



Financial Statements
For The period Ended
30 September 2023
CAE & EHFC Consolidated



CRÉDIT AGRICOLE
A whole bank just for you

CREDIT AGRICOLE - EGYPT
Egyptian Joint Stock Company
Condensed Consolidated Financial Statements
And Auditors' Limited Review Report
For The Period Ended 30 September 2023

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

MAZARS Mostafa Shawki
Public Accountants & Consultants

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Limited Review Report of Condensed Consolidated Interim Financial Statements

To : Board of Directors of Credit Agricole - Egypt (SAE)

Introduction

We have performed a limited review on the accompanying condensed consolidated interim statement of financial position of Credit Agricole Egypt (SAE) (the Bank) and its subsidiary (together "the Group") as at 30 September 2023 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the rules of preparation and presentation of banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulation 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 condensed consolidated interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with the Egyptian standard on review engagements (2410) "Review of interim financial information performed by the independent auditor of the entity". A limited review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Group 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 condensed consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with the rules of preparation and presentation of banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulation 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 condensed consolidated interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations.



Wael Sakr

Fellow of Egyptian Society of Accountants and
Auditors

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MAZARS Mostafa Shawki

Cairo, 9 November 2023

Condensed Consolidated Interim Statement of Financial Position – As of 30 September 2023

(All amounts are in thousand Egyptian pounds)

	Notes	30 September 2023	31 December 2022*
<u>Assets</u>			
Cash and balances with Central Bank of Egypt	13	7,916,482	5,236,268
Due from banks	14	34,133,052	20,765,104
Loans to banks*		-	3,278
Loans and advances to customers	15	37,166,907	33,807,102
Derivative financial assets		4,331	55,294
<u>Financial Investments</u>			
Fair value through other comprehensive income	16	18,363,509	13,124,532
Fair value through profit or loss	16	8,388	11,336
Intangible assets	17	143,405	115,206
Other assets	18	2,164,271	1,652,529
Fixed assets	19	595,566	586,005
Deferred tax assets	12	71,505	9,337
Total assets		100,567,416	75,365,991
<u>Liabilities and Owners' Equity</u>			
<u>Liabilities</u>			
Due to banks	20	211,956	460,912
Treasury bills Sold with repurchase agreements		5,635	6,576
Customers' deposits	21	80,755,925	60,492,590
Derivative financial instruments		2,483	38,605
Long term loan	22	1,099,632	996,862
Other liabilities	23	3,325,946	2,267,510
Current income tax liability		1,180,629	644,323
Other provisions	24	658,869	353,486
Retirement benefit obligations		190,979	190,979
Total liabilities		87,432,054	65,451,843
<u>Owners' Equity</u>			
Paid-in Capital	25	5,000,000	5,000,000
Reserves	26	813,313	1,014,156
Retained earnings	26	7,322,032	3,899,975
		13,135,345	9,914,131
Minority interest		17	17
Total owners' equity		13,135,362	9,914,148
Total liabilities and owners' equity		100,567,416	75,365,991



Jean-Pierre Trinelle
Managing Director



Cairo, 9 November 2023

*Loans to banks presentation was amended as in Note 33
-The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.
- Limited Review report attached.

Condensed Consolidated Interim Income Statement for The Period Ended 30 September 2023

(All amounts are in thousand Egyptian pounds)

	Notes	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Interest on loans and similar income	4	8,268,936	4,441,913	3,231,073	1,622,235
Interest expenses and similar charges	4	(3,028,451)	(1,825,765)	(1,234,672)	(646,940)
Net interest income		5,240,485	2,616,148	1,996,401	975,295
Fees and commission income	5	1,613,063	853,403	494,328	319,239
Fees and commission expense	5	(439,018)	(323,155)	(159,062)	(114,208)
Net fee and commission income		1,174,045	530,248	335,266	205,031
Dividend income	6	8,661	5,152	262	-
Net trading income	7	310,389	220,324	75,270	83,730
Gains from financial investments	8	122,539	48,922	13,064	19,303
Impairment (charge) for credit losses	9	(73,433)	(154,475)	(62,957)	(63,669)
Administrative expenses	10	(1,514,403)	(1,178,173)	(570,394)	(409,038)
Other net operating income / (expense)	11	(173,175)	106,863	(28,542)	(3,535)
Profit before income tax		5,095,108	2,195,009	1,758,370	807,117
Income tax expense	12	(1,282,903)	(593,568)	(459,049)	(220,931)
Profit for the period		3,812,205	1,601,441	1,299,321	586,186
Parent company share		3,812,204	1,601,440	1,299,321	586,186
Minority share		1	1	-	-
		3,812,205	1,601,441	1,299,321	586,186

-The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income for The Period Ended 30 September 2023

(All amounts are in thousand Egyptian pounds)

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Net profit for the Period	3,812,205	1,601,441	1,299,321	586,186
<u>Items that will not be reclassified to the Profit or Loss:</u>				
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	-	30,934	-	7,143
<u>Items that is or may be reclassified to the profit or loss:</u>				
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(360,424)	(263,972)	(86,285)	(169,774)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	36,362	6,776	3,734	(9,319)
Total other comprehensive income items for the Period	(324,062)	(226,262)	(82,551)	(171,950)
Total other comprehensive income for the Period	3,488,143	1,375,179	1,216,770	414,236

•The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements

Condensed Consolidated Interim Statement of changes in Owners' Equity for The Period Ended 30 September 2023

(All amounts are in thousand Egyptian pounds)

30 September 2022
Balance at 1 January 2022

	Paid in capital	Reserves	Retained earnings	Parent company share	Minority Interest	Total
Balance at 1 January 2022	5,000,000	883,574	2,777,188	8,660,762	17	8,660,779
Dividends relating to 2021	-	-	(1,072,908)	(1,072,908)	(1)	(1,072,909)
Transfer to Capital reserve	-	48,920	(48,920)	-	-	-
Transfer to Legal reserve	-	77,874	(77,874)	-	-	-
Transfer to Banking general risks reserve	-	535	(535)	-	-	-
Transfer to Banking Sector Support & Development Fund	-	-	(15,430)	(15,430)	-	(15,430)
Balances after profit distribution	5,000,000	1,010,903	1,561,521	7,572,424	16	7,572,440
Net change in other comprehensive income	-	(226,262)	-	(226,262)	-	(226,262)
Net profit for the period	-	-	1,601,440	1,601,440	1	1,601,441
Balance as at 30 September 2022	5,000,000	784,641	3,162,961	8,947,602	17	8,947,619

