

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


Hoda Mostafa Shawki

Accountants And Auditors Register No. (3451) Financial
Regulatory Authority Register No. (7)
CBE Register No. (92)
Fellow of Egyptian Society of Accountants and Auditors
Fellow of Egyptian Tax Society
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Tamer Abd El-Twab

Accountants And Auditors Register No. (17996)
Financial Regulatory Authority Register No. (388)
CBE Register No. (501)
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants
Plot No 211, Second Sector, City Center
New Cairo 11835, Egypt

Cairo 14 May 2023

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

Translation of Financial Statements originally issued in Arabic

Condensed Separate Interim Financial Position as at 31 March 2023

	Note No	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Assets			
Cash and due from Central Bank of Egypt	13	10,192,513	9,926,931
Due from banks	14	26,179,531	14,207,334
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	60,629,764	56,774,656
Islamic forward exchange contracts	27	6,232	12,953
Financial investments			
- Financial investments at FVOCI	1/16	309,512	4,002,047
- Financial investments at amortized cost	2/16	23,089,327	26,889,619
Investments in subsidiaries and associates (net)	17	405,513	405,513
Intangible assets		16,913	20,924
Other assets		2,808,139	2,649,627
Fixed assets (net of accumulated depreciation)	18	505,645	485,954
Deferred tax assets		170,094	126,621
Total assets		124,333,156	115,516,838
Liabilities and equity			
Liabilities			
Due to banks	19	1,958,521	74,840
Customers' deposits	20	101,747,224	97,742,791
Islamic forward / Islamic currency swap contracts		5,695	2,507
Subordinated Financing	21	2,515,794	2,009,350
Other liabilities		5,737,169	5,479,528
Current income tax liability		898,044	629,634
Other provisions	22	932,440	734,905
Defined benefits obligations		229,485	220,215
Total liabilities		114,024,372	106,893,770
Equity			
Paid up Capital	2/23	4,000,000	4,000,000
Paid up capital under registration	3/23	1,000,000	-
Reserves	24	595,742	472,866
Difference between face value and present value for non-interest subordinated financir		34,457	35,780
Retained earnings		4,678,585	4,114,422
Total equity		10,308,784	8,623,068
Total liabilities and equity		124,333,156	115,516,838

The Limited Review Report is attached

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


Mohamed Aly

Chief Executive Officer and
Managing Director


Mohamed Shawky

Chief Financial Officer



Cairo on May 11, 2023

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

Translation of Financial Statements originally issued in Arabic

Condensed Separate Interim Income Statement for The Period Ended 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		3,765,080	2,274,858
Cost of deposits and similar costs		(1,996,184)	(1,323,220)
Net income from funds	6	1,768,896	951,638
Fees and commissions income		480,674	237,076
Fees and commissions expenses		(75,139)	(45,470)
Net fees and commission income	7	405,535	191,606
Net trading income	8	115,806	43,487
Administrative expenses	9	(401,025)	(341,963)
Other operating expenses	10	(276,314)	(135,556)
Expected credit losses	11	(176,649)	(26,873)
Net profit for the period before tax		1,436,249	682,339
Income tax expense	12	(467,999)	(258,434)
Net profit for the period		968,250	423,905
Basic earning per share in net profit for the period		2.12	1.87

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

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

Translation of Financial Statements originally issued in Arabic Condensed Separate Interim Statement of Comprehensive Income for Period Ended 31 March 2023

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Net profit for the period	968,250	423,905
<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	14,483	3,222
Income tax related to items that are not reclassified to the profit or loss	(3,259)	(725)
<u>Items that are reclassified to profits and losses:</u>		
Changes at fair value through other comprehensive income	(1,185)	(3,196)
deffered Income tax related to items that are reclassified to the profits and losses	267	719
Total other comprehensive income for the period, net of tax	10,306	20
Total comprehensive income for the period, net of tax	978,556	423,925

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

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

Translation of Financial Statements originally issued in Arabic Condensed Separate Interim Statement of Cash Flows for Period Ended 31 March 2023

