of the treasury bills purchase agreements with the commitment to resell and the treasury bills sale agreements with the commitment to repurchase, on basis of the net value, shall be reported in the balance sheet under the item of "Government Securities"

I- Return Revenues & Expenses

The maturity principle is adopted upon reporting the "Murabaha" return. The value of this return is reported in advance and is charged to the "Murabaha" Account. This return is proportionally distributed over the period of "Murabaha" all over the year, as of the date of paying funds up to the settlement date. The unrealized part of the "Murabaha" returns shall be reported by the end of the year under the Item of "Credit Balances and Other Liabilities" under the "Liabilities" in the Balance Sheet, being a deferred revenue. It shall be discounted of the total of "Murabaha" in the balance sheet. Reporting the "Murabaha" return under the item of "Revenues" shall be suspended when the recovery of the value of these returns or the principal "Murabaha" is uncertain.

J- Fees & Commissions Revenues

- The fees due for the service of (Murabaha, Musharaka & Mudaraba) are recognized among revenues upon providing the service. Recognition of the fees and commissions revenues pertaining to irregular or impaired (Murabaha, Musharaka & Mudaraba) shall be suspended, as they shall be recorded in subsidiary books off the financial statements. They shall be recognized among revenues according to the cash basis upon recognizing the return revenues as stated under Footnote (G-2). As for the fees representing a complementary part of the real return of the financial asset in general, they are handled as an amendment to the real return rate.

- The commitment fees due on (Murabaha, Musharaka & Mudaraba) shall be postponed in case of the probability of withdrawing these (Murabaha, Musharaka & Mudaraba), since the commitment fees collected by the Bank are considered as a compensation for the perpetual interference to acquire the financial instrument. They are recognized by means of amending the real return rate on the (Murabaha, Musharaka & Mudaraba). In case of the termination of the commitment period without issuing the (Murabaha, Musharaka & Mudaraba) by the Bank, the fees shall be recognized among revenues upon the termination of the commitment enforceability.

- The fees pertaining to the debt instruments, measured at the fair value, shall be recognized among revenues upon initial recognition. The fees of promoting joint (Murabaha, Musharaka & Mudaraba) shall be recognized among revenues upon accomplishment of promotion, when the Bank doesn't keep any part of the (Murabaha, Musharaka & Mudaraba) or if it keeps a part having the same real return rate available to other participants.

- The fees and commissions ensuing of negotiation or participation in negotiation on a transaction in favour of a third party, such as arranging the purchase of shares or other financial instruments, acquisition or sale of entities, shall be recognized in the Income Statement upon accomplishment of the concerned transaction. The fees of administrative consultations and other services are usually recognized on basis of proportional time distribution over the period of service provision. The fees of financial planning management and custody services provided on long terms are recognized over the year during which the service is provided.

K- Profit Distribution Revenues

Dividends are recognized in the Income Statement upon the issuance of the right of collecting them.

L- Real Estate Investments

The real estate investments are represented in the lands and buildings owned by the Bank for the purpose of obtaining rental revenues or capital increase. Accordingly, they don't include the real estate assets through which the Bank practices its business or those which devolved to it against payment of debts. The real estate investments shall be accounted for the same way applied on fixed assets.

M- Intangible Assets

M-1 Goodwill

The goodwill is represented in the increase in the acquisition cost to the fair value of the Bank's share in the net assets, including the probable acquired liabilities, liable to be determined, of the subsidiary or sister company on the acquisition date in the Bank's separate financial statements. The extent of the goodwill impairment is considered annually. The larger of the goodwill depreciation value at the rate of 20% annually or the impairment of its value shall be debited to the Income Statement. The goodwill of subsidiaries and sister companies represents an element upon determining the gains and losses of selling such companies.

The goodwill is distributed on the cash generating units for purposes of examining impairment. The cash generating units are represented in the Bank's principal sectors.

M-2 Computer Programs

The expenses related to the software development or maintenance are recognized as an expense in the Income Statement upon incurring thereof. The expenses directly related to specific programs, under the Bank control, which are expected to generate economic benefits with a cost exceeding one year, shall be recognized as intangible asset. The direct expenses comprise the cost of the personnel of the programs development team in addition to an appropriate share of the related general expenses.

The expenses leading to the enhancement and expansion of the computer programs performance to their original specifications shall be recognized as development cost and shall be added to the programs original cost.

The cost of computer programs recognized as an asset shall be depreciated over the year during which it is expected to be benefited of, with a maximum of three years.

M-3 Other Intangible Assets

This is represented in intangible assets other than the goodwill and computer programs (as for instance trademarks, licenses and lease contracts benefits)

The other intangible assets are established at the cost of their acquisition and are depreciated using the fixed installment method or on basis of the economic benefits expected to be realized, over the estimated useful lives thereof. As for the assets having no specific production lifetime, they are not depreciated. However, the impairment in their value is considered annually and the impairment value – if any – is charged to the Income Statement.

N- Fixed Assets

The lands and buildings are basically represented in the premises of the head office, branches and offices. All fixed assets are reported at the historical cost less depreciation and impairment losses. The historical cost comprises the expenses directly related to the acquisition of the fixed assets items.

The subsequent expenses are recognized among the book value of the outstanding asset or as an independent asset, as appropriate, when it is probable that future economic benefits related to the asset inflows to the Bank and when it is possible to determine this cost reliably. The maintenance and repair expenses shall be recognized during the year when they are incurred among (Other Operating Expenses).

Lands are not depreciated and the depreciation of other fixed assets shall be calculated using the fixed installment method for distributing cost so as to reach the salvage value over the useful lives, as follows:

Buildings and constructions	20 years
Refurbishments of leased properties	As per the asset type – (4-20 years)
Office furniture and safes	4 years
Means of transportation	4 years
Computers/Integrated automatic systems	2 years
Fittings and installations	20 years

The salvage value and the useful lives of fixed assets are reviewed on the date of preparing each balance sheet and amended when necessary. The depreciated assets are reviewed for the purpose of determining impairment upon the occurrence of events or changes in circumstances indicating that the book value may not be recovered. If the book value exceeds the recovery value it shall be immediately reduced to be equal to that value.

The recovery value represents the higher of the net realizable value of the asset or its utilization value. The profits and losses of written-off fixed assets shall be determined by means of comparing net receivables to the book value. Profits (losses) shall be reported under the item of "Other Operating Revenues (Expenses)" in the Income Statement.

O- Impairment of Non Financial Assets

Except for the goodwill, the assets having no fixed useful life are not depreciated. Their impairment is tested annually. Impairment of the depreciated assets is studied upon the occurrence of events or changes in circumstances indicating that the book value may not be recovered.

The impairment loss is recognized and the asset value is decreased in the amount representing the difference between the asset book value and its recovery value. The recovery value represents the net realizable value of the asset or its utilization value, whichever is higher. For purposes of estimating impairment, the asset is attached to the least possible cash generating unit. The nonfinancial assets revealing impairment shall be reviewed to find out whether impairment is reversed to the Income Statement on the date of preparing each balance sheet. The decrease in the assets value shall be reversed to the extent where the asset book value doesn't exceed its recoverable value which shall be determined after discounting depreciation, unless the losses of decrease in the assets value is recognized.

P- Leases

The finance lease is accounted for pursuant to Law number 95/1995 regulating finance lease, if the contract authorizes the lessee to purchase the asset on a fixed date and against a fixed value and if the contract duration represents at least 75% of the useful life expected for the asset, or if the current value of the total lease payments represents at least 90% of the asset value. Other lease contracts are considered "Operating Lease Contracts".

P/1 Leasing

Regarding finance lease contracts, the lease cost, including the maintenance cost of the leased assets, is recognized under "Expenses" in the Income Statement for the year when they occur. If the Bank decides to exercise the right of purchasing leased assets, the cost of the purchase right is capitalized as a fixed asset and is depreciated over the remaining expected useful life of the asset, the same way adopted with similar assets.

Payments on account of operating lease are recognized, less any discounts acquired from the Lessor, under "Expenses" in the Income Statement, using the fixed installment method over the contract duration.

P/2 Letting

Regarding the finance lease assets, they are reported in the balance sheet among fixed assets, and are depreciated over the expected useful life of the asset using the same way adopted with similar assets. The lease revenues are recognized on basis of the rate of return on the lease contract, in addition to an amount equal to the year depreciation cost. The difference between the revenue of the lease recognized in the Income Statement and the total accounts of finance lease customers is carried forward in the balance sheet until the lapse of the lease contract duration, where it is used for performing a clearing with the net book value of the leased asset. The maintenance and insurance expenses are charged to the Income Statement upon their occurrence, to the extent that the lessee is not charged therewith.

When there is objective evidence that the Bank won't be able to collect all the balances of finance lease debtors, they shall be reduced to the value expected to be recovered.

As for the operating lease assets, they are reported among fixed assets in the balance sheet and are depreciated over the expected useful life of the asset, the same way applied on similar assets. The lease revenue is reported less any discounts granted to the lessee, using the fixed installment method over the contract duration.

Q- Cash & Cash Equivalents

For purposes of the cash flows statement preparation, the Item of "cash and cash equivalents" includes the balances which maturity doesn't exceed three months to the acquisition date. It includes cash, balances with the Central Bank outside the framework of required reserve ratio, balances with banks & government securities.

R- Other Provisions

The provision of the restructuring costs and legal claims is recognized when there is a current legal obligation resulting of past events, which may probably require the use of the Bank's resources for settling such obligations, with the possibility of reaching a reliable assessment of the value of this obligation.

In case of similar obligations, the outgoing cash flow that can be used in settlement should be determined, taking into consideration this group of obligations. The provision shall be recognized even in case of a very slight probability of having an outgoing cash flow for an item of this group.

The provisions which are no longer required, totally or partially, shall be reversed under the Item of "Other Operating Revenues (Expenses)".

The current value of the payments estimated to be made for the settlement of the obligations, having a one-year value date as of the date of reporting, is measured using a rate appropriate to the obligation settlement term – without being influenced by the prevailing tax rate – which reflects the time value of money. If this value date is less than a year, the obligation estimated value shall be calculated at the current value, unless having substantial influence.

S- Financial Collaterals Contracts

The financial collaterals contracts are the contracts issued by the Bank as a guarantee to the (Murabaha, Musharaka & Mudaraba) or debit current accounts submitted to its customers by other quarters. The Bank is required to make certain settlements to compensate the beneficiary for a loss which he has incurred due to the debtor's non payment upon maturity of settlement as per the conditions of the debt instrument. Such financial collaterals are submitted to banks, financial institutions and other quarters on behalf of the Bank customers.

The fair value, which may reflect the collateral charges, is initially recognized in the financial statements on the date of granting the collateral. Subsequently, the Bank's obligation under the collateral is measured on basis of the initial measurement amount, less the calculated depreciation for recognizing the collateral charges in the Income Statement using the fixed installment method all over the collateral useful life, or the best estimate of the payments required for settling any financial obligation resulting of the financial collateral on the reporting date, whichever is higher. These estimates are determined pursuant to the experience gained of similar transactions or historical losses, confirmed by the Management judgement.

Any increase in the obligations resulting of the financial collateral is recognized in the Income Statement, under the Item of "Other Operating Revenues (Expenses)".

T- Income Taxes

The Income Tax on the year gains or losses includes each of the year tax & the deferred tax. It is recognized in the Income Statement, except for the Income Tax pertaining to Shareholders' Equity items, which is directly recognized in the Shareholders' Equity.

The Income Tax is recognized on basis of the net taxable profit using the tax rates prevailing on the date of reporting, in addition to the tax settlements of previous years.

The deferred taxes ensuing of temporary time differences between the book value of assets and liabilities on accounting bases and their tax-based amount is recognized. The deferred tax is determined using the method expected to realize or reconcile the assets and liabilities values using the tax rates prevailing on the reporting date.

The Bank's deferred tax assets are recognized when there is a strong probability to achieve taxable profits in future, through which this asset may be benefited of. The value of the deferred tax assets shall be discounted with the value of the part which is not expected to achieve the tax benefit throughout the following years. However, in case of the increase of the expected tax benefit, the deferred tax asset shall be increased within the limits of the part previously discounted thereof.

U- Borrowing:

The facilities obtained by the Bank are initially recognized at the fair value, less the cost of the facility acquisition and is subsequently measured at the depreciated cost. The difference between the net receivables and the payment value shall be charged to the Income Statement over the borrowing duration, using the real return method.

V- Capital:

V/1 Cost of capital

The issuance expenses directly related to the issuance of new shares or shares against an entity acquisition or else options issuance are displayed, being discounted of the Shareholders' Equity, at the net collections after taxation.

V/2 Dividends

Dividends are reported, being discounted of the shareholders' equity, for the year during which the Shareholders' General Assembly ratifies such distributions. Dividends include the personnel share in profits and the Board of Directors' remuneration stipulated in the Articles of Association & the Law.

V/3 Treasury shares

If the Bank purchases capital shares, the purchase amount shall be discounted of the total shareholders' equity, as this represents treasury shares cost until they are abrogated. In case of selling these shares or reissuing them at a subsequent period, all collected amounts shall be credited to the Shareholders' Equity.

W- Custody Activities

The Bank doesn't practice custody activities. However, in case of practicing such an activity, resulting in the ownership or management of third party's assets, the assets and the ensuing profits shall be written off the Bank's financial statements, since they are not among the Bank's assets.

X- Comparison Figures

The comparison figures of the financial assets and liabilities elements are reclassified so as to conform to the presentation of the financial statements for the current period, witnessing initial application of the IFRS -9, and are not re-measured pursuant to the instructions of the Central Bank of Egypt issued on February 26, 2019.

3- Financial Risk Management

The Bank is exposed to various financial risks resulting of the activities it practices, since risk tolerance is the basis of financial business. Some or a group of risks are collectively analyzed, assessed and managed and therefore the Bank aims at realizing equilibrium between risk and return and at extenuating the probable negative effects on its financial performance. The most significant types of risks are the risk of credit, the market risk, the liquidity risk and such other operating risks. The market risk includes each of the foreign currencies exchange risk, the return rates risk and the risks of other rates.

Risk management policies have been laid down so as to determine, analyze, mitigate and control risks, monitor them and comply with such limits through reliable methods and updated information systems. The Bank periodically reviews risk management policies and systems and amend them so as to reflect changes at markets, products and services as well as the best up-to-date applications.

Risks are managed by the (Risk Management Sector) in the light of the policies ratified by the Board of Directors. The (Risk Management Sector) determines, assesses and hedges financial risks, with the cooperation of the various operating units at the Bank. The Board of Directors provides the (Risk Management Sector) with written risk management regulations, in addition to the written policies hedging certain risk areas such as the credit risk, the foreign currencies exchange risk, the return rates risk, the use of financial derivative and non-derivative instruments. Besides, the (Risk Management Sector) is responsible for carrying out periodic review of risk management and the supervisory environment independently.

A- Credit Risk

The Bank is exposed to the credit risk which results of any party's failure to fulfill his undertakings. The credit risk is considered the most significant to the Bank, therefore the Management carefully works on managing thereof. The credit risk is basically represented in the lending activities, resulting in (Murabaha, Musharaka & Mudaraba), as well as the investment activities resulting in having debt instruments among the Bank's assets.

There is also credit risk related to the financial instruments off the balance sheet, such as the commitments of (Murabaha, Musharaka & Mudaraba). The processes of credit risk management and control are mainly carried out by the (Credit Risk Management Team) at the (Risk Sector) which periodically reports to the Board of Directors, the Top Management and the Head of the Activity Units.

A/1 Credit risk measurement

Murabaha, Mudaraba & Musharaka to Customers

In order to measure the credit risk pertaining to (Murabaha, Musharaka & Mudaraba) to banks and customers, the Bank considers three factors:

- The (Probability of Default) by the customer or the third party to fulfill his contractual obligations
- The current status and future probable development of which the Bank can deduce (Exposure at Default)
- The (Loss given default)

The Bank's daily management tasks include these measurements of credit risks reflecting expected loss (The Expected Loss Model), required by Basel Committee on Banking Supervision. Operating Standards may contradict with the impairment charges according to the Egyptian Accounting Standard number 26 which relies on the losses incurred on the reporting date (Incurred Loss Model) and not the (Expected Loss Model) "Footnote number 3/A".

The Bank assesses the (Probability of Default) of each customer, using internal assessment methods so as to classify creditworthiness of the customers' various categories. These assessment methods have been developed internally, taking into consideration statistical analysis together with the personal judgement of the officials in charge with credit risk management so as to realize the appropriate creditworthiness classification. The Bank customers have been divided into four categories in terms of creditworthiness. The creditworthiness structure used by the Bank, as shown in the following table, reflects the probability of default for each category, basically meaning that the credit positions transfer among the creditworthiness categories pursuant to the change in the (probability of default) assessment. The assessment methods are reviewed and developed whenever necessary. The Bank periodically assesses the credit rating methods and the extent of their capability to predict cases of default.

The Bank's internal credit rating categories:

Rating	Rating indication
1	Performing debts
2	Regular watching
3	Watch list
4	Non-performing debts

The position exposed to default relies on the amounts which the Bank expects to be outstanding upon the default occurrence. For instance, in cases of (Murabaha, Musharaka & Mudaraba), this position is the nominal value while in case of commitments, the Bank enlists all actually withdrawn amounts in addition to such other amounts which it expects to be withdrawn up to the date of default, if any.

The given or acute loss represents the Bank's expectation of the extent of loss upon claiming the debt in case of default. This is expressed by the ratio of loss to debt. This inevitably differs as per the type of debtor, claim priority and the availability of collaterals or other methods for hedging credit.

Debt Instruments, Treasury Bills & Other Bills

Regarding debt instruments and bills, the Bank uses external ratings for managing credit risk, such as (Standard & Poor's) Rating and such similar ratings. If such ratings are not available, methods similar to those applied on the credit customers are also used. Investments in securities and governmental notes are regarded as a method for acquiring a better credit quality and at the same time provide an available source for fulfilling the finance requirements.

