



Separate Financial Statements

30 September 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 conducted a limited review for the accompanying interim condensed separate statement of financial position of Al Baraka Bank Egypt S.A.E as of 30 September 2023 and the related interim condensed separate statements of income, comprehensive income, cash flows and changes in equity for the nine-months then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate financial statements in accordance with the rules of preparation and presentation of the bank's financial statements and the basis of recognition and measurement approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing interim condensed financial statements for banks and with the requirements of applicable Egyptian laws and regulations, and our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

Scope of The Limited Review


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

Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements as of 30 September 2023 are not prepared in all material respects, in accordance with the rules of preparation and presentation of the bank's financial statements and the basis of recognition and measurement approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing interim condensed financial statements for banks and with the requirements of applicable Egyptian laws and regulations.


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Cairo: 12 November 2023

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

	Note	30 September 2023 EGP Thousands	31 December 2022 EGP Thousands
Assets			
Cash and due from Central Bank of Egypt	13	6,410,481	7,251,399
Due from banks, net	14	8,115,542	13,790,473
Financing and credit facilities to customers, net	15	36,005,683	31,395,338
Financial investments			
- Measured at FVPL	1/16	81,557	67,928
- Measured at FVOCI	2/16	2,668,512	2,239,520
- Measured at Amortized cost	3/16	41,836,972	29,346,960
Investment in subsidiaries	17	98,000	98,000
Intangible assets, net		26,510	31,999
Other assets, net	18	2,356,925	2,414,759
Property, plant and equipment, net	19	779,826	588,565
Total assets		98,380,008	87,224,941
Liabilities and Equity			
Liabilities			
Due to banks	20	2,394,832	1,902,905
Customers' deposits	21	82,290,713	74,419,953
Subordinated and other financing	22	2,321,337	1,125,168
Other liabilities	23	1,438,196	1,428,354
Other provisions	24	148,669	150,738
Deferred tax liabilities		39,764	5,113
Current income tax liabilities		621,147	543,704
Defined benefits obligation		63,925	63,925
Total liabilities		89,318,583	79,639,860
Equity			
Issued and paid-up capital	25	5,089,974	5,089,974
Reserves	26	878,519	604,230
Retained earnings *		3,092,932	1,890,877
Total equity		9,061,425	7,585,081
Total liabilities and equity		98,380,008	87,224,941

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

(Limited review report attached)

*Including net profit for the period

Hesham Ghoneim
Chief Financial Officer

Cairo: 12 November 2023

Hazem Hegazy
Vice Chairman & CEO

**Condensed separate interim financial statements**

	Note	Last 9 Months 30 September 2023 EGP Thousands	Last 3 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands	Last 3 Months 30 September 2022 EGP Thousands
Income from Murabaha, Musharaka, Mudarabah and similar income	5	8,717,825	3,211,874	5,976,113	2,136,480
Cost of deposits and similar costs	5	(5,484,474)	(2,157,629)	(3,485,005)	(1,249,050)
Net income from funds		3,233,351	1,054,245	2,491,108	887,430
Fees and commission income	6	345,985	126,016	227,574	67,583
Fees and commission expenses	6	(41,056)	(13,651)	(24,392)	(6,216)
Net fees and commission income		304,929	112,365	203,182	61,367
Dividends income		15,854	169	15,349	-
Net trading income	8	47,666	14,051	74,402	31,144
Administrative expenses	7	(908,725)	(302,496)	(704,780)	(242,494)
Impairment charge of expected credit losses	10	(263,605)	(27,417)	(219,312)	(38,103)
Other operating income (expenses)	9	1,161	(10,926)	(17,196)	(9,834)
Net profit for the period before tax		2,430,631	839,991	1,842,753	689,510
Income tax expense	11	(823,589)	(252,994)	(587,700)	(217,569)
Net profit for the period		1,607,042	586,997	1,255,053	471,941
Basic earning per share	12	1.88	0.70	1.50	0.56

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 30 September 2023**

	Last 9 Months 30 September 2023 EGP Thousands	Last 3 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands	Last 3 Months 30 September 2022 EGP Thousands
Net profit for the period	1,607,042	586,997	1,255,053	471,941
Comprehensive income items that will not be reclassified to the profit or loss:				
Net change in fair value of equity instruments measured at FVOCI	158,310	1,022	(12,119)	2,257
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(35,620)	(230)	(6,345)	(6,345)
Comprehensive income items that is or may be reclassified to the profit or loss:				
Net change in fair value of debt instruments measured at FVOCI	(35,016)	26,902	(32,010)	(6,208)
Expected credit loss for fair value of debt instruments measured at FVOCI	1,785	(1,064)	1,976	(1,011)
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	7,877	(6,052)	4,650	4,650
Net other comprehensive income for the period , After tax	97,336	20,578	(43,848)	(6,657)
Total comprehensive income for the period , After tax	1,704,378	607,575	1,211,205	465,284

