

**Abu Dhabi Islamic Bank” S.A.E”  
condensed interim consolidated financial statements  
for the financial period ending on March 31, 2023  
and the limited review report**

**Limited Review Report of Condensed Consolidated 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 consolidated interim statement of financial position of Abu Dhabi Islamic Bank (ADIB) - Egypt S.A.E (the "parent company") and its subsidiaries (Collectively "the group") as of 31 March 2023 and the related condensed consolidated interim statements of income, comprehensive income, cash flows and changes in shareholders' equity for the three months period then ended. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the rules of preparation and presentation of 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 consolidated interim financial statements based on our review.

**Scope of review**

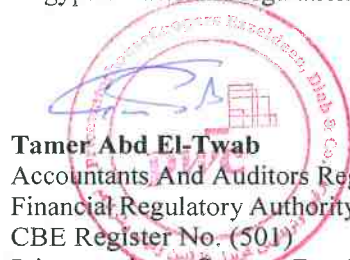
We conducted our review in accordance with the Egyptian Standard on Review Engagements (2410). "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of condensed consolidated interim financial statements consists of making inquiries, primarily 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 consolidated interim financial statements.

**Conclusion**

Based on our review, nothing has come to our attention which causes us to believe that the accompanying condensed consolidated 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.



**Hoda Mostafa Shawki**  
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**Cairo 14 May 2023**

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

## Translation of Financial statements originally issued in Arabic

### Condensed consolidated interim statement of financial position as at 31 March 2023

	Note No	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>Assets</b>			
Cash and due from Central Bank of Egypt	13	10,192,531	9,926,973
Due from banks	14	26,272,479	14,214,129
Conventional financing to customers (net of expected credit losses)	15	19,973	14,659
Financing and facilities to customers (net of expected credit losses)	15	60,360,552	56,558,054
Islamic forward exchange contracts		6,232	12,953
<b>Financial investments</b>			
- Fair value through profits and losses	1/16	75,308	186,600
- Financial investments at FVOCI	2/16	310,558	4,003,093
- Financial investments at amortized cost	3/16	23,089,327	26,889,619
Investments in associates		242,782	214,875
Intangible assets		16,924	20,936
Other assets		2,910,763	2,666,551
Fixed assets (net of accumulated depreciation)	17	517,433	496,468
Investments properties ( net )		15,801	16,108
Financial leased assets to others		1,500,152	1,479,357
Deferred tax assets		169,816	126,776
<b>Total assets</b>		<b>125,700,631</b>	<b>116,827,151</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	18	1,958,521	74,840
Customers' deposits	19	101,608,625	97,614,326
Islamic forward / Islamic currency swap contracts		5,695	2,507
Subordinated Financing	20	3,597,679	3,085,265
Other liabilities		5,795,523	5,539,247
Current income tax liability		922,263	642,374
Other provisions	21	942,719	744,578
Defined benefits obligations		229,485	220,215
<b>Total liabilities</b>		<b>115,060,510</b>	<b>107,923,352</b>
<b>Equity</b>			
Paid up Capital	2/22	4,000,000	4,000,000
Paid up capital under registration	3/22	1,000,000	-
Reserves	23	676,607	542,887
Difference between face value and present value for non-interest subordinated fina		34,457	35,780
Retained earnings /(Retained Losses)		4,909,125	4,311,574
<b>Total equity attributable to equity holders' of the bank</b>		<b>10,620,189</b>	<b>8,890,241</b>
Non-controlling interests		19,932	13,558
<b>Total equity</b>		<b>10,640,121</b>	<b>8,903,799</b>
<b>Total liabilities and equity</b>		<b>125,700,631</b>	<b>116,827,151</b>

The Limited Review Report is attached

The accompanying notes from (1) to (25) are integral part of these financial statements.

Mohamed Aly

Chief Executive Officer and  
Managing Director

Mohamed Shawky

Chief Financial Officer



Cairo on May 11, 2023

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

## Condensed consolidated interim income statement for the period ended 31 March 2023

	Note No	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		3,838,686	2,313,398
Cost of deposits and similar costs		(2,029,418)	(1,340,148)
<b>Net income from funds</b>	<b>6</b>	<b>1,809,268</b>	<b>973,250</b>
Fees and commissions income		495,925	247,405
Fees and commissions expenses		(75,139)	(45,470)
<b>Net fees and commission income</b>	<b>7</b>	<b>420,786</b>	<b>201,935</b>
Dividend income	<b>8</b>	309	65
Net trading income	<b>9</b>	123,841	44,116
Administrative expenses		(422,710)	(354,235)
Other operating expenses	<b>10</b>	(265,325)	(135,258)
Expected credit losses	<b>11</b>	(188,630)	(26,901)
Gain on sale of the financial investments in subsidiaries		-	168
Gain/Loss on financial investments		5	-
Share Of Associates Results		9,433	5,600
<b>Net profit for the period before tax</b>		<b>1,486,977</b>	<b>708,740</b>
Income tax expense	<b>12</b>	(480,194)	(264,151)
<b>Net profit for the period From continuous operations</b>		<b>1,006,783</b>	<b>444,589</b>
<b><u>discontinuous operations</u></b>			
Profit for the period from Discontinued Operations		-	(292)
<b>Net profit for the period From continuous operations</b>		<b>1,006,783</b>	<b>444,297</b>
<b><u>Attributable to:</u></b>			
Shareholder's equity of the bank		1,005,916	446,287
Non-controlling interests		867	(1,990)
<b>Net profit for the period From continuous operations</b>		<b>1,006,783</b>	<b>444,297</b>
<b>Earnings per share</b>		<b>2.12</b>	<b>1.87</b>

The accompanying notes from (1) to (25) are integral part of these financial statements.

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

## Condensed consolidated interim statement of comprehensive income for the period ended 31 March 2023

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
<b>Net profit for the period</b>	<b>1,006,783</b>	<b>444,297</b>
<b><u>Items that will not be reclassified to the Profit and Loss:</u></b>		
Change in fair value reserve of equity instruments at fair value through other comprehensive income	14,483	3,221
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(3,259)	(725)
<b><u>Other comprehensive income items reclassified to the profit and loss:</u></b>		
Change in fair value reserve of debt instruments at fair value through other comprehensive income	(1,185)	(3,195)
Deferred Income tax related to items that are reclassified to the profits and losses	267	719
<b>Total other comprehensive income for the period, net of tax</b>	<b>10,306</b>	<b>20</b>
<b>Total comprehensive income for the period net of tax</b>	<b>1,017,089</b>	<b>444,317</b>
<b><u>Attributable to:</u></b>		
Shareholder's equity of the bank	1,016,222	446,307
Non-controlling interests	867	(1,990)
<b>Total comprehensive income for the period net of tax</b>	<b>1,017,089</b>	<b>444,317</b>

The accompanying notes from (1) to (25) are integral part of these financial statements.