A/2 Risk mitigation & avoidance policies

The Bank manages, mitigates and controls credit risk concentration over debtors, groups, industries and countries. It sets acceptable credit risk levels and acceptable limits for each borrower, group of borrowers, economic activities and geographical sectors. Such risks are perpetually controlled and are subject to annual or repeated review whenever necessary. Limits of credit risks are quarterly ratified by the Board of Directors for the borrower/group of borrowers, producer, sector and the State.

The credit limits of any borrower, including banks, are subdivided comprising all amounts reported or off the balance sheet and the daily risk limit pertaining to trading items such as the deferred foreign exchange contracts. Real amounts are daily compared to these limits. The credit risks are also managed through periodic analysis of the capability of borrowers and potential borrowers to settle their liabilities and through amending the lending limits whenever appropriate.

Stated hereunder are some risk mitigation methods:

Collaterals:

The Bank lays down several policies and restrictions to mitigate credit risks, including obtaining collaterals against offered funds. The Bank also sets guiding rules to certain categories of acceptable collaterals. The principal types of (Murabaha, Musharaka & Mudaraba) collaterals include:

- Real estate mortgage
- Mortgage of the business assets such as machines and commodities
- Mortgage of financial instruments such as the equity & debt instruments

Most probably the long-term finance and the loans for companies are guaranteed while the credit facilities granted to individuals are without collateral. In order to minimize credit losses, the Bank seeks the obtainment of additional collaterals from the parties concerned immediately upon the revelation of indicators to the impairment of any "Murabaha, Musharaka & Mudaraba" or Facilities.

The collaterals taken as a guarantee to assets other than "Murabaha, Musharaka & Mudaraba" are determined pro rata the instrument nature and usually the debt instruments and treasury bills are without collaterals, except for the groups of (Asset-Backed Securities) and similar instruments which are guaranteed by a "financial instruments portfolio".

The risk of settlement arises in the situations when settlement is effected in cash or through equity instruments, other financial securities or against the expectation to acquire cash, equity instruments or other financial securities. Daily settlement limits shall be laid down for each of the other parties so as to hedge the cumulative settlement risks ensuing of the Bank's transactions on any day.

Master Netting Arrangements

The Bank mitigates credit risks via entering into "Master Netting Arrangements" with the parties representing a significant volume of transactions. The (Master Netting Arrangements) don't generally result in performing netting between the assets and liabilities reported in the balance sheet, since such settlement is usually carried out on collective basis. However, the credit risk accompanying the contracts in favour of the Bank is mitigated through the Master Netting Arrangements, since in case of default, all amounts shall be settled with the other party via performing netting. The extent of the Bank's exposure to the credit risk resulting of the derivative instruments subject to the Master Netting Arrangements may change on short terms since it is influenced by every transaction subject to these arrangements.

Commitments Pertaining to Credit

The main purpose of commitments pertaining to credit is to ascertain the availability of funds to the customer on demand. The (Guarantees & Standby Letters of Credit) have the same credit risk pertaining to "Murabaha, Musharaka & Mudaraba". The (Documentary & Commercial Letters of Credit) issued by the Bank on behalf of the Customer, to grant a third party the right of withdrawing from the Bank within certain amounts and by virtue of specific provisions and terms, are probably guaranteed by the shipped commodities and consequently bear a less degree of risk than the direct "Murabaha, Musharaka & Mudaraba".

The credit-granting commitments represent the unused part of the limit allowed for granting "Murabaha, Musharaka & Mudaraba", collaterals or documentary credits. The Bank is exposed to a probable loss in an amount equal to the total unused commitments regarding the credit risk ensuing of credit-granting commitments. However, the probable loss is actually less than the unused commitments, since most of the credit-granting commitments represent probable liabilities for customers having certain credit specifications. The Bank monitors the period of credit commitments up to the maturity date, since the long-term commitments usually bear a higher degree of credit risk if compared to short-term commitments.

A/3 Provisions & impairment policies

The internal assessment systems previously stated in footnote (1/A) largely concentrate on planning credit quality, as of the date of establishing the lending and investment activities. Without prejudice to the foregoing, only the impairment losses having occurred on the date of reporting are recognized for the purpose of preparing financial reports, based on objective evidences indicating impairment, as shall be stated in this footnote. Due to the variation of the adopted methods, the credit losses reported in the financial statements are usually less than the loss estimated using the (expected loss model) used on the reporting date, according to the regulations of the Central Bank of Egypt.

The impairment loss provision reported in the balance sheet is derived of the four internal ratings. The following table shows the percentage of the items reported in the balance sheet pertaining to "Murabaha, Musharaka & Mudaraba" and the impairment related to them for each of the Bank's internal ratings:

al Baraka

31 December, 2020				EGP
The Bank's Ratings	Murabaha, Musharaka & Mudaraba to Customers	%	Impairment loss provision	%
Performing debts	16 940 982 902	74.5%	237 154 076	13.9%
Regular watching	4 406 518 407	19.4%	382 924 772	22.4%
Watch list	50 818 464	0.2%	11 258 605	0.7%
Non-performing debts	1 343 620 789	5.9%	1 078 561 086	63.0%
	22 741 940 562	100%	1 709 898 539	100%

31 December, 2019				EGP
The Bank's Ratings	Murabaha, Musharaka & Mudaraba to Customers	%	Impairment loss provision	%
Performing debts	14 998 781 354	76.9%	9 553 980	0.6%
Regular watching	2 976 849 846	15.3%	520 013 572	35.2%
Watch list	102 640 133	0.5%	6 609 444	0.4%
Non-performing debts	1 423 266 366	7.3%	943 167 449	63.8%
	19 501 537 699	100%	1 479 344 445	100%

The internal assessment methods help the management to detect any objective evidences indicating impairment, pursuant to the Egyptian Accounting Standard number 26, based on the following indicators fixed by the Bank:

- Significant financial difficulties facing the borrower or debtor
- Violation of the terms of the "Murabaha, Musharaka & Mudaraba" agreement, such as nonpayment
- Expecting the borrower's bankruptcy or his involvement in a receivership lawsuit or else rescheduling the finance granted to him
- Deterioration of the competitive situation of the borrower
- If the Bank grants the borrower exceptional privileges or terms which it doesn't usually agree to grant in normal cases, due to economic or legal reasons related to financial difficulties facing him
- Impairment of the collateral value
- Deterioration of his creditworthiness

The Bank policies require reviewing all the financial assets exceeding certain proportional importance, at least on annual intervals or more, when necessary. The burden of impairment on the accounts, assessed on individual basis, is determined by means of assessing the loss incurred on the reporting date, for each case independently, which is to be applied on all proportionally significant accounts individually. Assessment usually comprises the outstanding guarantee, including the reassurance of using the guarantee and the collections expected of these accounts.

The impairment loss provision is formed of a group of homogenous assets using available historical experience, personal judgement and statistical methods.

A/4 The general banking risk measurement model

Further to the four credit rating categories stated in footnote number (A/1), the Management makes classifications in the form of more detailed subgroups in conformity with the requirements of the Central Bank of Egypt. The assets exposed to credit risks are classified in these groups according to more detailed rules and conditions, largely relying on the information about the customer, his business, financial position and his regularity in payment.

The Bank calculates the provisions required for the impairment of the assets exposed to credit risk, including the credit commitments, based on percentages fixed by the Central Bank of Egypt. If the impairment loss provision required according to the regulations of the Central Bank of Egypt exceeds the one required for the purposes of preparing financial statements according to the Egyptian Accounting Standards, the general banking risk reserve shall be set aside among shareholders' equity items, by discounting this increase from the retained earnings. This reserve is periodically modified, by increase or decrease so as to always remain equal to the difference between the two provisions. This reserve shall always be non-distributable. Footnote number (33/A) shows the movement on the account of the general banking risk reserve throughout the financial year.

Hereunder is a statement of the entities credit ratings according to the internal assessment bases, compared to the assessment bases of the Central Bank of Egypt and the percentages of the provisions required for the impairment of the assets exposed to credit risk:

Rating of the Central Bank of Egypt	Rating indicators	Percentage of the required provision %	Internal Rating	Internal rating indicators
1	Low risks	Zero	1	Performing debts
2	Moderate risks	1%	1	Performing debts
3	Satisfactory risks	1%	1	Performing debts
4	Suitable risks	2%	1	Performing debts
5	Acceptable risks	2%	1	Performing debts
6	Marginally acceptable risks	3%	2	Regular follow up
7	Watch list	5%	3	Special follow up
8	Sub-standard	20%	4	Non- performing debts
9	Doubtful debts	50%	4	Non- performing debts
10	Bad debts	100%	4	Non- performing debts

A/5 Maximum credit risk before collaterals

	31 December 2020	31 December 2019
	EGP	EGP
Balance sheet Items exposed to the credit risk (Net value)		
Governmental securities	13 640 276 356	7 109 476 036
Financial assets for trading:		
Debt instruments	---	---
Investment Operations with banks	1 987 284 235	2 293 669 207
(Murabaha, Mudaraba & Musharaka) for customers		
Individuals:		
Debit current accounts	---	---
Credit cards	25 814 415	23 227 357
Personal Murabaha, Musharaka & Mudaraba	1 215 177 135	1 087 238 424
Real estate Murabaha, Musharaka & Mudaraba	435 750 882	317 073 864
Corporates		
Debit current accounts	--	--
Direct Murabaha, Musharaka & Mudaraba	14 762 880 293	12 330 587 281
Joint Murabaha, Musharaka & Mudaraba	3 121 410 353	3 018 563 904
Other Murabaha, Musharaka & Mudaraba	4 315 811	16 806 938
Financial investments:		
Debt instruments at the fair value	425 288 686	94 977 619
Debt instruments at amortized cost	17 819 709 472	14 031 173 222
Total	**53 437 907 638**	**40 322 793 852**

Off Balance sheet Items exposed to the credit risk (Net Value)		
Acceptances	414 232 655	384 752 816
Letters of guarantee	1 850 508 738	1 460 462 906
Documentary credits	294 136 238	268 464 908
Total	**2 558 877 631**	**2 113 680 630**

The above table represents maximum exposure as at the reporting date, without taking any collateral into consideration. Regarding the balance sheet items, the reported amounts rely on the net book value displayed in the balance sheet.

As stated in the table above, 37% of the maximum exposed to the risk of credit results of (Murabaha, Mudaraba & Musharaka) to customers, against 42% as at 31/12/2019, while the investments in debt instruments represent 34% against 35% as at 31/12/2019.

The Management trusts its capability to retain control and maintain the minimum credit risk resulting of each of the portfolios of Murabaha, Mudaraba & Musharaka and debt instruments, as follows:

- 94% of the portfolio of (Murabaha, Mudaraba & Musharaka) is rated at the two highest degrees of internal rating, against 92% as at 31/12/2019.
- 90% of the portfolio of (Murabaha, Mudaraba & Musharaka) has no delays or impairment indicators, against 90% as at 31/12/2019.
- The (Murabaha, Mudaraba & Musharaka) having been individually assessed amount to EGP 1 343 620 789 against EGP 1 423 266 366 as at 31 December 2019. Less than 77% thereof showed impairment, against 66% as at 31/12/2019.
- 98% of the debt instruments represent debt instruments of the Egyptian Government against 100% at 31/12/2019

The following table reveals information about the financial assets quality:

Balances with banks	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	13 469 732 912	---	---	13 469 732 912
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	13 469 732 912	---	---	13 469 732 912
Less: impairment loss provision	(1 424 919)	---	---	(1 424 919)
Book value	**13 468 307 993**	**---**	**---**	**13 468 307 993**

Government securities	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	13 659 865 548	---	---	13 659 865 548
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	13 659 865 548	---	---	13 659 865 548
Less: impairment loss provision	(19 589 192)	---	---	(19 589 192)
Book value	**13 640 276 356**	**---**	**---**	**13 640 276 356**

Investments with banks	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	648 053 956	1 339 852 832	---	1 987 906 788
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	148 498 819	148 498 819
	648 053 956	1 339 852 832	148 498 819	2 136 405 607
Less: impairment loss provision	(336 584)	(285 969)	(148 498 819)	(149 121 372)
Book value	**647 717 372**	**1 339 566 863**	**---**	**1 987 284 235**

Murabaha, Mudarabah & Musharaka to customers (individuals)	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	669 832 411	---	---	669 832 411
Regular watching	981 390 326	39 818 387	---	1 021 208 713
Watch list	---	9 351 280	---	9 351 280
Non-performing debts	---	---	44 824 214	44 824 214
	1 651 222 737	49 169 667	44 824 214	1 745 216 618
Less: impairment loss provision	(28 936 669)	(12 151 222)	(27 386 295)	(68 474 186)
Book value	**1 622 286 068**	**37 018 445**	**17 437 919**	**1 676 742 432**

Murabaha, Mudarabah & Musharaka to customers (Corporates)	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	8 220 737 727	14 498 604	---	8 235 236 331
Regular watching	5 898 385 253	3 988 782 109	---	9 887 167 362
Watch list	---	108 830 542	---	108 830 542
Non-performing debts	---	---	1 298 796 575	1 298 796 575
	14 119 122 980	4 112 111 255	1 298 796 575	19 530 030 810
Less: impairment loss provision	(169 464 052)	(420 785 510)	(1 051 174 791)	(1 641 424 353)
Book value	**13 949 658 928**	**3 691 325 745**	**247 621 784**	**17 888 606 457**

Debt instruments at the fair value through the comprehensive income	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	425 288 686	---	---	425 288 686
Regular watching	---	---	---	---
Watch list	---	---	---	---
Non-performing debts	---	---	---	---
	425 288 686	---	---	425 288 686

Debt instruments at amortized cost	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit rating				
Performing debts	17 857 826 332	---	---	17 857 826 332
Regular watching	--	---	---	--
Watch list	--	---	---	--
Non-performing debts	--	---	---	--
	17 857 826 332	---	---	17 857 826 332
Less: impairment loss provision	(38 116 860)	---	---	(38 116 860)
Book value	**17 819 709 472**	**---**	**---**	**17 819 709 472**

The following table reveals the changes in the provision of Expected Credit Losses "ECL" during the year:

Balances with banks	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	1 157 274	---	---	1 157 274
Net impairment burden during the year	267 645	---	---	267 645
Closing balance	**1 424 919**	**---**	**---**	**1 424 919**

Government securities	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	29 964 552	---	---	29 964 552
Net impairment burden during the year	(10 375 360)	---	---	(10 375 360)
Closing balance	**19 589 192**	**---**	**---**	**19 589 192**

Investment with banks	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	33 299	6 196 775		6 230 074
Net impairment burden during the year	303 285	(5 910 806)	148 498 819	142 891 298
Closing balance	**336 584**	**285 969**	**148 498 819**	**149 121 372**

Murabaha, Mudaraba & Musharaka to customers (individuals)	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	9 650 428	25 288 297	22 146 873	57 085 598
Net impairment burden during the year	19 286 241	(13 137 075)	5 821 208	11 970 374
Written off amounts	---	---	(733 892)	(733 892)
Recovered amounts	---	---	152 106	152 106
Foreign currency evaluation differences	---	---	---	---
Closing balance	**28 936 669**	**12 151 222**	**27 386 295**	**68 474 186**

Murabaha, Mudaraba & Musharaka to customers (Corporates)	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	21 588 133	479 650 138	921 020 576	1 422 258 847
Transferred to the first stage	10 633 543	(10 633 543)	---	---
Transferred to the second stage	(778 437)	778 437	---	---
Transferred to the third stage	---	(20 152 286)	20 152 286	---
Net impairment burden during the year	138 080 813	(27 079 363)	105 899 584	216 841 034
Written off amounts	---	---	(5 397 134)	(5 397 134)
Recovered amounts	---	---	15 226 776	15 226 776
Foreign currency evaluation differences	---	(1 777 873)	(5 727 297)	(7 505 170)
Closing balance	**169 464 052**	**420 785 510**	**1 051 174 791**	**1 641 424 353**

Debt instruments at amortized cost	First stage 12 months	Second stage Lifetime	Third stage Lifetime	Total
Credit loss provision as at Jan. 1, 2020	28 193 793	--	--	28 193 793
Net impairment burden during the year	9 923 067	--	--	9 923 067
Closing balance	**38 116 860**	**--**	**--**	**38 116 860**

A/6 Murabaha, Mudaraba & Musharaka

- Hereunder is the position of (Murabaha, Mudaraba & Musharaka) in terms of credit worthiness:

	31 December 2020	
	EGP	EGP
Bank's Rating	**Murabaha, Mudaraba & Musharaka to customers**	**Investment Operations with banks**
With no delays or impairment	20 180 874 773	2 136 405 607
With delays but not subject to impairment	1 217 445 000	---
Subject to impairment	1 343 620 789	---
Total	**22 741 940 562**	**2 136 405 607**
Less		
Returns under settlement	(1 466 693 134)	---
Impairment loss provision	(1 709 898 539)	(149 121 372)
Net	**19 565 348 889**	**1 987 284 235**

	31 December 2019	
	EGP	EGP
Bank's Rating	**Murabaha, Mudaraba & Musharaka to customers**	**Investment operations with banks**
With no delays or impairment	17 584 145 333	2 299 899 281
With delays but not subject to impairment	494 126 000	---
Subject to impairment	1 423 266 366	---
Total	**19 501 537 699**	**2 299 899 281**
Less		
Returns under settlement	(1 228 695 486)	---
Impairment loss provision	(1 479 344 445)	(6 230 074)
Net	**16 793 497 768**	**2 293 669 207**

- The total burden of impairment of (Murabaha, Mudaraba & Musharaka) amounts to EGP 1 709 898 539 against EGP 1 479 344 445 as at 31/12/2019 , of which the amount of EGP 1 078 561 086, against EGP1 004 112 404 as at 31/12/2019, representing impairment of individual (Murabaha, Mudaraba & Musharaka). The remaining, in the amount of EGP 631 337 453, represents impairment burden on group basis of the credit portfolio.