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

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

	Note	30 September 2023 EGP Thousands	30 September 2022 EGP Thousands
Cash flows from operating activities			
Profit before tax		2,430,631	1,842,753
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	7	65,058	85,116
Impairment credit losses	10	263,605	219,312
Impairment charge (Released) of other provisions	24	31,007	44,849
Provisions no longer required other than financing provision	24	(32,057)	(8,003)
Provisions used other than financing provision	24	(3,643)	(30,341)
Provisions used Due from banks	14	(283,228)	-
Amortization of premium / discount for bonds	2/16	(33,283)	(69,220)
Exchange translation differences of financing provisions		178,790	148,318
Exchange translation differences of financial investment measured at FVOCI	2/16	(34,891)	(6,860)
Exchange translation differences of financial investment measured at Amortized cost	3/16	(1,241,664)	(794,720)
Exchange translation differences of subordinated financing	22	276,750	172,602
FV revaluation differences of financial investment measured at FVPL	1/16	(13,629)	804
Loss (Gain) on sale of property and equipment	9	(33,668)	(1,357)
Loss (Gain) on sale of assets reverted to the bank	9	(54,455)	-
Dividend income		(15,854)	(15,349)
Operating profits before changes in operating assets and liabilities		1,499,469	1,587,904
Net decrease (increase) in assets and liabilities			
Balances with central banks within the required reserve ratio	13	843,102	346,350
Due from banks with maturity more than 90 days		(3,964,725)	(1,353,228)
Treasury bills with maturity more than 90 days	3/16	(12,333,487)	(2,013,482)
Financing and facilities to customers	15	(4,786,767)	(6,684,189)
Financial investments measured at FVPL	1/16	-	(10,000)
Other assets	18	74,336	(1,180,086)
Due to banks	20	491,927	1,384,634
Customers' deposits	21	7,870,760	27,286
Other liabilities	23	(7,691)	(1,634)
Employees' Benefits obligations		-	20,125
Current income tax obligations paid		(739,236)	(320,209)
Net cash flows (used in) generated from operating activities		(11,052,312)	(8,196,529)

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

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

	Note	30 September 2023 EGP Thousands	30 September 2022 EGP Thousands
Cash flows from investing activities			
Acquisition of Property and Equipment	19	(245,956)	(30,531)
Proceeds from sale of Property and Equipment		35,750	8,291
Acquisition of Intangible assets		(5,183)	(40,393)
Acquisition of investment measured at FVOCI	2/16	(672,216)	(1,494,200)
Proceeds from sale of investment measured at FVOCI	2/16	400,583	-
Acquisition of investment measured at Amortized cost	3/16	-	(9,286,949)
Proceeds from sale of investment measured at Amortized cost	3/16	3,390,340	3,654,092
Dividends received		15,854	15,349
Net cash flows (used in) generated from investing activities		2,919,172	(7,174,341)
Cash flows from financing activities			
Subordinated Financing	22	919,419	(315,703)
Cash dividends (Share of employees, remuneration of BOD members)		(210,500)	(136,000)
Net cash flows (used in) financing activities		708,919	(451,703)
Net (decrease) increase in cash and cash equivalent during the Period		(7,424,221)	(15,822,573)
Beginning balance of cash and cash equivalent		10,854,364	30,148,808
Cash and cash equivalent at the end of the period	27	3,430,143	14,326,235

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

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

	(EGP Thousands)				
	Issued and paid-up capital	Paid under capital increase	Reserves	Retained earnings	Total
30 September 2022					
Balance at 1 January 2022	1,546,447	1,422,732	1,770,502	1,264,490	6,004,171
Net change in other comprehensive income	-	-	(43,848)	-	(43,848)
Net profit for the period	-	-	-	1,255,053	1,255,053
	1,546,447	1,422,732	1,726,654	2,519,543	7,215,376
Transferred to legal reserve	-	-	237,897	(237,897)	-
Transferred to capital reserve	-	-	1,126	(1,126)	-
Cash dividends (share of employees and remuneration of members of the Board of Directors and shareholders)	-	-	-	(136,000)	(136,000)
Shareholders' dividends used to increase capital	-	742,295	-	(742,295)	-
Capital Increase by Dividend 2019	309,290	(309,290)	-	-	-
Banking system development fund	-	-	-	(11,313)	(11,313)
Balance at 30 September 2022	1,855,737	1,855,737	1,965,677	1,390,912	7,068,063
30 September 2023					
Balance at 1 January 2023	5,089,974	-	604,230	1,890,877	7,585,081
Net change in other comprehensive income	-	-	97,336	-	97,336
Net profit for the period	-	-	-	1,607,042	1,607,042
	5,089,974	-	701,566	3,497,919	9,289,459
Transferred to legal reserve	-	-	175,342	(175,342)	-
Transferred to capital reserve	-	-	1,611	(1,611)	-
Cash dividends (Share of employees, remuneration of BOD members)	-	-	-	(210,500)	(210,500)
Banking system support and development fund	-	-	-	(17,534)	(17,534)
Balance at 30 September 2023	5,089,974	-	878,519	3,092,932	9,061,425

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



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

1. General Information

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

The Bank provides corporate and retail banking and investments services, which complies with the provisions of Islamic Sharia in all products provided to its clients, through its 34 branches served by 1227 staff at the date of the financial statements. The Head Office is located in the southern 90th Street, City Centre, the first sector in the Fifth Settlement, New Cairo, Egypt. The Bank is listed on the Egyptian Stock Exchange.

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

These condensed separate financial statements for the period ended 30 September 2023 were approved by the Board of Directors on 12 November 2023.