30 September 2023
Restated balance at 1 January 2023

	Paid in capital	Reserves	Retained earnings	Parent company share	Minority Interest	Total
Restated balance at 1 January 2023	5,000,000	1,014,156	3,899,975	9,914,131	17	9,914,148
Dividends relating to 2022	-	-	(242,820)	(242,820)	(1)	(242,821)
Transfer to Capital reserve	-	3,011	(3,011)	-	-	-
Transfer to Legal reserve	-	121,442	(121,442)	-	-	-
Transfer to Banking general risks reserve	-	5,235	(5,235)	-	-	-
Transfer to Banking Sector Support & Development Fund	-	-	(24,109)	(24,109)	-	(24,109)
Balances after profit distribution	5,000,000	1,143,844	3,503,358	9,647,202	16	9,647,218
Net change in other comprehensive income	-	(324,062)	-	(324,062)	-	(324,062)
Transfer to Retained earnings	-	(6,469)	6,469	-	-	-
Net profit for the period	-	-	3,812,205	3,812,205	1	3,812,206
Balance as at 30 September 2023	5,000,000	813,313	7,322,032	13,135,345	17	13,135,362

•The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements

Condensed Consolidated Interim Statement of Cash Flows for The Period Ended 30 September 2023

(All amounts are in thousand Egyptian pounds)

	Notes	For the period ended	
		30 September 2023	30 September 2022
<u>Cash flows from operating activities</u>			
Net profit before income tax		5,095,108	2,195,009
Adjustments to reconcile net profit to cash flow from operating activities:			
Depreciation and amortization		124,459	108,203
Impairment release / (charge) for credit losses	8	73,433	154,475
Other provision charges / (release)	24	268,001	(70,340)
Used provision - other than loans provision	24	(103)	(657)
Amortization of discount/premium on investments through OCI		(864,651)	(470,418)
Foreign currencies revaluation of provisions rather than LLP		57,848	33,719
Foreign currencies revaluation of investments rather than through P&L		(742,916)	(102,423)
Revaluation of investments at fair value through profit / Loss		359	8,979
(Profit) on sale of fixed assets		(8,511)	(214)
Foreign currencies revaluation of other loans		184,500	115,068
Operating profit before changes in operating assets & liabilities		4,187,527	1,971,401
<u>Net decrease (increase) in assets and liabilities</u>			
Due from Central Bank of Egypt		(2,255,013)	804,458
Due from banks		(406,818)	(325,746)
Loans and advances		(3,405,860)	(4,328,227)
Derivative financial instruments (net)		(91)	(23,714)
Other assets		(514,542)	(292,397)
Due to banks		(248,956)	160,233
Customers' deposits		20,263,335	5,483,100
Other liabilities		1,033,395	593,658
Income taxes paid		(808,765)	(458,981)
Net cash generated from operating activities		17,844,212	3,583,785
<u>Cash flows from investing activities</u>			
Purchase of assets & branches leasehold improvements		(162,744)	(76,950)
Proceeds from sale of fixed assets & Intangible assets		9,036	214
Proceeds from sale redemption of financial investments		117,682,064	171,160,132
Purchases of securities other than through P&L other investments		(120,498,926)	(170,589,053)
Net cash (used in) generated from investing activities		(2,970,570)	494,343

Cash flows from financing activities

Other Loans	(81,730)	83,403
Dividends paid	(242,820)	(1,072,909)
Net cash (used in) financing activities	(324,550)	(989,506)

Net change in cash and cash equivalents during the period	14,549,092	3,088,622
Cash and cash equivalents at beginning of the Period	20,782,630	11,421,924
Cash and cash equivalents at the end of the period	35,331,722	14,510,546

Cash and cash equivalents are represented in:

Cash and due from Central Bank of Egypt	13	7,916,482	4,738,974
Due from banks	14	34,146,056	11,577,191
Treasury bills	16	12,169,204	9,098,874
Balances with Central Bank of Egypt (Reserve ratio)		(5,680,037)	(2,565,958)
Deposits with banks (Maturity more than three months)		(2,330,320)	(1,396,132)
Treasury bills (Maturity more than three months)		(10,889,663)	(6,942,403)
Cash and cash equivalents at the end of the period	28	35,331,722	14,510,546

•The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements

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

1. General Information

Credit Agricole - Egypt Bank (S.A.E.) provides corporate banking, retail, and investment banking services inside and outside the Arab Republic of Egypt and foreign countries through its head office at 5th Settlement and 84 branches that employs over 2,576 people at the balance sheet date.

The bank is an Egyptian Joint Stock Company incorporated in accordance with law 159 of 1981 in the Arab Republic of Egypt. The head office of the bank is at the Touristic Area, land piece (9/10/11/12/13) A- 5th Settlement, Cairo Governance, Egypt. The bank is listed in Egyptian Stock Exchanges.

The Egyptian Housing Finance Company (EHFC) is an Egyptian Joint Stock Company established pursuant to the provisions of the law No. 159 of 1981 and its executive regulations as amended by law No 3 of 1998, taking into consideration the provisions of law No. 95 of 1992 and its executive regulations and the Real Estate Finance Law No. 148 of 2001 and its executive regulations and the company specializes in real estate financing activity.

The bank owns a number of 9,999,000 share in which the bank share is 99.99% from the company's capital, the consolidated financial statements is comprised of the bank's financial statement and its subsidiary (both grouped and called consolidated).

This financial statement has been approved for issuance by the board of directors on November 9, 2023.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the Central Bank of Egypt approved by the Board of Directors on December 16, 2008, Also according to the instructions for applying IFRS 9 issued by the Central Bank of Egypt on February 2019. The bank issued condensed financial statements based on the Central Bank of Egypt instructions on May 5, 2020, Which allows banks to issue condensed Interim financial statements.

References is made to what not mentioned in the instructions of Central Bank of Egypt to the Egyptian accounting standards.

These condensed consolidated interim financial statements do not include all the information and disclosures required for the full annual separate financial statements prepared in accordance with the CBE rules as mentioned above and should be read in conjunction with the bank's financial statements and for the year ended 31 December 2022

In preparing these condensed consolidated interim financial statements, significant judgments made by the management in applying the bank's accounting policies and key sources of estimation were the same as those were applied to the Consolidated financial statements and for the year ended 31 December 2022.

These interim condensed Consolidated financial statements are not indicative of the financial results of the bank for the full financial year ended 31 December 2023.

