

**Abu Dhabi Islamic Bank” S.A.E”  
condensed interim separate financial statements  
for the financial period ending on June 30, 2023  
and the limited review report**

**Limited Review Report on Condensed Separate Interim Financial Statements**

**To : Board of Directors of Abu Dhabi Islamic Bank (ADIB) - Egypt (SAE)**

**Introduction**


We have performed a limited review on the accompanying condensed separate interim statement of financial position of Abu Dhabi Islamic Bank (ADIB) Egypt (SAE) (the Bank) as at 30 June 2023 and the related condensed separate interim statements of income, comprehensive Income, changes in equity and cash flows for the six months then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the rules of preparation and presentation of banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulation issued on February 26, 2019 and its subsequent interpretive instructions and central bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed separate interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations. Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our limited review.

**Scope of Limited Review**

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

**Conclusion**

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



**Tamer Abd El-Twab**  
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**Auditors**



**Huda Mostafa Shawki**  
Accountants And Auditors Register No. (3451)  
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Fellow of Egyptian Society of Accountants and  
Auditors  
Fellow of Egyptian Tax Society  
**MAZARS MOSTAFA SHAWKI**  
Public Accountants & Consultants  
153 Mohamed Farid St., Bank Misr Tower, Cairo

Cairo, 10 August 2023

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

## Translation of Financial Statements originally issued in Arabic Condensed Separate Interim Financial Position as at 30 June 2023

	Note No	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>Assets</b>			
Cash and due from CBE	13	9,734,707	9,926,931
Due from banks	14	34,537,721	14,207,334
Conventional financing to customers (after deducting expected credit losses)	15	19,116	14,659
Financing and facilities to customers (after deducting expected credit losses)	15	61,416,851	56,774,656
Islamic forward exchange contracts		4,828	12,953
<b>Financial investments</b>			
- Financial investments at FVOCI	16/1	3,906,578	4,002,047
- Financial investments at amortized cost	16/2	23,735,182	26,889,619
Investments in subsidiaries and associates (net)	17	415,313	405,513
Intangible assets		13,687	20,924
Other assets		3,172,884	2,649,627
Fixed assets (net of accumulated depreciation)	18	513,485	485,954
Deferred tax assets		169,734	126,621
<b>Total assets</b>		<b>137,640,086</b>	<b>115,516,838</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	19	4,765,999	74,840
Customers' deposits	20	110,630,389	97,742,791
Islamic forward / Islamic currency swap contracts		-	2,507
Subordinated Financing	21	2,522,343	2,009,350
Other liabilities		6,157,710	5,479,528
Current income tax liability		957,519	629,634
Other provisions	22	929,869	734,905
Defined benefits obligations		238,754	220,215
<b>Total liabilities</b>		<b>126,202,583</b>	<b>106,893,770</b>
<b>Equity</b>			
Paid up Capital	23/2	5,000,000	4,000,000
Reserves	24	590,172	472,866
Difference between face value and present value for non-interest subordinated financing		33,125	35,780
Retained earnings		5,814,206	4,114,422
<b>Total equity</b>		<b>11,437,503</b>	<b>8,623,068</b>
<b>Total liabilities and equity</b>		<b>137,640,086</b>	<b>115,516,838</b>

The Limited Review Report is attached

The accompanying notes from (1) to (26) are integral part of these financial statements.

  
Mohamed Aly  
Chief Executive Officer and  
Managing Director



  
Mohamed Shawky  
Chief Financial Officer

Cairo on August 10, 2023

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

Translation of Financial Statements originally issued in Arabic

Condensed Separate Interim Income Statement for The Period Ended 30 June 2023

	Note No	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		8,153,307	4,780,009	4,388,227	2,505,151
Cost of deposits and similar costs		(4,320,401)	(2,731,545)	(2,324,217)	(1,408,325)
<b>Net income from funds</b>	<b>6</b>	<b>3,832,906</b>	<b>2,048,464</b>	<b>2,064,010</b>	<b>1,096,826</b>
Fees and commissions income		964,609	530,226	483,935	293,150
Fees and commissions expenses		(143,078)	(96,216)	(67,939)	(50,746)
<b>Net fees and commission income</b>	<b>7</b>	<b>821,531</b>	<b>434,010</b>	<b>415,996</b>	<b>242,404</b>
Dividend Income		4,247	2,810	4,247	2,810
Net trading income	<b>8</b>	202,833	71,869	87,027	28,382
Administrative expenses	<b>9</b>	(844,015)	(706,296)	(442,990)	(364,333)
Other operating (expenses)/income	<b>10</b>	(376,222)	(129,919)	(99,908)	5,637
Expected credit losses	<b>11</b>	(642,272)	(203,086)	(465,623)	(176,213)
Gain on financial investments		-	6,391	-	6,391
<b>Net profit for the period before tax</b>		<b>2,999,008</b>	<b>1,524,243</b>	<b>1,562,759</b>	<b>841,904</b>
Income tax expense	<b>12</b>	(911,494)	(552,037)	(443,495)	(293,603)
<b>Net profit for the period</b>		<b>2,087,514</b>	<b>972,206</b>	<b>1,119,264</b>	<b>548,301</b>
<b>Basic earning per share in net profit for the period</b>		<b>4.33</b>	<b>4.24</b>	<b>2.30</b>	<b>2.51</b>

The accompanying notes from (1) to (26) are integral part of these financial statements.

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

## Translation of Financial Statements originally issued in Arabic

### Condensed Separate Interim Statement of Comprehensive Income for Period Ended 30 June 2023

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
Net profit for the period	2,087,514	972,206	1,119,264	548,301
<u>Items that are not reclassified to the profit and losses:</u>				
Change in fair value reserve of equity instruments at fair value through other comprehensive income	15,701	36,248	1,217	33,026
Income tax related to items that are not reclassified to the profit or loss	(3,532)	(8,157)	(274)	(7,431)
<u>Items that are reclassified to profits and losses:</u>				
Changes at fair value through other comprehensive income	3,200	(50,262)	4,385	(47,066)
ECL of debt Instruments FVOCI	1,198	-	1,198	-
deferred Income tax related to items that are reclassified to the profits and losses	(720)	11,309	(987)	10,590
<b>Total other comprehensive income/(loss) for the period, net of tax</b>	<b>15,847</b>	<b>(10,862)</b>	<b>5,540</b>	<b>(10,881)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>2,103,361</b>	<b>961,344</b>	<b>1,124,804</b>	<b>537,420</b>

The accompanying notes from (1) to (26) are integral part of these financial statements.



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

## Translation of Financial Statements originally issued in Arabic

### Condensed Separate Interim Statement of Cash Flows for Period Ended 30 June 2023

	Note No.	30 June 2023 EGP (in thousands)	30 June 2022 EGP (in thousands)
<b>Cash flows from operating activities</b>			
Net profit for the period before tax		2,999,008	1,524,243
<b>Adjustments to reconcile profits with cash flows from operating activities</b>			
Depreciation and Amortization of fixed and intangible assets		39,968	54,748
Charge / (release) impairment loss of financing and facilities to customers	11	631,623	203,161
Collections of loans previously written-off - Customers	15	11,177	21,975
Charge / (release) other provisions	22	117,140	554,306
Provisions no longer required other than financing provision	22	(3,007)	(57,931)
Provisions used other than financing provision	22	(3,261)	(1,287)
Bonds' premium and discount amortization		(104,567)	(4,978)
Foreign currency valuation differences of financing provisions in foreign currencies	15	133,513	53,641
Foreign currency valuation differences of provisions in foreign currencies other than financing provi	22	81,959	31,158
Foreign currency revaluation of due from banks provisions	14	376	22
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(12,561)	(6,127)
Valuation differences for financial instruments balances in foreign currencies at AC		-	(37,495)
Foreign currency valuation differences of financial instrument at AC's provisions	2/16	7,135	3,514
Foreign currency valuation differences of subordinated financing - With coupon	21	295,368	148,133
Foreign currency valuation differences of subordinated financing - Zero coupon	21	204,342	104,168
Foreign currency valuation differences of subordinated financing - Zero coupon - Equity		10,628	22,219
Gain / (Losses) from valuation of forward exchange contracts		(2,810)	(41,062)
Charge /(release) impairment loss of due from banks	11	10,199	(75)
Charge /(release) impairment losses of financial investments at FVOCI	11	1,198	-
Charge /(release) of impairment losses of financial investments at AC	11	(750)	-
Charge /(release) Impairment loss of investments in subsidiaries and associates		-	(6,391)
Charge /(release) Impairment loss of assets reverted to bank	10	-	(20,000)
Charge /(release) Impairment Loss of other assets		197	217
Gain / (Losses) on sale of fixed assets	10	(41,556)	(276)
Dividends income from equity instruments at FVOCI		(4,247)	(2,322)
Dividends income from investments in subsidiaries and associates		-	(488)
Amortization of subordinated financing using EIR method	21	13,283	14,680
<b>Operating profits before changes in assets and liabilities resulting from operating activities</b>		4,384,355	2,557,753
<b>Net change in assets and liabilities</b>			
Due from banks with maturity more than 90 days		3,505,473	1,086,666
Treasury bills with maturity more than 90 days		(2,802,360)	1,560,001
Financing and facilities to customers and banks	15	(5,422,965)	(6,511,781)
Other assets		(523,450)	(268,700)
Due to banks	19	4,691,159	(666,488)
Customers' deposits	20	12,887,598	6,755,507
Financial derivatives		8,428	(15,058)
Other liabilities		680,315	161,723
Employees' Benefits obligations		18,539	18,541
Income tax paid		(630,974)	(364,276)
<b>Net Cash Flow generated from/(used in) Operating Activities</b>		16,796,118	4,313,888

