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Public Accountants

Abu Dhabi Islamic Bank - Egypt” S.A.E”
condensed interim consolidated financial statements
for the financial period ending on September 30, 2024
and the limited review report

Limited Review Report of Condensed Interim Consolidated Financial Statements

To: Board of Directors of Abu Dhabi Islamic Bank - Egypt "S.A.E"

Introduction

We have performed a limited review on the accompanying condensed interim consolidated statement of financial position of Abu Dhabi Islamic Bank - Egypt "S.A.E" and its subsidiaries (together the "Group") as of 30 September 2024 and the related condensed interim consolidated 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 condensed interim consolidated 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 interim financial statements and with the requirements of applicable Egyptian laws and regulations. Our responsibility is to express a conclusion on these condensed interim consolidated 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 No. (2410) "Review of interim financial information performed by the independent auditor of the entity". A limited review of condensed interim consolidated 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 condensed interim consolidated financial statements.

Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated 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 interim financial statements and with the requirements of applicable Egyptian laws and regulations.



Ashraf Mamdouh

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Plot No 211, Second Sector, City Center New
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Cairo, 8 November 2024

Auditors



Hoda Mostafa Shawki

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Abu Dhabi Islamic Bank– Egypt – S.A.E

Translation of Financial statements originally issued in Arabic

Condensed interim consolidated statement of financial position as at 30 September 2024

	Note No	30 September 2024 EGP (In thousands)	31 December 2023 EGP (In thousands)
Assets			
Cash and due from Central Bank	13	16,659,374	9,985,417
Due from banks	14	90,343,681	48,591,299
Financing and facilities to banks (net of expected credit losses)	15	2,409,653	-
Conventional financing to customers (net of expected credit losses)	16	23,346	16,305
Financing and facilities to customers (net of expected credit losses)*	16	89,058,477	63,621,939
Islamic Pre promised exchange contracts		15,087	34
Financial investments			
- Fair value through profits and losses	1/17	109,414	213,054
- Financial investments at FVOCI	2/17	2,432,668	11,697,889
- Financial investments at amortized cost	3/17	30,248,253	21,933,121
Investments in associates		436,129	320,378
Intangible assets (net of accumulated amortization)		43,556	38,832
Other assets*		4,391,760	3,091,337
Fixed assets (net of accumulated depreciation)	18	690,601	647,461
Investments properties (net)		8,285	14,709
Financial leased assets to others		2,195,018	1,919,651
Deferred tax assets		260,206	163,253
Total assets		239,325,508	162,254,679
Liabilities and equity			
Liabilities			
Due to banks	19	13,801,211	6,478,842
Customers' deposits	20	183,994,295	127,031,908
Islamic Pre promised exchange contracts		34,832	3,450
Subordinated Financing / Other Islamic Financings	21	6,820,120	4,753,202
Other liabilities		10,332,783	6,727,424
Current income tax liability		2,059,277	1,530,248
Other provisions	22	1,320,870	1,077,798
Defined benefits obligations		351,406	287,359
Total liabilities		218,714,794	147,890,231
Equity			
Issued & Paid up Capital	2/23	6,000,000	5,000,000
Reserves	24	1,058,815	745,190
Difference between face value and present value for Reduced cost subordinated financing		26,335	30,435
Retained earnings		13,500,032	8,569,192
Total equity attributable to equity holders' of the bank		20,585,182	14,344,817
Non-controlling interests		25,532	19,631
Total equity		20,610,714	14,364,448
Total liabilities and equity		239,325,508	162,254,679

The Limited Review Report is attached

The accompanying notes from (1) to (28) are integral part of these financial statements.

*The comparative figures have been modified to reflect the appropriate classification of the items referred to in Note No (27)

Mohamed Aly

Chief Executive Officer and
Managing Director



Mohamed Shawky

Chief Financial Officer

Cairo on November 7, 2024

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Condensed interim consolidated income statement for the period ended 30 September 2024

	Note No	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		26,070,808	13,590,355	10,250,921	5,281,899
Cost of deposits and similar costs		(15,039,273)	(7,347,326)	(6,261,708)	(2,933,116)
Net income from funds	6	11,031,535	6,243,029	3,989,213	2,348,783
Fees and commissions income		1,967,358	1,518,775	655,188	529,621
Fees and commissions expenses		(484,484)	(260,411)	(143,990)	(117,333)
Net fees and commission income	7	1,482,874	1,258,364	511,198	412,288
Dividend income		2,114	4,951	264	172
Net trading income	8	559,395	254,152	138,180	35,716
Administrative expenses	9	(1,909,570)	(1,353,985)	(671,270)	(467,201)
Other operating expenses	10	(463,195)	(441,877)	(185,357)	(82,287)
Expected credit losses	11	(1,538,476)	(1,078,635)	(763,787)	(423,718)
Gain/Loss on financial investments		-	5	-	-
Share Of Associates Results		117,591	65,594	43,434	30,703
profit for the Period before tax		9,282,268	4,951,598	3,061,875	1,854,456
Income tax expense	12	(2,474,754)	(1,396,923)	(833,094)	(467,461)
Net profit for the Period		6,807,514	3,554,675	2,228,781	1,386,995
Attributable to:					
Shareholder's equity of the bank		6,801,522	3,552,084	2,227,509	1,386,767
Non-controlling interests		5,992	2,591	1,272	228
Net profit for the Period		6,807,514	3,554,675	2,228,781	1,386,995
Basic earning per share in net profit for the Period (EGP)		10.86	6.78	3.53	2.64

The accompanying notes from (1) to (28) are integral part of these financial statements.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Condensed interim consolidated statement of comprehensive income for the period ended 30 September 2024

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Net profit for the Period	6,807,514	3,554,675	2,228,781	1,386,995
<u>Items that will not be reclassified to the Profit and Loss:</u>				
Change in fair value reserve of equity instruments at fair value through other comprehensive income	45,801	16,680	2,704	979
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(10,424)	(3,752)	(727)	(220)
<u>Items that will be reclassified to the Profit and Loss:</u>				
Change in fair value reserve of debt instruments at fair value through other comprehensive income	12,701	(8,755)	(38,307)	(11,955)
Expected credit loss for fair value of debt Instruments measured at fair value through other comprehensive income	2,180	1,198	4,178	-
Deferred Income tax related to items that are reclassified to the profits and losses	(3,305)	1,970	7,645	2,690
Total other comprehensive income/(loss) for the Period ,net of tax	46,953	7,341	-24,507	-8,506
Total comprehensive income for the Period net of tax	6,854,467	3,562,016	2,204,274	1,378,489
<u>Attributable to:</u>				
Shareholder's equity of the bank	6,848,475	3,559,425	2,203,002	1,378,261
Non-controlling interests	5,992	2,591	1,272	228
Total comprehensive income for the Period net of tax	6,854,467	3,562,016	2,204,274	1,378,489

The accompanying notes from (1) to (28) are integral part of these financial statements.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Condensed interim consolidated statement of cash flows for the period ended 30 September 2024

