FORVIS MAZARS Mostafa Shawki

Public Accountants & Consultants

PricewaterhouseCoopers EzzEldeen, Diab& CO.

Public Accountants

Abu Dhabi Islamic Bank" S.A.E"

Consolidated financial statements

for the financial year ended on December 31, 2025

and the audit report

Auditors' Report

To: The Shareholders of Abu Dhabi Islamic Bank - Egypt "S.A.E."

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Abu Dhabi Islamic Bank – Egypt (S.A.E), ("The Bank") and its subsidiaries (together "The Group") which comprise the consolidated financial position as at 31 December 2025 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules of preparation and presentation of the banks' financial statements basis of recognition and measurement issued by the Central bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; management's responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Mostafa Shawki

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements basis of recognition and measurement issued by the Central bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations.

Auditors

Ashraf Mamdouh
Accountants And Auditors Register No. (26231)
Financial Regulatory Authority Register No. (383)
CBE Register No. (569)
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Member of American Institute of Certified Public Accountants
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Dr. Ahmed Mostafa Shawki
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Financial Regulatory Authority Register No. (5)
CBE Register No. (11)
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Fellow of the Institute of Chartered Accountants in England and Wales
Fellow of Egyptian Tax Society
Forvis Mazars Mostafa Shawki
153 Mohamed Farid St., Bank Misr Tower, Cairo

Cairo on 8 February 2026

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Consolidated statement of financial position – as of 31 December 2025

	Note No	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Assets			
Cash and due from Central Bank	15	19,086,612	13,811,689
Due from banks	16	57,433,131	98,117,659
Financing and facilities to banks (net of expected credit losses)	17	4,802,479	2,030,727
Financing and facilities to customers (net of expected credit losses)	18	147,226,062	95,691,071
Financial leased assets to others	25	2,683,563	2,039,700
Non Current Assets Held for Sale		1,187	-
Islamic Pre-Promised exchange contracts	28	13,981	25,402
Financial investments			
- Fair value through profits and losses	1/19	143,461	122,019
- Financial investments at FVOCI	2/19	22,620,348	2,927,923
- Financial investments at amortized cost	3/19	80,350,465	39,040,223
Investments in associates	20	648,093	456,545
Intangible assets (net of accumulated amortization)	21	50,435	44,356
Other assets	22	10,356,822	5,241,682
Fixed assets (net of accumulated depreciation)	23	953,087	713,160
Investments properties	24	3,594	7,982
Deferred tax assets	32	337,885	196,968
Total assets		**346,711,205**	**260,467,106**
Liabilities and equity			
Liabilities			
Due to banks	26	5,921,757	14,837,337
Customers' deposits	27	277,864,370	199,982,599
Islamic Pre promised exchange contracts	28	140,892	14,710
Subordinated Financing / Other Islamic Financings	29	10,232,006	10,401,271
Other liabilities	30	11,407,931	7,670,203
Current income tax liability		4,230,538	2,647,113
Other provisions	31	1,825,694	1,557,712
Defined benefits obligations	39	453,161	369,454
Total liabilities		**312,076,349**	**237,480,399**
Equity			
Issued & Paid up Capital	2/33	12,000,000	6,000,000
Reserves	34	1,613,793	1,118,374
Difference between face value and present value for Reduced cost subordinated financing		19,323	24,950
Retained earnings	35	20,963,164	15,815,345
Total equity attributable to equity holders' of the bank		**34,596,280**	**22,958,669**
Non-controlling interests		38,576	28,038
Total equity		**34,634,856**	**22,986,707**
Total liabilities and equity		**346,711,205**	**260,467,106**

Independent auditor's report "attached"

The accompanying notes from (1) to (41) are integral part of these financial statements and are to be read together

Mahamoud El Semin
Financial Controller

Mohamed Aly
CEO and Managing Director

مصرف أبو ظبي الإسلامي-مصر ش.م.م
ADIB مصرف أبوظبي الإسلامي
إدارة علاقات المستثمرين

Cairo on 05 February 2026

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Consolidated Income Statement

For the year ended 31 December 2025

	Note No	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		49,262,455	36,944,486
Cost of deposits and similar costs		(29,110,120)	(21,691,838)
Net income from funds	7	20,152,335	15,252,648
Fees and commissions income		3,566,871	2,590,419
Fees and commissions expenses		(837,021)	(695,288)
Net fees and commission income	8	2,729,850	1,895,131
Dividend income	9	6,307	5,415
Net trading income	10	546,571	708,711
Administrative expenses	11	(3,431,217)	(2,614,518)
Other operating expenses	12	(1,178,050)	(927,002)
Expected credit losses	13	(1,514,062)	(2,170,571)
Gain/Loss on financial investments		9,155	-
Share Of Associates Results		161,253	140,338
profit for the year before tax		17,482,142	12,290,152
Income tax expense	14	(4,881,186)	(3,274,213)
Net profit for the year		12,600,956	9,015,939
Attributable to:			
Shareholder's equity of the bank		12,588,572	9,008,926
Non-controlling interests		12,384	7,013
Net profit for the year		12,600,956	9,015,939
Basic earning per share in net profit for the year (EGP)		11.25	14.02

The accompanying notes from (1) to (41) are integral part of these financial statements and are to be read together.

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Net profit for the year	**12,600,956**	**9,015,939**
Items that will not be reclassified to the Profit and Loss:		
Change in fair value reserve of equity instruments at fair value through other comprehensive income	6,152	98,888
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(736)	(22,369)
Items that will be reclassified to the Profit and Loss:		
Change in fair value reserve of debt instruments at fair value through other comprehensive income	54,290	34,028
Expected credit loss for fair value of debt Instruments measured at fair value through other comprehensive income	1,578	5,518
Deffered Income tax related to items that are reclassified to the profits and losses	(12,215)	(9,553)
Other comprehensive income/(loss) for the year ,net of tax	**49,069**	**106,512**
Comprehensive income for the year net of tax	**12,650,025**	**9,122,451**
Attributable to:		
Shareholder's equity of the bank	12,637,641	9,115,438
Non-controlling interests	12,384	7,013
Comprehensive income for the year net of tax	**12,650,025**	**9,122,451**

The accompanying notes from (1) to (41) are integral part of these financial statements and are to be read together.

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Consolidated statement of cash flows

For the year ended 31 December 2025

	Note No.	31 December 2025 EGP (In thousands)	31 December 2024 EGP (In thousands)
Cash flows from operating activities			
profit for the year before tax		17,482,142	12,290,152
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets	11	177,748	132,268
Depreciation of investment property	24	1,101	1,213
Charge impairment loss of financing and facilities to customers	18	1,468,702	2,202,512
Charge impairment loss of financing and facilities to banks	18	4,897	2,481
Collections of loans previously written off	18	44,643	46,647
Charge other provisions	31	289,076	631,693
Provisions no longer required other than financing provision	31	(2,388)	(342,771)
Provisions used other than financing provision	31	(2,512)	(18,917)
Bonds' premium and discount amortization		(750,441)	(1,151,806)
Foreign currency valuation differences of financing provisions in foreign currencies	18	(194,813)	711,522
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	31	(16,194)	209,909
Foreign currency valuation differences of due from banks provisions in foreign currencies	16	(1,466)	8,370
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		20,409	(194,121)
Foreign currency valuation differences of financial assets at AC in foreign currencies		684,219	(2,191,967)
Foreign currency valuation differences provisions in foreign currencies for financial instruments at AC		(5,407)	46,971
Foreign currency valuation differences of subordinated financing - With coupon		(465,400)	4,998,043
Foreign currency valuation differences of subordinated financing - at reduced cost	29	(111,881)	681,592
Foreign currency valuation differences of subordinated financing - at reduced cost - Equity		38,944	37,671
(Gains) valuation of financial investments at FVPL		(15,528)	(19,722)
(losses) / Gains from revaluation of Promised- based forward exchange contracts	10	108,755	(1,902)
(Release) / charge impairment loss of due from banks	13	(11,644)	1,084
(Release) / charge impairment loss provisions of FVOCI instruments	13	1,648	(5,518)
Charge /(release) impairment loss of financial investments at amortized cost	13	50,459	(29,988)
Charge /(release) impairment loss of other assets	12	300	7,268
(Gains) sale of equity instruments at FVPL		(6,850)	(16,389)
Gains / (Losses) from sale of investments in subsidiaries & associates		(9,155)	-
(Gains) on sale of fixed assets	12	(108,110)	(10,890)
(Gains) on sale of investment Property	12	(2,100)	(8,886)
Bank's Share of Associates' results		(161,253)	(140,338)
Dividends income from equity instruments at FVOCI	9	(6,306)	(4,747)
Dividends income from investments in subsidiaries and associates		(1)	(668)
Amortization of subordinated financing using EIR method	29	44,571	43,156
Operating profits before changes in assets and liabilities resulting from operating activities		18,546,165	17,913,922
Net change in assets & liabilities			
Due from banks with maturity more than 90 days		3,451,085	(20,351,869)
Treasury bills with maturity more than 90 days		(9,300,827)	4,656
Financial investments at FVPL		937	127,146
Financing and facilities to customers and banks	18	(55,814,465)	(37,273,326)
Other assets		(5,170,505)	(2,034,452)
Financial leased assets to others		(649,857)	(115,339)
Due to banks	26	(8,915,580)	8,358,496
Customers' deposits	27	77,881,771	72,855,096
Financial Pre promised Contracts		28,847	(12,206)
Other liabilities		3,845,423	1,040,769
Employees' Benefits obligations	39	83,708	82,095
Income tax paid		(3,450,633)	(2,223,701)
Net Cash flows generated from Operating activities		20,536,069	38,371,287

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Consolidated statement of cash flows - continued

For the year ended 31 December 2025

	Note No.	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Cash flows from investing activities			
Payments to purchase of fixed assets & Branches fixtures	23	(420,578)	(178,671)
Proceeds from sale of fixed assets		134,368	11,005
Payments to purchase of intangible assets		(29,434)	(24,935)
Proceeds from Sale of Investment Property		4,200	15,094
Payments to purchase financial investments at FVOCI		(18,764,487)	(1,923,497)
Proceeds from recovery of financial investments at FVOCI		3,984,690	630,438
Payments to purchase financial investments at AC		(40,700,113)	(17,878,369)
Proceeds from recovery of financial investments at AC		3,956,706	6,487,717
Payments to purchase investment in subsidiaries and associates		(11)	-
Proceeds from sale of investments in subsidiaries and associates		9,826	4,900
Proceeds from dividends income		6,795	5,415
Net Cash flows (used in) generated from Investing activities		**(51,818,038)**	**(12,850,903)**
Cash flows from financing activities			
Proceeds from other long term loans		388,281	36,356
Dividends income paid		(1,055,866)	(542,900)
Net Cash flows (used in) generated from financing activities		**(667,585)**	**(506,544)**
Net increase in cash and cash equivalents during the year		(31,949,554)	25,013,840
Cash and Cash Equivalents at the beginning of the year		80,089,766	55,075,924
Cash and cash equivalents at the end of the year		**48,140,212**	**80,089,764**
Cash and cash equivalents are represented in			
Cash and due from Central Bank of Egypt	15	19,086,612	13,811,689
Due from banks	16	57,442,718	98,140,356
Treasury bills		17,516,587	8,196,684
Central Bank of Egypt Reserves		(17,785,445)	(12,474,932)
Due from banks with maturity more than three months from date of acquisition		(10,634,373)	(19,398,973)
Treasury bills with maturity more than three months from date of acquisition		(17,485,887)	(8,185,060)
Cash and cash equivalents at the end of the year		**48,140,212**	**80,089,764**

The accompanying notes from (1) to (41) are integral part of these financial statements and are to be read together.

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Consolidated statement of changes in equity

For the year ended 31 December 2025

EGP (In thousands)

	Issued & Paid up capital	Capital Reserve	Legal reserve	General reserve	Special reserve	General risk reserve	Fair value reserve	Difference between face value and present value for Reduced cost subordinated financing	Retained earnings	Total	Non-controlling interests	Total
31 December 2024												
Balance at 1 January 2024	5,000,000	4,748	250,491	54,955	31,968	219,979	178,049	30,435	8,989,192	14,344,817	19,631	14,364,448
Transferred to reserves	-	41,556	227,451	-	-	-	-	-	(269,007)	-	-	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	(528,520)	(528,520)	-	(528,520)
Remuneration for board members and Employees' Subsidiaries	-	-	-	-	-	-	-	-	(14,250)	(14,250)	(130)	(14,380)
Net change in other comprehensive income items	-	-	-	-	-	-	106,512	-	-	106,512	-	106,512
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	(5,485)	43,156	37,671	-	37,671
Capital Icrease (Free Shares)	1,000,000	-	-	-	-	-	-	-	(1,000,000)	-	-	-
Impact of subsidiaries & associates adjustments	-	-	-	-	2,665	-	-	-	1,246	3,911	1,126	5,037
Net profit for the year	-	-	-	-	-	-	-	-	9,008,926	9,008,926	7,013	9,015,939
Balance at 31 December 2024	6,000,000	46,304	477,942	54,955	34,633	219,979	284,561	24,950	15,815,743	22,959,067	27,640	22,986,707
31 December 2025												
Balance at 1 January 2025	6,000,000	46,304	477,942	54,955	34,633	219,979	284,561	24,950	15,815,348	22,958,669	28,038	22,986,707
Transferred to reserves	-	10,890	440,806	-	-	-	-	-	(451,696)	-	-	-
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	(1,032,193)	(1,032,193)	-	(1,032,193)
Remuneration for board members and Employees' Subsidiaries	-	-	-	-	-	-	-	-	(23,673)	(23,673)	(130)	(23,803)
Net change in other comprehensive income items	-	-	-	-	-	-	49,069	-	-	49,069	-	49,069
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	(5,627)	44,571	38,944	-	38,944
Impact of subsidiaries & associates adjustments	-	-	-	-	(5,346)	-	-	-	22,238	16,892	(1,716)	15,176
Shareholders' distributions (Free Shares)	6,000,000	-	-	-	-	-	-	-	(6,000,000)	-	-	-
Net profit for the year	-	-	-	-	-	-	-	-	12,588,572	12,588,572	12,384	12,600,956
31 December 2025	12,000,000	57,194	918,748	54,955	29,287	219,979	333,630	19,323	20,963,164	34,596,280	38,576	34,634,856

The accompanying notes from (1) to (41) are integral part of these financial statements and are to be read together.

1- General information

Abu Dhabi Islamic Bank - Egypt (formerly National Development Bank - a joint stock company) was incorporated as an Egyptian joint stock company under Law No. 43 of 1974 and its executive regulations in the Arab Republic of Egypt. The main office of ADIB is located at Cairo Governorate, 9 Rustom Street - Garden City. ADIB is listed on the Egyptian Stock Exchange.

Abu Dhabi Islamic Bank - Egypt - an Egyptian Joint Stock Company is subject as a financial institution to the supervision and control of the Central Bank of Egypt, and ADIB internal Sharia'a control committee in products provided to its clients, whether the products are investment deposits, Islamic investment Sukuk or savings accounts. ADIB also fulfils the client's various funding needs by offering a variety of options such as: Murabaha (Cost-Plus), Musharaka (Joint Ventures) and Ejara (Leasing), as well as, providing Islamic options for letter of guarantee, letter of credit and covered cards. ADIB has its own internal Sharia'a control committee, which is composed of Shari'a jurists, qualified with banking, legal and economic knowledge, in order to issue fatwas and legal rulings on all aspects of existing and new Islamic banking transactions.

ADIB was registered in the Commercial Register on 3 April 2013 by changing ADIB's name from National Development Bank to Abu Dhabi Islamic Bank - Egypt.

Abu Dhabi Islamic Bank - Egypt -an Egyptian Joint Stock Company provides corporates, retail banking and investment services in the Arab Republic of Egypt through 75 branches, delegates and agencies employing 2,694 employees on the date of the interim financial statements.
These financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 05 February 2026.

2- Basis of preparation of the financial statements

These consolidated financial statements have been prepared in accordance with the rules of Central Bank of Egypt (CBE) of the preparation of the banks' financial statements and the principles of recognition and measurement as approved by its board of directors on 16 December 2008, pertaining to the issuance of financial statements by the Egyptian banks during 2019 according to the rules of preparation and presentation of financial statements of banks, as well as, the recognition and measurement basis issued by the (CBE) after being affected by the application of the requirements of IFRS (9) "Financial Instruments" in light of the instructions issued on 26 February 2019, and in light of the revised Egyptian Accounting Standards (EAS) issued during the year 2015 and its related amendments and the provisions of local laws and in light of the Egyptian laws and regulations related to the preparation of these consolidated financial statements and in Accordance with the Principles of Islamic Sharia as defined by sharia Committee.

All subsidiaries are fully consolidated in the financial statements. The Bank directly and indirectly owns more than half of the voting rights and has the ability to govern the financial and operating policies of the subsidiaries regardless of the type of activity.