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

## Translation of Financial Statements originally issued in Arabic

### Condensed Separate Interim Statement of Cash Flows for Period Ended 30 June 2023– Continued

	Note No.	30 June 2023 EGP (in thousands)	30 June 2022 EGP (in thousands)
<b>Cash flows from investing activities</b>			
Payments for purchase of fixed assets and branches fixtures	18	(67,172)	(10,948)
Proceeds from sale of fixed assets		48,466	(35)
Payments for purchase of intangible assets		-	(656)
Payments for purchase of financial investments at FVOCI		(212,749)	-
Proceeds from recovery of financial investments at FVOCI		50,010	-
Payments for purchase of investments in subsidiaries and associates at amortized cost		(1,529,612)	(1,467,040)
Proceeds from recovery of financial investments at amortized cost		3,205,509	774,028
Payments to purchase of investments in subsidiaries and associates		(9,800)	(19,600)
Proceeds from dividends income		4,247	2,810
<b>Net Cash flows generated from/(used in) Investing activities</b>		<b>1,488,899</b>	<b>(721,441)</b>
<b>Cash flows from financing activities</b>			
Paid under Capital Increase		1,000,000	-
General Reserve		3,584	-
Difference between face value and present value for subordinated financing		-	(36,855)
Dividends paid		(303,138)	(159,714)
<b>Net cash flows generated from/(used in) financing activities</b>		<b>700,446</b>	<b>(196,569)</b>
<b>Net (decrease) increase in cash and cash equivalents during the period</b>		<b>18,985,463</b>	<b>3,395,878</b>
Cash and cash equivalents at the beginning of the period		16,130,675	4,481,382
<b>Cash and cash equivalents at the end of the period</b>		<b>35,116,138</b>	<b>7,877,260</b>
<b>Cash and cash equivalents comprise</b>			
Cash and due from CBE	13	9,734,707	5,798,417
Due from banks	14	34,549,857	5,741,072
Treasury bills		10,259,876	11,480,809
CBE Reserve		(8,762,403)	(5,246,479)
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		(10,230,751)	(9,896,559)
<b>Cash and cash equivalents at the end of the period</b>		<b>35,116,138</b>	<b>7,877,260</b>

The accompanying notes from (1) to (26) are integral part of these financial statements.

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

## Translation of Financial Statements originally issued in Arabic

### Condensed Separate Interim Statement of Changes in Equity for Period Ended 30 June 2023

	EGP (in thousands)											
	Paid up capital	Paid under Capital increase	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 subordinated financing	Retained earnings	Total
30 June 2022												
Balance at 1 January 2022	2,000,000	1,861,418	3,698	80,261	42,522	17,165	453,883	158,088	66,615	30,864	1,748,840	6,463,354
Transferred to reserve accounts	-	-	365	68,978	-	-	(77,408)	-	-	-	8,065	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	(159,714)	(159,714)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	(10,862)	-	-	(10,862)
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	7,538	14,681	22,219
Net profit for the period	-	-	-	-	-	-	-	-	-	-	972,206	972,206
Balance at 30 June 2022	2,000,000	1,861,418	4,063	149,239	42,522	17,165	376,475	158,088	55,753	38,402	2,584,078	7,287,203
30 June 2023												
Balance at 1 January 2023	4,000,000	-	4,063	149,239	51,371	17,165	9,062	158,088	83,878	35,780	4,114,422	8,623,068
Transferred to reserve accounts	-	-	685	106,252	3,584	-	(9,062)	-	-	-	(97,875)	3,584
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	(303,138)	(303,138)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	15,847	-	-	15,847
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	(2,655)	13,283	10,628
Transferred to/from reseve accounts	1,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000
Net profit for the period	-	-	-	-	-	-	-	-	-	-	2,087,514	2,087,514
Balance at 30 June 2023	5,000,000	-	4,748	255,491	54,955	17,165	-	158,088	99,725	33,125	5,814,206	11,437,503

The accompanying notes from (1) to (26) are integral part of these financial statements.



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

## **Translation of Financial Statements originally issued in Arabic**

### **Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023**

#### **1.GENERAL INFORMATION**

Abu Dhabi Islamic Bank (“ADIB”) - 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 and investment services in the Arab Republic of Egypt through 70 branches, delegates and agencies employing more than 2,341 employees on the date of the financial statements.

These condensed separate interim financial statements for the period ended June 30, 2023 were approved by the Board of Directors on August 10, 2023.

#### **2.BASIS OF PREPARATION OF THE CONDENSED SEPARATE FINANCIAL STATEMENTS**

These condensed separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its board of directors on December 16th, 2008, and as per IFRS (9) "Financial Instruments" in accordance with the instructions of the CBE dated February 26th, 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 separate financial statements.

These condensed separate interim financial statements do not include all information and disclosures required for full annual separate 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, 2022.

In preparing these condensed separate interim 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 separate financial statements as at year ended December 31, 2022.

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

## Translation of Financial Statements originally issued in Arabic

### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 3. FINANCIAL RISK MANAGEMENT

##### 3/1/1 Loans and Financing

The following is the position of financing and facilities balances in terms of creditworthiness compared to the three stages of calculating the expected credit losses (ECL)

Retail	30 June 2023				31 December 2022			
	Stage One 12 Month	Stage Two Lifetime	Stage Three Lifetime	Total	Stage One 12 Month	Stage Two Lifetime	Stage Three Lifetime	Total
Creditworthiness as per CBE classification								
Good debts *	14,102,273	293,479	3,987	14,399,739	13,233,531	226,659	3,798	13,463,988
Regular follow-up	-	219,326	52,977	272,303	-	283,352	39,129	322,481
Special follow-up	-	-	25,150	25,150	-	40	44,824	44,864
Non-performing loans	-	-	485,029	485,029	-	-	559,724	559,724
<b>Total</b>	<b>14,102,273</b>	<b>512,805</b>	<b>567,143</b>	<b>15,182,221</b>	<b>13,233,531</b>	<b>510,051</b>	<b>647,475</b>	<b>14,391,057</b>
(Less) Impairment loss provision	(191,813)	(81,868)	(299,377)	(573,058)	(202,315)	(82,568)	(347,582)	(632,465)
(Less) Profit in suspense	(1,390)	(5,738)	(91,287)	(98,415)	(1,830)	(4,239)	(105,195)	(111,264)
<b>Book value</b>	<b>13,909,070</b>	<b>425,199</b>	<b>176,479</b>	<b>14,510,748</b>	<b>13,029,386</b>	<b>423,244</b>	<b>194,698</b>	<b>13,647,328</b>

\* The second and third stages include some debts that repayments have been organized but have not fulfilled yet all the conditions for progression to a higher stage.

