



Separate Financial Statements

31 March 2023

Interim Condensed



Condensed separate interim financial statements

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Limited Review Report on the interim condensed separate financial statements

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

Introduction

We have reviewed the accompanying interim condensed separate statement of financial position of al Baraka Bank Egypt "S.A.E" as of 31 March 2023 and the related interim condensed separate 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 separate 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 financial statements and in light of the applicable Egyptian laws and regulations. Our responsibility is limited to expressing a conclusion on these interim condensed separate 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 separate 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 separate financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate 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 separate 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 | 33,680,892 | 31,395,338 |
| Financial investments | | | |
| - Measured at FVPL | 16/1 | 70,865 | 67,928 |
| - Measured at FVOCI | 16/2 | 2,301,717 | 2,239,520 |
| - Measured at Amortized cost | 16/3 | 31,046,646 | 29,346,960 |
| Investment in subsidiaries | 17 | 98,000 | 98,000 |
| Intangible assets, net | | 44,837 | 31,999 |
| Other assets, net | 18 | 2,001,929 | 2,414,759 |
| Property, plant and equipment, net | 19 | 576,918 | 588,565 |
| Deferred tax assets | | 5,363 | - |
| Total assets | | 93,300,881 | 87,224,941 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Due to banks | 20 | 6,648,034 | 1,902,905 |
| Customers' deposits | 21 | 75,461,723 | 74,419,953 |
| Subordinated and other financing | 22 | 1,401,714 | 1,125,168 |
| Other liabilities | 23 | 1,278,950 | 1,428,354 |
| Other provisions | 24 | 146,535 | 150,738 |
| Deferred tax liabilities | | - | 5,113 |
| Current income tax liabilities | | 543,540 | 543,704 |
| Defined benefits obligation | | 63,925 | 63,925 |
| Total liabilities | | 85,544,421 | 79,639,860 |
| Equity | | | |
| Issued and paid-up capital | 25 | 5,089,974 | 5,089,974 |
| Reserves | 26 | 559,608 | 604,230 |
| Retained earnings * | | 2,106,878 | 1,890,877 |
| Total equity | | 7,756,460 | 7,585,081 |
| Total liabilities and equity | | 93,300,881 | 87,224,941 |

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 separate 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 | 2,621,580 | 1,866,809 |
| Cost of deposits and similar costs | 5 | (1,570,348) | (1,147,434) |
| Net income from funds | | 1,051,232 | 719,375 |
| 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 | 18,518 | 29,460 |
| Administrative expenses | 7 | (301,370) | (223,191) |
| Impairment charge of expected credit losses | 10 | (128,600) | (68,824) |
| Other operating income (expenses) | 9 | (32,126) | (9,543) |
| Net profit for the period before tax | | 715,904 | 526,125 |
| Income tax expense | 11 | (271,868) | (157,478) |
| Net profit for the period | | 444,036 | 368,647 |
| Basic earning per share | 12 | 0.49 | 0.45 |

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



Hesham Ghoneim

Chief Financial Officer



Hazem Hegazy

Vice Chairman & CEO



Condensed separate 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 | 444,036 | 368,647 |
| 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 | 399,414 | 369,400 |

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

Condensed separate interim statement of changes in shareholders' equity for the period ended 31 March 2023

| | EGP Thousands | | | | |
|--|-------------------------------|--------------------------------|------------------|----------------------|------------------|
| | Issued and paid-up capital | Paid under capital increase | Reserves | Retained earnings | Total |
| <u>31 March 2022</u> | | | | | |
| Balance at 1 January 2022 | 1,546,447 | 1,422,731 | 1,770,503 | 1,264,489 | 6,004,171 |
| Net change in other comprehensive income | - | - | 753 | - | 753 |
| Net profit for the period | - | - | - | 368,647 | 368,647 |
| Balance at 31 March 2022 | 1,546,447 | 1,422,731 | 1,771,256 | 1,633,136 | 6,373,571 |
| <u>31 March 2023</u> | | | | | |
| Balance at 1 January 2023 | 5,089,974 | - | 604,230 | 1,890,877 | 7,585,081 |
| Net change in other comprehensive income | - | - | (44,622) | - | (44,622) |
| Net profit for the period | - | - | - | 444,036 | 444,036 |
| | 5,089,974 | - | 559,608 | 2,334,913 | 7,984,495 |
| Cash dividends (share of employees and remuneration of members of the Board of Directors and shareholders) | - | - | - | (210,500) | (210,500) |
| Banking system support and development fund | - | - | - | (17,535) | (17,535) |
| Balance at 31 March 2023 | 5,089,974 | - | 559,608 | 2,106,878 | 7,756,460 |

