

Abu Dhabi Islamic Bank" S.A.E "
condensed interim separate financial statements
for the financial period ending on September 30, 2022
and the limited review report

Limited Review Report of Condensed Separate Interim Financial Statements**To : The Board of directors of Abu Dhabi Islamic Bank (ADIB) - Egypt "S.A.E."****Introduction**

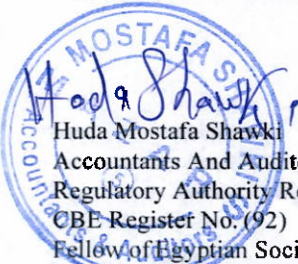
We have reviewed the accompanying condensed separate interim statement of financial position of Abu Dhabi Islamic Bank (ADIB) - Egypt S.A.E as of 30 September 2022 and the related condensed separate interim statements of income, comprehensive income, cash flows and changes in shareholders' equity for the nine months period then ended. 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 the banks' financial statements approved by the Central bank of Egypt on 16 December 2008 as amended by the regulations 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 interim financial statements for banks and with the requirements of applicable Egyptian law and regulation, our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the Egyptian Standard on Review Engagements (2410). "Limited Review of Interim Financial Statements 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 substantially less in scope than an audit conducted in accordance with the 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.

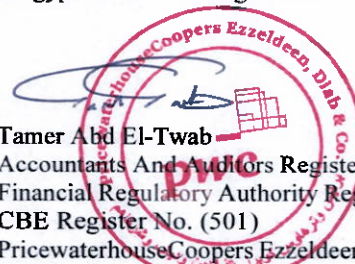
Conclusion

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



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Cairo Nov 13, 2022

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 September 2022

	Note No	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Assets			
Cash and due from Central Bank of Egypt	13	6,487,640	6,068,337
Due from banks	14	10,442,523	4,675,137
Financing and facilities to banks (net of expected credit losses)	15	-	59,107
Conventional financing to customers (net of expected credit losses)	16	14,659	12,172
Financing and facilities to customers (net of expected credit losses)	16	55,020,006	45,354,797
Non current asset held for sale	19	-	2,021
Islamic forward exchange contracts		19,311	-
Financial investments			
- Financial investments at FVOCI	1/17	3,379,357	9,393,231
- Financial investments at amortized cost	2/17	25,067,788	20,962,309
Investments in subsidiaries and associates (net)	18	405,513	310,922
Intangible assets		26,177	44,546
Other assets		2,237,062	2,002,531
Fixed assets (net of accumulated depreciation)	20	495,384	506,318
Deferred tax assets		91,510	58,827
Total assets		103,686,930	89,450,255
Liabilities and equity			
Liabilities			
Due to banks	21	2,723,900	2,352,263
Customers' deposits	22	85,803,359	75,803,423
Islamic forward / Islamic currency swap contracts		23	15,084
Subordinated Financing / Other Islamic financing	23	1,583,631	1,288,823
Other liabilities		4,258,361	1,187,282
Current income tax liability		509,938	434,201
Other provisions	24	578,079	1,722,688
Defined benefits obligations		210,946	183,137
Total liabilities		95,668,237	82,986,901
Equity			
Paid up Capital	2/25	2,000,000	2,000,000
Paid up capital under registration	3/25	2,000,000	-
Paid under Capital increase	4/25	-	1,861,418
Reserves	26	709,876	822,231
Difference between face value and present value for non-interest subordinated financing		37,095	30,864
Retained earnings		3,271,722	1,748,841
Total equity		8,018,693	6,463,354
Total liabilities and equity		103,686,930	89,450,255

The Limited Review Report is attached

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

Mohamed Ali

Chief Executive Officer and Managing Director
Cairo on November 10, 2022

Mohamed Shawky

Chief Financial Officer

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 September 2022

	Note	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		7,587,697	5,867,408	2,807,689	2,049,628
Cost of deposits and similar costs		(4,210,912)	(3,339,780)	(1,537,036)	(1,192,106)
Net income from funds	6	3,376,785	2,527,628	1,270,653	857,522
Fees and commissions income		734,062	496,792	261,504	180,497
Fees and commissions expenses		(154,578)	(121,597)	(58,362)	(46,931)
Net fees and commission income	7	579,484	375,195	203,142	133,566
Dividend income		2,810	21,080	-	-
Net trading income	8	104,374	53,365	32,505	19,706
Administrative expenses	9	(1,075,604)	(1,067,023)	(369,308)	(365,623)
Other operating expenses	10	(255,723)	(279,287)	(125,804)	(65,981)
Expected credit losses	11	(353,037)	(108,867)	(149,951)	(14,996)
Gain on sale of the financial investments in subsidiaries		-	52,937	-	771
Gain/Loss on financial investments		6,391	(10,756)	-	-
Net profit for the period before tax		2,385,480	1,564,272	861,237	564,965
Income tax expense	12	(843,678)	(562,633)	(291,641)	(203,871)
Net profit for the period		1,541,802	1,001,639	569,596	361,094
Basic earning per share in net profit for the period		6.79	4.61	2.51	1.56

The accompanying notes from (1) to (28) 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 September 2022

	Note	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Net profit for the Year	No	1,541,802	1,001,639	569,596	361,094
<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		38,817	24,626	2,569	346
Income tax related to items that are not reclassified to the profit or loss		(8,734)	(5,541)	(578)	(78)
<u>Items that are reclassified to profits and losses:</u>					
Changes at fair value through other comprehensive income		(39,903)	(6,695)	10,359	22,732
deferred income tax related to items that are reclassified to the profits and losses		8,978	1,506	(2,331)	(5,115)
Total other comprehensive income for the period, net of tax		(842)	13,896	10,019	17,885
Total comprehensive income for the period, net of tax		1,540,960	1,015,535	579,615	378,979

The accompanying notes from (1) to (28) 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 September 2022