	Note No.	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Cash flows from operating activities			
Net profit for the period before tax		1,436,249	682,339
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets		19,750	27,517
Charge / (release) impairment loss of financing and facilities to customers	11	176,066	26,976
Used provisions - Financing provision	15	(40,012)	(20,860)
Charge / (release) other provisions	22	118,154	506,712
Provisions no longer required other than financing provision	22	(100)	(55)
Provisions used other than financing provision	22	(2,925)	(160)
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 provi	22	82,407	26,616
Foreign currency revaluation of due from banks provisions		388	21
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(12,556)	(5,143)
Valuation differences for financial instruments balances in foreign currencies at AC		-	(30,705)
Foreign currency valuation differences of financial instrument at AC's provisions		7,139	2,935
Foreign currency valuation differences of subordinated financing - With coupon	21	295,435	122,285
Foreign currency valuation differences of subordinated financing - Zero coupon	21	204,389	86,627
Foreign currency valuation differences of subordinated financing - Zero coupon - Equity		5,296	19,565
Gain / (Losses) from valuation of forward exchange contracts		(6,232)	(51,123)
Charge / (release) impairment loss of due from banks	11	3,735	(103)
Charge / (release) of impairment losses of financial investments at AC	11	(3,153)	-
Charge / (release) Impairment losses of other financial assets		-	93
Charge / (release) Impairment Loss of other assets		97	-
Gain / (Losses) on sale of fixed assets	10	(5,284)	(276)
Gain / (Losses) on sale of assets reverted to bank	10	(900)	(11,437)
Amortization of subordinated financing using EIR method	21	6,620	10,729
Operating profits before changes in assets and liabilities resulting from operating activities		2,320,547	1,451,833
Net decrease (increase) in assets and liabilities			
Due from banks with maturity more than 90 days		(11,977,550)	(1,006,234)
Treasury bills with maturity more than 90 days		(4,155,723)	(3,385,211)
Financing and facilities to customers and banks	15	(4,126,306)	(2,698,875)
Other assets		(161,607)	(89,752)
Due to banks	19	1,883,681	1,034,640
Customers' deposits	20	4,004,433	1,906,496
Financial derivatives		16,141	(15,067)
Other liabilities		257,641	338,366
Employees' Benefits obligations		9,269	9,269
Income tax paid		(246,054)	(217,106)
Net Cash Flow (used in) Operating Activities		(12,175,528)	(2,671,641)

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 31 March 2023 – Continued

	Note No.	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Cash flows from investing activities			
Payments for purchase of fixed assets and branches fixtures	18	(36,272)	(7,817)
Proceeds from sale of fixed assets		6,126	(40)
Payments for purchase of financial investments at FVOCI		-	(939,936)
Proceeds from recovery of financial investments at FVOCI		-	935,985
Payments for purchase of investments in subsidiaries and associates at amortized cost		(863,952)	(1,467,040)
Proceeds from recovery of financial investments at amortized cost		2,701,308	627,419
Proceeds from recovery of investments in subsidiaries and associates		-	(19,600)
Net Cash flows (used in) Investing activities		1,807,210	(871,029)
Cash flows from financing activities			
General Reserve		1,000,000	-
Proceeds (Paid) from subordinated financing		5,000	-
Dividends paid		-	(36,855)
Issuance fees		(303,138)	-
Net cash flows (used in) financing activities		701,862	(36,855)
Net (decrease) increase in cash and cash equivalents during the period		(9,666,456)	(3,579,526)
Cash and cash equivalents at the beginning of the period		20,308,069	11,106,608
Cash and cash equivalents at the end of the period		10,641,613	7,527,082
Cash and cash equivalents comprise			
Cash and due from CBE	13	10,192,513	6,059,398
Due from banks	14	26,185,211	5,761,737
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)
Cash and cash equivalents at the end of the period		10,641,613	7,527,082

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

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

Translation of Financial Statements originally issued in Arabic

Condensed Separate Interim Statement of Changes in Equity for Period Ended 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	Total
31 March 2022													
Balance at 1 January 2022	2,000,000	-	1,861,418	3,698	80,261	42,522	17,165	453,883	158,088	66,615	30,864	1,748,841	6,463,355
Transferred to reserve accounts	-	-	-	365	68,978	-	-	34,879	-	-	-	(104,222)	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	-	(159,714)	(159,714)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	20	-	-	20
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	-	8,836	10,729	19,565
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	423,905	423,905
Balance at 31 March 2022	2,000,000	-	1,861,418	4,063	149,239	42,522	17,165	488,762	158,088	66,635	39,700	1,919,539	6,747,131
31 March 2023													
Balance at 1 January 2023	4,000,000	-	-	4,063	149,239	51,371	17,165	9,062	158,088	83,878	35,780	4,114,422	8,623,068
Transferred to reserve accounts	-	-	-	685	106,252	5,000	-	632	-	-	-	(107,569)	5,000
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	-	-	(303,138)	(303,138)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	10,306	-	-	10,306
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	-	-	(1,323)	6,620	5,297
Transferred to/from reserve accounts	-	1,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	968,250	968,250
Balance at 31 March 2023	4,000,000	1,000,000	-	4,748	255,491	56,371	17,165	9,694	158,088	94,184	34,457	4,678,585	10,308,783

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

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

Translation of Financial Statements originally issued in Arabic

Notes to Condensed Separate Interim Financial Statements for The Period Ended 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 May 11, 2023.

