

Forvis Mazars Mostafa Shawki
Public Accountants & Consultants

PricewaterhouseCoopers EzzEldeen, Diab& CO.
Public Accountants

Abu Dhabi Islamic Bank - Egypt” S.A.E”
condensed interim consolidated financial statements
for the financial period ending on June 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 June 2024 and the related condensed interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six 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.

Auditors


Ashraf Mamdouh
Accountants And Auditors Register No. (26231)
Financial Regulatory Authority Register No. (383)
CBE Register No. (569)
Fellow of Egyptian Society of Accountants and
Auditors
Member of American Institute of Certified Public
Accountants
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants
Plot No 211, Second Sector, City Center New
Cairo 11835, Egypt

Cairo, 8 August 2024


Huda Mostafa Shawki
Accountants And Auditors Register No. (3451)
Financial Regulatory Authority Register No. (7)
CBE Register No. (92)
Fellow of Egyptian Society of Accountants and
Auditors
Fellow of Egyptian Tax Society
Forvis Mazars Mostafa Shawki
Public Accountants & Consultants
153 Mohamed Farid St., Bank Misr Tower, Cairo

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 June 2024

	Note No	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Assets			
Cash and due from Central Bank	13	15,405,397	9,985,417
Due from banks	14	70,295,200	48,591,299
Financing and facilities to banks (net of expected credit losses)	15	2,372,918	-
Conventional financing to customers (net of expected credit losses)	16	19,533	16,305
Financing and facilities to customers (net of expected credit losses)	16	85,009,503	63,083,489
Islamic Pre promised exchange contracts		7,506	34
Financial investments			
- Fair value through profits and losses	1/17	134,087	213,054
- Financial investments at FVOCI	2/17	2,323,815	11,697,889
- Financial investments at amortized cost	3/17	27,097,639	21,933,121
Investments in associates		412,163	320,378
Intangible assets (net of accumulated amortization)		35,070	38,832
Other assets		4,638,829	3,629,787
Fixed assets (net of accumulated depreciation)	18	664,570	647,461
Investments properties (net)		8,588	14,709
Financial leased assets to others		2,076,929	1,919,651
Deferred tax assets		257,114	163,253
Total assets		210,758,861	162,254,679
Liabilities and equity			
Liabilities			
Due to banks	19	9,795,952	6,478,842
Customers' deposits	20	163,229,574	127,031,908
Islamic Pre promised exchange contracts		47,739	3,450
Subordinated Financing / Other Islamic Financings	21	6,843,180	4,753,202
Other liabilities		9,201,763	6,727,424
Current income tax liability		1,489,906	1,530,248
Other provisions	22	1,325,630	1,077,798
Defined benefits obligations		330,057	287,359
Total liabilities		192,263,801	147,890,231
Equity			
Issued & Paid up Capital	2/23	6,000,000	5,000,000
Reserves	24	1,083,323	745,190
Difference between face value and present value for non-interest subordinated financing		27,710	30,435
Retained earnings		11,359,767	8,569,192
Total equity attributable to equity holders' of the bank		18,470,800	14,344,817
Non-controlling interests		24,260	19,631
Total equity		18,495,060	14,364,448
Total liabilities and equity		210,758,861	162,254,679

The Limited Review Report is attached

The accompanying notes from (1) to (27) are integral part of these financial statements.

Mohamed Aly
Chief Executive Officer and
Managing Director

Mohamed Shawky
Chief Financial Officer



Cairo on August 8, 2024

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

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

	Note	Six Months ended 30 June 2024	Six Months ended 30 June 2023	Three Months ended 30 June 2024	Three Months ended 30 June 2023
	No	EGP (in thousands)	EGP (in thousands)	EGP (in thousands)	EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		15,819,887	8,308,456	8,809,652	4,469,770
Cost of deposits and similar costs		(8,777,565)	(4,414,210)	(5,008,300)	(2,384,792)
Net income from funds	6	7,042,322	3,894,246	3,801,352	2,084,978
Fees and commissions income		1,312,170	989,154	696,864	493,229
Fees and commissions expenses		(340,494)	(143,078)	(189,992)	(67,939)
Net fees and commission income	7	971,676	846,076	506,872	425,290
Dividend income		1,850	4,779	1,101	4,470
Net trading income	8	421,215	218,436	136,654	94,595
Administrative expenses	9	(1,238,300)	(886,784)	(613,352)	(464,074)
Other operating expenses	10	(277,838)	(359,590)	(108,411)	(94,265)
Expected credit losses	11	(774,689)	(654,917)	(478,738)	(466,287)
Gain/Loss on financial investments		-	5	-	-
Share Of Associates Results		74,157	34,891	57,988	25,458
profit for the Period before tax		6,220,393	3,097,142	3,303,466	1,610,165
Income tax expense	12	(1,641,660)	(929,462)	(843,678)	(449,268)
Net profit for the Period		4,578,733	2,167,680	2,459,788	1,160,897
Attributable to:					
Shareholder's equity of the bank		4,574,013	2,165,317	2,458,153	1,159,401
Non-controlling interests		4,720	2,363	1,635	1,496
Net profit for the Period From continuous operations		4,578,733	2,167,680	2,459,788	1,160,897
Basic earning per share in net profit for the Period (EGP)		7.74	4.43	4.03	2.30

The accompanying notes from (1) to (27) 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 June 2024