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

## Condensed consolidated interim statement of cash flows for the period ended 31 March 2023

	Note No.	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
<b>Cash flows from operating activities</b>			
Net profit for the period before tax		1,486,977	708,740
<b>Adjustments to reconcile profits with cash flows from operating activities</b>			
Depreciation and Amortization of fixed and intangible assets		20,029	28,185
Depreciation of investment property		307	266
Charge / (release) impairment loss of financing and facilities to customers	11	188,049	27,015
Used provisions - financing provision	15	(40,012)	(20,860)
Charge / (release) other provisions	21	114,493	507,286
Provisions no longer required other than financing provision	21	(100)	(351)
Provisions used other than financing provision	21	(2,925)	(1,166)
Bonds' premium and discount amortization		(97,745)	12,746
Foreign currency valuation differences of financing provisions in foreign currencies	15	133,728	46,534
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	21	82,406	26,617
Foreign currency valuation differences of due from banks provisions in foreign currencies	14	388	21
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies	2/16	(12,556)	(5,144)
Foreign currency valuation differences of financial assets at AC in foreign currencies	3/16	-	(30,705)
Valuation differences provisions in foreign currencies for financial instruments at AC		7,139	2,935
Foreign currency valuation differences of subordinated financing - With coupon	20	295,435	122,285
Foreign currency valuation differences of subordinated financing - Zero coupon	20	204,389	86,627
Foreign currency valuation differences of subordinated financing - Zero coupon - Equity		5,297	19,565
Losses / (Gains) valuation of financial investments at FVPL	9	(3,648)	756
Gains (losses) from revaluation of Forward contracts		(6,232)	(51,123)
Charge / (release) impairment loss of due from banks	11	3,735	(103)
Charge / (release) impairment loss of financial investments at amortized cost		(3,153)	-
Impairment loss of Non Current Assets Held for Sale	12	-	1,193
Charge / (release) Impairment Loss of Leased Assets		-	(1,349)
Gains / (Losses) sale of debt instruments at FVPL		-	-
Losses / (Gains) sale of equity instruments at FVPL	9	(4,387)	(1,384)
Losses / (Gains) sale of equity instruments at FVOCI		(5)	-
Losses / (Gains) on sale of fixed assets		-	(168)
Gain / (Losses) on sale of assets reverted to bank	10	(5,284)	(276)
Gain / (Losses) on sale of assets reverted to bank	10	(900)	(11,437)
Losses / (Gains) on sale of Investment Property	10	-	(212)
Bank's Share of Associates' results		(9,433)	(5,600)
Dividends income from equity instruments at FVOCI	8	(309)	(65)
Amortization of subordinated financing using EIR method	20	6,620	10,729
Financing expenses for other long term loans		-	18,086
<b>Operating profits before changes in assets and liabilities resulting from operating activities</b>		<b>2,362,303</b>	<b>1,489,643</b>
<b>Net decrease (increase) in assets &amp; liabilities</b>			
Due from banks with maturity more than 90 days	14	(11,977,550)	(1,006,234)
Treasury bills with maturity more than 90 days		(4,155,723)	(3,385,211)
Financial investments at FVPL		119,327	1,547
Financing and facilities to customers and banks		(4,126,306)	(2,698,875)
Other assets		(58,107)	24,956
Non Current Assets held for sale		-	6,056
Receivables of Leased assets		(22,204)	(49,415)
Due to banks		1,883,681	1,034,640
Customers' deposits		3,865,834	1,781,905
Financial derivatives		16,141	(15,067)
Other liabilities		259,961	333,180
Employees' Benefits obligations		9,269	9,082
Income tax paid		(246,337)	(217,310)
<b>Net Cash flows used in Operating activities</b>		<b>(12,069,711)</b>	<b>(2,691,103)</b>

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

## Condensed consolidated interim statement of cash flows for the period ended 31 March 2023

		31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
<b>Cash flows from investing activities</b>			
Payments to purchase of fixed assets & Branches fixtures	17	(37,824)	(7,833)
Proceeds from sale of fixed assets		6,126	(40)
Proceeds from Sale of Investment Property		-	450
Payments to purchase financial investments at FVOCI		5	(939,936)
Proceeds from recovery of financial investments at FVOCI		-	935,985
Payments to purchase financial investments at AC		(863,952)	(1,467,040)
Proceeds from recovery of financial investments at AC		2,701,308	627,419
Payments to purchase investment in subsidiaries and associates		-	(19,432)
Proceeds from dividends income		309	65
<b>Net Cash flows (Used in) generated from Investing activities</b>		<b>1,805,972</b>	<b>(870,362)</b>
<b>Cash flows from financing activities</b>			
Paid up capital under registration		1,000,000	-
General Reserve		5,000	-
Proceeds / (Paid) from other long term loans		(18,452)	18,913
Difference between FV & PV of subordinated financing		-	(36,855)
Dividends income paid		(303,138)	-
<b>Net Cash flows (Used in) generated from financing activities</b>		<b>683,410</b>	<b>(17,942)</b>
<b>Net increase (decrease) in cash and cash equivalents during the year</b>		<b>(9,580,329)</b>	<b>(3,579,407)</b>
Cash and Cash Equivalents at the beginning of the period		20,314,909	11,106,736
<b>Cash and cash equivalents at the end of the period</b>		<b>10,734,580</b>	<b>7,527,329</b>
<b>Cash and cash equivalents are represented in</b>			
Cash and due from CBE	13	10,192,531	6,059,540
Due from banks	14	26,278,160	5,761,842
Treasury bills		6,351,183	11,261,870
Due from banks with maturity more than three months from date of acquisition		(25,992,763)	(5,490,584)
Treasury bills with maturity more than three months from date of acquisition		(6,094,531)	(10,065,339)
<b>Cash and cash equivalents at the end of the period</b>		<b>10,734,580</b>	<b>7,527,329</b>

The accompanying notes from (1) to (25) are integral part of these financial statements.