2.BASIS OF PREPARATION OF THE CONDENSED SEPARATE FINANCIAL STATEMENTS

These condensed separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its board of directors on December 16th, 2008, and as per IFRS (9) "Financial Instruments" in accordance with the instructions of the CBE dated February 26th, 2019, and in light of the revised Egyptian Accounting Standards (EAS) issued during the year 2015; related amendments and the provisions of local laws and as per of Egyptian laws and regulations related to the preparation of these separate financial statements.

These condensed separate interim financial statements do not include all information and disclosures required for full annual separate financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the bank’s financial statements as at year ended December 31, 2022.

In preparing these condensed separate interim financial statements, significant judgements made by the management in applying the bank’s accounting policies and the key sources of estimation were the same as those were applied to the separate financial statements as at year ended December 31, 2022.

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

Translation of Financial Statements originally issued in Arabic

Notes to Condensed Separate Interim Financial Statements for The Period Ended 31 March 2023

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, 2022.

3/1/1 Loans and Financing

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

Retail	31 March 2023				31 December 2022			
	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 *	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
Total	13,472,152	560,305	601,690	14,634,147	13,233,531	510,051	647,475	14,391,057
(Less) Impairment loss provision	(235,447)	(81,390)	(320,915)	(637,752)	(202,315)	(82,568)	(347,582)	(632,465)
(Less) Profit in suspense	(3,659)	(4,614)	(95,407)	(103,680)	(1,830)	(4,239)	(105,195)	(111,264)
Book value	13,233,046	474,301	185,368	13,892,715	13,029,386	423,244	194,698	13,647,328

* 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	31 March 2023				31 December 2022			
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	Stage Three	Total
	Month 12	Lifetime	Lifetime		Month 12	Lifetime	Lifetime	
Creditworthiness as per CBE classification								
Good debts *	24,565,688	65,044	9,853	24,640,585	23,988,179	144,234	954	24,133,367
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	-	1,763,715	21,084	1,784,799
Non-performing loans	-	-	558,002	558,002	-	-	536,706	536,706
Total	45,174,942	3,427,452	570,121	49,172,515	41,586,491	3,139,829	560,021	45,286,341
(Less) Impairment loss provision	(1,066,277)	(779,520)	(567,056)	(2,412,853)	(1,039,915)	(545,970)	(555,895)	(2,141,780)
(Less) Profit in suspense	-	(13)	(2,627)	(2,640)	-	(10)	(2,564)	(2,574)
Book value	44,108,665	2,647,919	438	46,757,022	40,546,576	2,593,849	1,562	43,141,987

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 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:

	31 March 2023		31 December 2022	
	Financing and facilities to customers	Total financing and facilities for banks and customers	Financing and facilities to customers	Total financing and facilities for banks and customers
<i>EGP (in thousands)</i>				
Financing and facilities				
Neither past due nor impaired	58,647,094	58,647,094	54,820,020	54,820,020
Past due but not impaired	3,987,757	3,987,757	3,649,881	3,649,881
Impaired	1,171,811	1,171,811	1,207,496	1,207,496
Total	63,806,662	63,806,662	59,677,397	59,677,397
Less:				
impairment loss provision	(3,050,605)	(3,050,605)	(2,774,245)	(2,774,245)
Profit in suspense	(106,320)	(106,320)	(113,838)	(113,838)
Net	60,649,737	60,649,737	56,789,314	56,789,314

- 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 6.92% (31 December 2022, an increase of 24.89%).

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

Translation of Financial Statements originally issued in Arabic

Notes to Condensed Separate Interim Financial Statements for The Period Ended 31 March 2023

3.FINANCIAL RISK MANAGEMENT- Continued

3/1/3 Financing and facilities

Retail	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
Balance of expected credit losses on 1 January 2023	202,315	82,568	347,582	632,465	82,082	114,295	375,102	571,479
Transferred from stage 1	(2,741)	30,670	4,108	32,037	(9,478)	62,425	74,009	126,956
Transferred from stage 2	4,837	(20,907)	20,505	4,434	6,855	(64,145)	56,938	(352)
Transferred from stage 3	42	279	(542)	(222)	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)	(154,329)
Used provisions during the year	-	-	(40,008)	(40,008)	-	-	(186,159)	(186,159)
Balance of expected credit losses	235,447	81,390	320,915	637,752	202,315	82,568	347,582	632,465

Corporate	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
Balance of expected credit losses on 1 January 2023	1,039,915	545,970	555,895	2,141,780	477,740	179,181	1,014,396	1,671,317
Transferred from stage 1	(11,695)	47,229	9,153	44,687	(29,299)	72,201	33,589	76,491
Transferred from stage 2	18,991	(19,642)	-	(651)	2,398	(5,038)	5,705	3,065
Transferred from stage 3	-	-	-	-	-	235,326	(105,061)	130,265
Charge / (Release) of Impairment loss during the year	8,620	211,511	2,637	222,768	490,416	82,462	42,679	615,557
Financial assets purchased during the year	65,513	-	-	65,513	139,233	-	-	139,233
Financial assets disposed of/ paid during the year	(55,068)	(5,547)	(625)	(61,240)	(40,573)	(18,162)	(141,974)	(200,709)
Used provisions during the year	-	-	(4)	(4)	-	-	(293,439)	(293,439)
Balance of expected credit losses	1,066,277	779,520	567,056	2,412,853	1,039,915	545,970	555,895	2,141,780

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 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.