	Note No.	30 September 2022 EGP (in thousands)	30 September 2021 EGP (in thousands)
Cash flows from operating activities			
Net profit for the year before tax		2,385,480	1,564,272
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets		77,626	80,191
Charge / (release) impairment loss of financing and facilities to customers	11	352,939	108,829
Used provisions - Financing provision	16	(416,783)	(49,331)
Charge / (release) other provisions	24	796,749	155,053
Provisions no longer required other than financing provision	24	(75,740)	(37,979)
Provisions used other than financing provision	24	(1,900,464)	(9,392)
Bonds' premium and discount amortization		(24,716)	59,482
Foreign currency valuation differences of financing provisions in foreign currencies	16	68,067	(1,026)
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	24	34,846	(2,081)
Foreign currency revaluation of due from banks provisions		26	(3)
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(7,491)	129
Valuation differences for financial instruments balances in foreign currencies at AC		(46,675)	228
Foreign currency valuation differences of financial instrument at AC's provisions		4,321	(64)
Foreign currency valuation differences of subordinated financing - With coupon	23	184,109	(955)
Foreign currency valuation differences of subordinated financing - Zero coupon	23	128,739	(613)
Foreign currency valuation differences of subordinated financing - Zero coupon - Equity		25,051	15,937
Gain / (Losses) from valuation of forward exchange contracts		(19,311)	28,388
Charge / (release) impairment loss of due from banks	11	99	38
Charge / (release) Impairment loss of investments in subsidiaries and associates		(6,391)	10,756
Charge / (release) Impairment loss of assets reverted to bank	10	(20,000)	-
Charge / (release) Impairment Loss of other assets		353	1,972
Gains / (Losses) on sale of investments in subsidiaries and associates		-	(52,937)
Gain / (Losses) on sale of fixed assets	10	(276)	(365)
Gain / (Losses) on sale of assets reverted to bank	10	(11,437)	(9,143)
Dividends income from equity instruments at FVOCI		(2,322)	(4,644)
Dividends income from investments in subsidiaries and associates		(488)	(16,436)
Amortization of subordinated financing using EIR method	22	18,821	26,274
Operating profits before changes in assets and liabilities resulting from operating activities		1,545,133	1,866,580
Net decrease (increase) in assets and liabilities			
Due from banks with maturity more than 90 days		(5,698,915)	512,851
Treasury bills with maturity more than 90 days		1,414,844	(1,842,366)
Financing and facilities to customers and banks	16	(9,573,604)	(3,658,502)
Other assets		(240,636)	(109,425)
Non current asset held for sale		-	(1,412)
Due to banks	21	371,636	65,275
Customers' deposits	22	9,999,936	10,208,246
Financial derivatives		(15,061)	(1,277)
Other liabilities		3,071,092	116,951
Employees' Benefits obligations		27,808	33,878
Income tax paid		(800,380)	(383,386)
Net Cash Flow (used in) Operating Activities		101,843	6,807,413

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

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Condensed Separate Interim Statement of Cash Flows for Period Ended 30 September 2022 – Continued

	Note No.	30 September 2022 EGP (in thousands)	30 September 2021 EGP (in thousands)
Cash flows from investing activities			
Payments for purchase of fixed assets and branches fixtures	20	(47,707)	(56,627)
Proceeds from sale of fixed assets		315	1,060
Payments for purchase of intangible assets		(656)	(41,928)
Payments for purchase of financial investments at FVOCI		-	(204,798)
Proceeds from recovery of financial investments at FVOCI		1,601	23,706
Payments for purchase of investments in subsidiaries and associates at amortized cost		(2,797,816)	(7,871,394)
Proceeds from recovery of financial investments at amortized cost		2,212,802	1,622,133
Payments to purchase of investments in subsidiaries and associates		(88,200)	(36,071)
Proceeds from recovery of investments in subsidiaries and associates		-	80,366
Proceeds from dividends income		2,810	21,080
Net Cash flows (used in) Investing activities		(716,851)	(6,462,473)
Cash flows from financing activities			
Paid under Capital Increase		(1,861,418)	-
Paid up capital under registration		2,000,000	-
General Reserve		10,460	-
Proceeds (Paid) from subordinated financing		-	(26,148)
Difference between face value and present value for subordinated financing		(36,860)	-
Dividends paid		(159,714)	(110,538)
Issuance fees		-	-
Net cash flows (used in) financing activities		(47,532)	(136,686)
Net (decrease) Increase in cash and cash equivalents during the year		(662,540)	208,254
Cash and cash equivalents at the beginning of the year		11,106,608	8,431,228
Cash and cash equivalents at the end of the period		10,444,068	8,639,482
Cash and cash equivalents comprise			
Cash and due from CBE	13	6,487,640	5,282,811
Due from banks	14	10,442,775	2,814,017
Treasury bills		8,962,202	11,355,165
Due from banks with maturity more than three months from date of acquisition		(10,183,265)	(2,702,249)
Treasury bills with maturity more than three months from date of acquisition		(5,265,284)	(9,110,262)
Cash and cash equivalents at the end of the period		10,444,068	8,639,482

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

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Condensed Separate Interim Statement of Changes in Equity for Period Ended 30 September 2022

	Paid up capital	Paid up capital under registration	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	ESF (in thousands) Retained earnings	Total
30 September 2021													
Balance at 1 January 2021	2,000,000	-	1,861,418	-	22,878	42,522	17,165	52,265	158,088	52,851	44,767	906,808	5,158,862
Transferred to reserve accounts	-	-	-	3,698	57,383	-	-	376,129	-	-	-	(437,210)	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	-	(110,537)	(110,537)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	13,896	-	-	13,896
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	-	(10,337)	26,274	15,937
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	1,001,639	1,001,639
Balance at 30 September 2021	2,000,000	-	1,861,418	3,698	80,261	42,522	17,165	428,394	158,088	66,847	34,430	1,386,974	6,079,797
30 September 2022													
Balance at 1 January 2022	2,000,000	-	1,861,418	3,698	80,261	42,522	17,165	453,883	158,088	56,614	30,864	1,748,840	6,463,353
Transferred to reserve accounts	-	-	-	365	68,978	10,460	-	(191,316)	-	-	-	12,1973	10,460
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	-	(159,714)	(159,714)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	(842)	-	-	(842)
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	-	6,231	18,821	25,052
Transferred to/from reserve accounts	-	2,000,000	(1,861,418)	-	-	-	-	-	-	-	-	-	136,582
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	1,541,802	1,541,802
Balance at 30 September 2022	2,000,000	2,000,000	-	4,063	149,239	52,982	17,165	262,567	158,088	65,772	37,055	3,271,722	8,018,693

The accompanying notes from (1) to (28) 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 September 2022

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 2,254 employees on the date of the financial statements.

These condensed separate interim financial statements for the period ended September 30, 2022 were approved by the Board of Directors on November 10, 2022.

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, 2021.

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, 2021.

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Translation of Financial Statements originally issued in Arabic

Notes to Condensed Separate Interim Financial Statements for The Period Ended 30 September 2022

3. FINANCIAL RISK MANAGEMENT

Except as indicated in note (27), ADIB's Financial risk management goals and policies are in line with which stated in separate financial results for the year ended December 31, 2021.

3/1/1 Credit risk exposure:

A- Maximum credit at risk - Financial instruments subject to impairment

The table below includes an analysis of the maximum limit exposed to credit risk of financial instruments for which the Expected Credit Losses have been recognized.