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

## Condensed consolidated interim statement of changes in equity for the period ended 31 March 2023

	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	Retained earnings / (Retained losses)	Total	Non- controlling interest	Total
<b>31 March 2022</b>															
<b>Balance at 1 January 2022</b>	2,000,000	-	1,861,418	3,698	80,261	42,522	22,688	451,763	273,022	66,613	30,864	2,064,121	<b>6,896,970</b>	(17,362)	<b>6,879,608</b>
Transferred to reserves	-	-	-	365	68,978	-	-	34,009	-	-	-	(103,352)	-	-	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	-	(159,714)	(159,714)	-	(159,714)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	20	-	-	20	-	20
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	-	8,836	10,729	19,565	-	19,565
Prior periods impact of subsidiaries & associates adjustments	-	-	-	-	-	-	(2,562)	-	-	-	-	(1,184)	(3,746)	(48)	(3,794)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	446,287	446,287	(1,990)	444,297
<b>Balance at 31 March 2022</b>	<b>2,000,000</b>	<b>-</b>	<b>1,861,418</b>	<b>4,063</b>	<b>149,239</b>	<b>42,522</b>	<b>20,126</b>	<b>485,772</b>	<b>273,022</b>	<b>66,633</b>	<b>39,700</b>	<b>2,256,887</b>	<b>7,199,382</b>	<b>(19,400)</b>	<b>7,179,982</b>
<b>31 March 2023</b>															
<b>Balance at 1 January 2023</b>	4,000,000	-	-	4,063	149,239	51,371	25,295	9,062	219,979	83,878	35,780	4,311,574	<b>8,890,241</b>	13,558	<b>8,903,799</b>
Transferred to reserves	-	-	-	685	106,252	5,000	-	632	-	-	-	(107,569)	5,000	-	5,000
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	-	(303,138)	(303,138)	-	(303,138)
Remuneration for board members and Employees' Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	10,306	-	-	10,306	-	10,306
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	-	(1,323)	6,620	5,297	-	5,297
Transfer From / To Liabilities	-	1,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Prior periods impact of subsidiaries & associates adjustments	-	-	-	-	-	-	10,845	-	-	-	-	(4,278)	6,567	5,507	12,074
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	1,005,916	1,005,916	867	1,006,783
<b>Balance at 31 March 2023</b>	<b>4,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>4,748</b>	<b>255,491</b>	<b>56,371</b>	<b>36,140</b>	<b>9,694</b>	<b>219,979</b>	<b>94,184</b>	<b>34,457</b>	<b>4,909,125</b>	<b>10,620,189</b>	<b>19,932</b>	<b>10,640,121</b>

The accompanying notes from (1) to (25) are integral part of these financial statements.



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

## **Notes to condensed consolidated interim financial statements for the period ended 31 March 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 2,281 employees on the date of the financial statements.

These condensed separate interim financial statements for the period ended March 31, 2023 were approved by the Board of Directors on 11 May, 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.

The financial statements of the Bank had been prepared till 31<sup>st</sup> December 2018 using rules for the preparation and presentation of the financial statements of banks and the recognition and measurement principles issued by (CBE) on 16<sup>th</sup> December 2008; however, as from 1<sup>st</sup> January 2019 and based on the instructions issued by the (CBE) relevant to preparation of the financial statements of banks in the accordance with (IFRS 9) "Financial Instruments" as of 26<sup>th</sup> February 2019, the management has modified certain accounting policies to conform to those instructions. The following note details the changes in accounting policies.

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

### 3. FINANCIAL RISK MANAGEMENT

Except as indicated in note No. (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, 2022.

#### 3/1/1 Credit risk exposure:

#### 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)

	31 March 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
<b>Retail</b>								
<b>Creditworthiness as per CBE</b>								
Good debts *	13,472,152	187,080	4,371	13,663,603	13,233,531	226,659	3,798	13,463,988
Regular follow-up	-	373,225	12,557	385,782	-	283,352	39,129	322,481
Special follow-up	-	-	31,351	31,351	-	40	44,824	44,864
Non-performing loans	-	-	553,411	553,411	-	-	559,724	559,724
<b>Total</b>	<b>13,472,152</b>	<b>560,305</b>	<b>601,690</b>	<b>14,634,147</b>	<b>13,233,531</b>	<b>510,051</b>	<b>647,475</b>	<b>14,391,057</b>
(Less) Impairment loss provision	(235,447)	(81,391)	(320,915)	(637,753)	(202,316)	(82,568)	(347,582)	(632,466)
(Less) Profit in suspense	(3,659)	(4,614)	(95,407)	(103,680)	(1,830)	(4,239)	(105,197)	(111,266)
<b>Book value</b>	<b>13,233,046</b>	<b>474,300</b>	<b>185,368</b>	<b>13,892,714</b>	<b>13,029,385</b>	<b>423,244</b>	<b>194,696</b>	<b>13,647,325</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.

	31 March 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
<b>Corporate</b>								
<b>Creditworthiness as per CBE</b>								
Good debts	24,294,905	65,044	9,853	24,369,802	23,769,547	144,234	954	23,914,735
Regular follow-up	20,609,254	1,077,562	968	21,687,784	17,598,312	1,231,880	1,277	18,831,469
Special follow up	-	2,284,846	1,298	2,286,144	-	1,763,717	21,084	1,784,801
Non-performing loans	-	-	480,372	480,372	-	-	458,914	458,914
<b>Total</b>	<b>44,904,159</b>	<b>3,427,452</b>	<b>492,491</b>	<b>48,824,102</b>	<b>41,367,859</b>	<b>3,139,831</b>	<b>482,229</b>	<b>44,989,919</b>
(Less) Impairment losses provision	(1,064,706)	(779,520)	(491,929)	(2,336,155)	(1,037,885)	(545,970)	(480,607)	(2,064,462)
(Less) Profit in suspense	-	(15)	(122)	(137)	-	(10)	(59)	(69)
<b>Book value</b>	<b>43,839,453</b>	<b>2,647,917</b>	<b>440</b>	<b>46,487,810</b>	<b>40,329,974</b>	<b>2,593,851</b>	<b>1,563</b>	<b>42,925,388</b>

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 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:

EGP (in thousands)

Financing and facilities	31 March 2023			31 December 2022		
	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities	Financing and facilities to customers	Financing and facilities to banks	Financing and facilities
Neither past due nor impaired	58,376,309	-	58,376,309	54,601,389	-	54,601,389
Past due but not impaired	3,987,757	-	3,987,757	3,649,881	-	3,649,881
Impaired	1,094,181	-	1,094,181	1,129,704	-	1,129,704
<b>Total</b>	<b>63,458,247</b>	<b>-</b>	<b>63,458,247</b>	<b>59,380,974</b>	<b>-</b>	<b>59,380,974</b>
Less:						
impairment loss provision	(2,973,907)	-	(2,973,907)	(2,696,928)	-	(2,696,928)
Profit in suspense	(103,815)	-	(103,815)	(111,333)	-	(111,333)
<b>Net</b>	<b>60,380,525</b>	<b>-</b>	<b>60,380,525</b>	<b>56,572,713</b>	<b>-</b>	<b>56,572,713</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 31 March 2023, the Bank's portfolio of financing and facilities increased by 6.87% (31 December 2022, an increase of 24.04%).