3-Summary of accounting policies

The following are the most significant accounting policies used in the preparation of the financial statements. These policies have been consistently followed for all presented periods, except for re-measurement of financial assets and recognition of profits and losses arising during the comparative period.

(A) Investment in subsidiaries and associates

Consolidated Financial Statements

A/1 Subsidiaries

Subsidiaries are entities that ADIB has the ability to directly or indirectly control its financial and operating policies, and ADIB usually has ownership share that exceeds one-half of the voting rights. This takes into consideration the impact of the future voting rights, which can be exercised or converted at the current time when evaluating ADIB's ability to control the subsidiaries.

A/1/1 Method of Acquisition

- The Bank adopts the acquisition method when processing each business combination.
- The material consideration transferred in the business combination shall be measured at fair value, which shall be calculated as the fair values of the assets transferred by the Bank and the liabilities assumed by the Bank to the acquired asset, as well as, the equity rights issued by the Bank. The transferred material consideration may also include the fair value of any asset or liability arising from arrangements for a material consideration. The acquired identifiable assets and contingent liabilities shall be measured at fair value on the date of acquisition. In each business combination, the Bank shall measure any non-controlling profit in the subsidiary on the basis of a percentage of the recognized values of the net identifiable assets of the subsidiary on the date of acquisition.
- Acquisition costs shall be recognized as an expense upon incurred.
- In a business combination that is carried out on stages, the Bank shall re-measure the equity previously retained in the entity acquired at its fair value on the date of acquisition. The gain or loss resulting from re-measurement shall be recognized in other comprehensive income.
- All assets, liabilities, equity, income, expenses and cash flows relating to transactions between the Bank's subsidiaries shall be fully excluded. The appropriate adjustments to the financial statements of the subsidiaries shall be made to ensure that the financial statements are consistent with the Group's accounting policies, if required

A/1/2 Changes in the Percentage Held in the Controlling Interest

- When the percentage of equity held by the controlling interest is changed, the Bank shall adjust the amounts recorded for the controlling and non-controlling interests until the changes in their respective interests in the subsidiary are reflected. The Bank shall recognize directly in the parent company's equity any difference between the amount of the non-controlling interest adjustment and the fair value of the cash consideration paid or received.

A /1/3 Exclusion of Subsidiaries

- When the Bank loses control, the Bank shall recognize any remaining investments in the subsidiaries that were at fair value on the date that control ceases and any difference shall be recognized as profit or loss attributable to owners of the parent company.

3- Summary of accounting policies

A /1/4 Measurement Period

- The measurement period shall be the period required for the Bank to obtain all information required for the initial measurement of the items resulting from the acquisition of the subsidiary. The measurement period shall not exceed (12) twelve months as from the date of acquisition. In the event that the Bank obtains new information during the measurement period relating to the acquisition, the adjustment shall be made retroactively to the amounts recognized at the date of acquisition and the recognized goodwill shall be adjusted at the date of acquisition.

A/1/5 Basis of consolidation

- The following are the Egyptian Subsidiaries whose business has been consolidated with the financial statements of ADIB

Company	Ownership % (Direct & Indirect)	The Company Activity
Abu Dhabi Islamic Properties - ADIB Properties	44.24%	Real estate investment
Assiut Agricultural Development Company	58.99%	Aggricultural
Cairo National for Investment & Securities	74.45%	Financial Investment
Abu Dhabi Islamic for Finance - ADIFinance	99.40%	Financial Leasing
Abu Dhabi Holding for financial investments - ADIB Holding	99.93%	Establishing Companies
Abu Dhabi Islamic Capital to promote and cover the subscription of securities- ADIB Capital	99.96%	Promoting subscription of Securities
Abu Dhabi Islamic - Egypt for Micro financing 'Arzaq'	99.92%	Financing Medium, small, Micro
Abu Dhabi Islamic Bank for Consumer Finance - ADI Consumer Finance	99.92%	Consumer Financing
Abu Dhabi Islamic for Taskeek - ADI Taskeek	99.92%	Securities
National company for trading and development (ENTAD)	73.16%	Commercial

- Upon consolidation, unrealized transactions, balances and gains arising from intra-group transactions shall be excluded. Any unrealized losses shall not be excluded unless providing an evidence of impairment in the asset transferred. The accounting policies of the subsidiaries shall be changed as necessary to ensure uniform policies of ADIB.

A/1/6 Transactions with Minority Shareholders

ADIB treats transactions with minority shareholders as transactions with parties outside ADIB. Gains and losses arising from sale to minority interests shall be recognized in the income statement. Purchases from minority interests result in goodwill that shall be recognized as the difference between the paid consideration to the acquired shares and the book value for the net assets of the Subsidiary.

A /2 Associates Companies

Associate Companies are all companies in which the Group has significant influence without extension to control. Generally, this case shall be applied when ADIB directly or indirectly owns between 20% and 50% of the voting rights of the associate company.

A/2/1 Equity Method

Equity method is used to accounting for investments in associate companies so that the investment shall be recognized at the cost of acquisition. Such cost shall be adjusted to the date of acquisition, which occurs during the subsequent period of acquisition from a change in ADIB's share in the net assets of the associate companies. The profit or loss for the bank shall include ADIB's share in profit or loss of the associate company. The other comprehensive income statement shall include ADIB's share in the other comprehensive income of the associate company, in return for adjusting the book value of the investment by the total share of the Bank in the changes in equity after the date of acquisition.

A/2/2 Changes in Equity

If the Bank's equity in a subsidiary is impaired, but with remaining the significant influence, the consideration for impairment shall be reclassified with impairment ratio in the amount of gain or loss previously recognized in other comprehensive income to profit or loss as a result of disposal of the related assets or liabilities.

A/2/3 Losses of Associates

If the Bank's share in the losses of its associates exceeds its share in those companies or is equal thereto, the Bank shall cease to recognize the balance of the additional losses. After the Bank's share is reduced to zero, the excess losses shall be recognized as a liability to the statement of financial position but only to the extent that the Bank incurs as legal or estimated obligations. When such companies make profits in subsequent periods, the Bank shall resume recognition of its share in such profits but after its share of profits equals its share of the losses that are not recognized.

A/2/4 Transactions with Associate Companies

Profits and losses arising from cross-transactions shall be recognized (upward and downward) between the Bank (including its subsidiaries) and the associate company within the limits of the profits of other investors in the associate who have no relationship with the Bank.

A/3 Inventory

Inventory items shall be evaluated as follows:

Inventories of raw materials, spare parts, packaging materials, fuel, oils and equipment inventory: on cost basis (weighted average method) or net realizable value, which is lower.

Finished production inventories: an industrial cost basis as per the cost lists or net realizable value, whichever is lower.

Cost shall include direct materials, direct labour and a share of indirect industrial costs and shall not include the cost of borrowing.

Production inventory under operation: based on the industrial cost of the last stage completed according to the cost lists.

Net realizable value: it is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to complete the sale.

A decrease in the value of inventory shall be recognized in net sale value and all inventory losses shall be included in the cost of sales in the statement of income in the period in which the decline or loss occurs. The decrease reimburses in inventories resulting from the increase in net sale value shall be recognized in the statement of income as a reduction of the cost of sales in the period in which the reimburse occurs.

A/4 Real Estate Investment

Profits or losses arising from changes in the fair value of real estate investment shall be recognized as profit or loss for the period in which they arise.

The fair value of the real estate investment is the exchange value of particular assets, whose parties have willingness to exchange, are aware of the facts and deal with a free will. This estimation of fair value in particular shall not include an estimated inflation or deflation price under special conditions or certain cases such as extraordinary financing, special arrangements by selling with the proceeds of the lease, the special amounts or privileges granted by any party involved in the sale process.

The entity shall determine the fair value without making any deduction for transaction costs that the entity may incur in the sale or other disposal.

A/5 Projects under construction

The projects under constructions shall be represented in the amounts that were expended for the purpose of establishing or purchasing fixed assets until being ready for use in the operation. Then, subsequently transferred to the fixed assets items and the projects under construction shall be estimated at cost after deduction of impairment.

(B) Operating Sectors

The operating sectors participating in ADIB's business activities are reported in line with the internal reports submitted to ADIB's department Chief Operating Decision Maker, considering that the management represented in the Board of Directors, the Executive Management and the relevant committees / or its designee at the foreign branches is responsible for making operational decisions about the resources to be allocated to the operating sectors and assessing their performance.

(C) Sectors reporting

An activity sector is a group of assets and processes associated with the provision of products or services that are characterized by risks and benefits and differ from those of other sectors of activity. The geographical sector is engaged in the provision of products or services within a single economic environment with risks and benefits that are related to geographical sectors operating in a different economic environment.

ADIB is divided into two main sectors: Corporate Banking Services and Retail Banking for Individuals. In addition, the Corporate Centre is a central funding department for ADIB's core business. For the dealings of the department of transactions, investment activity and other non-core activities, they are reported within the Corporate Banking Services

For the purpose of sectors reporting in accordance with the classification of geographic regions, the Sector's profits, losses, assets and liabilities are presented on a basis of branches' locations.

Based on the fact that ADIB (ADIB - Egypt) does not have an entity to register abroad, the sectors report present, unless otherwise stated in a certain disclosure, all ADIB's investments in equity instruments and debt instruments issued by foreign institutions, as well as, credit facilities granted by ADIB to foreign parties based on the location of the local branch in which such assets are registered.

(D) Foreign currency translation

D/1 Functional and presentation currency

The financial statements of ADIB are presented using the currency of the primary economic environment in which ADIB exercises its business (the functional currency). ADIB's financial statements are presented in Egyptian pounds, which is ADIB's functional and presentation currency.

D/2 Transactions and balances in foreign currencies

ADIB keeps its accounting records in Egyptian pound. Foreign currency transactions during the financial period / year are translated using the exchange rates prevailing at the date of the transaction. All monetary assets and liabilities balances in foreign currencies at the end of the financial year are re-translated based on the exchange rates prevailing at that date. Foreign exchange gains and losses resulting from settlement of such transactions and translation differences are recognized in the statement of profit and loss under the following items:

- Net trading income or net income from financial instruments classified at fair value through profit or loss for trading assets / liabilities or those classified at fair value through profit or loss based on classification of the asset or liability.
- Within other comprehensive income items of equity with regard to Islamic futures exchange contracts / Islamic currency swap contracts as qualifying hedge (eligible) for cash flows or as qualifying hedge for net investment.
- Within other comprehensive income items of equity for financial investments of equity instruments at fair value through other comprehensive income.
- Other operating income (expenses) for the remaining items

Changes in the fair value of monetary financial instruments in foreign currency classified as investments at fair value are analyzed within the other comprehensive income through differences from changes in amortized costs of the instrument, differences from changes in the prevailing exchange rates, and differences from changes in the fair value of the instrument. Differences related to changes in the amortized cost are recognized into statement of profit and loss under funds and similar revenues, and those related to the changes in the exchange rates under other operating income (expenses). Differences from changes in the fair value (fair value reserve/ financial investments at fair value through other comprehensive income) are recognized within equity of comprehensive income items.

Valuation differences result from non-cash items include profit and loss from change in fair value such as equity instruments at fair value through profit and loss. Valuation differences result from equity instruments classified as financial investments at fair value through comprehensive income statement are recognized in statement of other comprehensive income.

E) Financial assets and financial liabilities

E/1. Initial recognition and measurement

ADIB conducts initial recognition of financial assets and liabilities on the date on which ADIB becomes a party to the contractual conditions of financial instrument.

The financial asset or liability is initially measured at fair value. With regard to asset or liability that is not subsequently measured at fair value through profit and loss, it would be measured at fair value plus cost of transaction that is connected directly with acquisition or issuance.

E/2. Classification

Financial assets

- Upon initial recognition, ADIB classifies the financial assets into financial assets at amortized cost, financial assets at fair value through statement of other comprehensive income or at fair value through profit and loss.
- The financial asset is measured at amortized cost upon fulfilment of the following two conditions and when it has not been allocated by Bank's management upon initial recognition at fair value through profit and loss:
  - The financial asset is held within a business model whose purpose is to hold financial asset to collect contractual cash flows.
  - The contractual conditions of financial asset result, on specific dates, in contractual cash flows for the asset and is represented only in the principal amount of the financial instrument and the Profit.
- The financial asset is measured at fair value through other comprehensive income upon fulfilment of the following two conditions and when it has not been allocated upon initial recognition at fair value through profit and loss:
  - The financial asset is held within a business model whose purpose is to collect contractual cash flows and sell the financial asset.
  - The contractual conditions of financial asset result, on specific dates, in contractual cash flows for the asset and is not represent only in the principal debt and the Profit.
- Upon initial recognition of an equity instrument not held for trading, ADIB can take irrevocable option to present subsequent changes in fair value through statement of other comprehensive income. Such option is adopted for each investment individually.
- Other outstanding financial assets are classified as financial investments at fair value through profit and loss.
- Furthermore, ADIB may, upon initial recognition, irrevocably allocate a financial asset as measured at fair value through profit or loss despite of fulfilling the conditions of classifying as financial asset at amortized cost or fair value through statement of other comprehensive income, if so materially prevents or reduces the conflict that may arise in accounting measurement.

Business model valuation

1) Debt instruments and equity instruments are classified and measured as follows:

Instrument	Method of measurement as per the business model		
	Amortised cost	Fair value through other comprehensive income	
		Through comprehensive income	Through profit or loss
Equity instruments	—	One-time option upon initial recognition Irrevocable	Normal transaction for equity instruments
Debt instruments	Business model of assets held to collect contractual cash flows	Business model of assets held to collect contractual cash flows and sale	Business model of assets held for trading

2) ADIB prepares, documents and approves Business Model(s) in compliance with IFRS 9 requirements to reflect ADIB's strategy made for managing financial assets and its cash flows as follows:

Financial asset	Business model	Principal characteristics
Financial assets at amortised cost	Business model of financial assets held to collect contractual cash flows	▪ The objective of the business model is to retain financial assets to collect the contractual cash flows represented in the principal amount of the investment and the Profits. ▪ A sale is an exceptional contingent event for the purpose of this model and under the terms of the Standard comprising deterioration in the creditworthiness of the issuer of the financial instrument. ▪ Lowest sales in terms of periodic and value. ▪ A clear and reliable documentation process for the justifications of each sale and its conformity with the requirements of the Standard are conducted by ADIB.
Financial assets at fair value through other comprehensive income	Business model Business model of financial assets held to collect contractual cash flows and sale	▪ Both the collection of contractual cash flows and sale are complementary to the objective of the model. ▪ High sales (in terms of turnover and value) compared to the business model held for the collection of contractual cash flows
Financial assets at fair value through profit and loss	Other business models, which include (trading - management of financial assets based on fair value - maximising cash flows through sale)	▪ The objective of the business model is not to hold the financial asset for the collection of contractual cash flows or hold the financial asset to collect contractual cash flows and sale. ▪ The collection of contractual cash flows is a contingent event for the objective of the model. ▪ Management of financial assets by the management at fair value through profit and loss to avoid accounting inconsistencies.

- ADIB evaluates the purpose of business model at the level of portfolio in which the financial asset is held to reflect the method of management and supplying information. Such information, which is taken into consideration when evaluating the business model, includes the following:

- Documented approved policies and portfolio's objectives and application of such policies in the real world. In particular, whether the management's strategy focuses only upon collection of contractual cash flows and holding a definite Profit rate to compare maturity dates of financial assets with maturity dates of liabilities that fund such assets or generates cash flows from sale of assets.
- Way of evaluating and reporting on portfolio's performance to senior management.
- Risks that affect business model performance including nature of financial assets held in such model and the way of managing such risks.
- Way of evaluating the performance of business managers (fair value and/or Profit on portfolio).
- Periodic, value and date of sale transactions in previous periods, reasons of such transactions, and forecasts regarding future sale activities. However, information regarding sale activities is not taken into consideration separately but as a part of a whole comprehensive valuation of how to achieve ADIB's objective from managing the financial assets and how to generate cash flows.

- The financial assets held for trading, or managed and its performance valued on basis of fair value are measured at fair value through profit and loss since they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.

- **Valuation of whether the contractual cash flows of an asset represent payments restricted upon principal amount of instrument and Profit**

- For purpose of this valuation, ADIB identifies the principal amount of financial instrument as the fair value of financial asset upon initial recognition. Further, ADIB identifies the Profit as time value for money and credit risks related to the principal amount during specific period and other main finance risks and costs (such as liquidity risks and administrative costs) in addition to profit margin.
- In order to evaluate whether the contractual cash flows of the asset are represented in payments restricted upon the principal of financial instrument and Profit, ADIB takes into its consideration the contractual conditions of the instrument. This includes valuation of whether the financial asset includes contractual conditions that may change date or amount of contractual cash flows which result in breach of this condition. In order to carry out such valuation, ADIB takes into consideration the following matters:
- Potential events that may change the amount or date of cash flows.
- Specifications of financial leverage (Profit rate, terms, currency type ...).
- Terms of accelerated payment and term extension.
- Terms that may limit ADIB's ability to claim cash flows from certain assets.
- Specifications that may be amended for time value of cash (periodically repricing Profit rate).