A. Credit risk exposure before guarantees

(All amounts are in thousand Egyptian pounds)

	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
Credit risk exposures relating to on-balance sheet items :		
Cash and balances with central bank of Egypt	5,680,037	3,425,024
Due from Banks	34,146,056	20,772,807
Loans to banks	-	3,278
<u>Loans to customers</u>		
Loans to Individuals:		
- Overdrafts	77,901	124,051
- Credit cards	1,300,535	1,172,542
- Personal Loans	8,205,020	8,116,570
- Real Estate Loans	1,309,348	1,056,582
Loans To corporate entities:		
- Overdrafts	9,967,548	7,170,554
- Direct Loans	16,290,287	15,265,338
- Syndicated loans	1,352,425	1,598,834
- Other Loans	238,561	792,937
Derivative financial instruments	4,331	55,294
<u>Investment securities</u>		
- Fair value through other comprehensive income	18,100,945	12,910,771
Other Assets	1,055,863	743,866
Total	<u>97,728,857</u>	<u>73,208,448</u>
	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
Credit risk exposures relating to off-balance sheet items:		
Customer Liabilities Under Acceptances	1,898,672	2,512,516
Commitments (Loans and liabilities – irrevocable)	2,322,767	2,811,864
Letter of credit	1,167,964	1,471,500
Letters of guarantee	15,011,775	14,237,198
Total	<u>20,401,178</u>	<u>21,033,078</u>

The above table represents a worse-case scenario of credit risk exposure to the bank at 30 September 2023 and 31 December 2022, without taking into account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on gross carrying amounts before deducting their excepted credit losses

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

Due from banks

30 September 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	25,513,873	2,330,320	-	27,844,193
Normal watch-list	6,301,863	-	-	6,301,863
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(13,004)	-	(13,004)
Net	31,815,736	2,317,316	-	34,133,052

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	17,997,511	1,923,502	-	19,921,013
Normal watch-list	851,794	-	-	851,794
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(7,703)	-	(7,703)
Net	18,849,305	1,915,799	-	20,765,104

Retail loans

30 September 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	77,260	-	-	77,260
Normal watch-list	10,038,641	244,496	-	10,283,137
Special watch-list	-	345,646	-	345,646
Non-performing loan	-	-	186,761	186,761
Allowance for impairment losses	(65,679)	(44,081)	(119,196)	(228,956)
Net	10,050,222	546,061	67,565	10,663,848

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	123,528	-	-	123,528
Normal watch-list	9,540,710	199,372	-	9,740,082
Special watch-list	-	391,037	-	391,037
Non-performing loan	-	-	215,098	215,098
Allowance for impairment losses	(65,562)	(46,716)	(133,038)	(245,316)
Net	9,598,676	543,693	82,060	10,224,429

Corporate loans

30 September 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	21,638,819	3,628,647	-	25,267,466
Normal watch-list	144,166	1,165,756	-	1,309,922
Special watch-list	-	499,967	-	499,967
Non-performing loan	-	-	771,466	771,466
Allowance for impairment losses	(215,900)	(480,761)	(631,889)	(1,328,550)
Net	21,567,085	4,813,609	139,577	26,520,271

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	18,328,819	4,312,152	-	22,640,971
Normal watch-list	309,059	1,109,945	-	1,419,004
Special watch-list	-	77,592	-	77,592
Non-performing loan	-	-	777,125	777,125
Allowance for impairment losses	(203,688)	(386,262)	(648,904)	(1,238,854)
Net	18,434,190	5,113,427	128,221	23,675,838

Debt instruments at fair value through other Comprehensive Income

30 September 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	-	-	-	-
Normal watch-list	14,616,858	3,484,087	-	18,100,945
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(109,472)	-	(109,472)
Total - fair value	14,616,858	3,374,615	-	17,991,473

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	-	-	-	-
Normal watch-list	9,839,876	3,070,895	-	12,910,771
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(73,110)	-	(73,110)
Total - fair value	9,839,876	2,997,785	-	12,837,661

The following table shows changes in impairment credit losses between the beginning and ending of the period as a result of these factors:

Due from banks

30 September 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the 1 January 2023	-	7,703	-	7,703
New financial assets purchased or issued	-	11,052	-	11,052
Financial assets have been matured or derecognised	-	(7,703)	-	(7,703)
Foreign exchange translation differences	-	1,952	-	1,952
Balance at the Period end	-	13,004	-	13,004

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the 1 January 2022	34	3,647	-	3,681
New financial assets purchased or issued	43	4,955	-	4,998
Financial assets have been matured or derecognised	(80)	(3,647)	-	(3,727)
Foreign exchange translation differences	3	2,748	-	2,751
Balance at the year end	-	7,703	-	7,703

Retail loans

30 September 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the 1 January 2023	65,562	46,716	133,038	245,316
Transfer to Stage 1 From Stage	22,832	(22,832)	-	-
Transfer to Stage 2 From Stage	(16,164)	20,100	(3,936)	-
Transfer to Stage 3 From Stage	(665)	(28,694)	29,359	-
Changes in PDs/LGDs/EADs	943	30,667	37,934	69,544
Financial assets have been matured or derecognised	(6,829)	(1,876)	(9,605)	(18,310)
Collections of loans previously written-off	-	-	67,638	67,638
Loans written-off during the Period	-	-	(135,232)	(135,232)
Balance at the Period end	65,679	44,081	119,196	228,956

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the 1 January 2022	59,467	59,920	135,508	254,895
Transfer to Stage 1 From Stage 2	28,431	(28,401)	(30)	-
Transfer to Stage 2 From Stage 1	(34,218)	45,024	(10,806)	-
Transfer to Stage 2 From Stage 3	(3,085)	(63,391)	66,476	-
Changes in PDs/LGDs/EADs	24,063	36,920	86,279	147,262
Financial assets have been matured or derecognised	(9,096)	(3,356)	(20,887)	(33,339)
Collections of loans previously written-off	-	-	91,524	91,524
Loans written-off during the year	-	-	(215,026)	(215,026)
Balance at the year end	65,562	46,716	133,038	245,316

Corporate loans

30 September 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the 1 January 2023	203,688	386,262	648,904	1,238,854
Transfer to Stage 1	22,214	(22,214)	-	-
Transfer to Stage 2	(41,021)	160,406	(119,385)	-
Transfer to Stage 3	(253)	(78,538)	78,791	-
Changes in PDs/LGDs/EADs	26,377	13,590	(522)	39,445
Financial assets have been matured or derecognised	(16,415)	(16,301)	(5,829)	(38,545)
Collections of loans previously written-off	-	-	10,820	10,820
Loans written-off during the Period	-	-	(7,547)	(7,547)
Foreign exchange translation differences	21,310	37,556	26,657	85,523
Balance at the Period end	215,900	480,761	631,889	1,328,550

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the 1 January 2022	296,766	399,881	560,599	1,257,246
Transfer to Stage 1	142,212	(142,212)	-	-
Transfer to Stage 2	(262,257)	262,257	-	-
Transfer to Stage 3	-	(197,451)	197,451	-
Changes in PDs/LGDs/EADs	20,679	49,993	58,006	128,678
Financial assets have been matured or derecognised	(28,960)	(22,307)	-	(51,267)
Collections of loans previously written-off	-	-	632	632
Loans written-off during the year	-	-	(231,710)	(231,710)
Foreign exchange translation differences	35,248	36,101	63,926	135,275
Balance at the year end	203,688	386,262	648,904	1,238,854

Debt instruments at fair value through other comprehensive income

30 September 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the Period	-	73,110	-	73,110
Changes in PDs/LGDs/EADs	-	(32,928)	-	(32,928)
New financial assets purchased or issued	-	123,989	-	123,989
Financial assets have been matured or derecognized	-	(73,110)	-	(73,110)
Foreign exchange translation differences	-	18,411	-	18,411
Balance at the Period end	-	109,472	-	109,472

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the year	-	42,951	-	42,951
Changes in PDs/LGDs/EADs	-	(3,172)	-	(3,172)
New financial assets purchased or issued	-	47,813	-	47,813
Financial assets have been matured or derecognized	-	(42,066)	-	(42,066)
Foreign exchange translation differences	-	27,584	-	27,584
Balance at the year end	-	73,110	-	73,110

B. Market risk

The bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products all of which to expect are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads foreign exchange rates and equity prices The bank separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in bank treasury and monitored by two teams separately. Regular reports are submitted to the Board of Directors and heads of each business unit regularly.