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

### 3. Financial risk management - Continued

#### 3/1/3 Financing and facilities-continued

	EGP (in thousands)							
	31 March 2023				31 December 2022			
	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
<b>Retail</b>								
Balance of expected credit losses on 1 January 2023	202,316	82,568	347,582	632,466	82,082	114,295	375,103	571,480
Transferred from stage 1	(2,743)	30,671	4,108	32,036	(9,478)	62,425	74,009	126,956
Transferred from stage 2	4,837	(20,907)	20,505	4,435	6,855	(64,145)	56,938	(352)
Transferred from stage 3	42	279	(542)	(221)	302	218	(1,745)	(1,225)
Charge / (Release) of Impairment loss during the year	29,713	(5,220)	24,876	49,369	121,410	(11,618)	158,645	268,437
Financial assets purchased during the year	2,661	-	-	2,661	7,659	-	-	7,659
Financial assets disposed of/ paid during the year	(1,379)	(6,000)	(35,606)	(42,985)	(6,514)	(18,607)	(129,209)	(154,330)
Used provisions during the year	-	-	(40,008)	(40,008)	-	-	(186,159)	(186,159)
<b>Balance at 31 March 2023</b>	<b>235,447</b>	<b>81,391</b>	<b>320,915</b>	<b>637,753</b>	<b>202,316</b>	<b>82,568</b>	<b>347,582</b>	<b>632,466</b>

	EGP (in thousands)							
	31 March 2023				31 December 2022			
	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
<b>Corporate</b>								
Balance of expected credit losses on 1 January 2023	1,037,885	545,970	480,607	2,064,462	475,948	179,181	522,864	1,177,993
Transferred from stage 1	(11,695)	47,229	9,153	44,687	(29,302)	72,201	33,589	76,488
Transferred from stage 2	18,991	(19,642)	-	(651)	2,398	(5,038)	5,705	3,065
Transferred from stage 3	-	-	-	-	-	235,326	(105,059)	130,267
Charge / (Release) of Impairment loss during the year	9,080	211,510	2,798	223,388	490,182	82,462	70,464	643,108
Financial assets purchased during the year	65,513	-	-	65,513	139,232	-	-	139,232
Financial assets disposed of/ paid during the year	(55,068)	(5,547)	(625)	(61,240)	(40,573)	(18,162)	106,545	47,810
Used provisions during the year	-	-	(4)	(4)	-	-	(153,501)	(153,501)
<b>Balance at 31 March 2023</b>	<b>1,064,706</b>	<b>779,520</b>	<b>491,929</b>	<b>2,336,155</b>	<b>1,037,885</b>	<b>545,970</b>	<b>480,607</b>	<b>2,064,462</b>

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 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.

#### Geographical sectors

EGP (in thousands)

	Cairo	<u>Arab Republic of Egypt</u> Alexandria, Upper Egypt Delta & Sinai		Total
<u>Debt instruments at FVOCI</u>				
- Egyptian treasury Bonds	87,441	-	-	87,441
- Egyptian treasury bills	9,393	-	-	9,393
<u>Debt instruments at amortized cost</u>				
- Egyptian treasury Bonds	16,780,298	-	-	16,780,298
- Egyptian treasury bills	6,341,603	-	-	6,341,603
<u>Facilities to banks</u>				
<u>Retail</u>				
- Debit current accounts	4,179	1,556	239	5,974
- Credit cards	505,082	70,024	14,102	589,208
- Personal financings	9,375,147	3,411,308	846,555	13,633,010
- Real estate financings	277,929	21,852	2,374	302,155
<u>Corporate</u>				
- Debit current accounts	9,202,167	1,092	55	9,203,314
- Credit cards	128	-	-	128
- Direct financings	38,716,888	300,024	215,183	39,232,095
- Syndicated financings	388,548	-	-	388,548
<b>Balance at 31 March 2023</b>	<b>81,688,803</b>	<b>3,805,856</b>	<b>1,078,508</b>	<b>86,573,167</b>
<b>Balance at 31 December 2022</b>	<b>72,043,436</b>	<b>4,218,895</b>	<b>1,091,565</b>	<b>77,353,896</b>