	EGP (in thousands)			
	Cairo	<u>Arab Republic of Egypt</u> Alexandria, Delta & Sinai	Upper Egypt	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>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	39,062,798	300,024	215,183	39,578,005
- Syndicated financings	388,548	-	-	388,548
Balance at 31 March 2023	82,034,713	3,805,856	1,078,508	86,919,077
Balance at 31 December 2022	72,733,532	4,218,895	1,091,565	78,043,992

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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:

	EGP (in thousands)						
31 March 2023	EGP	USD	Sterling Pound	Euro	Japanese Yen	Other currencies	Total
Assets							
Cash and due from CBE	10,024,798	128,789	2,437	20,378	-	16,111	10,192,513
Due from banks	12,306,625	12,626,372	98,970	735,434	26,487	391,324	26,185,212
Treasury bills	2,065,250	4,492,613	-	184,929	-	-	6,742,792
Financings and facilities to customers	50,275,975	11,782,482	40,641	1,601,243	-	1	63,700,342
Islamic forward / Islamic currency swap contracts	6,232	-	-	-	-	-	6,232
Financial investments at FVOCI	169,389	127,402	-	3,328	-	-	300,119
Financial investments at amortized cost	16,780,298	-	-	-	-	-	16,780,298
Investments in subsidiaries and associates	405,513	-	-	-	-	-	405,513
Other assets	6,630,140	203,326	54	7,348	-	1,573	6,842,441
Total assets	98,664,220	29,360,984	142,102	2,552,660	26,487	409,009	131,155,462
Financial derivatives related to currency	17,034	382,757	209,953	211,156	-	546,858	1,367,758
Total assets and Financial derivatives related to currency	98,681,254	29,743,741	352,055	2,763,816	26,487	955,867	132,523,220
Liabilities and shareholders' equity							
Due to banks	8,495	1,915,975	-	-	-	34,051	1,958,521
Customers' deposits	78,546,202	19,814,748	126,024	2,475,381	3,565	781,304	101,747,224
Islamic forward / Islamic currency swap contracts	5,695	-	-	-	-	-	5,695
Subordinated financings	-	2,515,794	-	-	-	-	2,515,794
Other liabilities	12,120,434	4,211,127	4,270	125,795	1,772	124,816	16,588,214
Shareholder equity	8,238,081	102,452	-	-	-	-	8,340,533
Total Liabilities and shareholders' equity	98,918,907	28,560,096	130,294	2,601,176	5,337	940,171	131,155,981
Financial derivatives related to currency	9,250	963,518	222,169	171,480	-	823	1,367,240
Total Liabilities and shareholders' equity and Financial derivatives related to currency	98,928,157	29,523,614	352,463	2,772,656	5,337	940,994	132,523,220
Net financial position	(246,903)	220,127	(408)	(8,840)	21,150	14,873	-
31 December 2022							
Total assets	95,964,105	20,924,700	250,877	2,056,649	6,580	679,818	119,882,729
Total Liabilities and shareholders' equity	95,985,081	20,910,732	250,664	2,036,825	22,848	676,580	119,882,730
Net financial position	(20,976)	13,968	213	19,824	(16,268)	3,238	-

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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	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Capital		
Tier 1 after disposals		
Total basic going concern capital after disposal	9,204,696	8,542,820
Total additional basic capital	1,039,553	35,780
Total Tier 1 after disposal (basic capital)	10,244,249	8,578,600
Total Tier 2 after disposal	2,710,657	2,316,008
Total capital base after disposal	12,954,906	10,894,608
Total assets and contingent liabilities weighted by credit, market, operational risks	86,128,789	75,921,585
Capital adequacy ratio	15.04%	14.35%

3/5 Leverage Ratio

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

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

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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)	10,244,249	8,578,600
Total on-balance sheet exposures items after deducting tier 1 disposals	126,682,027	117,822,981
Total on-balance sheet exposures, financial derivatives contracts and financing financial securities	126,713,258	117,851,194
Total exposures off-balance sheet	13,115,042	11,910,836
Total exposures on-balance sheet and off-balance sheet (2)	143,657,838	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.