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

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

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

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

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



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

3. Financial Risk Management

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

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

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

3.1 Credit Risk

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

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

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

	30 September 2023	31 December 2022
Financial position items exposed to credit risks	EGP Thousands	EGP Thousands
Due from banks	8,115,542	13,790,473
Financing and credit facilities to customers, net		
Retail		
- Credit cards	39,267	29,299
- Personal financing	4,668,129	2,771,981
- Mortgages	166,745	447,065
Corporate		
- Direct financing	26,843,015	23,444,832
- Syndicated financing	4,288,527	4,702,161
Financial investments		
Debt instruments measured at FVOCI	2,396,577	2,133,492
Debt instruments measured at Amortized cost	41,836,972	29,346,960
Total	88,354,774	76,666,263
Off balance sheet items exposed to credit risk		
Letter of Credit (import and export)	79,448	334,254
Letter of Guarantee	2,931,075	2,902,881
Customers Acceptances	27,400	108,933
Total	3,037,923	3,346,068

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

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

(EGP Thousands)

	30 September 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Due from banks								
<u>Credit rating as per CBE classification</u>								
Good debts	8,123,273	-	-	8,123,273	11,123,277	2,671,213	-	13,794,490
Non-Performing debts	-	-	-	-	-	-	229,864	229,864
Total	8,123,273	-	-	8,123,273	11,123,277	2,671,213	229,864	14,024,354
Deduct: Expected credit losses	(7,731)	-	-	(7,731)	(4,015)	(2)	(229,864)	(233,881)
Ending Balance	8,115,542	-	-	8,115,542	11,119,262	2,671,211	-	13,790,473

	30 September 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Retail								
<u>Credit rating as per CBE classification</u>								
Good financing	2,820,062	136,940	-	2,957,002	1,628,238	104,238	-	1,732,476
Regular watch list	1,885,318	58,232	-	1,943,550	1,433,764	122,502	-	1,556,266
Non-performing financing	-	-	65,864	65,864	-	-	55,098	55,098
Total	4,705,380	195,172	65,864	4,966,416	3,062,002	226,740	55,098	3,343,840
Deduct: Expected credit losses	(32,788)	(11,651)	(47,836)	(92,275)	(37,659)	(4,127)	(53,709)	(95,495)
Ending Balance	4,672,592	183,521	18,028	4,874,141	3,024,343	222,613	1,389	3,248,345

	30 September 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Corporate								
<u>Credit rating as per CBE classification</u>								
Good financing	23,157,764	3,525,994	-	26,683,758	19,885,203	3,549,983	-	23,435,186
Regular watch list	152,433	4,961,261	-	5,113,694	710,825	4,277,645	-	4,988,470
Special watch list	-	71,048	-	71,048	-	380,355	-	380,355
Non-performing financing	-	-	1,687,751	1,687,751	-	-	1,541,979	1,541,979
Total	23,310,197	8,558,303	1,687,751	33,556,251	20,596,028	8,207,983	1,541,979	30,345,990
Deduct: Expected credit losses	(60,206)	(894,037)	(1,470,466)	(2,424,709)	(68,641)	(752,221)	(1,378,135)	(2,198,997)
Ending Balance	23,249,991	7,664,266	217,285	31,131,542	20,527,387	7,455,762	163,844	28,146,993

	30 September 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Debt instruments measured at FVOCI								
<u>Credit rating as per CBE classification</u>								
Good debts	2,396,577	-	-	2,396,577	2,133,492	-	-	2,133,492
Total	2,396,577	-	-	2,396,577	2,133,492	-	-	2,133,492
Ending Balance	2,396,577	-	-	2,396,577	2,133,492	-	-	2,133,492

	30 September 2023				31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Debt instruments measured at Amortized cost								
<u>Credit rating as per CBE classification</u>								
Good debts	42,119,032	-	-	42,119,032	29,460,712	-	-	29,460,712
Total	42,119,032	-	-	42,119,032	29,460,712	-	-	29,460,712
Deduct: Expected credit losses	(282,060)	-	-	(282,060)	(113,752)	-	-	(113,752)
Ending Balance	41,836,972	-	-	41,836,972	29,346,960	-	-	29,346,960

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

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

(EGP Thousands)

	<u>30 September 2023</u>				<u>31 December 2022</u>			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Retail								
Balance at 1 January 2023	3,062,002	226,740	55,098	3,343,840	1,851,741	77,052	55,160	1,983,953
Transferred to (from) stage 1	(56,480)	56,480	-	-	-	-	-	-
Transferred to (from) stage 2	112,960	(112,960)	-	-	-	-	-	-
Transferred to (from) stage 3	-	(10,766)	10,766	-	-	-	-	-
New financial assets purchased or issued	1,611,889	37,828	-	1,649,717	1,210,261	149,688	-	1,359,949
Matured or disposed financial assets	(24,991)	(2,150)	-	(27,141)	-	-	(62)	(62)
Ending Balance	4,705,380	195,172	65,864	4,966,416	3,062,002	226,740	55,098	3,343,840

	<u>September 2023 30</u>				<u>31 December 2022</u>			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Corporate								
Balance at 1 January 2023	20,596,028	8,207,983	1,541,979	30,345,990	13,374,186	6,608,322	986,796	20,969,304
Transferred to (from) stage 1	1,104,643	(1,104,643)	-	-	371,405	(371,405)	-	-
Transferred to (from) stage 2	(1,266,192)	1,266,192	-	-	(1,176,685)	1,176,685	-	-
Transferred to (from) stage 3	-	(19,825)	108,944	89,119	-	(627,955)	627,955	-
New financial assets purchased or issued	3,243,179	10,830	-	3,254,009	9,347,477	1,277,593	-	10,625,070
Matured or disposed financial assets	(860,030)	(87,370)	(42,041)	(989,441)	(2,052,591)	(1,028,510)	(239,898)	(3,320,999)
Foreign exchange translation differences	492,569	285,136	78,869	856,574	732,236	1,173,253	167,126	2,072,615
Ending Balance	23,310,197	8,558,303	1,687,751	33,556,251	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)

	<u>30 September 2023</u>				<u>31 December 2022</u>			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Retail								
Balance at 1 January 2023	37,659	4,127	53,709	95,495	24,022	1,847	40,833	66,702
Released (charged) during the year	(4,871)	7,524	(5,815)	(3,162)	13,637	2,280	15,390	31,307
Written off during the year	-	-	(58)	(58)	-	-	(2,514)	(2,514)
Ending Balance	32,788	11,651	47,836	92,275	37,659	4,127	53,709	95,495