Financial liabilities

- Upon initial recognition, ADIB classifies financial liabilities into financial liabilities at amortised cost and financial liabilities at fair value through profit and loss according to purpose of bank's business model.
- All financial liabilities at fair value are initially recognised on the date when ADIB becomes party to contractual conditions of financial instrument.
- Classified financial liabilities are subsequently measured at amortised cost based on amortised cost by using effective Profit rate.
- Financial liabilities at fair value through profit and loss are subsequently measured at fair value and change in fair value related to change in credit rating degree of ADIB is recognised in statement of other comprehensive income whilst the outstanding amount from change in fair value is presented in profit and loss.

Reclassification

- The financial assets are reclassified upon initial recognition only if ADIB changes business model of managing such assets.
- In all cases, reclassification between financial liabilities at fair value through profit and loss and financial liabilities at amortised cost are not conducted.

E/3. Exclusion

1- **Financial assets**

- The financial asset is excluded when the effective period of contractual right to obtain cash flows from financial asset expires or ADIB transfers the right to receive contractual cash flows in a transaction whereby the risks and benefits associated materially with ownership are transferred to another party.
- When a financial asset is excluded, difference between asset's book value (or book value allocated to part of the excluded principal) and total of received consideration (including any new asset obtained less any new commitment incurred) and any consolidated profit and loss has been previously recognised in the fair value reserve of financial investments at fair value through statement of other comprehensive income is recognised in statement of profit and loss.
- As of 1 January 2019, any accumulated profit or loss recognised in statement of other comprehensive income related to investing in equity instruments allocated as investments at fair value through statement of other comprehensive income are not recognised in profit and loss upon disposal of such asset. Any share resulted or held from the asset qualified for disposal (eligible for disposal) is recognised as separate asset or liability.
- When ADIB makes transactions whereby it transfers assets that have been previously recognised in statement of financial position, but materially held most of risks and benefits associated with the transferred asset or part of it. In such cases, the transferred asset is not excluded.
- In respect of transactions in which ADIB does not materially hold or transfer all risks and benefits associated with asset ownership and hold control over the asset, ADIB continues to recognise the asset within the limitation of its continuous commitment to financial asset. The continuous commitment of ADIB to the financial asset is determined based on ADIB's exposure to the changes in the value of transferred asset.
- In some transactions, ADIB holds the commitment to provide transferred asset in return for commission. Thereupon, the transferred asset is excluded if it meets the exclusion conditions. An asset or liability to provide service is recognised if the service commission is higher than the appropriate amount (asset) or less than the appropriate amount (liability) to perform the service.

2- Financial liabilities

- ADIB excludes financial liabilities when the financial liability is disposed of or cancelled or its term set forth in the contract expires.

E/4. Adjustments to financial assets and financial liabilities

1. **Financial assets**

- If the terms of a financial asset are amended, ADIB evaluates whether the cash flows of adjusted asset are materially different. If the cash flows materially differ, the contractual rights of cash flows from the original financial asset are considered expired and hence the original financial asset is excluded and the new financial asset is recognised at fair value and the value resulting from adjusting aggregate book value is recognised as profits or losses under profits and losses. On the other hand, if such adjustment has occurred due to financial difficulties of the borrower, the profits have to be deferred and presented with aggregate impairment losses whilst losses have to be recognised in the statement of profit and loss.

- If the cash flows of adjusted asset recognised at amortised cost do not materially differ, the adjustment will not result in the exclusion of the financial asset.

2. **Financial liabilities**

- ADIB may adjust a financial liability when its terms are amended and the cash flows of adjusted liability will materially differ. In such case, a new financial asset is recognised according to the amended terms at fair value. The difference between book value of old financial liability and new financial liability is recognised in accordance with amended terms in the profit and loss.

F) Offsetting financial assets and liabilities

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

An offset is made only between revenues and expenses, if permitted in accordance with the amended Egyptian Accounting Standards, or profit or loss result from similar groups because of trading activity or the result of translation differences of the balances of assets and liabilities of monetary nature into foreign currency or the result of profits (losses) from foreign currency operations.

G) Measurement of fair value

- ADIB sets the fair value on basis that it is the price that will be obtained for the sale of an asset or will be paid for transfer of a liability in a transaction made between the participants in the market on measurement date taking specifications of the asset or liability into consideration when measuring the fair value if the participants in the market took such specifications into consideration when pricing the asset and/or liability on measurement date as such specifications include status and position of the asset and restrictions upon sale or use of the asset as per the perspective of participants in the market.

- ADIB uses market methodology to determine fair value of financial assets and liabilities as such methodology uses other relevant prices and information result from market transactions that include assets or liabilities or set of assets and liabilities and are typical or comparable. Accordingly, ADIB uses valuation methods that are in consistent with market methodology such as market multiples derived from comparable sets. Thereupon, it is required to opt for the appropriate multiplier within range using personal judgement taking into consideration both quantitative and qualitative factors of the measurement.

- When it cannot be relied upon the market approach to determine the fair value of a financial asset or financial liability, ADIB uses the income approach to determine fair value whereby future payments such as cash flow or income and expenses are transferred to current amount (discounted) so that the fair value measurement reflects current market expectations about future payments.

- When it cannot be relied upon market approach or income approach to determine the fair value of a financial asset or financial liability, ADIB uses the cost method to determine fair value in order to reflect the amount currently claimed to replace the asset in its current state (the current replacement cost) so that the fair value reflects the cost incurred by the participant in the market as a buyer of acquiring an alternative asset of similar benefits since the participant in the market as a buyer will not pay for an asset more than the amount that replaces benefit of the asset.
- The measurement method of financial assets and liabilities at fair value are set below in the financial statements within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which ADIB can have access to at the date of measurement.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs of the asset or the liability.

The following table shows the change in the measurement methods of the fair value of financial assets at 31 December 2025, compared to the comparative figures at 31 December 2024

			EGP (in thousands)	
31 December 2025	**Level One**	**Level Two**	**Level Three**	**Total**
Financial investments in debt instruments	16,885,824	5,299,244	-	22,185,068
Mutual funds certificates	-	-	175,096	175,096
Equity instruments	16,067	-	387,578	403,645
31 December 2024	**Level One**	**Level Two**	**Level Three**	**Total**
Financial investments in debt instruments	1,870,692	619,681	-	2,490,373
Mutual funds certificates	-	-	143,686	143,686
Equity instruments	14,924	-	400,959	415,883

(G/1) Financial instruments at level 1

The fair value of financial instruments traded in active markets is based on quoted prices at the date of statement of financial statements. The market is deemed active when the items in the market are similar and there are usual buyers and sellers willing to deal at any time normally. ADIB has used the declared quoted price to determine the fair value of this level. The instruments included in Level 1 comprise investments held for trading in the stock exchanges.

(G/2) Financial instruments at level 2

The fair values of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques depend on the use of observable inputs of the asset or the liability directly or indirectly. The fair value method is included in the second level if all significant inputs are observable throughout the period of the financial asset or liability. If an important input is not observable, the financial instrument will be included in the third level.

Specific valuation techniques used to determine fair values of financial instruments include:

- Quoted prices for similar assets or liabilities in active markets.
- Profit rate swaps by calculating the present value of the estimated future cash flows based on observable Profit curves.
- The fair value of forward foreign exchange contracts is determined using the current value of the expected cash flows by using the future foreign exchange of the currency of contract.
- Analysis of deducted cash flows to determine fair values of other financial instruments.

H) Profit income and expenses

- Profit income and expense for all Profit-bearing financial instruments, except for those classified as held for trading or designated initially at fair value through profit and loss, are recognised in the statement of profit and loss within 'Profit of similar funds and revenues' using the effective Profit method.

- According to the effective Profit rate method, the amortised cost of an asset or financial liability is calculated and allocation of income revenues or expenses Profit is distributed throughout the life of related instrument. The effective Profit rate represents the rate used to discount future cash flows expected to be paid or collected during the expected life of the financial instrument, or less time if appropriate in order to accurately determine the book value of an asset or financial liability. When calculating the effective Profit rate, ADIB estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are considered as part of the effective Profit rate. Also, the transaction cost includes any premiums or discounts.

- When funds or receivables are classified as impaired funds and debts, the related Profit income is not recognised but is rather carried off the financial statements in marginal records and is recognised under revenues according to cash basis as per the following:

  - When they are collected, after receiving all past due instalments for consumption and real estate funds for personal housing and small funds for economic activities.
  - For corporate funds, cash basis is also applied, where the Profit subsequently calculated is given in accordance with the fund scheduling contract, until 25% of the scheduling instalments are repaid and with a minimum of one year of regular repayment. In case the customer continues to make payments on a regular basis, the Profit calculated on the fund outstanding is recognised in revenues (Profit on regular scheduling balance) without marginal Profit before scheduling which is not recognised as revenues except after paying all the fund balance in the balance sheet before scheduling.

I) Fees and commission income

- Fees that are due for a banking process or fund service or a facility are recognised as revenues when the service is rendered. The recognition of the fees and commissions income related to impaired funds or debts is suspended and they are carried in marginal records off the balance sheet and are recognised under revenues according to the cash basis when Profit income is recognised

Fees that generally represent a complementing part of the financial asset effective rate are recognised as adjustment to the effective Profit rate.

- Commitment fees on funds are deferred when there is probability that funds will be used, as the commitment fees received by ADIB represent compensation for the continuous interference to acquire the financial instrument. Subsequently, it is recognised as adjustment to the effective Profit rate on funds. If the commitment period passes without issuing the fund, the commitment fees are recognised as income at the end of the commitment period. If there is no probability that these funds are used, the commitment fees are recognized on the basis of the relative time distribution over the period of the commitment.

- Fees related to Financing instruments measured at its fair value are recognised as income at initial recognition. Fees related to marketing of syndicated funds are recognised as income when the marketing process is completed and the fund is fully used or if ADIB kept its share of the syndicated funds using the effective Profit rate as used by the other participants.

- Fees and commissions arising from negotiation or participating in negotiation over a transaction in favour of another party -such as arrangement to buy shares or other financial instruments or acquire or sell entities, are recognised in statement of profit and loss upon the completion of the concerned transaction. Fees of management consultation and other services are usually recognised on a time-apportion basis over the period of performing the service. Financial planning and custody services fees provided on long periods are recognised over the period in which the service is provided.

J) Dividends income

- Dividends on ADIB's investments in equity instruments and its equivalents are recognised in the statement of profit and loss when the right to collect them is established.

K) Purchase and resale agreements & sale and repurchase agreements

- Sold financial instruments under repurchase agreements are presented within assets in the treasury bills and other government securities line item in the financial position. Differences between the sale and repurchase price are recognised as due Profit throughout the period of the agreements using the effective Profit rate method.

L) Impairment of financial assets

- Impairment losses from expected credit loss of subsequent financial instruments that are not measured at fair value are recognised through profit and loss, which are:

1) Financial assets represent debt instruments.
2) Outstanding debts.
3) Financial guarantee contracts.
4) Commitments of funds and similar debt instruments.

- Impairment losses are not recognised in investments value of equity instruments.

- **Debt instruments related to retail banking products and small and micro sized enterprises**

1) ADIB consolidates debt instruments related to retail banking products and small and micro enterprises on the basis of groups with similar credit risk based on the type of banking product.
2) ADIB classifies debt instruments within the retail banking product group or small and micro enterprises into three stages based on the following quantitative and qualitative criteria:

Classifying the financial instrument	Stage 1		Stage 2		Stage 3	
	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)
Low credit risk financial instruments	No past dues	Fall under acceptable risk				
Financial instruments on which a substantial increase in credit risk occurred			Past due for more than 30 days from the date of the maturity of contractual instalments.	If the borrower encounters one or more of the following events at least: - The borrower submits a request to convert short-term and long-term repayments due to negative effects related to the borrower's cash flows. - Cancellation of a direct facility by ADIB due to the borrower's high credit risk. - Extension of the deadline for repayment at the borrower's request. - Past dues are frequent during the past 12 months. - Future adverse economic / legislative / technological changes affecting the future cash flows of the borrower		
Impaired financial instruments					If the borrower defaults for more than 90 days to pay its contractual instalments	N/A

- **Debt instruments related to medium enterprises**

1) ADIB consolidates debt instruments relating to medium enterprises on the basis of similar credit risk groups depending on borrowing client unit (ORR).
2) ADIB classifies customers within each group into three stages based on the following quantitative and qualitative criteria:

Classification of the financial instrument	Stage 1		Stage 2		Stage 3	
	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)
Low credit risk financial instruments	No past dues	Fall under acceptable risk				
Financial instruments on which a substantial increase in credit risk occurred			Past due for more than 30 days from the date of maturity of the contractual instalments.	If the borrower is on the watch list and/ or the financial instrument encounters at least one or more of the following events: - A significant increase in the Profit rate on the financial asset as a result of increased credit risk - Significant adverse changes in the activity and financial or economic conditions in which the borrower operates. - Request of rescheduling. - Significant adverse changes in actual or expected operating results or cash flows. - Future adverse economic changes affecting the borrower's future cash flows. - Early signs of cash flow/ liquidity problems such as delays in servicing creditors / trade funds.		

- **Debt instruments related to medium enterprises**

Classification of the financial instrument	Stage 1		Stage 2		Stage 3	
	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)	Main identifier (Quantitative criteria)	Additional identifier (Qualitative criteria)
Impaired financial instruments					If the borrower defaults for more than 90 days to pay its contractual instalments	When the borrower fails to meet one or more of the following criteria, indicating that the borrower is facing significant financial difficulty. - The death or disability of the borrower. - The borrower defaults financially. - Initiate scheduling as a result of the deterioration of the borrower's creditworthiness. - Failure to comply with financial commitments. - The disappearance of the active market of the financial asset or one of the financial instruments of the borrower due to financial difficulties. - Granting financiers privileges related to the borrower's financial difficulty, which would not have been granted under normal circumstances. - The borrower may be in bankruptcy or restructuring due to financial difficulties. - If the borrower's financial assets are acquired at a significant discount that reflects the credit losses incurred.

- Financial assets that are created or acquired by ADIB and include a high rate of credit risk will be classified as ADIB's low-risk financial assets at the initial recognition of stage 2 directly

Measurement of expected credit losses

- ADIB evaluates the portfolios of Financing instruments on a quarterly basis at the portfolio level for all financial assets of individuals, institutions, SME and micro-enterprises, and on a periodic basis with respect to the financial assets of institutions classified within the watch list for the purpose of monitoring the credit risk related thereto. This evaluation is made periodically at the level of the counterparty. Criteria used are periodically reviewed and monitored to determine the significant increase in credit risk by the credit risk department.
- At the date of the financial statements, ADIB estimates the impairment loss for financial instruments at a value equal to the expected credit losses over the life of the financial instrument except for the following cases where the provision for impairment losses is estimated at a value equal to the expected credit losses over the (12) twelve months:
- A Financing instrument that has been identified as having low credit risk at the financial statements date (debt instruments in the stage (1)).
- Other financial instruments whose credit risk at the reporting date has not increased significantly since the initial recognition (debt instruments in the stage (1)).
- ADIB considers the expected credit losses to be a probability-weighted estimate of the expected credit losses, which are measured as follows:
- The expected credit losses on financial assets are measured at the stage (1) based on the present value of the total cash deficit calculated on the basis of the historical probability of default scenarios, which are adjusted according to the average forecasts of the scenarios of macroeconomic indicators for the future (12) twelve months multiplied by the value at default, taking into account the expected recovery rates upon calculating the loss rate for each group of debt instruments with similar credit risk. As expected credit losses take into account the amount and timing of payments, the credit losses arise even if the enterprise expects full repayment but later on after the debt becomes payable under contractual terms. The expected credit losses over (12) twelve-month period will be deemed a part of the expected credit losses over the life of the asset which result from defaults on a financial instrument within (12) twelve months after the date of the financial statements.
- The expected credit losses on financial assets are measured at the stage (2) based on the present value of the total cash deficit calculated on the basis of the historical probability of default scenarios and adjusted by the average forecasts of macroeconomic indicators for the life of the financial asset multiplied by the value at default, taking into account the expected recovery rates upon calculating the loss rate for each group of debt instruments with similar credit risk.
- Impaired financial assets at the financial statements date are measured as the difference between the total book value of the asset and the present value of the expected future cash flows.