	Note No.	30 September 2024 EGP (in thousands)	30 September 2023 EGP (in thousands)
Cash flows from operating activities			
profit for the year before tax		9,282,268	4,951,598
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets	9	97,633	63,417
Depreciation of investment property		910	917
Charge impairment loss of financing and facilities to customers	11	1,448,792	1,059,787
Charge impairment loss of financing and facilities to banks		5,188	-
Collections of loans previously written off	16	34,265	20,404
Charge other provisions	22	397,971	121,298
Provisions no longer required other than financing provision	22	(342,662)	(64,867)
Provisions used other than financing provision	22	(6,310)	(5,631)
Bonds' premium and discount amortization		(805,500)	(149,947)
Foreign currency valuation differences of financing provisions in foreign currencies	16	553,224	132,874
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	22	194,073	78,769
Foreign currency valuation differences of due from banks provisions in foreign currencies	14	7,330	377
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(109,716)	(12,443)
Foreign currency valuation differences of financial assets at AC in foreign currencies		(2,535,863)	194
Foreign currency valuation differences provisions in foreign currencies for financial instruments at AC		43,944	7,090
Foreign currency valuation differences of subordinated financing - With coupon		1,392,112	1,561,829
Foreign currency valuation differences of subordinated financing - at reduced cost	21	593,211	204,223
Foreign currency valuation differences of subordinated financing - at reduced cost - Equity		27,662	15,992
(Gains) valuation of financial investments at FVPL		(15,990)	(10,401)
(losses) / Gains from revaluation of Pre promised Forward contracts		29,469	(3,675)
(Release) / charge impairment loss of due from banks	11	6,619	8,243
(Release) / charge impairment loss provisions of FVOCI instruments	11	(2,180)	1,198
Charge /(release) impairment loss of financial investments at amortized cost	11	80,057	9,407
Charge /(release) Impairment loss of other assets	10	7,267	2,823
(Gains) sale of equity instruments at FVPL		(11,081)	(11,986)
(Gains) sale of equity instruments at FVOCI		-	(5)
(Gains) on sale of fixed assets	10	(8,750)	(42,173)
(Gains) on sale of Investment Property	10	(8,886)	(222)
Bank's Share of Associates' results		(117,591)	(65,594)
Dividends income from equity instruments at FVOCI		(2,114)	(4,951)
Amortization of subordinated financing using EIR method	21	31,762	19,988
Operating profits before changes in assets and liabilities resulting from operating activities		10,267,114	7,888,533
Net change in assets & liabilities			
Due from banks with maturity more than 90 days		(9,169,626)	2,471,142
Treasury bills with maturity more than 90 days		285,356	(4,168,982)
Financial investments at FVPL		130,711	33,427
Financing and facilities to customers and banks*	16	(30,058,124)	(6,156,265)
Other assets*		(1,312,250)	(637,273)
Receivables of Leased assets		(272,860)	(440,004)
Due to banks	19	7,322,369	6,226,609
Customers' deposits	20	56,866,792	17,458,555
Financial Pre promised Contracts		(13,140)	10,426
Other liabilities		3,644,842	1,161,078
Employees' Benefits obligations		64,047	27,808
Income tax paid		(2,056,751)	(843,269)
Net Cash flows generated from Operating activities		35,698,480	23,031,785

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Condensed interim consolidated statement of cash flows for the period ended 30 September 2024

	Note No.	30 September 2024 EGP (in thousands)	30 September 2023 EGP (in thousands)
Cash flows from investing activities			
Payments to purchase of fixed assets & Branches fixtures	18	(124,752)	(85,395)
Proceeds from sale of fixed assets		8,750	49,084
Payments to purchase of intangible assets		(20,745)	(14,522)
Proceeds from Sale of Investment Property		14,400	400
Payments to purchase financial investments at FVOCI		(821,799)	(616,003)
Proceeds from recovery of financial investments at FVOCI		100	355,826
Payments to purchase financial investments at AC		(7,946,735)	(3,119,108)
Proceeds from recovery of financial investments at AC		4,848,701	4,380,487
Payments to purchase investment in subsidiaries and associates		-	(31,629)
Proceeds from sale of investments in subsidiaries and associates		4,900	-
Proceeds from dividends income		2,114	4,951
Net Cash flows (used in) generated from investing activities		(4,035,066)	924,091
Cash flows from financing activities			
Issued and Paid-up Capital		-	1,000,000
General Reserve		-	3,584
Proceeds / (Paid) from other long term loans		179,470	246,318
Dividends income paid		(542,900)	(314,294)
Net Cash flows (used in) generated from financing activities		(363,430)	935,608
Net Increase in cash and cash equivalents during the Period		31,299,984	24,891,484
Cash and Cash Equivalents at the beginning of the Period		55,075,924	16,137,515
Cash and cash equivalents at the end of the Period		86,375,908	41,028,999
Cash and cash equivalents are represented in			
Cash and due from Central Bank of Egypt	13	16,659,374	11,166,129
Due from banks	14	90,370,873	40,094,349
Treasury bills		7,941,683	11,597,775
Central Bank of Egypt Reserve		(19,822,361)	(10,231,881)
Due from banks with maturity more than three months from date of acquisition		(869,301)	-
Treasury bills with maturity more than three months from date of acquisition		(7,904,360)	(11,597,373)
Cash and cash equivalents at the end of the Period		86,375,908	41,028,999

The accompanying notes from (1) to (28) are integral part of these financial statements.

*The comparative figures have been modified to reflect the appropriate classification of the items referred to in Note No (27)

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Condensed interim consolidated statement of changes in equity for the period ended 30 September 2024

	Paid up capital	Capital Reserve	Legal reserve	General reserve	Special reserve	General banking risk reserve	General risk reserve	Fair value reserve	Difference between face value and present value for Reduced cost subordinated financing	Retained earnings	Total	EGP (in thousands) Non-controlling interests	Total
30 September 2023													
Balance at 1 January 2023	4,000,000	4,063	149,239	51,371	25,295	9,062	219,979	83,878	35,780	4,311,574	8,890,241	13,558	8,903,799
Transferred to reserves	-	685	106,252	-	-	(9,062)	-	-	-	(97,875)	-	-	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	(303,138)	(303,138)	-	(303,138)
Remuneration for board members and Employees' Subsidiaries	-	-	-	-	-	-	-	-	-	(14,393)	(14,393)	(96)	(14,489)
Net change in other comprehensive income items	-	-	-	-	-	-	-	7,341	-	-	7,341	-	7,341
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(3,996)	19,988	15,992	-	15,992
Capital Increase	1,000,000	-	-	3,584	-	-	-	-	-	-	1,003,584	-	1,003,584
Prior periods impact of subsidiaries & associates adjustments	-	-	-	-	6,673	-	-	-	-	(24,639)	(17,966)	3,501	(14,465)
Net profit for the Year	-	-	-	-	-	-	-	-	-	3,552,084	3,552,084	2,591	3,554,675
Balance at 30 September 2023	5,000,000	4,748	255,491	54,955	31,968	-	219,979	91,219	31,784	7,443,601	13,133,745	19,554	13,153,299
30 September 2024													
Balance at 1 January 2023	5,000,000	4,748	255,491	54,955	31,968	-	219,979	178,049	30,435	8,569,192	14,344,817	19,631	14,364,448
Transferred to reserves	-	41,556	222,451	-	-	-	-	-	-	(264,007)	-	-	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	(528,520)	(528,520)	-	(528,520)
Remuneration for board members and Employees' Subsidiaries	-	-	-	-	-	-	-	-	-	(14,250)	(14,250)	(130)	(14,380)
Net change in other comprehensive income items	-	-	-	-	-	-	-	46,953	-	-	46,953	-	46,953
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(4,100)	31,762	27,662	-	27,662
Prior years Impact of subsidiaries adjustments	-	-	-	-	2,665	-	-	-	-	(95,667)	(93,002)	39	(92,963)
Shareholders' distributions (bonus issue)	1,000,000	-	-	-	-	-	-	-	-	(1,000,000)	-	-	-
Net profit for the Year	-	-	-	-	-	-	-	-	-	6,801,522	6,801,522	5,992	6,807,514
Balance at 30 September 2024	6,000,000	46,304	477,942	54,955	34,633	-	219,979	225,002	26,335	13,500,032	20,585,182	25,532	20,610,714

The accompanying notes from (1) to (28) are integral part of these financial statements.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

1. GENERAL INFORMATION

Abu Dhabi Islamic Bank - Egypt (formerly National Development Bank - a joint stock company) was incorporated as an Egyptian joint stock company under Law No. 43/1974 and its executive regulations in the Arab Republic of Egypt. The main office of the Bank is located at 9 Rustom Street - Garden City, Cairo. The bank is listed on the Egyptian Stock Exchange.

ADIB was registered in the Commercial Register on April 3, 2013 by changing the bank's name from National Development Bank to Abu Dhabi Islamic Bank (ADIB) - Egypt.

ADIB provides corporates, retail banking, investment and custody services in the Arab Republic of Egypt through 71 branches and delegates employing 2,426 employees on the date of the financial statements.

These condensed consolidated interim financial statements for the period ended September 30, 2024 were approved by the Board of Directors on November 7, 2024.

2. BASIS OF PREPARATION OF THE CONDENSED Consolidated FINANCIAL STATEMENTS

These condensed interim consolidated financial statements have been prepared in accordance with the rules of preparation and presentation of banks' financial statement issued by the Central Bank of Egypt (CBE) and approved by its board of directors on December 10, 2008, after adding the impact of IFRS (9) "Financial Instruments" along with the instructions of the CBE dated February 26, 2019, and in light of the revised Egyptian Accounting Standards (EAS) issued during the year 2015; related amendments and the provisions of local laws and as per of Egyptian laws and regulations related to the preparation of these consolidated financial statements and The bank has issued Condensed Financial Statements based on the instructions of the Central Bank of Egypt issued on May 3, 2020. Then revert back to what is not stated in the instructions of the Central Bank of Egypt, to the requirements of the instructions that allow banks to issue Condensed quarterly financial statements

These condensed interim consolidated financial statements do not include all information and disclosures required for full annual consolidated financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the bank's financial statements as at year ended December 31, 2023.