	<u>30 September 2023</u>				<u>31 December 2022</u>			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Corporate								
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	(44,545)	44,545	-	-	9,409	(9,409)	-	-
Transferred to (from) stage 2	9,226	(9,226)	-	-	(2,973)	2,973	-	-
Transferred to (from) stage 3	-	(22,646)	22,646	-	-	(466,910)	466,910	-
Released (charged) during the year	26,884	90,652	(19,485)	98,051	22,760	177,418	64,516	264,694
Written off during the year	-	-	(10,585)	(10,585)	-	-	(133,062)	(133,062)
Recoveries during the year	-	-	20,945	20,945	-	-	38,536	38,536
Foreign exchange translation differences	-	38,491	78,810	117,301	-	105,872	67,174	173,046
Ending Balance	60,206	894,037	1,470,466	2,424,709	68,641	752,221	1,378,135	2,198,997

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

3. Financial Risk Management - continuing

3.1.2 Concentration of the risks of financial assets exposed to the credit risk.

Geographical Segments:

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

	Arab Republic of Egypt			Total	Gulf	Other	Total
	Great Cairo	Alex and Delta	Upper Egypt			Countries	
Cash and due from Central Bank of Egypt	6,410,481	-	-	6,410,481	-	-	6,410,481
Due from banks	7,281,406	-	-	7,281,406	354,953	486,914	8,123,273
<u>Gross financing and credit facilities to customers</u>							
Retail							
- Credit cards	31,086	9,199	-	40,285	-	-	40,285
- Personal financing	5,866,091	794,491	-	6,660,582	-	-	6,660,582
- Mortgages	191,058	26,911	-	217,969	-	-	217,969
Corporate							
- Direct financing	23,812,441	5,492,870	-	29,305,311	-	-	29,305,311
- Syndicated financing	4,717,459	-	-	4,717,459	-	-	4,717,459
<u>Financial investments</u>							
- Debt instruments measured at FVOCI	2,396,577	-	-	2,396,577	-	-	2,396,577
- Debt instruments measured at Amortized cost	42,730,290	-	-	42,730,290	333,836	-	43,064,126
Balance at 30 September 2023	93,436,889	6,323,471	-	99,760,360	688,789	486,914	100,936,063
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 30 September 2023

3. Financial Risk Management - continuing

3.1.2 Concentration of the risks of financial assets exposed to the credit risk – continuing.

Activity Segments

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

(EGP Thousands)

	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Governmental	Other activities	Individuals	Total
Cash and due from Central Bank of Egypt	6,410,481	-	-	-	-	-	-	6,410,481
Due from banks	8,123,273	-	-	-	-	-	-	8,123,273
Gross financing and credit facilities to customers								
Retail								
- Credit cards	-	-	-	-	-	-	40,285	40,285
- Personal financing	-	-	-	-	-	-	6,660,582	6,660,582
- Mortgages	-	-	-	-	-	-	217,969	217,969
Corporate								
- Direct financing	5,663,992	12,444,012	151,359	4,965,427	58,325	6,022,196	-	29,305,311
- Syndicated financing	-	2,175,779	-	575,152	1,429,824	536,704	-	4,717,459
Financial investments								
- Debt instruments measured at FVOCI	929,102	-	1,130,935	-	336,540	-	-	2,396,577
- Debt instruments measured at Amortized cost	-	-	-	-	43,064,126	-	-	43,064,126
Balance at 30 September 2023	21,126,848	14,619,791	1,282,294	5,540,579	44,888,815	6,558,900	6,918,836	100,936,063
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 30 September 2023****3. Financial Risk Management - continuing****3.2 Market Risk**

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

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

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

3.2.1 Risk of Fluctuation of Foreign Currencies Exchange Rates

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

	(Equivalent EGP Thousands)					
30 September 2023	EGP	USD	GBP	EUR	Other	Total
Financial assets						
Cash and due from Central Bank of Egypt	6,221,109	144,967	6,837	30,724	6,844	6,410,481
Due from banks	590,865	7,224,444	49,158	147,782	103,293	8,115,542
Gross financing and credit facilities to customers	32,355,328	3,417,686	-	232,668	-	36,005,683
Financial Investments measured at FVPL	81,557	-	-	-	-	81,557
Financial Investments measured at FVOCI	2,520,363	-	-	114,668	33,480	2,668,512
Financial Investments measured at Amortized cost	29,829,015	10,823,364	-	1,184,593	-	41,836,972
Investment in subsidiaries	98,000	-	-	-	-	98,000
Other financial assets	1,352,631	108,631	78	16,688	135	1,478,163
Total financial assets	73,048,870	21,719,093	56,073	1,727,123	143,752	96,694,910
Financial liabilities						
Due to banks	-	1,673,480	46	714,642	6,664	2,394,832
Customers' deposits	63,419,746	17,664,596	55,820	1,050,611	99,940	82,290,713
Subordinated and other Islamic financing	4,332	2,317,005	-	-	-	2,321,337
Other financial liabilities	451,776	99,238	1	1,816	-	552,831
Total financial liabilities	63,875,854	21,754,319	55,867	1,767,069	106,604	87,559,713
Net financial position	9,173,016	(35,226)	206	(39,946)	37,148	9,135,197
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 Interest Rate Risk

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

**Notes to the condensed separate interim financial statement for the period ended 30 September 2023****3. Financial Risk Management - continuing****3.3 Liquidity Risk**

