



Consolidated Financial Statements

31 March 2023

Interim Condensed



Condensed consolidated interim financial statements

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Limited Review Report on the interim condensed consolidated financial statements

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of al Baraka Bank Egypt "S.A.E" as of 31 March 2023 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the three months period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the rules of preparation and presentation of banks' financial statements, basis of recognition and measurement issued by the Central Bank of Egypt's board of directors on 16 December 2008 as amended by the instructions issued on 26 February 2019 and its subsequent interpretive instructions and the resolution of Central Bank of Egypt's board of directors on 3 May 2020 regarding issuing interim condensed consolidated financial statements and in light of the applicable Egyptian laws and regulations. Our responsibility is limited to expressing a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion


Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements for al Baraka Bank Egypt "S.A.E" as of 31 March 2023, are not prepared, in all material respects, in accordance with the rules of preparation and presentation of banks' financial statements, basis of recognition and measurement issued by the Central Bank of Egypt's board of directors on 16 December 2008 as amended by the instructions issued on 26 February 2019 and its subsequent interpretive instructions and the resolution of Central Bank of Egypt's board of directors on 3 May 2020 regarding issuing interim condensed financial statements and in light of the applicable Egyptian laws and regulations.



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Cairo: 14 May 2023

**Condensed consolidated interim statement of financial position as of 31 March 2023**

	Note	31 March 2023 EGP Thousands	31 December 2022 EGP Thousands
Assets			
Cash and due from Central Bank of Egypt	13	6,733,804	7,251,399
Due from banks, net	14	16,739,910	13,790,473
Financing and credit facilities to customers, net	15	32,959,702	30,694,238
Financial investments			
- Measured at FVPL	16/1	84,915	81,551
- Measured at FVOCI	16/2	2,301,717	2,239,520
- Measured at Amortized cost	16/3	31,046,646	29,346,960
Intangible assets, net		44,837	31,999
Other assets, net	17	2,696,087	3,108,795
Property , plant and equipment, net	18	648,769	588,597
Deferred tax assets		5,359	-
Total assets		93,261,746	87,133,532
Liabilities and Equity			
Liabilities			
Due to banks	19	6,648,034	1,902,905
Customers' deposits	20	75,411,186	74,317,312
Subordinated and other financing	21	1,401,714	1,125,168
Other liabilities	22	1,279,950	1,429,151
Other provisions	23	146,535	150,738
Deferred tax liabilities		-	5,117
Current income tax liabilities		543,955	544,287
Defined benefits obligation		63,925	63,925
Total liabilities		85,495,299	79,538,603
Equity			
Issued and paid-up capital	24	5,089,974	5,089,974
Reserves	25	560,965	605,586
Retained earnings *		2,113,369	1,897,010
Total equity attributable to equity holders of the bank		7,764,308	7,592,570
Non-controlling interests		2,139	2,359
Total equity		7,766,447	7,594,929
Total liabilities and equity		93,261,746	87,133,532

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

(Limited review report attached)

*Including net profit for the period



Hesham Ghoneim

Chief Financial Officer



Hazem Hegazy

Vice Chairman & CEO

Cairo : 14 May 2023

**Condensed consolidated interim income statement for the period ended 31 March 2023**

	Note	31 March 2023 EGP Thousands	31 March 2022 EGP Thousands
Income from Murabaha, Musharaka, Mudarabah and similar income	5	2,589,983	1,866,809
Cost of deposits and similar costs	5	(1,568,772)	(1,145,857)
Net income from funds		1,021,211	720,952
Fees and commission income	6	115,588	83,334
Fees and commission expenses	6	(11,578)	(9,614)
Net fees and commission income		104,010	73,720
Dividends income		4,240	5,128
Net trading income	8	18,946	29,720
Administrative expenses	7	(302,980)	(224,083)
Impairment charge of expected credit losses	10	(127,683)	(68,824)
Other operating income (expenses)	9	(100)	(9,543)
Net profit for the period before tax		717,644	527,070
Income tax expense	11	(271,958)	(157,688)
Net profit for the period		445,686	369,382
Attributable to:			
Equity holders of the Bank		445,663	369,367
Non-controlling interests		23	15
Net profit for the period		445,686	369,382
Basic earning per share	12	0.49	0.45

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



Hesham Ghoneim

Chief Financial Officer



Hazem Hegazy

Vice Chairman & CEO



Condensed consolidated interim statement of comprehensive income for the period ended 31 March 2023

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Net profit for the period	445,686	369,382
Comprehensive income items that will not be reclassified to the profit or loss:		
Net change in fair value of equity instruments measured at FVOCI	1,635	4,498
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(368)	-
Comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at FVOCI	(61,025)	(4,384)
Expected credit loss for fair value of debt instruments measured at FVOCI	1,406	639
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	13,730	-
Net other comprehensive income for the period , After tax	(44,622)	753
Total comprehensive income for the period , After tax	401,064	370,135
Attributable to:		
Equity holders of the Bank	401,041	370,120
Non-controlling interests	23	15
Total comprehensive income for the period , After tax	401,064	370,135

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

Condensed consolidated interim statement of changes in equity for the period ended 31 March 2023

(EGP Thousands)

	Issued and paid- up capital	Paid under capital increase	Reserves	Retained earnings	Total shareholders Equity	Non-controlling interests	Total
31 March 2022							
Balance at 1 January 2022	1,546,447	1,422,731	1,771,563	1,277,518	6,018,259	2,288	6,020,547
Net change in other comprehensive income	-	-	753	-	753	-	753
Net profit for the period	-	-	-	369,367	369,367	15	369,382
Balance at 31 March 2022	1,546,447	1,422,731	1,772,316	1,646,885	6,388,379	2,303	6,390,682
31 March 2023							
Balance at 1 January 2023	5,089,974	-	605,586	1,897,010	7,592,570	2,359	7,594,929
Net change in other comprehensive income	-	-	(44,621)	-	(44,621)	-	(44,621)
Net profit for the period	-	-	-	445,663	445,663	23	445,686
	5,089,974	-	560,965	2,342,673	7,993,612	2,382	7,995,994
Cash dividends (share of employees and remuneration of members of the Board of Directors and shareholders)	-	-	-	(211,770)	(211,770)	(243)	(212,013)
Banking system support and development fund	-	-	-	(17,534)	(17,534)	-	(17,534)
Balance at 31 March 2023	5,089,974	-	560,965	2,113,369	7,764,308	2,139	7,766,447