The following table shows the total book value of financial assets below and the maximum limit for credit risk exposure on these financial assets.

Retail	30 September 2022				31 December 2021			
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	Stage Three	Total
	12 Month	Lifetime	Lifetime		12 Month	Lifetime	Lifetime	
Creditworthiness as per CBE classification								
Good debts *	12,950,297	224,811	1,965	13,177,073	11,789,020	272,043	3,259	12,064,322
Regular follow-up	-	293,137	14,366	307,503	-	259,704	39,228	298,932
Special follow-up	-	-	42,713	42,713	-	3,340	86,608	89,948
Non-performing loans	-	-	663,013	663,013	-	-	594,245	594,245
Total	12,950,297	517,948	722,057	14,190,302	11,789,020	535,087	723,346	13,047,447
(Less) Impairment loss provision	(177,432)	(91,058)	(385,690)	(654,190)	(82,082)	(114,295)	(375,102)	(571,479)
(Less) Profit in suspense	(1,705)	(5,074)	(116,674)	(123,453)	(1,202)	(1,646)	(110,191)	(113,039)
Book value	12,771,160	421,806	219,693	13,412,659	11,705,736	419,146	238,047	12,362,929

* 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 September 2022				31 December 2021			
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	Stage Three	Total
	12 Month	Lifetime	Lifetime		Month 12	Lifetime	Lifetime	
Creditworthiness as per CBE classification								
Good debts *	22,500,875	114,014	-	22,614,889	18,276,303	116,914	40	18,393,257
Regular follow-up	18,244,745	347,183	34	18,591,962	13,896,416	292,696	-	14,189,112
Special follow-up	-	1,488,904	653	1,489,557	-	942,528	55,667	998,195
Non-performing loans	-	-	548,448	548,448	-	-	1,097,308	1,097,308
Total	40,745,620	1,950,101	549,135	43,244,856	32,172,719	1,352,138	1,153,015	34,677,872
(Less) Impairment loss provision	(681,115)	(392,925)	(546,278)	(1,620,318)	(477,742)	(179,181)	(1,014,396)	(1,671,319)
(Less) Profit in suspense	-	(9)	(2,523)	(2,532)	-	-	(2,513)	(2,513)
Book value	40,064,505	1,557,167	334	41,622,006	31,694,977	1,172,957	136,106	33,004,040

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 September 2022

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 September 2022			31 December 2021		
	Financing and facilities to customers	Financing and facilities for banks	Total financing and facilities for banks and customers	Financing and facilities to customers	Financing and facilities for banks	Total financing and facilities for banks and customers
Financing and facilities						
Neither past due nor impaired	53,695,915	-	53,695,915	43,961,740	59,120	44,020,860
Past due but not impaired	2,468,049	-	2,468,049	1,887,226	-	1,887,226
Impaired	1,271,194	-	1,271,194	1,876,353	-	1,876,353
Total	57,435,158	-	57,435,158	47,725,319	59,120	47,784,439
Less:						
impairment loss provision	(2,274,508)	-	(2,274,508)	(2,242,798)	(13)	(2,242,811)
Profit in suspense	(125,985)	-	(125,985)	(115,552)	-	(115,552)
Net	55,034,665	-	55,034,665	45,366,969	59,107	45,426,076

- 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 September 2022, the Bank's portfolio of financing and facilities increased by 20.20% (31 December 2021, an increase of 12.28%).

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 September 2022

4. FINANCIAL RISK MANAGEMENT- Continued

3/1/3 Financing and facilities

Retail	EGP (in thousands)							
	30 September 2022				31 December 2021			
	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
Balance of expected credit losses on 1 January 2021	82,082	114,295	375,102	571,479	81,329	142,233	237,153	460,715
Transferred from stage 1	(8,585)	62,372	54,598	108,385	(22,346)	98,986	126,872	203,512
Transferred from stage 2	5,908	(60,267)	61,223	7,863	5,692	(98,935)	75,226	(18,017)
Transferred from stage 3	309	179	(1,946)	(1,457)	513	382	(4,098)	(3,203)
Charge / (Release) of impairment loss during the year	85,533	(11,309)	99,898	174,222	21,205	(9,144)	22,029	34,090
Financial assets purchased during the year	15,409	-	-	15,409	4,819	-	-	4,819
Financial assets disposed of/ paid during the year	(4,324)	(14,202)	(79,841)	(98,367)	(9,130)	(19,227)	(15,319)	(43,676)
Used provisions during the year	-	-	(123,345)	(123,345)	-	-	(66,761)	(66,761)
Balance of expected credit losses	177,432	91,068	385,689	654,189	82,082	114,295	375,102	571,479

Corporate	EGP (in thousands)							
	30 September 2022				31 December 2021			
	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
Balance of expected credit losses on 1 January 2021	477,742	179,181	1,014,396	1,671,319	606,969	139,715	926,208	1,672,892
Transferred from stage 1	(20,068)	29,976	-	9,908	(18,454)	64,763	99,812	146,121
Transferred from stage 2	2,891	(5,054)	-	(2,163)	631	(2,857)	15,803	13,577
Transferred from stage 3	-	177,667	(105,061)	72,606	-	-	-	-
Charge / (Release) of impairment loss during the year	159,881	18,421	65,711	244,013	(163,767)	14,621	(27,420)	(176,566)
Financial assets purchased during the year	87,805	-	-	87,805	91,455	-	-	91,455
Financial assets disposed of/ paid during the year	(27,127)	(7,265)	(135,329)	(169,721)	(39,090)	(37,061)	-	(76,151)
Used provisions during the year	-	-	(293,439)	(293,439)	-	-	(9)	(9)
Balance of expected credit losses	681,114	392,926	546,278	1,620,318	477,744	179,181	1,014,394	1,671,319

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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.