▪ Upon calculating loss rates, ADIB calculates the expected recovery rates from the present value of the expected cash flows either from cash and in kind collateral; or historical or expected future payment rates as follows:

- For debt instruments classified in stage (1), it is taken into account the value of cash collateral and equivalents represented in cash and other financial instruments that may be easily converted into cash within a short period of time (3 months or less) and without any change (loss) in value as a result of credit risk after deducting 10% for the unexpected circumstances.
- For the debt instruments classified in the stages (2) and (3), only the types of guarantees will be considered in accordance with the rules issued by the (CBE) dated 24/5/2005 regarding the determination of the creditworthiness of the customers and formation of the provisions, while the value of such guarantees will be calculated according to the rules of preparing and presenting the financial statements of the banks, the recognition and measurement bases issued by the (CBE) dated 16 December 2008, after deducting 10% and 20% of the cash collateral and the present value of the future cash flows of the in-kind collateral, respectively.

- For Financing instruments held by banks operating outside Egypt, the probability rates of default are determined on the basis of the credit rating of the headquarters of ADIB operating outside of Egypt in no more than the credit rating of the country of the headquarters, taking into consideration the instructions issued by the Central Bank of Egypt on the risks of countries. The loss rate is calculated at 45%.

Measurement of expected credit losses

- As for the instruments held by the banks operating inside Egypt, the probability of default is calculated on the basis of ADIB's classification by the external international rating institutions. The branches of the Egyptian banks abroad will be treated as the headquarters. The branches of
 the foreign banks operating in Egypt will be treated as their headquarters, and the loss rate is calculated at 45%.

- For Financing instruments issued by entities other than the banks, the probability of default is calculated on the basis of the rating of the issuing entity for the financial instrument by the external international rating institutions in no more than the credit rating of the issuing country in the case of external entities and the loss rate is calculated at 45%.
- The impairment provision for financial assets recognised in the financial position is deducted from the carrying amount of the financial assets at the time of the statement of financial position, while the provision for impairment relating to funds commitments, financial guarantee contracts and contingent liabilities is recognised within other provisions for the liabilities in the financial position.
- For financial guarantee contracts, ADIB estimates the expected credit loss on the basis of the difference between the payments expected to be made to the guarantee holder less any other amounts that ADIB expects to recover.

Transition from Stage 2 to Stage 1

- ADIB does not transfer the financial asset from stage (2) to stage (1) unless all the quantitative and qualitative elements of the stage (1) have been fulfilled and the total cash receipts from the financial asset are equal to or greater than the total amount of the instalments due to the financial asset, if any, and the due proceeds and (3) three consecutive months pass when the requirements are fulfilled.

Transition from Stage 3 to Stage 2

- ADIB does not transfer the financial asset from stage (3) to stage (2) - including the scheduling - except after fulfilling all the following conditions:

1) Fulfilling all quantitative and qualitative elements of Stage 2.
2) Repayment of 25% of the balances of the outstanding financial assets, including the set aside/ marginalised due Profit, as the case may be.
3) Regularity in paying the principal amount of the financial asset and its due Profit for at least 12 continuous months.

Restructured financial assets:

- If the terms of a financial asset are renegotiated or modified; or a new financial asset is replaced by a current financial asset due to the financial difficulties of the borrower, an assessment is made as to whether the financial asset will be excluded and the expected credit losses will be measured as follows:

- If restructuring does not result in the exclusion of the current asset, the expected cash flows from the adjusted financial asset will be used upon calculating the cash deficit in the current asset. The expected credit losses are calculated over the life of the instrument.
- If restructuring results in exclusion of the current asset, the expected fair value of the new asset will be deemed as final cash flows from the current financial asset upon exclusion. This value will be used to calculate the cash deficit from the current financial asset, which is deducted from the expected date of the asset exclusion at the financial statements date using the original effective Profit rate of the current financial asset.

Presentation of the expected credit losses provisions in the statement of financial position

- The provision for expected credit losses is presented in the statement of financial position as follows:

- Financial assets measured at amortized cost as a deduction from the total book value of the assets.
- Financial commitments and financial guarantee contracts as a provision in general.
- When the financial instrument includes both the used and unused permissible limit of the instrument and ADIB cannot determine the expected credit losses of the unused portion separately, ADIB presents a provision for the loss of the used and unused portion, and the aggregate amount will be presented as a deduction from the total book value for the used portion. Any increase in the loss provision is presented on the total amount of the used portion as a provision of the unused portion.
- A provision for impairment of Financing instruments at fair value through other comprehensive income is not recognized in the statement of financial position because the book value of such assets is their fair value. However, the provision for impairment is disclosed and recognized in the fair value reserve.

Debts write-off

- Debts are written off (in part or in whole) when there is no realistic possibility of repayment of the debt, However, for Covered Cards When they are 180 Days Due. Generally, when ADIB determines that the borrower does not have the assets, resources or sources of income that may generate sufficient cash flows to repay the debts that will be written off; however, the impaired financial assets may continue to be subject to follow-up in light of ADIB's procedures to recover the due amounts. The deduction is charged to the impairment provision account for debts written off, whether or not they have provision, and any collections for previously written off funds will be added to the provision of impairment.

M) Intangible assets

M/1 Computer Software

- Expenditure on upgrading and maintenance of computer software is recognized as an expense in the statement of profit and loss in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by ADIB and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs also include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.
- The expenses which lead to the increase or expansion in the performance of computer software beyond their original specifications are recognised as a development cost and are added to the original software cost, when all the following conditions are fulfilled:

• ADIB has the intention and the ability to complete and use that software.

• Development-related expenditures can be reliably measured.

- The computer software cost recognised as an asset is amortised over the expected useful life as follows:

Asset type	Default Life / deprecation rate
Computer Software	3 years

M/ 2 Other intangible assets

- Other intangible assets comprise all intangible assets other than goodwill and computer software.
- Other intangible assets are recognised at cost of acquisition and amortised on a straight-line basis or on the basis of expected economic benefits over the estimated useful lives. Assets that do not have a definite useful life are not amortised, but impairment is tested annually and the impairment value (if any) is charged to the statement of profit and loss.

N) Fixed assets

- Lands and buildings are primarily represented in head offices, branches and offices. All assets are presented at historical cost less depreciation and impairment losses. Historical cost includes expenses associated directly with acquiring fixed assets items.
- Subsequent costs are recognised in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost can be measured reliably. Maintenance and repair expenses are charged to other operating expenses during the period / year in which they are incurred.
- Lands are not depreciated. Depreciation of other fixed assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset type	Default Life / deprecation rate
Buildings	20 years
Decorations and fixtures	20 years
Integrated automation systems and equipment	5 years
Transportation	5 years
Furniture & instalments	10 years
Other equipment	10 years
Portable devices / Mobiles	1 years

- Residual values and useful lives of fixed assets are reviewed as at the date of financial statements and are adjusted, if necessary. Depreciable Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount.
- The recoverable amount is the higher of the asset's net selling amount and value in use. Profits and losses on disposals from fixed assets are determined by comparing net proceeds with carrying amount. Profits/ (losses) are included in other operating income (expenses) in the statement of profit and loss.

O) Impairment of non-financial assets

- Assets that do not have definite life time are not depreciated and their impairment is reviewed annually. Impairment of depreciated assets is examined when there are events or changes in circumstances that indicate that the book value may be partially or wholly non-recoverable.
- Impairment loss is recognised and the asset value is deducted at the amount by which the asset's book value increases over the recoverable amount. The recoverable amount represents the higher of the asset's net selling amount and value in use. For the purpose of estimating impairment, the asset is grouped to the smallest possible cash generating unit. The non-financial assets are reviewed for any impairment in order to determine if impairment can be reversed to the statement of profit and loss at the date of each financial statement.

P) Leases

- Finance leases are accounted for in accordance with Law 95 of 1995 concerning Finance Lease if the contract grants the right to the lessee to purchase the asset on a specified date and at a specified value; and the contract period represents at least 75 % of the expected useful life of the asset, or the present value of the total lease payments represents at least 90% of the value of the asset. Other leases are considered operating leases.
- Finance lease contracts, lease costs including maintenance expense of leased assets are recognised under expenses in the statement of profit and loss in the year / period incurred. If the Bank decides to exercise the right to purchase the leased assets, the cost of this right of purchase is capitalised as an asset within the fixed asset and depreciated over the assets' expected remaining useful life in the same way used with similar assets.
- Payments made under operating leases, less any discounts received from the lessor, are recognised as expense in the statement of profit and loss on a straight-line basis over the period of the lease.
- For finance leased assets, the current value of the finance lease debt shall be recognized as a financial asset in the consolidated statement of financial position in return for exclusion of the leased assets. The differences shall be listed the statement of profit and loss in other operating revenues / expenses.
- Where there is objective evidence that the Bank may not be able to collect all or part of the receivables of the finance lease, the finance lease shall be reduced to the expected recovery value as if being the assets of the debt instruments. An impairment provision thereof shall be calculated in the same manner and methods used for debt instruments.
- Operational leases shall be recognized as fixed assets in the statement of financial position and shall be amortized over the estimated useful life of the asset in the same manner as for similar fixed assets. Lease revenues shall be recognized less any deductions granted to the lessee on straight line method over the term of the contract in the statement of profit and loss.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Q) Cash and cash equivalents

- For the purposes of the statement of cash flows, cash and cash equivalents include balances due within three months from the date of acquisition, which includes cash and balances with central banks other than the statutory reserve, and balances with banks and other government notes.

R) Other provisions

- Other provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.
- Where there are a number of similar obligations, the outflow required for settlement is determined, taking into consideration the group of obligations as a whole. The provision is recognised even if the likelihood of an outflow with respect to an item in the group is minimal.
- Provisions no longer required fully or partially are reversed in other operating income (expenses).
- The current value of payments to settle the obligations that must be settled after one year from the financial position date using an appropriate rate in accordance with the terms of settlement, without being affected by the prevailing tax rate, which reflects the time value of money. If the settlement term is less than one year, the estimated value of the obligation is calculated unless it has a material impact; otherwise, it is calculated at the current value.

S) Commitments of financing and financial guarantee contracts

- Financial guarantees represent contracts in which ADIB is the guarantor or the guarantor of financing or overdrafts (mudaraba) towards other entities. This requires ADIB to make certain payments to compensate the beneficiary for loss incurred due to default of the debtor when payment is due in accordance with the terms of the financial instrument. These financial guarantees are given to banks, financial institutions and other entities on behalf of ADIB's customers.
- Commitments on financing are the commitments under which the Bank grants credit according to pre-determined terms and thus guarantees include the unused portions of the credit limits granted within the amounts expected to be used by ADIB in the future. The financial guarantee contracts and commitments of granting finance at Profit rates below the market price are initially recognized in the financial statements at fair value on the date of granting the guarantee / commitment. The initially recognized fair value is amortized over the life of the guarantee / commitment.
- In subsequent measurement, ADIB's obligation under the guarantee / commitment is measured as follows:
  The higher of the amortized value or the impairment loss value.
- ADIB has not made any commitments during the period / year on finances measured at fair value through profit and loss.
- For other commitments on finances: ADIB recognizes impairment losses.
- Liabilities arising from financial guarantee contracts are recognized within provisions. Any excess of the liability arising from the financial guarantee is recognized in the statement of profit and loss within other operating revenues (expenses) in the statement of profit and loss.
- The calculated provision for commitments for financing is recognized as part of the provision for impairment of financing for each debt, to the extent that it equals the value of financing. Any increase in the provision for commitment over finance is recognized within provisions in the statement of financial position.

T) Obligations of retirement benefits

T/1 Employees' fund

- On the 1st of July 2013, ADIB established a special social insurance fund (the Fund) under Law No. 54 of 1975, "Special Insurance Funds and its Executive Regulations". ADIB registered the Fund on 14 January 2014 and the Fund's registration number with the Financial Supervisory Authority is (884). The Fund's work began on the 1st of April 2014 and the terms of this Fund and its amendments apply on all employees of the headquarters of ADIB and its branches in the Arab Republic of Egypt.
- ADIB is obliged to pay to the Fund the contributions due for each month calculated in accordance with the regulations of the Fund and its amendments, however, there is no obligation on ADIB Egypt if the Fund is insufficient. The Fund is financed in general through monthly contributions and some other resources set forth in the regulations of the Fund.
- Payment of insurance benefits is made in the case of termination of service due to the member's retirement age, death, whole permanent disability or partial permanent disability from the service. In the event that the term of the membership is less than three years, the member of the Fund is paid the final balance of his account corresponding to the contributions paid by him to the Fund on the date of termination of service or membership.

T/2 System of defined benefits for the medical care of senior employees during the period of service and after retirement

- ADIB applies the system of medical contribution specified for the senior employees during the service and after retirement. The liability recognised in the balance sheet in respect of the defined benefit plans comprises the present value of the defined benefit liabilities at the balance sheet date after deduction of the fair value of the assets of the plan and the deduction (addition) of the unrealised actuarial profit (loss) adjustments and the cost of the additional benefits relating to the previous service periods.
- The liability of the defined benefit plans (future cash flows expected to be paid) is calculated by an independent actuarial expert using the projected unit credit method. The present value of the obligation of the defined benefit plans is determined by discounting the expected future cash flows using the Profit rate of high quality corporate notes or the Profit rate on government notes bonds in the same currency of paying the benefits and with almost the same maturity term of the pension benefit liability.
- Gains (losses) arising from adjustments and changes in estimates and actuarial assumptions are calculated and the gains are deducted (and losses added) to the statement of income if they do not exceed 10% of the asset value of the plan or 10% of the defined benefit liabilities, whichever is higher. In the event of an increase in gains (losses) over this ratio, the increase is deducted (added) in the statement of income over the remaining average working years.
- Past service costs are recognized directly in the statement of income within administrative expenses, unless the changes to the pension plan are conditional on the employees remaining in the service for a specified period of time (Vesting period). In this case, the past service costs are amortized using straight-line method over the vesting period.

U) Financing

ADIB's financings are initially recognized at fair value less costs to obtain financing. The financing will be subsequently measured at amortized cost. The difference between the net proceeds and the value to be fulfilled over the period of obtaining financing using effective Profit method will be charged to the statement of profit and loss.

V) Comparative figures

Where necessary, comparative figures are reclassified to conform to changes in presentation used in the current period

W) Income taxes

- The income tax on profit or loss for the period/ year includes both the current and deferred taxes; it is recognized in the statement of income except for income tax related to other comprehensive income items that were directly recognised in the statement of comprehensive income.
- The income tax is recognised on the basis of the net taxable income using the effective tax rate at the financial position date in addition to previous year's tax adjustments.
- Deferred tax arising from temporary time differences between the carrying amount of assets and liabilities are recognised in accordance with the accounting bases and the value based on the tax bases. Deferred tax is determined based on the method used to realise or settle the current values of these assets and liabilities using the tax rates prevailing at the financial position date.
- The deferred tax assets are recognised if it is probable that sufficient taxable profits will be realised in the future whereby the asset can be utilised. The value of deferred tax assets will be reduced by the value of the portion not yielding the expected tax benefit during the following years. However, in case the expected tax benefit increases, the deferred tax assets will increase to the extent of previous reduction.

X) Capital issuance fees

- Issued and paid up-capital (i.e. Bank's own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect business combination, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

Y) Dividends

- Dividends on equity instruments issued by the bank are recognized when the general assembly of the bank's shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank's articles of incorporation and the corporate law.

4- Financial risk management

- ADIB, as a result of the activities it exercises, is exposed to various financial risks, taking into account that risks are the basis of the financial activity, and some risks or group of risks are analysed, evaluated and managed altogether. ADIB intends to strike a balance between the risk and return and to reduce the probable adverse effects on ADIB's financial performance. The most important types of risks are credit risk and market risk. Market risk comprises foreign currency exchange rates, Profit rate risk and other pricing risks.
- The risk management policies have been laid down to determine and analyse the risks, set limits to the risks and control them through reliable methods and up-to-date IT systems. ADIB regularly reviews the risk management policies and systems and amends them to reflect the changes in the markets, products and services, and the best updated applications.
- Risks are managed by both the Risk Committee and the Market Risk and Credit Risk Departments in view of the policies approved by the Board of Directors. The Risk Departments determine, evaluate and cover the financial risks, in collaboration with ADIB's various operating units, and the Board provides written principles to manage risks as a whole, in addition to written policies covering specific risk areas like credit risk, foreign exchange rate risk, Profit rate risk and using derivative and non-derivative financial instruments. Moreover, the Risk Committee is independently responsible for periodic review of risk management and control environment.

Risk Management Strategy

ADIB practises its activities through business lines that generate many risks that may vary in terms of frequency, strength and fluctuation. Therefore, ADIB has taken measures to ensure the effective management of these risks, including increasing the ability to standardize the degree of risks appetite and risk identifiers, to develop the terms of reference of the core risk department, and to implement an efficient and high-quality risk department structure. The main objectives of ADIB's risk department framework are as follows:

- Contributing to the development of ADIB's various lines of business to reach an optimum level of general risk.
- Ensuring the continuity of ADIB through the implementation of a high quality risk department infrastructure.
- In determining ADIB's overall risk appetite, ADIB's management has taken into account various considerations and variables, including:
  - The relative balance between risk and proceeds for ADIB's various activities.
  - The degree of the sensitivity of profits to business cycles and credit and economic cycles.
  - Achieving a parallel package of good profits flows

Risk Management Governance and Risk Management Principles

<u>ADIB's risk department governance is based on the following:</u>

1- Strong management intervention at all levels of the organization, starting from the Board of Directors to the management of field task forces responsible for operations.