Corporate	30 June 2023				31 December 2022			
	Stage One 12 Month	Stage Two Lifetime	Stage Three Lifetime	Total	Stage One Month 12	Stage Two Lifetime	Stage Three Lifetime	Total
Creditworthiness as per CBE classification								
Good debts *	25,885,217	105,492	3,890	25,994,599	23,988,179	144,234	954	24,133,367
Regular follow-up	20,067,445	2,652,412	9,937	22,729,794	17,598,312	1,231,880	1,277	18,831,469
Special follow-up	-	545,424	-	545,424	-	1,763,715	21,084	1,784,799
Non-performing loans	-	-	557,627	557,627	-	-	536,706	536,706
<b>Total</b>	<b>45,952,662</b>	<b>3,303,328</b>	<b>571,454</b>	<b>49,827,444</b>	<b>41,586,491</b>	<b>3,139,829</b>	<b>560,021</b>	<b>45,286,341</b>
(Less) Impairment loss provision	(1,443,993)	(885,099)	(570,224)	(2,899,316)	(1,039,915)	(545,970)	(555,895)	(2,141,780)
(Less) Profit in suspense	-	(354)	(2,555)	(2,909)	-	(10)	(2,564)	(2,574)
<b>Book value</b>	<b>44,508,669</b>	<b>2,417,875</b>	<b>(1,325)</b>	<b>46,925,219</b>	<b>40,546,576</b>	<b>2,593,849</b>	<b>1,562</b>	<b>43,141,987</b>

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

## Translation of Financial Statements originally issued in Arabic

### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 3.FINANCIAL RISK MANAGEMENT- Continued

##### 3/1/2 Financing and facilities

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

	30 June 2023		31 December 2022	
	Financing and facilities to customers	Total financing and facilities for banks and customers	Financing and facilities to customers	Total financing and facilities for banks and customers
<b>Financing and facilities</b>				
Neither past due nor impaired	60,054,935	60,054,935	54,820,020	54,820,020
Past due but not impaired	3,816,134	3,816,134	3,649,881	3,649,881
Impaired	1,138,596	1,138,596	1,207,496	1,207,496
<b>Total</b>	<b>65,009,665</b>	<b>65,009,665</b>	<b>59,677,397</b>	<b>59,677,397</b>
Less:				
impairment loss provision	(3,472,374)	(3,472,374)	(2,774,245)	(2,774,245)
Profit in suspense	(101,324)	(101,324)	(113,838)	(113,838)
<b>Net</b>	<b>61,435,967</b>	<b>61,435,967</b>	<b>56,789,314</b>	<b>56,789,314</b>

- Secured financing are not considered to be impaired for the non-regular category, taking into account the viability of such guarantees.
- During the period ended 30 June 2023, the Bank's portfolio of financing and facilities increased by 8.94% (31 December 2022, an increase of 24.89%).

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

## Translation of Financial Statements originally issued in Arabic

### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 3.FINANCIAL RISK MANAGEMENT- Continued

##### 3/1/3 Financing and facilities

	30 June 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 Month	Life time	Life time		12 Month	Life time	Life time	
<b>Retail</b>								
Balance of expected credit losses on 1 January 2023	202,315	82,568	347,582	632,465	82,082	114,295	375,102	571,479
Transferred from stage 1	(4,914)	45,785	18,023	58,894	(9,478)	62,425	74,009	126,956
Transferred from stage 2	7,374	(30,153)	24,920	2,141	6,855	(64,145)	56,938	(352)
Transferred from stage 3	80	321	(842)	(441)	302	218	(1,745)	(1,225)
Charge / (Release) of Impairment loss during the period/year	(15,911)	(6,435)	53,392	31,046	121,410	(11,618)	158,645	268,437
Financial assets purchased during the period/year	6,205	-	-	6,205	7,659	-	-	7,659
Financial assets disposed of/ paid during the period/year	(3,336)	(10,218)	(67,678)	(81,232)	(6,514)	(18,607)	(129,209)	(154,329)
Used provisions during the period/year	-	-	(76,020)	(76,020)	-	-	(186,159)	(186,159)
<b>Balance of expected credit losses</b>	<b>191,813</b>	<b>81,868</b>	<b>299,377</b>	<b>573,058</b>	<b>202,315</b>	<b>82,568</b>	<b>347,582</b>	<b>632,465</b>

	30 June 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 Month	Life time	Life time		12 Month	Life time	Life time	
<b>Corporate</b>								
Balance of expected credit losses on 1 January 2023	1,039,915	545,970	555,895	2,141,780	477,740	179,181	1,014,396	1,671,317
Transferred from stage 1	(24,400)	179,130	8,703	163,433	(29,299)	72,201	33,589	76,491
Transferred from stage 2	41,085	(44,800)	3,986	271	2,398	(5,038)	5,705	3,065
Transferred from stage 3	-	-	-	-	-	235,326	(105,061)	130,265
Charge / (Release) of Impairment loss during the period/year	397,967	215,485	2,269	615,721	490,416	82,462	42,679	615,557
Financial assets purchased during the period/year	76,454	-	-	76,454	139,233	-	-	139,233
Financial assets disposed of/ paid during the period/year	(87,028)	(10,686)	1,534	(96,180)	(40,573)	(18,162)	(141,974)	(200,709)
Used provisions during the period/year	-	-	(2,163)	(2,163)	-	-	(293,439)	(293,439)
<b>Balance of expected credit losses</b>	<b>1,443,993</b>	<b>885,099</b>	<b>570,224</b>	<b>2,899,316</b>	<b>1,039,915</b>	<b>545,970</b>	<b>555,895</b>	<b>2,141,780</b>

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

Translation of Financial Statements originally issued in Arabic

Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

## 3.FINANCIAL RISK MANAGEMENT- Continued

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

#### Geographical sectors

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

	EGP (in thousands)			
	<b><u>Arab Republic of Egypt</u></b>			
	Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total
<u>Debt instruments at FVOCI</u>				
- Egyptian treasury Bonds	120,550	-	-	120,550
- Egyptian treasury bills	3,428,270	-	-	3,428,270
<u>Debt instruments at amortized cost</u>				
- Egyptian treasury Bonds	16,946,396	-	-	16,946,396
- Egyptian treasury bills	6,823,759	-	-	6,823,759
<u>Retail</u>				
- Debit current accounts	4,159	1,540	248	5,947
- Credit cards	565,324	67,707	13,327	646,358
- Personal financings	9,726,774	3,491,086	854,735	14,072,595
- Real estate financings	330,314	26,141	2,369	358,824
<u>Corporate</u>				
- Debit current accounts	9,491,588	1,029	64	9,492,681
- Credit cards	152	-	-	152
- Direct financings	39,336,000	346,711	253,384	39,936,095
- Syndicated financings	395,689	-	-	395,689
<b>Balance at 30 June 2023</b>	<b>87,168,975</b>	<b>3,934,214</b>	<b>1,124,127</b>	<b>92,227,316</b>
<b>Balance at 31 December 2022</b>	<b>72,733,532</b>	<b>4,218,895</b>	<b>1,091,565</b>	<b>78,043,992</b>