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5.SEGMENTS ANALYSIS

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

Corporates

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

Investment

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

Retail

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

Other activities

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

	EGP (in thousands)				
	Corporate	Investment	Retail	Other activities	Total
31 March 2023					
Revenues and expenses by activity segment					
Revenues of activity segment	1,148,377	331,495	774,471	-	2,254,343
Expenses of activity segment	(452,256)	(13,220)	(314,296)	(38,322)	(818,094)
Net profit for the period before tax	696,121	318,275	460,175	(38,322)	1,436,249
Tax	(200,590)	(159,066)	(108,343)	-	(467,999)
Net profit for the period	495,531	159,209	351,832	(38,322)	968,250
Assets and liabilities by activity segment					
Assets of activity segment	43,912,468	49,365,692	16,736,228	-	110,014,388
Un-classified assets	-	-	-	14,318,768	14,318,768
Total assets	43,912,468	49,365,692	16,736,228	14,318,768	124,333,156
Liabilities of activity segment	44,979,643	4,931,341	56,309,846	-	106,220,831
Un-classified liabilities	-	-	-	7,803,541	7,803,541
Total liabilities	44,979,643	4,931,341	56,309,846	7,803,541	114,024,372

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

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6.NET REVENUE FROM FUNDS

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income		
Financing and facilities		
To customers	2,339,977	1,284,536
Total	2,339,977	1,284,536
Deposits and current accounts	1,425,103	990,322
Total	3,765,080	2,274,858
Cost of deposits and similar costs		
Deposits and current accounts:		
To banks	(24,805)	(56,001)
To customers	(1,913,822)	(1,238,863)
other financings	(57,208)	(27,717)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(349)	(639)
Total	(1,996,184)	(1,323,220)
Net profit income	1,768,896	951,638

*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

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Fees and commissions income:		
Credit related fees and commissions	295,041	142,730
Fees of corporate financing	8,816	27,922
Other fees	176,817	66,424
Total	480,674	237,076
Fees and commissions expenses:		
Paid brokerage fees	(124)	(43)
Various banking commission	(7,704)	(4,653)
Credit cards paid commissions	(48,281)	(28,127)
Other fees and commissions paid	(19,030)	(12,647)
Total	(75,139)	(45,470)
Net fees and commission income	405,535	191,606

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8.NET TRADING INCOME

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Foreign exchange operations:		
Gains from fx deals	115,269	(7,619)
Gain / (Loss) of revaluation of islamic currency swap contracts	6,232	51,123
(Loss) / Gains of currency option contracts revaluation	(5,695)	(17)
Total	115,806	43,487

9.ADMINISTRATIVE EXPENSES

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Employees' cost		
Salaries and wages and benefits	(192,071)	(159,760)
Social insurance	(11,964)	(9,751)
Pension cost		
Defined contribution plans	(6,377)	(5,387)
Defined benefit plans	(19,908)	(18,345)
Depreciation and amortization	(19,750)	(27,517)
Other administrative expenses	(150,955)	(121,203)
Total	(401,025)	(341,963)

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	(40,434)	394,640
Gain (Loss) on sale of assets reverted to bank	900	11,437
Gain on sale of fixed assets	5,284	276
Software cost	(41,861)	(25,071)
operating lease expense	(31,227)	(28,283)
(Charge) / release of impairment other assets	(97)	(93)
Other provisions (net of reversed provision)*	(115,920)	(473,738)
Other income (expense)	(52,959)	(14,724)
Total	(276,314)	(135,556)

11. IMPAIRMENT CHARGES FOR CREDIT LOSSES

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Financing and facilities to customers & banks	(176,067)	(26,976)
Due from banks	(3,735)	103
Sovereign Debts - Treasury Bills and Bonds at AC	3,153	-
Total	(176,649)	(26,873)

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12. INCOME TAX EXPENSES

	31 March 2023 EGP (in thousands)	31 March 2022 EGP (in thousands)
Current tax	(514,464)	(281,543)
Deferred tax	46,465	23,109
Total	(467,999)	(258,434)

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)
Net profit for the year before tax	1,436,249	682,338
Applicable tax rate	22.50%	22.50%
Income tax (expenses) based on applied tax rate	323,156	153,526
Tax impact for		
Non-taxable revenues	(181,824)	(198,372)
Non-deductible tax expenses	175,524	131,244
Tax of treasury bills and bonds and dividends	151,143	172,037
Income tax expenses according to effective tax rate	467,999	258,434
Effective tax rate	32.58%	37.87%

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13. CASH AND DUE FROM CBE

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Cash	790,538	595,059
Balances with CBE within mandatory reserve ratio	9,401,975	9,331,872
Total	10,192,513	9,926,931
Non-Profit bearing balances	10,192,513	9,926,931
Total	10,192,513	9,926,931

14. Due from Banks

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Current accounts	192,449	193,680
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)
	26,185,212	14,208,892
(less) Impairment loss provision	(5,681)	(1,558)
Total	26,179,531	14,207,334
Balances with CBE other than mandatory reserve ratio	2,140,734	1,747,395
Local banks	22,874,747	11,559,475
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)
Total	26,179,531	14,207,334
Non-Profit bearing balances	192,449	193,680
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)
Total	26,179,531	14,207,334
Due from banks' impairment loss provision analysis		
Balance at beginning of the period	1,558	128
Net expected credit loss during the year	3,735	1,339
Foreign exchange translation differences	388	91
Total	5,681	1,558

*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.