"Murabaha, Mudaraba & Musharaka" bearing no delays & not subject-matter of impairment

- The credit quality of the portfolio of (Murabaha, Mudaraba & Musharaka) with no delays and not subject-matter of impairment shall be rated by means of referring to the internal rating used by the Bank.

"Murabaha, Mudaraba & Musharaka" to Customers & Banks (At net value)

31 December 2020	Individuals			Corporate				EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total Murabaha, Mudaraba & Musharaka to customers	Investment operations with banks
Performing	15 643 961	369 294 247	333 305 375	13 189 968 160	2 494 631 404	---	16 402 843 147	1 987 284 235
Regular watching	9 915 347	829 123 825	102 021 778	1 542 570 956	488 205 873	4 315 811	2 976 153 590	---
Watch list	---	---	---	30 341 177	---	---	30 341 177	---
Non- performing	255 107	16 759 063	423 729	----	138 573 076	---	156 010 975	---
Total	**25 814 415**	**1 215 177 135**	**435 750 882**	**14 762 880 293**	**3 121 410 353**	**4 315 811**	**19 565 348 889**	**1 987 284 235**

The guaranteed (Murabaha, Mudaraba & Musharaka) haven't been considered as subject-matter of impairment, regarding the "non-performing category, taking into consideration the eligibility of such collaterals for collection.

31 December 2019	Individuals			Corporates				EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total Murabaha, Mudaraba & Musharaka to customers	Investment operations with banks
Performing	14 029 622	455 394 110	316 505 329	10 416 077 408	3 018 563 904	---	14 220 570 373	2 293 669 207
Regular watching	8 957 571	621 820 799	---	1 403 870 315	---	16 806 938	2 051 455 623	---
Watch list	--	--	--	93 433 883	---	---	93 433 883	--
Non- performing	240 164	10 023 515	568 535	417 205 675	---	---	428 037 889	--
Total	**23 227 357**	**1 087 238 424**	**317 073 864**	**12 330 587 281**	**3 018 563 904**	**16 806 938**	**16 793 497 768**	**2 293 669 207**

Murabaha, Mudaraba & Musharaka bearing delays but not subject-matter of impairment

These are the "Murabaha, Mudaraba & Musharaka" bearing delays up to 90 days but are not subject to impairment, unless other information attesting the contrary is available. The "Murabaha" to customers bearing delays but not subject to impairment & the fair value of the related collaterals are represented in the following:

31 December 2020	Individuals			EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	--	113 602 000	21 810 000	135 412 000
Delays more than 30 days up to 60 days	--	--	--	--
Delays more than 60 days up to 90 days	--	--	--	--
Total	--	113 602 000	21 810 000	135 412 000
Collaterals fair value	**--**	**54 017 000**	**---**	**54 017 000**

31 December 2020	Corporate			EGP
	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	533 080 000	---	---	533 080 000
Delays more than 30 days up to 60 days	415 547 000	---	---	415 547 000
Delays more than 60 days up to 90 days	133 406 000	---	---	133 406 000
Total	1 082 033 000	---	---	1 082 033 000
Collaterals fair value	**966 478 000**	**---**	**---**	**966 478 000**

Upon initial recognition of "Murabaha, Mudaraba & Musharaka", the collaterals fair value shall be evaluated using the assessment methods usually adopted with similar assets, and at subsequent periods the fair value shall be updated according to the market prices or the similar assets prices.

31 December 2019	Individuals			EGP
	Credit Cards	Personal Murabaha, Mudaraba & Musharaka	Real estate Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	--	47 873 000	--	47 873 000
Delays more than 30 days up to 60 days	--	--	--	--
Delays more than 60 days up to 90 days	--	--	--	--
Total	--	47 873 000	--	47 873 000
Collaterals fair value	**--**	**13 648 000**	**----**	**13 648 000**

31 December 2019	Corporate			EGP
	Direct Murabaha, Mudaraba & Musharaka	Joint Murabaha, Mudaraba & Musharaka	Other Murabaha, Mudaraba & Musharaka	Total
Delays up to 30 days	137 596 000	---	---	137 596 000
Delays more than 30 days up to 60 days	307 763 000	---	---	307 763 000
Delays more than 60 days up to 90 days	894 000	--	--	894 000
Total	446 253 000	--	--	446 253 000
Collaterals fair value	**380 069 000**	**---**	**--**	**380 069 000**

"Murabaha, Mudaraba & Musharaka" to customers, subject to impairment individually

- The balance of "Murabaha, Mudaraba & Musharaka", individually subject to impairment, before taking into consideration the cash flows of collaterals, amounts to EGP1 343 620 789, against EGP1 423 266 366 as at 31/12/2019.
- Hereunder is an analysis of the total value of the "Murabaha, Mudaraba & Musharaka" subject to impairment individually, including the fair value of the collaterals obtained by the Bank in return:

EGP	31 December 2020		31 December 2019	
	Murabaha, Mudaraba & Musharaka, individually subject to impairment	Fair value of collaterals	Murabaha, Mudaraba & Musharaka, individually subject to impairment	Fair value of collaterals
Individuals				
Debit current accounts	--	--	--	--
Credit cards	421 642	--	435 534	--
Personal Murabaha, Mudaraba & Musharaka	46 266 921	--	33 989 599	--
Real estate Murabaha, Mudaraba & Musharaka	7 162 876	--	6 062 494	--
Corporates				
Debit current accounts	--	--	--	--
Direct Murabaha, Mudaraba & Musharaka	804 627 808	892 222 715	887 037 214	908 169 988
Joint Murabaha, Mudaraba & Musharaka	483 503 652	--	493 012 314	--
Other Murabaha, Mudaraba & Musharaka	1 637 890	--	2 729 211	--
Total	**1 343 620 789**	**892 222 715**	**1 423 266 366**	**908 169 988**

A/7 Debt instruments & other government securities

The following table represents the analysis of the debt instruments & other government securities according to the rating agencies, pursuant to (Standard & Poor's) Rating and the alike

31 December 2020				EGP
	Governmental Securities	Trading Securities	Investments in Securities	Total
AAA	--	--	--	--
AA- to +AA+	--	--	--	--
A- to A+	--	--	--	--
B	13 991 458 830	---	18 283 115 018	32 274 573 848
Unrated	---	---	---	---
Total	**13 991 458 830**	**---**	**18 283 115 018**	**32 274 573 848**

A/8 Acquisition of collaterals

- During the current period, the Bank obtained assets by means of acquiring some collaterals as follows:

Asset's Nature	Book Value (EGP)
Land	77 034 558
Units	6 422 306

- The acquired assets are classified in the balance sheet under the item of other assets. Such assets are sold whenever practical.

A/9 Concentration of the risks of financial assets exposed to the credit risk

Geographical segments

- The following table represents the analysis of the most important limits of the credit risk of the Bank in the book value, distributed on basis of the geographical sector as at the end of the current year. Upon preparing this table, risks have been distributed on the geographical sectors according to the areas of the Bank customers:

31 December 2020	Arab Republic of Egypt						EGP
	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total	The Arab Gulf Countries	Other Countries	Total
Government securities	13 991 458 830	---	---	13 991 458 830	---	---	13 991 458 830
Financial assets for trading:							
Debt instruments	---	---	---	---	---	---	---
Investments with banks	780 972 241	---	---	780 972 241	845 415 247	510 018 119	2 136 405 607
(Murabaha, Mudaraba & Musharaka) to customers:							
Individuals:							
Debit current accounts	---	---	---	---	---	---	---
Credit cards	20 370 356	5 611 241	---	25 981 597	---	---	25 981 597
Personal Murabaha, Mudaraba & Musharaka	1 398 498 373	202 194 203	---	1 600 692 576	---	---	1 600 692 576
Real estate Murabaha, Mudaraba & Musharaka	473 598 455	83 495 342	---	557 093 797	---	---	557 093 797
Corporates :							
Debit current accounts	---	---	---	---	---	---	---
Direct Murabaha, Mudaraba & Musharaka	13 779 011 592	3 205 797 000	---	16 984 808 592	----	---	16 984 808 592
Joint Murabaha, Mudaraba & Musharaka	3 566 564 000	---	---	3 566 564 000	---	---	3 566 564 000
Other Murabaha, Mudaraba & Musharaka	2 155 000	4 645 000	---	6 800 000	---	---	6 800 000
Financial investments							
Debt instruments – at fair value	425 288 686	---	---	425 288 686	---	---	425 288 686
Debt instruments – amortized cost	17 682 562 370	---	---	17 682 562 370	175 263 962	---	17 857 826 332
Total	**52 120 479 903**	**3 501 742 786**	**---**	**55 622 222 689**	**1 020 679 209**	**510 018 119**	**57 152 920 017**
31 December 2019	**39 262 533 600**	**2 752 030 163**	**—**	**42 014 563 763**	**810 487 651**	**643 264 150**	**43 468 315 564**

Continued: A/9 – Activity sectors

- The following table represents the most important limits of the credit risk of the bank at the book value, distributed according to the business carried out by the Bank Customers.

31 December 2020								EGP
	Financial institutions	Industrial Institutions	Real estate activity	Wholesale and retail trading	Governmental sector	Other activities	Individuals	Total
Government securities	--	--	--	--	13 991 458 830	--	--	13 991 458 830
Financial assets for trading:								
Debt instruments	--	--	--	--	--	--	--	--
Investments with banks	2 136 405 607	--	--	--	--	--	--	2 136 405 607
(Murabaha, Mudaraba & Musharaka) to customers:								
Individuals:								
Debit current accounts							--	--
Credit cards							25 981 597	25 981 597
Personal Murabaha, Mudaraba & Musharaka							1 600 692 576	1 600 692 576
Real estate Murabaha, Mudaraba & Musharaka							557 093 797	557 093 797
corporates:								
Debit current accounts	--	--	--	--	--	--	--	--
Direct Murabaha, Mudaraba & Musharaka	41 490 363	6 373 649 388	142 979 672	4 838 265 198	383 511 999	5 204 911 972	---	16 984 808 592
Joint Murabaha, Mudaraba & Musharaka	---	989 367 413	---	115 887 971	2 144 688 003	316 620 613	---	3 566 564 000
Other Murabaha, Mudaraba & Musharaka	---	---	---	---	---	6 800 000	---	6 800 000
Financial investments								
Debt instruments – at fair value	--	---	325 000 000	---	100 288 686	---	---	425 288 686
Debt instruments – amortized cost	---	---	---	---	17 857 826 332	---	---	17 857 826 332
Total	**2 177 895 970**	**7 363 016 801**	**467 979 672**	**4 954 153 169**	**34 477 773 850**	**5 528 332 585**	**2 183 767 970**	**57 152 920 017**
31 December 2019	**2 436 398 956**	**6 741 292 788**	**140 764 353**	**3 640 552 197**	**24 175 718 940**	**4 521 091 339**	**1 812 496 991**	**43 468 315 564**

B- The Market Risk

- The Bank is exposed to the market risks, represented in the fluctuation of the fair value or the future cash flows ensuing of the change in the market prices. The market risk results of the open positions of the return rate, currency and the equity products, since each of them is exposed to the general and special market movements and the changes in the level of sensitivity to the market rates such as the return rates, the exchange rates and the prices of the equity instruments. The Bank classifies the extent of its exposure to the market risk into trading or non-trading portfolios.
- The trading portfolios include the positions ensuing of the Bank's direct transaction with customers or the market, while the non-trading portfolios are basically originated from managing the return rates of the assets and liabilities pertaining to the retail transactions. These portfolios include the risks of foreign currencies exchange and the equity instruments resulting of the investments held to maturity and the available for sale investments.

B/1 Methods of measuring the market risk

- Hereunder are the most important measurement methods used for controlling the market risks:

Value at Risk

- The Bank applies the method of "Value at Risk" both for the trading and non-trading portfolios in order to estimate the market risks of the outstanding positions and the maximum expected loss, based on a number of assumptions of the variable changes of the market circumstances. The Board of Directors sets limits to the (value at risk) acceptable by the Bank for both the trading and non-trading portfolios independently.
- The (Value at Risk) is a statistical expectation of the probable loss of the current portfolio resulting of the market reverse movements. It expresses the maximum value that the Bank may lose, yet through using a fixed confidence coefficient (98%). Accordingly, there is a (2%) statistical probability that the real loss is larger than the expected (value at risk). The (Value at Risk Model) assumes having fixed retention period (ten days) before closing the opened positions, with assuming that during this retention period, the market movement shall be the same as it was during the prior ten days. The Bank estimates the prior movement pursuant to the data of the previous five years and applies these historical changes in rates, prices and indicators directly to the current positions, and this is known to be the "Historical Simulation Method". Actual outputs are monitored on regular basis to measure the soundness of the assumptions and factors used for calculating the (Value at Risk).
- Adoption of this method doesn't however guarantee that the loss won't surpass these limits in case of larger market movements.
- Whereas the (value at risk) is considered a principal part of the system adopted by the Bank for controlling the market risk, the Board of Directors annually sets the limits of the (value at risk) of each trading and non-trading operation and divide them on the activity units. The real values at risk are compared to the limits laid down by the Bank.
- The quality of the (Value at Risk Model) is perpetually reviewed through testing the results of the value at risk of the trading portfolio and reporting the test results to the Top Management and the Board of Directors.

Stress Testing

- The "Stress Testing" gives an indicator to the volume of expected loss which may result of intense reverse circumstances. The stress testing is appropriately designed for the activity, using stereotype analyses of specific scenarios. The stress testing carried out by the (Risk Management) at the Bank comprises (risk factors stress testing), by means of applying a group of intense movements on each category of risk. It also comprises (developing markets stress testing), as these developing markets are exposed to intense movements and special stress testing including probable incidents influencing certain positions or areas, as for instance the consequences of liberating a certain currency at a certain area. The Top Management & the Board of Directors review the results of stress testing.

B/2 Summary of the (Value at Risk)

- Total value at risk as per the risk type

						EGP
	31 December 2020			31 December 2019		
	Average	Higher	Less	Average	Higher	Less
Exchange rate risk	15 685 000	58 781 000	2 721 000	10 651 000	59 210 570	5 200 090
Return rate risk	--	--	--	--	--	--
Total value at risk	**15 685 000**	**58 781 000**	**2 721 000**	10 651 000	59 210 570	5 200 090

- Total value at risk of the trading portfolio according to the type of risk

						EGP
	31 December 2020			31 December 2019		
	Average	Higher	Less	Average	Higher	Less
Exchange rates risk	--	--	--	--	--	--
Return rate risk	--	--	--	--	--	--
Total value at risk	**--**	**--**	**--**	--	--	--

- Total value at risk of the non-trading portfolio according to the type of risk

						EGP
	31 December 2020			31 December 2019		
	Average	Higher	Less	Average	Higher	Less
Exchange rate risk	15 685 000	58 781 000	2 721 000	10 651 000	59 210 570	5 200 090
Interest rate risk	--	--	--	--	--	--
Total value at risk	**15 685 000**	**58 781 000**	**2 721 000**	10 651 000	59 210 570	5 200 090

The Bank isn't exposed to the return rate risk as it distributes variable return on its customers as per the quarterly achieved revenues and returns.
The increase in the value at risk, particularly the return rate, is linked to the increase of the return rate sensitivity at the world financial markets.
The three previous results of the value at risk have been calculated independently for the concerned positions and the markets' historical movements. The total value at risk of the trading and non-trading portfolios doesn't represent the Bank's value at risk due to the relationship between the types of risk and the types of portfolios and the subsequent variable influences.

B/3 Risk of Fluctuation of Foreign Currencies Exchange Rates

- The Bank is exposed to the risk of fluctuation of the foreign currencies exchange rates on the financial position and cash flows. The Board of Directors has set limits for foreign currencies at the total value for each position by the end of the day and also during the day as they are instantly monitored. The following table briefs the extent of the Bank's exposure to the risk of foreign currencies exchange rates fluctuation by the end of the reported period. The table reveals the book value of the financial instruments distributed on the currencies thereof:

Equivalent in EGP

31 December 2020	Egyptian Pounds	US Dollars	European Euro	Sterling Pounds	Other Currencies	Total
Financial Assets						
Cash & balances with the Central Bank of Egypt	6 305 124 257	69 785 159	26 919 494	2 944 833	5 114 842	6 409 888 585
Balances with banks	12 028 427 619	1 356 883 320	65 175 590	4 468 922	14 777 461	13 469 732 912
Government securities	11 155 800 000	2 485 671 800	349 987 030	--	--	13 991 458 830
Financial assets at the fair value through profits & losses	57 399 037	--	--	--	--	57 399 037
Investments with banks	--	2 065 922 811	--	25 831 440	44 651 356	2 136 405 607
Murabaha, Mudaraba & Musharaka for customers	20 046 214 645	2 580 716 533	111 491 392	3 517 992	--	22 741 940 562
Financial Investments						
Financial assets at the fair value through comprehensive income	376 906 179	--	100 288 686	--	12 976 564	490 171 429
Financial assets at amortized cost	14 100 255 180	3 391 817 852	365 753 300	--	--	17 857 826 332
Total financial assets	**64 070 126 917**	**11 950 797 475**	**1 019 615 492**	**36 763 187**	**77 520 223**	**77 154 823 294**
Financial Liabilities						
Balances due to banks	---	619 553 716	432 920 789	--	855 941	1 053 330 446
Deposits to customers	56 015 752 257	9 610 970 386	544 098 508	36 449 012	63 123 459	66 270 393 622
Other finances	2 788 438	1 022 586 500	--	--	--	1 025 374 938
Total financial liabilities	**56 018 540 695**	**11 253 110 602**	**977 019 297**	**36 449 012**	**63 979 400**	**68 349 099 006**
Net financial position	**8 051 586 222**	**697 686 873**	**42 596 195**	**314 175**	**13 540 823**	**8 805 724 288**
31 December 2019						
Total Financial Assets	60 490 627 344	11 825 113 501	919 490 237	52 092 208	297 393 174	73 584 716 464
Total financial liabilities	54 058 193 462	11 448 240 704	849 392 314	54 038 569	80 584 460	66 490 449 509
Net financial position	**6 432 433 882**	**376 872 797**	**70 097 923**	**(1 946 361)**	**216 808 714**	**7 094 766 955**

B/4 Return Rate Risk

- The Bank is exposed to the influences of fluctuations in the levels of the return rates prevailing at the market, which is the risk of cash flows of the return rate, represented in the fluctuation of the future cash flows of the financial instrument due to the changes in the instrument return rate, and the risk of the fair value of the return rate which is the risk of fluctuation of the financial instrument value due to the change in the return rates at the market. The return margin may increase due to these changes. Yet, profits may decrease in case of the occurrence of unexpected movements. The Board of Directors sets limits to the level of differences in re-pricing the return which the Bank may retain. The following table briefs the extent of the Bank's exposure to the risk of return rate fluctuation. It includes the book value of the financial instruments distributed on basis of the earlier of the re-pricing or maturity dates.