	Cairo	Arab Republic of Egypt		EGP (in thousands)	
		Alexandria, Delta & Sinai	Upper Egypt	Total	
Debt instruments at FVOCI					
- Egyptian treasury Bonds	92,936	-	-	-	92,936
- Egyptian treasury bills	3,124,645	-	-	-	3,124,645
Debt instruments at amortized cost					
- Egyptian treasury Bonds	19,265,468	-	-	-	19,265,468
- Egyptian treasury bills	5,802,320	-	-	-	5,802,320
Facilities to banks					
Retail					
- Debit current accounts	4,488	1,668	251	-	6,407
- Credit cards	482,627	64,110	13,343	-	560,080
- Personal financings	9,020,306	3,413,504	907,232	-	13,341,042
- Real estate financings	152,313	7,006	-	-	159,319
Corporate					
- Debit current accounts	8,477,613	1,140	55	-	8,478,808
- Credit cards	43	-	1	-	43
- Direct financings	34,171,069	185,754	124,973	-	34,481,796
- Syndicated financings	281,675	-	-	-	281,675
Balance at 30 September 2022	80,875,503	3,673,182	1,045,855	-	85,594,541
Balance at 31 December 2021	72,715,332	4,218,895	1,091,565	-	78,025,792

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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:

30 September 2022	EGP	USD	Sterling Pound	Euro	Japanese Yen	Other currencies	Total
Assets							
Cash and due from CBE	6,387,674	67,937	875	19,172	149	11,833	6,487,640
Due from banks	3,006,064	7,162,220	40,611	98,008	4,303	131,569	10,442,775
Treasury bills	6,819,250	2,600,456	-	104,499	-	-	9,324,205
Financings and facilities to customers	47,748,313	8,474,410	25,929	1,060,521	-	-	57,309,173
Financial derivatives	19,311	-	-	-	-	-	19,311
Financial investments at FVOCI	172,212	80,620	-	1,880	-	-	254,712
Financial investments at amortized cost	19,027,994	239,469	-	-	-	-	19,267,463
Investments in subsidiaries and associates	405,513	-	-	-	-	-	405,513
Other assets	10,197,566	109,870	98	4,184	-	4,372	10,316,090
Total assets	93,583,897	18,734,982	67,513	1,288,264	4,452	147,774	113,826,882
Financial derivatives related to currency	-	229,769	-	1,330	-	404,563	635,662
Total assets and Financial derivatives related to currency	93,583,897	18,964,751	67,513	1,289,594	4,452	552,337	114,462,544
Liabilities and shareholders' equity							
Due to banks	9,881	2,680,521	-	19,000	-	14,496	2,723,900
Customers' deposits	71,940,234	12,150,599	65,573	1,209,171	3,180	424,602	85,803,359
Islamic forward / Islamic currency swap contracts	23	-	-	-	-	-	23
Subordinated financings	-	1,583,631	-	-	-	-	1,583,631
Other liabilities	16,679,685	2,424,793	1,852	77,332	1,833	81,213	19,266,728
Shareholder' equity	4,386,311	80,122	-	-	-	-	4,466,433
Total Liabilities and shareholders' equity	93,016,134	18,929,666	67,425	1,305,503	5,013	520,333	113,844,074
Financial derivatives related to currency	177,334	405,918	638	5,700	-	28,881	618,471
Total Liabilities and shareholders' equity and Financial derivatives related to currency	93,193,468	19,335,584	68,063	1,311,203	5,013	549,214	114,462,544
Net financial position	390,429	(370,833)	(350)	(21,609)	(561)	3,123	-
31 December 2021							
Total assets	80,963,873	12,634,699	96,412	1,056,990	18,104	280,510	95,050,588
Total Liabilities and shareholders' equity	81,007,586	12,588,597	96,033	1,060,388	16,547	281,437	95,050,588
Net financial position	(43,713)	46,102	379	(3,398)	1,557	(927)	-

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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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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 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Capital		
<u>Tier 1 after disposals</u>		
Total basic going concern capital after disposal	6,108,733	5,969,523
Total additional basic capital	1,626,343	30,864
Total Tier 1 after disposal (basic capital)	7,735,076	6,000,387
Total Tier 2 after disposal	2,002,063	1,492,229
Total capital base after disposal	9,737,139	7,492,616
Total assets and contingent liabilities weighted by credit, market, operational risks	68,911,386	58,257,191
Capital adequacy ratio	14.13%	12.86%

According to the Central Bank Circular No. 68 issued on December 9, 2021, it decided to exempt banks for a period of one year from the date of issuance of the decision from implementing the decision of the Board of Directors of the Central Bank of Egypt on January 6, 2016 issued according to the circular dated January 11, 2016 regarding the limits of concentration of credit banks' portfolios with the largest 50 clients and associated parties.

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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3. FINANCIAL RISK MANAGEMENT- Continued

3/5 Leverage Ratio – Continued

	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Tier 1 capital after disposals (1)	7,735,076	6,000,387
Total on-balance sheet exposures items after deducting tier 1 disposals	105,490,438	90,707,111
Total on-balance sheet exposures, financial derivatives contracts and financing financial securities	105,522,450	90,723,625
Total exposures off-balance sheet	12,251,305	11,618,401
Total exposures on-balance sheet and off-balance sheet (2)	117,773,756	102,342,026
Financial leverage ratio (1/2)	6.57%	5.86%

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 30 June 2022 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.

30 September 2022	EGP (in thousands)				
	Corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment					
Revenues of activity segment	1,429,347	954,092	1,550,552	216,985	4,150,976
Expenses of activity segment	(343,271)	(32,710)	(1,082,510)	(307,005)	(1,765,496)
Net profit for the period before tax	1,086,076	921,382	468,042	(90,020)	2,385,480
Tax	(229,633)	(559,862)	(140,864)	86,681	(843,678)
Net profit for the year	856,443	361,520	327,178	(3,339)	1,541,802
Assets and liabilities by activity segment					
Assets of activity segment	40,578,265	38,486,142	15,728,725	-	94,793,133
Un-classified assets	-	-	-	8,893,797	8,893,797
Total assets	40,578,265	38,486,142	15,728,725	8,893,797	103,686,930
Liabilities of activity segment	33,176,294	5,376,878	51,094,241	-	89,647,413
Un-classified liabilities	-	-	-	6,020,824	6,020,824
Total liabilities	33,176,294	5,376,878	51,094,241	6,020,824	95,668,237

31 December 2021	EGP (in thousands)				
	Corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment					
Revenues of activity segment	1,238,943	1,001,717	1,568,455	360,338	4,169,453
Expenses of activity segment	(509,785)	(44,808)	(1,221,468)	(219,472)	(1,995,533)
Net profit for the period before tax	729,158	956,909	346,987	140,866	2,173,920
Tax	(169,142)	(644,900)	(109,020)	129,064	(793,998)
Net profit for the year	560,016	312,009	237,967	269,930	1,379,922
Assets and liabilities by activity segment					
Assets of activity segment	32,784,494	34,739,804	13,497,324	-	81,021,622
Un-classified assets	-	-	-	8,428,633	8,428,633
Total assets	32,784,494	34,739,804	13,497,324	8,428,633	89,450,255
Liabilities of activity segments	24,765,000	3,599,040	50,077,809	-	78,441,849
Non-classified liabilities	-	-	-	4,545,052	4,545,052
Total liabilities	24,765,000	3,599,040	50,077,809	4,545,052	82,986,901