In preparing these condensed interim consolidated financial statements, significant judgements made by the management in applying the bank's accounting policies and the key sources of estimation were the same as those were applied to the consolidated financial statements as at year ended December 31, 2023.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3.FINANCIAL RISK MANAGEMENT

the Bank's financial risk management objectives and policies are consistent with those announced in the consolidated financial statements for the fiscal year ending on December 31, 2023.

3/1 Credit Risk

3/1/1 Financing and facilities

The balances of financing and facilities in terms of credit worthiness are as follows:

Financing and facilities	30 September 2024			31 December 2023		
	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities
Stage 1	87,357,145	2,414,725	89,771,870	62,598,057	-	62,598,057
Stage 2	5,759,078	-	5,759,078	4,393,105	-	4,393,105
Stage 3	2,082,713	-	2,082,713	860,269	-	860,269
Total	95,198,936	2,414,725	97,613,661	67,851,431	-	67,851,431
Less:						
Expected Credit Losses	(6,117,113)	(5,072)	(6,122,185)	(4,213,187)	-	(4,213,187)
Net	89,081,823	2,409,653	91,491,476	63,638,244	-	63,638,244

- During the period ended September 30, 2024, the Bank's portfolio of financing and facilities increased by 43.86% (December 31, 2023, an increase of 13.51%).

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3. Financial risk management - Continued

3/1/2 Financing and facilities to customers

The table below shows the movement between stages for Financing and facilities:

EGP (in thousands)								
	30 September 2024				31 December 2023			
	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
Retail								
Balance of Financing and facilities at the beginning of period/year	17,399,470	458,366	394,199	18,252,035	13,233,531	510,051	645,178	14,388,760
Transferred from stage 1	(433,423)	359,989	73,434	-	(415,805)	330,209	85,596	-
Transferred from stage 2	65,088	(111,976)	46,888	-	76,988	(129,461)	52,473	-
Transferred from stage 3	2,456	190	(2,646)	-	4,074	781	(4,855)	-
Re-Measurement impact	(2,915,233)	(100,662)	(39,436)	(3,055,331)	(2,645,368)	(129,718)	(105,757)	(2,880,843)
New Financial assets purchased	11,952,820	101,655	34,859	12,089,334	10,130,536	121,169	11,606	10,263,311
Financial assets disposed of/ paid	(2,036,486)	(204,020)	(37,803)	(2,278,309)	(2,984,486)	(244,665)	(129,389)	(3,358,540)
Used provisions	-	-	(127,748)	(127,748)	-	-	(160,653)	(160,653)
Balance of Financing and facilities	24,034,692	503,542	341,747	24,879,981	17,399,470	458,366	394,199	18,252,035

EGP (in thousands)								
	30 September 2024				31 December 2023			
	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
Corporate								
Balance of Financing and facilities at the beginning of period/year	45,198,587	3,934,739	466,070	49,599,396	41,367,860	3,139,830	482,229	44,989,919
Transferred from stage 1	(1,752,432)	1,725,063	27,369	-	(1,453,720)	1,418,223	35,497	-
Transferred from stage 2	27,065	(806,264)	779,199	-	312,892	(324,822)	11,930	-
Transferred from stage 3	6,447	-	(6,447)	-	26,943	-	(26,943)	-
Foreign exchange translation differences	7,205,625	736,400	160	7,942,185	2,562,802	358,936	1,226	2,922,964
Re-Measurement impact	(1,100,885)	(226,264)	481,462	(845,687)	(781,112)	(207,540)	(24,196)	(1,012,848)
New Financial assets purchased	34,476,682	350,365	17	34,827,064	26,881,998	1,145,173	9,660	28,036,831
Financial assets disposed of/ paid	(20,738,635)	(458,502)	249	(21,196,888)	(23,719,076)	(1,595,061)	24,537	(25,289,600)
Used provisions	-	-	(7,115)	(7,115)	-	-	(47,870)	(47,870)
Balance of Financing and facilities	63,322,454	5,255,537	1,740,964	70,318,955	45,198,587	3,934,739	466,070	49,599,396

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3. Financial risk management - Continued

3/1/3 Financing and facilities to customers-continued

The table below shows the movement between stages for Expected Credit Losses:

	30 September 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail	12 Month	Life time	Life time		12 Month	Life time	Life time	
Balance of expected credit losses at the beginning of period/year	235,573	82,170	309,069	626,812	202,316	82,568	347,582	632,466
Transferred from stage 1	(5,140)	3,881	1,259	-	(4,859)	3,858	1,001	-
Transferred from stage 2	13,197	(35,755)	22,558	-	16,425	(34,881)	18,456	-
Transferred from stage 3	565	97	(662)	-	1,823	441	(2,264)	-
Re-Measurement impact	60,228	45,172	52,391	157,791	9,047	33,986	98,360	141,393
New Financial assets purchased	25,243	11,057	2,761	39,061	18,803	17,226	6,587	42,616
Financial assets disposed of/ paid	(6,109)	(15,488)	(17,752)	(39,349)	(7,982)	(21,028)	-	(29,010)
Used provisions	-	-	(127,729)	(127,729)	-	-	(160,653)	(160,653)
Balance of Expected Credit Losses	323,557	91,134	241,895	656,586	235,573	82,170	309,069	626,812

EGP (in thousands)

	30 September 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	12 Month	Life time	Life time		12 Month	Life time	Life time	
Balance of expected credit losses at the beginning of period/year	1,004,391	2,136,862	445,122	3,586,375	1,037,885	545,970	480,607	2,064,462
Transferred from stage 1	(35,284)	34,692	592	-	(17,903)	16,847	1,056	-
Transferred from stage 2	2,391	(352,486)	350,095	-	15,429	(16,187)	758	-
Transferred from stage 3	-	-	-	-	-	-	-	-
Foreign exchange translation differences	108,689	450,002	(5,467)	553,224	18,942	113,011	1,226	133,179
Re-Measurement impact	21,987	311,053	912,344	1,245,384	(221,479)	398,740	4,981	182,242
New Financial assets purchased	423,844	30,496	-	454,340	415,021	1,138,224	4,364	1,557,609
Financial assets disposed of/ paid	(328,155)	(37,729)	(5,778)	(371,662)	(243,504)	(59,743)	-	(303,247)
Used provisions	-	-	(7,134)	(7,134)	-	-	(47,870)	(47,870)
Balance of Expected Credit Losses	1,197,863	2,572,890	1,689,774	5,460,527	1,004,391	2,136,862	445,122	3,586,375

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3.FINANCIAL RISK MANAGEMENT- Continued

3/1/4 Concentration risk of financial assets exposed to credit risk

(A) Geographical sectors

The following table represents an analysis of the Bank's most significant credit risk limits at book value, distributed by geographical sector at the end of the current period. When preparing this table, risk is allocated to the geographical sector according to the regions associated with the Bank's customers.

EGP (in thousands)

	Great Cairo	<u>Arab Republic of Egypt</u>		Total	Gulf Countries	Other Countries	Total
		Alexandria, Delta & Sinai	Upper Egypt				
Due from Banks	84,555,612	-	-	84,555,612	1,172,207	4,615,862	90,343,681
<u>Debt instruments at FVOCI</u>							
- Egyptian treasury Bonds	1,043,729	-	-	1,043,729	-	-	1,043,729
- Egyptian Islamic Sukuk	253,829	-	-	253,829	-	-	253,829
- Egyptian treasury bills	755,426	-	-	755,426	-	-	755,426
<u>Debt instruments at amortized cost</u>							
- Egyptian treasury Bonds	23,181,670	-	-	23,181,670	-	-	23,181,670
- Egyptian treasury bills	7,066,583	-	-	7,066,583	-	-	7,066,583
<u>Facilities to banks</u>	2,409,653	-	-	2,409,653	-	-	2,409,653
<u>Retail Financings</u>							
- Debit current accounts	5,519	3,459	507	9,485	-	-	9,485
- Credit cards	1,133,687	-	-	1,133,687	-	-	1,133,687
- Personal financings	17,033,788	5,137,577	971,757	23,143,122	-	-	23,143,122
- Mortgage financings	578,835	14,852	-	593,687	-	-	593,687
<u>Corporate Financings</u>							
- Debit current accounts	13,225,810	2,100	83	13,227,993	-	-	13,227,993
- Credit cards	59	-	-	59	-	-	59
- Direct financings	54,776,653	517,992	411,001	55,705,646	-	-	55,705,646
- Syndicated financings	1,385,257	-	-	1,385,257	-	-	1,385,257
Less Expected Credit Losses for customer financings	(6,039,061)	(59,747)	(18,305)	(6,117,113)	-	-	(6,117,113)
Balance at 30 September 2024	201,367,049	5,616,233	1,365,043	208,348,325	1,172,207	4,615,862	214,136,394
Balance at 31 December 2023	133,541,353	9,814,363	1,174,867	144,530,583	714,184	317,865	145,562,632

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

4.FINANCIAL RISK MANAGEMENT- Continued

3/1/4 Concentration risk of financial assets exposed to credit risk

(B) Activity sectors

The following table represents an analysis of the Bank's most significant credit risk limits at book value, distributed by activity sector.