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 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)						
31 March 2023	EGP	USD	Euro	Sterling Pound	Japanese Yen	Other currencies	Total
<b>Assets</b>							
Cash and due from CBE	10,024,816	128,789	2,437	20,378	-	16,111	10,192,531
Due from banks	12,399,573	12,626,372	98,970	735,434	26,487	391,324	26,278,160
Treasury bills	2,065,250	4,492,613	-	184,929	-	-	6,742,792
Financings and facilities to customers	49,930,066	11,782,482	40,641	1,601,243	-	-	63,354,432
Islamic forward / Islamic currency swap contracts	6,232	-	-	-	-	-	6,232
Financial investments at FVPL	75,308	-	-	-	-	-	75,308
Financial investments at FVOCI	170,435	127,402	-	3,328	-	-	301,165
Financial investments at amortized cost	16,780,298	-	-	-	-	-	16,780,298
Investments in associates	242,782	-	-	-	-	-	242,782
Other assets	8,260,237	203,326	54	7,348	-	1,573	8,472,538
<b>Total assets</b>	<b>99,954,997</b>	<b>29,360,984</b>	<b>142,102</b>	<b>2,552,660</b>	<b>26,487</b>	<b>409,008</b>	<b>132,446,238</b>
Financial derivatives related to currency	17,034	382,757	209,953	211,156	-	546,858	1,367,758
<b>Total assets and Financial derivatives related to currency</b>	<b>99,972,031</b>	<b>29,743,741</b>	<b>352,055</b>	<b>2,763,816</b>	<b>26,487</b>	<b>955,866</b>	<b>133,813,996</b>
<b>Liabilities and shareholders' equity</b>							
Due to banks	8,495	1,915,975	-	-	-	34,051	1,958,521
Customers' deposits	78,407,603	19,814,748	126,024	2,475,381	3,565	781,304	101,608,625
Islamic forward / Islamic currency swap contracts	5,695	-	-	-	-	-	5,695
Subordinated financings	1,081,885	2,515,794	-	-	-	-	3,597,679
Other liabilities	12,134,085	4,211,127	4,270	125,795	1,772	124,816	16,601,865
Shareholder' equity	8,571,401	102,452	-	-	-	-	8,673,853
<b>Total Liabilities and shareholders' equity</b>	<b>100,209,164</b>	<b>28,560,096</b>	<b>130,294</b>	<b>2,601,176</b>	<b>5,337</b>	<b>940,171</b>	<b>132,446,238</b>
Financial derivatives related to currency	17,034	382,757	209,953	211,156	-	546,858	1,367,758
<b>Total Liabilities and shareholders' equity and Financial derivatives related to currency</b>	<b>100,226,198</b>	<b>28,942,853</b>	<b>340,247</b>	<b>2,812,332</b>	<b>5,337</b>	<b>1,487,029</b>	<b>133,813,996</b>
<b>Net financial position</b>	<b>(254,167)</b>	<b>800,888</b>	<b>11,808</b>	<b>(48,516)</b>	<b>21,150</b>	<b>(531,163)</b>	<b>-</b>
<b>31 December 2022</b>							
<b>Total assets</b>	<b>97,197,101</b>	<b>20,924,700</b>	<b>250,877</b>	<b>2,056,649</b>	<b>6,580</b>	<b>679,818</b>	<b>121,115,725</b>
<b>Total Liabilities and shareholders' equity</b>	<b>97,184,453</b>	<b>20,390,858</b>	<b>251,408</b>	<b>2,139,774</b>	<b>22,848</b>	<b>1,126,384</b>	<b>121,115,725</b>
<b>Net financial position</b>	<b>12,648</b>	<b>533,842</b>	<b>(531)</b>	<b>(83,125)</b>	<b>(16,268)</b>	<b>(446,566)</b>	<b>-</b>



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

Notes to condensed consolidated interim financial statements for the period ended 31 March 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.

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 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.

	31 March 2023	31 December 2022
According to Basel II	EGP (in thousands)	EGP (in thousands)
Total basic going concern capital after disposal	9,204,696	8,542,820
Total additional basic capital	1,039,554	35,780
Total Tier 1 after disposal (basic capital)	10,244,250	8,578,600
Total Tier 2 after disposal	2,710,657	2,316,009
Total capital base after disposal	12,954,907	10,894,609
Total assets and contingent liabilities weighted by credit, market, operational risks	86,128,789	75,921,585
Capital Adequacy Ratio	15.04%	14.35%

According to the Central Bank Circular No. 68 issued on April 22, 2020, 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.

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 3.FINANCIAL RISK MANAGEMENT- Continued

### 3/5 Leverage Ratio – Continued

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Tier 1 capital after disposals (1)	10,244,250	8,578,600
Total on-balance sheet exposures, financial derivatives contracts and financing financial securities	126,713,260	117,851,194
Total exposures off-balance sheet	16,944,581	15,708,863
Total exposures on-balance sheet and off-balance sheet (2)	143,657,841	133,560,057
Financial leverage ratio (1/2)	7.13%	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.

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

### 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>31 March 2023</b>					
<b>Revenues and expenses by activity segment</b>					
Revenues of activity segment	1,148,377	331,495	774,471	50,728	2,305,071
Expenses of activity segment	(452,256)	(13,220)	(314,296)	(38,322)	(818,094)
<b>Net profit for the period before tax</b>	<b>696,121</b>	<b>318,275</b>	<b>460,175</b>	<b>12,406</b>	<b>1,486,977</b>
Tax	(200,590)	(159,066)	(108,343)	(12,195)	(480,194)
<b>Net profit for the period</b>	<b>495,531</b>	<b>159,209</b>	<b>351,832</b>	<b>211</b>	<b>1,006,783</b>
<b>Assets and liabilities by activity segment</b>					
Assets of activity segment	43,912,468	49,365,692	16,736,228	-	110,014,388
Un-classified assets	-	-	-	15,686,243	15,686,243
<b>Total assets</b>	<b>43,912,468</b>	<b>49,365,692</b>	<b>16,736,228</b>	<b>15,686,243</b>	<b>125,700,631</b>
Liabilities of activity segment	44,979,643	4,931,341	56,309,846	-	106,220,830
Un-classified liabilities	-	-	-	8,839,680	8,839,680
<b>Total liabilities</b>	<b>44,979,643</b>	<b>4,931,341</b>	<b>56,309,846</b>	<b>8,839,680</b>	<b>115,060,510</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	451,201	6,111,920
Expenses of activity segments	(699,426)	(47,767)	(1,371,109)	(693,143)	(2,811,445)
<b>Profit for the year before tax</b>	<b>1,360,332</b>	<b>1,275,089</b>	<b>906,996</b>	<b>(241,942)</b>	<b>3,300,475</b>
Tax	(307,967)	(761,070)	(227,924)	186,233	(1,110,728)
<b>Profit for the year</b>	<b>1,052,365</b>	<b>514,019</b>	<b>679,072</b>	<b>(55,709)</b>	<b>2,189,747</b>
<b>Assets and liabilities by activity segment</b>					
Assets of activity sectors	41,975,571	44,745,406	16,578,447	-	103,299,424
Non-Classified assets	-	-	-	13,527,727	13,527,727
<b>Total assets</b>	<b>41,975,571</b>	<b>44,745,406</b>	<b>16,578,447</b>	<b>13,527,727</b>	<b>116,827,151</b>
Liabilities of activity sectors	42,096,854	2,732,407	53,959,341	-	98,788,602
Non-classified liabilities	-	-	-	9,134,750	9,134,750
<b>Total liabilities</b>	<b>42,096,854</b>	<b>2,732,407</b>	<b>53,959,341</b>	<b>9,134,750</b>	<b>107,923,352</b>