Trading portfolios include those positions arising from market-making transactions where the bank acts as principal with clients or with the market.

Non-trading portfolios primarily arise from the interest rate management of the entity's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of foreign exchange, equity risks and Debt instruments arising from the bank's held-to-maturity and available-for-sale investments.

C. Interest rate risk

- Interest rate risk is the risk to income or capital arising from fluctuating interest rates. Interest rate risk is a vital part of the Bank's business activity as taking on excessive interest rate risk exposure can potentially threaten earnings and the Bank's equity.
- Accordingly, interest rate risk is measured to manage the level of exposure to adverse movements of interest rates and limit the potential risk that can be derived.

D. Liquidity risk

- Liquidity risk management is the ability to accurately identify and quantify the main sources of the bank's liquidity risk in a timely manner.
- Liquidity risk arises from either the bank's inability to meet its obligations as they fall due or to fund increases in assets without incurring undesirable cost or losses.
- Liquidity risks are categorized into two risk types:
 - o Funding liquidity risk when the Bank cannot fulfill its payment obligations because of an inability to obtain funding.
 - o Market liquidity risk when the Bank is unable to sell or transform its Liquidity buffer into cash without significant losses.

Capital Adequacy Ratio:

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 and the European Community Directives, as implemented by the Central Bank of Egypt (CBE) for supervisory purposes, the required information is filed with the Authority on a quarterly basis.

The CBE requires the bank to:

- The bank maintains a ratio of 10% or more of total regulatory capital to its risk-weighted assets and liabilities, Minimum level of capital adequacy ratio reached 12.5%.

The capital adequacy ratio numerator comprises two tiers:

Tier 1 capital:

Consists of two parts, going concern capital and additional going concern.

Tier 2 capital:

Going concern capital, qualifying subordinated loan capital, consists of:

- 45% of the value of the special reserve.
- 45% of the increase in the fair value of the book value of financial investments in subsidiaries and affiliates.
- Other financial convoluted instruments.
- Subordinated loans with amortization of 20% per year in the last 5 years of maturity.
- Loan loss provision "General" by not more than 1.25% of total assets and contingent liabilities weighted risk weights.

Type of Risk:

- Credit Risk.
- Market Risk.
- Operations Risk.

Operational risk has been measured based on the "Standardized Approach" to replace the "Basic Indicator Approach" in accordance with the circular dated on 4 January 2021, regarding the "**regulatory instructions for operational risk management**". Which stated that banks should comply with the implementation of the operational risk model using the "Standardized Approach" to replace the "Basic Indicator Approach" within the application of the final steps for implementing Basel III regulations.

The risk weighted assets are between zero and 200% classified according to the nature of the debit party for each asset which reflect the assets related credit risk taking into consideration the cash guarantees. The same treatment is used for the off-balance sheet amounts after performing the adjustments to reflect the contingent nature and the expected losses for these amounts.

The bank complied with local capital requirements and with the countries requirements where outside branches (based on Basel II) were operating in the last two years.

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<u>LE,000</u>	<u>LE,000</u>
Going Concern Capital	9,086,992	7,457,931
Gone Concern Capital	1,130,271	1,069,417
Total Capital	10,217,263	8,527,348
Credit Risk	47,398,351	41,406,547
Market Risk	7,018	3,394
Operation Risk	4,219,522	4,219,522
Top 50 Effect	2,705,803	-
Total Risks	54,330,694	45,629,463
Capital Adequacy Ratio %	18.81%	18.69%

Leverage Ratio:

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<u>LE,000</u>	<u>LE,000</u>
Going Concern Capital	9,086,992	7,457,931
On Balance Sheet Risk	99,700,780	74,631,515
Derivatives Risk	9,402	79,610
Off Balance Sheet Risk	11,288,206	11,918,692
Total Risks	110,998,388	86,629,817
Leverage Ratio %	8.19%	8.61%

3. Segment analysis

Segment activity involves operating activities, assets used in providing banking services, and risk and return management associated with this activity, which might differ from other activities. Segment analysis for the banking operations involves the following:

Large, medium, and small enterprises:

Including current account, deposit, overdraft account, loan, credit facilities, and financial derivative activities.

Investment:

Encompasses money management activities.

Retail:

Encompasses current account, saving account, deposit, credit card, personal loans, and real estate loans activities,

Asset and liability management:

Encompasses other banking operations, such as asset and liability management. It also encompasses administrative expenses that can hardly be classified with other sectors.

Transactions among segments are performed according to the bank's operating cycle, and include operating assets and liabilities as presented in the bank's statement of financial position.

a. Segment reporting analysis

(All amounts are in thousand Egyptian pounds)

<u>30 September 2023</u>	Corporate banking	SMEs	Investment banking	Retail	Assets and liabilities management	Total
Revenues and expenses according to the sector activity						
Revenues of the sector activity	2,684,494	841,510	246,934	1,979,418	1,103,763	6,856,119
Expenses of the sector	(669,310)	(210,826)	(26,633)	(811,513)	(42,729)	(1,761,011)
Result of the sector operations	2,015,184	630,684	220,301	1,167,905	1,061,034	5,095,108
Profit before tax	2,015,184	630,684	220,301	1,167,905	1,061,034	5,095,108
Taxes	(508,404)	(158,589)	(56,561)	(292,031)	(267,318)	(1,282,903)
Net profit	1,506,780	472,095	163,740	875,874	793,716	3,812,205
Assets and Liabilities according to the sector activity						
Assets of the sector activity	24,976,397	1,787,095	229,599	10,663,847	62,910,478	100,567,416
Total assets	24,976,397	1,787,095	229,599	10,663,847	62,910,478	100,567,416
Liabilities of the sector activity	47,090,935	9,312,522	3,667	24,823,887	6,201,043	87,432,054
Total Liabilities	47,090,935	9,312,522	3,667	24,823,887	6,201,043	87,432,054