2- An integrated framework for internal procedures and guidelines.

3- Continuous monitoring by business lines and supporting functions, as well as, by an independent Risk Control Body and compliance with the rules and procedures.

Risk and audit committees within the Board are more specifically responsible for examining the compatibility of the internal framework in order to monitor risks and the adherence to the rules.

Risk Categories:

The risks associated with ADIB's banking activities include the following:

4/1 Credit risk

- Credit risk represents potential losses arising from the possibility that the borrowers or counterparties will fail to fulfil their obligations in accordance with contractual terms. Credit risk arises mainly from due from banks balances, financing and facilities to banks, individuals, SMEs and micro-enterprises, institutions and associations related to such activities. Credit risk may also arise from supporting financing / credit guarantees granted such as credit options (Credit Default Swap), financial guarantee contracts, letters of credit and letters of guarantee.
- ADIB is also exposed to credit risk from investment activities in debt instruments and positions outstanding from trading and financial derivative activities.
- Credit risk is the most important risk to ADIB's activity and therefore ADIB manages the credit risk exposures carefully. Management and control of ADIB's credit risk shall focus on the retail banking credit risk management group and the institutions at the Risk Department, which reports to the Risk Committee, Senior Management, Heads of Operation Department and BOD on interim basis.

4/1/1 Credit risk measurement

Financing and facilities to banks and customers (including commitments and financial guarantees)

The estimated exposure to credit risk for purpose of credit risk management is complex, requiring the use of statistical and electronic models, as credit risk exposure varies with changes in market conditions and other economic aspects in a complex and rapid manner. Exposure of credit risk changes with changes in the level, value, time of expected cash flows and over time. The credit risk assessment of the asset portfolio, therefore, requires further estimates of the probability of default and related loss rates. ADIB measures the credit risk losses using the rates of probability of failure (failure to fulfil contractual obligations) (Probability of default) on the basis of the book balance of the financial instrument at the date of failure (Exposure at default), and the rate of loss upon failure (Loss given default).

ADIB's internal rating categories

Classification	Classification rating
Stage (I)	Good Debts
Stage (II)	Special Follow-up
Stage (III)	Bad Debts

Classification of the Credit Risks

ADIB assesses the probability of default on each customer / affiliated group / credit product, using methods to classify customers in different categories, taking into account the minimum rating in accordance with the CBE's instructions on determining the creditworthiness of customers and the formation of provisions issued during 2005. Accordingly, ADIB uses a group of models and methods that are internally designed models and valuation methods for the counterparty categories and customers and the nature of the various financings under the available information collected at the date of application of the used model (e.g. income level, spendable income level, guarantees for individual customers, revenue, industry type, and other financial and non-financial indicators for institutions). ADIB completes these indicators with a range of external data such as query reports from CBE, credit reporting companies on borrowers and reports of other domestic and foreign credit rating agencies. In addition, the models used by ADIB shall allow the systematic assessment of experts by credit risk officers in the final internal credit rating. Thus, this allows to take into account other matters and indicators that may not have been taken as part of other data inputs into evaluation forms and methods designed internally or through external sources.

Credit scores are calibrated so that the risk of failure increases incrementally with each higher risk score. This means that the difference in failure rates of grade A and A- is less than the difference in failure rates between grade B and B-. The following are additional considerations for each type of credit portfolios held by ADIB:

- **Individuals, Retail Banking Products and Small and Micro Enterprises**

  After the date of initial recognition, the payment behaviour of the borrower shall be monitored on an interim basis to calculate a payment pattern. Any other known information about the borrower identified by ADIB may affect the creditworthiness such as unemployment rates and non-payment precedents as they will be included to measure the repayment pattern, and accordingly, default rates will be determined for each scale of repayment pattern.

- **Large and Medium Enterprises**

  The rating is determined at the level of the borrower / groups with similar credit risk, and any updated or new credit information or assessments will be included in the credit system on a continuous and periodic basis. In addition, information on the creditworthiness of the borrower / groups with similar credit risk are periodically updated from other sources such as financial statements and other published financial and non-financial data. This will determine the degree of internal credit rating updated and failure rates.

- **Financing Instruments issued by the Egyptian Government and CBE**

  Financing instruments, Treasury Bills and Government Bonds

– ADIB uses external classifications of institutions that comply with the CBE's instructions to manage the credit risk for debt instruments in the investment portfolio. These ratings are regularly monitored and updated periodically. The default rates associated with each rating are determined on the basis of rates achieved over the previous 12 months as published by the aforementioned rating agencies. The loss rate for government debt instruments and the central bank in local currency equals zero.

– ADIB's rating of creditworthiness of government debt instruments, where the primary measure of each rating category gives a specific range of probability of default, is stable over time. ADIB complies with the internal rating categories alongside with the rating categories set by CBE according to the instructions of determining creditworthiness and the formation of provisions, and reviewing that compliance on a regular basis. The rating methods are periodically re-calibrated and validated to reflect the most recent projections in light of all assumptions observed in reality.

4/1/2 Future Data Used in the Expected Loss Model

- Future data is used to determine whether there is a significant increase in the credit risk of financial instruments and the estimated credit losses (ECL). ADIB management determines the key economic variables that affect the credit risk and credit losses expected for each credit portfolio by analysing historical data. The economic variables and their impact are different on both Probability of Default (PD) and Exposure at Default (EAD) and Loss Given Default (LGD) depending on the different financial asset. ADIB seeks expert opinions regarding such assumptions and estimations, if necessary.
- Risk departments and credit departments of ADIB make estimates of these economic variables on a quarterly basis, and identify better estimations for those variables over the next five years. After these five years, ADIB uses method of "Mean Reversion Approach" in estimating those variables over the remaining life of each financial asset. Consequently, in the long term, those economic variables head to the level of the currently estimated averages or the estimated growth averages in the current period within a period of 2-5 years.
- In order to determine the impact of these economic variables on PD "Probability of Default", "Exposure at Default" EAD and "Loss Given Default" LGD, ADIB's management conducts the "Regression Analysis" in order to understand the historical effects resulting from those variables on the default rates and the inputs used in calculating EAD and LGD.
- In addition to basic economic scenarios, ADIB's management makes other possible scenarios, as well as the perceptions related to each scenario separately.
- ADIB's management conducts these economic scenarios for all important credit products in order to ensure that all non- linarites variables are included. These scenarios and their related characteristics are reviewed at the financial position date.
- Lifetime PD is used for both basic and other scenarios where the outcome of multiplying each scenario is made with their respective probabilities, as well as the supporting indicators and qualitative indicators. Based on the results of this study, an estimate is made as to whether that financial asset is at the first, second or third stage, on the basis of which it is determined whether the expected credit loss (ECL) is calculated on a 12-month basis or over the lifetime of the financial instrument "Lifetime ECL".
- Expectations and probability of occurrence ate subject to highly uncertain degree as known for any economic expectations, so actual results may differ significantly from those expected. ADIB conducts the best estimate of these potential projections and makes an analytical study of the unrelated and non-similar factors for the various credit portfolios in order to arrive at appropriate scenarios for all possible scenarios.

Variable Economic Assumptions

The following are the key year-end assumptions that have been used to estimate ECL :

Enterprises' Portfolio

- Gross domestic product (GDP).
- Stock Exchange Market Index

Individuals' Portfolio

- Gross domestic product (GDP).
- Private consumption

– Balancing capital expenditures as a percentage of GDP.

The basic, downside, and upside scenarios were used for all portfolios.

ADIB did not use some future data other than the aforementioned, such as the impact of any regulatory, legislative or political changes, due to not being considered to have a significant impact, and therefore no adjustment was made to the ECL for these variables, which was reviewed and monitored to ensure their suitability on a quarterly basis.

Sensitivity Analysis

The main assumptions affecting the expected credit loss provision (ECL) are as follows

Individuals and Institutions Portfolio

The following represent the most important sensitivity analysis used to estimate the expected credit losses:

- At least three scenarios are conducted to study future forecasts and to determine their impact on the variables of the expected credit loss measurement model. These scenarios represent:

- Basic Scenario

- Downside Scenario

- Upside Scenario

- The calculation of the expected credit loss reflects, without any bias, the probable weighted scenario, which is determined based on the assessment of a range of expected results instead of reliance on the upside and downside scenarios.

4/1/3 Classification of loss-related instruments measured on the basis of similar groups

Regarding Expected Credit Losses "ECL", groups are classified on the basis of similar credit risk characteristics, so that risk at ADIB is homogenous. While executing this classification, it will be taken into consideration that there is sufficient information to enable ADIB to classify ADIB with statistical credibility. In the absence of sufficient information, ADIB takes into account complementary internal / external reference data. The following are examples of those characteristics and any supplementary data that are used to determine the classification:

Individuals' Financing - Groups are formed as per:

- The ratio of financing to asset value (for financing to purchase assets);
- Credit rating;
- Product type (such as housing / real estate mortgage purchase, overdraft, credit card, car financing); or
- Payment type (payment of principal + Profit / Profit only) or the percentage used from the authorized limit

Corporates' Financing - Groups are formed as per:

- Industry;
- Type of guarantees;
- Credit rating; or
- Geographical area of exposure

4/1/4 Amendments to the terms of financing and re-structuring

- ADIB sometimes adjusts the terms of financing submitted to customers due to commercial re-negotiation or non-performing financings in order to maximize recovery opportunities. These restructuring activities include arrangements to extend the repayment period, grace periods, exemption from payment or some/or of the Profits. Restructuring policies and practices are based on indicators or criteria that indicate - in management's assessment - that payment will likely continue. These policies remain under constant review.
- ADIB continues to monitor whether there is a significant increase in credit risk with respect to those assets through the use of specific models for the adjusted assets.

4/1/5 Risk limit control and mitigation policies

ADIB manages, limits and controls concentrations of credit risk at the level of debtor, groups, industries and countries.

ADIB manages the credit risk it undertakes by placing limits on the amount of risk that will be accepted at the level of each borrower or groups of borrowers and at the level of economic activities and geographical sectors. Such risks are monitored on an ongoing basis and are subject to an annual or frequent review when necessary. Limits at the level of borrower/ bank, product, sector and country are approved quarterly by the Board of Directors.

The exposure to any borrower including banks is further restricted by sub-limits covering on- and off-the financial position exposures, and daily delivery risk limits in relation to trading items such as promise-based forward Islamic foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers' ability to meet their obligations and through adjusting the financing limits as appropriate.

Here are some ways to limit risk:

Guarantees

ADIB applies a range of policies controls to mitigate credit risk. One of these methods is obtaining guarantees against the financed funds. ADIB establishes guidelines for specific categories of acceptable guarantees.

The principal guarantees types for financing and facilities are:

- Cash and cash equivalents
- Real estate mortgages.
- Commercial mortgages
- Financial instruments mortgage, such as debt and equity instruments.

Long-term financing and corporate lending are often secured, while credit facilities for individuals are unsecured. To reduce credit loss to a minimum, ADIB seeks additional guarantees from the concerned parties as soon as impairment indicators are noticed for any financing or facilities.

ADIB determines the collaterals held to guarantee assets other than financing and facilities according to the nature of the instrument. Generally, debt instruments and treasury bills are unsecured except for asset-backed securities and similar instruments that are secured by a financial instruments portfolio.

Credit-related commitments

Credit-related commitments represent the unused portion of credit limit authorised to grant financing, guarantees or letters of credit. ADIB is exposed to a possible loss of an amount that equals the total unused commitments as for the credit risk resulting from credit-related commitments. However, the probable amount of loss is less than the unused commitments as most commitments related to granting credit represent contingent liabilities to customers maintaining certain credit standards. ADIB monitors the maturity date of the credit commitments because long-term commitments are of a higher credit risk than short-term commitments.

4/1/6 Impairment and provisioning policies

The aforementioned internal rating systems focus more on credit quality planning as of the date financing and investment activities are recognized. Otherwise, impairment losses that occur at the financial statements date are only recognised for financial reports purposes based on objective evidence indicating impairment according to what will be mentioned in this note. Due to the different methodologies applied, the amounts of incurred credit losses charged to the financial statements are usually lower than the estimated loss amount using the expected loss model used for purposes of the rules the Central Bank of Egypt.

The impairment loss provision included in the financial statements at the end of the year is derived from the four internal ratings. However, the majority of the provision is derived from the last rating. The following table shows the percentage of the items within the financial statements for the period ended 31 December 2025 related to financing, facilities, and related impairment for each of ADIB's internal assessment categories:

	31 December 2025		31 December 2024	
Bank's evaluation	Financing and facilities	Impairment losses provision	Financing and facilities	Impairment losses provision
Stage 1	95%	35%	93%	27%
Stage 2	2%	13%	5%	41%
Stage 3	3%	52%	2%	32%
	100%	100%	100%	100%

The internal rating tools assist the management to determine whether there is evidence of impairment under EAS 47, based on the following criteria set out by ADIB:

- Significant financial difficulty of the customer or the debtor.
- Breach of the financing agreement conditions such as default.
- Expected bankruptcy of the customer, entering into a liquidation lawsuit, or restructuring the finance granted to the customer.
- Deterioration of the competitive position of the customer.
- Granting privileges or assignments by ADIB to the customer due to economic or legal reasons related to the financial difficulties of the borrower, which are not granted by ADIB in the normal course of business.
- Impairment of the guarantee.
- Deterioration of creditworthiness.

ADIB's policies require reviewing all financial assets that exceed specific materiality at least once a year or more, when required. The impairment loss is determined for accounts evaluated on an individual basis by determining case-by-case actual losses at the financial statements date. These policies are applied on all accounts which have specific materiality on an individual basis. The valuation usually includes the existing guarantee, the related enforcements on these guarantees and the expected collections from those accounts.

A provision is made for impairment losses on the basis of the group of similar assets using the available historical experience, personal judgment and statistical techniques.

4/1/7 General banking risk measurement model

In addition to ADIB's four internal rating categories described above, the management classifies loans and facilities in the form of more detailed sub-groups in line with the requirements of the Central Bank of Egypt. The assets exposed to credit risk in these groups are classified according to detailed rules and conditions that rely heavily on information related to customer's business, financial position and regularity of payment.

ADIB calculates the provisions required to offset the impairment of assets exposed to credit risk, including credit-related commitments, on the basis of ratios set by the Central Bank of Egypt. In case of the excess of the provision for impairment losses required in accordance with the creditworthiness rules of the Central Bank of Egypt over the provision required to use the expected credit losses, such excess in the provision is set aside as a general banking risk reserve within equity to be deducted against retained earnings by the amount of that excess.

The following is a description of the creditworthiness categories of the institutions according to the principles for determining the creditworthiness of customers in accordance with the instructions of the Central Bank of Egypt in this regard and the percentage of provisions required for the impairment of assets exposed to credit risk:

CBE rating	Rating description	Required provision %	Internal rating	Internal rating description
1	Low risk	Zero	1	Good debts
2	Moderate risk	1%	1	Good debts
3	Satisfactory risk	1%	1	Good debts
4	Appropriate risk	2%	1	Good debts
5	Acceptable risk	2%	1	Good debts
6	Marginally acceptable risk	3%	1	Regular watch up
7	Risk needs special attention	5%	2	Special watch up
8	Substandard	20%	3	Non-performing debts
9	Doubtful	50%	3	Non-performing debts
10	Bad debts	100%	3	Non-performing debts

4/1/8 Maximum limit for credit risk before guarantees

Balance sheet items exposed to credit risk	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Due from Banks	57,433,131	98,117,659
Financing and facilities to banks and customers		
Facilities to banks	4,802,479	2,030,727
Retail financing		
Debit current accounts	7,290	9,855
Credit cards	1,903,639	1,276,893
Personal financings	46,693,817	26,129,524
Real estate financings	466,430	599,717
Corporate financings		
Debit current accounts	13,511,634	13,878,758
Credit cards	746	70
Direct financings	88,772,357	58,994,996
Syndicated financings	3,313,838	1,463,357
Less Expected Credit Losses	(7,443,689)	(6,662,099)
Financial investments		
Debt instruments at FVOCI	22,185,068	2,490,373
Debt instruments at amortized cost	80,350,465	39,040,223
Total	**311,997,205**	**237,370,053**
Credit risk of off balance sheet items		
Letters of credit (import + confirmed export)	11,211,401	9,973,110
Letters of guarantee	44,394,310	31,839,568
Letters of guarantee for suppliers facilities	7,441,436	7,190,358
Bank guarantees	3,208,615	4,487,803
Total	**66,255,762**	**53,490,839**

- The previous table represents the maximum exposure on 31 December 2025, without taking any guarantees into consideration. For financial position items, the reported amounts depend on the net carrying amount that was presented in the financial position.
- As shown in the previous table, 48.73% of the maximum exposure to credit risk is the result of financing and facilities for banks and customers, against 41.47% at the end of the comparative year, while investments in Financing instruments represent 32.86% against 17.5% at the end of comparative year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from the portfolio of financing, facilities and debt instruments based on the following:

- 97.41% of the portfolio of financing and facilities is classified in the two highest degrees of internal rating compared to 97,83% at the end of the comparative year.
- 95,28% of the financing and facilities portfolio does not have past dues or impairment indicators against 92.59% at the end of the comparative year.
- The finances and facilities assessed on a single basis amounted to EGP 4,126 million compared to EGP 2,269 million at the end of the comparative year.
- ADIB applied more conservative selection processes when granting financing and facilities during the financial period on 31 December 2025.