	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	EGP (in thousands)	EGP (in thousands)	EGP (in thousands)	EGP (in thousands)
Net profit for the Period	4,578,733	2,167,680	2,459,788	1,160,897
<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	43,097	15,701	3,369	1,218
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(9,697)	(3,532)	(758)	(273)
<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	51,008	3,200	(40,031)	4,385
Expected credit loss for fair value of debt Instruments measured at fair value through other comprehensive income	(1,998)	1,198	(413)	1,198
Deferred Income tax related to items that are reclassified to the profits and losses	(10,950)	(720)	9,007	(987)
Total other comprehensive income/(loss) for the Period ,net of tax	71,460	15,847	(28,826)	5,541
Total comprehensive income for the Period net of tax	4,650,193	2,183,527	2,430,962	1,166,438
<u>Attributable to:</u>				
Shareholder's equity of the bank	4,645,473	2,181,164	2,429,327	1,164,942
Non-controlling interests	4,720	2,363	1,635	1,496
Total comprehensive income for the Period net of tax	4,650,193	2,183,527	2,430,962	1,166,438

The accompanying notes from (1) to (27) 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 June 2024

	Note No.	30 June 2024 EGP (in thousands)	30 June 2023 EGP (in thousands)
Cash flows from operating activities			
profit for the year before tax		6,220,393	3,097,142
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets	9	63,837	40,945
Depreciation of investment property		606	614
Charge impairment loss of financing and facilities to customers	11	443,176	644,268
Charge impairment loss of financing and facilities to banks		28,597	-
Collections of loans previously written off	16	22,485	11,177
Charge other provisions	22	133,014	117,747
Provisions no longer required other than financing provision	22	(67,124)	(3,007)
Provisions used other than financing provision	22	(5,604)	(3,967)
Bonds' premium and discount amortization		(726,492)	(104,567)
Foreign currency valuation differences of financing provisions in foreign currencies	16	545,194	133,513
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	22	187,546	81,960
Foreign currency valuation differences of due from banks provisions in foreign currencies	14	7,297	376
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(115,901)	(12,561)
Foreign currency valuation differences of financial assets at AC in foreign currencies		(1,429,053)	-
Foreign currency valuation differences provisions in foreign currencies for financial instruments at AC		43,511	7,135
Foreign currency valuation differences of subordinated financing - With coupon		1,370,976	295,368
Foreign currency valuation differences of subordinated financing - Zero coupon	21	584,093	204,342
Foreign currency valuation differences of subordinated financing - Zero coupon - Equity		18,282	10,628
(Gains) valuation of financial investments at FVPL		(10,159)	(7,216)
(losses) / Gains from revaluation of Pre promised Forward contracts		32,502	(2,810)
(Release) / charge impairment loss of due from banks	11	(508)	10,201
(Release) / charge impairment loss provisions of FVOCI instruments	11	(1,998)	1,198
Charge /(release) impairment loss of financial investments at amortized cost	11	100,934	(750)
Impairment losses of other financial assets		204,488	-
Charge /(release) Impairment loss of other assets	10	7,794	-
(Gains) sale of equity instruments at FVPL		(9,554)	(8,387)
(Gains) sale of equity instruments at FVOCI		-	(5)
(Gains) on sale of fixed assets	10	(8,750)	(41,556)
(Gains) on sale of Investment Property	10	(8,886)	(222)
Bank's Share of Associates' results		(74,157)	(34,891)
Dividends income from equity instruments at FVOCI		(1,850)	(4,779)
Amortization of subordinated financing using EIR method	21	21,007	13,283
Operating profits before changes in assets and liabilities resulting from operating activities		7,575,696	4,445,179
Net change in assets & liabilities			
Due from banks with maturity more than 90 days		(5,773,112)	3,505,473
Treasury bills with maturity more than 90 days		26,969	(2,802,360)
Financial investments at FVPL		98,679	61,338
Financing and facilities to customers and banks	16	(25,462,147)	(5,422,965)
Other assets		(1,225,613)	(384,272)
Receivables of Leased assets		(159,327)	(412,909)
Due to banks	19	3,317,110	4,691,159
Customers' deposits	20	36,102,071	12,758,191
Financial Pre promised Contracts		4,315	8,428
Other liabilities		2,510,382	751,156
Employees' Benefits obligations		42,698	18,539
Income tax paid		(1,796,730)	(631,257)
Net Cash flows generated from Operating activities		15,260,991	16,585,700

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

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

		30 June 2024 EGP (in thousands)	30 June 2023 EGP (in thousands)
Cash flows from investing activities			
Payments to purchase of fixed assets & Branches fixtures	18	(70,071)	(68,732)
Proceeds from sale of fixed assets		8,750	48,466
Payments to purchase of intangible assets		(7,113)	(10,999)
Proceeds from Sale of Investment Property		14,400	400
Payments to purchase financial investments at FVOCI		(308,692)	(224,617)
Proceeds from recovery of financial investments at FVOCI		100	50,010
Payments to purchase financial investments at AC		(3,486,198)	(1,529,612)
Proceeds from recovery of financial investments at AC		2,190,213	3,205,509
Proceeds from sale of investments in subsidiaries and associates		4,900	-
Proceeds from dividends income		1,850	4,779
Net Cash flows (used in) generated from Investing activities		(1,651,861)	1,475,204
Cash flows from financing activities			
Issued and Paid-up Capital		-	1,000,000
General Reserve		-	3,584
Proceeds / (Paid) from other long term loans		285,301	237,656
Dividends income paid		(542,900)	(314,294)
Net Cash flows (used in) generated from financing activities		(257,599)	926,946
Net Increase in cash and cash equivalents during the Period		13,351,531	18,987,850
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		68,427,455	35,125,365
Cash and cash equivalents are represented in			
Cash and due from Central Bank of Egypt	13	15,405,397	9,734,739
Due from banks	14	70,315,231	34,559,053
Treasury bills		8,164,722	10,259,875
Central Bank of Egypt Reserve		(17,295,148)	(8,762,403)
Due from banks with maturity more than three months from date of acquisition		-	(435,148)
Treasury bills with maturity more than three months from date of acquisition		(8,162,747)	(10,230,751)
Cash and cash equivalents at the end of the Period		68,427,455	35,125,365

The accompanying notes from (1) to (27) are integral part of these financial statements.