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

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
<u>Retail</u>		
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
Total	14,634,147	14,391,057
<u>Corporate (including SMEs)</u>		
Debit current accounts	9,203,314	8,125,484
Direct financing	39,580,645	36,804,306
Syndicated financing	388,548	356,460
Credit cards	8	91
Total	49,172,515	45,286,341
Total financing and facilities to customers	63,806,662	59,677,398
<u>Deduct:</u>		
Impairment loss provision	(3,050,605)	(2,774,245)
Profit in suspense	(106,320)	(113,838)
Total	(3,156,925)	(2,888,083)
Net	60,649,737	56,789,315
<u>Classified in balance sheet as follow</u>		
Conventional financing to customers (net of impairment losses)	19,973	14,659
Financing to customers (net of impairment losses)	60,629,764	56,774,656
Net	60,649,737	56,789,315
Variable-profit bearing balances	42,869,077	37,416,375
Fixed-profit bearing balances	17,780,660	19,372,940
Total	60,649,737	56,789,315
Financing and facilities to customers impairment loss provision analysis		
	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Balance at beginning of the period	2,774,245	2,242,798
Net expected credit loss during the year	176,067	800,030
Recoveries from written off loans	6,577	31,158
Used provisions during the period	(40,012)	(479,597)
Foreign exchange translation differences	133,728	179,856
Total	3,050,605	2,774,245

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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	Debit current accounts	Covered Cards	Retail		Total
			Personal financing	Real estate Financing	
Balance at beginning of the year	-	56,138	574,267	2,060	632,465
Net impairment charge during the year	-	3,781	35,905	452	40,138
Recoveries from written off loans	-	3,293	1,864	-	5,157
Used provisions during the period	-	(5,267)	(34,741)	-	(40,008)
Balance at 31 March 2023	-	57,945	577,295	2,512	637,752

EGP (in thousands)					
31 March 2023	Debit current accounts	Direct financing	Corporate		Total
			Syndicated financing	Other financings	
Balance at beginning of the year	72,461	2,010,480	58,839	-	2,141,780
Net impairment charge during the year	20,847	63,160	51,923	-	135,929
Recoveries from written off loans	-	1,420	-	-	1,420
Used provisions during the period	-	(4)	-	-	(4)
Foreign exchange translation differences	-	133,728	-	-	133,728
Balance at 31 March 2023	93,308	2,208,784	110,762	-	2,412,853

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

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

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16. FINANCIAL INVESTMENTS

Financial investments at FVOCI	31 March 2023	31 December 2022
	EGP (in thousands)	EGP (in thousands)
<u>A) Treasury bonds - at FV</u>		
Listed in stock exchange market	87,441	91,950
Total Treasury bonds	87,441	91,950
<u>B) Corporate bonds - at FV</u>		
Un-Listed in stock exchange market	9,393	3,724,458
Total Corporate bonds	9,393	3,724,458
<u>Detailed T-bills maturities as the following:</u>		
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
Total	10,250	3,771,300
Unearned revenues	(670)	(43,326)
Valuation differences of treasury bills at FV	(187)	(3,516)
Net	9,393	3,724,458
<u>C) Equity instruments at FV</u>		
Un-Listed in stock exchange market	187,480	161,380
Total equity instruments	187,480	161,380
<u>D) Mutual funds certificates at FV</u>		
Un-Listed in stock exchange market	25,198	24,259
Total mutual funds certificates	25,198	24,259
Total financial investments at FVOCI (1)	309,512	4,002,047

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16. FINANCIAL INVESTMENTS - Continued