<u>30 September 2022</u>	Corporate banking	SMEs	Investment banking	Retail	Assets and liabilities management	Total
Revenues and expenses according to the sector activity						
Revenues of the sector activity	1,138,279	304,571	166,937	1,310,908	500,099	3,420,794
Expenses of the sector	(282,896)	(92,881)	(117,930)	(711,140)	(20,938)	(1,225,785)
Result of the sector operations	855,383	211,690	49,007	599,768	479,161	2,195,009
Profit before tax	855,383	211,690	49,007	599,768	479,161	2,195,009
Taxes	(230,006)	(56,966)	(13,972)	(163,899)	(128,725)	(593,568)
Net profit	625,377	154,724	35,035	435,869	350,436	1,601,441
Assets and Liabilities according to the sector activity						
Assets of the sector activity	22,915,825	682,615	16,056,156	10,291,046	17,478,741	67,424,383
Total assets	22,915,825	682,615	16,056,156	10,291,046	17,478,741	67,424,383
Liabilities of the sector activity	22,004,678	6,551,255	420,976	25,366,226	4,133,629	58,476,764
Total Liabilities	22,004,678	6,551,255	420,976	25,366,226	4,133,629	58,476,764

* Revenues of the sector activity includes Net interest income, Net fee and commission income, Dividend income, Net trading income and Gains from financial investments

b. Geographical sector analysis

<u>30 September 2023</u>	(All amounts are in thousand Egyptian pounds)			
	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenues & Expenses according to the geographical sectors				
Revenues of the Geographical sectors	9,476,259	673,627	173,702	10,323,588
Expenses of the Geographical sectors	(4,672,525)	(460,985)	(94,970)	(5,228,480)
Result of sector operations	4,803,734	212,642	78,732	5,095,108
Profit before tax	4,803,734	212,642	78,732	5,095,108
Tax	(1,217,304)	(47,884)	(17,715)	(1,282,903)
Profit of the Period	3,586,430	164,758	61,017	3,812,205
Revenues & Expenses according to the geographical sectors				
Revenues of the Geographical sectors	4,937,171	478,844	153,699	5,569,714
Expenses of the Geographical sectors	(2,864,386)	(415,702)	(94,617)	(3,374,705)
Result of sector operations	2,072,785	63,142	59,082	2,195,009
Profit before tax	2,072,785	63,142	59,082	2,195,009
Tax	(565,871)	(14,404)	(13,293)	(593,568)
Profit of the Period	1,506,914	48,738	45,789	1,601,441

	30 September 2023 LE,000	30 September 2022 LE,000
4. <u>Net interest income</u>		
Interest on loans and similar income		
Loans and advances:		
To customers	4,422,236	3,020,122
	4,422,236	3,020,122
Similar income:		
Treasury bills	932,398	540,785
Balances with banks	2,227,263	228,560
Investments in debt instruments at fair value through OCI	687,039	652,446
	3,846,700	1,421,791
	8,268,936	4,441,913
Interest on deposits and similar expenses		
Deposits and current accounts:		
- To banks	(24,787)	(77,757)
- To customers	(2,926,598)	(1,725,138)
- Other Loans	(76,929)	(22,572)
- Others	(137)	(298)
	(3,028,451)	(1,825,765)
Net interest income	5,240,485	2,616,148
5. <u>Net fee and commission income</u>		
Fee and Commission income :		
Credit related fees and commissions	1,282,159	671,598
Trust and other custody fees	32,209	19,996
Other fees	298,695	161,809
Total	1,613,063	853,403
Fee and Commission expense :		
Other fees and commissions paid	(439,018)	(323,155)
	(439,018)	(323,155)
Net fee and Commission	1,174,045	530,248
6. <u>Dividend Income</u>		
Investment at Fair value through OCI	8,399	5,152
Other	262	-
Total	8,661	5,152

	30 September 2023 LE,000	30 September 2022 LE,000
7. <u>Net trading income</u>		
Foreign exchange:		
Gains from foreign currencies transactions	292,325	181,464
Gain on revaluation of currency swap contracts	10,792	10,772
Gain on revaluation of option deals	2,073	18,785
Net changes in fair value through profit / Loss	(359)	(8,982)
Interest Income from investment at fair value through profit / Loss	4,155	16,001
Gain on investment at fair value through profit / Loss	1,403	2,284
Total	310,389	220,324
	30 September 2023 LE,000	30 September 2022 LE,000
8. <u>Gains from financial investments</u>		
Gain on sale of Treasury Bills	122,539	48,922
	122,539	48,922
	30 September 2023 LE,000	30 September 2022 LE,000
9. <u>Impairment (charge) for credit losses (Expected credit losses)</u>		
Loans and advances to customers	(52,133)	(143,564)
Due from banks	(3,349)	(1,701)
Debt instruments at fair value through other comprehensive income	(17,951)	(9,210)
	(73,433)	(154,475)
	30 September 2023 LE,000	30 September 2022 LE,000
10. <u>Administrative expenses</u>		
Staff costs		
Wages and salaries	(623,155)	(470,038)
Social insurance costs	(115,888)	(96,944)
	(739,043)	(566,982)
Other Administrative expenses	(713,636)	(530,083)
Stamp Duty on Loans	(61,724)	(81,108)
	(1,514,403)	(1,178,173)
	30 September 2023 LE,000	30 September 2022 LE,000
11. <u>Other net operating / (expense)</u>		
(Charge) Other provisions	(268,001)	70,340
Revaluation on foreign currencies assets & Liabilities rather than those held for trading (loss) / Profit on asset acquired revaluation	33,094	24,979
Profit on sale of fixed assets	8,511	214
Others	53,221	11,330
	(173,175)	106,863

12. Income tax expense

	30 September 2023 LE,000	30 September 2022 LE,000
Current tax	(1,345,071)	(610,906)
Deferred tax	62,168	17,338
	(1,282,903)	(593,568)
	30 September 2023 LE,000	30 September 2022 LE,000
Profit before tax	5,095,108	2,195,009
Tax calculated at applied tax rate	(1,146,399)	(493,877)
Non-deductible expenses including deferred tax	(301,636)	(268,088)
Tax on interest from T-bills and Governmental bonds	(323,063)	(244,363)
Tax exempted income	471,566	395,489
Foreign tax	-	(67)
Prior years Adjustment	16,629	-
Deferred tax	-	17,338
Income tax expense	(1,282,903)	(593,568)
Effective tax rate	25.2%	27.0%

Movement of deferred tax assets

	30 September 2023 LE,000	31 December 2022 LE,000
Deferred tax assets:		
Provisions	111,351	61,728
	111,351	61,728
Deferred tax liabilities:		
Fixed assets	39,846	39,603
Provisions	-	12,788
	39,846	52,391
Net balance of deferred tax assets	71,505	9,337