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

**Condensed consolidated interim statement of cash flows for the period ended 31 March 2023**

	Note	31 March 2023 EGP Thousands	31 March 2022 EGP Thousands
Cash flows from operating activities			
Profit before tax		717,644	527,070
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	7	23,157	28,421
Impairment credit losses	10	127,683	68,824
Impairment charge (Released) of other provisions	9	10,904	1,382
Provisions no longer required other than financing provision	23	(17,199)	-
Provisions used other than financing provision	23	(537)	-
Amortization of premium / discount for bonds	16	97	1,147
Exchange translation differences of financing provisions		178,897	24,932
Exchange translation differences of financial investment measured at FVOCI	16	(39,568)	(15,109)
Exchange translation differences of financial investment measured at Amortized cost	16	(1,259,920)	(593,594)
Exchange translation differences of subordinated financing	21	276,971	114,642
FV revaluation differences of financial investment measured at FVPL	16	(3,364)	822
Loss (Gain) on sale of property and equipment	9	(30,918)	6,934
Loss (Gain) on sale of assets reverted to the bank	9	(2,186)	-
Dividend income		(4,240)	(5,128)
Operating profits before changes in operating assets and liabilities		(22,579)	160,343
Net decrease (increase) in assets and liabilities			
Balances with central banks within the required reserve ratio	13	440,345	(61,836)
Due from banks with maturity more than 90 days		(12,158,190)	(128,373)
Treasury bills with maturity more than 90 days	16	(1,740,971)	(538,954)
Financing and facilities to customers	15	(2,350,675)	(2,316,472)
Other assets	17	410,276	(569,060)
Due to banks	19	4,745,129	951,907
Customers' deposits	20	1,093,874	(1,336,461)
Other liabilities	22	(149,201)	36,488
Current income tax obligations paid		(269,404)	(95,659)
Net cash flows (used in) generated from operating activities		(10,001,396)	(3,898,077)

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

**Condensed consolidated interim statement of cash flows for the period ended 31 March 2023 – Cont.**

	Note	31 March 2023 EGP Thousands	31 March 2022 EGP Thousands
Cash flows from investing activities			
Acquisition of Property and Equipment	18	(80,309)	(47,572)
Proceeds from sale of Property and Equipment		33,000	-
Acquisition of Intangible assets		(17,932)	-
Acquisition of investment measured at FVOCI	16	(133,216)	(750,000)
Proceeds from sale of investment measured at FVOCI		41,075	-
Acquisition of investment measured at Amortized cost	16	-	(8,862,833)
Proceeds from sale of investment measured at Amortized cost		1,041,065	1,484,652
Dividends received		4,240	5,128
Net cash flows (used in) generated from investing activities		887,923	(8,170,625)
Cash flows from financing activities			
Subordinated Financing	21	(425)	(315,000)
Dividends paid		(229,547)	-
Net cash flows (used in) financing activities		(229,972)	(315,000)
Net (decrease) increase in cash and cash equivalent during the period		(9,343,445)	(12,383,702)
Beginning balance of cash and cash equivalent		10,854,364	30,148,808
Cash and cash equivalent at the end of the period	26	1,510,919	17,765,106

The accompanying notes are an integral part of these financial statements



Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023

1. General Information

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

The Bank provides corporate and retail banking and investments services, which complies with the provisions of Islamic Sharia in all products provided to its clients, through its 33 branches served by 1161 staff at the date of the financial statements. The Head Office is located in the southern 90th Street, City Centre, the first sector in the Fifth Settlement, New Cairo, Egypt. The Bank is listed on the Egyptian Stock Exchange.

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

These condensed consolidated financial statements for the period ended 31 March 2023 were approved by the Board of Directors on 14 May 2023.

2. Basis of preparation of the condensed consolidated interim financial statements

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

Basis of consolidation:

The basis of the consolidation is as follows:

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

3. Financial Risk Management

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

The Bank’s risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices. Risk management is carried out by the risk department under policies approved by the Board of Directors. The bank treasury identifies, evaluates, and hedges financial risks in close co-operation with the Bank’s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023
3. Financial Risk Management - continuing
3.1 Credit Risk

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

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

3.1.1 Maximum limit for credit risk before collaterals

	31 March 2023	31 December 2022
Financial position items exposed to credit risks	EGP Thousands	EGP Thousands
Due from banks	16,739,910	13,790,473
<u>Financing and credit facilities to customers, net</u>		
Retail		
- Credit cards	30,548	29,299
- Personal financing	3,369,870	2,771,981
- Mortgages	385,502	447,065
Corporate		
- Direct financing	24,971,473	22,743,732
- Syndicated financing	4,202,309	4,702,161
<u>Financial investments</u>		
Debt instruments measured at FVOCI	2,186,454	2,133,492
Debt instruments measured at Amortized cost	31,046,646	29,346,961
Total	82,932,712	75,965,164
<u>Off balance sheet items exposed to credit risk</u>		
Letter of Credit (import and export)	70,899	334,254
Letter of Guarantee	3,249,239	2,902,881
Customers Acceptances	61,411	108,933
Total	3,381,549	3,346,068



Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023

3. Financial Risk Management - continuing

3.1.1 Maximum limit for credit risk before collaterals- continuing.

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

(EGP Thousands)

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Due from banks								
<u>Credit rating as per CBE classification</u>								
Good debts	13,905,513	2,842,543	-	16,748,056	11,123,277	2,682,694	-	13,805,971
Non-Performing debts	-	-	287,044	287,044	-	-	218,384	218,384
Total	13,905,513	2,842,543	287,044	17,035,100	11,123,277	2,682,694	218,384	14,024,355
Deduct: Expected credit losses	(8,145)	-	(287,044)	(295,189)	(4,015)	(2)	(229,865)	(233,882)
Ending Balance	13,897,368	2,842,543	-	16,739,911	11,119,262	2,682,692	11,481-	13,790,473