EGP

31 December, 2020	Up to one month	More than a month to three months	More than three months to one year	More than a year up to five years	More than five years	Without return	Total
Financial Assets							
Cash & balances with the Central Bank of Egypt	--	--	--	--	--	6 409 888 585	6 409 888 585
Balances with banks	8 000 000 000	5 015 066 555	--	--	--	454 666 357	13 469 732 912
Government securities	1 900 000 000	4 117 345 990	7 974 112 840	--	--		13 991 458 830
Financial assets at the fair value through profits & losses	--	--	--	--	--	57 399 037	57 399 037
Investments with banks	1 339 979 214	646 971 443	149 454 950	--	--	--	2 136 405 607
Murabaha, Mudaraba & Musharaka for customers	3 160 740 789	2 520 121 012	7 007 513 898	7 112 000 708	2 941 564 155	--	22 741 940 562
Financial Investments							
Financial assets at the fair value through comprehensive income	--	--	--	--	--	490 171 429	490 171 429
Financial assets at amortized cost	--	210 810 140	2 893 033 560	10 838 195 922	3 915 786 710	--	17 857 826 332
Total financial assets	**14 400 720 003**	**12 510 315 140**	**18 024 115 248**	**17 950 196 630**	**6 857 350 865**	**7 412 125 408**	**77 154 823 294**
Financial Liabilities							
Balances due to banks	541 342 159	290 044 500	-- --	--	--	221 943 787	1 053 330 446
Deposits to customers	26 979 525 701	34 850 831 867	--	--	--	4 440 036 054	66 270 393 622
Other finances	--	2 788 438	--	--	1 022 586 500	--	1 025 374 938
Total financial liabilities	**27 520 867 860**	**35 143 664 805**	**--**	**--**	**1 022 586 500**	**4 661 979 841**	**68 349 099 006**
Re-pricing Gap	**(13 120 147 857)**	**(22 633 349 665)**	**18 024 115 248**	**17 950 196 630**	**5 834 764 365**	**2 750 145 567**	**8 805 724 288**
31 December, 2019							
Total Financial Assets	20 855 042 032	15 814 183 839	12 819 296 589	11 744 043 976	5 336 681 796	6 834 873 232	73 584 716 464
Total financial liabilities	25 000 539 613	34 532 675 057	180 595 000	--	1 042 697 500	5 733 942 339	66 490 449 509
Re-pricing Gap	**(4 145 497 581)**	**(18 718 491 218)**	**12 819 296 589**	**11 744 043 976**	**4 293 984 296**	**1 100 930 893**	**7 094 266 955**

C- Risk of Liquidity

The risk of liquidity is the risk of the Bank's exposure to difficulties in fulfilling its commitments related to its financial liabilities upon maturity and redeeming the withdrawn amounts. This may result in the failure to fulfill the liabilities pertaining to payment to depositors and the lending commitments.

Management of Liquidity Risks

The liquidity risk management operations, adopted by the (Liquidity Risks Department) at the Bank, comprise the following:

- Management of daily finance through controlling the future cash flows to ascertain the possibility of fulfilling all requirements. This includes redeeming money upon maturity or upon lending to customers. The Bank exists at the global stock markets to assure the realization of this target.

- Maintaining a portfolio of highly marketable assets that can be easily liquidated for facing any unexpected disturbances in the cash flows
- Monitoring liquidity percentages in comparison to the Bank's internal requirements and those of the Central Bank of Egypt.
- Managing concentrations and stating facilities maturities

For purposes of control and reporting, the cash flows of the following day, week and month, which are the principal periods for managing liquidity, are measured and forecasted. The starting point of these forecasts is represented in analyzing contractual maturities of the financial liabilities and the dates of expected collections of the financial assets.

The (Liquidity Risk Department) also controls inconsistency between the medium-term assets, the level and type of the unused part of the commitments of (Murabaha, Musharaka & Mudaraba), the extent of utilizing the facilities of the debit current accounts and the influence of contingent liabilities such as letters of guarantee and documentary credits.

Finance Methodology

The liquidity sources are reviewed by an independent team at the (Liquidity Risk Department) at the Bank for providing ample diversity of currencies, geographical areas, resources, products and terms.

Non-Derivative Cash Flows:

The following table represents the cash flows paid by the Bank using the non-derivative financial liabilities method, distributed on basis of the remaining period of contractual maturities on the date of reporting. The amounts displayed in the table represent the undiscounted contractual cash flows, while the Bank manages the risk of liquidity on basis of the expected undiscounted cash flows and not the contractual ones.

31 December, 2020 EGP

	Up to one month	More than a month to three months	More than three months to one year	More than a year up to five years	More than five years	Total
Financial Liabilities						
Balances due to banks	763 285 946	290 044 500	--	--	--	1 053 330 446
Deposits to customers	22 183 493 867	4 431 631 439	7 961 394 539	28 623 099 465	3 070 774 312	66 270 393 622
Other funding	--	--	--	2 788 438	1 022 586 500	1 025 374 938
Total financial liabilities	**22 946 779 813**	**4 721 675 939**	**7 961 394 539**	**28 625 887 903**	**4 093 360 812**	**68 349 099 006**
Total financial assets	**15 159 666 977**	**11 495 248 585**	**18 024 115 248**	**25 584 097 654**	**6 891 694 830**	**77 154 823 294**

31 December 2019 EGP

	Up to one month	More than a month to three months	More than three months to one year	More than a year up to five years	More than five years	Total
Financial Liabilities						
Balances due to banks	1 089 021 878	--	180 595 000	--	--	1 269 616 878
Deposits to customers	16 470 174 717	9 014 577 585	17 840 790 821	11 312 204 551	9 529 579 050	64 167 326 724
Other funding	--	--	--	10 808 407	1 042 697 500	1 053 505 907
Total financial liabilities	**17 559 196 595**	**9 014 577 585**	**18 021 385 821**	**11 323 012 958**	**10 572 276 550**	**66 490 449 509**
Total financial assets	**35 673 312 355**	**14 592 732 911**	**11 621 476 825**	**10 542 939 332**	**1 154 255 041**	**73 584 716 464**

The available assets for facing all liabilities and for hedging the commitments related to (Murabaha, Musharaka & Mudaraba) include cash, balances with central banks, balances with banks, government securities, Murabaha, Musharaka & Mudaraba to banks and customers. The term of a percentage of the (Murabaha, Musharaka & Mudaraba) to customers, falling due within a year, is extended during the ordinary course of the Bank business. Besides, some debt instruments and government securities are mortgaged to guarantee liabilities. The Bank is capable of facing the net unexpected cash flows through selling securities and creating other sources of finance.

Off Balance Sheet Items (Total amounts)

31 December 2020 EGP

	Not more than 1 year	More than 1 year& less than 5 years	More than 5 years	Total
Acceptances	545 857 150	--	--	545 857 150
Letters of guarantee	3 142 056 446	153 561 277	850 000	3 296 467 723
Import letters of credit	578 030 277	--	--	578 030 277
Export letters of credit	4 856 553	--	--	4 856 553
Capital commitments	49 087 419	--	--	49 087 491
Total	**4 319 887 917**	**153 561 277**	**850 000**	**4 474 299 194**

31 December 2019 EGP

	Not more than 1 year	More than 1 year& less than 5 years	More than 5 years	Total
Acceptances	459 940 967	--	--	459 940 967
Letters of guarantee	2 685 660 020	242 105 060	2 803 993	2 930 569 073
Import letters of credit	633 634 144	--	--	633 634 144
Export letters of credit	95 878 388	--	--	95 878 388
Capital commitments	28 180 419	--	--	28 180 419
Total	**3 903 293 938**	**242 105 060**	**2 803 993**	**4 148 202 991**

In the light of the strategy of the Central Bank of Egypt for applying the best international practices in the field of banking supervision, and in particular "Basel Committee" requirements, the Central Bank issued instructions concerning the liquidity risks management, including the Liquidity Coverage Ratio LCR and the Net Stable financing Ratio.

First: The LCR – Liquidity Coverage Ratio

(With a minimum of 70% for the year 2016, 80% for 2017, 90% for 2018 and 100% for 2019)

The liquidity coverage ratio consists of:

	EGP'000	EGP'000
	31 December 2020	31 December 2019
Numerator ratio: High quality liquidated assets	33 801 431	23 552 504
Denominator ratio: Net cash outflows during 30 days	7 299 905	6 016 056
Liquidity Coverage Ratio LCR	**463.0%**	**391.5%**

Second: The Net Stable Financing Ratio NSFR (With a minimum of 100%)

The net stable finances ratio consists of:

	EGP'000	EGP'000
	31 December 2020	31 December 2019
Numerator ratio: value of available stable financing	51 033 454	48 223 898
Denominator ratio: value of required stable financing	18 271 552	13 636 970
Net stable Financing ratio NSFR	**279.3%**	**353.6%**

D- Fair Value of Financial Assets & Liabilities

D/1 Financial instruments measured at the fair value using assessment methods

- None of the financial assets and liabilities have been assessed using the assessment methods during the financial period ending as at the date of reporting.

D/2 Financial instruments not measured at the fair value

- The following table briefs the current and fair values of the financial assets and liabilities which have not been reported in the Bank's balance sheet at the fair value:

EGP

	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Book Value		Fair Value	
Financial Assets				
Balances with banks	**13 468 307 993**	23 585 450 072	**13 539 351 487**	23 973 368 950
Investments with banks	**1 987 284 235**	2 293 669 207	**1 989 329 902**	2 307 101 944
Murabaha, Mudarabah & Musharaka to customers				
Individuals	**1 676 742 432**	1 427 539 645	**1 676 742 432**	1 427 539 645
Corporates	**17 888 606 457**	15 365 958 123	**17 888 606 457**	15 365 958 123
Financial Investments				
At amortized cost	**17 819 709 472**	14 031 173 222	**18 389 772 580**	14 647 117 583
Financial Liabilities				
Balances due to banks	**1 053 330 446**	1 269 616 878	**1 053 907 247**	1 272 091 282
Customers' deposits	**66 270 393 622**	64 167 326 722	**67 048 969 205**	65 309 954 711
Other finances	**1 025 374 938**	1 053 505 907	1 045 873 623	1 075 264 465

Balances with banks

The value of deposits and overnight deposits of variable return represents the current value thereof. The expected fair value of the deposits bearing variable return is estimated pursuant to the discounted cash flows using the return rate prevailing at the financial markets for debts with similar credit risks and value date.

Investment with Banks

The "Investment with Banks" is represented in facilities other than deposits with banks. The expected fair value of the investment with banks represents the discounted value of future cash flows expected to be collected. The cash flows are discounted using the return rate prevailing at the market so as to determine the fair value.

"Murabaha, Musharaka & Mudarabah" for Customers:

Represents the net "Murabaha, Musharaka & Mudaraba" after discounting the impairment losses provision - The expected fair value of "Murabaha, Musharaka & Mudaraba" to customers represents the discounted value of the future cash flows expected to be collected. The cash flows are discounted using the return rate prevailing at the market for determining the fair value.

Investments in Securities

In the previous table, the investments in securities comprise only the return-earning assets held to maturity, as the assets available for sale are evaluated at the fair value, except for the equity instruments which the Bank can't reliably assess their value. The fair value of the financial assets held to maturity is determined according to the market rates or those obtained from brokers. If such data is not available, the fair value is assessed using the financial market rates for the traded securities having similar credit characteristics, value dates and rates.

Dues to other Banks & Customers

The fair value estimated for the deposits having indefinite value dates, including non-return-bearing deposits, represents the amount to be paid on demand.

The fair value of the deposits bearing fixed return and other finances which are not traded in active markets is determined according to the discounted cash flows, using the return rate on the new debts having similar value dates.

E- Capital Management

The Bank's goals upon capital management, comprising elements other than the shareholders' equity reported in the balance sheet, are represented in the following:

- Compliance to the capital legal requirements in the Arab Republic of Egypt & in the Countries where the Bank branches operate
- Sustainability of the Bank's business and enabling it to continue generating the shareholders and customers revenue
- Maintaining a strong capital base supporting growth of its activity

The capital adequacy ratio and utilizations are daily reviewed by the Bank Management pursuant to the requirements of the regulatory authority (The Central Bank of Egypt in the Arab Republic of Egypt), through models relying on the guidelines of (Basel Committee on Banking Supervision). The required particulars are prepared and submitted to the Central Bank of Egypt on quarterly basis.

The Central Bank of Egypt requires that the Bank:

- Retains the amount of 500 million Egyptian Pounds as a minimum issued and paid up capital
- Retains a certain ratio between the capital elements and the risk-weighted assets and contingent liabilities, equal to or exceeding 10%

The Bank branches operating abroad are subject to the supervisory regulations organizing banking business in the countries where they conduct their business.

The numerator of the capital adequacy ratio consists of the two following tiers:

Tier 1: Tier 1 consists of two parts: The core capital & the additional core capital.

Tier 2: The subordinated capital, consisting of:

- 45% of the value of the reserve of positive foreign currencies translation differences
- 45% of the value of the special reserve
- 45% of the increase in the fair value to the book value of financial investments (if positive)
- 45% of the balance of the reserve of the fair value of the "Available-for-sale" financial investments
- 45% of the increase in the fair value to the book value of the held-to-maturity financial investments
- 45% of the increase in the fair value to the book value of the financial investments in sister companies & subsidiaries
- Loans (subordinated deposits, with depreciating 20% of their value over each of the last five years of their terms)
- Reserve of the impairment losses of regular loans, facilities and contingent liabilities of a maximum of 1.25% of the credit risks of risk-weighted regular assets and contingent liabilities

The denominator of the "capital adequacy ratio" consists of the following:

- Credit risks
- Market risks
- Operating risks

The risk-weighted assets range from zero to 200%, classified according to the nature of the debtor of each asset so as to reflect the related credit risks, taking cash collaterals into consideration. The off-balance sheet amounts shall be handled the same way, after carrying out modifications so as to reflect the contingent nature and the given losses concerning these amounts. The Bank has always been committed to all local capital requirements. The following table briefs the calculation of the capital adequacy ratio according to "Basel Committee" requirements by the end of the financial period.

Capital	31 December 2020 EGP '000	31 December 2019 EGP '000
Tier 1		
Sustained Core Capital		
Issued & Paid up capital	1 546 447	1 546 447
Reserves	1 387 740	982 356
General risks reserve	214 926	214 926
Retained earnings	1 554 854	888 012
Total Items of other accumulated comprehensive Income	28 955	19 473
Total Core Capital	**4 732 922**	**3 651 214**
Additional Core Capital	4 184	4 339
Differences of nominal value to current value of subordinated finance	--	--
Total deductions of the sustained core capital	(21 128)	(15 749)
Total of Tier 1 after deductions	**4 715 978**	**3 639 804**
Tier 2		
45% of the special reserve value	--	--
45% of the increase of fair value to book value of financial investments	--	--
Subordinated finances by the Principal Investor/ Subordinated deposits	943 926	1 042 698
Impairment losses reserve for regular contingent liabilities, facilities & loans	297 756	91 842
Total of Tier 2	**1 241 682**	**1 134 540**
Total capital	**5 957 660**	**4 774 344**
Total credit, market & operating risk-weighted contingent liabilities and assets	29 138 966	26 578 505
Capital adequacy ratio (%)	**20.45%**	**17.96%**

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

Within the framework of its endeavor 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:

- As a guiding ratio as of the end of September 2015 up to 2017
- As a mandatory ratio as of 2018

The financial leverage numerator & denominator consist of the following:

Numerator's components:

The ratio numerator consists of "Tier 1" of the capital (after deductions) used in the numerator of the currently applied "capital adequacy ratio" pursuant to the instructions of the Central Bank of Egypt.

Denominator's components:

The ratio denominator consists of all the Bank's reported and off balance sheet assets, called "The Bank's Exposures", comprising the total of:

- Exposure of the "balance sheet" items after deducting some of the written off items of the first tier of the capital base
- Exposures resulting of the derivatives contracts
- Exposures resulting of securitization
- Off-balance sheet exposures

	31 December 2020 EGP'000	31 December 2019 EGP'000
First: Numerator Ratio		
Total Core Capital	**4 715 978**	**3 639 804**
Second: Denominator Ratio		
Total reported exposure	75 596 643	68 939 390
Total off balance sheet exposure	3 487 689	2 818 205
Total reported & off balance sheet exposure	**79 084 332**	**71 757 595**
Financial leverage ratio (%)	5.96%	5.07%

4- Important Accounting Estimates & Assumptions

The Bank uses estimates and assumptions that influence the assets and liabilities amounts, which are disclosed during the following financial years. The estimates and assumptions are perpetually evaluated on basis of historical experience and such other factors, including the future events expectations thought to be reasonable in the light of available circumstances and information.