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

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

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

3.4.2 Financial instruments not measured at fair value.

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

(EGP Thousands)

	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Due from banks	8,123,273	8,123,273	14,024,354	13,949,380
Financing and credit facilities to customers, net	38,522,667	38,522,667	33,689,830	31,395,338
Debt instruments measured at Amortized cost	42,119,032	39,277,858	29,460,712	28,355,352
Financial liabilities				
Due to banks	2,394,832	2,397,763	1,902,905	1,926,991
Customers' deposits	82,290,713	82,819,836	74,419,953	75,045,679
Subordinated and other Islamic financing	2,321,337	2,342,113	1,125,168	1,137,426

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

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

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

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



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

3. Financial Risk Management - continuing

3.4 Fair Value of Financial Assets & Liabilities- continuing

3.4.3 Fair value measurement

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

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

(EGP Thousands)

Financial Assets	30 September 2023			
	Level 1	Level 2	Level 3	Total
Debt instruments	-	2,396,577	-	2,396,577
Mutual funds	-	81,557	-	81,557
Equity Instruments	85,190	-	186,745	271,935

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 30 September 2023

3. Financial Risk Management - continuing

3.5 Capital Management

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

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

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

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

Central Bank of Egypt requires the following:

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

The numerator in capital adequacy comprises the following two tiers:

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

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

**Notes to the condensed separate interim financial statement for the period ended 30 September 2023****3. Financial Risk Management - continuing****A) Capital Adequacy Ratio (CAR%)**

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

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

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

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

B) Leverage Ratio%

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

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

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

- In September 2023 NSFR% recorded 198.78% and LCR% recorded 1078.19%
- In December 2022 NSFR% recorded 207.54% and LCR% recorded 854.11%

**Notes to the condensed separate interim financial statement for the period ended 30 September 2023****4. Segments Reporting****4.1 Segmental analysis by activity**

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

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

(EGP Thousands)

30 September 2023	Head office	Cairo branches	Giza branches	Alex branches	Other branches	Total
Total revenues and expenses according to segmental activities						
Total revenues	1,803,954	4,945,350	1,335,050	757,023	374,079	9,215,456
Total expenses	(1,305,072)	(3,791,840)	(910,288)	(543,532)	(234,093)	(6,784,825)
Net profit for the year before tax	498,882	1,153,510	424,762	213,491	139,986	2,430,631
Income tax expense	(823,589)	-	-	-	-	(823,589)
Net profit for the year	(324,707)	1,153,510	424,762	213,491	139,986	1,607,042
Total assets and liabilities according to segmental activities						
Total assets	8,523,501	54,875,204	18,859,782	10,587,012	5,534,509	98,380,008
Total liabilities	8,844,908	46,270,611	18,435,020	10,373,521	5,394,523	89,318,583

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 30 September 2023****4. Segments Reporting - continuing****4.2 Segmental analysis by geographic area**

(EGP Thousands)

30 September 2023	Arab Republic of Egypt			Total
	Great Cairo	Alex and Delta	Upper Egypt	
Total revenues and expenses according to geographical segment				
Total revenues	8,084,353	1,131,101	-	9,215,454
Total expenses	(6,007,199)	(777,624)	-	(6,784,823)
Net profit for the year before tax	2,077,154	353,477	-	2,430,631
Income tax expense	(823,589)	-	-	(823,589)
Net profit for the year	1,253,565	353,477	-	1,607,042
Total assets and liabilities according to geographical segment				
Total assets	82,258,488.00	16,121,520.00	-	98,380,008
Total liabilities	73,550,539.00	15,768,044.00	-	89,318,583

(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 30 September 2023****5. Net income from funds**

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Income from Murabaha, Musharaka, Mudaraba and other similar income:		
Financing and credit facilities		
- Customers	4,189,647	2,048,779
Total	4,189,647	2,048,779
Debt instruments at fair value through OCI and AC	3,989,003	2,532,079
Deposits and current accounts	539,175	1,395,255
Total	8,717,825	5,976,113
Cost of deposits and similar expenses:		
Deposits and current accounts		
- Banks	(143,139)	(10,472)
- Customers	(5,268,224)	(3,441,165)
Total	(5,411,363)	(3,451,637)
Other financings	(73,111)	(33,368)
Total	(5,484,474)	(3,485,005)
Net income from funds	3,233,351	2,491,108

6. Net fees and commission income

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

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

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Staff cost:		
Salaries and wages	(402,683)	(289,766)
Social insurance	(15,742)	(11,688)
Pension cost:		
Defined contribution scheme	(23,976)	(9,080)
Zakah and charity fund	(22,500)	(16,500)
Depreciation and amortization	(65,058)	(85,116)
Other administrative expenses	(378,766)	(292,630)
Total	(908,725)	(704,780)

8. Net trading income

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Profit from foreign exchange transactions	34,037	75,206
Mutual funds measured at FVPL	13,629	(804)
Total	47,666	74,402

9. Other operating income (expenses)

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Gain (Loss) from Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at FVPL at initial recognition	(56,117)	(8,151)
Gain (loss) on sale of assets reverted to the bank	54,455	15,974
Gain on sale of property and equipment	33,668	1,357
Operating lease rental expense	(20,267)	(2,822)
Other provisions (net of reversed amounts)*	1,050	(36,846)
Other income	(11,628)	13,292
Total	1,161	(17,196)

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

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Financing and credit facilities to customers	(94,889)	(196,116)
Due from banks	1,787	6,951
Debt instruments at fair value through other comprehensive income	(1,784)	(1,976)
Debt instruments at amortized cost	(168,308)	(28,689)
Other assets	(411)	518
Total	(263,605)	(219,312)