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6. NET REVENUE FROM FUNDS

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income				
Financing and facilities				
To customers	4,554,375	3,517,284	1,754,325	1,192,493
Total	4,554,375	3,517,284	1,754,325	1,192,493
Deposits and current accounts	3,033,322	2,350,124	1,053,364	857,135
Total	7,587,697	5,867,408	2,807,689	2,049,628
Cost of deposits and similar costs				
Deposits and current accounts:				
To banks	(143,529)	(106,996)	(33,903)	(21,662)
To customers	(3,966,752)	(3,154,633)	(1,466,412)	(1,144,223)
other financings	(98,893)	(75,593)	(36,202)	(25,430)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(1,738)	(2,558)	(519)	(791)
Total	(4,210,912)	(3,339,780)	(1,537,036)	(1,192,106)
Net profit income	3,376,785	2,527,628	1,270,653	857,522

*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

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Fees and commissions income:				
Credit related fees and commissions	491,314	305,629	173,853	111,719
Fees of corporate financing	74,713	77,157	22,964	26,972
Other fees	168,035	114,006	64,687	41,806
Total	734,062	496,792	261,504	180,497
Fees and commissions expenses:				
Paid brokerage fees	(130)	(149)	(53)	(61)
Various banking commission	(16,334)	(10,936)	(6,522)	(4,632)
Credit cards paid commissions	(96,812)	(78,430)	(36,650)	(30,801)
Other fees and commissions paid	(41,302)	(32,082)	(15,137)	(11,437)
Total	(154,578)	(121,597)	(58,362)	(46,931)
Net fees and commission income	579,484	375,195	203,142	133,566

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8. NET TRADING INCOME

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Foreign exchange operations:				
Gains from fx deals	85,086	81,769	54,254	24,432
Gain / (Loss) of revaluation of islamic currency swap contracts	19,311	(28,388)	(21,751)	(4,722)
(Loss) / Gains of currency option contracts revaluation	(23)	(16)	2	(4)
Total	104,374	53,365	32,505	19,706

9. OTHER OPERATING EXPENSES

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 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	549,172	(19,006)	75,099	(802)
Gain (Loss) on sale of assets reverted to bank	11,437	9,143	-	-
Gain on sale of fixed assets	276	365	-	-
Software cost	(80,545)	(77,411)	(27,474)	(25,808)
operating lease expense	(87,334)	(79,937)	(29,747)	(26,177)
Early Retirement Costs	-	(5,000)	-	-
Gain / (loss) on impairment of assets reverted to the bank	20,000	-	-	-
(Charge) / release of impairment other assets	(353)	(1,972)	(136)	(1,665)
Other provisions (net of reversed provision)*	(619,687)	(67,074)	(123,312)	146
Other income (expense)	(48,689)	(38,395)	(20,234)	(11,675)
Total	(255,723)	(279,287)	(125,804)	(65,981)

10. IMPAIRMENT CHARGES FOR CREDIT LOSSES

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Financing and facilities to customers & banks	(352,939)	(108,829)	(149,778)	(16,163)
Due from banks	(98)	(38)	(173)	1,167
Total	(353,037)	(108,867)	(149,951)	(14,996)

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11. INCOME TAX EXPENSES

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Current tax	(876,117)	(597,756)	(308,061)	(208,218)
Deferred tax	32,439	35,123	16,420	4,347
Total	(843,678)	(562,633)	(291,641)	(203,871)

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

	Nine months ended 30 September 2022 EGP (in thousands)	Nine months ended 30 September 2021 EGP (in thousands)	Three months ended 30 September 2022 EGP (in thousands)	Three months ended 30 September 2021 EGP (in thousands)
Net profit for the year before tax	2,385,480	1,564,272	861,237	564,965
Applicable tax rate	22.50%	22.50%	22.50%	22.50%
Income tax (expenses) based on applied tax rate	536,733	351,961	193,778	127,117
Tax impact for				
Non-taxable revenues	(609,763)	(458,250)	(203,139)	(176,188)
Non-deductible tax expenses	393,529	279,496	125,677	105,871
Tax of treasury bills and bonds and dividends	523,179	389,427	175,325	147,071
Income tax expenses according to effective tax rate	843,678	562,633	291,641	203,871
Effective tax rate	35.37%	35.97%	33.86%	36.09%

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12. CASH AND DUE FROM CBE

	30 September 2022	31 December 2021
	EGP (in thousands)	EGP (in thousands)
Cash	656,117	485,193
Balances with CBE within mandatory reserve ratio	5,831,523	5,583,144
Total	6,487,640	6,068,337
Non-Profit bearing balances	6,487,640	6,068,337
Total	6,487,640	6,068,337

14. DUE FROM BANKS

	30 September 2022	31 December 2021
	EGP (in thousands)	EGP (in thousands)
Current accounts	259,510	190,914
Bank deposits*	10,183,265	4,484,351
Murabaha due from local banks*	33,883,963	33,014,467
Restricted wakala due to local banks*	(33,883,963)	(33,014,467)
	10,442,775	4,675,265
(less) Impairment loss provision	(252)	(128)
Total	10,442,523	4,675,137
Balances with CBE other than mandatory reserve ratio	1,319,233	884,495
Local banks	7,991,751	3,137,641
Murabaha due from local banks*	33,883,963	33,014,467
Restricted wakala due to local banks*	(33,883,963)	(33,014,467)
Foreign Banks	1,131,791	653,129
(less) Impairment loss provision	(252)	(128)
Total	10,442,523	4,675,137
Non-Profit bearing balances	259,510	190,914
Variable profit bearing balances	8,864,033	3,599,856
Fixed profit bearing balances	1,319,232	884,495
(less) Impairment loss provision	(252)	(128)
Total	10,442,523	4,675,137
Due from banks' impairment loss provision analysis		
Balance at beginning of the period	128	55
Net expected credit loss during the year	98	80
Foreign exchange translation differences	26	(7)
Total	252	128

*Balances at banks include an amount of EGP 33,883,963 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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15. FINANCING AND FACILITIES TO BANKS

	30 September 2022	31 December 2021
	EGP (in thousands)	EGP (in thousands)
Debit current accounts	-	30
Syndicated financing	-	60,370
Total	-	60,400
<u>less:</u>		
Impairment loss provision	-	(13)
Profit in suspense	-	(1,280)
Total	-	(1,293)
Net	-	59,107