	EGP (in thousands)							
	Financial institution	Manufacturing institution	Services	Wholesale and Retail	Governmental sector	Retail	Other activities	Total
Due from Banks	90,343,681	-	-	-	-	-	-	90,343,681
<u>Debt instruments at FVOCI</u>								
- Egyptian treasury Bonds	-	-	-	-	1,043,729	-	-	1,043,729
- Egyptian Islamic Sukuk	-	-	-	-	253,829	-	-	253,829
- Egyptian treasury bills	-	-	-	-	755,426	-	-	755,426
<u>Debt instruments at amortized cost</u>								
- Egyptian treasury Bonds	-	-	-	-	23,181,670	-	-	23,181,670
- Egyptian treasury bills	-	-	-	-	7,066,583	-	-	7,066,583
<u>Facilities to banks</u>	2,409,653	-	-	-	-	-	-	2,409,653
<u>Retail Financings</u>								
- Debit current accounts	-	-	-	-	-	9,485	-	9,485
- Credit cards	-	-	-	-	-	1,133,687	-	1,133,687
- Personal financings	-	-	-	-	-	23,143,122	-	23,143,122
- Mortgage financings	-	-	-	-	-	593,687	-	593,687
<u>Corporate Financings</u>								
- Debit current accounts	-	9,826,195	874,214	508,746	2,017,575	-	1,263	13,227,993
- Credit cards	-	44	14	1	-	-	-	59
- Direct financings	-	33,810,983	12,282,414	5,779,996	3,596,697	-	235,556	55,705,646
- Syndicated financings	-	1,329,879	55,378	-	-	-	-	1,385,257
Less Expected Credit Losses for customer financings	-	(3,892,478)	(819,454)	(291,216)	(106,876)	(656,586)	(350,503)	(6,117,113)
Balance at 30 September 2024	92,753,334	41,074,623	12,392,566	5,997,527	37,808,633	24,223,395	(113,684)	214,136,394
Balance at 31 December 2023	48,591,299	17,250,621	11,524,647	4,284,714	45,398,406	17,625,224	887,721	145,562,632

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3.FINANCIAL RISK MANAGEMENT- Continued

3/2 Market Risk

The Bank is exposed to market risk represented in fluctuations in fair value or future cash flows arising from changes in market prices. The market risk arises from the open positions of the yield rates and foreign currencies, as each is exposed to general and private movements in the market and changes in the level of sensitivity to market rates or prices such as rates of yield and exchange rates. The Bank splits its exposure to market risk into trading and non-trading portfolios.

The market risk management is monitored by two separate teams. Market risk reports are reported to the Risk Committee of the Board of Directors and heads of operating units on a regular basis.

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 yield 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 fluctuations in foreign exchange rates

- The Bank is exposed to risk of fluctuations in foreign exchange rates on its financial position and cash flows. The Board of Directors has set limits on foreign exchange at the total value of each of the positions at the end of the day as well as during the day. The following table summarizes the Bank's exposure to foreign exchange risk at the end of the financial year. The following table presents the book value of financial instruments distributed in their respective currencies:

	EGP	USD	Euro	Sterling Pound	Japanese Yen	Other currencies	Total
30 September 2024							
Financial Assets							
Cash and due from Central Bank of Egypt	16,238,711	314,117	7,952	49,197	-	49,397	16,659,374
Due from banks	47,756,436	37,889,000	322,426	4,138,603	6,008	231,208	90,343,681
Financings and facilities to banks	-	2,409,653	-	-	-	-	2,409,653
Financings and facilities to customers	70,823,534	15,775,111	47,533	2,435,644	-	1	89,081,823
Islamic Pre promised exchange contracts	11,421	3,666	-	-	-	-	15,087
Financial investments at FVPL	109,414	-	-	-	-	-	109,414
Financial investments at FVOCI	1,967,738	459,580	-	5,350	-	-	2,432,668
Financial investments at amortized cost	19,346,006	10,608,812	-	293,435	-	-	30,248,253
Leased Assets	2,195,018	-	-	-	-	-	2,195,018
Other Financial assets	1,951,111	247,934	215	15,700	-	375	2,215,335
Total Financial assets	160,399,389	67,707,873	378,126	6,937,929	6,008	280,981	235,710,306
Financial Liabilities							
Due to banks	2,069,615	11,551,147	-	11,857	-	168,592	13,801,211
Customers' deposits	130,574,446	45,565,311	368,577	6,782,769	4,987	698,205	183,994,295
Islamic Pre promised exchange contracts	29,526	5,306	-	-	-	-	34,832
Subordinated financings	1,278,970	5,541,150	-	-	-	-	6,820,120
Other Financial liabilities	677,187	248,394	1,358	6,973	-	(193)	933,719
Total Financial Liabilities	134,629,744	62,911,308	369,935	6,801,599	4,987	866,604	205,584,177
Net financial position	25,769,645	4,796,565	8,191	136,330	1,021	(585,623)	30,126,129
31 December 2023							
Total Financial assets	122,489,830	33,842,399	363,126	2,851,574	-	112,720	159,659,649
Total Financial Liabilities	103,616,378	31,294,624	358,125	2,839,849	5,050	563,899	138,677,925
Net financial position	18,873,452	2,547,775	5,001	11,725	(5,050)	(451,179)	20,981,724

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3. FINANCIAL RISK MANAGEMENT- Continued

3/2/2 Profit Rate Risk

- The Bank is exposed to the effects of fluctuations in the prevailing market yield rates, which is the risk of the cash flows of the yield rate of the future cash flows of a financial instrument due to changes in the instrument's yield rate and the risk of the fair value of the rate of yield, which is the risk of fluctuations in the value of the instrument due to changes in market yield rates. The margin of yield may increase as a result of those changes, but profits may fall in the event of unexpected movements. The Asset-Liability Committee (ALCO) sets limits on the level of variation in the re-pricing of the yield that the Bank may hold, and this is monitored daily by the Bank's risks.

3/3 Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulties in meeting its obligations associated with its financial obligations at due date and replacing amounts being withdrawn. This could result in failure to meet the repayment obligations of depositors and to meet financing commitments.

3/4 Capital Management

The objectives of the Bank in managing capital, in addition to the apparent equity in the financial position, are as follows:

- Compliance with the legal requirements of capital in the Arab Republic of Egypt and in the countries in which the Bank's branches operate.
- To protect the Bank's ability to continue and enable it to continue to generate yield for shareholders and other parties dealing with the Bank.
- Maintain a strong capital base that supports growth in activity.

Capital adequacy and capital uses are reviewed in accordance with the requirements of the regulatory body (the Central Bank of Egypt in the Arab Republic of Egypt or the supervisory bodies in which the foreign branches of the Bank operate) daily through the Bank's management, through models based on Basel Committee guidelines for banking supervision. The required data are provided to the Central Bank of Egypt on a quarterly basis.

The following table summarizes the basic and supporting capital components and capital adequacy ratios.

	30 September 2024	31 December 2023
According to Basel II	EGP (in thousands)	EGP (in thousands)
Total basic going concern capital after disposal	19,990,089	13,912,367
Total additional basic capital	26,335	30,435
Total Tier 1 after disposal (basic capital)	20,016,424	13,942,802
Total Tier 2 after disposal	5,618,517	4,025,585
Total capital base after disposal	25,634,941	17,968,387
Total assets and contingent liabilities weighted by credit, market, operational risks	166,818,469	99,958,242
Capital Adequacy Ratio	15.37%	17.98%

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

3.FINANCIAL RISK MANAGEMENT- Continued

3/5 Leverage Ratio

The Board of Directors of the Central Bank of Egypt (CBE) at its meeting dated 7 July 2015 issued a resolution approving the supervisory instructions for the financial leverage, with the banks' commitment to the minimum rate of 3% on a quarterly basis as a binding control ratio starting from 2019.