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Retail								
<u>Credit rating as per CBE classification</u>								
Good financing	2,018,070	136,596	-	2,154,666	1,628,238	104,238	-	1,732,476
Regular watch list	1,651,885	32,707	-	1,684,592	1,433,764	122,502	-	1,556,266
Non-performing financing	-	-	53,378	53,378	-	-	55,098	55,098
Total	3,669,955	169,303	53,378	3,892,636	3,062,002	226,740	55,098	3,343,840
Deduct: Expected credit losses	(54,115)	(3,173)	(49,428)	(106,716)	(37,659)	(4,127)	(53,709)	(95,495)
Ending Balance	3,615,840	166,130	3,950	3,785,920	3,024,343	222,613	1,389	3,248,345

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Corporate								
<u>Credit rating as per CBE classification</u>								
Good financing	20,919,046	3,552,345	-	24,471,391	19,181,263	3,549,983	-	22,731,246
Regular watch list	311,774	4,516,145	-	4,827,919	710,825	4,277,645	-	4,988,470
Special watch list	-	514,410	-	514,410	-	380,355	-	380,355
Non-performing financing	-	-	1,640,577	1,640,577	-	-	1,541,979	1,541,979
Total	21,230,820	8,582,900	1,640,577	31,454,297	19,892,088	8,207,983	1,541,979	29,642,050
Deduct: Expected credit losses	(66,005)	(741,123)	(1,473,387)	(2,280,515)	(65,801)	(752,221)	(1,378,135)	(2,196,157)
Ending Balance	21,164,815	7,841,777	167,190	29,173,782	19,826,287	7,455,762	163,844	27,445,893

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Debt instruments measured at FVOCI								
<u>Credit rating as per CBE classification</u>								
Good debts	2,186,454	-	-	2,186,454	2,133,492	-	-	2,133,492
Total	2,186,454	-	-	2,186,454	2,133,492	-	-	2,133,492
Ending Balance	2,186,454	-	-	2,186,454	2,133,492	-	-	2,133,492

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Debt instruments measured at Amortized cost								
<u>Credit rating as per CBE classification</u>								
Good debts	31,311,812	-	-	31,311,812	29,460,712	-	-	29,460,712
Total	31,311,812	-	-	31,311,812	29,460,712	-	-	29,460,712
Deduct: Expected credit losses	(265,166)	-	-	(265,166)	(113,752)	-	-	(113,752)
Ending Balance	31,046,646	-	-	31,046,646	29,346,960	-	-	29,346,960

Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023

3. Financial Risk Management - continuing

3.1.1 Maximum limit for credit risk before collaterals- continuing.

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

(EGP Thousands)

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Retail								
Balance at 1 January 2023	3,062,002	226,740	55,098	3,343,840	1,851,741	77,052	55,160	1,983,953
New financial assets purchased or issued	607,953	-	-	607,953	1,210,261	149,688	-	1,359,949
Matured or disposed financial assets	-	(57,437)	(1,720)	(59,157)	-	-	(62)	(62)
Ending Balance	3,669,955	169,303	53,378	3,892,636	3,062,002	226,740	55,098	3,343,840
Corporate								
Balance at 1 January 2023	19,892,088	8,207,983	1,541,979	29,642,050	13,374,186	6,608,322	986,796	20,969,304
Transferred to (from) stage 1	(636,828)	636,828	-	-	371,405	(371,405)	-	-
Transferred to (from) stage 2	825,858	(825,858)	-	-	(1,176,685)	1,176,685	-	-
Transferred to (from) stage 3	-	(2,275)	2,275	-	-	(627,955)	627,955	-
New financial assets purchased or issued	766,936	65,650	-	832,586	8,643,537	1,277,593	-	9,921,130
Matured or disposed financial assets	-	-	(13,649)	(13,649)	(2,052,591)	(1,028,510)	(239,898)	(3,320,999)
Foreign exchange translation differences	382,766	500,572	109,972	993,310	732,236	1,173,253	167,126	2,072,615
Ending Balance	21,230,820	8,582,900	1,640,577	31,454,297	19,892,088	8,207,983	1,541,979	29,642,050

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

(EGP Thousands)

	31 March 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Retail								
Balance at 1 January 2023	37,659	4,127	53,709	95,495	24,022	1,847	40,833	66,702
Released (charged) during the year	16,456	(954)	(4,276)	11,226	13,637	2,280	15,390	31,307
Written off during the year	-	-	(5)	(5)	-	-	(2,514)	(2,514)
Ending Balance	54,115	3,173	49,428	106,716	37,659	4,127	53,709	95,495
Corporate								
Balance at 1 January 2023	65,801	752,221	1,378,135	2,196,157	39,445	942,277	874,061	1,855,783
Transferred to (from) stage 1	1,995	(1,995)	-	-	9,409	(9,409)	-	-
Transferred to (from) stage 2	(5,016)	5,016	-	-	(2,973)	2,973	-	-
Transferred to (from) stage 3	-	(2,275)	2,275	-	-	(466,910)	466,910	-
Released (charged) during the year	3,225	(50,372)	7,828	(39,319)	19,920	177,418	64,516	261,854
Written off during the year	-	-	(4,235)	(4,235)	-	-	(133,062)	(133,062)
Recoveries during the year	-	-	10,495	10,495	-	-	38,536	38,536
Foreign exchange translation differences	-	38,528	78,889	117,417	-	105,872	67,174	173,046
Ending Balance	66,005	741,123	1,473,387	2,280,515	65,801	752,221	1,378,135	2,196,157

Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023
3. Financial Risk Management - continuing
3.1.2 Concentration of the risks of financial assets exposed to the credit risk.
Geographical Segments:

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

(EGP Thousands)

	<u>Arab Republic of Egypt</u>			<u>Total</u>	<u>Gulf</u>	<u>Other</u>	<u>Total</u>
	<u>Great Cairo</u>	<u>Alex and Delta</u>	<u>Upper Egypt</u>				
Cash and due from Central Bank of Egypt	6,733,804	-	-	6,733,804	-	-	6,733,804
Due from banks	13,739,345	-	-	13,739,345	1,663,264	1,632,491	17,035,100
<u>Gross financing and credit facilities to customers</u>							
Retail							
- Credit cards	23,591	7,862	-	31,453	-	-	31,453
- Personal financing	4,107,703	552,283	-	4,659,986	-	-	4,659,986
- Mortgages	424,011	55,134	-	479,145	-	-	479,145
Corporate							
- Overdraft	-	-	-	-	-	-	-
- Direct financing	22,148,300	5,250,803	-	27,399,103	-	-	27,399,103
- Syndicated financing	4,670,943	-	-	4,670,943	-	-	4,670,943
<u>Financial investments</u>							
- Debt instruments measured at FVOCI	2,186,454	-	-	2,186,454	-	-	2,186,454
- Debt instruments measured at Amortized cost	31,243,573	-	-	31,243,573	335,853	-	31,579,426
Balance at 31 March 2023	85,277,724	5,866,082	-	91,143,806	1,999,117	1,632,491	94,775,414
Balance at 31 December 2022	80,172,616	4,597,421	-	84,770,037	2,092,248	882,523	87,744,808

Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023
3. Financial Risk Management - continuing
3.1.2 Concentration of the risks of financial assets exposed to the credit risk - continuing.
Activity Segments

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

(EGP Thousands)

	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Governmental	Other activities	Individuals	Total
Cash and due from Central Bank of Egypt	6,733,804	-	-	-	-	-	-	6,733,804
Due from banks	17,035,100	-	-	-	-	-	-	17,035,100
Gross financing and credit facilities to customers								
Retail								
- Credit cards	-	-	-	-	-	-	31,453	31,453
- Personal financing	-	-	-	-	-	-	4,659,986	4,659,986
- Mortgages	-	-	-	-	-	-	479,145	479,145
Corporate								
- Direct financing	5,834,882	12,031,418	52,200	5,368,225	34,203	4,078,175	-	27,399,103
- Syndicated financing	-	2,136,151	-	504,359	1,530,587	499,846	-	4,670,943
Financial investments								
- Debt instruments measured at FVOCI	404,866	-	1,439,592	-	341,996	-	-	2,186,454
- Debt instruments measured at Amortized cost	-	-	-	-	31,579,426	-	-	31,579,426
Balance at 31 March 2023	30,008,652	14,167,569	1,491,792	5,872,584	33,486,212	4,578,021	5,170,584	94,775,414
Balance at 31 December 2022	27,391,718	12,302,356	2,084,576	5,218,403	31,617,031	5,359,345	3,771,379	87,744,808

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****3. Financial Risk Management - continuing****3.2 Market Risk**

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

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

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

3.2.1 Risk of Fluctuation of Foreign Currencies Exchange Rates

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

	(Equivalent EGP Thousands)					
31 March 2023	EGP	USD	GBP	EUR	Other	Total
Financial assets						
Cash and due from Central Bank of Egypt	6,591,465	97,302	5,155	32,591	7,291	6,733,804
Due from banks	7,630,299	8,846,315	58,180	396,033	104,273	17,035,100
Gross financing and credit facilities to customers	32,085,759	5,071,866	83,005	-	-	37,240,630
Financial Investments measured at FVPL	84,915	-	-	-	-	84,915
Financial Investments measured at FVOCI	2,145,636	-	-	122,431	33,650	2,301,717
Financial Investments measured at Amortized cost	19,415,261	10,931,247	-	1,232,918	-	31,579,426
Other financial assets	1,004,935	115,341	90	35,714	344	1,156,424
Total financial assets	68,958,270	25,062,071	146,430	1,819,687	145,558	96,132,016
Financial liabilities						
Due to banks	-	5,816,319	46	825,005	6,664	6,648,034
Customers' deposits	57,574,606	16,439,666	64,260	1,228,406	104,248	75,411,186
Subordinated and other Islamic financing	11,290	1,390,424	-	-	-	1,401,714
Other financial liabilities	482,714	128,549	-	611	-	611,874
Total financial liabilities	58,068,610	23,774,958	64,306	2,054,022	110,912	84,072,808
Net financial position	10,889,660	1,287,113	82,124	(234,335)	34,646	12,059,208
31 December 2022						
Total financial assets	70,006,415	17,842,113	50,429	1,580,117	107,600	89,586,674
Total financial liabilities	58,628,708	17,616,024	51,659	1,603,623	87,158	77,987,173
Net financial position	11,377,707	226,089	(1,230)	(23,506)	20,442	11,599,501

3.2.2 Profit Rate Risk

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

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****3. Financial Risk Management - continuing****3.3 Liquidity Risk**

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

3.4 Fair Value of Financial Assets & Liabilities**3.4.1 Financial instruments measured at fair value using valuation techniques.**

During the financial period ended December 31, 2022, the Bank does not re-evaluate its financial assets and liabilities items using any valuation techniques.

3.4.2 Financial instruments not measured at fair value.

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

(EGP Thousands)

	31 March 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Due from banks	16,739,910	16,892,900	13,790,473	13,949,380
Financing and credit facilities to customers, net	32,959,702	32,959,702	30,694,238	30,694,238
Debt instruments measured at Amortized cost	31,046,646	28,293,992	29,346,960	28,355,352
Financial liabilities				
Due to banks	6,648,034	6,662,832	1,902,905	1,926,991
Customers' deposits	75,411,186	75,993,796	74,317,312	74,943,038
Subordinated and other Islamic financing	1,401,714	1,416,906	1,125,168	1,137,426

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

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

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

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

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****3. Financial Risk Management - continuing****3.4 Fair Value of Financial Assets & Liabilities - continuing****3.4.1 Fair value measurement**

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

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

(EGP Thousands)

Financial Assets	31 March 2023			
	Level 1	Level 2	Level 3	Total
Debt instruments	-	2,186,454	-	2,186,454
Mutual funds	-	-	84,915	84,915
Equity Instruments	87,593	-	27,670	115,263

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



Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023

3. Financial Risk Management - continuing

3.5 Capital Management

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

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

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

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

Central Bank of Egypt requires the following:

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

The numerator in capital adequacy comprises the following two tiers:

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

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

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

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

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****3 Financial Risk Management - continuing****3.5.1 Capital Adequacy Ratio (CAR%)**

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

According to Basel II	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Tier 1 capital		
Basic going concern capital		
Issued and paid-up capital	5,089,974	5,089,974
Other reserves	249,619	249,619
General risk reserve	214,926	214,926
Retained earnings	1,662,842	1,894,350
Other comprehensive income	(22,146)	24,776
Total basic going concern capital after disposal	7,195,215	7,473,645
Additional basic capital		
Interim profit	446,539	-
Non-Controlling interest	2,079	2,315
Total deductions from capital invested	(30,265)	(22,963)
Total qualifying tier 1 capital	7,613,568	7,452,997
Tier 2 capital		
Subordinated financing	525,271	540,676
Impairment provision for Financing, debt instruments and contingent liabilities in stage one*	417,377	274,157
Total qualifying tier 2 capital	942,648	814,833
Total capital base after disposal	8,556,216	8,267,830
Risk weighted assets and contingent liabilities		
Total credit risk	48,109,578	42,732,647
The overriding value of top 50 clients over the prescribed limits	1,233,594	-
Cross border over limit	-	104,908
Total market risk	213,731	388,448
Total operational risk	3,478,802	3,478,802
Total risk weighted assets and contingent liabilities	53,035,705	46,704,805
*Capital adequacy ratio (%)	16.13%	17.70%