11. Income tax expense

	Last 9 Months 30 September 2023 EGP Thousands	Last 9 Months 30 September 2022 EGP Thousands
Current tax	(816,679)	(589,631)
Deferred tax	(6,910)	1,931
Total	(823,589)	(587,700)

12. Basic earnings per share

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

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

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

14. Due from banks, net

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Current accounts	407,472	484,070
Deposits	7,715,801	13,540,284
	8,123,273	14,024,354
Deduct: Expected Credit Losses*	(7,731)	(233,881)
Total	8,115,542	13,790,473
Balances at CBE other than those under the mandatory reserve	2,410,211	9,806,805
Local banks	4,871,195	1,228,636
Foreign Banks	841,867	2,988,913
Deduct: Expected Credit Losses*	(7,731)	(233,881)
Total	8,115,542	13,790,473
Non-profit bearing balances	407,472	484,070
Fixed profit bearing balances	7,715,801	13,540,284
Deduct: Expected Credit Losses*	(7,731)	(233,881)
Total	8,115,542	13,790,473
<u>Due from banks-ECL provision analysis*</u>		
Beginning balance	233,881	154,630
Net impairment loss recognized during the year	(1,787)	(5,577)
Written off during the year	(283,228)	-
Foreign currencies translation differences	58,865	84,828
Ending balance	7,731	233,881

- Due from banks on 30 September 2023 includes an amount of EGP 73,343 thousand representing balances with banks belonging to Al Baraka Group - the bank's main shareholder. (Compared to EGP 458,713 thousand at 31 December 2022).

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

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
<u>Retail</u>		
Credit cards	40,285	29,706
Personal financing	6,660,582	3,737,181
Mortgages	217,969	554,475
Total (1)	6,918,836	4,321,362
<u>Corporate including (SMEs)</u>		
Direct financing	29,305,311	25,915,596
Syndicated financing	4,717,459	5,117,299
Total (2)	34,022,770	31,032,895
Gross financing and credit facilities (1+2)	40,941,606	35,354,257
<u>Deduct:</u>		
Expected Credit Losses*	(2,516,984)	(2,294,492)
Deferred profit	(2,418,939)	(1,664,427)
Net financing and credit facilities	36,005,683	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	94,889	296,001
Recoveries during the year	20,945	38,536
Written off during the year	(10,643)	(135,576)
Foreign currencies translation differences	117,301	173,046
Ending balance	2,516,984	2,294,492

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

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

(EGP Thousands)

Retail	30 September 2023				31 December 2022			
	Credit cards	Personal financing	Mortgages	Total	Credit cards	Personal financing	Mortgages	Total
Beginning balance	1,446	79,467	14,582	95,495	266	48,032	18,404	66,702
Net impairment loss recognized during the year	(428)	6,442	(9,176)	(3,162)	1,180	31,517	(1,390)	31,307
Recoveries during the year	-	-	-	-	-	-	-	-
Written off during the year	-	(58)	-	(58)	-	(82)	(2,432)	(2,514)
Foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance (1)	1,018	85,851	5,406	92,275	1,446	79,467	14,582	95,495

Corporate	30 September 2023				31 December 2022			
	Direct financing	Syndicated financing	Other financing	Total	Direct financing	Syndicated financing	Other financing	Total
Beginning balance	1,783,857	415,140	-	2,198,997	1,574,390	274,612	6,781	1,855,783
Net impairment loss recognized during the year	142,665	(44,614)	-	98,051	199,281	72,194	(6,781)	264,694
Recoveries during the year	320	20,625	-	20,945	1,619	36,917	-	38,536
Written off during the year	(10,585)	-	-	(10,585)	(133,062)	-	-	(133,062)
Foreign currencies translation differences	80,935	36,366	-	117,301	141,629	31,417	-	173,046
Ending balance (2)	1,997,192	427,517	-	2,424,709	1,783,857	415,140	-	2,198,997
Ending balance (1+2)	1,998,210	513,368	5,406	2,516,984	1,785,303	494,607	14,582	2,294,492

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

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
A) Mutual Funds		
Unlisted in stock exchange market	81,557	67,928
Total financial instruments measured at FVPL (1)	81,557	67,928
Beginning balance	67,928	47,275
Additions	-	10,000
FV revaluation differences of financial investment measured at FVPL	13,629	10,653
Total financial instruments measured at FVPL (1)	81,557	67,928

16.2 Measured at FVOCI

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
A) Islamic Sukuk at fair value		
Listed in stock exchange market	1,130,935	1,506,878
Total	1,130,935	1,506,878
B) Treasury bonds at fair value		
Listed in stock exchange market	336,540	333,943
Total	336,540	333,943
C) Securitization bonds at fair value		
Listed in stock exchange market	929,102	292,671
Total	929,102	292,671
D) Equity instruments at fair value		
Listed in stock exchange market	85,190	83,698
Unlisted in stock exchange market	186,745	22,330
Total	271,935	106,028
Total financial instruments measured at FVOCI (2)	2,668,512	2,239,520

- Financial assets at FVTOCI on September 30, 2023 includes the amount of EGP 33,562 thousand representing investments in the Islamic Bank of Jordan of Al Baraka Group - the bank's main shareholder (Compared to EGP 25,600 thousand at 31 December 2022).