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

**Condensed separate 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 | | 715,904 | 526,125 |
| <u>Adjusted by:</u> | | | |
| Property and Equipment depreciation and Intangible assets amortization | 7 | 23,149 | 28,413 |
| Impairment credit losses | 10 | 128,600 | 68,824 |
| Impairment charge (Released) of other provisions | 9 | 10,904 | 1,382 |
| Provisions no longer required other than financing provision | 24 | (17,199) | - |
| Provisions used other than financing provision | 24 | (537) | - |
| Amortization of premium / discount for bonds | 16 | 97 | 1,147 |
| Exchange translation differences of financing provisions | | 178,896 | 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 | 22 | 276,971 | 114,642 |
| FV revaluation differences of financial investment measured at FVPL | 16 | (2,937) | 1,082 |
| 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 | | (22,984) | 159,650 |
| 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 | (2,371,683) | (2,316,472) |
| Other assets | 18 | 410,405 | (569,066) |
| Due to banks | 20 | 4,745,129 | 951,907 |
| Customers' deposits | 21 | 1,041,770 | (1,335,751) |
| Other liabilities | 23 | (149,402) | 36,477 |
| Current income tax obligations paid | | (269,145) | (95,659) |
| Net cash flows (used in) generated from operating activities | | (10,074,726) | (3,898,077) |

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

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

| | Note | 31 March 2023 EGP Thousands | 31 March 2022 EGP Thousands |
|---|-----------|--------------------------------|--------------------------------|
| <u>Cash flows from investing activities</u> | | | |
| Acquisition of Property and Equipment | 19 | (8,489) | (47,572) |
| Proceeds from sale of Property and Equipment | | 32,998 | - |
| 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 | 16 | 41,075 | - |
| Acquisition of investment measured at Amortized cost | 16 | - | (8,862,833) |
| Proceeds from sale of investment measured at Amortized cost | 16 | 1,041,065 | 1,484,652 |
| Dividends received | | 4,240 | 5,128 |
| Net cash flows (used in) generated from investing activities | | 959,741 | (8,170,625) |
| <u>Cash flows from financing activities</u> | | | |
| Subordinated Financing | 22 | (425) | (315,000) |
| Dividends paid | | (228,035) | - |
| Net cash flows (used in) financing activities | | (228,460) | (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 | 27 | 1,510,919 | 17,765,106 |

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



Notes to the condensed separate interim financial statement 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 separate 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 separate interim financial statements

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

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

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

In preparing these condensed separate interim financial statements, significant judgments were made by the management. In applying the Bank’s accounting policies and the key sources of estimation were the same as those that were applied to the separate financial statements as at and for the year ended 31 December 2022.



Notes to the condensed separate interim financial statement for the period ended 31 March 2023