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

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

3.5.2 Leverage Ratio%

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

The tables below summarizes the leverage financial ratio:	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Total qualifying tier 1 capital	7,613,568	7,452,997
Total on-balance sheet exposures	97,761,958	87,514,040
Total off-balance sheet exposures	5,330,365	4,903,068
Total exposures on-balance sheet and off-balance sheet	103,092,323	92,417,108
Leverage financial ratio % (1/2)	7.39%	8.06%

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

- In March 2023 NSFR% recorded 184.84% and LCR% recorded 704.28%
- In December 2022 NSFR% recorded 207.54% and LCR% recorded 854.11%

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****4. Segments Reporting****4.1 Segmental analysis by activity**

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

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

(EGP Thousands)

31 March 2023	Head office	Cairo branches	Giza branches	Alex branches	Other branches	Total
Total revenues and expenses according to segmental activities						
Total revenues	450,657	1,475,136	369,166	226,664	207,134	2,728,757
Total expenses	(723,163)	(789,691)	(220,611)	(157,763)	(119,885)	(2,011,113)
Net profit for the year before tax	(272,506)	685,445	148,555	68,901	87,249	717,644
Income tax expense	(271,958)	-	-	-	-	(271,958)
Net profit for the year	(544,464)	685,445	148,555	68,901	87,249	445,686
Total assets and liabilities according to segmental activities						
Total assets	11,044,506	50,399,578	14,412,491	9,238,855	8,166,316	93,261,746
Total liabilities	11,044,506	42,633,131	14,412,491	9,238,855	8,166,316	85,495,299

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

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****4. Segments Reporting - continuing****4.2 Segmental analysis by geographic area**

(EGP Thousands)

31 March 2023	Arab Republic of Egypt			Total
	Great Cairo	Alex and Delta	Upper Egypt	
Total revenues and expenses according to geographical segment				
Total revenues	2,410,782	317,975	-	2,728,757
Total expenses	(1,797,454)	(213,659)	-	(2,011,113)
Net profit for the year before tax	613,328	104,316	-	717,644
Income tax expense	(271,958)	-	-	(271,958)
Net profit for the year	341,370	104,316	-	445,686
Total assets and liabilities according to geographical segment				
Total assets	80,558,971	12,702,775	-	93,261,746
Total liabilities	72,792,524	12,702,775	-	85,495,299

(EGP Thousands)

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

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****5. Net income from funds**

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
<u>Income from Murabaha, Musharaka, Mudaraba and other similar income:</u>		
Financing and credit facilities		
- Customers	1,201,750	584,464
Total	1,201,750	584,464
Debt instruments at fair value through OCI and AC	1,156,848	707,314
Deposits and current accounts	231,385	575,031
Total	2,589,983	1,866,809
<u>Cost of deposits and similar expenses:</u>		
Deposits and current accounts		
- Banks	(58,436)	(1,960)
- Customers	(1,488,283)	(1,137,164)
Total	(1,546,719)	(1,139,124)
Other financings	(22,053)	(6,733)
Total	(1,568,772)	(1,145,857)
Net income from funds	1,021,211	720,952

6. Net fees and commission income

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
<u>Fees and commission income:</u>		
Fees and commissions related to credit	49,632	44,689
Investment commission	-	38
Custody fees	5	37
Other fees	65,951	38,570
Total	115,588	83,334
<u>Fees and commission expenses:</u>		
Other fees paid	(11,578)	(9,614)
Total	(11,578)	(9,614)
Net fees and commission income	104,010	73,720

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****7. Administrative expenses**

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Staff cost:		
Salaries and wages	(132,605)	(94,262)
Social insurance	(5,147)	(3,754)
Pension cost:		
Defined contribution scheme	(7,500)	(6,200)
Zakah and charity fund	(7,500)	(3,750)
Depreciation and amortization	(23,157)	(28,413)
Other administrative expenses	(127,071)	(87,704)
Total	(302,980)	(224,083)

8. Net trading income

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Profit from foreign exchange transactions	15,582	30,543
Mutual funds measured at FVPL	3,364	(823)
Total	18,946	29,720

9. Other operating income (expenses)

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Gain (Loss) from Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at FVPL at initial recognition	(58,697)	-
Gain (loss) on sale of assets reverted to the bank	2,186	108
Gain on sale of property and equipment	30,918	(6,934)
Operating lease rental expense	(6,837)	(1,870)
Other provisions (net of reversed amounts)*	6,295	(1,382)
Others	26,035	535
Total	(100)	(9,543)
	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Other provisions (net of reversed amounts)*		
Tax provision	(4,500)	(7,000)
Contingent liabilities provision	10,795	5,618
Total	6,295	(1,382)

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****10. Impairment charge of expected credit losses**

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Financing and credit facilities to customers (Note 15)	28,094	(41,921)
Due from banks (Note 14)	(2,457)	6,547
Debt instruments at fair value through other comprehensive income (Note 16/2)	(1,405)	(639)
Debt instruments at amortized cost (Note 16/3)	(151,414)	(32,627)
Accrued revenues (Note 17)	(501)	(184)
Total	(127,683)	(68,824)

11. Income tax expense

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Current tax	(269,072)	(160,598)
Deferred tax	(2,886)	2,910
Total	(271,958)	(157,688)

12. Basic earnings per share

	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Net profit for the period (from income statement)	444,036	368,647
Add/(Deduct) : Profits of sale fixed assets	(30,918)	6,934
Net profit for the period, available for distribution	413,118	375,581
Banking system support and development fund	(4,131)	(3,756)
Remuneration for the board members and staff profit share	(49,574)	(45,070)
Profit available to shareholders	359,413	326,755
Weighted average number of the shares outstanding during the period	727,139	727,139
Basic earning per share	0.49	0.45