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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 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 (in thousands)						
30 June 2023	EGP	USD	Sterling Pound	Euro	Japanese Yen	Other currencies	Total
<b>Assets</b>							
Cash and due from CBE	9,484,994	185,432	1,776	41,296	-	21,209	9,734,707
Due from banks	18,407,354	13,889,552	524,887	1,488,537	5,294	222,117	34,537,721
Financings and facilities to customers	48,550,023	11,239,776	45,227	1,600,941	-	-	61,435,967
Islamic forward / Islamic currency swap contracts	4,828	-	-	-	-	-	4,828
Financial investments at FVOCI	3,631,988	271,255	-	3,335	-	-	3,906,578
Financial investments at amortized cost	18,937,636	4,614,991	-	182,555	-	-	23,735,182
Other assets	2,029,257	197,498	480	8,875	-	744	2,236,854
<b>Total assets</b>	<b>101,046,080</b>	<b>30,398,504</b>	<b>572,350</b>	<b>3,325,539</b>	<b>5,294</b>	<b>244,070</b>	<b>135,591,837</b>
Financial derivatives related to currency	-	-	-	-	-	-	-
<b>Total assets and Financial derivatives related to currency</b>	<b>101,046,080</b>	<b>30,398,504</b>	<b>572,350</b>	<b>3,325,539</b>	<b>5,294</b>	<b>244,070</b>	<b>135,591,837</b>
<b>Liabilities and shareholders' equity</b>							
Due to banks	9,744	3,645,721	392,607	681,307	-	36,620	4,765,999
Customers' deposits	87,031,801	20,072,603	176,801	2,637,917	3,777	707,490	110,630,389
Related financings	-	2,522,343	-	-	-	-	2,522,343
Other liabilities	204,551	76,788	583	779	-	(190)	282,511
<b>Total Liabilities and shareholders' equity</b>	<b>87,246,096</b>	<b>26,317,455</b>	<b>569,991</b>	<b>3,320,003</b>	<b>3,777</b>	<b>743,920</b>	<b>118,201,242</b>
Total Liabilities and shareholders' equity and Financial derivatives related to currency	87,246,096	26,317,455	569,991	3,320,003	3,777	743,920	118,201,242
<b>Net financial position</b>	<b>13,799,984</b>	<b>4,081,049</b>	<b>2,359</b>	<b>5,536</b>	<b>1,517</b>	<b>(499,850)</b>	<b>17,390,595</b>
<b>31 December 2022</b>							
<b>Total assets</b>	<b>91,576,697</b>	<b>19,978,192</b>	<b>84,464</b>	<b>1,798,556</b>	<b>6,580</b>	<b>218,018</b>	<b>113,662,507</b>
<b>Total Liabilities and shareholders' equity</b>	<b>80,716,850</b>	<b>16,841,246</b>	<b>83,013</b>	<b>1,815,595</b>	<b>4,266</b>	<b>567,920</b>	<b>100,028,890</b>
<b>Net financial position</b>	<b>10,859,847</b>	<b>3,136,946</b>	<b>1,451</b>	<b>(17,039)</b>	<b>2,314</b>	<b>(349,902)</b>	<b>13,633,617</b>



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## Translation of Financial Statements originally issued in Arabic

### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 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 the replacement of amounts 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.

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Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

## 3.FINANCIAL RISK MANAGEMENT- Continued

### 3/4 Capital Management - Continued

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

According to Basel II	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>Capital</b>		
<b>Tier 1 after disposals</b>		
Total basic going concern capital after disposal	9,176,709	8,542,820
Total additional basic capital	2,197,431	35,780
Total Tier 1 after disposal (basic capital)	11,374,140	8,578,600
Total Tier 2 after disposal	2,680,839	2,316,008
Total capital base after disposal	14,054,979	10,894,608
Total assets and contingent liabilities weighted by credit, market, operational risks	90,292,990	75,921,585
Capital adequacy ratio	15.57%	14.35%

### 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 exclusions), and bank assets (both within and outside the balance sheet) are not weighted by risk weights.

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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 3.FINANCIAL RISK MANAGEMENT- Continued

##### 3/5 Leverage Ratio – Continued

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Tier 1 capital after disposals (1)	11,374,140	8,578,600
Total on-balance sheet exposures items after deducting tier 1 disposals	140,640,891	117,822,981
Total on-balance sheet exposures, financial derivatives contracts and financing financial securities	140,661,008	117,851,194
Total exposures off-balance sheet	13,183,612	11,910,836
Total exposures on-balance sheet and off-balance sheet (2)	157,927,376	133,560,057
Financial leverage ratio (1/2)	7.20%	6.42%

#### 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 evaluated 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:** Valuation 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 year ended on 31 March 2023 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 information upon measuring the expected credit losses.
- **Determination 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 forward tax losses.

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#### 5.SEGMENTS ANALYSIS

The activity segments shall include the operations, assets used in the provision 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

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

##### Investment

Including corporate mergers, investment purchasing, financing of corporate restructuring and financial instruments.

##### Retail

Including current account activities, savings, deposits, credit cards, personal finance and real estate 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
<b>30 June 2023</b>					
<b>Revenues and expenses by activity segment</b>					
Revenues of activity segment	1,935,572	807,678	1,453,588	577,463	4,774,301
Expenses of activity segment	(786,516)	(40,472)	(674,398)	(273,907)	(1,775,293)
<b>Net profit for the period before tax</b>	<b>1,149,056</b>	<b>767,206</b>	<b>779,190</b>	<b>303,556</b>	<b>2,999,008</b>
Tax	(258,540)	(305,505)	(185,568)	(161,881)	(911,494)
<b>Net profit for the period</b>	<b>890,516</b>	<b>461,701</b>	<b>593,622</b>	<b>141,675</b>	<b>2,087,514</b>
<b>Assets and liabilities by activity segment</b>					
Assets of activity segment	45,526,828	61,965,581	16,696,083	-	124,188,493
Un-classified assets	-	-	-	13,451,593	13,451,593
<b>Total assets</b>	<b>45,526,828</b>	<b>61,965,581</b>	<b>16,696,083</b>	<b>13,451,593</b>	<b>137,640,086</b>
Liabilities of activity segment	52,869,896	7,740,833	56,508,140	-	117,118,868
Un-classified liabilities	-	-	-	9,083,715	9,083,715
<b>Total liabilities</b>	<b>52,869,896</b>	<b>7,740,833</b>	<b>56,508,140</b>	<b>9,083,715</b>	<b>126,202,583</b>

	EGP (in thousands)				
	Corporate	Investment	Retail	Other activities	Total
<b>31 December 2022</b>					
<b>Revenues and expenses by activity segment</b>					
Revenues of activity segment	2,059,758	1,322,856	2,278,105	369,378	6,030,097
Expenses of activity segment	(699,426)	(47,767)	(1,371,109)	(693,143)	(2,811,445)
<b>Net profit for the year before tax</b>	<b>1,360,332</b>	<b>1,275,089</b>	<b>906,996</b>	<b>(323,765)</b>	<b>3,218,652</b>
Tax	(307,967)	(761,070)	(227,924)	204,037	(1,092,924)
<b>Net profit for the year before tax</b>	<b>1,052,365</b>	<b>514,019</b>	<b>679,072</b>	<b>(119,728)</b>	<b>2,125,728</b>
<b>Assets and liabilities by activity segment</b>					
Assets of activity segment	41,975,571	44,745,406	16,578,447	-	103,299,424
Un-classified assets	-	-	-	12,217,414	12,217,414
<b>Total assets</b>	<b>41,975,571</b>	<b>44,745,406</b>	<b>16,578,447</b>	<b>12,217,414</b>	<b>115,516,838</b>
Liabilities of activity segments	42,096,854	2,732,407	53,959,341	-	98,788,602
Non-classified liabilities	-	-	-	8,105,168	8,105,168
<b>Total liabilities</b>	<b>42,096,854</b>	<b>2,732,407</b>	<b>53,959,341</b>	<b>8,105,168</b>	<b>106,893,770</b>

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#### 6.NET REVENUE FROM FUNDS

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
<b>Income from Murabaha, Musharaka, Mudaraba and other similar income</b>				
<b>Financing and facilities</b>				
To customers	4,954,246	2,800,050	2,614,269	1,515,514
<b>Total</b>	<b>4,954,246</b>	<b>2,800,050</b>	<b>2,614,269</b>	<b>1,515,514</b>
Financial investments in debt instruments at AC and FVOCI	3,005	-	3,005	-
Deposits and current accounts	3,196,056	1,979,959	1,770,953	989,637
<b>Total</b>	<b>8,153,307</b>	<b>4,780,009</b>	<b>4,388,227</b>	<b>2,505,151</b>
<b>Cost of deposits and similar costs</b>				
<b>Deposits and current accounts:</b>				
To banks	(44,409)	(109,626)	(19,604)	(53,625)
To customers	(4,160,287)	(2,558,008)	(2,246,464)	(1,319,144)
other financings	(115,059)	(62,692)	(57,852)	(34,976)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(646)	(1,219)	(297)	(580)
<b>Total</b>	<b>(4,320,401)</b>	<b>(2,731,545)</b>	<b>(2,324,217)</b>	<b>(1,408,325)</b>
<b>Net profit income</b>	<b>3,832,906</b>	<b>2,048,464</b>	<b>2,064,010</b>	<b>1,096,826</b>

\*The return from deposits and current accounts with banks includes the return resulting from the Murabaha concluded with a local bank, and the returns, profits and losses resulting from Financial investments in government debt instruments belonging to this bank in accordance with the investment-restricted agency, which requires investing these amounts in government debt instruments within the limits of the return expected and agreed upon.