Financial investments at AC	31 March 2023	31 December 2022
	EGP (in thousands)	EGP (in thousands)
A) Government treasury bonds		
Listed in stock exchange market	16,780,298	18,214,441
Un-Listed in stock exchange market	-	305,473
Less: Impairment loss provision	-	(2,525)
Total government treasury bonds	16,780,298	18,517,389
B) Government treasury bills		
Un-Listed in stock exchange market	6,389,638	8,455,495
Less: Impairment loss provision	(32,574)	(26,063)
Total government treasury bills	6,357,064	8,429,432
Detailed T-bills maturities as the following:		
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	4,420,684
Total	6,732,542	8,710,684
Unearned revenues	(342,904)	(255,189)
Less: Impairment loss provision	(32,574)	(26,063)
Net (1)	6,357,064	8,429,432
REPOs		
Treasury bills sold with repurchase commitment within one week	(47,681)	(56,772)
Total	(47,681)	(56,772)
Unearned revenues	(354)	(430)
Net (2)	(48,035)	(57,202)
Net (1+2)	6,309,029	8,372,230
Total financial investments at AC (2)	23,089,327	26,889,619
Total financial investments (1+2)	23,398,839	30,891,666
Non-profit bearing balances	212,678	185,639
Fixed-profit bearing balances	23,186,161	30,706,027
Total financial investments	23,398,839	30,891,666
Debt Instruments impairment loss provision analysis	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
Total	32,574	28,588

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16. FINANCIAL INVESTMENTS – Continued

16/3 Fair value measurement

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

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

Accessed in the measurement history.

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

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

-Level 3 - Level three inputs are the unobservable inputs of the asset or liability.

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

	EGP (in thousands)			
	Level One	Level Two	Level Three	Total
31 March 2023				
Financial investments in debt instruments	87,441	9,393	-	96,834
Mutual funds certificates	-	-	25,198	25,198
Equity instruments	-	-	187,480	187,480
31 December 2022				
Financial investments in debt instruments	91,950	3,724,458	-	3,816,408
Mutual funds certificates	-	-	24,259	24,259
Equity instruments	-	-	161,380	161,380

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17. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (NET)

	31 March 2023 EGP (in thousands)	31 December 2022 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 Finance	154,315	154,315
ADIB MicroFinance	24,500	24,500
ADIB Consumer Finance	98,000	98,000
Total	394,287	394,287
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	414,287
Impairment losses in financial investments in subsidiaries and associates	(8,774)	(8,774)
Net financial investments in subsidiaries and associates	405,513	405,513

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

- Financial investments in subsidiaries have been determined according to a study carried out by the bank to identify companies in which the bank has, directly and indirectly, the ability to control their financial and operational policies.
- In July 2022, the bank's board of directors approved an increase in the paid-up capital of Abu Dhabi Islamic Consumer Finance Company from 10 million EGP up to 100 million Egyptian pounds) represented by 98 million shares with a nominal value of 1 EGP per share (with the same shareholding ratio) of the bank, which is 98%.
- In March 2021, the bank's board of directors approved the establishment of the Abu Dhabi Islamic Microfinance Company - under establishment, with a paid-in capital of 25 million 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

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18. FIXED ASSETS (Net of accumulated depreciation)

	EGP (in thousands)			
	Lands & Premises	Machinery & Equipment	Other assets	Total
31 December 2022				
Cost	172,594	10,535	1,041,335	1,224,464
Accumulated Depreciation	(57,817)	(4,839)	(675,854)	(738,510)
Net Book Value	114,777	5,696	365,481	485,954
Net Book Value at the beginning of the year	120,373	4,825	381,120	506,318
Additions	-	1,775	52,244	54,019
Disposals	-	(417)	(3,487)	(3,904)
Depreciation for the year	(5,596)	(952)	(67,739)	(74,287)
Disposals' Accumulated Depreciation	-	465	3,343	3,808
Net Book Value	114,777	5,696	365,481	485,954
31 March 2023				
Cost	171,453	10,535	1,067,735	1,249,723
Accumulated Depreciation	(58,420)	(5,094)	(680,564)	(744,078)
Net Book Value	113,033	5,441	387,171	505,645
Net Book Value at the beginning of the year	114,777	5,696	365,481	485,954
Additions	-	-	36,272	36,272
Disposals	(1,141)	-	(9,872)	(11,013)
Depreciation for the year	(1,428)	(255)	(14,056)	(15,739)
Disposals' Accumulated Depreciation	825	-	9,346	10,171
Net Book Value	113,033	5,441	387,171	505,645

19. DUE TO BANKS

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Current Accounts	104,623	74,840
Deposits	1,853,898	-
Total	1,958,521	74,840
Local Banks	13,743	14,526
Foreign Banks	1,944,778	60,314
Total	1,958,521	74,840
Non-profit bearing balances	104,623	74,840
Variable profit bearing balances	1,853,898	-
Total	1,958,521	74,840

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20. CUSTOMERS' DEPOSITS

	31 March 2023 EGP (in thousands)	31 December 2022 EGP (in thousands)
Demand deposits	30,807,218	29,346,707
Time and call deposits	28,739,401	26,696,285
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
Total	101,747,224	97,742,791
Corporate deposits	51,038,159	48,312,672
Retail deposits	50,709,065	49,430,119
Total	101,747,224	97,742,791
Non-profit bearing balances	14,527,253	13,693,115
Fixed profit bearing balances	87,219,971	84,049,676
Total	101,747,224	97,742,791