A- Impairment Losses of "Murabaha, Musharaka & Mudaraba" (Expected losses)

The Bank reviews the "Murabaha, Musharaka & Mudaraba" portfolio to evaluate impairment on quarterly basis as a minimum. It depends on personal judgement upon deciding whether or not the impairment burden is to be reported in the Income Statement, so as to realize if there is any reliable information indicating a measurable decrease in the expected future cash flows of the "Murabaha, Musharaka & Mudaraba" portfolio, before recognizing the decrease over each "Murabaha, Musharakah & Mudarabah" in this portfolio. Evidences may comprise the existence of any particulars indicating any negative change in the ability of the borrowers' portfolio to settle the Bank's entitlements, or any local or economic circumstances related to default in the bank's assets. Upon scheduling the future cash flows, the Management uses estimates based on its previous experiences regarding the losses of assets having similar credit risk characteristics to those included in the portfolio. The manner and assumptions used for estimating every amount and the timing of the future cash flows are regularly reviewed so as to extenuate any differences between estimated and real loss based on experience.

B- Debt Instruments at Amortized Cost

The non-derivative financial assets, having fixed payments and value dates, or which are liable to be determined, are classified as debt instruments at the amortized cost, within the business model of the financial assets retained for collecting contractual cash flows.

If the investments classification as debt instruments at the amortized cost is suspended, the book value shall be increased in the amount of 570 013 108, so as to reach the fair value, by means of reporting a contra entry in the "fair value reserve" in the comprehensive income statement.

C- Income Taxes

On the occasion of issuing the Income Tax Law number 91/2005 and its Executive Regulations, the income tax on the net taxable profits shall be calculated according to the tax return issued in compliance with the Law, using the tax rates prevailing upon preparing the financial statements, to be charged to the Income Statement.

(5) Sector Reports

A- Sector Analysis of Activities

The sector activity comprises the operating processes and the assets used for providing banking services and managing the risks pertaining to them as well as the return on this activity which may differ from other activities. The operating sector analysis of banking business comprises:

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

31 December 2020						EGP
	Head Office	Cairo Governorate Branches	Giza Governorate Branches	Alexandria Governorate Branches	Other Governorates Branches	Total
Revenues & expenses according to sector activity						
Sector activity revenues	1 571 618 859	4 269 885 649	1 069 227 741	669 911 811	623 353 362	8 203 997 422
Sector activity expenses	(994 285 200)	(3 358 306 715)	(825 281 589)	(520 337 373)	(498 559 692)	(6 196 770 569)
Profit before taxation	577 333 659	911 578 934	234 946 152	149 574 438	124 793 670	2 007 226 853
Tax	(750 959 334)	--	--	--	--	(750 959 334)
Profit after taxation	**(173 625 675)**	**911 578 934**	**234 946 152**	**149 574 438**	**124 793 670**	**1 256 267 519**
Assets & liabilities according to the sector activity						
Total assets of sector activity	5 494 561 293	43 289 579 350	12 239 722 436	6 951 686 086	7 384 760 469	75 360 309 634
Total liabilities of sector activity	5 468 891 555	38 261 387 798	12 239 722 436	6 951 686 086	7 384 760 469	70 306 448 344
Other items of the sector activity						
Capital expenses	30 140 393					
Depreciation	68 661 033					
(Burden) of credit losses impairment	(371 594 653)					

31 December 2019						EGP
	Head office	Cairo Governorate Branches	Giza Governorate Branches	Alexandria Governorate Branches	Other Governorates Branches	Total
Revenues & expenses according to sector activity						
Sector activity revenues	6 111 801 231	5 121 409 266	1 406 772 214	767 799 692	769 072 891	14 176 855 294
Sector activity expenses	(6 328 240 632)	(4 145 847 349)	(1 021 423 941)	(558 632 072)	(602 307 712)	(12 656 451 706)
Profit before taxation	(216 439 401)	975 561 917	385 348 273	209 167 620	166 765 179	1 520 403 588
Tax	(453 429 402)	--	--	--	--	(453 429 402)
Profit after taxation	**(669 868 803)**	**975 561 917**	**385 348 273**	**209 167 620**	**166 765 179**	**1 066 974 186**
Assets & liabilities according to the sector activity						
Total assets of sector activity	5 127 148 533	43 504 421 435	11 609 047 875	6 252 306 157	6 026 109 658	72 519 033 658
Total liabilities of sector activity	1 037 507 729	43 504 421 435	11 609 047 875	6 252 306 157	6 026 109 658	68 429 392 854
Other items of the sector activity						
Capital expenses	42 838 727					
Depreciation	52 860 667					
(Burden) of credit losses impairment	(247 025 105)					

(5) Sector Reports

(B) Geographical Sectors Analysis

31 December 2020				EGP
	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total
Revenues & expenses according to geographical sectors				
Geographical sectors revenues	7 233 005 525	970 991 897	--	8 203 997 422
Geographical sectors expenses	(5 438 428 166)	(758 342 403)	--	(6 196 770 569)
Profit before taxation	1 794 577 359	212 649 494	---	2 007 226 853
Tax	(750 959 334)	---	---	(750 959 334)
Profit after taxation	**1 043 618 025**	**212 649 494**	--	**1 256 267 519**
Assets & liabilities according to geographical sectors				
Total geographical sectors assets	65 013 875 162	10 346 434 472	--	75 360 309 634
Total geographical sectors liabilities	59 960 013 872	10 346 434 472	--	70 306 448 344
Other items of geographical sectors				
Capital expenses	30 140 393			
Depreciation	68 661 033			
(Burden) of credit losses impairment	(371 594 653)			

31 December 2019				EGP
	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total
Revenues & expenses according to geographical sectors				
Geographical sectors revenues	13 056 411 128	1 120 444 166	--	14 176 855 294
Geographical sectors expenses	(11 824 001 592)	(832 450 114)	--	(12 656 451 706)
Profit before taxation	1 232 409 536	287 994 052	--	1 520 403 588
Tax	(453 429 402)	--	--	(453 429 402)
Profit after taxation	**778 980 134**	**287 994 052**	--	**1 066 974 186**
Assets & liabilities according to geographical sectors				
Total geographical sectors assets	63 565 165 481	8 953 868 177	--	72 519 033 658
Total geographical sectors liabilities	59 475 524 677	8 953 868 177	--	68 429 392 854
Other items of geographical sectors				
Capital expenses	42 838 727			
Depreciation	52 860 667			
(Burden) of credit losses impairment	(247 025 105)			

(6) Net Return Income

	31 December 2020	31 December 2019
	EGP	EGP
Return on "Murabaha, Musharaka, Mudaraba & such similar revenues of murabaha, mudaraba & musharaka:		
To banks	**1 355 676 964**	3 058 467 791
To customers	**2 174 598 549**	2 529 477 220
	3 530 275 513	5 587 945 011
Government securities	**1 828 064 402**	833 951 242
Investments in debt instruments at amortized cost	**2 218 134 480**	1 689 897 608
	7 576 474 395	8 111 793 861
Cost of deposits and similar costs of deposits & current accounts:		
To banks	(32 839 517)	(52 786 381)
To customers	**(5 020 045 956)**	**(6 097 173 126)**
	(5 052 885 473)	(6 149 959 507)
Other finances	**(57 497 490)**	**(65 332 111)**
	(5 110 382 963)	(6 215 291 618)
Net	**2 466 091 432**	**1 896 502 243**

The Bank keeps debt instruments to cover the percentage of liquidity of customers' balances according to the requirements of the competent authorities, and we usually recommend depositors to take this into consideration with regard to the returns of such instruments, taking into account that the "purification percentage" of the returns of such instruments is 65%.

(7) Net Fees & Commissions Income

	31 December 2020	31 December 2019
	EGP	EGP
Fees and commissions revenues		
Fees & commissions pertaining to credit	**110 892 489**	128 985 552
Fees of corporates financing services	--	22 676
Custody fees	**868 842**	795 887
Other fees	127 639 027	158 316 756
	239 400 358	288 120 871
Fees & Commissions Expenses		
Other paid up fees	(42 532 877)	(16 113 072)
	(42 532 877)	(16 113 072)
Net	**196 867 481**	**272 007 799**

(8)Profit Distributions

	31 December 2020	31 December 2019
	EGP	EGP
Equity instruments at the fair value through the Comprehensive income	**3 388 481**	7 774 139
Investment Funds Documents	--	119 218
	3 388 481	**7 893 357**

(9) Net Trading Income

	31 December 2020	31 December 2019
	EGP	EGP
Foreign currency operations		
Profits of dealing in foreign currencies	**73 704 587**	95 268 855
Total	**73 704 587**	95 268 855

(10) Administrative Expenses

	31 December 2020	31 December 2019
	EGP	EGP
Personnel costs		
Wages & salaries	**(276 199 613)**	(250 016 824)
Social Insurance	**(10 421 774)**	(9 933 892)
	(286 621 387)	(259 950 716)
Other administrative expenses	**(375 209 980)**	(310 549 115)
	(661 831 367)	(570 499 831)

The monthly average of the net salaries, remunerations and monthly profits received by the top twenty personnel at the Bank jointly during 2020, after taxes and insurance deductions, amounts to EGP 2 347 958, against EGP 2 378 942 during 2019.

(11) Other Operating Revenues (expenses)

	31 December 2020	31 December 2019
	EGP	EGP
(Losses) of evaluation of the balances of cash assets and liabilities in foreign currencies, other than those held for trading or those classified upon institution at the fair value through profits & losses	**(892 718)**	(21 068 027)
(Burden) of operating lease	**(1 514 791)**	(4 198 151)
(Burden) other provisions - lawsuits & taxes	**(10 434 804)**	(3 118 349)
Reversal (burden) of other provisions- contingent liabilities	**(29 388 130)**	33 621 664
Others*	**350 911 506**	72 247 130
	308 681 063	77 484 267

(12) (Burden) of Expected Credit Loss Impairment

	31 December 2020	31 December 2019
	EGP	EGP
"Murabaha, Musharaka & Mudaraba" for Customers	**(228 811 408)**	(200 783 266)
Reserve of customers' foreign deposits with the Central Bank of Egypt	**(267 645)**	(1 157 274)
Government securities	**10 375 360**	(22 332 794)
Investment with banks	**(142 891 298)**	(3 021 591)
Financial assets at the fair value through the comprehensive income – treasury bonds	**(369 248)**	(883 815)
Financial assets at amortized cost – treasury bonds	**(9 923 067)**	(18 721 716)
Accrued revenues	**292 653**	(124 649)
	(371 594 653)	(247 025 105)

(13) Income Tax (Expenses)

	31 December 2020	31 December 2019
	EGP	EGP
Current taxes	**(750 056 198)**	(453 280 304)
Deferred taxes	**(903 136)**	(149 098)
	(750 959 334)	(453 429 402)

(14) Earnings per share

	31 December 2020	31 December 2019
	EGP	EGP
Net Profit distributable on the Bank's shareholders	**1 083 507 382**	907 837 585
Weighted average of the number of shares	**220 921 033**	220 921 033
	4.90	4.11

(15) Cash & balances with the Central Bank of Egypt

	31 December 2020	31 December 2019
	EGP	EGP
Cash	**304 280 618**	453 823 630
Balances with the Central Bank of Egypt within the limits of required reserve ratio	**6 105 607 967**	5 976 343 800
	6 409 888 585	6 430 167 430
Balances without returns	**6 409 888 585**	6 430 167 430
	6 409 888 585	6 430 167 430

(16) Balances with Banks

	31 December 2020	31 December 2019
	EGP	EGP
Current accounts	**454 666 356**	305 079 678
Deposits	**13 015 066 556**	23 281 527 668
Less: provision of expected credit losses	**(1 424 919)**	(1 157 274)
	13 468 307 993	23 585 450 072
Central Bank of Egypt, other than the required reserve ratio	**13 013 641 637**	23 280 370 394
Local banks	**115 081 278**	81 595 992
Foreign banks	**339 585 078**	223 483 686
	13 468 307 993	23 585 450 072
Balances without return	**454 666 356**	305 079 678
Return -bearing balances	**13 013 641 637**	23 280 370 394
	13 468 307 993	23 585 450 072
Current balances	**13 468 307 993**	23 585 450 072
	13 468 307 993	23 585 450 072

Provision of Expected Credit Losses ECL		
Opening balance	**1 157 274**	--
Impairment burden during the year	**267 645**	1 157 274
Closing balance	**1 424 919**	1 157 274

(17) Government Securities

	31 December 2020	31 December 2019
	EGP	EGP
Treasury bills due 182-day	**4 950 000**	---
Treasury bills due 273-day	**3 000 000 000**	1 400 000 000
Treasury bills due 364-day	**8 150 850 000**	3 251 100 000
US$ treasury bills due 364-day	**2 485 671 800**	2 534 557 000
European Euro treasury bills due 364-day	**349 987 030**	326 876 950
	13 991 458 830	**7 512 533 950**
Returns haven't yet fallen due	**(331 593 282)**	(373 093 362)
Less: Provision of expected credit losses	**(19 589 192)**	**(29 964 552)**
	13 640 276 356	7 109 476 036

The Bank keeps debt instruments to cover the percentage of liquidity of customers' balances according to the requirements of the competent authorities, and we usually recommend depositors to take this into consideration with regard to the returns of such instruments, taking into account that the "purification percentage" of the returns of such instruments is 65%.

Provision of Expected Credit Losses (ECL)

	31 December 2020	31 December 2019
	EGP	EGP
Opening balance	**29 964 552**	--
Settlements of opening balance	**---**	7 631 758
Opening balance after settlements	**29 964 552**	7 631 758
Impairment burden during the year	**(10 375 360)**	22 332 794
Closing balance	**19 589 192**	**29 964 552**

(18) Investments with Banks*

	31 December 2020	31 December 2019
	EGP	EGP
Investments with banks	**2 136 405 607**	2 299 899 281
Less: Provision of expected credit losses	**(149 121 372)**	(6 230 074)
	1 987 284 235	2 293 669 207
Current Balances	**1 987 284 235**	2 293 669 207
Non-current Balances	**--**	--
	1 987 284 235	2 293 669 207

Provision of Expected Credit Losses (ECL)

	31 December 2020	31 December 2019
	EGP	EGP
Opening balance	**6 230 074**	--
Settlements of opening balance	**---**	3 208 483
Opening balance after settlements	**6 230 074**	3 208 483
Impairment burden during the year	**142 891 298**	3 021 591
Closing balance	**149 121 372**	6 230 074

* Representing "commodity murabaha" with local and correspondent banks in foreign currencies.

Including the amount of EGP 138 442 480, representing investment operations with (Al Baraka Group) - the Principal Shareholder at the Bank - (against EGP 157 206 700 as at 31 December 2019). The return of these operations during the year amounted to EGP 1 876 438 (against EGP 3 767 382 during the previous year).- Also includes EGP 354 270 331, representing investment operations in subsidiary Banks of Al Baraka Group (against EGP 497 286 500 as at 31 December 2019).