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 6.NET REVENUE FROM FUNDS

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
<b>Income from Murabaha, Musharaka, Mudaraba and other similar income</b>		
<b>Financing and facilities</b>		
To customers	2,331,590	1,281,603
<b>Total</b>	<b>2,331,590</b>	<b>1,281,603</b>
Deposits and current accounts	1,425,125	990,323
Income from Lease Receivable	81,971	41,472
<b>Total</b>	<b>3,838,686</b>	<b>2,313,398</b>
<b>Cost of deposits and similar costs</b>		
<b>Deposits and current accounts:</b>		
To banks	(24,805)	(56,001)
To customers	(1,911,183)	(1,237,705)
other financings	(93,081)	(45,803)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(349)	(639)
<b>Total</b>	<b>(2,029,418)</b>	<b>(1,340,148)</b>
<b>Net profit income</b>	<b>1,809,268</b>	<b>973,250</b>

## 7. NET FEES AND COMMISSION INCOME

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
<b>Fees and commissions income:</b>		
Credit related fees and commissions	295,041	142,730
Fees of corporate financing	8,816	27,922
Other fees	192,068	76,753
<b>Total</b>	<b>495,925</b>	<b>247,405</b>
<b>Fees and commissions expenses:</b>		
Paid brokerage fees	(124)	(43)
Various banking commission	(7,704)	(4,653)
Credit cards paid commissions	(48,281)	(23,632)
Other fees and commissions paid	(19,030)	(17,142)
<b>Total</b>	<b>(75,139)</b>	<b>(45,470)</b>
<b>Net fees and commission income</b>	<b>420,786</b>	<b>201,935</b>

## 8. DIVIDENDS INCOME

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Equity instruments at FVPL	309	51
Mutual funds at FVPL	-	14
<b>Total</b>	<b>309</b>	<b>65</b>

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 9.NET TRADING INCOME

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
<b>Foreign currencies operations:</b>		
Gains from fx deals	115,269	(7,619)
(Losses) / gains of Islamic forward contracts revaluation	6,232	51,123
Gains / (Losses) of currency option contracts revaluation	(5,695)	(17)
Equity Instruments at FVPL	2,770	(521)
Mutual funds at FVPL	5,265	1,150
<b>Total</b>	<b>123,841</b>	<b>44,116</b>

## 10.OTHER OPERATING EXPENSES

	31 March 2023 EGP (in thousands)	31 March 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	(34,056)	394,641
Gain (Loss) on sale of assets reverted to bank	900	11,437
Gain on sale of fixed assets	5,284	276
Gain on sale of investment properties	-	212
Software cost	(41,861)	(25,071)
operating lease expense	(31,227)	(28,283)
Impairment losses of financing leased assets	-	1,349
Other provisions (net of reversed provision)*	(116,527)	(474,016)
Other income (expense)	(47,838)	(15,803)
<b>Total</b>	<b>(265,325)</b>	<b>(135,258)</b>

## 11.IMPAIRMENT CHARGES FOR CREDIT LOSSES

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Financing and facilities to customers	(176,687)	(27,004)
Due from banks	(3,735)	103
Leased Assets	(11,361)	-
Financial investments at amortized cost	3,153	-
<b>Total</b>	<b>(188,630)</b>	<b>(26,901)</b>



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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 12.INCOME TAX EXPENSES

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Current tax	(526,226)	(287,251)
Deferred tax	46,032	23,100
<b>Total</b>	<b>(480,194)</b>	<b>(264,151)</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

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Profit before tax	1,486,977	708,740
Applicable tax rate	22.5%	22.5%
<b>Income tax (expenses) based on applied tax rate</b>	<b>334,570</b>	<b>159,467</b>
<b><u>Tax impact for</u></b>		
Non-taxable revenues	(181,824)	(198,372)
Non-deductible tax expenses	176,305	131,020
Tax of treasury bills and bonds and dividends	151,143	172,036
<b>Income tax expenses according to effective tax rate</b>	<b>480,194</b>	<b>264,151</b>
<b>Effective tax rate</b>	<b>32.29%</b>	<b>37.27%</b>

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

### 13.CASH AND DUE FROM CBE

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Cash	790,556	595,101
Balances with CBE within mandatory reserve ratio	9,401,975	9,331,872
<b>Total</b>	<b>10,192,531</b>	<b>9,926,973</b>
Non-Profit bearing balances	10,192,531	9,926,973
<b>Total</b>	<b>10,192,531</b>	<b>9,926,973</b>

### 14.DUE FROM BANKS

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Current accounts	285,397	200,475
Bank deposits*	25,992,763	14,015,212
Murabaha due from local banks*	24,735,703	32,795,172
Restricted wakala due to local banks*	(24,735,703)	(32,795,172)
	<b>26,278,160</b>	<b>14,215,687</b>
(less) Impairment loss provision	(5,681)	(1,558)
<b>Total</b>	<b>26,272,479</b>	<b>14,214,129</b>
Balances with CBE other than mandatory reserve ratio	2,140,734	1,747,395
Local banks	22,967,695	11,566,270
Murabaha due from local banks*	24,735,703	32,795,172
Restricted wakala due to local banks*	(24,735,703)	(32,795,172)
Foreign Banks	1,169,731	902,022
(less) Impairment loss provision	(5,681)	(1,558)
<b>Total</b>	<b>26,272,479</b>	<b>14,214,129</b>
Non-Profit bearing balances	285,397	200,475
Variable profit bearing balances	23,853,703	12,267,817
Fixed profit bearing balances	2,139,060	1,747,395
(less) Impairment loss provision	(5,681)	(1,558)
<b>Total</b>	<b>26,272,479</b>	<b>14,214,129</b>
<b>Due from banks' impairment loss provision analysis</b>		
Balance at beginning of the year	1,558	128
Net impairment loss recognized during the period	3,735	1,339
Used from provision during the year	388	91
<b>Total</b>	<b>5,681</b>	<b>1,558</b>

\*Balances at banks include an amount of EGP 24,735,703 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.