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

Condensed interim consolidated statement of changes in equity for the period ended 30 June 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 non- interest subordinated financing	Retained earnings	Total	EGP (in thousands) Non- controlling interests	Total
30 June 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	3,584	-	(9,062)	-	-	-	(97,875)	3,584	-	3,584
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	-	-	-	-	-	-	-	15,847	-	-	15,847	-	15,847
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(2,655)	13,283	10,628	-	10,628
Capital Increase	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Prior periods impact of subsidiaries & associates adjustments	-	-	-	-	10,580	-	-	-	-	(24,029)	(13,449)	3,752	(9,697)
Net profit for the Year	-	-	-	-	-	-	-	-	-	2,165,317	2,165,317	2,363	2,167,680
Balance at 30 June 2023	5,000,000	4,748	255,491	54,955	35,875	-	219,979	99,725	33,125	6,050,739	11,754,637	19,577	11,774,214
30 June 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	222,452	-	-	-	-	-	-	(264,008)	-	-	-
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	-	-	-	-	-	-	-	71,460	-	-	71,460	-	71,460
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(2,725)	21,007	18,282	-	18,282
Prior years Impact of subsidiaries adjustments	-	-	-	-	2,665	-	-	-	-	2,333	4,998	39	5,037
Shareholders' distributions (bonus issue)	1,000,000	-	-	-	-	-	-	-	-	(1,000,000)	-	-	-
Net profit for the Year	-	-	-	-	-	-	-	-	-	4,574,013	4,574,013	4,720	4,578,733
Balance at 30 June 2024	6,000,000	46,304	477,943	54,955	34,633	-	219,979	249,509	27,710	11,359,767	18,470,800	24,260	18,495,060

The accompanying notes from (1) to (27) 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 June 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 2,408 employees on the date of the financial statements.

These condensed consolidated interim financial statements for the period ended June 30, 2024 were approved by the Board of Directors on August 8, 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 June 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:

	30 June 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
Financing and facilities						
Stage 1	82,805,036	2,401,515	85,206,551	62,232,643	-	62,232,643
Stage 2	5,575,571	-	5,575,571	4,236,763	-	4,236,763
Stage 3	1,847,983	-	1,847,983	931,288	-	931,288
Total	90,228,590	2,401,515	92,630,105	67,400,694	-	67,400,694
Less:						
Expected Credit Losses	(5,122,251)	(28,597)	(5,150,848)	(4,213,187)	-	(4,213,187)
Profit in suspense	(77,303)	-	(77,303)	(87,713)	-	(87,713)
Net	85,029,036	2,372,918	87,401,954	63,099,794	-	63,099,794

- During the period ended June 30, 2024, the Bank's portfolio of financing and facilities increased by 37.43% (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 June 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 June 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 expected credit losses at the beginning of period/year	17,402,877	465,617	463,320	18,331,814	13,233,531	510,051	645,178	14,388,760
Transferred from stage 1	(397,643)	354,829	42,814	-	(415,805)	330,209	85,596	-
Transferred from stage 2	66,161	(109,613)	43,452	-	76,988	(129,461)	52,473	-
Transferred from stage 3	826	192	(1,018)	-	4,074	781	(4,855)	-
Re-Measurement impact	(2,201,490)	(72,525)	(16,333)	(2,290,348)	(2,547,692)	(122,857)	(36,905)	(2,707,454)
New Financial assets purchased	7,131,750	38,617	3,248	7,173,615	10,130,549	121,559	11,875	10,263,983
Financial assets disposed off paid	(1,106,036)	(161,085)	(52,848)	(1,319,969)	(3,078,768)	(244,665)	(129,389)	(3,452,822)
Used provisions	-	-	(90,056)	(90,056)	-	-	(160,653)	(160,653)
Balance of Financing and facilities	20,896,445	516,032	392,579	21,805,056	17,402,877	465,617	463,320	18,331,814

	EGP (in thousands)							
	30 June 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 expected credit losses at the beginning of period/year	44,829,766	3,771,146	467,968	49,068,880	41,367,860	3,139,830	482,229	44,989,919
Transferred from stage 1	(1,677,438)	1,662,680	14,758	-	(1,453,720)	1,418,223	35,497	-
Transferred from stage 2	32,495	(680,402)	647,907	-	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	(1,030,244)	(197,193)	338,162	(889,275)	(1,030,047)	(298,966)	(22,697)	(1,351,710)
New Financial assets purchased	30,889,001	122,296	10	31,011,307	26,762,112	1,073,006	10,059	27,845,177
Financial assets disposed off paid	(18,347,061)	(355,387)	-	(18,702,448)	(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	61,908,591	5,059,540	1,455,403	68,423,534	44,829,766	3,771,146	467,968	49,068,880

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

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

3.Financial risk management - Continued

3/1/2 Financing and facilities to customers-continued

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

	30 June 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	(4,824)	3,774	1,050	.	(4,859)	3,858	1,001	.
Transferred from stage 2	12,727	(33,016)	20,289	.	16,425	(34,881)	18,456	.
Transferred from stage 3	306	102	(408)	.	1,823	441	(2,264)	.
Re-Measurement impact	39,265	49,497	32,069	120,831	9,047	33,986	98,360	141,393
New Financial assets purchased	13,376	6,336	332	20,044	18,803	17,226	6,587	42,616
Financial assets disposed off/ paid	(3,207)	(10,970)	(14,292)	(28,469)	(7,982)	(21,028)	-	(29,010)
Used provisions	-	-	(90,044)	(90,044)	-	-	(160,653)	(160,653)
Balance of Expected Credit Losses	293,216	97,893	258,065	649,174	235,573	82,170	309,069	626,812