* Based on the separate financial statement

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****13. Cash and due from Central Bank of Egypt**

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Cash	385,088	462,337
Mandatory reserve balances with CBE	6,348,716	6,789,062
Total	6,733,804	7,251,399
Non-profit bearing balances	6,733,804	7,251,399
Total	6,733,804	7,251,399

14. Due from banks, net

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Current accounts	1,125,832	484,070
Deposits	15,909,267	13,540,285
	17,035,099	14,024,355
Deduct: Expected Credit Losses*	(295,189)	(233,882)
Total	16,739,910	13,790,473
Balances at CBE other than those under the mandatory reserve	8,191,594	9,806,805
Local banks	5,547,750	1,228,636
Foreign Banks	3,295,755	2,988,914
Deduct: Expected Credit Losses*	(295,189)	(233,882)
Total	16,739,910	13,790,473
Non-profit bearing balances	1,125,832	484,070
Fixed profit bearing balances	15,909,267	13,540,285
Deduct: Expected Credit Losses*	(295,189)	(233,882)
Total	16,739,910	13,790,473
<u>Due from banks-ECL provision analysis*</u>		
Beginning balance	233,882	154,630
Net impairment loss recognized during the period	2,457	(5,577)
Foreign currencies translation differences	58,850	84,829
Ending balance	295,189	233,882

- Due from banks on March 31, 2023, includes an amount of EGP 278,085 thousand representing due from banks belonging to Al Baraka Group (EGP 222,691 thousand at 31 December 2022).
- Due from banks on March 31, 2023, includes an amount of EGP 313,712 thousand representing balances with banks belonging to Al Baraka Group - the bank's main shareholder. (Compared to EGP 458,713 thousand at 31 December 2022).

**Notes to the condensed consolidated interim financial statements for the period ended 31 March 2023****15. Financing and credit facilities to customers, net**

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
<u>Retail</u>		
Credit cards	31,453	29,706
Personal financing	4,659,986	3,741,673
Mortgages	479,145	554,475
Total (1)	5,170,584	4,325,854
<u>Corporate including (SMEs)</u>		
Direct financing	27,399,103	25,232,572
Syndicated financing	4,670,943	5,117,299
Total (2)	32,070,046	30,349,871
Gross financing and credit facilities (1+2)	37,240,630	34,675,725
<u>Deduct:</u>		
Expected Credit Losses*	(2,387,231)	(2,291,652)
Deferred profit	(1,893,697)	(1,689,835)
Net financing and credit facilities	32,959,702	30,694,238
<u>Financing and credit facilities-ECL provision analysis*</u>		
Beginning balance	2,291,652	1,922,485
Net impairment loss recognized during the period	(28,093)	293,161
Recoveries during the period	10,495	38,536
Written off during the period	(4,240)	(135,576)
Foreign currencies translation differences	117,417	173,046
Ending balance	2,387,231	2,291,652

Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023
15. Financing and credit facilities to customers, net - continuing.

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

(EGP Thousands)

Retail	31 March 2023				31 December 2022			
	Credit cards	Personal financing	Mortgages	Total	Credit cards	Personal financing	Mortgages	Total
Beginning balance	1,446	79,467	14,582	95,495	266	48,032	18,404	66,702
Net impairment loss recognized during the period	(541)	11,478	289	11,226	1,180	31,517	(1,390)	31,307
Written off during the period	-	(5)	-	(5)	-	(82)	(2,432)	(2,514)
Ending balance (1)	905	90,940	14,871	106,716	1,446	79,467	14,582	95,495

Corporate	31 March 2023				31 December 2022			
	Direct financing	Syndicated financing	Other financing	Total	Direct financing	Syndicated financing	Other financing	Total
Beginning balance	1,781,017	415,140	-	2,196,157	1,574,390	274,612	6,781	1,855,783
Net impairment loss recognized during the period	(47,435)	8,116	-	(39,319)	196,441	72,194	(6,781)	261,854
Recoveries during the period	295	10,200	-	10,495	1,619	36,917	-	38,536
Written off during the period	(4,235)	-	-	(4,235)	(133,062)	-	-	(133,062)
Foreign currencies translation differences	81,018	36,399	-	117,417	141,629	31,417	-	173,046
Ending balance (2)	1,810,660	469,855	-	2,280,515	1,781,017	415,140	-	2,196,157
Ending balance (1+2)	1,811,565	560,795	14,871	2,387,231	1,782,463	494,607	14,582	2,291,652

Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023
16. Financial investments
16.1 Measured at FVPL

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
<u>A) Mutual Funds</u>		
Unlisted in stock exchange market	84,915	81,551
Total financial instruments measured at FVPL (1)	84,915	81,551
Beginning balance	81,551	59,703
Additions	-	10,000
FV revaluation differences of financial investment measured at FVPL	3,364	11,848
Total financial instruments measured at FVPL (1)	84,915	81,551

16.2 Measured at FVOCI

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
<u>A) Islamic Sukuk at fair value</u>		
Listed in stock exchange market	1,439,592	1,506,878
Total	1,439,592	1,506,878
<u>B) Treasury bonds at fair value</u>		
Listed in stock exchange market	341,996	333,943
Total	341,996	333,943
<u>C) Securitization bonds at fair value</u>		
Listed in stock exchange market	404,866	292,671
Total	404,866	292,671
<u>D) Equity instruments at fair value</u>		
Listed in stock exchange market	87,593	83,698
Unlisted in stock exchange market	27,670	22,330
Total	115,263	106,028
Total financial instruments measured at FVOCI (2)	2,301,717	2,239,520

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****16. Financial investments - continuing****16.3 Measured at Amortized Cost**