3. Financial Risk Management

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

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

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

3.1 Credit Risk

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

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

**Notes to the condensed separate interim financial statement for the period ended 31 March 2023****3. Financial Risk Management - continuing****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 | 23,444,832 |
| - Syndicated financing | 4,923,499 | 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 | 29,346,960 |
| Total | 83,653,902 | 76,666,263 |
| <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 separate interim financial statement 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 | - | - | 287,043 | 287,043 | - | - | 218,383 | 218,383 |
| Total | 13,905,513 | 2,842,543 | 287,043 | 17,035,099 | 11,123,277 | 2,682,694 | 218,383 | 14,024,354 |
| Deduct: Expected credit losses | (8,145) | - | (287,043) | (295,188) | (4,015) | (2) | (229,864) | (233,881) |
| 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 | 21,643,993 | 3,552,345 | - | 25,196,338 | 19,885,203 | 3,549,983 | - | 23,435,186 |
| 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 | 21,955,767 | 8,582,900 | 1,640,577 | 32,179,244 | 20,596,028 | 8,207,983 | 1,541,979 | 30,345,990 |
| Deduct: Expected credit losses | (69,762) | (741,123) | (1,473,387) | (2,284,272) | (68,641) | (752,221) | (1,378,135) | (2,198,997) |
| Ending Balance | 21,886,005 | 7,841,777 | 167,190 | 29,894,972 | 20,527,387 | 7,455,762 | 163,844 | 28,146,993 |

| | 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 |
| Deduct: Expected credit losses | - | - | - | - | - | - | - | - |
| 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 separate interim financial statement 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)

| Retail | 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 |
| 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 | March 2023 31 | | | | 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 |
| Balance at 1 January 2023 | 20,596,028 | 8,207,983 | 1,541,979 | 30,345,990 | 13,374,186 | 6,608,322 | 986,796 | 20,969,304 |
| Transferred to (from) stage 1 | (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 | 787,943 | 65,650 | - | 853,593 | 9,347,477 | 1,277,593 | - | 10,625,070 |
| 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 | 21,955,767 | 8,582,900 | 1,640,577 | 32,179,244 | 20,596,028 | 8,207,983 | 1,541,979 | 30,345,990 |

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

(EGP Thousands)

| Retail | 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 |
| 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 | 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 |
| Balance at 1 January 2023 | 68,641 | 752,221 | 1,378,135 | 2,198,997 | 39,445 | 942,277 | 874,061 | 1,855,783 |
| Transferred to (from) stage 1 | 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 | 4,142 | (50,372) | 7,828 | (38,402) | 22,760 | 177,418 | 64,516 | 264,694 |
| 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 | 69,762 | 741,123 | 1,473,387 | 2,284,272 | 68,641 | 752,221 | 1,378,135 | 2,198,997 |

Notes to the condensed separate interim financial statement 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:

| | Arab Republic of Egypt | | | Total | Gulf | Other | Total |
|--|-------------------------------|-----------------------|--------------------|-------------------|------------------|------------------|-------------------|
| | Great Cairo | Alex and Delta | Upper Egypt | | | Countries | |
| Cash and due from Central Bank of Egypt | 6,733,804 | - | - | 6,733,804 | - | - | 6,733,804 |
| Due from banks | 13,739,344 | - | - | 13,739,344 | 1,663,264 | 1,632,491 | 17,035,099 |
| <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 | | | | | | | |
| - Direct financing | 22,148,300 | 5,250,803 | - | 27,399,103 | - | - | 27,399,103 |
| - Syndicated financing | 5,395,890 | - | - | 5,395,890 | - | - | 5,395,890 |
| <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 | 86,002,670 | 5,866,082 | - | 91,868,752 | 1,999,117 | 1,632,491 | 95,500,360 |
| Balance at 31 December 2022 | 80,876,554 | 4,597,421 | - | 85,473,975 | 2,092,248 | 882,523 | 88,448,746 |

(EGP Thousands)

Notes to the condensed separate interim financial statement 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 | 17,035,098 | - | - | - | - | - | - | 17,035,098 |
| 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 | 1,224,793 | - | 5,395,890 |
| 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 | 30,008,650 | 14,167,569 | 1,491,792 | 5,872,584 | 33,486,212 | 5,302,968 | 5,170,584 | 95,500,359 |
| Balance at 31 December 2022 | 27,391,717 | 12,302,356 | 2,084,576 | 5,218,403 | 31,617,031 | 6,063,284 | 3,771,379 | 88,448,746 |