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

	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
<u>Retail</u>		
Debit current accounts	6,407	8,128
Credit cards	561,911	536,814
Personal financing	13,462,665	12,465,852
Real estate Financing	159,319	36,653
Total	14,190,302	13,047,447
<u>Corporate (including SMEs)</u>		
Debit current accounts	8,478,810	6,694,884
Direct financing	34,484,328	27,729,263
Syndicated financing	281,675	253,366
Credit cards	43	359
Total	43,244,856	34,677,872
Total financing and facilities to customers	57,435,158	47,725,319
<u>Deduct:</u>		
Impairment loss provision	(2,274,508)	(2,242,798)
Profit in suspense	(125,985)	(115,552)
Total	(2,400,493)	(2,358,350)
Net	55,034,665	45,366,969
<u>Classified in balance sheet as follow</u>		
Conventional financing to customers (net of impairment losses)	14,659	12,172
Financing to customers (net of impairment losses)	55,020,006	45,354,797
Net	55,034,665	45,366,969
Variable-profit bearing balances	39,546,311	29,582,941
Fixed-profit bearing balances	15,488,354	15,784,027
Total	55,034,665	45,366,969
Financing and facilities to customers impairment loss provision analysis	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Balance at beginning of the period	2,242,798	2,133,607
Net expected credit loss during the year	352,950	165,926
Recoveries from written off loans	27,476	11,287
Used provisions during the period	(416,783)	(66,770)
Foreign exchange translation differences	68,067	(1,252)
Total	2,274,508	2,242,798

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16.FINANCINGS AND FACILITIES TO CUSTOMERS - Continued

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

EGP (in thousands)					
30 September 2022	Retail				
	Debit current accounts	Covered Cards	Personal financing	Real estate Financing	Total
Balance at beginning of the year	-	54,948	516,399	132	571,479
Net impairment charge during the year	-	11,178	182,465	732	194,375
Recoveries from written off loans	-	11,324	357	-	11,681
Used provisions during the period	-	(17,436)	(105,909)	-	(123,345)
Balance at 30 September 2022	-	60,014	593,312	864	654,190

30 September 2022	Corporate				
	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the year	54,597	1,585,882	30,840	-	1,671,319
Net impairment charge during the year	20,663	129,803	8,110	-	158,576
Recoveries from written off loans	-	15,795	-	-	15,795
Used provisions during the period	-	(293,439)	-	-	(293,439)
Foreign exchange translation differences	-	68,067	-	-	68,067
Balance at 30 September 2022	75,260	1,506,108	38,950	-	1,620,318

EGP (in thousands)					
31 December 2021	Retail				
	Debit current accounts	Covered Cards	Personal financing	Real estate Financing	Total
Balance at beginning of the year	-	59,144	401,571	-	460,715
Net impairment charge during the year	-	45,183	125,534	132	170,849
Recoveries from written off loans	-	6,497	179	-	6,676
Used from provision during the year	-	(55,876)	(10,885)	-	(66,761)
Balance at 31 December 2021	-	54,948	516,399	132	571,479

31 December 2021	Corporate				
	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the year	112,045	1,540,322	20,525	-	1,672,892
Net impairment charge during the year	(57,448)	42,210	10,315	-	(4,923)
Recoveries from written off loans	-	4,610	-	-	4,610
Used from provision during the year	-	(9)	-	-	(9)
Foreign exchange translation differences	-	(1,251)	-	-	(1,251)
Balance at 31 December 2021	54,597	1,585,882	30,840	-	1,671,319

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17. FINANCIAL INVESTMENTS

17/1 Financial investments at FVOCI	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
<u>A) Treasury bonds - at FV</u>		
Listed in stock exchange market	92,936	101,439
Total Treasury bonds	92,936	101,439
<u>B) Corporate bonds - at FV</u>		
Un-Listed in stock exchange market	3,124,645	9,176,324
Total Corporate bonds	3,124,645	9,176,324
<u>Detailed T-bills maturities as the following:</u>		
Treasury bills of 91 days maturity	57,750	20,925
Treasury bills of 182 days maturity	550	1,202,275
Treasury bills of 273 days maturity	260,075	1,361,150
Treasury bills of 364 days maturity	2,901,875	7,124,150
Total	3,220,250	9,708,500
Unearned revenues	(80,894)	(550,453)
Valuation differences of treasury bills at FV	(14,711)	18,277
Net	3,124,645	9,176,324
<u>C) Equity instruments at FV</u>		
Un-Listed in stock exchange market	139,250	94,165
Total equity instruments	139,250	94,165
<u>D) Mutual funds certificates at FV</u>		
Un-Listed in stock exchange market	22,526	21,303
Total mutual funds certificates	22,526	21,303
Total financial investments at FVOCI (1)	3,379,357	9,393,231

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17. FINANCIAL INVESTMENTS - Continued

17/2 Financial investments at AC	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
A) Government treasury bonds		
Listed in stock exchange market	19,027,993	18,417,056
Un-Listed in stock exchange market	239,470	194,015
Less: Impairment loss provision	(1,995)	(1,604)
Total government treasury bonds	19,265,468	18,609,467
B) Government treasury bills		
Un-Listed in stock exchange market	5,889,948	2,465,920
Less: Impairment loss provision	(20,526)	(16,596)
Total government treasury bills	5,869,422	2,449,324
Detailed T-bills maturities as the following:		
Treasury bills of 91 days maturity	1,127,000	50,000
Treasury bills of 182 days maturity	1,692,000	-
Treasury bills of 273 days maturity	-	50,000
Treasury bills of 364 days maturity	3,284,955	2,408,320
Total	6,103,955	2,508,320
Unearned revenues	(214,007)	(42,400)
Less: Impairment loss provision	(20,526)	(16,596)
Net (1)	5,869,422	2,449,324
REPOs		
Treasury bills sold with repurchase commitment within one week	(66,602)	(95,764)
Total	(66,602)	(95,764)
Unearned revenues	(500)	(718)
Net (2)	(67,102)	(96,482)
Net (1+2)	5,802,320	2,352,842
Total financial investments at AC (2)	25,067,788	20,962,309
Total financial investments (1+2)	28,447,145	30,355,540
Non-profit bearing balances	161,776	115,468
Fixed-profit bearing balances	28,285,369	30,240,072
Total financial investments	28,447,145	30,355,540

Debt Instruments impairment loss provision analysis	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Balance at the beginning of the year	18,200	18,273
Net impairment loss during the year	-	-
Foreign exchange translation differences	4,321	(73)
Total	22,521	18,200

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17. FINANCIAL INVESTMENTS – Continued

17/3 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, 2022, from the comparative figures on December 31, 2021

30 September 2022	EGP (in thousands)			
	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	92,936	3,124,645	-	3,217,581
Mutual funds certificates	-	-	22,526	22,526
Equity instruments	-	-	139,250	139,250
31 December 2021	EGP (in thousands)			
	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	101,439	9,176,324	-	9,277,763
Mutual funds certificates	-	-	21,303	21,303
Equity instruments	-	-	94,165	94,165

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18. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (NET)