13. <u>Cash and balances with Central Bank of Egypt</u>	30 September 2023 LE,000	31 December 2022 LE,000
Cash on hand	2,236,445	1,811,244
Balances with the Central Bank of Egypt -reserve ratio	5,680,037	3,425,024
	7,916,482	5,236,268
Non-interest-bearing balances	7,916,482	5,236,268
	7,916,482	5,236,268
14. <u>Due from banks</u>	30 September 2023 LE,000	31 December 2022 LE,000
Current accounts	2,773,166	2,433,758
Placements with other banks	31,372,890	18,339,049
	34,146,056	20,772,807
Expected credit loss	(13,004)	(7,703)
Balance	34,133,052	20,765,104
Central bank of Egypt	16,272,281	13,513,637
Local banks	6,819,268	1,552,967
Foreign banks	11,054,507	5,706,203
	34,146,056	20,772,807
Expected credit loss	(13,004)	(7,703)
Balance	34,133,052	20,765,104
Non-interest-bearing balances	2,773,166	2,433,758
Interest bearing balances	31,372,890	18,339,049
	34,146,056	20,772,807
Expected credit loss	(13,004)	(7,703)
Balance	34,133,052	20,765,104
<u>The movement in provision - Due from banks</u>	30 September 2023 LE,000	31 December 2022 LE,000
Balance at 1 January 2022	7,703	3,681
Impairment (charge)	3,349	1,271
Exchange differences	1,952	2,751
Balance at the Period end	13,004	7,703

	30 September 2023 LE,000	31 December 2022 LE,000
15. <u>Loans and advances to customers (net)</u>		
Individual		
Overdrafts	77,901	124,051
Credit cards	1,300,535	1,172,542
Personal Loans	8,205,020	8,116,570
Real Estate Loans	1,309,348	1,056,582
Total (1)	10,892,804	10,469,745
Corporate entities		
Overdrafts	9,967,548	7,170,554
Direct Loans	16,290,287	15,265,338
Syndicated loans	1,352,425	1,598,834
Other Loans	238,561	792,937
Total (2)	27,848,821	24,827,663
Total Loans and advances to customers (1+2)	38,741,625	35,297,408
Less :		
Unearned Income	(17,212)	(6,136)
Allowance for impairment	(1,557,506)	(1,484,170)
Net	37,166,907	33,807,102
Current Balances	25,530,531	23,837,227
Non-Current Balances	13,235,862	11,460,181
	38,741,625	35,297,408

Allowance for impairment
30 September 2023

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at 1 January 2023	523	46,917	187,200	10,676	245,316
Impairment charge	118	4,767	47,184	(835)	51,234
Loans written off during the period	-	(20,789)	(114,443)	-	(135,232)
Amount recoveries during the period	-	10,318	57,320	-	67,638
Balance at the period end	641	41,213	177,261	9,841	228,956
Corporate entities	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
Balance at 1 January 2023	761,438	349,522	125,663	2,231	1,238,854
Impairment (release) / charge	106,862	6,308	(115,164)	2,894	900
Loans written off during the period	(7,547)	-	-	-	(7,547)
Amount recoveries during the period	10,820	-	-	-	10,820
Exchange differences	26,924	27,486	31,113	-	85,523
Balance at the period end	898,497	383,316	41,612	5,125	1,328,550
Total					1,557,506

31 December 2022

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at 1 January 2022	411	46,030	198,886	9,568	254,895
Impairment charge / (release)	112	9,366	103,337	1,108	113,923
Loans written off during the year	-	(23,530)	(191,496)	-	(215,026)
Amount recoveries during the year	-	15,051	76,473	-	91,524
Balance at the year end	523	46,917	187,200	10,676	245,316
Corporate entities	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
Balance at 1 January 2022	516,926	692,987	46,495	838	1,257,246
Impairment (release) / charge	252,256	(237,363)	61,177	1,341	77,411
Loans written off during the year	(76,531)	(155,179)	-	-	(231,710)
Amount recoveries during the year	632	-	-	-	632
Exchange differences	68,155	49,077	17,991	52	135,275
Balance at the year end	761,438	349,522	125,663	2,231	1,238,854
Total					1,484,170

	30 September 2023 LE,000	31 December 2022 LE,000
16. <u>Financial Investments</u>		
Fair value through other comprehensive income		
Debt instruments at fair value unlisted - Treasury bills	11,844,907	6,982,691
Debt instruments at fair value listed - Bonds	6,256,038	5,928,080
Equity instruments at fair value unlisted	41,004	41,004
Mutual fund Certificates - according to law requirements	221,560	172,757
Total investment measured at fair value through other comprehensive income	18,363,509	13,124,532
Fair value through other profit or loss		
Governmental Bonds	8,388	11,336
Total investment measured at fair value through profit or loss	8,388	11,336
Total Financial investments	18,371,897	13,135,868
Current Balances	14,950,910	8,801,079
Non-current balances	3,420,987	4,334,789
	18,371,897	13,135,868
Debt instruments with fixed interest rates	18,109,333	12,922,107
	18,109,333	12,922,107
<u>Treasury bills according to the following maturities:</u>	30 September 2023 LE,000	31 December 2022 LE,000
Treasury bills, maturity 91 days	2,360,373	148,714
Treasury bills, maturity 182 days	3,178,443	220,828
Treasury bills, maturity 273 days	699,659	918,462
Treasury bills, maturity 364 days	6,348,644	5,962,738
Unearned interest	(748,212)	(268,051)
	11,844,907	6,982,691

	30 September 2023 LE,000	31 December 2022 LE,000
17. <u>Intangible assets</u>		
<u>Software</u>		
Cost	433,479	405,432
Accumulated amortization	(318,273)	(267,880)
Net book value	115,206	137,552
Balance for the current period		
Net Book value at the beginning of the period	115,206	137,552
Additions	69,165	28,047
Amortization expense	(40,966)	(50,393)
Net Book Value at the end of the current period	143,405	115,206
Balance at the end of the current period		
Cost	502,644	433,479
Accumulated amortization	(359,239)	(318,273)
Net book value	143,405	115,206
18. <u>Other assets</u>		
Accrued revenues	1,055,863	743,866
Prepaid expenses	335,792	287,052
Advance payments for purchase of fixed assets	278,719	144,388
Assets reverted to the Bank in settlement of debts	115,171	117,971
Deposits with others and imprest fund	21,708	15,102
Other	357,018	344,150
Total	2,164,271	1,652,529