EGP (in thousands)

	30 June 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	(48,332)	48,043	289	.	(17,903)	16,847	1,056	.
Transferred from stage 2	3,554	(310,497)	306,943	.	15,429	(16,187)	758	.
Foreign exchange translation differences	111,422	433,613	160	545,195	18,942	113,011	1,226	133,179
Re-Measurement impact	(128,917)	(286,355)	667,783	252,511	(221,479)	398,740	4,981	182,242
New Financial assets purchased	391,279	7,628	-	398,907	415,021	1,138,224	4,364	1,557,609
Financial assets disposed off/ paid	(282,355)	(15,711)	(4,718)	(302,784)	(243,504)	(59,743)	-	(303,247)
Used provisions	-	-	(7,127)	(7,127)	-	-	(47,870)	(47,870)
Balance of Expected Credit Losses	1,051,042	2,013,583	1,408,452	4,473,077	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 June 2024

3.FINANCIAL RISK MANAGEMENT- Continued

3/1/3 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	68,646,764	-	-	68,646,764	1,192,500	455,936	70,295,200
<u>Debt instruments at FVOCI</u>							
- Egyptian treasury Bonds	559,816	-	-	559,816	-	-	559,816
- Egyptian Islamic Sukuk	247,983	-	-	247,983	-	-	247,983
- Egyptian treasury bills	1,140,337	-	-	1,140,337	-	-	1,140,337
<u>Debt instruments at amortized cost</u>							
- Egyptian treasury Bonds	20,178,399	-	-	20,178,399	-	-	20,178,399
- Egyptian treasury bills	6,919,240	-	-	6,919,240	-	-	6,919,240
<u>Facilities to banks</u>	2,372,918	-	-	2,372,918	-	-	2,372,918
<u>Retail Financings</u>							
- Debit current accounts	4,149	1,691	271	6,111	-	-	6,111
- Credit cards	850,261	100,541	22,123	972,925	-	-	972,925
- Personal financings	14,885,399	4,575,045	903,399	20,363,843	-	-	20,363,843
- Mortgage financings	428,321	33,856	-	462,177	-	-	462,177
<u>Corporate Financings</u>							
- Debit current accounts	14,002,855	669	89	14,003,613	-	-	14,003,613
- Credit cards	200	-	-	200	-	-	200
- Direct financings	52,361,215	496,655	391,108	53,248,978	-	-	53,248,978
- Syndicated financings	1,170,743	-	-	1,170,743	-	-	1,170,743
Less Expected Credit Losses for customer financings	(5,000,828)	(95,896)	(25,527)	(5,122,251)	-	-	(5,122,251)
Less Profit in suspense for customer financings	(63,198)	(12,281)	(1,824)	(77,303)	-	-	(77,303)
Balance at 30 June 2024	178,704,574	5,100,280	1,289,639	185,094,493	1,192,500	455,936	186,742,929
Balance at 31 December 2023	133,009,797	9,807,661	1,174,675	143,992,133	714,184	317,865	145,024,182

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

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

4.FINANCIAL RISK MANAGEMENT- Continued

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

(B) Activity sectors

	Financial institution	Manufacturing institution	Services	Wholesale and Retail	Governmental sector	Retail	Other activities	Total
	EGP (in thousands)							
Due from Banks	70,295,200	-	-	-	-	-	-	70,295,200
<u>Debt instruments at FVOCI</u>								
- Egyptian treasury Bonds	-	-	-	-	559,816	-	-	559,816
- Egyptian Islamic Sukuk	-	-	-	-	247,983	-	-	247,983
- Egyptian treasury bills	-	-	-	-	1,140,337	-	-	1,140,337
<u>Debt instruments at amortized cost</u>								
- Egyptian treasury Bonds	-	-	-	-	20,178,399	-	-	20,178,399
- Egyptian treasury bills	-	-	-	-	6,919,240	-	-	6,919,240
<u>Facilities to banks</u>	2,372,918	-	-	-	-	-	-	2,372,918
<u>Retail Financings</u>								
- Debit current accounts	-	-	-	-	-	6,111	-	6,111
- Credit cards	-	-	-	-	-	972,925	-	972,925
- Personal financings	-	-	-	-	-	20,363,843	-	20,363,843
- Mortgage financings	-	-	-	-	-	462,177	-	462,177
<u>Corporate Financings</u>								
- Debit current accounts	-	9,354,496	841,006	662,215	3,131,876	-	14,020	14,003,613
- Credit cards	-	76	2	73	-	-	49	200
- Direct financings	-	31,311,766	11,928,419	5,950,517	3,234,327	-	823,949	53,248,978
- Syndicated financings	-	1,167,984	2,759	-	-	-	-	1,170,743
Less Expected Credit Losses for customer financings	-	(3,255,829)	(648,590)	(186,312)	(102,837)	(649,173)	(279,510)	(5,122,251)
Less Profit in suspense for customer financings	-	2,405	(3,650)	(3,901)	-	(72,157)	-	(77,303)
Balance at 30 June 2024	72,668,118	38,580,898	12,119,946	6,422,592	35,309,141	21,083,726	558,508	186,742,929
Balance at 31 December 2023	48,591,299	17,214,908	11,281,208	4,280,143	45,149,567	17,619,336	887,721	145,024,182