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

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

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b><u>Retail</u></b>		
Debit current accounts	5,973	5,807
Credit cards	591,159	578,597
Personal financing	13,734,860	13,561,302
Real estate Financing	302,155	245,351
<b>Total</b>	<b>14,634,147</b>	<b>14,391,057</b>
<b><u>Corporate (including SMEs)</u></b>		
Debit current accounts	9,203,314	8,125,484
Direct financing	39,232,232	36,507,884
Syndicated financing	388,548	356,460
Credit cards	8	91
<b>Total</b>	<b>48,824,102</b>	<b>44,989,919</b>
<b>Total financing and facilities to customers</b>	<b>63,458,249</b>	<b>59,380,976</b>
<b><u>Deduct:</u></b>		
Impairment loss provision	(2,973,907)	(2,696,928)
Profit in suspense	(103,817)	(111,335)
<b>Total</b>	<b>(3,077,724)</b>	<b>(2,808,263)</b>
<b>Net</b>	<b>60,380,525</b>	<b>56,572,713</b>
<b><u>Classified in balance sheet as follow</u></b>		
Conventional financing to customers (net of impairment losses)	19,973	14,659
Financing to customers (net of impairment losses)	60,360,552	56,558,054
<b>Net</b>	<b>60,380,525</b>	<b>56,572,713</b>
Variable-profit bearing balances	42,869,077	37,416,375
Fixed-profit bearing balances	17,511,448	19,156,338
<b>Total</b>	<b>60,380,525</b>	<b>56,572,713</b>
<b>Financing and Facilities to customers' impairment loss provision analysis</b>	<b>31 March 2023 EGP (in thousands)</b>	<b>31 December 2022 EGP (in thousands)</b>
Balance at beginning of the year	2,696,928	1,749,473
Subsidiaries writ off	-	248,519
Net impairment loss during the year	176,686	827,581
Recoveries from previously written-off financings	6,577	31,158
Used from provision during the year	(40,012)	(339,659)
Foreign exchange translation differences	133,728	179,856
<b>Total</b>	<b>2,973,907</b>	<b>2,696,928</b>

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 15.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)

31 March 2023	<u>Retail</u>				Total
	Debit current accounts	Credit cards	Personal financing	Real estate Financing	
Balance at beginning of the year	-	56,138	574,268	2,060	632,466
Net impairment charge during the year	-	3,781	35,905	452	40,138
Recoveries from previously written-off financings	-	3,293	1,864	-	5,157
Used from provision during the year	-	(5,267)	(34,741)	-	(40,008)
Balance at 31 March 2023	-	57,945	577,296	2,512	637,753

### Corporate

31 March 2023	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the year	72,462	1,933,162	58,839	-	2,064,463
Disposals resulting from sale of subsidiaries	-	-	-	-	-
Net impairment charge during the year	20,847	63,779	51,923	-	136,548
Recoveries from previously written-off financings	-	1,420	-	-	1,420
Used from provision during the year	-	(4)	-	-	(4)
Foreign exchange translation differences	-	133,728	-	-	133,728
Balance at 31 March 2023	93,309	2,132,085	110,762	-	2,336,155

EGP (in thousands)

31 December 2022	<u>Retail</u>				Total
	Debit current accounts	Credit cards	Personal financing	Real estate Financing	
Balance at beginning of the year	-	54,948	516,400	132	571,480
Net impairment charge during the year	-	10,501	219,404	1,928	231,833
Recoveries from previously written-off financings	-	14,431	881	-	15,312
Used from provision during the year	-	(23,742)	(162,417)	-	(186,159)
Balance at 31 December 2022	-	56,138	574,268	2,060	632,466

### Corporate

31 December 2022	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the year	54,598	1,092,555	30,840	-	1,177,993
Net impairment charge during the year	17,864	549,886	27,999	-	595,749
Disposals resulting from sale of subsidiaries	-	248,519	-	-	248,519
Recoveries from previously written-off financings	-	15,846	-	-	15,846
Used from provision during the year	-	(153,501)	-	-	(153,501)
Foreign exchange translation differences	-	179,856	-	-	179,856
Balance at 31 December 2022	72,462	1,933,161	58,839	-	2,064,462

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 16. FINANCIAL INVESTMENTS

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<b>16/1 Financial investments at FVPL</b>		
<b><u>A) Listed equity instruments</u></b>		
Local corporate shares	6,874	8,485
<b>Total equity instruments</b>	<b>6,874</b>	<b>8,485</b>
<b><u>B) Mutual funds certificates</u></b>		
Un-Listed in stock exchange market	68,434	178,115
<b>Total mutual funds certificates</b>	<b>68,434</b>	<b>178,115</b>
<b>Total financial investments at FVPL (1)</b>	<b>75,308</b>	<b>186,600</b>
<b>16/2 Financial investments at FVOCI</b>		
<b><u>A) Treasury bonds - at FV</u></b>		
Listed in stock exchange market	87,441	91,951
<b>Total Treasury bonds</b>	<b>87,441</b>	<b>91,951</b>
<b><u>B) Government treasury bills - at FV</u></b>		
Un-Listed in stock exchange market	9,393	3,724,458
<b>Total Government treasury bills</b>	<b>9,393</b>	<b>3,724,458</b>
<b><u>Detailed T-bills maturities as the following:</u></b>		
Treasury bills of 91 days maturity	-	2,497,875
Treasury bills of 182 days maturity	800	1,950
Treasury bills of 273 days maturity	100	50,350
Treasury bills of 364 days maturity	9,350	1,221,125
<b>Total</b>	<b>10,250</b>	<b>3,771,300</b>
Unearned revenues	(670)	(43,326)
Valuation differences of treasury bills at FV	(187)	(3,516)
<b>Net</b>	<b>9,393</b>	<b>3,724,458</b>
<b><u>C) Equity instruments at FV</u></b>		
Listed in stock exchange market	23,709	23,709
Un-Listed in stock exchange market	164,817	138,717
<b>Total equity instruments</b>	<b>188,526</b>	<b>162,426</b>
<b><u>D) Mutual funds certificates at FV</u></b>		
Un-Listed in stock exchange market	25,198	24,258
<b>Total mutual funds certificates</b>	<b>25,198</b>	<b>24,258</b>
<b>Total financial investments at FVOCI (2)</b>	<b>310,558</b>	<b>4,003,093</b>

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 16.FINANCIAL INVESTMENTS - Continued