#### 7.NET FEES AND COMMISSION INCOME

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
<b>Fees and commissions income:</b>				
Credit related fees and commissions	588,927	317,461	293,886	174,731
Fees of corporate financing	17,601	51,749	8,785	23,827
Custody fees	830	-	485	-
Other fees	357,251	161,016	180,779	94,592
<b>Total</b>	<b>964,609</b>	<b>530,226</b>	<b>483,935</b>	<b>293,150</b>
<b>Fees and commissions expenses:</b>				
Paid brokerage fees	(201)	(78)	(77)	(35)
Various banking commission	(13,204)	(9,812)	(5,500)	(5,159)
Credit cards paid commissions	(91,977)	(60,162)	(43,696)	(32,035)
Other fees and commissions paid	(37,696)	(26,164)	(18,666)	(13,517)
<b>Total</b>	<b>(143,078)</b>	<b>(96,216)</b>	<b>(67,939)</b>	<b>(50,746)</b>
<b>Net fees and commission income</b>	<b>821,531</b>	<b>434,010</b>	<b>415,996</b>	<b>242,404</b>

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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 8.NET TRADING INCOME

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
<b>Foreign exchange operations:</b>				
Gains from fx deals	197,971	30,832	82,702	38,451
(Losses) / gains of Islamic forward contracts revaluation	2,810	41,062	(3,422)	(10,061)
(Loss) / Gains of currency option contracts revaluation	2,018	(25)	7,713	(8)
Gain / (Loss) of revaluation of forward exchange contracts	34	-	34	-
<b>Total</b>	<b>202,833</b>	<b>71,869</b>	<b>87,027</b>	<b>28,382</b>

#### 9.ADMINISTRATIVE EXPENSES

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
<b>Employees' cost</b>				
Salaries and wages and benefits	(409,767)	(324,304)	(217,696)	(164,544)
Social insurance	(24,411)	(19,630)	(12,447)	(9,879)
<b>Pension cost</b>				
Defined contribution plans	(13,941)	(11,118)	(7,564)	(5,731)
Defined benefit plans	(39,817)	(36,655)	(19,909)	(18,310)
Depreciation and amortization	(39,968)	(54,748)	(20,218)	(27,231)
Other administrative expenses	(316,111)	(259,841)	(165,156)	(138,638)
<b>Total</b>	<b>(844,015)</b>	<b>(706,296)</b>	<b>(442,990)</b>	<b>(364,333)</b>

#### 10. OTHER OPERATING (EXPENSES)/ INCOME

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 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	(93,790)	474,073	(53,356)	79,433
Gain (Loss) on sale of assets reverted to bank	25,611	11,437	24,711	-
Gain on sale of fixed assets	41,556	276	36,272	-
Software cost	(93,989)	(53,071)	(52,128)	(28,000)
operating lease expense	(65,617)	(57,587)	(34,390)	(29,304)
Gain / (release) on impairment of assets reverted to the bank	-	20,000	-	20,000
(Charge) / release of impairment other assets	(197)	(217)	(100)	(124)
Other provisions (net of reversed provision)*	(114,133)	(496,375)	1,787	(22,637)
Other income/ (expense)	(75,663)	(28,455)	(22,704)	(13,731)
<b>Total</b>	<b>(376,222)</b>	<b>(129,919)</b>	<b>(99,908)</b>	<b>5,637</b>



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

## Translation of Financial Statements originally issued in Arabic

### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 11. IMPAIRMENT CHARGES FOR CREDIT LOSSES

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
Financing and facilities to customers & banks	(831,623)	(203,161)	(455,556)	(176,185)
Sovereign Debts - Treasury Bills and Bonds at AC	(10,201)	75	(6,466)	(28)
Financial investments at FVOCI	(1,198)	-	(1,198)	-
Financial investments at amortized cost	750	-	(2,403)	-
<b>Total</b>	<b>(642,272)</b>	<b>(203,086)</b>	<b>(465,623)</b>	<b>(176,213)</b>

#### 12. INCOME TAX EXPENSES

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
Current tax	(958,859)	(568,056)	(444,395)	(286,513)
Deferred tax	47,365	16,019	900	(7,090)
<b>Total</b>	<b>(911,494)</b>	<b>(552,037)</b>	<b>(443,495)</b>	<b>(293,603)</b>

Tax on bank's profits are different from the amount resulting from application of current tax rates as follows:

#### Reconciliation to calculate effective tax rate

	Six months ended 30 June 2023 EGP (in thousands)	Six months ended 30 June 2022 EGP (in thousands)	Three months ended 30 June 2023 EGP (in thousands)	Three months ended 30 June 2022 EGP (in thousands)
Net profit for the year before tax	2,999,008	1,524,243	1,562,759	841,904
Applicable tax rate	22.50%	22.50%	22.50%	22.50%
<b>Income tax (expenses) based on applied tax rate</b>	<b>674,777</b>	<b>342,955</b>	<b>351,621</b>	<b>189,428</b>
<b>Tax impact for</b>				
Non-taxable revenues	(356,573)	(406,624)	(174,749)	(208,252)
Non-deductible tax expenses	300,197	267,852	124,673	136,608
Tax of treasury bills and bonds and dividends	293,094	347,854	141,951	175,819
<b>Income tax expenses according to effective tax rate</b>	<b>911,494</b>	<b>552,037</b>	<b>443,495</b>	<b>293,603</b>
<b>Effective tax rate</b>	<b>30.39%</b>	<b>36.22%</b>	<b>28.38%</b>	<b>34.87%</b>

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Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

## 13. CASH AND DUE FROM CBE

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Cash	972,304	595,059
Balances with CBE within mandatory reserve ratio	8,762,403	9,331,872
<b>Total</b>	<b>9,734,707</b>	<b>9,926,931</b>
Non-Profit bearing balances	9,734,707	9,926,931
<b>Total</b>	<b>9,734,707</b>	<b>9,926,931</b>

## 14. Due from Banks

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Current accounts	244,763	193,680
Bank deposits*	34,305,093	14,015,212
Murabaha due from local banks*	30,183,744	32,795,172
Restricted wakala due to local banks*	(30,183,744)	(32,795,172)
	<b>34,549,856</b>	<b>14,208,892</b>
(less) Impairment loss provision	(12,135)	(1,558)
<b>Total</b>	<b>34,537,721</b>	<b>14,207,334</b>
Balances with CBE other than mandatory reserve ratio	2,311,951	1,747,395
Local banks	30,977,340	11,559,475
Murabaha due from local banks*	30,183,744	32,795,172
Restricted wakala due to local banks*	(30,183,744)	(32,795,172)
Foreign Banks	1,260,565	902,022
(less) Impairment loss provision	(12,135)	(1,558)
<b>Total</b>	<b>34,537,721</b>	<b>14,207,334</b>
Non-Profit bearing balances	244,764	193,680
Variable profit bearing balances	31,994,622	12,267,817
Fixed profit bearing balances	2,310,470	1,747,395
(less) Impairment loss provision	(12,135)	(1,558)
<b>Total</b>	<b>34,537,721</b>	<b>14,207,334</b>
<b>Due from banks' impairment loss provision analysis</b>		
Balance at beginning of the year	1,558	128
Net expected credit loss during the period	10,201	1,339
Foreign exchange translation differences	376	91
<b>Total</b>	<b>12,135</b>	<b>1,558</b>

\*Balances at banks include an amount of EGP 30,183,744 representing a Wakala 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 both Wakalas 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.