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

Notes to condensed interim consolidated financial statements for the period ended 30 June 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
EGP (in thousands)							
30 June 2024							
Financial Assets							
Cash and due from Central Bank of Egypt	15,100,088	213,862	8,395	43,936	62	39,054	15,405,397
Due from banks	40,641,004	25,048,303	342,253	3,881,698	-	381,942	70,295,200
Financings and facilities to banks	-	2,372,918	-	-	-	-	2,372,918
Financings and facilities to customers	65,456,929	16,856,451	54,442	2,661,214	-	-	85,029,036
Islamic Pre promised exchange contracts	-	7,506	-	-	-	-	7,506
Financial investments at FVPL	134,087	-	-	-	-	-	134,087
Financial investments at FVOCI	1,866,121	452,608	-	5,086	-	-	2,323,815
Financial investments at amortized cost	16,428,206	10,393,308	-	276,125	-	-	27,097,639
Leased Assets	2,076,929	-	-	-	-	-	2,076,929
Other Financial assets	2,518,114	867,084	682	17,463	-	368	3,403,711
Total Financial assets	144,221,478	56,212,040	405,772	6,885,522	62	421,364	208,146,238
Financial Liabilities							
Due to banks	121,640	9,631,736	-	11,272	1,000	30,304	9,795,952
Customers' deposits	118,480,881	37,404,773	405,239	6,269,158	4,801	664,722	163,229,574
Islamic Pre promised exchange contracts	34,150	13,589	-	-	-	-	47,739
Subordinated financings	1,343,039	5,500,141	-	-	-	-	6,843,180
Other Financial liabilities	480,746	192,868	697	4,618	-	-	678,929
Total Financial Liabilities	120,460,456	52,743,107	405,936	6,285,048	5,801	695,026	180,595,374
Net financial position	23,761,022	3,468,933	(164)	600,474	(5,739)	(273,662)	27,550,864
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 June 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 June 2024	31 December 2023
According to Basel II	EGP (in thousands)	EGP (in thousands)
Total basic going concern capital after disposal	17,900,594	13,912,367
Total additional basic capital	27,710	30,435
Total Tier 1 after disposal (basic capital)	17,928,304	13,942,802
Total Tier 2 after disposal	5,692,679	4,025,585
Total capital base after disposal	23,620,983	17,968,387
Total assets and contingent liabilities weighted by credit, market, operational risks	150,634,405	99,958,242
Capital Adequacy Ratio	15.68%	17.98%

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Notes to condensed interim consolidated financial statements for the period ended 30 June 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.

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Tier 1 capital after disposals (1)	17,928,304	13,942,802
Total on-balance sheet exposures items after deducting tier 1 disposals	212,611,295	164,388,488
Pre-Promised Islamic Contracts	30,665	7,049
Exposure resulting from securities financing	815	1,954
Total on-balance sheet exposures, pre-promised islamic contracts and financing financial securities	212,642,775	164,397,491
Total contingent liabilities	20,146,731	14,042,149
Total commitments	4,968,557	4,537,711
Total exposures off-balance sheet	25,115,288	18,579,860
Total exposures on-balance sheet and off-balance sheet (2)	237,758,063	182,977,351
Financial leverage ratio (1/2)	7.54%	7.62%

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Notes to condensed interim consolidated financial statements for the period ended 30 June 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 June30, 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.

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Notes to condensed interim consolidated financial statements for the period ended 30 June 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 June 2024					
Revenues and expenses by activity segment					
Revenues of activity segment	3,209,883	2,166,343	1,975,926	1,117,812	8,469,964
Expenses of activity segment	(1,536,693)	(142,722)	(780,554)	210,398	(2,249,571)
Net profit for the Period before tax	1,673,190	2,023,621	1,195,372	1,328,210	6,220,393
Tax	(450,760)	(422,468)	(277,404)	(491,028)	(1,641,660)
Net profit for the Period	1,222,430	1,601,153	917,968	837,182	4,578,733
Assets and liabilities by activity segment					
Assets of activity segment	60,855,638	99,208,590	24,429,218	-	184,493,446
Un-classified assets	-	-	-	26,265,415	26,265,415
Total assets	60,855,638	99,208,590	24,429,218	26,265,415	210,758,861
Liabilities of activity segment	87,631,038	15,583,455	76,117,497	-	179,331,990
Un-classified liabilities	-	-	-	12,931,811	12,931,811
Total liabilities	87,631,038	15,583,455	76,117,497	12,931,811	192,263,801

	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

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

6.Net Revenues from funds

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income				
Banks	16,782	-	16,782	-
customers	7,982,229	4,933,625	4,612,361	2,602,035
Total	7,999,011	4,933,625	4,629,143	2,602,035
Financial investments in debt instruments at AC and FVOCI*	16,757	3,005	9,660	3,005
Deposits and current accounts*	7,512,873	3,196,079	4,022,209	1,770,954
Income from Lease Receivable	291,246	175,747	148,640	93,776
Total	15,819,887	8,308,456	8,809,652	4,469,770
Cost of deposits and similar costs				
To banks	(522,307)	(44,409)	(314,130)	(19,604)
To customers	(7,878,116)	(4,155,027)	(4,480,793)	(2,243,844)
other financings	(376,983)	(214,128)	(213,310)	(121,047)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(159)	(646)	(67)	(297)
Total	(8,777,565)	(4,414,210)	(5,008,300)	(2,384,792)
Net Revenues from funds	7,042,322	3,894,246	3,801,352	2,084,978

* 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

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 2023 EGP (in thousands)
Fees and commissions income:				
Credit related fees and commissions	868,558	588,927	485,572	293,886
Fees of corporate financing	11,648	17,601	(1,961)	8,785
Custody fees	734	830	344	830
Other fees	431,230	381,796	212,909	189,728
Total	1,312,170	989,154	696,864	493,229
Fees and commissions expenses:				
Paid brokerage fees	(476)	(201)	(378)	(77)
Miscellaneous banking commission	(9,904)	(13,204)	(5,497)	(5,500)
Credit cards paid commissions	(281,823)	(91,977)	(159,301)	(43,696)
Other fees and commissions paid	(48,291)	(37,696)	(24,816)	(18,666)
Total	(340,494)	(143,078)	(189,992)	(67,939)
Net fees and commission income	971,676	846,076	506,872	425,290