19. Fixed Assets

	Land	Buildings	Computer systems	Vehicles	Fixtures	Machinery and equipment	Furniture	Other	Total
Balance as of 1 January 2022									
Cost	56,822	428,022	307,998	26,496	297,051	49,896	40,533	130,425	1,337,243
Accumulated Depreciation	-	(160,503)	(231,322)	(18,534)	(234,726)	(34,167)	(25,784)	(56,260)	(761,296)
Net book value as of 1 January 2022	56,822	267,519	76,676	7,962	62,325	15,729	14,749	74,165	575,947
Additions	-	-	45,539	4,641	31,988	2,140	1,495	21,940	107,743
Disposals – Cost	-	(539)	(21,571)	(147)	(2,640)	(187)	(6)	(88)	(25,178)
Depreciation expense	-	(14,694)	(36,669)	(3,356)	(22,167)	(4,070)	(3,674)	(12,932)	(97,562)
Disposals – Accumulated Depreciation	-	537	21,466	147	2,626	185	6	88	25,055
Net book value as of 31 December 2022	56,822	252,823	85,441	9,247	72,132	13,797	12,570	83,173	586,005
Balance as of 1 January 2023									
Cost	56,822	427,483	331,966	30,990	326,399	51,849	42,022	152,277	1,419,808
Accumulated Depreciation	-	(174,660)	(246,525)	(21,743)	(254,267)	(38,052)	(29,452)	(69,104)	(833,803)
Net Book value as of 1 January 2023	56,822	252,823	85,441	9,247	72,132	13,797	12,570	83,173	586,005
Additions	-	-	73,370	2,828	4,468	824	1,100	10,989	93,579
Disposals – Cost	-	(1,416)	(8,987)	(2,066)	-	(8,690)	(1,607)	(4,140)	(26,906)
Depreciation expense	-	(10,929)	(34,561)	(2,624)	(19,388)	(2,605)	(2,833)	(10,553)	(83,493)
Disposals – Accumulated Depreciation	-	1,373	8,976	1,798	-	8,624	1,533	4,077	26,381
Net book value as of 30 September 2023	56,822	241,851	124,239	9,183	57,212	11,950	10,763	83,546	595,566
Balance as of 30 September 2023									
Cost	56,822	426,067	396,349	31,752	330,867	43,983	41,515	159,126	1,486,481
Accumulated Depreciation	-	(184,216)	(272,110)	(22,569)	(273,655)	(32,033)	(30,752)	(75,580)	(890,915)
Net book value as of 30 September 2023	56,822	241,851	124,239	9,183	57,212	11,950	10,763	83,546	595,566

20. <u>Due to banks</u>	30 September 2023 LE,000	31 December 2022 LE,000
Current accounts	211,956	460,912
	211,956	460,912
Local banks	5,756	1,945
Foreign banks	206,200	458,967
	211,956	460,912
Non-interest bearing	211,956	460,912
	211,956	460,912
Current Balances	211,956	460,912
	211,956	460,912

21. <u>Customers' deposits</u>	30 September 2023 LE,000	31 December 2022 LE,000
Demand deposits	36,794,322	27,954,518
Time and call deposits	27,079,084	13,592,655
Certificates of deposits	9,450,817	10,957,805
Saving accounts	5,401,736	5,364,285
Other deposits	2,029,966	2,623,327
Total	80,755,925	60,492,590
Corporate Deposits	55,887,615	36,220,233
Retail Deposits	24,868,310	24,272,357
	80,755,925	60,492,590
Current Balances	59,793,743	38,585,431
Non-current balances	20,962,182	21,907,159
	80,755,925	60,492,590
Non-interest-bearing balances	21,018,779	15,758,534
Fixed interest rate balances	51,992,787	38,289,767
Variable interest rate balances	7,744,359	6,444,289
	80,755,925	60,492,590

22. <u>Other Loans</u>	Interest Rates	30 September 2023 LE,000	31 December 2022 LE,000
National Bank of Egypt		87,552	126,635
Egyptian Co. for Housing Refinance		85,278	127,925
Credit Agricole Paris (13/6/2027)	SOFR+2.97%	308,934	247,434
Credit Agricole Paris (11/5/2028)	SOFR +2.955%	308,934	247,434
Credit Agricole Paris (13/4/2029)	SOFR +3.407%	308,934	247,434
		1,099,632	996,862

*The interest rates applied according to the signed contracts since April 2017

23. <u>Other Liabilities</u>	30 September 2023 LE,000	31 December 2022 LE,000
Accrued interest	484,945	221,042
Unearned revenue	51,595	53,753
Accrued expenses	573,028	561,497
Other credit balances	2,216,378	1,431,218
	3,325,946	2,267,510

24. <u>Other provisions</u>	30 September 2023 LE,000	31 December 2022 LE,000
Balances At 1 January	353,486	347,152
Exchange differences	37,485	53,651
Charged (release) to the income statement	268,001	(39,568)
Utilized during Period	(103)	(7,749)
Balance	658,869	353,486

Other provisions represent the following:

	30 September 2023 LE,000	31 December 2022 LE,000
Provision for claims	184,829	87,667
Provision for contingent liabilities	474,040	265,819
Balance	658,869	353,486

25. Share capital

- The bank authorized share capital with LE 6,000,000 thousand the issued and paid up capital is LE 5,000,000 thousand divided into 1,250,000 thousand ordinary shares with par value LE 4 each and there is no treasury stock, The following is a list of the shareholders of the bank as of **30 September 2023 and 31 December 2022:**

Shareholder	No. of shares	% of ownership	Amount 000'EGP
Credit Agricole SA	652,318,110	52.19%	2,609,272
Credit Agricole Corporate and Investment	163,327,560	13.07%	653,310
RolaCo. EGP For Investment owned by Ali Ben Hassan Ben Ali Daykh	124,585,543	9.97%	498,342
Others	309,768,787	24.77%	1,239,076
Total	1,250,000,000	100.00%	5,000,000

- **According to the decision of the general assembly and extraordinary general assembly meetings dated 29 September 2021.**

-The bank authorized share capital increased from 3,500,000 to be to 6,000,000 thousand EGP with an increase amounting 2,500,000 thousand EGP.

-Issued and paid-up capital increased from 1,243,668 to be to 5,000,000 thousand EGP with an increase amounting 3,756,332 thousand EGP, fully paid in through full utilization of the specific reserve amounting to 65,214 thousand EGP, plus full utilization of the specific capital gain reserve for 63,183 thousand EGP plus amount of 3,627,935 thousand EGP transferred from the retained earnings through the distribution of free shares.

26. Reserves and retained earning

	30 September 2023 LE,000	31 December 2022 LE,000
A. Reserves		
General Banking Risk Reserve	5,720	2,725
Legal reserve	825,685	704,243
Capital reserve	52,288	49,277
Fair value reserve	(181,136)	142,926
EAS 47 reserve	-	4,229
General Risk Reserve	110,756	110,756
Total reserves	813,313	1,014,156

Movements in reserves were as follows:

	30 September 2023 LE,000	31 December 2022 LE,000
a. General Banking Risk Reserve		
Balance at the beginning of the year	2,725	2,190
Transferred from the Net profit	5,235	535
Transfer to/ from retained earning	(2,240)	-
Balance	5,720	2,725
b. Legal reserve		
Balance at the beginning of the year	704,243	626,369
Transferred from the Net profit	121,442	77,874
Balance	825,685	704,243

According to the Statute of the Bank is statutes a sum equal to 5% of the annual net profit is appropriated to a legal reserve and to be stopped when the legal reserve balance reaches 20% of the capital and in accordance with the instructions of the Central Bank shall act in the special reserve of the Bank only after consulting The Egyptian Central Bank. The Statute was amended in accordance with the extraordinary General Assembly held in 30/3/2017 modified the legal reserve of up to 50% of the issued capital.