	31 March 2023	31 December 2022
	EGP (in thousands)	EGP (in thousands)
<b>16/3 Financial investments at AC</b>		
<b>A) Government treasury bonds</b>		
Listed in stock exchange market	16,780,298	18,214,440
Un-Listed in stock exchange market	-	305,473
Less: Impairment loss provision	-	(2,525)
<b>Total government treasury bonds</b>	<b>16,780,298</b>	<b>18,517,388</b>
<b>B) Government treasury bills</b>		
Un-Listed in stock exchange market	6,389,638	8,455,497
Less: Impairment loss provision	(32,574)	(26,063)
<b>Total government treasury bills</b>	<b>6,357,064</b>	<b>8,429,434</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	150,000	1,690,000
Treasury bills of 273 days maturity	950,000	400,000
Treasury bills of 364 days maturity	5,632,542	4,420,686
<b>Total</b>	<b>6,732,542</b>	<b>8,710,686</b>
Unearned revenues	(342,904)	(255,189)
Deduct: Impairment loss provision	(32,574)	(26,063)
<b>Net (1)</b>	<b>6,357,064</b>	<b>8,429,434</b>
<b>REPOs</b>		
Treasury bills sold with repurchase commitment with	(47,681)	(56,772)
<b>Total</b>	<b>(47,681)</b>	<b>(56,772)</b>
Unearned revenues	(354)	(431)
<b>Net (2)</b>	<b>(48,035)</b>	<b>(57,203)</b>
<b>Net (1+2)</b>	<b>6,309,029</b>	<b>8,372,231</b>
<b>Total financial investments at AC (3)</b>	<b>23,089,327</b>	<b>26,889,619</b>
<b>Total financial investments (1+2+3)</b>	<b>23,475,193</b>	<b>31,079,312</b>
Non-profit bearing balances	213,724	186,684
Fixed-profit bearing balances	23,261,469	30,892,628
<b>Total financial investments</b>	<b>23,475,193</b>	<b>31,079,312</b>
<b>Debt instruments impairment loss analysis</b>		
	31 March 2023	31 December 2022
	EGP (in thousands)	EGP (in thousands)
Balance at the beginning of the year	28,588	18,200
Net impairment loss during the year	(3,153)	-
Foreign exchange translation differences	7,139	10,388
<b>Total</b>	<b>32,574</b>	<b>28,588</b>



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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 16.FINANCIAL INVESTMENTS - Continued

### 16/4 Debt instruments at fair value

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

The following table shows the change in the methods for measuring the fair value of financial assets on March 31, 2023, from the comparative figures on December 31, 2022.

	EGP (in thousands)			
	Level One	Level Two	Level Three	Total
<b>31 March 2023</b>				
Financial investments in debt instruments	87,441	9,393	-	96,834
Mutual funds certificates	-	-	25,198	25,198
Equity instruments	23,709	-	164,817	188,526
<b>31 December 2022</b>				
Financial investments in debt instruments	91,951	3,724,458	-	3,816,409
Mutual funds certificates	-	-	24,258	24,258
Equity instruments	23,709	-	138,717	162,426



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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 19.CUSTOMERS' DEPOSITS

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Demand Deposits	30,751,183	29,313,558
Time and call deposits	28,656,837	26,600,969
Saving and deposit certificates	27,678,133	26,962,397
Saving Deposits	10,925,991	11,009,014
Other Deposits	3,596,481	3,728,388
<b>Total</b>	<b>101,608,625</b>	<b>97,614,326</b>
Corporate deposits	50,899,560	48,184,207
Retail deposits	50,709,065	49,430,119
<b>Total</b>	<b>101,608,625</b>	<b>97,614,326</b>
Non-profit bearing balances	14,471,218	13,659,966
Fixed profit bearing balances	87,137,407	83,954,360
<b>Total</b>	<b>101,608,625</b>	<b>97,614,326</b>

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

### 20.SUBORDINATED FINANCING

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Subordinated Financing without coupon*	1,032,676	821,667
Subordinated Financing with coupon**	1,483,118	1,187,683
Other Financings	1,081,885	1,075,915
<b>Total</b>	<b>3,597,679</b>	<b>3,085,265</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	6,620	24,089
Foreign currency valuation differences	204,389	300,017
Readjustment effect for Subordinated Financing	-	(36,860)
<b>Total</b>	<b>1,032,676</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.

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

Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

## 21. OTHER PROVISIONS

	EGP (in thousands)				
	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
<b>31 March 2023</b>					
Balance at beginning of the year	17,432	45,519	679,617	2,010	744,578
Impairment charged during the period	17,799	3,000	95,828	-	116,627
Used provision during the period	(541)	(2,384)	-	-	(2,925)
Amounts written-off during the period	(100)	-	-	-	(100)
Foreign exchange translation differences	-	-	82,406	-	82,406
Transfer From/ To Liabilities	-	2,133	-	-	2,133
<b>Balance at 31 March 2023</b>	<b>34,590</b>	<b>48,268</b>	<b>857,851</b>	<b>2,010</b>	<b>942,719</b>

	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
<b>31 December 2022</b>					
Balance at beginning of the year	1,305,879	38,348	387,800	2,010	1,734,037
Impairment charged during the period	628,376	10,575	257,408	-	896,359
Collections of amounts previously written-off	-	-	-	-	-
Used provision during the period	(1,900,379)	(3,404)	-	-	(1,903,783)
Amounts written-off during the period	(18,386)	-	(57,874)	-	(76,260)
Foreign exchange translation differences	1,942	-	92,283	-	94,225
<b>Balance at 31 December 2022</b>	<b>17,432</b>	<b>45,519</b>	<b>679,617</b>	<b>2,010</b>	<b>744,578</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 to Date 31-12-2022 Which Represents the Expected Cash Inflow to meet the current obligation.

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

## Notes to condensed consolidated interim financial statements for the period ended 31 March 2023

### 22.CAPITAL

#### 22.1 The Authorized Capital

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

#### 22.2 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.

#### 22.3 Amounts paid under registration

- Abu Dhabi Islamic Bank - Egypt has completed the full subscription value, which amounted to 1 billion Egyptian pounds, represented in the number of 100 million shares, with a nominal value of 10 Egyptian pounds per share, and the necessary legal procedures are being completed

### 23.RESERVES

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Legal Reserve	255,491	149,239
General Reserve	56,371	51,371
Special Reserve	36,140	25,295
General Banking Risk Reserve	9,694	9,062
Capital Reserve	4,748	4,063
General Risk Reserve	219,979	219,979
Fair value reserve	94,184	83,878
<b>Total reserves</b>	<b>676,607</b>	<b>542,887</b>



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## 24.RELATED PARTIES TRANSACTIONS

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

Relationship Nature	Account Nature	Transaction Nature	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Major Shareholders	Assets	Due from banks	18,263	8,618
Major Shareholders	Assets	Other Assets	40,816	35,797
Major Shareholders	Liabilities	Due to banks	20,813	13,617
Major Shareholders	Liabilities	Subordinated financing	2,515,794	2,009,350
Major Shareholders	Liabilities	Management fees	190,063	160,634
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	34,457	35,780
Associates Companies	Liabilities	Customers deposits	96,894	110,832

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

Relationship Nature	Account Nature	Transaction Nature	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(6,620)	(10,729)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(50,588)	(16,988)

\*Wages, salaries and benefits in kind on March 31, 2023, include an amount of 14,437 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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## 25.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.