	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Contribution in subsidiaries		
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 Lease for Financial Lease	154,315	154,315
ADIB MicroFinance	24,500	24,500
ADIB Consumer Finance	98,000	9,800
Total	394,287	306,087
Contribution in associates		
Orient Takaful Insurance Company - Egypt	20,000	20,000
Total	20,000	20,000
Total financial investments in subsidiaries and associates	414,287	326,087
Impairment losses in financial investments in subsidiaries and associates	(8,774)	(15,165)
Net financial investments in subsidiaries and associates	405,513	310,922

*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.
- The procedures for documenting the capital increase of the Abu Dhabi Islamic Finance Company were completed, as Abu Dhabi Islamic Bank - Egypt pumped the full value of the increase, which amounted to 52,187,345 pounds, with a total number of shares of 10,437,469 shares, so that the percentage of the bank's contribution after the increase became 98.66%.
- In August 2020, the bank's board of directors approved the establishment of the Abu Dhabi Islamic Consumer Finance Company - under establishment, with a paid-in capital of 30 million Egyptian pounds (represented by 10 million shares with a nominal value of 1 Egyptian pound per share). Knowing that the capital is still frozen until the completion of the company's incorporation procedures.

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18. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (NET) - Continued

- 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 Egyptian pounds (represented by 2.5 million shares with a nominal value of 10 Egyptian pounds per share). Knowing that the capital is still frozen until the completion of the company's incorporation procedures.
- The impairment loss of financial investments in subsidiaries and sister companies includes an amount of 8,774 thousand Egyptian pounds, represented by the following:
 - The decline of the Cairo National Company for Investment and Securities with a value of 3,780 thousand Egyptian pounds as a result of a decrease in the share price from 11.30 to 10.74 Egyptian pounds, according to the fair value study on the date of preparing the condensed periodic financial statements.
 - The impairment of the Abu Dhabi Holding Company for Financial Investments with a value of 4,980 thousand Egyptian pounds, according to the latest fair value study

19. Non-current assets held for sale

Abu Dhabi Islamic Bank - Egypt has completed the procedures for selling its shareholding in Cairo National Securities Brokerage Company, at a value of 1.385 thousand Egyptian pounds.

20. FIXED ASSETS (Net of accumulated depreciation)

	EGP (in thousands)			
	Lands & Premises	Machinery & Equipment	Other assets	Total
31 December 2021				
Cost	172,594	9,177	992,578	1,174,349
Accumulated Depreciation	(52,221)	(4,352)	(611,458)	(668,031)
Net Book Value	120,373	4,825	381,120	506,318
Net Book Value at the beginning of the year	126,082	2,246	403,248	531,576
Additions	-	3,257	57,172	60,429
Disposals	-	(924)	(10,010)	(10,934)
Depreciation for the year	-	889	9,350	10,239
Disposals' Accumulated Depreciation	(5,709)	(643)	(78,640)	(84,992)
Net Book Value	120,373	4,825	381,120	506,318

	Lands & Premises	& Machinery Equipment	Other assets	Total
30 September 2022				
Cost	172,594	10,660	1,036,778	1,220,032
Accumulated Depreciation	(56,421)	(4,746)	(663,481)	(724,648)
Net Book Value	116,173	5,914	373,297	495,384
Net Book Value at the beginning of the year	120,373	4,825	381,120	506,318
Additions	-	1,737	45,970	47,707
Disposals	-	(254)	(1,770)	(2,024)
Depreciation for the year	(4,200)	(696)	(53,705)	(58,601)
Disposals' Accumulated Depreciation	-	302	1,682	1,984
Net Book Value	116,173	5,914	373,297	495,384

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21.DUE TO BANKS

	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Current Accounts	65,340	39,820
Deposits	2,658,560	2,312,443
Total	2,723,900	2,352,263
Local Banks	1,595,327	2,322,029
Foreign Banks	1,128,573	30,234
Total	2,723,900	2,352,263
Non-profit bearing balances	65,340	39,821
Variable profit bearing balances	2,658,560	2,312,442
Total	2,723,900	2,352,263

22.CUSTOMERS' DEPOSITS

	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Demand deposits	22,918,792	21,065,084
Time and call deposits	23,778,446	17,013,875
Saving and deposit certificates	25,558,669	24,391,820
Saving deposits	10,874,666	11,477,980
Other deposits	2,672,786	1,854,664
Total	85,803,359	75,803,423
Corporate deposits	37,993,203	28,480,044
Retail deposits	47,810,156	47,323,379
Total	85,803,359	75,803,423
Non-profit bearing balances	10,249,040	6,782,732
Fixed profit bearing balances	75,554,319	69,020,691
Total	85,803,359	75,803,423

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23. Subordinated financing/ Other Islamic financing

	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Subordinated Financing without coupon*	645,121	534,421
Subordinated Financing with coupon**	938,510	754,402
Total	1,583,631	1,288,823
Subordinated Financing without coupon*		
Balance at the beginning of the financial year- face value of subordinated financing	534,421	499,536
PV of Subordinated Financing during the period	18,821	35,348
Foreign currency valuation differences	128,739	(463)
Readjustment effect for Subordinated Financing granted in December 27, 2012	(36,860)	-
Total	645,121	534,421

*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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24. OTHER PROVISIONS

	EGP (in thousands)			
	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Total
30 September 2022				
Balance at beginning of the year	1,301,613	33,286	387,789	1,722,688
Charged during the year	627,987	10,000	158,762	796,749
Provisions no longer required	(17,866)	-	(57,874)	(75,740)
Used provision during the year	(1,897,806)	(2,658)	-	(1,900,464)
Foreign exchange translation differences	1,766	-	33,080	34,846
Balance at 30 September 2022	15,695	40,628	521,756	578,079
	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Total
31 December 2021				
Balance at beginning of the year	1,243,235	36,879	243,347	1,523,461
Charged during the year	68,819	5,160	184,452	258,431
Provisions no longer required	(7,827)	(231)	(37,057)	(45,115)
Used provision during the year	(2,613)	(8,522)	-	(11,135)
Foreign exchange translation differences	(1)	-	(2,953)	(2,954)
Balance at 31 December 2021	1,301,613	33,286	387,789	1,722,688

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 1.821 million (December 31, 2021: EGP 1.278 million). This is about the impact of the exchange rate movement from December 31, 2014 to June 30, 2022.

25. CAPITAL

25.1 The Authorized Capital

The authorized capital amounted to 7 billion Egyptian pounds (December 31, 2021: 7 billion Egyptian pounds).