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Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

## 15. FINANCING AND FACILITIES TO CUSTOMERS (after deducting expected credit losses)

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b><u>Retail</u></b>		
Debit current accounts	5,947	5,807
Credit cards	648,277	578,597
Personal financing	14,169,173	13,561,302
Real estate Financing	358,824	245,351
<b>Total</b>	<b>15,182,221</b>	<b>14,391,057</b>
<b><u>Corporate (including SMEs)</u></b>		
Debit current accounts	9,492,681	8,125,484
Direct financing	39,939,011	36,804,306
Syndicated financing	395,689	356,460
Credit cards	63	91
<b>Total</b>	<b>49,827,444</b>	<b>45,286,341</b>
<b>Total financing and facilities to customers</b>	<b>65,009,665</b>	<b>59,677,398</b>
<b><u>Deduct:</u></b>		
Impairment loss provision	(3,472,374)	(2,774,245)
Profit in suspense	(101,324)	(113,838)
<b>Total</b>	<b>(3,573,698)</b>	<b>(2,888,083)</b>
<b>Net</b>	<b>61,435,967</b>	<b>56,789,315</b>
<b><u>Classified in balance sheet as follow</u></b>		
Conventional financing to customers (net of impairment losses)	19,116	14,659
Financing to customers (net of impairment losses)	61,416,851	56,774,656
<b>Net</b>	<b>61,435,967</b>	<b>56,789,315</b>
Variable-profit bearing balances	42,804,117	37,416,375
Fixed-profit bearing balances	18,631,850	19,372,940
<b>Total</b>	<b>61,435,967</b>	<b>56,789,315</b>
<b>Financing and facilities to customers impairment loss provision analysis</b>		
	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>Balance at beginning of the year</b>	<b>2,774,245</b>	<b>2,242,798</b>
Net expected credit loss during the period	631,623	800,030
Recoveries from written off loans	11,177	31,158
Used provisions during the period	(78,184)	(479,597)
Foreign exchange translation differences	133,513	179,856
<b>Total</b>	<b>3,472,374</b>	<b>2,774,245</b>

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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 16. FINANCINGS AND FACILITIES TO CUSTOMERS (after deducting expected credit losses) - Continued

#### Analysis of the movement of impairment loss provision for the customers' financing and facilities based on types:

EGP (in thousands)					
30 June 2023	Retail		Personal financing	Real estate Financing	Total
	Debit current accounts	Covered Cards			
Balance at beginning of the year	-	56,138	574,267	2,060	632,465
Net impairment charge during the period	-	8,669	(2,728)	1,026	6,967
Recoveries from written off loans	-	6,562	3,084	-	9,646
Used provisions during the period	-	(9,657)	(66,363)	-	(76,020)
Balance at 30 June 2023	-	61,712	508,260	3,086	573,058

30 June 2023	Corporate		Syndicated financing	Other financings	Total
	Debit current accounts	Direct financing			
Balance at beginning of the year	72,461	2,010,480	58,839	-	2,141,780
Net impairment charge during the period	27,302	546,773	50,579	-	624,654
Recoveries from written off loans	-	1,532	-	-	1,532
Used provisions during the period	-	(2,163)	-	-	(2,163)
Foreign exchange translation differences	-	133,513	-	-	133,513
Balance at 30 June 2023	99,763	2,690,135	109,418	-	2,899,316

EGP (in thousands)					
31 December 2022	Retail		Personal financing	Real estate Financing	Total
	Debit current accounts	Covered Cards			
Balance at beginning of the year	-	54,948	516,399	132	571,479
Net impairment charge during the year	-	10,501	219,404	1,928	231,833
Recoveries from written off loans	-	14,431	881	-	15,312
Used from provision during the year	-	(23,742)	(162,417)	-	(186,159)
Balance at 31 December 2022	-	56,138	574,267	2,060	632,465

31 December 2022	Corporate		Syndicated financing	Other financings	Total
	Debit current accounts	Direct financing			
Balance at beginning of the year	54,597	1,585,882	30,840	-	1,671,319
Net impairment charge during the year	17,864	522,335	27,999	-	568,198
Recoveries from written off loans	-	15,846	-	-	15,846
Used from provision during the year	-	(293,439)	-	-	(293,439)
Foreign exchange translation differences	-	179,856	-	-	179,856
Balance at 31 December 2022	72,461	2,010,480	58,839	-	2,141,780

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Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

## 16.FINANCIAL INVESTMENTS

<b>16/1 Financial investments at FVOCI</b>	<b>30 June 2023 EGP (in thousands)</b>	<b>31 December 2022 EGP (in thousands)</b>
<b>A) Treasury bonds - at FV</b>		
Listed in stock exchange market	120,550	91,950
<b>Total Treasury bonds</b>	<b>120,550</b>	<b>91,950</b>
<b>B) Corporate bonds - at FV</b>		
Listed in stock exchange market	143,858	-
<b>Total Corporate bonds</b>	<b>143,858</b>	<b>-</b>
<b>C) Government treasury bills - at FV</b>		
Un-Listed in stock exchange market	3,428,270	3,724,458
<b>Total Government treasury bills</b>	<b>3,428,270</b>	<b>3,724,458</b>
<b>Detailed T-bills maturities as the following:</b>		
Treasury bills of 91 days maturity	29,125	2,497,875
Treasury bills of 182 days maturity	2,453,225	1,950
Treasury bills of 273 days maturity	338,250	50,350
Treasury bills of 364 days maturity	1,109,350	1,221,125
<b>Total</b>	<b>3,929,950</b>	<b>3,771,300</b>
Unearned revenues	(493,834)	(43,326)
Valuation differences of treasury bills at FV	(7,846)	(3,516)
<b>Net</b>	<b>3,428,270</b>	<b>3,724,458</b>
<b>D) Equity instruments at FV</b>		
Un-Listed in stock exchange market	187,482	161,380
<b>Total equity instruments</b>	<b>187,482</b>	<b>161,380</b>
<b>E) Mutual funds certificates at FV</b>		
Un-Listed in stock exchange market	26,418	24,259
<b>Total mutual funds certificates</b>	<b>26,418</b>	<b>24,259</b>
<b>Total financial investments at FVOCI (1)</b>	<b>3,762,720</b>	<b>4,002,047</b>



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## 16. FINANCIAL INVESTMENTS - Continued

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>16/2 Financial investments at AC</b>		
<b>A) Government treasury bonds</b>		
Listed in stock exchange market	16,946,396	18,214,441
Un-Listed in stock exchange market	-	305,473
Less: Impairment loss provision	(2,398)	(2,525)
<b>Total government treasury bonds</b>	<b>16,943,998</b>	<b>18,517,389</b>
<b>B) Government treasury bills</b>		
Un-Listed in stock exchange market	6,862,576	8,455,495
Less: Impairment loss provision	(32,575)	(26,063)
<b>Total government treasury bills</b>	<b>6,830,001</b>	<b>8,429,432</b>
<b>Detailed T-bills maturities as the following:</b>		
Treasury bills of 91 days maturity	-	2,200,000
Treasury bills of 182 days maturity	-	1,690,000
Treasury bills of 273 days maturity	1,525,000	400,000
Treasury bills of 364 days maturity	5,632,755	4,420,684
<b>Total</b>	<b>7,157,755</b>	<b>8,710,684</b>
Unearned revenues	(295,179)	(255,189)
Less: Impairment loss provision	(32,575)	(26,063)
<b>Net (1)</b>	<b>6,830,001</b>	<b>8,429,432</b>
<b>REPOs</b>		
Treasury bills sold with repurchase commitment within one week	(38,528)	(56,772)
<b>Total</b>	<b>(38,528)</b>	<b>(56,772)</b>
Unearned revenues	(289)	(430)
<b>Net (2)</b>	<b>(38,817)</b>	<b>(57,202)</b>
<b>Net (1+2)</b>	<b>6,791,184</b>	<b>8,372,230</b>
<b>Total financial investments at AC (2)</b>	<b>23,735,182</b>	<b>26,889,619</b>
<b>Total financial investments (1+2)</b>	<b>27,641,760</b>	<b>30,891,666</b>
Non-profit bearing balances	213,900	185,639
Variable-profit bearing balances	100,000	-
Fixed-profit bearing balances	27,327,860	30,706,027
<b>Total financial investments</b>	<b>27,641,760</b>	<b>30,891,666</b>

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>Debt Instruments impairment loss provision analysis</b>		
<b>Balance at the beginning of the year</b>	<b>28,588</b>	<b>18,200</b>
Net impairment loss during the period	(750)	-
Foreign exchange translation differences	7,135	10,388
<b>Total</b>	<b>34,973</b>	<b>28,588</b>



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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 16. FINANCIAL INVESTMENTS – Continued

##### 16/3 Fair value measurement

- The Bank determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between Market participants at the measurement date, taking into account when measuring the fair value the characteristics of the asset or liability in the event that market participants take into account the characteristics of the asset or liability. These characteristics 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 and the limitations on Selling or using the asset to view market participants.
- 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 Relevancy arising from market transactions involving assets or liabilities or a group of assets and liabilities, and that is identical or comparable. So may The Bank uses valuation techniques consistent with the market approach such as market multiples derived from comparable groups. And then it is necessary to choose The appropriate multiplier is within the scope of the use of subjective judgment, taking into account the quantitative and qualitative factors of the measurement.
- When it is not possible to rely on the market approach in determining the fair value of a financial asset or a financial liability, the bank uses the income approach to determine the value. fair value according to which future amounts such as cash flows or income and expenses are converted to a current (discounted) amount so that it reflects the Fair Value Current market expectations 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 To replace the asset in its current condition (the current replacement cost), so that it reflects Determine the fair value so that the amount currently being demanded reflects the value The fair cost to a market participant as a buyer of acquiring an alternative asset with a similar benefit that a market participant as a buyer would not pay in The asset is more than the amount at which the benefit is exchanged for the asset.