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
<u>A) Treasury bonds</u>		
Listed in stock exchange market	23,378,650	22,957,202
Unlisted in stock exchange market	-	258,697
Deduct: Expected Credit Losses*	(162,743)	(76,374)
Total	23,215,907	23,139,525
<u>B) Islamic Sukuk</u>		
Listed in stock exchange market	335,853	269,724
Total	335,853	269,724
<u>C) Treasury bills</u>		
EGP TBills - 91 Days maturity	-	118,750
EGP TBills - 182 Days maturity	732,400	659,175
EGP TBills - 273 Days maturity	12,350	100,000
EGP TBills - 364 Days maturity	1,218,100	900,000
USD TBills - 364 Days maturity	5,295,969	3,909,457
EUR TBills - 364 Days maturity	606,104	475,352
Total	7,864,923	6,162,734
Deduct: Unearned interest	(267,614)	(187,645)
Deduct: Expected Credit Losses*	(102,423)	(37,378)
Net	7,494,886	5,937,711
Total financial instruments measured at Amortized cost (3)	31,046,646	29,346,960
Total financial investment (1+2+3)	33,433,278	31,668,031
Non-profit bearing balances	200,178	187,579
Floating profit bearing balances	1,775,445	1,776,602
Fixed profit bearing balances	31,457,655	29,703,850
Total financial investment (1+2+3)	33,433,278	31,668,031
<u>Debt instruments-ECL provision analysis*</u>		
Beginning balance	113,752	63,177
Net impairment loss recognized during the period	151,414	50,575
Ending balance	265,166	113,752

- The carried value of financial investments in governmental debts at 31 March 2023 reached to EGP 31,317,955 thousand, these investments are used to contribute to the financing of Egypt national projects, strategic and development projects.

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****17. Other assets, net**

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued revenues	1,156,424	1,654,287
Deduct: Expected Credit Losses*	(2,262)	(1,762)
Accrued revenues, net	1,154,162	1,652,525
Pre-paid expenses	36,691	15,649
Advance payments for acquisition of property and equipment	423,400	352,630
Assets reverted to the bank in settlement of debts, net	259,662	261,588
Deposits held with others and custody	13,081	11,721
Other debit balances	809,091	814,682
Total	2,696,087	3,108,795
<u>Accrued revenues-ECL provision analysis*</u>		
Beginning balance	1,762	1,331
Net impairment loss recognized during the period	500	431
Ending balance	2,262	1,762

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

Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023
18. Property, plant and equipment, net

(EGP Thousands)

31 March 2023	Lands and Premises	Machines and Equipment	Information Technology	Furniture and Renovations	Others	Total
Cost	538,256	89,332	132,105	317,312	21,813	1,098,818
Accumulated depreciation	(159,329)	(61,463)	(121,665)	(94,258)	(13,334)	(450,049)
Net book value	378,927	27,869	10,440	223,054	8,479	648,769
Net book value at the beginning of the year	313,439	30,679	10,371	224,958	9,150	588,597
Additions	71,745	1,113	4,311	3,140	-	80,309
Disposals	(1,720)	(1,366)	(473)	(3,093)	-	(6,652)
Depreciation for the Period	(4,806)	(3,873)	(4,243)	(4,462)	(671)	(18,055)
Disposals' accumulated depreciation	269	1,316	474	2,511	-	4,570
Net book value	378,927	27,869	10,440	223,054	8,479	648,769
31 December 2022	Lands and Premises	Machines and Equipment	Information Technology	Furniture and Renovations	Others	Total
Cost	468,231	89,585	128,267	317,265	21,813	1,025,161
Accumulated depreciation	(154,792)	(58,906)	(117,896)	(92,307)	(12,663)	(436,564)
Net book value	313,439	30,679	10,371	224,958	9,150	588,597
Net book value at the beginning of the year	326,668	39,766	25,477	237,989	3,789	633,689
Additions	9,472	6,257	3,671	8,111	8,007	35,518
Disposals	(4,873)	-	-	(4,254)	(181)	(9,308)
Depreciation for the Period	(18,986)	(15,344)	(18,777)	(17,921)	(2,646)	(73,674)
Disposals' accumulated depreciation	1,158	-	-	1,033	181	2,372
Net book value	313,439	30,679	10,371	224,958	9,150	588,597

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****19. Due to banks**

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Current accounts	321,329	68,075
Deposits	6,326,705	1,834,830
Total	6,648,034	1,902,905
Local banks	1,694,389	866,019
Foreign banks	4,953,645	1,036,886
Total	6,648,034	1,902,905
Non-profit bearing balances	321,329	68,075
Floating profit bearing balances	6,326,705	1,834,830
Total	6,648,034	1,902,905

- Due to banks on March 31, 2023, includes an amount of EGP 42,687 thousand representing due to banks belonging to Al Baraka Group - the bank's main shareholder (EGP 623,819 thousand at 31 December 2022) (Note 29).

20. Customers' deposits

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Demand deposits	12,966,127	11,027,073
Time deposits and call accounts	27,848,176	27,641,162
Term saving certificates	26,127,238	26,449,754
Saving deposits	7,431,104	7,843,402
Other deposits	1,038,541	1,355,921
Total	75,411,186	74,317,312
Corporate deposits	37,402,000	37,248,197
Retail deposits	38,009,186	37,069,115
Total	75,411,186	74,317,312
Non-profit bearing balances	7,320,997	6,413,974
Floating profit bearing balances	68,090,189	67,903,338
Total	75,411,186	74,317,312

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****21. Subordinated and other Islamic financing**

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
(A) Long-Term Restricted Finances	11,290	11,715
(B) Subordinated Finance (Other Shareholders)	1,390,424	1,113,453
Total	1,401,714	1,125,168

(A) Long-Term Restricted Finances

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

(B) Subordinated Finance (Other Shareholders)

- On February 5, 2017, an (Investment Mudaraba Deposit Contract) has been concluded with (Misr Insurance Company) (one of the largest shareholders of our Bank) to support the Bank’s subordinated capital in the amount of USD 25 million. The contract commences on February 23, 2017, for seven years. and the deposit is entitled to a return of 6.75% approximately with quarterly disbursement.
- On July 2, 2017, another agreement has been concluded with Misr Insurance Company (Investment Mudaraba Deposit Contract) to support the Bank’s subordinated capital in the amount of 20 million US Dollars, over eight years. The deposit is entitled to a return of about 6.25% disbursed quarterly.

Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023
22. Other liabilities

	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued interest	611,874	641,789
Deferred revenues	20,925	25,119
Accrued expenses	188,425	176,371
Accounts under settlements	186,563	310,309
Other credit balances	272,163	275,563
Total	1,279,950	1,429,151

23. Other provisions

(EGP Thousands)					
31 March 2023	Provision for legal claims	Provision for tax claims	Provision for Contingents	Other provisions	Total
Beginning balance	6,158	38,039	94,954	11,587	150,738
Formed during the period	-	4,500	6,404	-	10,904
Provisions no longer required during the period	-	-	(17,199)	-	(17,199)
Used during the period	-	(537)	-	-	(537)
Foreign currencies translation differences	-	-	2,629	-	2,629
Ending balance	6,158	42,002	86,788	11,587	146,535

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

***Corporate tax provision:** During 2022, the Bank charge the corporate tax provision of EGP 20 million in addition to EGP 127 million (transferred from credit balances) to reach EGP 162 million and according to ending the corporate tax inspection for the years (2007-2017), the Bank paid the tax dues and the delay penalties for that period with total amount of EGP 33.6 million.