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

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
A) Treasury bonds		
Listed in stock exchange market	21,037,221	22,957,202
Unlisted in stock exchange market	-	258,697
Deduct: Expected Credit Losses*	(162,018)	(72,603)
Total	20,875,203	23,143,296
B) Islamic Sukuk		
Listed in stock exchange market	333,836	269,724
Unlisted in stock exchange market		
Deduct: Expected Credit Losses*	(6,390)	(3,771)
Total	327,446	265,953
C) Treasury bills		
EGP TBills - 91 Days maturity	2,558,150	118,750
EGP TBills - 182 Days maturity	8,220,175	659,175
EGP TBills - 273 Days maturity	3,074,025	100,000
EGP TBills - 364 Days maturity	1,954,700	900,000
USD TBills - 364 Days maturity	5,295,129	3,909,457
EUR TBills - 364 Days maturity	590,890	475,352
Total	21,693,069	6,162,734
Deduct: Unearned interest	(945,094)	(187,645)
Deduct: Expected Credit Losses*	(113,652)	(37,378)
Net (2)	20,634,323	5,937,711
Total financial instruments measured at Amortized cost (3)	41,836,972	29,346,960
Total financial investment (1+2+3)	44,587,041	31,654,408
Non-profit bearing balances	353,492	173,956
Floating profit bearing balances	1,458,381	1,772,831
Fixed profit bearing balances	42,775,168	29,707,621
Total financial investment (1+2+3)	44,587,041	31,654,408
Debt instruments-ECL provision analysis*		
Beginning balance	113,752	63,178
Net impairment loss recognized during the year	168,308	50,574
Ending balance	282,060	113,752

- The carried value of financial investments in governmental debts at 30 September 2023 reached to EGP 42,121,736 thousand, these investments are used to contribute to the financing of Egypt national projects, strategic and development projects.

**Notes to the condensed separate interim financial statement for the period ended 30 September 2023****16. Financial investments – continuing**

The following table analyzes the movements on financial investments:

	(EGP Thousands)		
30 September 2023	Fair value through OCI	Amortized cost	Total
Beginning balance	2,239,520	29,346,960	31,586,480
Additions	672,216	35,869,354	36,541,570
Amortization of premium / discount	(826)	(723,339)	(724,165)
Disposals (sale/redemption)	(400,583)	(24,150,502)	(24,551,085)
Foreign currencies translation differences	34,891	1,662,807	1,697,698
Changes in fair value reserve	123,294	-	123,294
Net impairment loss recognized during the year	-	(168,308)	(168,308)
Ending balance	2,668,512	41,836,972	44,505,484

31 December 2022	Fair value through OCI	Amortized cost	Total
Beginning balance	721,436	19,693,874	20,415,310
Additions	1,506,962	11,064,874	12,571,836
Amortization of premium / discount	(2,701)	(18,968)	(21,669)
Disposals (sale/redemption)	(8,549)	(4,957,342)	(4,965,891)
Foreign currencies translation differences	46,015	3,615,096	3,661,111
Changes in fair value reserve	(23,643)	-	(23,643)
Net impairment loss recognized during the year	-	(50,574)	(50,574)
Ending balance	2,239,520	29,346,960	31,586,480

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

Subsidiaries:	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Al Baraka Capital for financial investments Co.	98,000	98,000
Total	98,000	98,000

- During the year ended December 31, 2018, the Bank established Al Baraka Capital 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 Capital 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 98% of the total capital paid.

18. Other assets, net

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued revenues	1,478,163	1,654,287
Deduct: Expected Credit Losses*	(2,173)	(1,762)
Accrued revenues, net	1,475,990	1,652,525
Pre-paid expenses	66,034	15,649
Advance payments for acquisition of property and equipment	296,386	352,583
Assets reverted to the bank in settlement of debts, net	278,503	261,588
Deposits held with others and custody	12,474	11,070
Others debit balances	227,538	121,344
Total	2,356,925	2,414,759
Accrued revenues-ECL provision analysis*		
Beginning balance	1,762	1,331
Net impairment loss recognized during the year	411	431
Ending balance	2,173	1,762

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

(EGP Thousands)

30 September 2023	Lands and Premises	Machines and Equipment	Information Technology	Furniture and Renovations	Others	Total
Cost	564,247	119,033	150,239	409,008	20,195	1,262,722
Accumulated depreciation	(169,427)	(70,161)	(125,634)	(104,771)	(12,903)	(482,896)
Net book value	394,820	48,872	24,605	304,237	7,292	779,826
Net book value at the beginning of the year	313,439	30,708	10,309	224,959	9,150	588,565
Additions	97,736	30,816	22,570	94,834	-	245,956
Disposals	(1,720)	(1,365)	(473)	(3,093)	(1,618)	(8,269)
Depreciation for the year	(14,904)	(12,603)	(8,274)	(14,974)	(1,858)	(52,613)
Disposals' accumulated depreciation	269	1,316	473	2,511	1,618	6,187
Net book value	394,820	48,872	24,605	304,237	7,292	779,826

(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 30 September 2023****20. Due to banks**

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

- Due to banks on 30 September 2023 includes an amount of EGP 66,737 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

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Demand deposits	15,226,967	11,029,713
Time deposits and call accounts	30,982,774	27,741,162
Term saving certificates	28,355,888	26,449,754
Saving deposits	6,652,164	7,843,402
Other deposits	1,072,920	1,355,922
Total	82,290,713	74,419,953
Corporate deposits	42,287,434	37,350,838
Retail deposits	40,003,279	37,069,115
Total	82,290,713	74,419,953
Non-profit bearing balances	6,644,314	6,415,269
Floating profit bearing balances	75,646,399	68,004,684
Total	82,290,713	74,419,953



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

22. Subordinated and other Islamic financing

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

(A) Long-Term Financing _Social fund

- These represented as the Musharaka contract concluded by and between the Bank & the Social Fund for Development to SMEs 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) Long-Term Financing_ICD

- On August 16, 2023, a long-term financing contract concluded with the Islamic Foundation for Private Sector Development (ICD) and in accordance with the principles of Islamic sharia was concluded for a period of \$30 million for five years for the benefit of Al-Baraka Bank - Egypt to support and finance green projects in order to achieve the sustainable development goals of the Egyptian economy.