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21. 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
Total	2,515,794	2,009,350
Subordinated Financing without coupon*		
Balance at the beginning of the financial year- face value of subordinated financing	821,667	534,421
PV of Subordinated Financing during the period	6,620	24,089
Foreign currency valuation differences	204,389	300,017
Readjustment effect for Subordinated Financing granted in December 27, 2012	-	(36,860)
Total	1,032,676	821,667

***Subordinated Financing with no coupon**

The subordinated financing without interest represents an amount of 39 million US dollars granted by the Abu Dhabi Islamic Bank, the UAE, under a framework agreement for the agency with investment for a period of 6 years, starting from December 27, 2012, and in 2016 a supplementary agreement was concluded for the support financing contract by extending the term of the contract to end on December 27, 2023. On March 30, 2022, another supplementary agreement was concluded for the support financing contract, by extending the contract term to end on March 29, 2029 instead of December 27, 2023. The bank recorded the supporting financing at the current value using a discount rate of 3.25%, and these supplementary agreements resulted in the loading of equity net The amount of 12.465 thousand Egyptian pounds, which represents the difference between the nominal value and the present value of the financing at the date of the term extension agreement.

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

****Subordinated Financing with coupon**

** On 29 September 2016 the bank was granted an additional subordinated financing of USD 9mn from Abu Dhabi Islamic Bank-UAE under Wakala investment agreement for 7 years starting from 29 September 2016 with a profit rate equals to 6.50% from the investment amount, which is not significantly different from the market discount rate.

**On 29 December 2016 the bank was granted an additional subordinated financing of USD 9mn from Abu Dhabi Islamic Bank-UAE under Wakala investment agreement for 7 years starting from 29 December 2016 with a profit rate equals to 5.88% from the investment amount, which is not significantly different from the market discount rate.

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

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22. OTHER PROVISIONS

	EGP (in thousands)			
	Provisions for Contingent Claims*	Tax Provision	Provision for Contingent Liabilities	Total
31 March 2023				
Balance at beginning of the year	14,711	40,588	679,606	734,905
Charged during the year	17,191	3,000	95,828	116,019
Transferred from/to liabilities	-	2,133	-	2,133
Provisions no longer required	(100)	-	-	(100)
Used provision during the period	(541)	(2,384)	-	(2,925)
Foreign exchange translation differences	-	-	82,407	82,407
Balance at 31 March 2023	31,262	43,337	857,841	932,440
31 December 2022				
Balance at beginning of the year	1,301,613	33,286	387,789	1,722,688
Charged during the year	628,376	10,000	257,408	895,784
Provisions no longer required	(18,090)	-	(57,874)	(75,964)
Used provision during the period	(1,899,130)	(2,698)	-	(1,901,828)
Foreign exchange translation differences	1,942	-	92,283	94,225
Balance at 31 December 2022	14,711	40,588	679,606	734,905

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

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23. CAPITAL

23.1 The Authorized Capital

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

23.2 Issued and paid up capital

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

23.3 Amounts paid under the capital increase registration

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

24. 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	17,165	17,165
General Banking Risk Reserve	9,694	9,062
Capital Reserve	4,748	4,063
General Risk Reserve	158,088	158,088
Fair value reserve	94,185	83,878
Total reserves at the end of the period	595,742	472,866

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25. RELATED PARTIES TRANSACTIONS

Transactions balances with related parties included through the year 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 fi	34,457	35,780
Subsidiaries Companies	Assets	Other Assets	57,130	30,038
Subsidiaries Companies	Liabilities	provision for impairment of other assets	2,263	2,147
Subsidiaries Companies	Assets	Financing and facilities to customers	348,413	296,423
Subsidiaries Companies	Assets	provision for impairment on credit losses	77,614	77,317
Subsidiaries Companies	Liabilities	Customers deposits	141,792	137,503
Associates Companies	Liabilities	Customers deposits	96,894	110,832

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

Relationship Nature	Account Nature	Transaction Nature	31 March 2023 EGP (in thousands)	31 December 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)
Subsidiaries Companies	Revenues	Other operating income	10	31
Subsidiaries Companies	Revenues	Income from Murabaha, Musharaka, Mudaraba and other similar inc	12,327	6,483
Subsidiaries Companies	Expenses	Cost of deposits and similar expenses	(2,687)	(1,158)
Subsidiaries Companies	Expenses	Fees and commissions expenses	(49)	(481)
Subsidiaries Companies	Expenses	Impairment charge on credit losses	(297)	28

*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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26. SIGNIFICANT EVENTS

Interest rate on interbank loans (IBOR)

Interest rate risk

Shifting from the interest rate on mutual funds between banks:

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

Economic factors

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