(19) "Murabaha, Mudaraba & Musharaka" to Customers

	31 December 2020	31 December 2019
	EGP	EGP
Individuals		
Debit current accounts	--	--
Credit cards	25 981 597	23 497 716
Personal "Murabaha, Musharaka & Mudaraba"	1 600 692 576	1 385 896 008
Real estate "Murabaha, Musharaka & Mudaraba"	557 093 797	403 103 267
Total (1)	2 183 767 970	**1 812 496 991**
Corporates		
Debit current accounts	--	**--**
Direct "Murabaha, Musharaka & Mudaraba"	16 984 808 592	14 050 265 835
Joint "Murabaha, Musharaka & Mudaraba"	3 566 564 000	3 618 005 994
Other "Murabaha, Musharaka & Mudaraba"	6 800 000	20 768 879
Total (2)	**20 558 172 592**	**17 689 040 708**
Total "Murabaha, Musharaka & Mudaraba" to customers (1+2)	22 741 940 562	19 501 537 699
Less: Outstanding Revenues	(1 466 693 134)	(1 228 695 486)
Less: Expected credit loss provision	(1 709 898 539)	(1 479 344 445)
Net	19 565 348 889	**16 793 497 768**
Current balances	13 189 968 160	10 566 775 296
Non-current balances	6 375 380 729	6 226 722 472
	19 565 348 889	16 793 497 768

Expected Credit Loss Provision ECL

Analysis of the movement of the impairment loss provision of the "Murabaha, Musharaka & Mudaraba" to customers, per the type of each of them:

31 December 2020	Individuals				EGP
	Debit current accounts	Credit cards	Personal "Murabaha, Musharaka & Mudaraba"	Real estate "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1January 2020	-	270 359	29 080 883	27 734 356	**57 085 598**
Impairment (reversal) burden	-	(130 283)	27 491 638	(15 390 981)	11 970 374
Written off amounts	-	--	(705 398)	(28 494)	(733 892)
Recovered amounts	-	27 106	125 000	--	152 106
Balances as at 31 December 2020 (A)	**--**	**167 182**	**55 992 123**	**12 314 881**	**68 474 186**

31 December 2020			Corporates		EGP
	Debit current accounts	Direct "Murabaha, Musharaka & Mudaraba"	Joint "Murabaha, Musharaka & Mudaraba"	Other "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1 January 2020	--	1 096 591 958	322 905 998	2 760 891	**1 422 258 847**
Impairment burden	--	106 649 430	112 115 476	(1 923 872)	216 841 034
Written off amounts	--	(5 178 040)	--	(219 094)	(5 397 134)
Recovered amounts	--	4 570 088	10 656 688	--	15 226 776
Differences of foreign currency evaluation	--	(6 980 655)	(524 515)	--	(7 505 170)
Balance as at 31 December 2020 (B)	**--**	**1 195 652 781**	**445 153 647**	**617 925**	**1 641 424 353**
Total of individuals & corporates (A) + (B)					**1 709 898 539**

31 December 2019		Individuals			EGP
	Debit current accounts	Credit cards	Personal "Murabaha, Musharaka & Mudaraba"	Real estate "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1 January 2019	--	**145 977**	**12 632 726**	**2 883 200**	**15 661 903**
Opening balance settlements	--	114 159	21 994 686	26 311 297	48 420 142
Balance as at Jan. 1, 2019 after settlements	--	260 136	34 627 412	29 194 497	64 082 045
Impairment (reversal) burden	--	102 661	(5 410 395)	(1 435 842)	(6 743 576)
Written off amounts	--	(103 868)	(136 134)	(24 299)	(264 301)
Recovered amounts	--	11 430	--	--	11 430
Balances as at 31 December 2019 (A)	**--**	**270 359**	**29 080 883**	**27 734 356**	**57 085 598**

31 December 2019			Corporates		EGP
	Debit current accounts	Direct "Murabaha, Musharaka & Mudaraba"	Joint "Murabaha, Musharaka & Mudaraba"	Other "Murabaha, Musharaka & Mudaraba"	Total
Balance as at 1 January 2019	--	**900 431 399**	**347 077 207**	**1 731 277**	**1 249 239 883**
Opening balance settlements	--	95 301 762	(93 191 644)	(479 046)	1 631 072
Balance as at Jan. 1, 2019 after settlements	--	995 733 161	253 885 563	1 252 231	1 250 870 955
Impairment burden	--	134 086 603	71 931 579	1 508 660	207 526 842
Written off amounts	--	--	--	--	--
Recovered amounts	--	250 347	--	--	250 347
Differences of foreign currency evaluation	--	(33 478 153)	(2 911 144)	--	(36 389 297)
Balance as at 31 December 2019 (B)	**--**	**1 096 591 958**	**322 905 998**	**2 760 891**	**1 422 258 847**
Total of individuals & corporates (A) + (B)					**1 479 344 445**

(20) Financial Investments

	31 December 2020 EGP	31 December 2019 EGP
Financial Investments at the fair value through profits & losses		
Opening balance - investment funds documents	43 888 548	24 650 796
Additions during the year - "Al Barakat" Fund	11 161 951	19 705 205
Evaluation differences during the year	2 348 538	(467 453)
Total Financial Investments at the fair value through profits & losses	**57 399 037**	**43 888 548**
Financial Investments at the fair value through comprehensive income		
Equity instruments - at the fair value	--	--
Quoted	44 945 427	35 800 260
Unquoted	19 937 316	19 937 316
Debt instruments - at the fair value	100 288 686	94 977 619
Sukuk according to Islamic Shari'a	325 000 000	---
Total Financial Investments at the fair value through comprehensive income	**490 171 429**	**150 715 195**
Financial investments at amortized cost		
Debt instruments at the amortized cost	--	--
Quoted	17 472 942 711	13 853 822 497
Unquoted	209 619 659	205 544 518
Sukuk according to Islamic Shari'a	175 263 962	--
Provision of expected credit loss	(38 116 860)	(28 193 793)
Total Financial Investments at amortized cost	**17 819 709 472**	**14 031 173 222**
Expected credit loss provision ECL – financial assets at amortized cost		
Opening balance	28 193 793	--
Opening balance settlements	--	9 472 077
Opening balance after settlements	28 193 793	9 472 077
Impairment burden during the year	9 923 067	18 721 716
Closing balance	**38 116 860**	**28 193 793**
Current balances	3 147 000 271	665 505 431
Non-current balances	15 162 880 630	13 516 382 986
	18 309 880 901	**14 181 888 417**
Fixed-return debt instruments	17 819 709 472	14 031 173 222
Variable-return debt instruments	--	---
	17 819 709 472	**14 031 173 222**

The Bank keeps debt instruments to cover the percentage of liquidity of customers' balances according to the requirements of the competent authorities, and we usually recommend depositors to take this into consideration with regard to the returns of such instruments, taking into account that the "purification percentage" of the returns of such instruments is 65%.

31 December 2020	EGP Financial assets at the fair value through comprehensive income	EGP Financial assets at amortized cost	EGP Total
Balance as at 1 January 2020	150 715 195	14 031 173 222	**14 181 888 417**
Additions during the year	325 000 000	5 502 135 525	5 827 135 525
Written off during the year	--	(1 649 617 250)	(1 649 617 250)
Differences of evaluating cash assets in foreign currencies	6 482 018	(40 825 436)	(34 343 418)
Amortization of issuance premium & discount	(487 096)	(13 233 522)	(13 720 618)
Profits of change in the fair value	8 461 312	-	8 461 312
(Burden) impairment loss provision	--	(9 923 067)	(9 923 067)
Balance as at 31 December 2020	**490 171 429**	**17 819 709 472**	**18 309 880 901**

31 December 2019	EGP Financial assets at the fair value through comprehensive income	EGP Financial assets at amortized cost	EGP Total
Balance as at 1 January 2019	**68 544 095**	**11 149 592 421**	**11 218 136 516**
Transferred to financial assets at the fair value through profits & losses	--	(24 650 796)	(24 650 796)
Opening impairment loss provision	--	(9 472 077)	(9 472 077)
Balance after settlements	68 544 095	11 115 469 548	11 184 013 643
Additions during the year	93 268 811	3 878 557 624	3 971 826 435
Written off during the year	--	(653 763 100)	(653 763 100)
Differences of evaluating cash assets in foreign currencies	--	(292 330 127)	(292 330 127)
Amortization of issuance premium & discount	--	1 960 993	1 960 993
Profits of change in the fair value	(11 097 711)	--	(11 097 711)
(Burden) impairment loss provision	--	(18 721 716)	(18 721 716)
Balance as at 31 December 2019	**150 715 195**	**14 031 173 222**	**14 181 888 417**

Profits of Financial Investments

	31 December 2020	31 December 2019
	EGP	EGP
Profits of selling financial assets at the fair value through comprehensive income	----	98 920
	---	**98 920**

(21) Intangible Assets

Computer Programs

	31 December 2020	31 December 2019
Computer Programs	EGP	EGP
Opening net book value	9 694 169	7 000 882
Additions	28 494 216	14 372 112
Depreciation during the year	(15 403 111)	(11 678 825)
Closing net book value	**22 785 274**	**9 694 169**

(22) Other Assets

	31 December 2020	31 December 2019
	EGP	EGP
Accrued revenues	**901 086 631**	1 095 775 177
Less: Provision of expected credit loss	**(199 874)**	(492 527)
Net accrued revenues	**900 886 757**	1 095 282 650
Prepaid expenses	**3 260 445**	9 291 128
Payments on account of purchasing & fitting new branches	**130 183 643**	95 787 376
Assets which ownership devolved against debts fulfillment (After discounting impairment)	**232 030 446**	149 150 786
Deposits and custody	**7 558 645**	7 535 701
Others	**69 549 430**	61 917 423
	1 343 469 366	1 418 965 064

Provision of Expected Credit Losses – Accrued Revenues

Opening balance	492 527	--
Settlements of opening balance	---	367 878
Opening balance after settlements	492 527	367 878
Impairment burden during the year	(292 653)	124 649
Closing balance	**199 874**	**492 527**

(23) Deferred Income Taxes:

The deferred income tax has been fully calculated on the deferred tax differences according to the "liabilities method".

The deferred tax assets ensuing of the carried forward tax losses are not recognized unless in case of probable future tax profits through which the carried forward tax losses can be benefited of.

An offset between the deferred tax assets and liabilities is to be carried out in case of a legal justification for carrying out an offset between the current tax on assets against the current tax on liabilities and also when the deferred income tax is affiliated to the same tax department.

Balances of Deferred Tax Assets & Liabilities

31 December 2020	EGP Deferred Tax Assets	EGP Deferred Tax Liabilities	EGP 31 December 2020
Fixed Assets	--	(7 093 140)	(7 093 140)
Provisions (other than the impairment loss provision)	3 633 945	--	3 633 945
	3 633 945	(7 093 140)	(3 459 195)

31 December 2019	EGP Deferred Tax Assets	EGP Deferred Tax Liabilities	EGP 31 December 2019
Fixed Assets	--	(6 123 430)	(6 123 430)
Provisions (other than the impairment loss provision)	3 567 371	--	3 567 371
	3 567 371	(6 123 430)	(2 556 059)

Movement of Deferred Tax Assets & Liabilities

31 December 2020	EGP Deferred Tax Assets	EGP Deferred Tax Liabilities	EGP 31 December 2020
Balance as at 1 January 2020	3 567 371	(6 123 430)	(2 556 059)
Additions during the year	66 574	--	66 574
Disposal during the year	--	(969 710)	(969 710)
Balance as at 31 December 2020	**3 633 945**	**(7 093 140)**	**(3 459 195)**

31 December 2019	EGP Deferred Tax Assets	EGP Deferred Tax Liabilities	EGP 31 December 2019
Balance as at 1 January 2019	3 563 005	(5 965 071)	(2 402 066)
Additions during the year	4 366	(158 359)	(153 993)
Disposal during the year	--	--	--
Balance as at 31 December 2019	**3 567 371**	**(6 123 430)**	**(2 556 059)**

(24) Fixed Assets

	EGP Lands & buildings	EGP Improvements on leased assets	EGP Machines & Equipment	EGP Others	EGP Total
Balance as at 1/1/2019					
Cost	413 645 639	4 895 364	27 844 524	183 979 827	630 365 354
Accumulated depreciation	(98 387 129)	(1 615 530)	(22 599 240)	(107 056 522)	(229 658 421)
Net book value	315 258 510	3 279 834	5 245 284	76 923 305	400 706 933
Additions	65 120 857	--	5 355 201	136 950 749	207 426 807
Exclusions	(62 262 581)	--	(97 630)	(11 794 511)	(74 154 722)
Depreciation cost	(17 032 879)	(116 124)	(2 865 496)	(16 981 016)	(36 995 515)
Accumulated depreciation exclusions	13 275 634	--	97 625	7 541 188	20 914 447
Net book value as at 31 December 2019	**314 359 541**	**3 163 710**	**7 734 984**	**192 639 715**	**517 897 950**
Balance as at 1/1/2020					
Cost	416 503 915	4 895 364	33 102 095	309 136 065	763 637 439
Accumulated depreciation	(102 144 374)	(1 731 654)	(25 367 111)	(116 496 350)	(245 739 489)
Net book value	314 359 541	3 163 710	7 734 984	192 639 715	517 897 950
Additions	3 906 948	--	32 727 894	52 299 126	88 933 968
Exclusions	--	--	(277 728)	(41 773)	(319 501)
Depreciation cost	(16 924 113)	--	(5 446 247)	(28 792 560)	(51 162 920)
Accumulated depreciation exclusions	---	--	277 728	41 773	319 501
Net book value as at 31/12/2020	**301 342 376**	**3 163 710**	**35 016 631**	**216 146 281**	**555 668 998**
Balance as at 31/12/2020					
Cost	**420 410 863**	**4 895 364**	**65 552 261**	**361 393 418**	**852 251 906**
Accumulated depreciation	(119 068 487)	(1 731 654)	(30 535 630)	(145 247 137)	(296 582 908)
Net book value	**301 342 376**	**3 163 710**	**35 016 631**	**216 146 281**	**555 668 998**

(25) Real Estate Investments

	31 December 2020	31 December 2019
	EGP	EGP
Opening balance	139 670 987	139 523 977
Additions	---	53 387 278
Exclusions	(132 343 995)	(53 240 268)
Closing cost	7 326 992	139 670 987
Opening accumulated depreciation	(5 231 990)	(1 045 663)
Cost of depreciation	(2 095 002)	(4 186 327)
Closing accumulated depreciation	(7 326 992)	(5 231 990)
Net	**-**	**134 438 997**

(26) Balances due to Banks

	31 December 2020	31 December 2019
	EGP	EGP
Current accounts	221 943 787	54 866 100
Deposits	831 386 659	1 214 750 778
	1 053 330 446	**1 269 616 878**
Local banks	290 044 500	469 421 515
Foreign banks	763 285 946	800 195 363
	1 053 330 446	**1 269 616 878**
Balances without return	221 943 787	54 866 100
Return-bearing balances	831 386 659	1 214 750 778
	1 053 330 446	1 269 616 878
Current balances	1 053 330 446	1 269 616 878
	1 053 330 446	**1 269 616 878**

(27) Customers' Deposits

	31 December 2020	31 December 2019
	EGP	EGP
Demand deposits	3 564 744 837	4 532 232 471
Time and notice deposits	31 939 889 279	30 830 770 379
Savings & deposit certificates	20 869 023 490	19 268 951 590
Savings deposits	9 022 179 273	8 389 343 002
Other deposits	874 556 743	1 146 029 282
	66 270 393 622	**64 167 326 724**
Corporates deposits	33 672 094 767	33 368 441 034
Individuals deposits	32 598 298 855	30 798 885 690
	66 270 393 622	**64 167 326 724**
Balances without return	4 439 301 580	4 065 547 932
Balances with variable return	61 831 092 042	60 101 778 792
	66 270 393 622	**64 167 326 724**
Current balances	49 806 910 330	42 087 203 183
Non-current balances	16 463 483 292	22 080 123 541
	66 270 393 622	**64 167 326 724**

(28) Other Finances

(A) Long-Term Restricted Finances

This item is represented in the "Musharaka" Contract concluded by and between the Bank & the Social Fund for Development with a capital of 200 million pounds (amended to be 100 million pounds only) to finance small enterprises with financing formulas conformable to the Islamic Shari'a. The contract is implemented on four equal payments each of 50 million pounds, 50% by each of the contract parties, over six years, starting as of the date of the transfer of the first payment by the Fund to the Bank on February 28, 2013. On July 4, 2016 the Bank concluded a new contract with the Social Fund for Development in the amount of 100 million pounds for financing small enterprises by financing formulas conformable to the Islamic Shari'a. The contract is implemented on four equal payments each of 25 million pounds, 50% by each of the contract parties, over six years, starting as of the date of the transfer of the first payment by the Fund to the Bank on August 28, 2016.

The "Musharaka" profits (resulted from financing operations) shall be equally distributed over the Bank and the Social Fund for Development, after deducting a percentage of that return in favour of the Bank in its capacity as the Fund Manager.

The Bank undertakes to settle a return equal to the return rate applied by the Bank on deposits (3 months) for the least credit balance to the unused balance of the Fund's share in the "Musharaka" capital.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	**10 808 407**	14 509 561
Additions during the year	--	12 500 000
Settlements during the year	**(8 019 969)**	(16 201 154)
Closing balance	**2 788 438**	10 808 407

(B) Subordinated Finance by the Principal Investor

On March 16, 2008, an "Investment Mudaraba Deposit Contract" has been concluded with (Al Baraka Group) – the Principal Shareholder at the Bank – to support the Bank's subordinated capital in an amount of 20 million US Dollars, this deposit having fallen due on March 31, 2013.

On March 31, 2013, (Al Baraka Group) deposited the amount of 20 million US Dollars, through an offset between the values of the old and the new contracts, as an (investment mudaraba deposit), in order to support the Bank's subordinated capital. The maturity date of this deposit is on 30/6/2018 and its profits are calculated according to the return rates applied on the Bank's depositors in US Dollars over five years. The returns are paid annually after relinquishing 10% of the Bank's share as mudarib.

(Al Baraka Group) is not entitled to withdraw this deposit unless with the approval of the Central Bank of Egypt. On October 20, 2015, the deposit maturity date has been extended so as to fall due on June 20, 2021. On June 7, 2017, the deposit maturity date has been extended once more to fall due on June 30, 2025.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	**320 830 000**	358 272 000
Differences of foreign currencies evaluation	**(6 188 000)**	(37 442 000)
Closing balance	**314 642 000**	320 830 000

(C) Subordinated Finance by the 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 25 million US Dollars. The contract's enforceability started as of February 23, 2017 for seven years. The deposit bears return of 6.75% approximately, paid on quarterly basis.

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 bears return of 6.25% approximately, paid on quarterly basis.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	**721 867 500**	806 112 000
Differences of foreign currencies evaluation	**(13 923 000)**	(84 244 500)
Closing balance	**707 944 500**	721 867 500
Total other finances (A+B+C)	**1 025 374 938**	1 053 505 907

(29) Other Liabilities

	31 December 2020	31 December 2019
	EGP	EGP
Accrued returns	799 204 802	1 215 805 396
Advance revenues	59 380 135	63 047 349
Accrued expenses	148 947 966	84 993 041
Sundry credit balances	508 369 895	344 903 881
	1 515 902 798	**1 708 749 667**

(30) Other Provisions

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	78 101 670	86 654 656
Settlement of opening balance	--	59 394 827
Balance as at 1 January after settlement	78 101 670	146 049 483
Charged to the Income Statement - lawsuits & taxes	10 434 804	3 118 349
Charged (reverse) to the Income Statement - contingent liabilities	29 388 130	(33 621 664)
Used during the year	(138 918)	(36 148 944)
Differences of foreign currencies evaluation	(92 811)	(1 295 554)
Closing balance	**117 692 875**	**78 101 670**

The balances of other provisions are represented in the following:

	31 December 2020	31 December 2019
	EGP	EGP
Contingent liabilities provisions	86 106 101	56 810 782
Provision of probable claims & lawsuits	4 564 229	4 268 343
Tax provision	15 435 907	5 435 907
Provision of assets devolved to the bank, formed before 2010	11 586 638	11 586 638
	117 692 875	**78 101 670**

(31) Capital

The authorized capital amounts to EGP 2 billion and the issued & paid-up capital amounts to EGP 1 546 447 231 as at the reporting date, the nominal value per share being EGP 7, all issued shares being settled in full.