On the other hand, and according to the tax liability study which declared that the total tax due for the years 2017 / 2021 amounted EGP 20 million therefore there is 109 million Egyptian pounds no longer required.

Stamp Duty tax Provision: according to the last tax inspection for the years until 2020 the expected tax dues for the years 2021 / 2022 is amounted EGP 2 million.

Salary tax provision: according to the last tax inspection for the years until 2017 the expected tax dues for the years 2018 / 2022 is amounted EGP 6 million.

Real estate tax provision: according to the current position of fixed assets and assets that were expropriated to the bank, the expected tax liability for real estate tax provision and the delay penalties amounted EGP 10 million. (Transferred from credit balances)

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****24. Capital****24.1 Authorized Capital**

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

24.2 Issued and paid-up Capital

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

	<u>31 March 2023</u>		<u>31 December 2022</u>	
	No. of common stock	total value of common stock	No. of common stock	total value of common stock
Beginning balance	727,139,130	5,089,974	220,921,033	1,546,447
Dividends for year 2019 used to capital increase	-	-	44,184,208	309,290
Reserves used to capital increase	-	-	462,033,889	3,234,237
Ending balance	727,139,130	5,089,974	727,139,130	5,089,974

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

25. Reserves

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP Thousands	EGP Thousands
Legal reserve	239,254	239,254
General banking risk reserve	118,566	118,566
Capital reserve	10,365	10,365
General risk reserve	214,926	214,926
Fair value reserve	(22,146)	22,475
Total	560,965	605,586

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

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****26. Cash and cash equivalent**

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

	31 March 2023 EGP Thousands	31 March 2022 EGP Thousands
Cash and balances at the central bank	385,087	425,696
Due from banks - Current accounts	1,125,832	17,339,410
Total	1,510,919	17,765,106

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

Several lawsuits have been filed versus the Bank and accordingly a provision has been formed for this purpose on March 31, 2023, in the amount of EGP 6,158 thousand (Note 24).

27.2 Capital Commitments

	(EGP Thousands)			
	Less than one year	More than one year and less than 5 years	More than 5 years	Total
31 March 2023				
Operating lease commitments	10,534	59,494	39,400	109,428
Capital commitments resulting from acquisition of property and equipment	89,890	-	-	89,890
31 December 2022				
Operating lease commitments	7,422	38,592	23,801	69,815
Capital commitments resulting from acquisition of property and equipment	83,227	-	-	83,227

27.3 Contingent liabilities

	31 March 2023 EGP Thousands	31 December 2022 EGP Thousands
Letter of Credit (import and export)	70,899	334,254
Letter of Guarantee	3,249,239	2,902,881
Accepted notes for suppliers facilities	61,411	108,933
Total	3,381,549	3,346,068



Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023

28. Tax Position

28.1 Corporate Tax:

- **From the beginning of activity till the end of 31 December 2006**

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

- **Years 2007 till 2017**

The Bank's books have been inspected, and the due tax was paid were obtained (Form 9A)

- **Years 2018 till 2021**

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

- **Year 2022**

The Bank will submit its tax return within the legal deadline before 4/30/2023.

28.2 Salaries Tax:

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

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

- **Years from 2018 till 2022.**

The years from 2018 to 2021 are being inspected, and the required documents have been submitted and the result of the tax inspection still awaiting till date, noting that the bank regularly calculating the salaries tax monthly and submit it to the Tax Authority.

28.3 Stamp duty Tax:

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

The actual inspection was carried out and the final settlement and payment of the receivable was made for the period.

- **Years from 2021 till 2022.**

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

28.4 Withholding Tax:

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

**Notes to the Condensed Consolidated interim financial statements for the period ended 31 March 2023****29. Related Parties Transactions**

(EGP Thousands)

	<u>31 March 2023</u>		<u>31 December 2022</u>	
	Main Shareholders	Directors and other key management	Main Shareholders	Directors and other key management
Related parties outstanding balances can be analyzed below:				
Due from banks	591,797	-	681,404	-
Financing and credit facilities to customers	-	1,041	-	1,000
Financial investments measured at FVOCI	33,650	-	25,600	-
Subordinated finance from Other Shareholders	1,390,424	-	1,113,453	-
Customers' deposits	807,923	18,688	597,803	18,674
Due to banks	42,687	-	623,819	-
Related parties transactions can be analyzed below:				
Profit received from placements and current accounts	4,269	-	1,068	-
Profit paid on subordinated finance	(21,932)	-	(6,586)	-
Profit paid on deposits and current accounts to customers	(9,428)	(181)	-	(6,879)
Profit paid on deposits and current accounts to banks	(711)	-	(341)	-

- Due from banks on March 31, 2023, includes an amount of EGP 278,085 thousand representing due from banks belonging to Al Baraka Group (EGP 222,691 thousand at 31 December 2022).
- Due from banks on March 31, 2023, includes an amount of EGP 313,712 thousand representing balances with banks belonging to Al Baraka Group - the bank's main shareholder. (Compared to EGP 458,713 thousand at 31 December 2022).
- Due to banks on March 31, 2023, includes an amount of EGP 42,687 thousand representing due to banks belonging to Al Baraka Group - the bank's main shareholder (EGP 623,819 thousand at 31 December 2022).
- Financial assets at FVTOCI on 31 March 2023 includes the amount of EGP 33,649 thousand representing investments in the Islamic Bank of Jordan of Al Baraka Group - the bank's main shareholder (Compared to EGP 25,600 thousand at 31 December 2022).

30. Prior year adjustments

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

(EGP Thousands)

	<u>Before</u>	<u>31 December 2022</u>		<u>After</u>
		Reclassification		
Balance sheet		Transferred from	Transferred to	
Due from banks, net	10,269,262	-	3,521,211	13,790,473
Investment with banks, net	3,521,211	(3,521,211)	-	-