(C) Subordinated Finance_Other Shareholders

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

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

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Accrued interest	552,831	642,071
Deferred revenues	18,406	25,119
Accrued expenses	230,234	176,166
Accounts under settlements	360,786	310,309
Other credit balances	275,939	274,689
Total	1,438,196	1,428,354

24. Other provisions

(EGP Thousands)

30 September 2023	Provision for legal claims	Provision for tax claims*	Provision for Contingents	Other provisions	Total
Beginning balance	6,158	38,039	94,954	11,587	150,738
Formed during the year	-	6,000	25,007	-	31,007
Provisions no longer required during the year*	-	-	(32,057)	-	(32,057)
Used during the year	(901)	(2,742)	-	-	(3,643)
Foreign currencies translation differences	-	-	2,624	-	2,624
Ending balance	5,257	41,297	90,528	11,587	148,669

31 December 2022	Provision for legal claims	Provision for tax claims	Provision for Contingents	Other provisions	Total
Beginning balance	6,628	15,436	81,531	11,587	115,182
Formed during the 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** according to the tax provision study required to cover the tax inspection for the years 2018/2022, a corporate tax provision should be retained at the end of the third quarter of 2023 in the amount of 23.54 million EGP to cover the expected tax dues.

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

Salary tax provision: according to the last tax inspection for the years until 2017 the expected tax dues amounted EGP 6.94 million.

Real estate tax provision: according to the current position of fixed assets and assets that were expropriated to the bank, the expected tax liability for real estate tax provision and the delay penalties amounted EGP 8.82 million.

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

25. Capital

25.1 Authorized Capital

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

25.2 Issued and paid-up Capital

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

30 September 2023	EGP Thousands			
	30 September 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 using the balances of the legal and general reserve of EGP 1,378,501 thousand; On December 7, 2022, the bonus shares were distributed in accordance with the decision of the extraordinary general assembly dated September 29, 2022. Accordingly the issued and paid-up capital became EGP 5,089,974 thousand on December 31, 2022.

26. Reserves

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Legal reserve	413,238	237,897
General banking risk reserve	118,566	118,566
Capital reserve	11,975	10,365
General risk reserve	214,926	214,926
Fair value reserve	119,814	22,476
Total	878,519	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 30 September 2023
27. Cash and cash equivalent

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

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

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

Several lawsuits have been filed against the Bank and accordingly a provision has been formed for this purpose on 30 September 2023, in the amount of EGP 5,257 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
30 September 2023				
Operating lease commitments	16,135	93,108	57,684	166,927
Capital commitments resulting from acquisition of property and equipment	136,501	-	-	136,501
31 December 2022				
Operating lease commitments	7,422	38,592	23,801	69,815
Capital commitments resulting from acquisition of property and equipment	83,227	-	-	83,227

28.3 Contingent liabilities

	30 September 2023	31 December 2022
	EGP Thousands	EGP Thousands
Letter of Credit (import and export)	79,448	334,254
Letter of Guarantee	2,931,075	2,902,881
Accepted notes for suppliers facilities	27,400	108,933
Total	3,037,923	3,346,068



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

29. Tax Position

29.1 Corporate Tax:

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

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

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

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

29.2 Salaries Tax:

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

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

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

We have not received notice of inspection for the period referred to. noting that the bank regularly calculating the salaries tax monthly and submit it to the Tax Authority and the yearly submission of the final regulations.

29.3 Stamp duty Tax:

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

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

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

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

29.4 Withholding Tax:

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

**Notes to the condensed separate interim financial statement for the period ended 30 September 2023****30. Related Parties Transactions**

(EGP Thousands)

	30 September 2023			31 December 2022		
	Main Shareholders	Directors and other key management	Subsidiaries	Main Shareholders	Directors and other key management	Subsidiaries
Related parties outstanding balances can be analyzed below:						
Due from banks	73,343	-	-	681,404	-	-
Financing and credit facilities to customers	-	4,963	725,293	-	1,000	693,397
Financial investments measured at FVOCI	33,563	-	-	25,600	-	-
Subordinated finance from Other Shareholders	1,390,203	-	-	1,113,453	-	-
Customers' deposits	2,310,687	14,151	38,020	597,803	18,674	102,641
Due to banks	393,197	-	-	623,819	-	-
Related parties transactions can be analyzed below:						
Profit received from financing and credit facilities	-	-	95,405	-	-	-
Profit received from placements and current accounts	1,677	-	-	1,076	-	-
Profit paid on subordinated finance	(67,432)	-	-	(32,954)	-	-
Profit paid on deposits and current accounts to customers	(32,890)	(5,852)	(2,195)	(12,823)	(8,142)	(4,836)
Profit paid on deposits and current accounts to banks	(3,070)	-	-	-	-	-

- Due from banks on September 30, 2023, includes an amount of EGP 73,343 thousand representing balances with Banks belonging to Al Baraka Group - the bank's main shareholder. (Compared to EGP 458,713 thousand at 31 December 2022).
- Due to banks on September 30, 2023, includes an amount of EGP 66,737 thousand representing due to banks belonging to Al Baraka Group - the Bank's main shareholder (Compared to EGP 623,819 thousand at 31 December 2022).
- Financial assets at FVTOCI on September 30, 2023 includes the amount of EGP 33,562 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. Significant events

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