25.2 Amounts Paid under the Capital Increase Account

- The issued and paid-up capital amounted to 2 billion Egyptian pounds (31 December 2021: 2 billion Egyptian pounds), represented by 200 million shares with a nominal value of 10 Egyptian pounds per share.
- On July 17, 2022, the Board of Directors of Abu Dhabi Islamic Bank Egypt approved the disclosure form for increasing the issued and paid-up capital of the bank. Cash increase from 4 billion Egyptian pounds to 5 billion Egyptian pounds, with an increase of 1 billion pounds, distributed over 100 million shares, with a nominal value of 10. EGP per share and issuance expenses of 5 piasters per share. The Bank's Ordinary General Assembly, held on October 4, 2022, approved This increase

25.3 Amounts paid under the capital registration

- Abu Dhabi Islamic Bank - Egypt has completed the full subscription value, which amounted to 2 billion Egyptian pounds, represented by 200 million shares, with a value of Nominal EGP 10 per share, which was noted in the Egyptian commercial registry on October 11, 2022.

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25.4 Amounts paid under the capital increase account

Abu Dhabi Islamic Bank - UAE until the year 2012 deposited an amount of 662.1 million pounds under the capital increase account, and on December 28, 2011, it deposited Abu Dhabi Islamic Bank - UAE, by agreeing to transfer the entire amount of support financing granted to the bank at that time, amounting to 199 million Egyptian pounds, to Calculating the increase in the capital, so that the total amounts paid under the account of the capital increase amounted to 861.1 million pounds. Abu Dhabi Islamic Bank – UAE by using an amount in the capital increase of Abu Dhabi Islamic Bank-Egypt, the purpose of the rest of the amount paid under the account of the capital increase was lost, and the remainder was transferred The amount to other liabilities at the current exchange rate.

26.RESERVES

	30 September 2022	31 December 2021
	EGP (in thousands)	EGP (in thousands)
Legal Reserve	149,239	80,261
General Reserve	52,982	42,522
Special Reserve	17,165	17,165
General Banking Risk Reserve	262,567	453,883
Capital Reserve	4,063	3,698
General Risk Reserve	158,088	158,088
Fair value reserve	65,772	66,614
Total reserves at the end of the period	709,876	822,231

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27.RELATED PARTIES TRANSACTIONS

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

Relationship Nature	Account Nature	Transaction Nature	30 September 2022 EGP (in thousands)	31 December 2021 EGP (in thousands)
Major Shareholders	Assets	Due from banks	52,877	25,179
Major Shareholders	Assets	Other Assets	31,218	17,152
Major Shareholders	Liabilities	Due to banks	15,431	7,596
Major Shareholders	Liabilities	Subordinated financing	1,583,628	1,288,823
Major Shareholders	Liabilities	Management fees	135,839	106,464
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	37,098	30,864
Major Shareholders	Shareholders equity	Paid under Capital increase	-	1,861,418
		Paid up capital under registration	2,768,081	-
Subsidiaries Companies	Assets	Other Assets	31,292	10,528
Subsidiaries Companies	Liabilities	provision for impairment of other assets	2,066	1,713
Subsidiaries Companies	Assets	Financing and facilities to customers	312,279	441,274
Subsidiaries Companies	Assets	provision for impairment on credit losses	77,581	244,807
Subsidiaries Companies	Liabilities	Customers deposits	128,018	105,151
Associates Companies	Liabilities	Customers deposits	118,343	168,986

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

Relationship Nature	Account Nature	Transaction Nature	30 September 2022 EGP (in thousands)	30 September 2021 EGP (in thousands)
Major Shareholders	Revenues	Income from Murabaha, Musharaka, Mudaraba and other similar income	-	30
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(18,816)	(26,274)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(80,077)	(48,869)
Subsidiaries Companies	Revenues	Other operating income	94	94
Subsidiaries Companies	Revenues	Income from Murabaha, Musharaka, Mudaraba and other similar income	23,075	16,071
Subsidiaries Companies	Expenses	Cost of deposits and similar expenses	(2,991)	(3,558)
Subsidiaries Companies	Expenses	Fees and commissions expenses	(1,370)	(677)
Subsidiaries Companies	Expenses	Impairment charge on credit losses	16,234	8,686

*Wages, salaries and benefits in kind on June 30, 2022, include an amount of 24,768 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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28.SIGNIFICANT EVENTS

Impact of Covid-19

The coronavirus (COVID-19) pandemic has spread across different geographic regions globally, causing disruption to commercial and economic activities. Covid-19 created doubts in the global economic environment, as both local and international financial and monetary authorities announced various financial and incentive measures around the world to counter the potential negative effects.

Risk Management and Business Continuity Strategy:

The bank has formed a permanent committee consisting of some senior management personnel, and the committee is concerned with everything related to ensuring the continuity of business and managing all risks related to Covid-19, and the most important axes on which Abu Dhabi Islamic Bank relies on facing this pandemic are as follows: -

➤ Managing operational risks

The bank has activated business continuity plans to ensure the safety, health and security of employees by activating remote work for some bank employees, whether from home or from different locations in line with the precautionary measures adopted by the state. Emphasis on the continuity of providing services to customers, whether through bank branches or through modern technological means.

The bank focuses on harnessing and exploiting all available communication channels to communicate with customers, including social media, in a way that ensures the continuity of the quality of services as in normal situations.

➤ Credit risk management:

For the purpose of measuring expected credit losses - including the impact of the Covid-19 pandemic, according to available information - the bank has made the following: -

- The bank re-evaluated the expected credit loss models, and the basic assumptions, including the available relevant macroeconomic data.
- The bank's implementation of the Central Bank's initiative to postpone due customer installments for a period of six months.
- The incentive, compensation and insurance procedures and packages that were approved by both the government and the central bank of Egypt.

The impact of the current uncertain economic environment is discretionary and management will continue to regularly assess the current situation and its related impact. It should also be taken into consideration that the assumptions used about the economic forecast are subject to a high degree of inherent uncertainty and thus the actual result may differ significantly from the expected information. The bank has taken into consideration the potential effects of the current economic fluctuations in determining the amounts stated for the financial and non-financial assets of the bank, which represent the best evaluation of management based on the available information and thus the markets remain volatile and the recorded amounts remain sensitive to market fluctuations.

➤ Liquidity management

Liquidity risk is monitored and evaluated in accordance with internal rules, including conducting stress tests for liquidity and value at risk, adherence to liquidity ratios, as well as fulfilling the requirements of the Basel Committee (Net Stable Funding Ratio NSFR, The Liquidity Coverage Ratio (LCR).

28.SIGNIFICANT EVENTS-continued

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➤ Capital management

The bank implements and follows a prudent capital management policy by conducting periodic stress tests, as well as interim and continuously conducting an internal assessment of capital adequacy using stress tests (ICAAP).

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.