	30 September 2023 LE,000	31 December 2022 LE,000
c. Capital Reserve		
Balance at the beginning of the year	49,277	357
Transferred from Net profit	3,011	48,920
Balance	52,288	49,277
d. Fair value reserve		
Balance at the beginning of the year	142,926	139,673
Other comprehensive income for the year	(324,062)	3,253
Balance	(181,136)	142,926

	30 September 2023 LE,000	31 December 2022 LE,000
e. EAS 47 Reserve		
Balance at the beginning of the year	4,229	-
Movement during the year	-	4,229
Transfer to/ from retained earning	(4,229)	-
Balance at the end of period	-	4,229
f. General Risk Reserve		
Balance at the beginning of the year	110,756	110,756
Movement during the year	-	-
Balance	110,756	110,756
B. Retained earnings		
Balance at the beginning of the year	3,899,975	2,777,188
Dividend	(242,820)	(1,072,908)
Transferred to Legal reserve	(121,442)	(77,874)
Transferred to Capital Reserve	(3,011)	(48,920)
Transferred to General Banking Risk Reserve	(5,235)	(535)
Transferred to EAS 47 reserve	(24,109)	(15,430)
Transferred to Retained Earning	6,469	-
Transferred to Fair value Reserve	-	(79,301)
Profit of the year	3,812,205	2,417,755
Balance at the end of period	7,322,032	3,899,975

27. Contingent liabilities and commitments

	30 September 2023	31 December 2022
	LE,000	LE,000
A. Loans, advances and Guarantees Commitments		
Letters of guarantee	15,011,775	14,237,198
Commercial letters of credit (import and export)	1,167,964	1,471,500
Acceptances	1,898,672	2,512,516
Other contingent liability	2,322,767	2,811,864
Total	20,401,178	21,033,078

B. Operational Lease:

There is no commitment for operational lease at the financial statement date.

C. Legal Claims

There were a number of legal proceedings outstanding against the bank with provision amounted 29,019 thousand Egyptian pounds.

D. Capital Commitments

The bank had capital commitments of 162,482 thousand Egyptian pounds in respect of fixed assets purchases and branches fixtures and have not been implemented yet till the balance sheet date.

28. Cash and cash equivalents

For the purposes of the cash flow statement presentation, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	30 September 2023	30 September 2022
	LE,000	LE,000
Cash and balances with central banks	2,236,445	2,173,016
Due from banks	31,815,736	10,181,059
Treasury bills	1,279,541	2,521,200
	35,331,722	14,875,275

29. Mutual funds

Credit Agricole Bank mutual fund no. (1)

The fund is one of the banking activities licensed by the capital law no. 95 for 1992 and its executive rules. The number of investment certificates in the fund have reached 3,000,000 certificates and their value 300,000,000 EGP. The bank owned 150 000 investment certificates (par value 15,000,000 EGP) Credit Agricole 1st fund managed by EFG Hermes, the redeemable price per IC amounted to EGP 728.05 at balance sheet date and the total value is 109,207,500 EGP.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 570,723 EGP as of **30 September 2023** that was classified as fees and commission in the income statement.

Credit Agricole Bank mutual fund no. (2)

The mutual fund owns about 3,000,000 certificates (amounted 300,000,000 EGP) of which the bank owns 150,000 certificates (par value 15,000,000) for managing the mutual fund activity, their redemption value at the balance sheet date is 49,305,000 EGP with a redeemable price of 328.70 EGP per IC.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 323,045 EGP as of **30 September 2023** that was classified as fees and commission income in the income statement.

Credit Agricole Bank mutual fund no. (3)

The mutual fund owns about 4,000,000 certificates (amounted 4,000,000,000 EGP) of which the bank owns 39,000 Certificates (par value 39,000,000EGP) for managing the mutual fund activity, their redemption value at the balance sheet date is 43,565,340 EGP and a redeemable price of 1,117.06 EGP per IC.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 2,102,165 EGP as of **30 September 2023** that was classified as fees and commission income n in the income statement.

Credit Agricole Bank mutual fund no. (4)

The mutual fund owns about 1,000,000 certificates (amounted 100,000,000 EGP) of which the bank owns 50,000 certificates (par value 5,000,000) for managing the mutual fund activity, their redemption value at the balance sheet date is 19,482,000 EGP with a redeemable price of 389.64 EGP per IC.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 108,682 EGP as of **30 September 2023** that was classified as fees and commission income in the income statement

30. Related party transactions

The Bank's parent company is Credit Agricole (France) which holds 52.19% of the common stock and the remaining portion of 47.81% is held by other shareholders presented in the capital disclosure.

The Bank had transactions with its related parties on an arm's length basis. The nature of such transactions and related balances as presented at the balance sheet date are as follows:

	Credit Agricole Group	
	30 September 2023	31 December 2022
	LE,000	LE,000
Due from banks	109,177	704,808
Due to banks	180,688	166,927
General and Administrative expenses	24,627	18,537
Other Loans	926,802	742,302

31. Short term wages and benefits

The monthly average of net total annual income of the banks' twenty employees with the largest wages and salaries collectively during the period amounted to 7,998 thousand EGP compared to 5,374 thousand for the previous year, and the total outstanding loans for the top management during the period amounted to 6,690 thousand EGP compared to 11,479 thousand for the previous year.

32. Tax position

The tax position of Credit Agricole Bank Egypt includes the tax position of the bank to American Express Bank and Egyptian American bank and Calyon before the merger, due to the merger of all these banks ended in its final form, Credit Agricole Bank Egypt.

1- Corporate Income Tax

Period from Start-up date to 31 Dec. 2018

Tax examination was done together with internal committees & tax challenge committees, and due tax was paid.

from 2019 to 2020

Tax examination was done together with internal committees and due tax was paid.

2021

Tax report has been submitted and due tax paid.

2022

Tax report has been submitted and due tax paid.

2- Salaries Tax

Period from Start-up date to 31 Dec. 2018

Tax examination was done; due tax was paid.

Year 2019/2020

Tax examination was done; due tax was paid.

3- Stamp Duty

Stamp Duty under Law no. 143/2006

Tax examination was done together with internal committees and due tax was paid until 31 December 2015.

2016 & 2017

Tax Examination was done, object to the claim and Internal committees ended and due tax was paid.

2018

Tax Examination was done, internal committees ended and due tax was paid.

2019, 2020 and 2021

Tax Examination was done, and due tax was paid.

2022

Tax Examination was done, and due tax was paid.

33. Comparative Figures

Some comparative figures for the Year ended 31 December 2022 have been reclassified to be matched with the disclosure presented for the figures for the current period. The Bank has carried out the reclassification operations after studying some facilities and has no effect on total assets and amending its presentation on the balance sheet, the statement of changes in owners' equity and previously recorded profits.

The table below shows a summary of the significant reclassifications that have been made.

<u>Separate statement of financial position</u>	Previous disclosure	Reclassification	Current disclosure
Loans to banks	689,042	(685,764)	3,278
Loans and advances to customers	33,121,338	685,764	33,807,102

34. Translation

These financial statements are a translation into English from the original Arabic statements. The original Arabic statements are the official financial statements.