In preparation for consideration of the first support of the Basel (Minimum Capital Adequacy) in order to preserve the strength and integrity of the Egyptian banking system and to comply with the best international supervisory practices in this regard. The leverage reflects the relationship between the first tier of capital used in the standard Capital adequacy (after disposals), and bank assets (both on and off the balance sheet) are not weighted by risk weights.

The following table summarizes the banks leverage ratio.

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Tier 1 capital after disposals (1)	20,016,424	13,942,802
Total on-balance sheet exposures items after deducting tier 1 disposals	241,432,486	164,388,488
Pre-Promised Islamic Contracts	36,696	7,049
Exposure resulting from securities financing	3,278	1,954
Total on-balance sheet exposures, pre-promised islamic contracts and financing financial securities	241,472,460	164,397,491
Total contingent liabilities	22,501,791	14,042,149
Total commitments	5,175,676	4,537,711
Total exposures off-balance sheet	27,677,467	18,579,860
Total exposures on-balance sheet and off-balance sheet (2)	269,149,927	182,977,351
Financial leverage ratio (1/2)	7.44%	7.62%

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Bank shall use estimates and assumptions that affect the amounts of assets and liabilities disclosed during the next fiscal period / year. Estimates and assumptions shall be continually assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and information available.

A. Estimates:

Information on estimates used in applying accounting policies that have a material impact on the amounts recognized in the financial statements:

- **Classification of financial assets:** assessment of the business model in which the asset shall be retained and evaluated whether contractual terms of the financial asset shall result in the generating of cash flows in the form of payment of profit and installments on the outstanding balances of those assets.

B. Uncertainty Related with Assumptions and Estimates

Uncertainties related with assumptions and estimates of significant risks that may result in material adjustments in the financial period ended on September 30, 2024 shall be appeared in the following notes:

- **Impairment of financial instruments:** An assessment of whether there has been a significant increase in credit risk on financial assets since the initial recognition, taking into account, the impact of future looking factors upon measuring the expected credit losses.
- **Valuation of the fair value of financial instruments:** using unobservable inputs upon measuring.
- **Measurement of defined benefit liabilities:** Key actuarial assumptions.
- **Recognition of deferred tax assets:** the existence of future taxable profits that may be benefited from deferred tax losses.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

5. SEGMENTS ANALYSIS

The activity segments shall include the operations, assets used in the rendering of banking services, the management of the risks surrounding them, and the profit related with this activity, which may differ from other activities. The segment analysis of operations in accordance with the banking business shall include:

Corporates / SMEs

Including current account activities, deposits, debit current accounts receivable, finance, credit facilities.

Investment

Including corporate mergers, investment purchasing, financing of corporate restructuring and financial instruments and pre-promised Islamic contracts.

Retail

Including current account activities, savings, deposits, credit cards, personal finance and mortgage finance.

Other activities

Including other banking activities as the management of funds and transactions between activity segments in accordance with the normal course of business of the Bank; assets and liabilities shall include operating assets and liabilities as presented in the Bank's financial position.

	EGP (in thousands)				
	corporate	Investment	Retail	Other activities	Total
30 September 2024					
Revenues and expenses by activity segment					
Revenues of activity segment	4,615,954	3,542,073	3,317,602	1,616,989	13,092,618
Expenses of activity segment	(2,425,248)	(152,399)	(1,205,504)	(27,199)	(3,810,350)
Net profit for the Period before tax	2,190,706	3,389,674	2,112,098	1,589,790	9,282,268
Tax	(629,546)	(593,316)	(486,563)	(765,329)	(2,474,754)
Net profit for the Period	1,561,160	2,796,358	1,625,535	824,461	6,807,514
Assets and liabilities by activity segment					
Assets of activity segment	64,115,434	122,644,603	27,817,406	-	214,577,443
Un-classified assets	-	-	-	24,748,065	24,748,065
Total assets	64,115,434	122,644,603	27,817,406	24,748,065	239,325,508
Liabilities of activity segment	100,329,100	19,475,878	84,371,035	-	204,176,013
Un-classified liabilities	-	-	-	14,538,781	14,538,781
Total liabilities	100,329,100	19,475,878	84,371,035	14,538,781	218,714,794

	EGP (in thousands)				
	corporate	Investment	Retail	Other activities	Total
31 December 2023					
Revenues and expenses by activity segment					
Revenues of activity segment	3,776,767	2,239,373	2,983,338	1,696,852	10,696,330
Expenses of activity sectors	(1,933,006)	(124,758)	(1,386,963)	(716,249)	(4,160,976)
Profit for the year before tax	1,843,761	2,114,615	1,596,375	980,603	6,535,354
Tax	(414,878)	(780,124)	(379,168)	(287,344)	(1,861,514)
Profit for the year	1,428,883	1,334,491	1,217,207	693,259	4,673,840
Assets and liabilities by activity segment					
Assets of activity sectors	43,193,792	81,922,936	20,369,395	-	145,486,123
Non-Classified assets	-	-	-	16,768,556	16,768,556
Total assets	43,193,792	81,922,936	20,369,395	16,768,556	162,254,679
Liabilities of activity sectors	66,622,150	10,458,786	60,538,143	-	137,619,079
Non-classified liabilities	-	-	-	10,271,152	10,271,152
Total liabilities	66,622,150	10,458,786	60,538,143	10,271,152	147,890,231

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

6. Net Revenues from funds

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income				
Banks	71,596	-	54,814	-
customers	12,816,110	7,677,911	4,833,881	2,744,286
Total	12,887,706	7,677,911	4,888,695	2,744,286
Financial investments in debt instruments at AC and FVOCI	26,783	9,079	10,026	6,074
Deposits and current accounts*	12,684,135	5,615,016	5,171,262	2,418,937
Income from Lease Receivable	472,184	288,349	180,938	112,602
Total	26,070,808	13,590,355	10,250,921	5,281,899
Cost of deposits and similar costs				
To banks	(906,103)	(88,854)	(383,796)	(44,445)
To customers	(13,523,850)	(6,889,828)	(5,645,734)	(2,734,801)
other financings	(609,140)	(367,766)	(232,157)	(153,638)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(180)	(878)	(21)	(232)
Total	(15,039,273)	(7,347,326)	(6,261,708)	(2,933,116)
Net Revenues from funds	11,031,535	6,243,029	3,989,213	2,348,783

* The Income from deposits and current accounts with banks includes the return resulting from the Murabaha contract with a local bank, and the returns, profits and losses resulting from financial investments in government debt instruments belong to this bank in accordance with the investment restricted Wakala which requires investing these amounts in government debt instruments within the limits of the expected and agreed return.

7. NET FEES AND COMMISSION INCOME

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Fees and commissions income:				
Credit related fees and commissions	1,308,315	930,211	439,757	341,284
Fees of corporate financing	17,196	26,958	5,548	9,357
Custody fees	1,220	1,156	486	326
Other fees	640,627	560,450	209,397	178,654
Total	1,967,358	1,518,775	655,188	529,621
Fees and commissions expenses:				
Paid brokerage fees	(622)	(397)	(146)	(196)
Miscellaneous banking commission	(16,846)	(21,778)	(6,942)	(8,574)
Credit cards paid commissions	(388,581)	(179,231)	(106,758)	(87,254)
Other fees and commissions paid	(78,435)	(59,005)	(30,144)	(21,309)
Total	(484,484)	(260,411)	(143,990)	(117,333)
Net fees and commission income	1,482,874	1,258,364	511,198	412,288

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

8.NET TRADING INCOME

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Foreign currencies operations:				
Gain from fx deals	539,725	224,591	109,209	26,620
Gain / (Loss) of Islamic forward contracts revaluation	(29,469)	3,675	3,033	865
Gain of currency option contracts revaluation	11,363	2,322	12,469	304
Gain of revaluation of forward exchange contracts	10,705	1,177	6,111	1,143
Equity Instruments at FVPL	6,570	5,934	1,765	1,587
Mutual funds at FVPL	20,501	16,453	5,593	5,197
Total	559,395	254,152	138,180	35,716