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

8.NET TRADING INCOME

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 2023 EGP (in thousands)
Foreign currencies operations:				
Gain from fx deals	430,516	197,971	184,748	82,702
Gain / (Loss) of Islamic forward contracts revaluation	(32,502)	2,810	(7,237)	(3,422)
Gain / (Loss) of currency option contracts revaluation	(1,106)	2,018	(47,706)	7,713
Gain of revaluation of forward exchange contracts	4,594	34	130	34
Equity Instruments at FVPL	4,805	4,347	(118)	1,577
Mutual funds at FVPL	14,908	11,256	6,837	5,991
Total	421,215	218,436	136,654	94,595

9.Administrative Expenses

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 2023 EGP (in thousands)
Employees' cost				
Salaries,wages and benefits	(544,102)	(439,208)	(291,539)	(232,219)
Social insurance	(30,170)	(24,920)	(15,420)	(12,688)
Pension cost				
Defined contribution plans	(16,610)	(13,941)	(9,294)	(7,564)
Defined benefit plans	(63,370)	(39,817)	(31,685)	(19,909)
Depreciation and amortization	(64,444)	(41,559)	(32,862)	(21,222)
Other administrative expenses	(519,604)	(327,339)	(232,552)	(170,472)
Total	(1,238,300)	(886,784)	(613,352)	(464,074)

10.OTHER OPERATING EXPENSES

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 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	99,851	(83,137)	5,321	(49,081)
Gain (Loss) on sale of assets reverted to bank	-	25,611	-	24,711
Gain on sale of fixed assets	8,750	41,556	8,750	36,272
Gain on sale of investment properties	8,886	222	2,258	222
Cost Of Program	(158,062)	(93,989)	(92,164)	(52,128)
operating lease expense	(82,156)	(65,617)	(42,068)	(34,390)
(Charge) / release of impairment other assets	(7,794)	-	(7,794)	-
Other provisions	(65,890)	(114,740)	66,231	1,787
Other (expense)	(81,423)	(69,496)	(48,945)	(21,658)
Total	(277,838)	(359,590)	(108,411)	(94,265)

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

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

11.Expected CREDIT LOSSES

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 2023 EGP (in thousands)
Financing and facilities to customers	(438,556)	(629,419)	(149,599)	(452,732)
Financing and facilities to banks	(28,597)	-	(28,597)	-
Due from banks	508	(10,201)	(10,376)	(6,466)
Financial investments at FVOCI	1,998	(1,198)	538	(1,198)
Financial investments at amortized cost	(100,934)	750	(94,816)	(2,403)
Leased Assets	(4,620)	(14,849)	8,600	(3,488)
Other Assets	(204,488)	-	(204,488)	-
Total	(774,689)	(654,917)	(478,738)	(466,287)

12.INCOME TAX EXPENSES

	Six Months ended 30 June 2024 EGP (in thousands)	Six Months ended 30 June 2023 EGP (in thousands)	Three Months ended 30 June 2024 EGP (in thousands)	Three Months ended 30 June 2023 EGP (in thousands)
Current tax	(1,756,292)	(976,242)	(849,200)	(450,016)
Deferred tax	114,632	46,780	5,522	748
Total	(1,641,660)	(929,462)	(843,678)	(449,268)

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

13.CASH AND DUE FROM Central Bank

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash	2,147,584	800,846
Balances with central bank within mandatory reserve ratio	13,257,813	9,184,571
Total	15,405,397	9,985,417
Non-Profit bearing balances	15,405,397	9,985,417
Total	15,405,397	9,985,417

14.DUE FROM BANKS

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current accounts	335,336	124,842
Placements with other banks	69,979,896	48,479,700
Murabaha due from local banks*	33,689,651	37,047,764
Restricted wakala due to local banks*	(33,689,651)	(37,047,764)
	70,315,232	48,604,542
(less)Expected Credit Losses	(20,032)	(13,243)
Total	70,295,200	48,591,299
Balances with CB other than mandatory reserve ratio	4,037,335	2,339,449
Local banks	64,629,400	45,232,649
Murabaha due from local banks*	33,689,651	37,047,764
Restricted wakala due to local banks*	(33,689,651)	(37,047,764)
Foreign Banks	1,648,497	1,032,444
(less)Expected Credit Losses	(20,032)	(13,243)
Total	70,295,200	48,591,299
Non-Profit bearing balances	335,336	124,842
Variable profit bearing balances	65,945,159	46,142,236
Fixed profit bearing balances	4,034,737	2,337,464
(less)Expected Credit Losses	(20,032)	(13,243)
Total	70,295,200	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	(508)	11,326
Foreign exchange translation differences	7,297	359
Total	20,032	13,243

*Due from banks include an amount of EGP 33,689,651 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 June 2024

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

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Negotiable instruments	2,401,515	-
Total	2,401,515	-
less:		
Expected Credit Losses	(28,597)	-
Total	(28,597)	-
Net	2,372,918	-
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	28,597	-
Total	28,597	-