**Notes to the condensed separate interim financial statement 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 | 7,630,298 | 8,846,315 | 58,180 | 396,033 | 104,273 | 17,035,099 |
| Gross financing and credit facilities to customers | 32,810,706 | 5,071,866 | 83,005 | - | - | 37,965,577 |
| Financial Investments measured at FVPL | 70,865 | - | - | - | - | 70,865 |
| 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 |
| Investment in subsidiaries | 98,000 | - | - | - | - | 98,000 |
| Other financial assets | 1,004,864 | 115,341 | 90 | 35,714 | 344 | 1,156,353 |
| Total financial assets | 69,767,095 | 25,062,071 | 146,430 | 1,819,687 | 145,558 | 96,940,841 |
| Financial liabilities | | | | | | |
| Due to banks | - | 5,816,319 | 46 | 825,005 | 6,664 | 6,648,034 |
| Customers' deposits | 57,625,143 | 16,439,666 | 64,260 | 1,228,406 | 104,248 | 75,461,723 |
| 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 | 58,119,147 | 23,774,958 | 64,306 | 2,054,022 | 110,912 | 84,123,345 |
| Net financial position | 11,647,948 | 1,287,113 | 82,124 | (234,335) | 34,646 | 12,817,496 |
| 31 December 2022 | | | | | | |
| Total financial assets | 70,794,731 | 17,842,113 | 50,429 | 1,580,117 | 107,600 | 90,374,990 |
| Total financial liabilities | 58,731,421 | 17,616,024 | 51,659 | 1,603,623 | 87,159 | 78,089,886 |
| Net financial position | 12,063,310 | 226,089 | (1,230) | (23,506) | 20,441 | 12,285,104 |

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 separate interim financial statement 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 | 33,680,892 | 33,680,892 | 31,395,338 | 31,395,338 |
| 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 | 75,461,723 | 76,044,333 | 74,419,953 | 75,045,679 |
| 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 separate interim financial statement 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 | - | - | 70,865 | 70,865 |
| 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 | - | - | 67,928 | 67,928 |
| Equity Instruments | 83,698 | - | 22,330 | 106,028 |



Notes to the condensed separate interim financial statement 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 accumulated losses.

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

When calculating the numerator of capital adequacy ratio, the rules set limits of total Tier 2 to no more than Tier 1 capital and limits the subordinated to no more than 50% of Tier 1, The bank has complied with all local capital requirements during the past two years.

**Notes to the condensed separate interim financial statement for the period ended 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 separate interim financial statement 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 activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

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

(EGP Thousands)

| 31 March 2023 | Head office | Cairo branches | Giza branches | Alex branches | Other branches | Total |
|---|-------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Total revenues and expenses according to segmental activities | | | | | | |
| Total revenues | 450,658 | 1,506,305 | 369,166 | 230,432 | 203,365 | 2,759,926 |
| Total expenses | (723,163) | (822,600) | (220,611) | (161,701) | (115,947) | (2,044,022) |
| Net profit for the year before tax | (272,505) | 683,705 | 148,555 | 68,731 | 87,418 | 715,904 |
| Income tax expense | (271,868) | - | - | - | - | (271,868) |
| Net profit for the year | (544,373) | 683,705 | 148,555 | 68,731 | 87,418 | 444,036 |
| Total assets and liabilities according to segmental activities | | | | | | |
| Total assets | 11,044,507 | 50,438,712 | 14,412,491 | 9,454,905 | 7,950,266 | 93,300,881 |
| Total liabilities | 11,044,507 | 42,682,252 | 14,412,491 | 9,454,905 | 7,950,266 | 85,544,421 |

| 31 December 2022 | Head office | Cairo branches | Giza branches | Alex branches | Other branches | Total |
|---|--------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Total revenues and expenses according to segmental activities | | | | | | |
| Total revenues | 1,480,394 | 4,698,597 | 1,176,152 | 724,807 | 697,495 | 8,777,445 |
| Total expenses | (1,860,289) | (2,516,212) | (751,827) | (536,114) | (457,988) | (6,122,430) |
| Net profit for the year before tax | (379,895) | 2,182,385 | 424,325 | 188,693 | 239,507 | 2,655,015 |
| Income tax expense | (899,998) | - | - | - | - | (899,998) |
| Net profit for the year | (1,279,893) | 2,182,385 | 424,325 | 188,693 | 239,507 | 1,755,017 |
| Total assets and liabilities according to segmental activities | | | | | | |
| Total assets | 5,274,773 | 51,246,174 | 13,865,926 | 8,930,468 | 7,907,600 | 87,224,941 |
| Total liabilities | 5,274,773 | 43,661,093 | 13,865,926 | 8,930,468 | 7,907,600 | 79,639,860 |