9.Administrative Expenses

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Employees' cost				
Salaries,wages and benefits	(839,395)	(670,939)	(295,293)	(231,731)
Social insurance	(45,819)	(38,183)	(15,649)	(13,263)
Pension cost				
Defined contribution plans	(25,283)	(21,353)	(8,673)	(7,412)
Defined benefit plans	(95,056)	(59,725)	(31,686)	(19,908)
Depreciation and amortization	(98,543)	(64,336)	(34,099)	(22,777)
Other administrative expenses	(805,474)	(499,449)	(285,870)	(172,110)
Total	(1,909,570)	(1,353,985)	(671,270)	(467,201)

10.OTHER OPERATING EXPENSES

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Gain / (Loss) on translation of monetary assets and liabilities denominated in foreign currencies other than those held for trading or initially designated at FVPL	87,446	(85,526)	(12,405)	(2,389)
Gain on sale of assets reverted to bank	-	25,611	-	-
Gain on sale of fixed assets	8,750	42,173	-	617
Gain on sale of investment properties	8,886	222	-	-
Cost Of Program	(243,308)	(166,510)	(85,246)	(72,521)
operating lease expense	(126,579)	(100,745)	(44,423)	(35,128)
Other assets impairment	(7,267)	(2,823)	527	(2,823)
Other provisions	(55,309)	(56,431)	10,581	58,309
Other expense	(135,814)	(97,848)	(54,391)	(28,352)
Total	(463,195)	(441,877)	(185,357)	(82,287)

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

11.Expected CREDIT LOSSES

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Financing and facilities to customers	(1,451,300)	(1,040,610)	(1,012,744)	(411,191)
Financing and facilities to banks	(5,188)	-	23,409	-
Due from banks	(6,619)	(8,243)	(7,127)	1,958
Financial investments at FVOCI	2,180	(1,198)	182	-
Financial investments at amortized cost	(80,057)	(9,407)	20,877	(10,157)
Leased Assets	2,508	(19,177)	7,128	(4,328)
Other Assets	-	-	204,488	-
Total	(1,538,476)	(1,078,635)	(763,787)	(423,718)

12.INCOME TAX EXPENSES

	Nine Months ended 30 September 2024 EGP (in thousands)	Nine Months ended 30 September 2023 EGP (in thousands)	Three Months ended 30 September 2024 EGP (in thousands)	Three Months ended 30 September 2023 EGP (in thousands)
Current tax	(2,585,562)	(1,427,785)	(829,270)	(451,543)
Deferred tax	110,808	30,862	(3,824)	(15,918)
Total	(2,474,754)	(1,396,923)	(833,094)	(467,461)

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

13.CASH AND DUE FROM Central Bank

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash	1,331,620	800,846
Balances with central bank within mandatory reserve ratio	15,327,754	9,184,571
Total	16,659,374	9,985,417
Non-Profit bearing balances	16,659,374	9,985,417
Total	16,659,374	9,985,417

14.DUE FROM BANKS

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current accounts	228,887	124,842
Placements with other banks	90,141,986	48,479,700
Murabaha due from local banks*	38,576,687	37,047,764
Restricted wakala due to local banks*	(38,576,687)	(37,047,764)
	90,370,873	48,604,542
(less) Expected Credit Losses	(27,192)	(13,243)
Total	90,343,681	48,591,299
Balances with CBE other than mandatory reserve ratio	4,494,607	2,339,449
Local banks	80,082,987	45,232,649
Murabaha due from local banks*	38,576,687	37,047,764
Restricted wakala due to local banks*	(38,576,687)	(37,047,764)
Foreign Banks	5,793,279	1,032,444
(less) Expected Credit Losses	(27,192)	(13,243)
Total	90,343,681	48,591,299
Non-Profit bearing balances	228,887	124,842
Variable profit bearing balances	85,649,970	46,142,236
Fixed profit bearing balances	4,492,016	2,337,464
(less) Expected Credit Losses	(27,192)	(13,243)
Total	90,343,681	48,591,299
Due from banks' expected credit losses movement		
Balance at beginning of the Period / year	13,243	1,558
Net Expected credit losses recognized during the Period/year	6,619	11,326
Foreign exchange translation differences	7,330	359
Total	27,192	13,243

*Due from banks include an amount of EGP 38,576,687 representing a Murabaha with a local bank corresponding to an investment-restricted Wakala due to the same bank for the same amount to invest the amount of the restricted Wakala in government debt instruments, An offset was conducted between them as they fulfil the requirements of offsetting between the assets and liabilities mentioned in the rules of preparing and presenting the financial statements issued by the Central Bank of Egypt on 16 December 2008.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

15.FINANCING AND FACILITIES TO BANKS - (net of expected credit loss)

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Direct Facilities	2,414,725	-
Total	2,414,725	-
less:		
Expected Credit Losses	(5,072)	-
Total	(5,072)	-
Net	2,409,653	-
Financing and Facilities to banks' impairment loss provision analysis		
Balance at beginning of the Period / year	-	-
Net Expected credit losses recognized during the Period/year	5,188	-
Foreign exchange translation differences	(116)	-
Total	5,072	-

16.FINANCING AND FACILITIES TO CUSTOMERS - (net of expected credit loss)

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Retail		
Debit current accounts	9,485	5,617
Credit cards	1,133,687	846,104
Personal financing	23,143,122	16,922,030
Mortgage Financing	593,687	478,284
Total	24,879,981	18,252,035
Corporate (including SMEs)		
Debit current accounts	13,227,993	8,043,753
Direct financing	55,705,646	40,760,423
Syndicated financing	1,385,257	795,048
Credit cards	59	172
Total	70,318,955	49,599,396
Total financing and facilities to customers	95,198,936	67,851,431
Deduct:		
Expected Credit Losses	(6,117,113)	(4,213,187)
Total	(6,117,113)	(4,213,187)
Net	89,081,823	63,638,244
Classified in balance sheet as follow		
Conventional financings to Customers(net of expected credit losses)	23,346	16,305
Islamic financings to Customers(net of expected credit losses)	89,058,477	63,621,939
Net	89,081,823	63,638,244
Variable-profit bearing balances	60,145,110	41,423,098
Fixed-profit bearing balances	28,936,713	22,215,146
Total	89,081,823	63,638,244
Financing and Facilities to customers' Expected Credit Losses movement		
	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at beginning of the Period/year	4,213,187	2,696,928
Net Expected Credit Losses during the Period/year	1,451,300	1,560,772
Recoveries from previously written-off financings	34,265	30,831
Used from provision during the Period/year	(134,863)	(208,523)
Foreign exchange translation differences	553,224	133,179
Total	6,117,113	4,213,187

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

16.FINANCINGS AND FACILITIES TO CUSTOMERS - Continued

Movement of Expected Credit losses for the customers' financing and facilities based on types:

EGP (in thousands)

	<u>Retail</u>				
30 September 2024	Debit current accounts	Credit cards	Personal financing	Mortgage Financing	Total
Balance at beginning of the Period	-	89,369	528,432	9,011	626,812
Expected Credit Losses During the Period	-	58,644	67,700	1,040	127,384
Recoveries from Written off loans	-	9,519	20,600	-	30,119
Used provisions during the Period	-	(11,129)	(116,600)	-	(127,729)
Balance at 30 September 2024	-	146,403	500,132	10,051	656,586

	<u>Corporate</u>				
30 September 2024	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the Period	148,912	2,876,675	560,780	8	3,586,375
Expected Credit Losses During the Period	192,157	727,585	404,182	(8)	1,323,916
Recoveries from Written off loans	-	4,146	-	-	4,146
Used provisions during the Period	-	(7,134)	-	-	(7,134)
Foreign exchange translation differences	50,792	411,798	90,634	-	553,224
Balance at 30 September 2024	391,861	4,013,070	1,055,596	-	5,460,527

EGP (in thousands)

	<u>Retail</u>				
31 December 2023	Debit current accounts	Credit cards	Personal financing	Mortgage Financing	Total
Balance at beginning of the year	-	56,138	574,268	2,060	632,466
Expected Credit Losses During the year	-	37,416	84,513	6,951	128,880
Recoveries from Written off loans	-	13,881	12,238	-	26,119
Used from provision during the year	-	(18,066)	(142,587)	-	(160,653)
Balance at 31 December 2023	-	89,369	528,432	9,011	626,812