Notes to the consolidated financial statements

For the year ended 31 December 2025

4/1/9 Financing and facilities

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

EGP (in thousands)

	31 December 2025			31 December 2024		
Financing and facilities	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities
Stage 1	147,146,299	4,809,319	151,955,618	94,613,681	2,033,552	96,647,233
Stage 2	3,397,803	-	3,397,803	5,470,559	-	5,470,559
Stage 3	4,125,649	-	4,125,649	2,268,930	-	2,268,930
Total	**154,669,751**	**4,809,319**	**159,479,070**	**102,353,170**	**2,033,552**	**104,386,722**
Less:						
Expected Credit Losses	(7,443,689)	(6,840)	(7,450,529)	(6,662,099)	(2,825)	(6,664,924)
Net	**147,226,062**	**4,802,479**	**152,028,541**	**95,691,071**	**2,030,727**	**97,721,798**

– During the financial period on 31 December 2025, ADIB's portfolio of financing and facilities increased by 52.78% (31 December 2024: an increase of 53.85%)

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E

Notes to the consolidated financial statements

For the year ended 31 December 2025

4/1/9 Financing and facilities

Financing and facilities Credit worthiness.

EGP (in thousands)

Retail

31 December 2025	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	7,290	1,780,572	45,533,533	453,093	47,774,488
Stage 2	-	105,873	558,718	7,910	672,501
Stage 3	-	17,194	601,566	5,427	624,187
Total	7,290	1,903,639	46,693,817	466,430	49,071,176
(Less) Expected Credit Losses	-	(192,396)	(776,945)	(16,105)	(985,446)
Book value	7,290	1,711,243	45,916,872	450,325	48,085,730

31 December 2024	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	9,855	1,171,886	25,365,669	589,109	27,136,519
Stage 2	-	87,545	445,116	2,315	534,976
Stage 3	-	17,462	318,739	8,293	344,494
Total	9,855	1,276,893	26,129,524	599,717	28,015,989
(Less) Expected Credit Losses	-	(151,861)	(450,471)	(10,369)	(612,701)
Book value	9,855	1,125,032	25,679,053	589,348	27,403,288

EGP (in thousands)

Corporate

31 December 2025	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	13,508,027	746	83,919,821	1,943,217	99,371,811
Stage 2	1,322	-	2,723,980	-	2,725,302
Stage 3	2,285	-	2,128,556	1,370,621	3,501,462
Total	13,511,634	746	88,772,357	3,313,838	105,598,575
(Less) Expected Credit Losses	(341,283)	(10)	(4,639,760)	(1,477,190)	(6,458,243)
Book value	13,170,351	736	84,132,597	1,836,648	99,140,332

31 December 2024	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	13,533,236	70	53,736,194	207,662	67,477,162
Stage 2	281,421	-	3,398,467	1,255,695	4,935,583
Stage 3	64,101	-	1,860,335	-	1,924,436
Total	13,878,758	70	58,994,996	1,463,357	74,337,181
(Less) Expected Credit Losses	(705,236)	(3)	(4,086,553)	(1,257,606)	(6,049,390)
Book value	13,173,522	67	54,908,443	205,751	68,287,783

Financing and facilities that are past due but are not impaired

Financing and facilities that are past due but are not impaired, unless other information is available to the contrary. The financing and facilities to customers that are past due but are not impaired and the fair value of their guarantees are as follows:

EGP (in thousands)

	Retail				
31 December 2025	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Past dues up to 30 days	7,290	1,780,572	45,533,533	453,093	47,774,488
Past dues more than 30 to 90 days	-	105,873	558,718	7,910	672,501
Total	7,290	1,886,445	46,092,251	461,003	48,446,989

EGP (in thousands)

	Retail				
31 December 2024	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Past dues up to 30 days	9,855	1,171,886	25,365,669	589,109	27,136,519
Past dues more than 30 to 90 days	-	87,545	445,116	2,315	534,976
Total	9,855	1,259,431	25,810,785	591,424	27,671,495

EGP (in thousands)

	Corporate				
31 December 2025	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Past dues up to 30 days	13,508,027	746	83,919,821	1,943,217	99,371,811
Past dues more than 30 to 90 days	1,322	-	2,723,980	-	2,725,302
Total	13,509,349	746	86,643,801	1,943,217	102,097,113

EGP (in thousands)

	Corporate				
31 December 2024	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Past dues up to 30 days	13,533,236	70	53,736,194	207,662	67,477,162
Past dues more than 30 to 90 days	281,421	-	3,398,467	1,255,695	4,935,583
Total	13,814,657	70	57,134,661	1,463,357	72,412,745

Upon the initial recognition of financing and facilities, the fair value of the collaterals are assessed based on valuation techniques commonly used for similar assets. In subsequent periods, fair value is updated at market prices or at similar asset prices.

Financing and facilities that are subject to impairment solely

- **Financing and facilities for customers**

The analysis of the total value of the financing and facilities subject to impairment solely is as follows:

EGP (in thousands)

31 December 2025	Retail Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Solely impaired financing	-	17,194	601,566	5,427	624,187

31 December 2024	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Solely impaired financing	-	17,462	318,739	8,293	344,494

31 December 2025	Corporate Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Solely impaired financing	2,285	-	2,128,556	1,370,621	3,501,462

31 December 2024	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Solely impaired financing	64,101	-	1,860,335	-	1,924,436

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For the year ended 31 December 2025

4/1/10 Transfer between stages

- **The below Table Shows the Transfer Between Stage for Facilities and Financing**

EGP (in thousands)

	31 December 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail	12 Month	Life time	Life time		12 Month	Life time	Life time	
Financing and facilities at Beginning of the Year	27,136,519	534,976	344,494	28,015,989	17,399,470	458,366	394,199	18,252,035
Transferred from stage 1	(680,475)	429,442	251,033	-	(510,580)	340,080	170,500	-
Transferred from stage 2	70,039	(166,791)	96,752	-	63,071	(108,961)	45,890	-
Transferred from stage 3	8,196	1,387	(9,583)	-	2,344	73	(2,417)	-
Re-Measurement impact	(5,391,417)	(115,799)	57,538	(5,449,678)	(3,332,045)	(110,536)	(51,975)	(3,494,556)
Financial assets Originated	30,531,148	227,595	-	30,758,743	16,516,745	211,781	-	16,728,526
Financial assets disposed of/ paid	(3,899,522)	(238,309)	-	(4,137,831)	(3,002,486)	(255,827)	(47,322)	(3,305,635)
Used provisions	-	-	(116,047)	(116,047)	-	-	(164,381)	(164,381)
Balance of Financing and facilities	**47,774,488**	**672,501**	**624,187**	**49,071,176**	**27,136,519**	**534,976**	**344,494**	**28,015,989**

EGP (in thousands)

	31 December 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	12 Month	Life time	Life time		12 Month	Life time	Life time	
Financing and facilities at Beginning of the Year	67,477,162	4,935,583	1,924,436	74,337,181	45,198,587	3,934,739	466,070	49,599,396
Transferred from stage 1	(443,329)	388,370	54,959	-	(1,002,908)	885,218	117,690	-
Transferred from stage 2	749,691	(2,682,955)	1,933,264	-	1,648	(1,126,080)	1,124,432	-
Transferred from stage 3	169,548	9,281	(178,829)	-	-	-	-	-
Re-Measurement impact	(2,936,495)	(249,889)	280,558	(2,905,826)	243,130	(318,552)	364,564	289,142
Foreign exchange translation differences	(988,647)	(49,179)	(98,024)	(1,135,850)	7,240,184	798,191	62,065	8,100,440
Financial assets Originated	72,474,930	1,252,467	-	73,727,397	39,259,545	1,619,660	-	40,879,205
Financial assets disposed of/ paid	(37,131,049)	(878,376)	-	(38,009,425)	(23,463,024)	(857,593)	205,544	(24,115,073)
Used provisions	-	-	(414,901)	(414,901)	-	-	(415,929)	(415,929)
Balance of Financing and facilities	**99,371,811**	**2,725,302**	**3,501,463**	**105,598,576**	**67,477,162**	**4,935,583**	**1,924,436**	**74,337,181**

4/1/10 Transfer between stages – Continued

- **The below Table Shows the Transfer Between Stage for Expected Credit Loss**

EGP (in thousands)

	31 December 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail	12 Month	Life time	Life time		12 Month	Life time	Life time	
Expected credit losses at beginning of the Year	222,131	114,545	276,025	612,701	235,573	82,170	309,069	626,812
Transferred from stage 1	(6,324)	3,014	3,310	-	(15,689)	4,030	11,659	-
Transferred from stage 2	17,307	(57,071)	39,764	-	14,499	(36,507)	22,008	-
Transferred from stage 3	6,988	164	(7,152)	-	485	22	(507)	-
Re-Measurement impact	70,451	39,187	288,073	397,711	(51,583)	62,256	117,955	128,628
Financial assets Originated	81,868	38,919	-	120,787	47,411	23,946	-	71,357
Financial assets disposed of/ paid	(8,909)	(20,797)	-	(29,706)	(8,565)	(21,372)	(19,797)	(49,734)
Used provisions	-	-	(116,047)	(116,047)	-	-	(164,362)	(164,362)
Balance of Expected Credit Losses	**383,512**	**117,961**	**483,973**	**985,446**	**222,131**	**114,545**	**276,025**	**612,701**

EGP (in thousands)

	31 December 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	12 Month	Life time	Life time		12 Month	Life time	Life time	
Expected credit losses at beginning of the Year	1,546,012	2,641,419	1,861,967	6,049,398	1,004,391	2,136,862	445,122	3,586,375
Transferred from stage 1	(2,769)	1,579	1,190	-	(90,237)	18,813	71,424	-
Transferred from stage 2	369,070	(1,713,407)	1,344,337	-	78	(602,826)	602,748	-
Transferred from stage 3	169,547	9,281	(178,828)	-	-	-	-	-
Re-Measurement impact	(509,154)	163,751	891,835	546,432	284,677	494,865	832,382	1,611,924
Foreign exchange translation differences	26,793	(127,889)	(93,717)	(194,813)	143,248	511,793	56,438	711,479
Financial assets Originated	1,064,254	89,082	-	1,153,336	584,069	206,116	-	790,185
Financial assets disposed of/ paid	(432,147)	(249,062)	-	(681,209)	(380,214)	(124,204)	269,801	(234,617)
Used provisions	-	-	(414,901)	(414,901)	-	-	(415,948)	(415,948)
Balance of Expected Credit Losses	**2,231,606**	**814,754**	**3,411,883**	**6,458,243**	**1,546,012**	**2,641,419**	**1,861,967**	**6,049,398**

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4/1/11 Debt instruments, treasury bills and other government securities

The following table shows the analysis of Financing instruments, treasury bills and other government securities according to rating agencies at the end of the financial year, based on Standard & Poor's valuation and its equivalent.

EGP (in thousands)

Debt instruments, treasury bills and other government securities	31 December 2025			31 December 2024		
	Treasury Bills	& Treasury Bonds Islamic Sukuk	Due From Banks	Treasury Bills	& Treasury Bonds Islamic Sukuk	Due From Banks
AAA- to AAA	-	-	657,324	-	-	28,106
A- to A+	-	2,525,545	3,158,999	-	-	1,037,576
Less than A-	17,476,557	82,533,431	53,616,808	8,159,646	31,919,437	97,051,977
Total	**17,476,557**	**85,058,976**	**57,433,131**	**8,159,646**	**31,919,437**	**98,117,659**

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4/1/12 Risk concentration of financial assets exposed to credit risk

(A) Geographical sectors

The following table represents an analysis of ADIB's most significant credit risk limits at the carrying value distributed according to the geographical sector at the end of the current year. When preparing this table, risk is allocated to the geographical sectors according to the regions associated with ADIB's customers

EGP (in thousands)

	Arab Republic of Egypt						
	Great Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total	Gulf Countries	Other Countries	Total
Due from Banks	49,430,871	-	-	49,430,871	2,298,300	5,703,960	57,433,131
Debt instruments at FVOCI							
- Egyptian treasury Bonds	12,462,411	-	-	12,462,411	-	-	12,462,411
- Islamic Sukuk	4,423,413	-	-	4,423,413	-	-	4,423,413
- Egyptian treasury bills	5,299,244	-	-	5,299,244	-	-	5,299,244
Debt instruments at amortized cost							
- Egyptian treasury Bonds	62,436,764	-	-	62,436,764	-	-	62,436,764
- Islamic Sukuk	5,736,388	-	-	5,736,388	-	-	5,736,388
- Egyptian treasury bills	12,177,313	-	-	12,177,313	-	-	12,177,313
Facilities to banks	4,802,479	-	-	4,802,479	-	-	4,802,479
Retail Financings							
- Debit current accounts	5,727	1,325	236	7,290	-	-	7,290
- Credit cards	1,903,639	-	-	1,903,639	-	-	1,903,639
- Personal financings	37,285,155	7,948,007	1,460,655	46,693,817	-	-	46,693,817
- Mortgage financings	457,142	9,288	-	466,430	-	-	466,430
Corporate Financings							
- Debit current accounts	13,500,575	1,054	106	13,511,634	-	-	13,511,634
- Credit cards	746	-	-	746	-	-	746
- Direct financings	87,763,849	526,112	482,396	88,772,357	-	-	88,772,357
- Syndicated financings	3,313,838	-	-	3,313,838	-	-	3,313,838
Less Expected Credit Losses for customer financings	(7,334,687)	(85,879)	(23,123)	(7,443,689)	-	-	(7,443,689)
Balance at 31 December 2025	293,673,867	8,400,807	1,920,271	303,994,945	2,298,300	5,703,960	311,997,205
Balance at 31 December 2024	215,781,060	14,512,083	1,410,820	231,713,881	1,557,360	4,098,812	237,370,053

Notes to the consolidated financial statements

For the year ended 31 December 2025

(B) Activity sectors

The following table represents an analysis of ADIB's most significant credit risk limits at the carrying value distributed by the activity practiced by ADIB's customers.

EGP (in thousands)

	Financial institution	Manufacturing institution	Services	Wholesale and Retail	Governmental sector	Retail	Other activities	Total
Due from Banks	57,433,131	-	-	-	-	-	-	57,433,131
Debt instruments at FVOCI								
- Egyptian treasury Bonds	-	-	-	-	12,462,411	-	-	12,462,411
- Islamic Sukuk	241,025	-	-	-	4,182,388	-	-	4,423,413
- Egyptian treasury bills	-	-	-	-	5,290,244	-	-	5,290,244
Debt instruments at amortized cost								
- Egyptian treasury Bonds	-	-	-	-	62,436,764	-	-	62,436,764
- Islamic Sukuk	-	3,689,174	-	-	2,047,214	-	-	5,736,388
- Egyptian treasury bills	-	-	-	-	12,177,313	-	-	12,177,313
Facilities to banks	4,802,479	-	-	-	-	-	-	4,802,479
Retail Financings								
- Debit current accounts	-	-	-	-	-	7,290	-	7,290
- Credit cards	-	-	-	-	-	1,903,639	-	1,903,639
- Personal financings	-	-	-	-	-	46,693,817	-	46,693,817
- Mortgage financings	-	-	-	-	-	466,430	-	466,430
Corporate Financings								
- Debit current accounts	-	3,788,855	812,323	273,042	8,595,425	-	41,979	13,511,634
- Credit cards	-	101	605	40	-	-	-	746
- Direct financings	932,908	43,537,183	14,967,519	10,541,790	17,635,263	-	1,157,394	88,772,357
- Syndicated financings	-	1,370,621	277,809	-	1,665,408	-	-	3,313,838
Less Expected Credit Losses for customer financings	(7,158)	(2,608,977)	(1,735,387)	(219,937)	(1,676,825)	(985,445)	(9,960)	(7,443,689)
Balance at 31 December 2025	63,402,385	49,776,967	14,323,169	10,594,935	124,624,605	48,085,731	1,189,413	311,997,205
Balance at 31 December 2024	100,140,386	29,599,211	12,916,503	5,921,649	60,903,586	27,403,288	477,428	237,370,053

4/2 Market Risk

ADIB 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 Profit rate and the currency, 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 Profit and exchange rates. ADIB separates its exposure to market risk to trading or non-trading portfolios.