**-Level 1** - Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the bank can

Accessed in the measurement history.

**-Level 2** - the second level inputs are all inputs other than the prices announced within the first level, and these inputs are

A note of the asset or liability, directly or indirectly.

**-Level 3** - 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 on June 30, 2023, from the comparative figures on December 31, 2022

	EGP (in thousands)			
30 June 2023	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	264,408	3,428,270	-	3,692,678
Mutual funds certificates	-	-	26,418	26,418
Equity instruments	-	-	187,482	187,482
31 December 2022	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	91,950	3,724,458	-	3,816,408
Mutual funds certificates	-	-	24,259	24,259
Equity instruments	-	-	161,380	161,380

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#### 17. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (NET)

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b><u>Contribution in subsidiaries</u></b>		
Cairo National Company for Brokerage and Securities	76,797	76,797
National Company for Trading and Development (Entad)	19,207	19,207
ADI holding company	4,980	4,980
ADI Capital	11,575	11,575
ADI Properties	13	13
ADIB Investment	4,900	4,900
ADI Finance	154,315	154,315
ADIB MicroFinance	24,500	24,500
ADIB Consumer Finance	98,000	98,000
ADIB Securitisation	9,800	-
<b>Total</b>	<b>404,087</b>	<b>394,287</b>
<b><u>Contribution in associates</u></b>		
Orient Takaful Insurance Company - Egypt	20,000	20,000
<b>Total</b>	<b>20,000</b>	<b>20,000</b>
<b>Total financial investments in subsidiaries and associates</b>	<b>424,087</b>	<b>414,287</b>
Impairment losses in financial investments in subsidiaries and associates	(8,774)	(8,774)
<b>Net financial investments in subsidiaries and associates</b>	<b>415,313</b>	<b>405,513</b>

\*Based on the decision of the bank's board of directors on 9/2015 and the approval of the Central Bank on 11/2015, the procedures for establishing the Abu Dhabi Islamic Company to manage portfolios of securities and investment funds were completed, and the bank established the company on 3/2016, and no constituent assembly has been called to date.

- Financial investments in subsidiaries have been determined according to a study carried out by the bank to identify companies in which the bank has, directly and indirectly, the ability to control their financial and operational policies.
- In July 2022, the bank's board of directors approved an increase in the paid-up capital of Abu Dhabi Islamic Consumer Finance Company from 10 million EGP up to 100 million EGP represented by 98 million shares with a nominal value of 1 EGP per share (with the same shareholding ratio) of the bank, which is 98%.
- In March 2021, the bank's board of directors approved the establishment of the Abu Dhabi Islamic Microfinance Company - under establishment, with a paid-in capital of 25 million EGP (represented by 2.5 million shares with a nominal value of 10 EGP per share). Knowing that the capital is still frozen until the completion of the company's incorporation procedures.
- Based on the decision of the Bank's Board of Directors on July 8, 2021, and the approval of the Central Bank on July 24, 2021, the procedures for establishing the Abu Dhabi Islamic Securities Company were initiated. The paid-up capital in May 2023 amounted to 10 million pounds, represented by 1 million shares, with a nominal value of 10 pounds per share. The Bank's shareholding reached 98%.
- The item of financial investments impairment losses in subsidiaries and sister companies includes an amount of 8,774 EGP, which is mainly represented in the following:

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- The decline of Cairo National Company for Investment and Securities by 3,780 EGP as a result of the drop in the share price from 11.30 to 10.74 EGP according to the fair value study.
- The impairment of the Abu Dhabi Holding Company for Financial Investments, at a value of 4,980 EGP, according to the latest fair value study.

#### 18. FIXED ASSETS (Net of accumulated depreciation)

			EGP (in thousands)	
	Lands & Premises	Machinery & Equipment	Other assets	Total
<b>31 December 2022</b>				
Cost	172,594	10,535	1,073,169	1,256,298
Accumulated Depreciation	(57,817)	(4,839)	(707,688)	(770,344)
<b>Net Book Value</b>	<b>114,777</b>	<b>5,696</b>	<b>365,481</b>	<b>485,954</b>
Net Book Value at the beginning of the year	120,373	4,825	381,120	506,318
Additions	-	1,775	52,244	54,019
Disposals	-	(417)	(3,487)	(3,904)
Accumulated Depreciation	(5,596)	(952)	(67,739)	(74,287)
Disposals' Accumulated Depreciation	-	417	3,391	3,808
<b>Net Book Value</b>	<b>114,777</b>	<b>5,648</b>	<b>365,529</b>	<b>485,954</b>
<b>30 June 2023</b>				
Cost	161,532	10,535	1,130,468	1,302,535
Accumulated Depreciation	(55,957)	(5,349)	(727,744)	(789,050)
<b>Net Book Value</b>	<b>105,575</b>	<b>5,186</b>	<b>402,724</b>	<b>513,485</b>
Net Book Value at the beginning of the year	114,777	5,648	365,529	485,954
Additions	-	-	67,172	67,172
Disposals	(11,062)	-	(9,873)	(20,935)
Accumulated Depreciation	(2,819)	(510)	(29,402)	(32,731)
Disposals' Accumulated Depreciation	4,679	-	9,346	14,025
<b>Net Book Value</b>	<b>105,575</b>	<b>5,138</b>	<b>402,772</b>	<b>513,485</b>

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30 June 2023

## 19. DUE TO BANKS

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Current Accounts	393,440	74,840
Deposits	4,372,559	-
<b>Total</b>	<b>4,765,999</b>	<b>74,840</b>
Local Banks	2,639,988	14,526
Foreign Banks	2,126,011	60,314
<b>Total</b>	<b>4,765,999</b>	<b>74,840</b>
Non-profit bearing balances	393,440	74,840
Variable profit bearing balances	4,372,559	-
<b>Total</b>	<b>4,765,999</b>	<b>74,840</b>

## 20. CUSTOMERS' DEPOSITS

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Demand deposits	33,264,173	29,346,708
Time and call deposits	31,511,794	26,696,285
Saving and deposit certificates	30,784,088	26,962,397
Saving deposits	10,788,168	11,009,014
Other deposits	4,282,166	3,728,387
<b>Total</b>	<b>110,630,389</b>	<b>97,742,791</b>
Corporate deposits	50,806,261	48,312,672
Retail deposits	59,824,128	49,430,119
<b>Total</b>	<b>110,630,389</b>	<b>97,742,791</b>
Non-profit bearing balances	16,497,475	13,698,380
Fixed profit bearing balances	94,132,914	84,044,411
<b>Total</b>	<b>110,630,389</b>	<b>97,742,791</b>

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

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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 21. Subordinated financing

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Subordinated Financing without coupon*	1,039,292	821,667
Subordinated Financing with coupon**	1,483,051	1,187,683
<b>Total</b>	<b>2,522,343</b>	<b>2,009,350</b>
<b><u>Subordinated Financing without coupon*</u></b>		
Balance at the beginning of the financial year- face value of subordinated financing	821,667	534,421
Subordinated financing cost using effective interest rate method	13,283	24,089
Foreign currency valuation differences	204,342	300,017
Readjustment effect for Subordinated Financing granted in December 27, 2012	-	(36,860)
<b>Total</b>	<b>1,039,292</b>	<b>821,667</b>

#### **\*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**

\*\* On 29 September 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 September 2016 with a profit rate equals to 6.50% from the investment amount, which is not significantly different from the market discount rate.