	<u>Corporate</u>				
31 December 2023	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the year	72,462	1,933,161	58,839	-	2,064,462
Expected Credit Losses During the year	76,450	853,493	501,941	8	1,431,892
Recoveries from Written off loans	-	4,712	-	-	4,712
Used from provision during the year	-	(47,870)	-	-	(47,870)
Foreign exchange translation differences	-	133,179	-	-	133,179
Balance at 31 December 2023	148,912	2,876,675	560,780	8	3,586,375

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

17. FINANCIAL INVESTMENTS

17/1 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSSES

Financial investments at FVPL	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Listed equity instruments		
Local corporate shares	17,321	17,716
Total equity instruments	17,321	17,716
B) Mutual funds certificates		
Un-Listed in stock exchange market	92,093	195,338
Total mutual funds certificates	92,093	195,338
Total financial investments at FVPL (1)	109,414	213,054

17/2 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial investments at FVOCI	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Treasury bonds - at FV		
Listed in stock exchange market	1,043,729	216,022
Total Treasury bonds	1,043,729	216,022
B) Islamic Sukuk - at FV		
Listed in stock exchange market	253,829	151,943
Total Islamic Sukuk	253,829	151,943
B) Government treasury bills - at FV		
Un-Listed in stock exchange market	755,426	11,032,003
Total Government treasury bills	755,426	11,032,003
Detailed T-bills maturities as the following:		
Treasury bills of 91 days maturity	37,324	8,008,000
Treasury bills of 182 days maturity	2,125	1,350,000
Treasury bills of 273 days maturity	-	535,250
Treasury bills of 364 days maturity	807,875	1,353,000
Total	847,324	11,246,250
Unearned revenues	(93,088)	(211,233)
Valuation differences of treasury bills at FV	1,190	(3,014)
Net	755,426	11,032,003
C) Equity instruments at FV		
Un-Listed in stock exchange market	344,487	268,375
Total equity instruments	344,487	268,375
D) Mutual funds certificates at FV		
Un-Listed in stock exchange market	35,197	29,546
Total mutual funds certificates	35,197	29,546
Total financial investments at FVOCI (2)	2,432,668	11,697,889

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

17.FINANCIAL INVESTMENTS - Continued

17/3 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH AMORTISED COST

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Financial investments at AC		
A) Government treasury bonds		
Listed in stock exchange market	23,264,193	16,849,807
Less: Expected Credit Losses	(82,523)	(40,754)
Total government treasury bonds	23,181,670	16,809,053
B) Government treasury bills		
Un-Listed in stock exchange market	7,190,703	5,184,182
Less: Expected Credit Losses	(120,864)	(38,632)
Total government treasury bills	7,069,839	5,145,550
Detailed T-bills maturities as the following:		
Treasury bills of 273 days maturity	-	575,000
Treasury bills of 364 days maturity	7,319,341	4,679,389
Total	7,319,341	5,254,389
Unearned revenues	(128,638)	(70,207)
Less: Expected Credit Losses	(120,864)	(38,632)
Net (1)	7,069,839	5,145,550
REPOs		
Treasury bills sold with repurchase commitment within one week	(3,231)	(21,319)
Total	(3,231)	(21,319)
Unearned revenues	(25)	(163)
Net (2)	(3,256)	(21,482)
Net (1+2)	7,066,583	5,124,068
Total financial investments at AC (3)	30,248,253	21,933,121
Total financial investments (1+2+3)	32,790,335	33,844,064
Non-profit bearing balances	379,684	297,921
Fixed-profit bearing balances	31,103,976	33,147,985
Variable-profit bearing balances	1,306,675	398,158
Total financial investments	32,790,335	33,844,064
Debt instruments Expected Credit Losses movement		
	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the Period/year	79,386	28,588
Net Expected Credit Losses during the Period/year	80,057	43,675
Foreign exchange translation differences	43,944	7,123
Total	203,387	79,386

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

17.FINANCIAL INVESTMENTS - Continued

17/4 Debt instruments at fair value

- The bank determines the fair value on the basis that it is the price that will be obtained to sell an asset or that will be paid to transfer a liability in an orderly transaction between market participants at the measurement date, taking into account when measuring fair value, the characteristics of the asset or liability in the event that market participants take those characteristics. Characteristics that are taken into account when pricing the asset and/or liability at the measurement date. These characteristics include the condition and location of the asset, restrictions on selling or using the asset and how market participants view it.
 - The Bank uses the market approach to determine the fair value of financial assets and liabilities, considering that this approach uses prices and other relevant information resulting from market transactions that include assets or liabilities or a group of assets and liabilities, and are identical or comparable. Thus, the bank may use valuation techniques consistent with the market approach such as market multiples derived from comparable groups. And then the selection of the appropriate multiplier from within the scope requires the use of personal judgment, taking into account the quantitative and qualitative factors of the measurement.
 - When the market approach cannot be relied upon in determining the fair value of a financial asset or a financial liability, the bank uses the income approach to determine the fair value, according to which future amounts such as cash flows or income and expenses are transferred to a current (discounted) amount so that the fair value measurement reflects market expectations current about future amounts.
 - When it is not possible to rely on the market approach or the income approach in determining the fair value of a financial asset or a financial liability, the bank uses the cost approach in determining the fair value so that it reflects the amount that is currently requested to replace the asset in its current condition (the current replacement cost), so that the fair value reflects the cost incurred by a market participant as a buyer from acquiring a substitute asset that has a similar benefit since the market participant as a buyer will not initially pay more than the amount by which the benefit is exchanged for the asset.
- Level One - inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the bank has access to at the measurement date.
 - Level Two - The second level inputs are all inputs other than advertised prices within the first level, and these inputs are directly or indirectly observable to the asset or liability.
 - Level Three - Level three inputs are the unobservable inputs of the asset or liability.

The following table shows the change in the methods for measuring the fair value of financial assets through OCI and P&L on September 30, 2024, from the comparative figures on December 31, 2023.

	EGP (in thousands)			
30 September 2024	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	1,297,558	755,426	-	2,052,984
Mutual funds certificates	-	-	127,290	127,290
Equity instruments	17,321	-	344,487	361,808
31 December 2023	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	367,965	11,032,003	-	11,399,968
Mutual funds certificates	-	-	224,884	224,884
Equity instruments	17,716	-	268,375	286,091

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

18. FIXED ASSETS (Net of accumulated depreciation)

	EGP (in thousands)				
	Lands & Premises	& Machinery Equipment	Rennovation	Other assets	Total
30 September 2024					
Cost	246,117	106,717	374,167	919,957	1,646,958
Accumulated Depreciation	(50,041)	(57,182)	(156,215)	(511,264)	(774,702)
Disposals resulting from the sale and reclassification of subsidiaries	(77,100)	(41,286)	-	(63,269)	(181,655)
Net Book Value	118,976	8,249	217,952	345,424	690,601
Net Book Value at the beginning of the Period	123,173	7,382	221,545	295,361	647,461
Additions	-	2,067	9,729	112,956	124,752
Disposals	(274)	-	-	-	(274)
Disposals' Accumulated Depreciation	274	-	-	-	274
Depreciation charge for the Period	(4,197)	(1,200)	(13,322)	(62,893)	(81,612)
Net Book Value	118,976	8,249	217,952	345,424	690,601

	EGP (in thousands)				
	Lands & Premises	& Machinery Equipment	Rennovation	Other assets	Total
31 December 2023					
Cost	246,391	104,650	364,438	807,001	1,522,480
Accumulated Depreciation	(46,118)	(55,982)	(142,893)	(448,371)	(693,364)
Disposals resulting from the sale and reclassification of subsidiaries	(77,100)	(41,286)	-	(63,269)	(181,655)
Net Book Value	123,173	7,382	221,545	295,361	647,461
Net Book Value at the beginning of the year	135,157	8,624	234,995	117,692	496,468
Additions	-	508	3,953	230,205	234,666
Disposals	(11,061)	(644)	-	(10,034)	(21,739)
Disposals' Accumulated Depreciation	4,679	644	-	9,507	14,830
Depreciation charge for the year	(5,602)	(1,750)	(17,403)	(52,009)	(76,764)
Net Book Value	123,173	7,382	221,545	295,361	647,461

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

19. DUE TO BANKS

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current Accounts	888,360	357,803
Deposits	12,912,851	6,121,039
Total	13,801,211	6,478,842
Local Banks	1,950,225	4,384
Foreign Banks	11,850,986	6,474,458
Total	13,801,211	6,478,842
Non-profit bearing balances	888,360	357,803
Variable profit bearing balances	12,912,851	6,121,039
Total	13,801,211	6,478,842