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

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Retail		
Debit current accounts	6,111	5,617
Credit cards	972,925	847,935
Personal financing	20,363,843	16,999,978
Mortgage Financing	462,177	478,284
Total	21,805,056	18,331,814
Corporate (including SMEs)		
Debit current accounts	14,003,613	8,043,753
Direct financing	53,248,978	40,229,907
Syndicated financing	1,170,743	795,048
Credit cards	200	172
Total	68,423,534	49,068,880
Total financing and facilities to customers	90,228,590	67,400,694
Deduct:		
Expected Credit Losses	(5,122,251)	(4,213,187)
Profit in suspense	(77,303)	(87,713)
Total	(5,199,554)	(4,300,900)
Net	85,029,036	63,099,794
Classified in balance sheet as follow		
Conventional financings to Customers(net of expected credit losses)	19,533	16,305
Islamic financings to Customers(net of expected credit losses)	85,009,503	63,083,489
Net	85,029,036	63,099,794
Variable-profit bearing balances	58,616,797	40,884,648
Fixed-profit bearing balances	26,412,239	22,215,146
Total	85,029,036	63,099,794
Financing and Facilities to customers' Expected Credit Losses movement		
	30 June 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	438,556	1,560,772
Recoveries from previously written-off financings	22,485	30,831
Used from provision during the Period/year	(97,171)	(208,523)
Foreign exchange translation differences	545,194	133,179
Total	5,122,251	4,213,187

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Notes to condensed interim consolidated financial statements for the period ended 30 June 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)

Retail

30 June 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	-	51,379	40,244	1,001	92,624
Recoveries from Written off loans	-	6,257	13,525	-	19,782
Used provisions during the Period	-	(7,320)	(82,724)	-	(90,044)
Balance at 30 June 2024	-	139,685	499,477	10,012	649,174

Corporate

30 June 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	30,885	34,943	280,105	(1)	345,932
Recoveries from Written off loans	-	2,702	-	-	2,702
Used provisions during the Period	-	(7,127)	-	-	(7,127)
Foreign exchange translation differences	50,074	408,045	87,076	-	545,195
Balance at 30 June 2024	229,871	3,315,238	927,961	7	4,473,077

EGP (in thousands)

Retail

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

Corporate

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 June 2024

17. FINANCIAL INVESTMENTS

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

Financial investments at FVPL	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Listed equity instruments		
Local corporate shares	15,515	17,716
Total equity instruments	15,515	17,716
B) Mutual funds certificates		
Un-Listed in stock exchange market	118,572	195,338
Total mutual funds certificates	118,572	195,338
Total financial investments at FVPL (1)	134,087	213,054

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

Financial investments at FVOCI	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Treasury bonds - at FV		
Listed in stock exchange market	559,816	216,022
Total Treasury bonds	559,816	216,022
B) Islamic Sukuk - at FV		
Listed in stock exchange market	247,983	151,943
Total Islamic Sukuk	247,983	151,943
B) Government treasury bills - at FV		
Un-Listed in stock exchange market	1,140,337	11,032,003
Total Government treasury bills	1,140,337	11,032,003
Detailed T-bills maturities as the following:		
Treasury bills of 91 days maturity	1,975	8,008,000
Treasury bills of 182 days maturity	1,850	1,350,000
Treasury bills of 273 days maturity	5,225	535,250
Treasury bills of 364 days maturity	1,257,875	1,353,000
Total	1,266,925	11,246,250
Unearned revenues	(141,526)	(211,233)
Valuation differences of treasury bills at FV	14,938	(3,014)
Net	1,140,337	11,032,003
C) Equity instruments at FV		
Un-Listed in stock exchange market	343,098	268,375
Total equity instruments	343,098	268,375
D) Mutual funds certificates at FV		
Un-Listed in stock exchange market	32,581	29,546
Total mutual funds certificates	32,581	29,546
Total financial investments at FVOCI (2)	2,323,815	11,697,889

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

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

17. FINANCIAL INVESTMENTS - Continued

17/3 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH AMORTISED COST

Financial investments at AC	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Government treasury bonds		
Listed in stock exchange market	20,282,147	16,849,807
Less: Expected Credit Losses	(103,748)	(40,754)
Total government treasury bonds	20,178,399	16,809,053
B) Government treasury bills		
Un-Listed in stock exchange market	7,048,062	5,184,182
Less: Expected Credit Losses	(120,083)	(38,632)
Total government treasury bills	6,927,979	5,145,550
Detailed T-bills maturities as the following:		
Treasury bills of 273 days maturity	-	575,000
Treasury bills of 364 days maturity	7,266,264	4,679,389
Total	7,266,264	5,254,389
Unearned revenues	(218,202)	(70,207)
Less: Expected Credit Losses	(120,083)	(38,632)
Net (1)	6,927,979	5,145,550
REPOs		
Treasury bills sold with repurchase commitment within one week	(8,673)	(21,319)
Total	(8,673)	(21,319)
Unearned revenues	(66)	(163)
Net (2)	(8,739)	(21,482)
Net (1+2)	6,919,240	5,124,068
Total financial investments at AC (3)	27,097,639	21,933,121
Total financial investments (1+2+3)	29,555,541	33,844,064
Non-profit bearing balances	375,679	297,921
Fixed-profit bearing balances	28,182,903	33,147,985
Variable-profit bearing balances	996,959	398,158
Total financial investments	29,555,541	33,844,064

Debt instruments Expected Credit Losses movement	30 June 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	100,934	43,675
Foreign exchange translation differences	43,511	7,123
Total	223,831	79,386

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

Notes to condensed interim consolidated financial statements for the period ended 30 June 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 June 30, 2024, from the comparative figures on December 31, 2023.