**Notes to the condensed separate interim financial statement 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 | 2,441,951 | 317,975 | - | 2,759,926 |
| Total expenses | (1,830,363) | (213,659) | - | (2,044,022) |
| Net profit for the year before tax | 611,588 | 104,316 | - | 715,904 |
| Income tax expense | (271,868) | - | - | (271,868) |
| Net profit for the year | 339,720 | 104,316 | - | 444,036 |
| Total assets and liabilities according to geographical segment | | | | |
| Total assets | 80,598,106 | 12,702,775 | - | 93,300,881 |
| Total liabilities | 72,841,646 | 12,702,775 | - | 85,544,421 |

(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 | 7,739,068 | 1,038,377 | - | 8,777,445 |
| Total expenses | (5,365,279) | (757,151) | - | (6,122,430) |
| Net profit for the year before tax | 2,373,789 | 281,226 | - | 2,655,015 |
| Income tax expense | (899,998) | - | - | (899,998) |
| Net profit for the year | 1,473,791 | 281,226 | - | 1,755,017 |
| Total assets and liabilities according to geographical segment | | | | |
| Total assets | 74,880,393 | 12,344,548 | - | 87,224,941 |
| Total liabilities | 67,295,312 | 12,344,548 | - | 79,639,860 |

**Notes to the condensed separate interim financial statement for the period ended 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 | 1,233,346 | 584,464 |
| Total | 1,233,346 | 584,464 |
| Debt instruments at fair value through OCI and AC | 1,156,849 | 707,314 |
| Deposits and current accounts | 231,385 | 575,031 |
| Total | 2,621,580 | 1,866,809 |
| <u>Cost of deposits and similar expenses:</u> | | |
| Deposits and current accounts | | |
| - Banks | (58,436) | (1,960) |
| - Customers | (1,489,860) | (1,138,741) |
| Total | (1,548,296) | (1,140,701) |
| Other financings | (22,052) | (6,733) |
| Total | (1,570,348) | (1,147,434) |
| Net income from funds | 1,051,232 | 719,375 |

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 separate interim financial statement 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 | (131,154) | (94,262) |
| Social insurance | (5,111) | (3,754) |
| Pension cost: | | |
| Defined contribution scheme | (7,500) | (6,200) |
| Zakah and charity fund | (7,500) | (3,750) |
| Depreciation and amortization | (23,149) | (28,413) |
| Other administrative expenses | (126,956) | (86,812) |
| Total | (301,370) | (223,191) |

8. Net trading income

| | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| | EGP Thousands | EGP Thousands |
| Profit from foreign exchange transactions | 15,582 | 30,542 |
| Mutual funds measured at FVPL | 2,936 | (1,082) |
| Total | 18,518 | 29,460 |

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) |
| Other income | (5,991) | 535 |
| Total | (32,126) | (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 separate interim financial statement 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 | 27,176 | (41,921) |
| Due from banks | (2,457) | 6,547 |
| Debt instruments at fair value through other comprehensive income | (1,405) | (639) |
| Debt instruments at amortized cost | (151,414) | (32,627) |
| Other assets | (500) | (184) |
| Total | (128,600) | (68,824) |

11. Income tax expense

| | 31 March 2023 | 31 March 2022 |
|--------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Current tax | (268,981) | (160,388) |
| Deferred tax | (2,887) | 2,910 |
| Total | (271,868) | (157,478) |