The management of market risk arising from trading or non-trading activities is concentrated in ADIB's risk management and 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 ADIB's direct dealing with customers or with the market, while non-trading portfolios arise primarily from managing the Profit 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.

4/2/1 Market risk measurement techniques

- As part of market risk management, ADIB undertakes various hedging strategies. ADIB also enters into swaps to match the Profit rate risk associated with the debt instruments and fixed-rate long-term financing if the fair value option has been applied. The major measurement techniques used to control market risk are outlined below:

Value at risk

- ADIB applies a 'value at risk' methodology (VAR) for trading and non-trading portfolios to estimate the market risk on positions held and the maximum expected losses based on a number of assumptions for various changes in market conditions. The Board sets separate limits for the value of risk that may be accepted by ADIB for trading and non-trading portfolios and are monitored daily by ADIB's market risk management.
- VAR is a statistical estimation of the expected losses on the current portfolio resulting from adverse market movements, which represent the maximum amount ADIB expects to lose using a confidence level of (98%). Therefore, there is a statistical probability of (2%) that actual losses could be greater than the VAR estimation. The VAR model assumes that the holding period is ten days before closing the open positions. It is also assumed that the market movement during the holding period will follow the same pattern of movement that occurred during the previous ten days. ADIB estimates the previous movement based on data for the previous five years. ADIB applies these historical changes in rates, prices, indicators, etc., directly to its current positions. This approach is called historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.
- The use of that technique does not prevent the loss to exceed those limits in the case of a larger movement in the market.
- As VAR is considered a primary part of ADIB's market risk control technique, VAR limits are established by the Assets and Liabilities Committee regularly for all trading and non-trading transactions and allocated to business units. Actual VAR are compared to the limits set by ADIB and reviewed daily by ADIB's risk management. The quality of the VAR model is continuously monitored through enhanced VAR testing of the trading portfolio and the results of the tests are submitted to the Assets and Liabilities Committee.

- The quality of VAR model is monitored on an ongoing basis by reinforced tests to the results of the VAR of trading portfolio, and the results of tests are reported to the senior management and Board of Directors.

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Stress testing

- Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances. Stress testing is designed to match the business using standard analysis for specific scenarios. The stress testing carried out by the risk management include risk factor stress testing where sharp movements are applied to each risk category and emerging markets stress tests, as emerging markets are subject to sharp movements and special stress tests, including possible stress events affecting specific positions or regions, such as what may arise in a certain region due to applying a free rate on a certain currency. The results of the stress testing are reviewed by the top management and the Board of Directors.

- **Stress testing related to exchange rate**

  The following table shows the position of the currencies (surplus or deficit) of the items inside and outside the balance sheet

EGP (in thousands)

Currency	Surplus / deficit	Deficit	Surplus	Maximum expected loss 10%
USD	127,949	-	127,949	12,795
Euro	16,582	-	16,582	1,658
Sterling Pound	2,762	-	2,762	276
Swiss Franc	4,709	-	4,709	471
Japanese Yen	(208)	(208)	-	(21)
Other currencies	16,238	-	16,238	1,624
Maximum expected loss 31 December 2025				**16,803**
Maximum expected loss 31 December 2024				**15,022**

4/2/2 VAR summary

Total value at risk by the type of risk

EGP (in thousands)

	31 December 2025			31 December 2024		
	Average	Higher	Lower	Average	Higher	Lower
Total value at risk according to risk type						
Exchange rates risk	6,760	31,106	145	10,734	44,423	66
Profit rate risk	87,150	316,899	21,775	18,200	40,995	4,488
Total value at risk	**93,910**	**348,005**	**21,920**	**28,934**	**85,418**	**4,554**
Value at risk of the trading portfolio according to risk type						
Exchange rates risk	6,760	31,106	145	10,734	44,423	66
Total value at risk	**6,760**	**31,106**	**145**	**10,734**	**44,423**	**66**
value at risk of a non-trading portfolio according to risk type						
Profit rate risk	87,150	316,899	21,775	18,200	40,995	4,488
Total value at risk	**87,150**	**316,899**	**21,775**	**18,200**	**40,995**	**4,488**

4/2/3 Risk of fluctuations in foreign exchange rates

- ADIB is exposed to the 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 ADIB'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 December 2025	EGP	USD	Sterling Pound	Euro	Japanese Yen	Other currencies	Total
Financial Assets							
Cash and due from Central Bank of Egypt	18,686,494	282,073	4,816	37,482	-	75,747	19,086,612
Due from banks	21,774,662	31,991,867	475,821	2,791,388	4,398	395,195	57,433,131
Financings and facilities to banks	-	4,802,479	-	-	-	-	4,802,479
Financings and facilities to customers	116,561,473	25,058,438	81,153	5,504,998	-	-	147,226,062
Islamic Pre promised exchange contracts	13,636	345	-	-	-	-	13,981
Financial Investments at FVPL	143,461	-	-	-	-	-	143,461
Financial investments at FVOCI	21,924,224	690,578	-	5,546	-	-	22,620,348
Financial investments at amortized cost	57,145,732	22,904,174	-	300,559	-	-	80,350,465
Leased Assets	2,683,563	-	-	-	-	-	2,683,563
Accrued Revenues	4,540,895	456,621	576	22,334	-	196	5,020,622
Total Financial assets	243,494,140	86,186,375	562,366	8,662,307	4,398	471,138	339,380,724
Financial Liabilities							
Due to banks	246,134	5,624,025	-	14,740	-	36,858	5,921,757
Customers' deposits	195,939,407	70,465,474	554,144	10,016,824	4,501	884,020	277,864,370
Islamic Pre promised exchange contracts	138,217	1,823	-	852	-	-	140,892
Subordinated financings	1,517,860	8,714,146	-	-	-	-	10,232,006
Accrued Revenues	731,863	278,517	1,205	11,843	-	98	1,023,526
Total Financial Liabilities	198,573,481	85,083,985	555,349	10,044,259	4,501	920,976	295,182,551
Net financial position	44,920,659	1,102,390	7,017	(1,381,952)	(103)	(449,838)	44,198,173
31 December 2024							
Total Financial assets	165,690,604	82,621,156	334,195	7,168,313	7,016	294,735	256,116,019
Total Financial Liabilities	137,626,048	80,786,903	325,730	7,042,343	8,307	776,169	226,565,500
Net financial position	28,064,556	1,834,253	8,465	125,970	(1,291)	(481,434)	29,550,519

4/2/4 Profit rate risk

- ADIB is exposed to the effects of fluctuations in the Profit rates prevailing in the market, which is the risk of cash flows of the Profit rate represented in fluctuation of future cash flows for a financial instrument due to changes in the Profit rate of the instrument. Fair value Profit rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market Profit rates. The Profit margin may increase due to these changes; however, profits may decrease in case unexpected movements arise. The ALCO Committee sets limits on the level of mismatch of Profit rate repricing that ADIB may maintain, which is monitored daily by ADIB's risk management.

Profit rate structure risk management system

Risk assessment, limits and corrective procedures are undertaken by the Asset-Liability Committee (ALCO) under the chairmanship of the President of ADIB, the membership of the Executive Directors, the CFO, Directors pf Commercial Departments, the Branch Network Manager, the Secretary General and the President of the International Transaction Chamber. The International Transactions Chamber implements the necessary procedures determined by the Asset and Liability Committee to correct the gaps through dealing in financial markets. The Chamber prepares its reports on the development that has occurred and submits them to the Assets and Liabilities Unit and the Assets and Liabilities Committee.

Asset-Liability Committee (ALCO) Duties

-Determination of acceptable limits for sensitivity analysis purposes

-Reviewing the assumptions used to identify, measure, validate and approve risks.

-Evaluating, modifying and adopting the proposed recommendations for the adjustment of gaps (if any) in line with the previously approved limits.

ADIBs' objective of managing Profit rate risk

ADIB aims to reduce its exposure to the risk structure of the Profit rate to the maximum extent possible, taking into account that the residual risk value resulting from Profit rates is within the limits of the sensitivity level approved by the Assets and Liabilities Committee.

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4/2/4 Profit rate risk - Continue

The table below summarises ADIB's exposure to the risk of Profit rate fluctuations, which includes the financial instruments' carrying amounts, distributed on the basis of the Profit rate, re-pricing dates or maturity dates, whichever is earlier:

EGP (in thousands)

31 December 2025	Up to 1 month	Over 1 month to 3 month	More than 3 month up to 1 year	More than 1 year to 3 years	More than 3 years	Non-profit bearing	Total
Financial Assets							
Cash and due from Central Bank of Egypt	-	-	-	-	-	19,086,612	19,086,612
Due from banks	56,871,457	-	-	-	-	561,674	57,433,131
Financings and facilities to banks	-	-	4,802,479	-	-	-	4,802,479
Financings and facilities to customers	25,274,368	17,580,835	41,637,403	28,700,033	34,033,823	-	147,226,062
Islamic Pre promised exchange contracts	-	-	-	-	-	13,981	13,981
Financial investments at FVPL	-	-	-	-	-	143,461	143,461
Financial investments at FVOCI	75,615	247,612	7,439,520	14,422,311	-	435,280	22,620,348
Financial investments at amortized cost	4,860,229	7,175,137	7,971,771	49,182,717	11,160,611	-	80,350,465
Leased Assets	98,940	187,622	194,064	1,023,760	1,179,176	-	2,683,563
Accrued Revenues	-	-	-	-	-	5,020,622	5,020,622
Total financial assets	87,180,619	25,191,006	62,045,237	93,328,821	46,373,410	25,261,630	339,380,724
Financial Liabilities							
Due to banks	2,383,560	-	2,383,560	-	-	1,154,637	5,921,757
Customers' deposits	65,384,342	13,878,957	122,748,358	47,267,699	56,484	28,528,530	277,864,370
Islamic Pre promised exchange contracts	-	-	-	-	-	140,892	140,892
Subordinated financings	-	-	-	1,517,860	8,714,146	-	10,232,006
Accrued Revenues	-	-	-	-	-	1,023,526	1,023,526
Total financial liabilities	67,767,902	13,878,957	125,131,918	48,785,559	8,770,630	30,847,585	295,182,551
Profit re-pricing Gap	19,412,717	11,312,049	(63,086,681)	44,543,262	37,602,780	(5,585,955)	44,198,173
31 December 2024							
Total financial assets	130,673,508	31,694,078	21,208,240	34,766,081	21,228,693	30,483,639	270,054,239
Total financial liabilities	70,213,284	15,224,986	29,710,230	33,990,823	75,839,639	45,075,277	270,054,239
Profit re-pricing Gap	60,460,224	16,469,092	(8,501,990)	775,258	(54,610,946)	(14,591,638)	-

Profit Rate Sensitivity Analysis

- The following is sensitivity analysis on the increase or decrease in the Profit rates in the market, assuming that there is no symmetric movement in the Profit curves with the stability of the financial position.

Sensitivity of net income expected from Profit

						EGP (in thousands)
		31 December 2025			31 December 2024	
Profit rate sensitivity analysis	Average	Higher	Lower	Average	Higher	Lower
Sensitivity of net expected income from profit						
Increase or decrease 200 basis points	503,255	749,791	144,028	790,900	928,194	568,942
Total value at risk	503,255	749,791	144,028	790,900	928,194	568,942
Equity sensitivity to changes in profit rates						
Increase or decrease 200 basis points	503,255	749,791	144,028	790,900	928,194	568,942
Total value at risk	503,255	749,791	144,028	790,900	928,194	568,942

- Changes in Profit rates affect equity in the following ways:
- Retained earnings: Increase or decrease in net income from the Profit and the fair value of the financial derivatives and included within profit and loss.

  Fair value reserve: Increase or decrease in the fair value of financial assets at fair value through other comprehensive income (before 1 January 2019: available for sale) recognized directly in other comprehensive income.
- Hedging reserve: The increase or decrease in fair value of hedging instruments classified as cash flow hedging.

4/3 Liquidity risk

Liquidity risk represents difficulty encountering ADIB in meeting its financial commitments when they fall due and replace funds when they are withdrawn. This may result in failure of the settlement of ADIB's obligations to repay the depositors and fulfil financing commitments.

- **Liquidity risk management**

ADIB's liquidity management process carried out by ADIB's risk management includes:

- Daily funding is managed by monitoring future cash flows to ensure that all requirements can be met when due. This includes replacing funds when they are due or when financing them to customers. ADIB exists in the global financial markets to ensure that this goal is achieved.
- Maintaining a portfolio of highly marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flows.
- Monitoring liquidity ratios in comparison with ADIB's internal requirements and CBE requirements
- Managing concentration and financing maturity.

For monitoring and reporting purposes, cash flows for the following day, week, and month are measured and projected. Such periods are the key periods for liquidity management. The starting point of calculating these projections is analysing the contractual maturities of financial liabilities and expected financial assets collections.

The Assets and Liabilities Management Committee also monitors the incompatibility between medium-term assets, the level and type of unused portion of financing commitments, the extent to which Mudaraba -based working capital financing facilities, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

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4/3 Liquidity risk – Continued

The following table represents the paid cash flows by ADIB distributed on the basis of the remaining period of contractual accruals at end of financial year:

EGP (in thousands)

31 December 2025	Up to 1 month	Over 1 month to 3 month	More than 3 month up to 1 year	More than 1 year to 3 years	More than 3 years	Non-profit bearing	Total
Financial Assets							
Cash and due from banks and CBE	1,301,105	-	-	17,793,021	-	-	19,094,126
Due from banks	47,889,819	15,567,176	13,833,823	-	-	-	77,290,818
Treasury bills	2,575,700	5,959,756	9,374,116	-	-	-	17,909,572
Financings and facilities to banks	-	-	4,845,466	-	-	-	4,845,466
Financings and facilities to customers	13,617,035	21,781,664	63,067,455	38,842,351	13,232,930	-	150,541,435
Financial investments:							
Financial investments at FVPL	-	-	2,383,461	10,200,766	-	-	12,584,227
Financial investments at FVOCI	1,903,781	238,356	3,216,232	48,172,561	83,135	-	53,614,065
Financial investments at amortized cost	-	-	2,726,355	6,119,097	12,264,614	-	21,110,066
Investments in associates	-	-	-	808,193	(160,100)	-	648,093
Other financial assets	253,328	-	-	15,570,944	2,819,160	-	18,643,432
Total financial assets	67,540,768	43,546,952	99,446,908	137,506,953	28,239,739	-	376,281,300
Financial Liabilities							
Due to banks	3,535,775	-	2,383,560	-	-	-	5,919,335
Customers' deposits	87,931,718	16,660,433	20,859,928	151,157,424	52,284	-	276,661,787
Subordinated financings	-	1,430,136	-	3,901,420	5,049,572	-	10,381,128
Other financial liabilities	48,188	16,063	32,135	15,109,230	2,790,340	-	17,995,956
Total financial liabilities	91,515,681	18,106,632	23,275,623	170,168,074	7,892,196	-	310,958,206
Liquidity Gap	(23,974,933)	25,440,320	76,171,285	(32,661,121)	20,347,543	-	65,323,094

31 December 2024							
Total financial assets	145,682,236	35,973,979	65,209,834	38,932,983	19,349,726	-	305,148,758
Total financial liabilities	81,845,304	14,030,168	26,679,755	130,840,982	49,406,895	-	302,803,104
Liquidity Gap	63,836,932	21,943,811	38,530,079	(91,907,999)	(30,057,169)	-	2,345,654

4/4 Capital management

ADIB's objectives behind managing capital include other elements in addition to the equity shown in the statement of financial position are represented in the following:

- To comply with the legal capital requirements in the Arab Republic of Egypt and other countries in which ADIB's branches operate.
- To protect ADIB's ability to continue and enable it to continue to generate Profit for shareholders and other parties dealing with ADIB.
- To 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 ADIB operate) daily through ADIB'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.

CBE requires the following from ADIB:

- Retaining EGP 5 billion as a minimum limit of paid and issued capital.
- Maintaining a ratio between the capital base and the total credit risk, market and operational risks is equal to or more than 10%.

The numerator in capital adequacy comprises the following two tiers:

Tier 1: It is the basic capital, and it consists of paid up capital after deducting the deducting the carrying amount of treasury shares, retained earnings and reserves resulting from the dividends, except for the general banking risk reserve, less any previously recognised goodwill and any carried-forward losses.

Tier 2: It is the subordinated capital, which consists of the equivalent of the expected credit losses of debt instruments and financings and contingent liabilities of stage 1 at no more than 1.25% of the total risk-weighted assets and contingent liabilities, and the subordinated financing / deposits with more than five years' maturity terms (amortisation of 20% of their value at each of the last five years of maturity).