\*\*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 5.88% 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.

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#### 22. OTHER PROVISIONS

	EGP (in thousand)			
	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Total
<b>30 June 2023</b>				
Balance at beginning of the year	14,711	40,588	679,606	734,905
Charged during the year	17,785	3,000	96,355	117,140
Transferred from/to liabilities	-	2,133	-	2,133
Provisions no longer required	(563)	-	(2,445)	(3,007)
Used provision during the period	(857)	(2,405)	-	(3,261)
Foreign exchange translation differences	(1)	-	81,960	81,959
<b>Balance at 31 March 2023</b>	<b>31,077</b>	<b>43,317</b>	<b>855,476</b>	<b>929,869</b>
	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Total
<b>31 December 2022</b>				
Balance at beginning of the year	1,301,613	33,286	387,789	1,722,688
Charged during the year	628,376	10,000	257,408	895,784
Provisions no longer required	(18,090)	-	(57,874)	(75,964)
Used provision during the period	(1,899,130)	(2,698)	-	(1,901,828)
Foreign exchange translation differences	1,942	-	92,283	94,225
<b>Balance at 31 December 2022</b>	<b>14,711</b>	<b>40,588</b>	<b>679,606</b>	<b>734,905</b>

In reference to what was stated in the minutes of the ordinary general assembly of the bank on October 18, 2015, regarding the different opinions on the basis for calculating the amounts of US dollars paid under the capital increase account by Abu Dhabi Islamic Bank - UAE as amounts in Egyptian pounds, which may result in a possible claim from Abu Dhabi Islamic Bank, UAE. Based on the assessment of the external legal advisor of Abu Dhabi Islamic Bank - Egypt for the potential loss resulting from the change in the exchange rate, the bank has established a provision for potential claims in the amount of EGP 1.895 million till 31 December 2022 Which represents the present value of the expected financial flows to Cover that obligation.



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### Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023

#### 23. CAPITAL

##### 23.1 The Authorized Capital

- The authorized capital amounted to EGP 7 billion (31 December 2022: EGP 7 billion).

##### 23.2 Issued and paid up capital

- The issued and paid-up capital amounted to EGP 4 billion (December 31, 2021: 2 billion EGP) represented by 400 million shares with a nominal value of EGP 10 per share.
- The Ordinary General Assembly of Abu Dhabi Islamic Bank - Egypt, which was held on October 4, 2022, agreed to increase the issued and paid-up capital in cash from EGP 4 billion to EGP 5 billion, with an increase of EGP 1 billion distributed over 100 million shares, with a nominal value of 10 pounds. per share, through subscription for the old shareholders, and the subscription was opened from December 18, 2022 to January 16, 2023, according to the subscription prospectus.

#### 24. RESERVES

	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Legal Reserve	255,491	149,239
General Reserve	54,955	51,371
Special Reserve	17,165	17,165
General Banking Risk Reserve	-	9,062
Capital Reserve	4,748	4,063
General Risk Reserve	158,088	158,088
Fair value reserve	99,725	83,878
<b>Total reserves at the end of the period</b>	<b>590,172</b>	<b>472,866</b>

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#### 25. RELATED PARTIES TRANSACTIONS

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

The related parties transactions balances included are represented as follows:

Relationship Nature	Account Nature	Transaction Nature	30 June 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Major Shareholders	Assets	Due from banks	23,239	8,618
Major Shareholders	Assets	Other Assets	114,827	35,797
Major Shareholders	Liabilities	Due to banks	22,930	13,617
Major Shareholders	Liabilities	Subordinated financing	2,522,343	2,009,350
Major Shareholders	Liabilities	Management fees	189,927	160,634
Major Shareholders	Liabilities	Other Liabilities	3,798,454	3,239,563
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	33,125	35,780
Subsidiaries Companies	Assets	Other Assets	62,945	30,038
Subsidiaries Companies	Liabilities	provision for impairment of other assets	2,364	2,147
Subsidiaries Companies	Assets	Financing and facilities to customers	448,009	296,423
Subsidiaries Companies	Assets	provision for impairment on credit losses	79,521	77,317
Subsidiaries Companies	Liabilities	Customers deposits	116,779	137,503
Associates Companies	Liabilities	Customers deposits	97,652	110,832

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

Relationship Nature	Account Nature	Transaction Nature	30 June 2023 EGP (in thousands)	30 June 2022 EGP (in thousands)
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(13,283)	(14,681)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(101,776)	(48,010)
Subsidiaries Companies	Revenues	Other operating income	21	62
Subsidiaries Companies	Revenues	Income from Murabaha, Musharaka, Mudaraba and other similar income	31,050	14,779
Subsidiaries Companies	Expenses	Cost of deposits and similar expenses	(5,283)	(2,273)
Subsidiaries Companies	Expenses	Fees and commissions expenses	(71)	(1,006)

\*Wages, salaries and benefits in kind on June 30, 2023, include an amount of 21,583 thousand Egyptian pounds, which is the total amount received by the largest twenty employees of the owners of bonuses, salaries and benefits in the bank combined

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#### 26. SIGNIFICANT EVENTS

##### Interest rate on interbank loans (IBOR)

##### Interest rate risk

Shifting from the interest rate on mutual funds between banks:

- Regulators and central banks in various jurisdictions have held national staff meetings to set replacement rates for IBOR to facilitate an orderly transition to IBOR.
- The traditional rates for this indicator are replaced by new revised alternative reference rates such as the exchange of the LIBOR dollar (interbank rate) in London with SOFR, the British pound LIBOR being replaced by SONIA, the euro being replaced by LIBOR by ESTR, the Swiss franc LIBOR being replaced by SARON and the yen Japanese LIBOR by TONAR.
- The official publication of the following LIBOR rates will cease immediately after December 31, 2021 for the LIBOR indices of the British Pound, Euro, Swiss Franc and Japanese Yen. As for the US dollar LIBOR, the publication of the 1-week and 2-month periods will stop by December 31, 2021 and other interest rates from the LIBOR rate will stop on June 30, 2023.
- LIBOR rates are forward looking and published for a borrowing period (eg 1 months, 3 months, 6 months, etc.) and adjusted according to the spread of credit risk, while the alternative reference rates are overnight rates based on actual transactions, so you need to enter Adjustments to the distribution of the term, as it must be economically equivalent to its predecessor in the transition stage.
- The bank has begun to develop a transformational program for EIBOR, and the program is currently focusing on evaluating the impact of the EIBOR transition on existing contracts and its impact on the risk of return rate, as well as adding a paragraph in these contracts that indicates the eligibility of the bank to use an alternative reference rate with other parties and customers.

##### Economic factors

- The global economy has faced many responses and challenges that it has not seen in years, such as the Corona pandemic and closure policies, then followed by the Russian-Ukrainian conflict, which had dire economic repercussions, which caused pressure on the Egyptian economy, which called for taking reform measures by the Central Bank of Egypt to ensure macroeconomic stability and achieve sustainable economic growth, and to achieve this, the exchange rate will reflect the value of the Egyptian pound against other foreign currencies by the forces of supply and demand within the framework of a flexible exchange rate, and in order to support the goal of price stability, a committee decided Monetary Policy (MPC) Raising the rates of the overnight deposit and lending return and the price of the main operation of the Central Bank by 200 basis points on 2 April 2023, compared to the comparison year, to reach 18.25%, 19.25% and 18.75%, respectively. Then, on August 3, 2023, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the rates of the overnight deposit and lending return and the price of the main operation of the Central Bank by 100 basis points, to reach 19.25%, 20.25%, and 19.75%, respectively. The credit and discount rate was also raised by 100 basis points to 19.75%.

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## **Translation of Financial Statements originally issued in Arabic**

### **Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 June 2023**

#### **Supporting financing contract**

- Abu Dhabi Islamic Bank - Egypt has signed a supportive financing agreement compatible with the principles of Islamic law with the International Finance Corporation, with a Murabaha system, at a value of 50 million USD, and the financing period is 5 years, starting from the date of July 7, 2023, which aims to support the bank's capital and the strength of its financial position.