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 |

Notes to the condensed separate interim financial statement 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 | 15,909,266 | 13,540,284 |
| | 17,035,098 | 14,024,354 |
| Deduct: Expected Credit Losses* | (295,188) | (233,881) |
| 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 | 5,547,749 | 1,228,636 |
| Foreign Banks | 3,295,755 | 2,988,913 |
| Deduct: Expected Credit Losses* | (295,188) | (233,881) |
| Total | 16,739,910 | 13,790,473 |
| Non-profit bearing balances | 1,125,832 | 484,070 |
| Fixed profit bearing balances | 15,909,266 | 13,540,284 |
| Deduct: Expected Credit Losses* | (295,188) | (233,881) |
| Total | 16,739,910 | 13,790,473 |
| <u>Due from banks-ECL provision analysis*</u> | | |
| Beginning balance | 233,881 | 154,630 |
| Net impairment loss recognized during the year | 2,457 | (5,577) |
| Foreign currencies translation differences | 58,850 | 84,828 |
| Ending balance | 295,188 | 233,881 |

- 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 separate interim financial statement 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 | 25,936,511 |
| Syndicated financing | 5,395,890 | 5,117,299 |
| Total (2) | 32,794,993 | 31,053,810 |
| Gross financing and credit facilities (1+2) | 37,965,577 | 35,379,664 |
| <u>Deduct:</u> | | |
| Expected Credit Losses* | (2,390,988) | (2,294,492) |
| Deferred profit | (1,893,697) | (1,689,834) |
| Net financing and credit facilities | 33,680,892 | 31,395,338 |
| <u>Financing and credit facilities-ECL provision analysis*</u> | | |
| Beginning balance | 2,294,492 | 1,922,485 |
| Net impairment loss recognized during the year | (27,176) | 296,001 |
| Recoveries during the year | 10,495 | 38,536 |
| Written off during the year | (4,240) | (135,576) |
| Foreign currencies translation differences | 117,417 | 173,046 |
| Ending balance | 2,390,988 | 2,294,492 |

Notes to the condensed separate interim financial statement 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 | <u>31 March 2023</u> | | | | <u>31 December 2022</u> | | | |
|--|----------------------|--------------------|---------------|----------------|-------------------------|--------------------|---------------|---------------|
| | Credit cards | Personal financing | Mortgages | Total | Credit cards | Personal financing | Mortgages | Total |
| Beginning balance | 1,446 | 79,467 | 14,582 | 95,495 | 266 | 48,032 | 18,404 | 66,702 |
| Net impairment loss recognized during the year | (541) | 11,478 | 289 | 11,226 | 1,180 | 31,517 | (1,390) | 31,307 |
| Written off during the year | - | (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 | <u>31 March 2023</u> | | | | <u>31 December 2022</u> | | | |
|--|----------------------|----------------------|-----------------|------------------|-------------------------|----------------------|-----------------|------------------|
| | Direct financing | Syndicated financing | Other financing | Total | Direct financing | Syndicated financing | Other financing | Total |
| Beginning balance | 1,783,857 | 415,140 | - | 2,198,997 | 1,574,390 | 274,612 | 6,781 | 1,855,783 |
| Net impairment loss recognized during the year | (47,435) | 9,033 | - | (38,402) | 199,281 | 72,194 | (6,781) | 264,694 |
| Recoveries during the year | 295 | 10,200 | - | 10,495 | 1,619 | 36,917 | - | 38,536 |
| Written off during the year | (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) | 1,813,500 | 470,772 | - | 2,284,272 | 1,783,857 | 415,140 | - | 2,198,997 |
| Ending balance (1+2) | 1,814,405 | 561,712 | 14,871 | 2,390,988 | 1,785,303 | 494,607 | 14,582 | 2,294,492 |

**Notes to the condensed separate interim financial statement 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 | 70,865 | 67,928 |
| Total financial instruments measured at FVPL (1) | 70,865 | 67,928 |
| Beginning balance | 67,928 | 47,275 |
| Additions | - | 10,000 |
| FV revaluation differences of financial investment measured at FVPL | 2,937 | 10,653 |
| Total financial instruments measured at FVPL (1) | 70,865 | 67,928 |