	EGP	EGP	EGP
31 December 2020	**Number of shares**	**Ordinary shares**	**Total**
Balance as at January 1, 2020	220 921 033	1 546 447 231	1 546 447 231
Balance as at December 31, 2020	220 921 033	1 546 447 231	1 546 447 231

	EGP	EGP	EGP
31 December 2019	**Number of shares**	**Ordinary shares**	**Total**
Balance as at January 1, 2019	180 934 507	1 266 541 549	1 266 541 549
Part of the shareholder's dividends of the profits of 2017	19 902 796	139 319 572	139 319 572
Part of the shareholder's dividends of the profits of 2018	20 083 730	140 586 110	140 586 110
Balance as at December 31, 2019	220 921 033	1 546 447 231	1 546 447 231

On March 28, 2020, the Bank's Ordinary General Assembly approved the increase in issued capital by EGP 309,289,456 through distributing bonus shares to the shareholders, and uptil completing the registration procedures for said increase, the amount has been proved as set-aside under capital increase.

(32) Reserves

	31 December 2020	31 December 2019
	EGP	EGP
Reserves are represented in:		
General banking risks reserve	118 565 786	118 565 786
Legal reserve	449 309 734	343 282 281
General reserve	929 834 490	629 834 490
Capital reserve	9 239 000	9 239 000
General risks reserve	214 926 054	214 926 054
Reserve at the fair value - "Available-for-sale" financial investments	28 954 651	20 356 956
	1 750 829 715	**1 336 204 567**

(A) General Banking Risks Reserve

The instructions of the Central Bank of Egypt stipulate the necessity of constituting a general banking risks reserve to face unpredicted risks. No distributions are to be made of this reserve unless after obtaining the approval of the Central Bank of Egypt. According to the final instructions issued by the Central Bank of Egypt in February 2019, concerning the application of the IFRS9, the general banking risks reserve - credit has been transferred to the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	118 565 786	134 043 805
Opening balance settlement - transferred to the general risks reserve	---	(15 478 019)
	118 565 786	118 565 786
Transferred (to) of retained earnings	--	--
Closing balance	**118 565 786**	**118 565 786**

(B) Legal Reserve

Pursuant to the Bank's Articles of Association, 10% of the year net profits is set aside for feeding a non-distributable reserve, until its balance becomes 100% of the capital.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	343 282 281	243 100 242
Transferred from retained earnings	106 027 453	100 182 039
Closing balance	**449 309 734**	**343 282 281**

(C) General Reserve

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	629 834 490	209 834 490
Transferred from retained earnings	300 000 000	420 000 000
Closing balance	**929 834 490**	**629 834 490**

(D) Capital Reserve

It is supported by the profits ensuing of selling the fixed assets owned by the Bank, for the purpose of consolidating the Bank's financial position.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	9 239 000	7 421 885
Transferred from retained earnings	---	1 817 115
Closing balance	**9 239 000**	**9 239 000**

E- Special Reserve

In implementation to the regulations of banks' financial statements preparation & presentation, as well as the recognition and measurement rules ratified by the Board of Directors of the Central Bank of Egypt, at its session held on December 16, 2008, the "Special Reserve" is represented in the influence of change in accounting treatments. According to the final instructions issued by the Central Bank of Egypt in February 2019, concerning the application of the IFRS9, the special reserve – credit has been transferred to the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	-	41 212 327
Opening balance settlements - transferred to the general risks reserve	-	(42 408 762)
Opening balance settlements - transferred to the retained earnings	-	1 196 435
Closing balance	**-**	**-**

(F) Reserve of the Risks of "IFRS9" – (International Financial Reporting Standard number 9)

In implementation to the instructions of the Central Bank of Egypt, issued on January 28, 2018, a reserve has been formed for the risks of the (International Financial Reporting Standard 9) "IFRS9", at 1% of the total risk-weighted credit risks as at 31/12/2017. According to the final instructions issued by the Central Bank of Egypt on February 26, 2019, concerning the application of the IFRS9, the reserve balance has been transferred to the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	-	237 165 510
Settlement of opening balance - transferred to the general risks reserve	-	(287 165 510)
Balance as at 1 January after settlements	-	(50 000 000)
Transferred from retained earnings	-	50 000 000
Closing balance	**-**	**-**

(G) General Risks Reserve

According to the final instructions issued by the Central Bank of Egypt concerning the application of the IFRS9, the special reserve – credit, the banking risks reserve-credit and the IFRS9 reserve have been merged in one reserve in the name of the "General Risks Reserve".

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	214 926 054	--
Transferred from the special reserve	-	42 408 762
Transferred from the banking risks reserve	-	15 478 019
Transferred from the reserve of IFRS9	-	287 165 510
Less: Settlements of opening balances of the expected credit loss reserve	-	(130 126 237)
Closing balance	**214 926 054**	**214 926 054**

(H) Fair Value Reserve – financial assets at the fair value through the comprehensive income:

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	20 356 956	30 570 852
Net profit of change in the fair value	8 228 447	(11 097 711)
Expected credit loss of debit instruments at the fair value through the comprehensive income	369 248	883 815
Closing balance	**28 954 651**	**20 356 956**

(33) Retained Earnings

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at January 1	1 202 726 274	1 122 445 633
Opening balance settlements - transferred from the special reserve	-	(1 196 435)
	1 202 726 274	1 121 249 198
Distributions of the previous year profits		
(Personnel share, Board Members remuneration & Shareholders cash distributions)	(300 644 728)	(272 649 114)
Transferred (to) the legal reserve	(106 027 453)	(100 182 039)
Transferred (to) the general reserve	(300 000 000)	(420 000 000)
Transferred (to) the capital reserve	---	(1 817 115)
Transferred (to) the reserve of the IFRS9	---	(50 000 000)
Distributions to shareholders used for capital increase	(309 289 456)	(140 586 110)
Net profit of year	1 256 096 856	1 066 711 454
Closing balance	**1 442 861 493**	**1 202 726 274**

(34) Cash & Cash Equivalents

For purposes of the Cash Flows Statement presentation, the item of "Cash & Cash Equivalents" includes the following balances, which maturity dates don't exceed three months to the acquisition date.

	31 December 2020	31 December 2019
	EGP	EGP
Cash & balances with the Central Bank	304 280 618	453 823 630
Balances with banks	13 469 732 912	23 586 607 346
Governmental securities	---	--
	13 774 013 530	24 040 430 976

(35) Contingent Liabilities & Commitments

(A) Judicial Claims

Several lawsuits have been filed versus the Bank and accordingly a provision has been formed for this purpose on December 31, 2020, in the amount of EGP 4 564 229, against EGP 4 268 343 as at December 31,2019.

(B) Capital Commitments

	31 December 2020	31 December 2019
	EGP	EGP
Capital commitments represented in contracts for purchasing fixed assets and branch fittings	66 732 931	28 180 419
Capital commitments represented in financial investments	---	--
	66 732 931	28 180 419

(C) Commitments for Finances, Guarantees & Facilities (Net Value)

The Bank's commitments related to finance, guarantees and facilities are represented in the following:

	31 December 2020	31 December 2019
	EGP	EGP
Acceptances	414 232 655	384 752 816
Letters of guarantee	1 850 508 738	1 460 462 906
Documentary credits	294 136 238	268 464 908
	2 558 877 631	2 113 680 630

(36) Tax Position of the Bank

Stock Companies Taxes

- No commitments are due on the Bank since starting transaction up to 31/12/2006, as all dues have been settled.
- The years from 2007 up to 2019 the tax returns for these years have been submitted to the Tax Authority on the due dates, revealing no commitment on the Bank.

Income Taxes

- Regarding the period from starting operating up to December 31, 2017, examination has been accomplished and the final settlement has been made. The Bank settled the due tax differences.
- The years 2018 & 2019 haven't been examined, taking into consideration that taxes are paid on monthly basis.

Proportional Stamp-Duty TAaxes:

- The Bank has been examined up to 31/7/2006, revealing no due commitments.
- The Bank has been examined from 1/8/2006 up to 31/3/2019, revealing no commitment as all dues have been settled.
- The period from 1/1/2020 till the date of the financial statements, the bank deducts the stamp duty taxes and sending them to tax department, without receiving any notification for the examination.

(37) Transactions with Related Parties

Al Baraka Group (Bahrain) – the Principal Shareholder at the Bank – owns 73% of the ordinary shares, while the remaining 27% is owned by other shareholders. Several transactions have been entered in with related parties through the Bank's normal course of business.

Hereunder is a statement of the balances and results of transactions with the members of the Top Management, subsidiaries & sister companies:

(A) Deposits by Related Parties

	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	EGP	EGP	EGP	EGP
	Members of the Top Management & Close Family Members		Subsidiaries & Sister Companies	
Due to customers				
Balance as at 1 January	404 209 877	928 704 982	--	--
Deposits executed during the year	136 882 004	1 998 000	--	--
Deposits recovered during the year	(78 789 902)	(526 493 105)	--	--
Closing balance	462 301 979	404 209 877	--	--
Cost of deposits during the year	**33 145 213**	**33 307 681**	--	--

(B) Other Finances – Subordinated Finance by the Principal Investor:

On March 16, 2008, an "Investment Mudaraba Deposit Contract" has been concluded with (Al Baraka Group) – the Principal Shareholder at the Bank – to support the Bank's subordinated capital in an amount of 20 million US Dollars, having fallen due on 31 March 2013.

On 31 March, 2013, (Al Baraka Group) deposited the amount of 20 million US Dollars, through an offset between the values of the old and the new contracts, as an (investment mudaraba deposit), in order to support the Bank's subordinated capital. The maturity date of this deposit is on 30/6/2018 and its profits are calculated according to the return rates applied on the Bank's depositors in US Dollars over five years. Its return is paid annually after relinquishing 10% of the Bank's share as mudarib. (Al Baraka Group) is not entitled to withdraw this deposit unless with the approval of the Central Bank of Egypt. On 20 October 2015, the deposit maturity date has been extended so as to fall due on 20 June 2021. On 7 June 2017, the deposit maturity date has been extended once more to fall due on 30 June, 2025.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	320 830 000	358 272 000
Differences of foreign currencies evaluation	(6 188 000)	(37 442 000)
Closing balance	**314 642 000**	**320 830 000**

(C) Other Finances – Other Shareholders

On 5 February 2017, an (Investment Mudaraba Deposit Contract) has been concluded with (Misr Insurance Company) (one of our Bank's shareholders) to support the Bank's subordinated capital in the amount of 25 million US Dollars. The contract's enforceability started as of 23 February 2017 for seven years. The deposit bears return of 6.75% approximately, paid on quarterly basis to support capital adequacy .

On 2 July 2017, another contract 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, for eight years. The deposit bears return of 6.25% approximately, paid on quarterly basis. In order to keep the mandatory capital adequacy ratio.

	31 December 2020	31 December 2019
	EGP	EGP
Balance as at 1 January	721 867 500	806 112 000
Differences of foreign currencies evaluation	(13 923 000)	(84 244 500)
Closing balance	**707 944 500**	**721 867 500**

(D) Benefits of the Board of Directors & Top Management:

	31 December 2020	31 December 2019
	EGP	EGP
Short-term salaries & benefits during the year	35 005 421	33 801 503
	35 005 421	33 801 503

(38) Mutual Funds

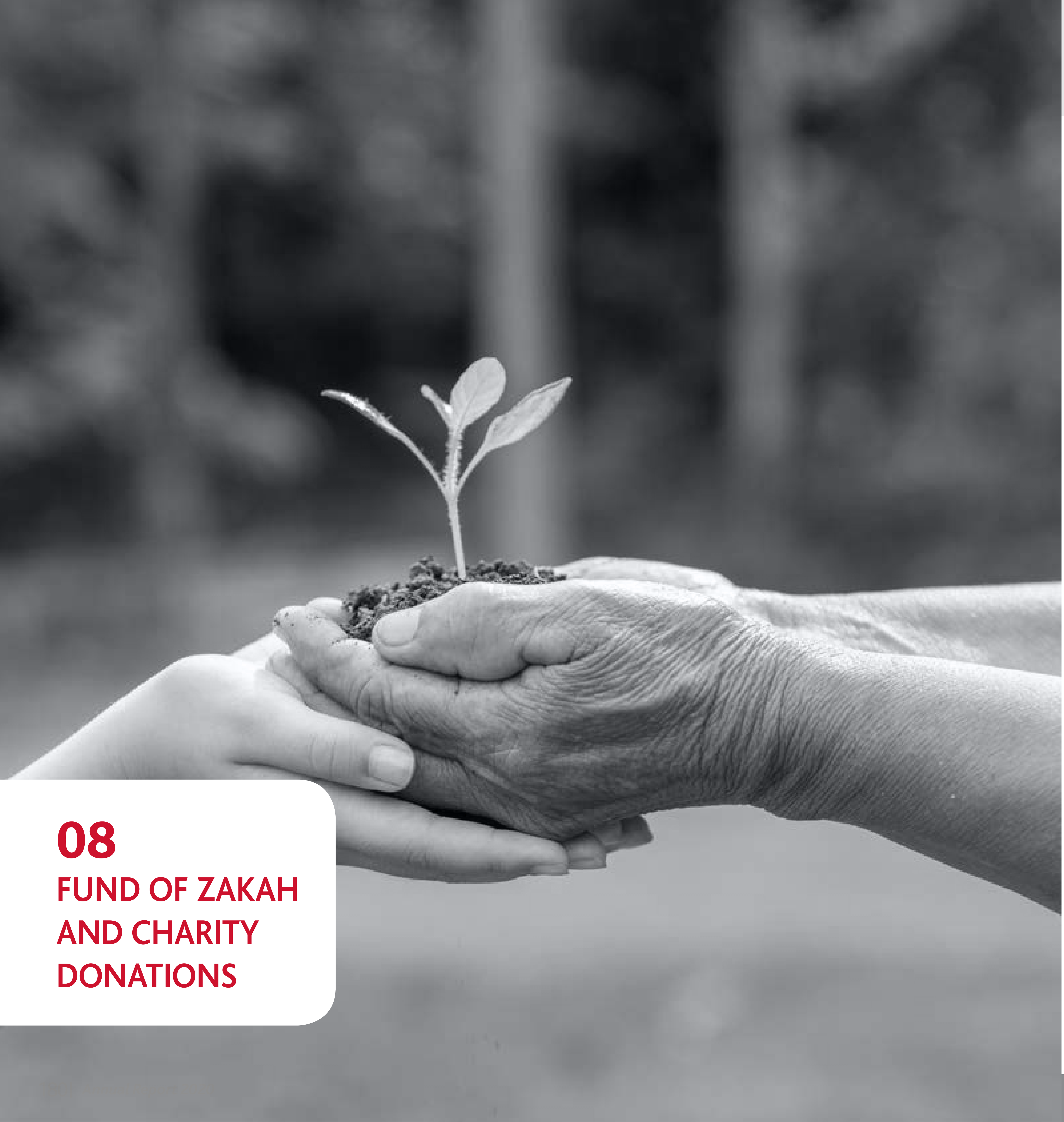
31 December 2020	Fund of Al Baraka Bank Egypt (Al Baraka)	National Bank of Egypt & Al Baraka Bank Egypt Fund (Bashayer)	Al Baraka Bank Egypt Fund (Al Motawazen)	Fund of Al Baraka Bank Egypt "Al Barakat"
Establishment date	30 March 2006	31 March 2009	10 May 2010	24 June 2019
License	Number 246 issued by the Capital Market General Authority	Number 432 issued by the Capital Market General Authority	Number 580 issued by the Egyptian Financial Supervisory Authority	Number 778 issued by the Egyptian Financial Supervisory Authority
Fund Manager	**Hermes Funds Management Company**	**The National Funds Management Company**	**Al Tawfik Company for Portfolio Management**	**Hermes Funds Management Company**
Total number of the fund documents "Wathika"	283 613	1 427 507	173 672	2 512 758
Nominal value of the total number of the fund documents in LE	28 361 300	142 750 700	17 367 200	251 275 800
Recoverable value of the total number of the fund documents in LE	29 498 588	102 366 527	16 102 868	285 097 523
Bank's share of the Fund documents (Wathika)	147 630	45 403	52 700	95 600
Nominal value of the Bank's share of the Fund documents (LE)	14 763 000	4 540 300	5 270 000	9 560 000
Recoverable value of the Bank's share of the Fund documents (LE)	15 354 996	3 255 849	4 886 344	33 901 848
Fees and commissions reported under the item of "Fees & Commissions Revenues" – Other Fees – in the Income Statement (LE)	165 462	201 470	76 329	1 169 521
Revenues of the Bank's contribution to the Fund, reported under "dividends" in the (Income Statement) (LE)	--	--	--	--

(39) Significant events

As spreading of coronavirus across different geographies globally, causing disruption to commercial and economic activities. The spread of Corona Virus (COVID 19) has created uncertainty in the global economic environment. Al Baraka Bank Egypt is closely monitoring the situation by activating the Business Continuity Plan and other special practices to managing risks related to the potential business disruption as a result of the COVID-19 outbreak and its impact on banking operations and financial performance.

As a result of the uncertainty caused by the outbreak of the coronavirus (COVID-19) and in anticipation of economic slowdown. Al Baraka Bank Egypt closely monitors the loans portfolio to determine the impact of the virus on the various quantitative and qualitative factors, in order to find out the significant increases in credit risks specially that related to debts of the sectors most affected by crisis. Accordingly, Al Baraka Bank Egypt has taken proactive measures by creating required provisions to reduce the impact of the pandemic on finance portfolio at the end of December 2020, as well as take all necessary procedures to minimize the negative impacts of the pandemic by making adequate additional provisions as a precautionary step till the end of the customers' entitlements postponed period , and the actual performance of the credit loan portfolio becomes clear.