	EGP (in thousands)			
	Level One	Level Two	Level Three	Total
30 June 2024				
Financial investments in debt instruments	807,799	1,140,337	-	1,948,136
Mutual funds certificates	-	-	151,153	151,153
Equity instruments	15,515	-	343,098	358,613
31 December 2023				
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

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

18. FIXED ASSETS (Net of accumulated depreciation)

	EGP (in thousands)				
	& Lands Premises	& Machinery Equipment	Rennovation	Other assets	Total
30 June 2024					
Cost	246,117	106,123	371,236	868,801	1,592,277
Accumulated Depreciation	(48,655)	(56,670)	(151,735)	(488,992)	(746,052)
Disposals resulting from the sale and reclassification of subsidiaries	(77,100)	(41,286)	-	(63,269)	(181,655)
Net Book Value	120,362	8,167	219,501	316,540	664,570
Net Book Value at the beginning of the Period	123,173	7,382	221,545	295,361	647,461
Additions	-	1,473	6,798	61,800	70,071
Disposals	(274)	-	-	-	(274)
Disposals' Accumulated Depreciation	274	-	-	-	274
Depreciation charge for the Period	(2,811)	(688)	(8,842)	(40,621)	(52,962)
Net Book Value	120,362	8,167	219,501	316,540	664,570

	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

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

19. DUE TO BANKS

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current Accounts	814,286	357,803
Deposits	8,981,666	6,121,039
Total	9,795,952	6,478,842
Local Banks	481,079	4,384
Foreign Banks	9,314,873	6,474,458
Total	9,795,952	6,478,842
Non-profit bearing balances	814,286	357,803
Variable profit bearing balances	8,981,666	6,121,039
Total	9,795,952	6,478,842

20. CUSTOMERS' DEPOSITS

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Demand Deposits	54,447,528	45,624,314
Time and call deposits	51,703,118	34,087,087
Saving and deposit certificates	37,086,277	32,858,686
Saving Deposits	15,765,615	10,612,357
Other Deposits	4,227,036	3,849,464
Total	163,229,574	127,031,908
Corporate deposits	90,886,319	69,312,922
Retail deposits	72,343,255	57,718,986
Total	163,229,574	127,031,908
Non-profit bearing balances	18,647,373	15,176,731
Fixed profit bearing balances	144,582,201	111,855,177
Total	163,229,574	127,031,908

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

21.SUBORDINATED FINANCING and Other Islamic Financings

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Subordinated Financing without coupon*	1,657,717	1,052,617
Subordinated Financing with coupon**	3,842,424	2,471,448
Other Financings	1,343,039	1,229,137
Total	6,843,180	4,753,202
<u>Subordinated Financing without coupon*</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	21,007	26,735
Foreign currency translation differences	584,093	204,215
Total	1,657,717	1,052,617

***Subordinated Financing with no coupon**

The subordinated financing without interest represents an amount of 39 million US dollars granted by the Abu Dhabi Islamic Bank, the UAE, under a framework agreement for the agency with investment for a period of 6 years, starting from December 27, 2012, and in 2016 a supplementary agreement was concluded for the support financing contract by extending the term of the contract to end on December 27, 2023. On March 30, 2022, another supplementary agreement was concluded for the support financing contract, by extending the contract term to end on March 29, 2029 instead of December 27, 2023. The bank recorded the supporting financing at the current value using a discount rate of 3.25%, and these supplementary agreements resulted in the loading of equity net The 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.

This agreement also resulted in an expected profit for the agent of 6.25% of the investment amount.

****Subordinated Financing with coupon**

Abu Dhabi Islamic Bank - AUE

**On 29 December 2016 the bank was granted an additional subordinated financing of USD 9mn from Abu Dhabi Islamic Bank-UAE under Wakala investment agreement for 7 years starting from 29 December 2016 with a profit rate equals to 6.5% from the investment amount, which is not significantly different from the market discount rate.

**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 07 July 2023 the bank was granted an additional subordinated financing of USD 50mn from International Finance Corporation under Murabaha agreement for 5 years starting from 07 July 2023 with a profit rate equals to 9.433% from the investment amount, which is not significantly different from the market discount rate.

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

22.OTHER PROVISIONS

	EGP (in thousands)				
	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
30 June 2024					
Balance at beginning of the Period	76,969	46,764	952,055	2,010	1,077,798
Impairment charged during the Period	8,021	650	124,343	-	133,014
Used provision during the Period	(1,339)	(4,265)	-	-	(5,604)
Provision No longer Required	(302)	-	(66,822)	-	(67,124)
Foreign exchange translation differences	-	-	187,546	-	187,546
Balance at 30 June 2024	83,349	43,149	1,197,122	2,010	1,325,630

	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

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

23.CAPITAL

23.1 The Authorized Capital

- The authorized capital amounted to EGP 7 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 June 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	249,509	178,049
Total reserves	1,083,323	745,190

25.Contingent Liabilities

	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Letters of Credit (import / export)	10,158,488	3,971,484
Letters of guarantee	25,337,247	20,480,992
Acceptance Letter	3,188,860	1,677,299
Financial guarantees	4,467,411	2,584,024
Total	43,152,006	28,713,799

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26.RELATED PARTIES TRANSACTIONS

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

Relationship Nature	Account Nature	Transaction Nature	30 June 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Major Shareholders	Assets	Due from banks	9,291	1,257
Major Shareholders	Assets	Other Assets	67,729	58,592
Major Shareholders	Liabilities	Due to banks	213,395	48,199
Major Shareholders	Liabilities	Subordinated financing	3,098,626	1,979,410
Major Shareholders	Liabilities	Other Liabilities	4,956,286	3,798,573
Major Shareholders	Liabilities	Management fees	246,083	200,838
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	27,710	30,435
Associates Companies	Liabilities	Customers deposits	343,746	137,440

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

Relationship Nature	Account Nature	Transaction Nature	30 June 2024 EGP (in thousands)	30 June 2023 EGP (in thousands)
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(83,448)	(24,084)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(51,350)	(120,644)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(155,396)	-

*Wages, salaries and in kind benefits on June 30, 2024 shall include an amount of 39,261 thousand Egyptian pounds (June 30,2024 : 30,673 thousand Egyptian pounds) which shall represent the total amount of the largest twenty employees' remuneration, salaries and benefits in the bank combined.

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27.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 "Caa1".
- 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-".