20. CUSTOMERS' DEPOSITS

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Demand Deposits	57,528,728	45,624,314
Time and call deposits	65,063,572	34,087,087
Saving and deposit certificates	39,421,575	32,858,686
Saving Deposits	18,794,439	10,612,357
Other Deposits	3,185,981	3,849,464
Total	183,994,295	127,031,908
Corporate deposits	104,061,821	69,312,922
Retail deposits	79,932,474	57,718,986
Total	183,994,295	127,031,908
Non-profit bearing balances	18,438,763	15,176,731
Fixed profit bearing balances	165,555,532	111,855,177
Total	183,994,295	127,031,908

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

21.SUBORDINATED FINANCING and Other Islamic Financings

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Subordinated Financing at reduced cost*	1,677,590	1,052,617
Subordinated Financing with coupon**	3,863,560	2,471,448
Other Financings	1,278,970	1,229,137
Total	6,820,120	4,753,202
<u>Subordinated Financing at reduced cost*</u>		
Balance at the beginning of the Period- face value of subordinated financing	1,052,617	821,667
Subordinated financing cost using effective interest rate method	31,762	26,735
Foreign currency translation differences	593,211	204,215
Total	1,677,590	1,052,617

***Subordinated Financing at reduced cost**

The subordinated financing with an amount of 39 million US dollars granted by the Abu Dhabi Islamic Bank, the UAE, under a framework agreement for a wakala agreement for investment starting from December 27, 2012 which was renewed in 2016 a supplementary agreement for the same contract by extending the term of the contract to end on December 27, 2023.

On March 30, 2022, an agreement was concluded to end on March 29, 2029. The expected profit rate of the Muwakill will be 6.25% which is less than the prevailing rate at that period which resulted in the bank recorded the amount with its fair value and adding to the equity an amount of 12,465 thousand Egyptian pounds, which represents the difference between the nominal value and the present value of the financing at the date of the term extension agreement.

****Subordinated Financing with coupon**

Abu Dhabi Islamic Bank - AUE

**On 28 March 2019, the bank was granted an additional subordinated financing of USD 30mn from Abu Dhabi Islamic Bank-UAE under Wakala investment agreement for 7 years starting from 28 March 2019 with a profit rate equals 9.88% from the investment amount, which is not significantly different from the market discount rate.

International Finance Corporation

**On July 7, 2023, the bank obtained supportive financing, compatible with the principles of the Cooperative Court, in the amount of 50 million US dollars from the International Finance Corporation Murabaha for a period of 5 years to start on July 7, 2023, which entails our emerging effects at a rate of 9.433% of the investment amount, which does not differ by air from the discount rate in Market

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

22.OTHER PROVISIONS

	EGP (in thousands)				
	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
30 September 2024					
Balance at beginning of the Period	76,969	46,764	952,055	2,010	1,077,798
Impairment charged during the Period	8,608	650	388,713	-	397,971
Used provision during the Period	(1,921)	(4,389)	-	-	(6,310)
Provision No longer Required	(325)	-	(342,337)	-	(342,662)
Foreign exchange translation differences	-	-	194,073	-	194,073
Balance at 30 September 2024	83,331	43,025	1,192,504	2,010	1,320,870

	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
31 December 2023					
Balance at beginning of the year	17,432	45,519	679,617	2,010	744,578
Impairment charged during the year	57,446	5,133	254,554	-	317,133
Used provision during the year	(2,804)	(3,888)	-	-	(6,692)
Provision No longer Required	(101)	-	(64,303)	-	(64,404)
Foreign exchange translation differences	-	-	82,187	-	82,187
Transfer From/ To Liabilities	4,996	-	-	-	4,996
Balance at 31 December 2023	76,969	46,764	952,055	2,010	1,077,798

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

23.CAPITAL

23.1 The Authorized Capital

- The authorized capital amounted to EGP 10 billion (31 December 2023: EGP 7 billion).

23.2 Issued and paid up capital

- The issued and paid-up capital amounted to 6 billion Egyptian pounds (represented by 600 million shares with a nominal value of 10 Egyptian pounds per share) (December 31, 2023: 5 billion Egyptian pounds).

24.RESERVES

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Legal Reserve	477,942	255,491
General Reserve	54,955	54,955
Special Reserve	34,634	31,968
Capital Reserve	46,304	4,748
General Risk Reserve	219,979	219,979
Fair value reserve	225,001	178,049
Total reserves	1,058,815	745,190

25.Contingent Liabilities

	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Letters of Credit (import / export)	11,522,027	3,971,484
Letters of guarantee	26,561,547	20,480,992
Acceptance Letter	4,793,958	1,677,299
Financial guarantees	4,275,555	2,584,024
Total	47,153,087	28,713,799

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

26.RELATED PARTIES TRANSACTIONS

Transactions balances with related parties included through the period are as follows:

Relationship Nature	Account Nature	Transaction Nature	30 September 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Major Shareholders	Assets	Due from banks	8,398	1,257
Major Shareholders	Assets	Other Assets	74,297	58,592
Major Shareholders	Liabilities	Due to banks	321,351	48,199
Major Shareholders	Liabilities	Subordinated financing	3,126,425	1,979,410
Major Shareholders	Liabilities	Other Liabilities	5,112,810	3,798,573
Major Shareholders	Liabilities	Management fees	240,708	200,838
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	26,335	30,435
Associates Companies	Liabilities	Customers deposits	346,543	137,440

The related parties transactions during the year are represented as follows:

Relationship Nature	Account Nature	Transaction Nature	30 September 2024 EGP (in thousands)	30 September 2023 EGP (in thousands)
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(130,960)	(24,084)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(82,231)	(120,644)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(293,581)	-

*Wages, salaries and in kind benefits on September 30, 2024 shall include an amount of 58,614 thousand Egyptian pounds (September 30,2023 : 46,574 thousand Egyptian pounds) which shall represent the total amount of the largest twenty employees' remuneration, salaries and benefits in the bank combined.

Abu Dhabi Islamic Bank (ADIB) – Egypt – S.A.E

Notes to condensed interim consolidated financial statements for the period ended 30 September 2024

27.Amending the comparative figures of prior years

Past due accrued receivable of financings to customers and penalty fees have been reclassified from other assets to financings and facilities to customers in the comparative balance sheet to appropriately reflects the nature of such items. This re-classification didn't result any changes in the bank's net assets from last year. Further there is no significant change on balance sheet and cash flow statements during first and second quarters of 2024.

	Note	31 December 2023 Balance Before Adjustment EGP (in thousands)	Adjustment EGP (in thousands)	31 December 2023 Balance After Adjustment EGP (in thousands)
Balance Sheet Items	No			
Financing and facilities to customers (net of expected credit losses)	16	63,083,489	538,450	63,621,939
Other assets		3,629,787	(538,450)	3,091,337
	Note	31 December 2023 Balance Before Adjustment EGP (in thousands)	Adjustment EGP (in thousands)	31 December 2023 Balance After Adjustment EGP (in thousands)
Cash Flow Statement Items	No			
Financing and facilities to customers (net of expected credit losses)	16	(6,051,329)	(104,936)	(6,156,265)
Other assets		(742,209)	104,936	(637,273)
	Note	1 January 2022 Balance Before Adjustment EGP (in thousands)	Adjustment EGP (in thousands)	1 January 2022 Balance After Adjustment EGP (in thousands)
Balance Sheet Items	No			
Financing and facilities to customers (net of expected credit losses)		56,558,054	249,214	56,807,268
Other assets		2,666,551	(249,214)	2,417,337

28.SIGNIFICANT EVENTS

Economic factors

- In order to support the goal of price stability, the Monetary Policy Committee (MPC) decided to raise the overnight deposit and lending interest rates and the Central Bank's main operation rate. By 200 basis points on February 4, 2023, reaching 21.25%, 22.25%, and 21.75%, respectively. Then, on March 6, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the Central Bank's main operation rate by 600 basis points to reach 27.25%, 28.25% and 27.75%, respectively. The credit and discount rates were also raised by 600 basis points to reach 27.75%. in addition to Liberation of Exchange Rates
- Moody's credit rating agency announced a positive adjustment to its outlook for Egypt's credit rating while maintaining the credit rating at "Caal".
- Fitch and S&P credit rating agency announced a positive adjustment to its outlook for Egypt's credit rating while maintaining the credit rating at "B-".
- Fitch credit rating agency announced an upgrading of Egypt's credit rating from "B-" to "B" with s stable outlook