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 separate interim financial statement 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) | 33,419,228 | 31,654,408 |
| Non-profit bearing balances | 186,128 | 173,956 |
| 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) | 33,419,228 | 31,654,408 |
| <u>Debt instruments-ECL provision analysis*</u> | | |
| Beginning balance | 113,753 | 63,178 |
| Net impairment loss recognized during the year | 151,414 | 50,575 |
| Ending balance | 265,167 | 113,753 |

- 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 separate interim financial statement for the period ended 31 March 2023****17. Investment in subsidiaries**

| Subsidiaries: | 31 March 2023 | 31 December 2022 |
|-----------------------------|---------------|------------------|
| | EGP Thousands | EGP Thousands |
| alBaraka Investment Company | 98,000 | 98,000 |
| Total | 98,000 | 98,000 |

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

18. Other assets, net

| | 31 March 2023 | 31 December 2022 |
|--|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Accrued revenues | 1,156,353 | 1,654,287 |
| Deduct: Expected Credit Losses* | (2,262) | (1,762) |
| Accrued revenues, net | 1,154,091 | 1,652,525 |
| Pre-paid expenses | 36,691 | 15,649 |
| Advance payments for acquisition of property and equipment | 423,353 | 352,583 |
| Assets reverted to the bank in settlement of debts, net | 259,662 | 261,588 |
| Deposits held with others and custody | 12,438 | 11,070 |
| Others debit balances | 115,694 | 121,344 |
| Total | 2,001,929 | 2,414,759 |
| <u>Accrued revenues-ECL provision analysis*</u> | | |
| Beginning balance | 1,762 | 1,331 |
| Net impairment loss recognized during the year | 500 | 431 |
| Ending balance | 2,262 | 1,762 |

Notes to the condensed separate interim financial statement for the period ended 31 March 2023
19. Property, plant and equipment, net

(EGP Thousands)

| 31 March 2023 | Lands and Premises | Machines and Equipment | Information Technology | Furniture and Renovations | Others | Total |
|---|-------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|---------------|------------------|
| Cost | 466,511 | 89,329 | 131,906 | 317,315 | 21,813 | 1,026,874 |
| Accumulated depreciation | (159,329) | (61,431) | (121,602) | (94,260) | (13,334) | (449,956) |
| Net book value | 307,182 | 27,898 | 10,304 | 223,055 | 8,479 | 576,918 |
| Net book value at the beginning of the year | 313,439 | 30,708 | 10,309 | 224,959 | 9,150 | 588,565 |
| Additions | - | 1,113 | 4,236 | 3,140 | - | 8,489 |
| Disposals | (1,720) | (1,366) | (472) | (3,092) | - | (6,650) |
| Depreciation for the year | (4,806) | (3,873) | (4,243) | (4,463) | (671) | (18,056) |
| Disposals' accumulated depreciation | 269 | 1,316 | 474 | 2,511 | - | 4,570 |
| Net book value | 307,182 | 27,898 | 10,304 | 223,055 | 8,479 | 576,918 |

(EGP Thousands)

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

**Notes to the condensed separate interim financial statement for the period ended 31 March 2023****20. 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).

21. Customers' deposits

| | 31 March 2023 | 31 December 2022 |
|----------------------------------|-------------------|-------------------|
| | EGP Thousands | EGP Thousands |
| Demand deposits | 13,016,663 | 11,029,713 |
| Time deposits and call accounts | 27,848,176 | 27,741,162 |
| Term saving certificates | 26,127,238 | 26,449,754 |
| Saving deposits | 7,431,104 | 7,843,402 |
| Other deposits | 1,038,542 | 1,355,922 |
| Total | 75,461,723 | 74,419,953 |
| Corporate deposits | 37,452,537 | 37,350,838 |
| Retail deposits | 38,009,186 | 37,069,115 |
| Total | 75,461,723 | 74,419,953 |
| Non-profit bearing balances | 7,354,196 | 6,415,269 |
| Floating profit bearing balances | 68,107,527 | 68,004,684 |
| Total | 75,461,723 | 74,419,953 |



Notes to the condensed separate interim financial statement for the period ended 31 March 2023

22. 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.