On September 15, 2020, new law No. 194 of 2020 of Central Bank of Egypt and Banking System has been issued and repealed Law No. 88 of 2003 of the Central Bank, the Banking System and Monetary , the new law applies on entities, the most important are the Central Bank of Egypt and the Egyptian banking system. Those who are addressed by the provisions of new law are obliged to adjust their status in accordance with its provisions, within a period not exceeding one year from the date of its enforcement, and the Board of Directors of the Central Bank has the right to extend this period for one or more period not exceeding two years, provided that Central Bank of Egypt issues regulations and decisions implementing the provisions of said new law. The new Law stipulated that bank's financial statements has to be prepared every three months, attached by a summary of the auditor's report in accordance with the Egyptian auditing standards as well as the bank's board of directors report. These lists are published in one of daily newspaper, and on the website of each bank.



08
FUND OF ZAKAH AND CHARITY DONATIONS

Auditors' Report

Messrs/ Shareholders of Al Baraka Bank Egypt

We have audited the attached financial statements of Zakah Fund at Al Baraka Bank Egypt SAE, represented in the balance sheet as December 31, 2020, as well as the cash income and expenses account for the financial year ending as at that date, and a brief statement of the important accounting policies and such other clarifications. The preparation of these financial statements is the responsibility of the Fund Management, while our own responsibility is to express our opinion on these financial statements, in the light of our auditing thereof.

Our auditing process has been carried out according to the Egyptian Auditing Standards and in the light of the Egyptian Laws in force. These Standards require planning and performing auditing so as to obtain an adequate assurance that the financial statements don't include any significant and effective errors. The auditing tasks comprise carrying out experimental examination of documents and the evidences supporting the values and clarifications stated in the financial statements. They also comprise carrying out assessment of the applied accounting policies and principles and the important estimates prepared by the Management as well as the soundness of the financial statement presentation. We obtained from the Management the particulars and clarifications which we deemed necessary for auditing purposes. We are of the opinion that the auditing works which we carried out are deemed an appropriate basis for expressing our opinion on these financial statements.

The "Fund" policy is based on preparing the attached financial statements pursuant to its work regulations and bylaws, based on cash receivables and payables. According to this base, revenue is considered achieved upon collection and not upon maturity. Likewise, expenses are deemed to be incurred upon settlement and not upon maturity.

In our opinion, the attached financial statements clearly & fairly express in all their important aspects the financial position of Zakah Fund of Al Baraka Bank Egypt SAE, as at 31 December 2020, the collected revenues and paid up expenses by the Fund during the financial year ending as at that date, pursuant to the bases of cash receivables and payables, as stated under "note number 3" in the commentary notes to the Financial Statements

Auditors

Mohamed Mortada Abdel-Hamid	Hossam Eldin Abdel-Wahab Ahmed
	حازم حسن KPMG محاسبون قانونيون ومستشارون
Recorded at the "Egyptian Financial Supervisory Authority' number 157 BDO - Khaled & Partners	Recorded at the "Egyptian Financial Supervisory Authority" number (380) KPMG Hazem Hassan Chartered Accountants & Consultants

Cairo: 1 March 2021

BALANCE SHEET

For the year ended 31 December 2020

	Note No	31 December 2020 EGP	31 December 2019 EGP
Cash & Balances with the Bank:			
Investment current account		723 199	1 304 115
Limited term investment current account		-	100 000
Total Current Accounts		**723 199**	**1 404 115**
Charitable investment account with return on Fund (running alms)		1 623 000	1 623 000
Total		**2 346 199**	**3 027 115**
Income exceeds expenses		723 199	1 404 115
Against charitable investment		1 623 000	1 623 000
Total		**2 346 199**	**3 027 115**

Ashraf Ahmed El-Ghamrawy

Chairman
Fund of Zakah and Charity Donations

- Enclosed notes are an integral part of financial statements.
- Report of auditors enclosed.

INCOME & EXPENSES ACCOUNT

For the year ended 31 December 2020

	31 December 2020 EGP	31 December 2019 EGP
Income		
Opening balance	1 404 115	514 205
Zakah Collected		
Islamically due on Bank's funds for previous year	5 859 464	10 777 940
Under the Bank's zakah account for the current year	5 000 000	5 000 000
Zakah provided by individuals	-	70 000
Total Zakah Collected	**12 263 579**	**16 362 145**
Investment account return (current/limited term)	96 743	4 222
Returns on charitable investment accounts "running alms"	119 087	155 713
Total Income	**12 479 409**	**16 522 080**
Expenses		
Zakah Spent		
Hospitals, Foundations & Charitable Associations	(11 756 000)	(15 117 450)
Total Zakah Spent	(11 756 000)	(15 117 450)
Administrative & general expenses	(210)	(515)
Total Expenses	(11 756 210)	(15 117 965)
Excess of Income above Expenses	**723 199**	**1 404 115**

- Enclosed notes are an integral part of financial statements.

Notes to Financial Statements

For the year ended 31 December 2020

1. Fund of Zakah and Charity Donations of Al Baraka Bank Egypt was established pursuant to the decision of the Board of Directors held on 29 April 1994 with its head office located at the head office of the Bank. The funds of the Fund and its accounts are independent of the funds of the Bank and its accounts. The resources of the Fund comprise the following:

- Zakah imposed by Islam on the funds of the Bank.
- Donations, and monetary and in-kind grants that depositors or third part from among individuals or authorities provide as approved by the Fund Management Committee.

2. The Fund complies in all cases with spending Zakah in its Shari'a outlets.

3. The monetary basis is adopted at the time of establishing the Income and Expenses of the Fund.

4. The item "against charitable Investment "as at 31 December 2020 is represented in the following:

L.E 1 623 000 value of charity deposits donated by third party to the Fund, of which the principal should not be touched, provided that its return would be spent pursuant to the system of the Bank as running alms by the knowledge of Fund of Zakah and Charity Donations at the Bank.

09
HEAD OFFICE & BRANCHES

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Fax: +2 (02) 28103501/02/03
Fax: (02) 37611436-37611437-37611453
Swift: ABRKEGCA
e-mail: centeral@Al Baraka-bank.com.eg
Internet: www.Al Baraka-bank.com.eg

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P.O.Box: 504 Dokki
Postal Code: 12311 Dokki
Tel.: (02)33383482-33383490 -33383494
Fax: (02) 37611438-37617305
Swift: ABRKEGCAEZZ
e-mail: mohyeldin@Al Baraka-bank.com.eg

Cairo Branch
Address: 12 Ettehad El-Mohamien El-Arab Str., Garden City, Cairo, Egypt.
P.O.Box: 75 Maglesse El-Shaab, Cairo, Egypt.
Postal Code: 11516
Tel.: (02) 27947112 -27950673
Fax: (02) 27949641
Swift: ABRKEGCACAI
e-mail: cairo@Al Baraka-bank.com.eg

Adly Branch
Address: 9 Adly Street, Down Town Cairo, Egypt
P.O.Box: 1994 Attaba, Cairo, Egypt
Postal Code: 11511
Tel.: (02) 23919304-23919250-23919209
Fax: (02) 23919059
Swift: ABRKEGCAALF
e-mail: adly@Al Baraka-bank.com.eg

Zakat Department
Address: Address of Adly Branch

Heliopolis Branch
Address: 76 El-Sayed El-Merghany Str., Heliopolis, Cairo, Egypt.
P.O.Box: 5986 Heliopolis West Cairo, Egypt
Postal Code: 11757
Tel.: (02) 24140018-24140019
Fax: (02) 24140013
Swift: ABRKEGCAMRG
e-mail: heliopolis@Al Baraka-bank.com.eg

Mohandessien Branch
Address: 45 Mohamed Hasan Helmy Str., Mohandessien, Giza,Egypt.
P.O.Box: 409 Imbaba, Giza, Egypt.
Postal Code: 12411
Tel.: (02) 33037840-33037842
Fax: (02) 33037841
Swift: ABRKEGCAMOH
e-mail: mohandessien@Al Baraka-bank.com.eg

Akkad Branch
Address: El-Akkad Trade Center -Al-Nour City, Nasr City ,Cairo ,Egypt.
P.O.Box: 9017 Nasr City, Cairo, Egypt.
Postal Code: 11765
Tel.: (02) 24146517-24146518
Fax: (02) 24146519
Swift: ABRKEGCAAKD
e-mail: akkad@Al Baraka-bank.com.eg

Maadi Branch
Address: 3 Waheib Dous Str., El-Mahata Square , Maadi , Cairo , Egypt
P.O.Box: 1259 Maadi
Postal Code: 11728
Tel.: (02) 27509879-27509881
Fax: (02) 27509885
Swift: ABRKEGCAMAD
e-mail: maadi@Al Baraka-bank.com.eg

6th of October Branch
Address: 1st /A Area, Services Center Fifth & Sixth, in front of Vodafone 6th of October, Egypt.
P.O.Box: 349 (6th of October), Egypt
Postal Code: 12566
Tel.: (02) 38313964-38313965
Fax: (02) 38313963
Swift: ABRKEGCAOCT
e-mail: sixoctober@Al Baraka-bank.com.eg

Faisal Branch
Address: 2El-Salam Str., Faisal , Giza, Egypt
P.O.Box: 68 Rabeia El-Gizy,Giza, Egypt
Postal Code: 12515
Tel.: (02) 37800327-37800329
Fax: (02) 37800309
Swift: ABRKEGCAFSL
e-mail: faisal@Al Baraka-bank.com.eg

Nasr City Branch
Address: 18 Ahmed Fakhry Str., Nasr City, Cairo, Egypt
P.O.Box: 43 El-Andalus
Postal Code: 11718
Tel.: (02) 26712948-26712947
Fax: (02) 26712928
Swift: ABRKEGCANSR
e-mail: nasrcity@Al Baraka-bank.com.eg

El-Messaha - Dokki Branch
Address: 33El-Mesaha Str.,Dokki, Giza, Egypt
P.O.Box: 112 Dokki
Postal Code: 12311 Dokki
Tel.: (02) 33366129-33366176
Fax: (02) 33366078
Swift: ABRKEGCADOK
e-mail: dokki@Al Baraka-bank.com.eg

Ahmed Orabi Branch
Address: 13 Corner of Alhady and Alamin Str., from Ahmed Orabi Str. Sahafieen City, Agouza , Giza, Egypt
P.O.Box: 20 Embaba
Postal Code: 12411
Tel.: (02) 33028543-33028544
Fax: (02) 33028535
Swift: ABRKEGCAORA
e-mail: orabi@Al Baraka-bank.com.eg

Al-Azhar Branch
Address: 391 Port said Str. Al-Azhar Mall, Cairo, Egypt
P.O.Box: 100 El-Ghoria
Postal Code: 11639
Tel.: (02) 25106191-25106192
Fax: (02) 25106194
Swift: ABRKEGCAZHR
e-mail: azhar@Al Baraka-bank.com.eg

Semuha Branch
Address: 5 Dr. Sayed Fahmy Str., Section No. 5 Block 27 Semuha,, Alexandria, Egypt
P.O.Box: 182 Semuha, Alexandria
Postal Code: 21648
Tel.: (03)4259142-4259145-4259146-4259147
Fax: (03) 4259316
Swift: ABRKEGCASOM
e-mail: semuha@Al Baraka-bank.com.eg

Alexandria Branch
Address: 8 Bani El-abbassi Str., Azarita, Alexandria, Egypt
P.O.Box: 279 Al-Manshya, Alexandria
Postal Code: 2111
Tel.: (03) 4875672-4875631
Fax: (03) 4869930
Swift: ABRKEGCAAZA
e-mail: alexandria@Al Baraka-bank.com.eg

Stanley Branch
Address: 46 Abdelaziz Fahmy Pasha, Stanley El-Raml, Alexandria, Egypt
P.O.Box: 211 Seedy Gaber
Postal Code: 21311
Tel.: (03) 5413893-5413892-5413897
Fax: (03) 5413895
Swift: ABRKEGCASTN
e-mail: stanley@Al Baraka-bank.com.eg

Borg El-Arab Branch
Address: Fifth District, Bank's Area , New Borg El-Arab City , Alexandria, Egypt
P.O.Box: 117 Borg El-Arab
Postal Code: 21934
Tel.: (03) 4595116-4595114
Fax: (03) 4595115
Swift: ABRKEGCABRG
e-mail: borgelarab@Al Baraka-bank.com.eg

Mansoura Branch
Address: Corner of Suez Canal & El-Falaky Str., Toreal Area, El-Mansoura, Egypt
P.O.Box: 90 El-Mansoura, Egypt
Postal Code: 35511
Tel.: (050) 2334503-2334504-2334505
Fax: (050) 2334501
Swift: ABRKEGCAMAN
e-mail: mansoura@Al Baraka-bank.com.eg

10th of Ramadan Branch
Address: 4th /A Area City Main Center, 10th of Ramadan, Egypt
P.O.Box: 1038 10th of Ramadan, Egypt
Postal Code: 44635
Tel.: (015) 389034-389035
Fax: (015) 389033
Swift: ABRKEGCAASH
e-mail: tenthramadan@Al Baraka-bank.com.eg

El-Rehab Branch
Address: Office Building No 6 Bank's Area, El-Rehab City , Cairo, Egypt
P.O.Box: 110 El-Rehab City
Postal Code: 11841
Tel.: (02) 26928758-26928757
Fax: (02) 26928759
Swift: ABRKEGCARHB
e-mail: rehab@Al Baraka-bank.com.eg

Sharm El-Sheikh Branch
Address: Al-Salam Str., South of El-Central District,Sharm, El-Sheikh, Egypt
P.O.Box: 408 Sharm El-Sheikh
Postal Code: 46619 Sharm El-Sheikh
Tel.: (069) 3602674-3602675
Fax: (069) 3602676
Swift: ABRKEGCASHM
e-mail: sharmsheikh@Al Baraka-bank.com.eg

Shubra Branch
Address: 72Rod El-Farag Str., - Shubra Egypt
P.O.Box: 2 Dawaran Shubra
Postal Code: 11689 Shubra
Tel.: (02) 24330833-24330832
Fax: (02) 24330834
Swift: ABRKEGCASHB
e-mail: shobra@Al Baraka-bank.com.eg

Tanta Branch
Address: 32 El-Geash Str., Tanta, Gharbia Egypt
P.O.Box: 285 Tanta, Egypt
Postal Code: 31111 District Post Gharbia
Tel.: (040) 3405976-3405977
Fax: (040) 3405998
Swift: ABRKEGCATAN
e-mail: tanta@Al Baraka-bank.com.eg

El-Manial Branch
Address: 83/73 Abdul Aziz Al Saud Str., El-Manial , Cairo, Egypt
P.O.Box: 40 El-Malek El-Saleh
Postal Code: 11559
Tel.: (02) 23641374 - 23641366
Fax: (02) 23641352
Swift: ABRKEGCAMNL
e-mail: manial@Al Baraka-bank.com.eg

El-Laselky - New Maadi Branch
Address: 7/8 D/5 El-Laselky Str., New Maadi - Cairo,Egypt
P.O.Box: 45 Sakr Koreish – New Maadi
Postal Code: 11931
Tel.: (02) 25168571-25165870 - 25172810
Fax: (02) 25202120
Swift: ABRKEGCALSK
e-mail: laselky@Al Baraka-bank.com.eg

Al-Hadika Al-Dawlia Branch
Address: 70 Ahmed El Zomor, 8th District, Nasr City, Cairo, Egypt.
P.O.Box: 9501 childern village
Postal Code: 11787
Tel.: (02) 22727582-22727583
Fax: (02) 22727584
Swift: ABRKEGCAHDW
e-mail: zomor@Al Baraka-bank.com.eg

Saint Fatima Branch
Address: 168 Al Nozha Street –Heliopolis, Cairo, Egypt
P.O.Box: 2218 El Horreya
Postal Code: 11736
Tel.: (02) 27756322- 27756321
Fax: (02) 27756016
Swift: ABRKEGCASFM
e-mail: santfatima@Al Baraka-bank.com.eg

Abbasyia Branch
Address: 43 Abbasyia Street ,Cairo, Egypt
P.O.Box: 29 Abbasya
Postal Code: 11517
Tel.: (02) 26842834-26842835-26842837
Fax: (02) 26842825
Swift: ABRKEGCAABS
e-mail: abasia@Al Baraka-bank.com.eg

Al- Haram Branch
Address: 48 Al-Haram Street ,Giza, Egypt
P.O.Box: 26 Al-Haram
Postal Code: 12556
Tel.: (02) 37713262- 37713263 -37713293
Fax: (02) 37713283
Swift: ABRKEGCAHRM
e-mail: haram@Al Baraka-bank.com.eg

Fifth Settlement Branch
Address : Plot 29 road 90, AL BARAKA BANK BULDING - City Center , First Sector,Fifth Settelment - New Cairo,Egypt
Postal Code:11835
P.O.BOX. 305 Fifth Settlement
Telephone : (02) 28103511-28103516
Fax : (02) 28103513-28103514
Swift : ABRKEGCAFSB
e-mail: newcairo@Al Baraka-bank.com.eg

Sheikh Zayed Branch
Address : Plot No.3(I)Legenda Project
1st District,2nd Residential,Sheikh Zayed
Telephone : (02) 37944201 - 37944202
Fax : (02) 37944195 - 37944196
Swift : ABRKEGCAZYD
E-Mail : zayed@Al Baraka-bank.com.eg

Madinaty Branch
Address : Plot No.(C1B) Services Area-South Sector-first stage-Madinty project
Postal Code:19511
P.O.BOX : 64 Madinty
Swift : ABRKEGCAMDN
E-Mail : madenty@Al Baraka-bank.com.eg

Under Foundation:
Miami Branch - Alexandria
Fifth Settlement – new branch