(C) Subordinated Finance (Other Shareholders)

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

Notes to the condensed separate interim financial statement for the period ended 31 March 2023
23. Other liabilities

| | 31 March 2023 | 31 December 2022 |
|----------------------------|------------------|------------------|
| | EGP Thousands | EGP Thousands |
| Accrued interest | 611,874 | 641,860 |
| Deferred revenues | 20,925 | 25,119 |
| Accrued expenses | 188,220 | 176,166 |
| Accounts under settlements | 186,563 | 310,309 |
| Other credit balances | 271,368 | 274,900 |
| Total | 1,278,950 | 1,428,354 |

24. 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 year | - | 4,500 | 6,404 | - | 10,904 |
| Provisions no longer required during the year* | - | - | (17,199) | - | (17,199) |
| Used during the year | - | (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 year | - | 20,000 | 41,517 | - | 61,517 |
| Provisions no longer required during the year* | - | (109,000) | (29,538) | - | (138,538) |
| Transferred from credit balances to tax provision | - | 145,250 | - | - | 145,250 |
| Used during the year | (470) | (33,647) | - | - | (34,117) |
| Foreign currencies translation differences | - | - | 1,444 | - | 1,444 |
| 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 separate interim financial statement for the period ended 31 March 2023****25. Capital****25.1 Authorized Capital**

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

25.2 Issued and paid-up Capital

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

Issued and paid-up capital

EGP Thousands

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

26. Reserves

| | 31 March 2023 | 31 December 2022 |
|------------------------------|----------------|------------------|
| | EGP Thousands | EGP Thousands |
| Legal reserve | 237,898 | 237,898 |
| General banking risk reserve | 118,566 | 118,566 |
| Capital reserve | 10,365 | 10,365 |
| General risk reserve | 214,926 | 214,926 |
| Fair value reserve | (22,147) | 22,475 |
| Total | 559,608 | 604,230 |

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

**Notes to the condensed separate interim financial statement for the period ended 31 March 2023****27. Cash and cash equivalent**

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

| | 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 |

28. Contingent Liabilities and Commitments**28.1 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.

28.2 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 |

28.3 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 separate interim financial statement for the period ended 31 March 2023

29. Tax Position

29.1 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.

29.2 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.

29.3 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.

29.4 Withholding Tax:

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



Notes to the condensed separate interim financial statement for the period ended 31 March 2023

30. Related Parties Transactions

| | 31 March 2023 | | | 31 December 2022 | | |
|--|-------------------|------------------------------------|--------------|-------------------|------------------------------------|--------------|
| | Main Shareholders | Directors and other key management | Subsidiaries | Main Shareholders | Directors and other key management | Subsidiaries |
| <i>Related parties outstanding balances can be analyzed below:</i> | | | | | | |
| Due from banks | 591,797 | - | - | 681,404 | - | - |
| Financing and credit facilities to customers | - | 1,041 | 724,600 | - | 1,000 | 693,397 |
| Financial investments measured at FVOCI | 33,650 | - | - | 25,600 | - | - |
| Subordinated finance from Other Shareholders (Note 25) | 1,390,424 | - | - | 1,113,453 | - | - |
| Customers' deposits | 807,923 | 18,688 | 50,556 | 597,803 | 18,674 | 102,641 |
| Due to banks | 42,687 | - | - | 623,819 | - | - |

| | 31 March 2023 | | | 31 March 2022 | | |
|--|-------------------|------------------------------------|--------------|-------------------|------------------------------------|--------------|
| | Main Shareholders | Directors and other key management | Subsidiaries | Main Shareholders | Directors and other key management | Subsidiaries |
| <i>Related parties transactions can be analyzed below:</i> | | | | | | |
| Profit received from financing and credit facilities | - | - | 31,203 | - | - | - |
| 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) | (1,576) | - | (6,879) | (1,577) |
| 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).

31. Prior year adjustments

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

(EGP Thousands)

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