When calculating the total numerator of capital adequacy criterion, subordinated capital should not exceed the basic capital, and subordinated financing (deposits) should not exceed half the basic capital.

ADIB has complied with all local capital requirements and in the countries in which its external branches operate during the past two years.

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

According to Basel II	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Tier 1 after disposals		
Basic going concern capital		
Issued and paid up capital	12,000,000	6,000,000
Reserves	1,248,062	796,365
Fair value reserve	333,616	284,547
Retained earnings	20,942,457	15,831,681
Less: The bank's investments in financial companies (banks or companies) and insurance companies (shares and investment funds)	(337,900)	(232,922)
Deferred tax	(50,435)	(196,968)
Intangible assets	(324,034)	(44,356)
Total basic going concern capital after disposal	**33,811,766**	**22,438,347**
Additional basic capital		
Difference between FV and PV for subordinated financing	19,323	24,950
Total additional basic capital	**19,323**	**24,950**
Total Tier 1 after disposal (basic capital)	**33,831,089**	**22,463,297**
Tier 2 after disposals		
Equivalent of required provisions balances against debt instruments / loans and credit facilities And Contingent Liabilities incorporated in stage 1	2,571,472	2,076,871
Subordinated financing	5,565,217	7,073,796
45 % of the increase in fair value compared to carrying amount of investments in Subsidiaries and associates	106,273	46,528
45% of special reserve	13,179	15,585
Total Tier 2 after disposal	**8,256,141**	**9,212,780**
Total capital base after disposal	**42,087,230**	**31,676,077**
Credit risks	205,748,880	166,189,756
The value of overriding the top 50 clients over the prescribed limits is weighted by risk weights	-	9,265,436
Market risks	83,776	845,530
Operating risks	10,621,925	7,742,300
Total assets and contingent liabilities weighted by credit, market, operational risks	**216,454,581**	**184,043,022**
Capital Adequacy Ratio	**19.44%**	**17.21%**

4/6 Leverage ratio

- The Board of Directors of the Central Bank of Egypt (CBE) at its session 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 pillar of 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 of capital adequacy (after exclusions), and bank assets (both within and outside the financial position) are not weighted by risk weights.

Ratio components:

The numerator components

The numerator consists of tier 1 of capital (after exclusions) that is used in the numerator of capital adequacy standard currently applied in accordance with the instructions of the Central Bank of Egypt.

The denominator elements

The denominator consists of all ADIB's assets on and off-the financial position items according to the financial statements, called "Bank Exposures" including the following totals:

1- On-the financial position exposure items after deducting Tier 1 exclusions for capital base.

2- Exposures resulting from derivatives contracts.

3- Exposures resulting from financing securities.

4- Off-the financial position exposures (weighted exchange transactions).

The following table summarizes the leverage ratio:

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Tier 1 capital after disposals (1)	33,831,089	22,463,297
Cash and due from CBE	27,407,270	19,433,859
Due from Banks	53,930,895	94,537,740
Treasury bills and other government securities	17,516,588	8,196,685
Financial investments at FVPL	32,205	60,991
Financial investments at FVOCI	17,321,104	2,308,242
Financial investments at amortized cost	68,278,825	31,564,622
Investments in subsidiaries and associates	735,376	543,817
Total financings and credit facilities to customers	148,012,554	97,813,331
Fixed assets (net of impairment loss provision & accumulated depreciation)	948,385	706,918
Other assets	16,001,244	8,225,129
Deducted amounts from exposures (some of tier 1 exclusions for capital base)	(712,369)	(474,246)
Total on-balance sheet exposures items after deducting tier 1 disposals	**349,472,077**	**262,917,088**
Replacement cost	13,981	25,402
Expected future value	44,487	20,988
Pre-Promised Islamic Contracts	**58,468**	**46,390**
Treasury bills sale with repurchase commitment	-	93
Exposure resulting from securities financing	**-**	**93**
Total on-balance sheet exposures, pre-promised islamic contracts and financing financial securities	**349,530,545**	**262,963,571**
Letters of credit -import	2,198,744	1,974,911
Letters of credit -export	43,508	12,009
letters of guarantee	22,093,122	15,798,476
letters of guarantee requested or guaranteed by external banks	1,583,716	2,227,233
Contingent liabilities for general collaterals for financing facilities and similar collaterals	155,076	162,684
Bank acceptance	7,441,436	7,189,089
Total contingent liabilities	**33,515,602**	**27,364,402**
Capital commitments	330,738	286,064
Operating lease commitments	748,964	594,631
Financing commitments to clients /banks (unutilized part) original maturity period	8,989,208	4,860,880
Total commitments	**10,068,910**	**5,741,575**
Total exposures off-balance sheet	**43,584,512**	**33,105,977**
Total exposures on-balance sheet and off-balance sheet (2)	**393,115,057**	**296,069,548**
Financial leverage ratio (1/2)	**8.61%**	**7.59%**

5- Significant accounting estimates and assumptions

ADIB uses estimates and assumptions that affect the amounts of assets and liabilities disclosed during the next fiscal year. Estimates and assumptions are 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 instalments on the outstanding balances of those assets.

B) Uncertainty Related with Assumptions and Estimates:

Uncertainties related with assumptions and estimates of significant risks that may result in material adjustments in the financial period ended on 31 December 2025 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.

Notes to the consolidated financial statements

For the year ended 31 December 2025

6- Segment analysis

The activity segments 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 include:

Large, medium and small enterprises

These include the activities of current accounts, deposits, current accounts receivable (Mudaraba), financing and credit facilities, and financial derivatives.

Investment

This includes activities of corporate mergers, investment purchasing, financing of corporate restructuring and financial instruments.

Retail

This includes activities of current accounts, savings, deposits, credit cards, personal finance and real estate finance.

Other activities

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

EGP (in thousands)

31 December 2025	corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment					
Revenues of activity segment	6,291,466	6,045,508	6,801,709	3,693,003	22,831,686
Expenses of activity segment	(1,926,134)	(151,168)	(2,344,749)	(927,493)	(5,349,544)
profit for the Period before tax	4,365,332	5,894,340	4,456,960	2,765,510	17,482,142
Tax	(982,200)	(1,326,227)	(1,018,249)	(1,554,511)	(4,881,186)
Net profit for the Period	3,383,132	4,568,114	3,438,711	1,210,999	12,600,956
Assets and liabilities by activity segment					
Assets of activity segment	119,615,280	162,226,462	59,977,059	-	341,818,801
Un-classified assets	-	-	-	4,892,404	4,892,404
Total assets	119,615,280	162,226,462	59,977,059	4,892,404	346,711,205
Liabilities of activity segment	147,197,591	15,851,433	142,396,377	-	305,445,401
Un-classified liabilities	-	-	-	6,630,948	6,630,948
Total liabilities	147,197,591	15,851,433	142,396,377	6,630,948	312,076,349

EGP (in thousands)

	corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment 31 December 2024					
Revenues of activity segment	5,928,989	4,989,722	4,690,665	2,189,868	17,799,244
Expenses of activity sectors	(3,570,350)	(59,200)	(1,703,726)	(175,816)	(5,509,092)
profit for the Period before tax	2,358,639	4,930,522	2,986,939	2,014,052	12,290,152
Tax	(690,069)	(831,657)	(685,950)	(1,066,537)	(3,274,213)
Net profit for the Period	1,668,570	4,098,865	2,300,989	947,515	9,015,939
Assets and liabilities by activity segment 31 December 2024					
Assets of activity sectors	64,902,169	139,640,061	31,205,829	-	235,748,059
Non-Classified assets	-	-	-	24,719,047	24,719,047
Total assets	64,902,169	139,640,061	31,205,829	24,719,047	260,467,106
Liabilities of activity sectors	109,496,835	24,167,179	91,319,050	-	224,983,064
Non-classified liabilities	-	-	-	12,497,335	12,497,335
Total liabilities	109,496,835	24,167,179	91,319,050	12,497,335	237,480,399

7- Net profit income

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income		
Financing and facilities		
Banks	248,476	126,917
customers	25,289,735	18,185,314
Total	25,538,211	18,312,231
Financial investments in debt Instruments at AC and FVOCI	253,603	38,992
Deposits and current accounts*	22,674,344	17,941,955
Income from Leased assets	796,297	651,308
Total	49,262,455	36,944,486
Cost of deposits and similar costs		
Deposits and current accounts:		
To banks	(525,125)	(1,397,411)
To customers	(27,428,136)	(19,445,837)
other financings	(1,156,852)	(848,421)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(7)	(169)
Total	(29,110,120)	(21,691,838)
Net Revenues from funds	20,152,335	15,252,648

The income 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 belong to this bank according to the investment restricted agency, which requires investing these amounts in government debt instruments within the limits of the return expected and agreed upon.

In 2020, the Sharia Board of the bank approved this structure, through which Abu Dhabi Islamic Bank - Egypt invests its surplus liquidity in concluding an international commodity murabaha transaction with a local bank and concluding an investment agency contract in which the local bank assigns Abu Dhabi Islamic Bank - Egypt as a restricted agency for investment. In the purchase of treasury bills and bonds for the benefit of the principal, and therefore, as mentioned, the bank's return is the profit of international commodity murabaha and the Profit of the bills and bonds in favor of the contracted local bank.

8- Net fees and commissions income

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Fees and commissions income:		
Credit related fees and commissions	2,062,565	1,437,840
Fees of corporate financing	63,493	20,484
Cards related fees and commissions	373,049	264,849
Custody fees	5,516	1,743
Other fees	1,062,248	865,503
Total	3,566,871	2,590,419
Fees and commissions expenses:		
Paid brokerage fees	(6,371)	(896)
Miscellaneous banking commission	(35,581)	(25,123)
Credit cards paid commissions	(581,104)	(550,697)
Other fees and commissions paid	(213,965)	(118,572)
Total	(837,021)	(695,288)
Net fees and commission income	2,729,850	1,895,131

9- Dividend Income

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Equity instruments at FVPL	1,020	1,168
Equity instruments at FVOCI	5,286	3,579
Financial investments in associates	1	668
Total	6,307	5,415

10- Net trading income

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Foreign currencies operations:		
Gain from fx deals	642,242	647,833
Gain /(Loss) of Islamic forward contracts revaluation	(108,755)	1,902
Gain /(Loss)of revaluation of forward Foreign exchange contracts	(17,060)	10,352
Gain of currency option contracts revaluation	7,766	12,513
Equity Instruments at FVPL	521	8,046
Mutual funds at FVPL	21,857	28,065
Total	546,571	708,711

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For the year ended 31 December 2025

11- Administrative expenses

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Employees' cost		
Salaries,wages and benefits	(1,436,334)	(1,149,731)
Social insurance	(76,705)	(61,946)
Pension cost		
Defined contribution plans	(43,923)	(34,812)
Defined benefit plans	(141,201)	(128,546)
Depreciation and amortization	(178,849)	(133,481)
Other administrative expenses	(1,554,205)	(1,106,002)
Total	(3,431,217)	(2,614,518)

12- Other operating expenses

	31 December 2025 EGP (in thousands)	31 December 2024 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	(169,945)	49,251
Gain on sale of fixed assets	108,110	10,890
Gain on sale of investment properties	2,100	8,886
Cost Of Program	(379,536)	(338,466)
operating lease expense	(249,265)	(177,702)
Other assets Impairment	(300)	(7,268)
Other provisions	(286,688)	(288,922)
Other expense	(202,526)	(183,671)
Total	(1,178,050)	(927,002)

13- Expected credit losses

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Financing and facilities to customers	(1,462,708)	(2,207,223)
Financing and facilities to banks	(4,897)	(2,481)
Due from banks	11,644	(1,084)
Financial investments at FVOCI	(1,648)	5,518
Financial investments at amortized cost	(50,459)	29,988
Leased Assets	(5,994)	4,711
Total	**(1,514,062)**	**(2,170,571)**

14- Income tax expenses

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Current tax	(5,035,071)	(3,339,975)
Deferred tax	153,885	65,762
Total	**(4,881,186)**	**(3,274,213)**

Additional information on deferred income tax was presented in Note (32). Taxes on ADIB's profits are different from the value resulting from the application of tax rates as follows:

Reconciliation to calculate effective tax rate:

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Profit before tax	17,482,142	12,290,152
Applicable tax rate	22.5%	22.5%
Income tax (expenses) based on applied tax rate	3,933,482	2,765,284
Tax impact for		
Non-taxable revenues	(2,436,411)	(1,203,973)
Non-deductible tax expenses	1,434,406	895,088
Tax of treasury bills and bonds and dividends	1,949,709	817,815
Income tax expenses according to effective tax rate	4,881,186	3,274,213
Effective tax rate	27.92%	26.64%

15- Cash and due from Central Bank

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Cash	1,301,167	1,336,757
Balances with central bank within mandatory reserve ratio	17,785,445	12,474,932
Total	**19,086,612**	**13,811,689**
Non-Profit bearing balances	19,086,612	13,811,689
Total	**19,086,612**	**13,811,689**

16-Due from banks

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Current accounts	561,674	213,859
Placements with other banks	56,881,044	97,926,497
Murabaha due from local banks*	108,590,288	48,013,050
Restricted wakala due to local banks*	(108,590,288)	(48,013,050)
	57,442,718	98,140,356
(less) Expected Credit Losses	(9,587)	(22,697)
Total	**57,433,131**	**98,117,659**
Balances with CBE other than mandatory reserve ratio	8,320,711	5,622,227
Local banks	41,596,975	86,856,949
Murabaha due from local banks*	108,590,288	48,013,050
Restricted wakala due to local banks*	(108,590,288)	(48,013,050)
Foreign Banks	7,525,032	5,661,180
(less) Expected Credit Losses	(9,587)	(22,697)
Total	**57,433,131**	**98,117,659**
Non-Profit bearing balances	561,674	213,859
Variable profit bearing balances	48,090,211	92,307,996
Fixed profit bearing balances	8,790,833	5,618,501
(less) Expected Credit Losses	(9,587)	(22,697)
Total	**57,433,131**	**98,117,659**
Due from banks' expected credit losses movement		
Balance at beginning of the Year	22,697	13,243
Net Expected credit losses recognized during the Year	(11,644)	1,084
Foreign exchange translation differences	(1,466)	8,370
Total	**9,587**	**22,697**

*Balances with banks include an amount of 108,590,288 EGP representing Murabaha due from a local bank, offset by restricted investment agencies due to the same bank for the same amount to invest the restricted agency amount in government debt instruments, and a set-off has been made between them due to their fulfilment of the conditions for set-off between assets and liabilities contained in the rules for preparing and photographing The financial statements issued by the Central Bank of Egypt on December 16.

In 2020, the Sharia Board of the bank approved this structure, through which Abu Dhabi Islamic Bank - Egypt invests its surplus liquidity in concluding an international commodity murabaha transaction with a local bank and concluding an investment agency contract in which the local bank assigns Abu Dhabi Islamic Bank - Egypt as a restricted agency for investment. In the purchase of treasury bills and bonds for the benefit of the principal, and therefore, as mentioned, the bank's return is the profit of international commodity murabaha and the Profit of the bills and bonds in favour of the contracted local bank.

17- Financing and facilities to Banks

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Direct Facilities	4,809,319	2,033,552
Total	4,809,319	2,033,552
less:		
Expected Credit Losses	(6,840)	(2,825)
Total	(6,840)	(2,825)
Net	4,802,479	2,030,727
Financing and Facilities to banks' Credit loss analysis		
Balance at beginning of the Year	2,825	-
Net Expected credit losses recognized during the Year	4,897	2,481
Foreign exchange translation differences	(882)	344
Total	6,840	2,825

18- Financing and facilities to Customers

- Total financing and facilities to customers (net of deferred profit)

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Retail		
Debit current accounts	7,290	9,855
Credit cards	1,903,639	1,276,893
Personal financing	46,693,817	26,129,524
Mortgage Financing	466,430	599,717
Total	49,071,176	28,015,989
Corporate (including SMEs)		
Debit current accounts	13,511,634	13,878,758
Direct financing	88,772,357	58,994,996
Syndicated financing	3,313,838	1,463,357
Credit cards	746	70
Total	105,598,575	74,337,181
Total financing and facilities to customers	154,669,751	102,353,170
Deduct:		
Expected Credit Losses	(7,443,689)	(6,662,099)
Total	(7,443,689)	(6,662,099)
Net	147,226,062	95,691,071
Classified in balance sheet as follow		
Conventional financings to Customers(net of ECL)	-	61,123
Islamic financings to Customers(net of ECL)	147,226,062	95,629,948
Net	147,226,062	95,691,071
Variable-profit bearing balances	79,012,389	63,485,421
Fixed-profit bearing balances	68,213,673	32,205,650
Total	147,226,062	95,691,071

Financing and Facilities to customers' Expected Credit Losses movement	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Balance at beginning of the Year	6,662,099	4,213,187
Subsideries write off	-	63,830
Net Expected credit losses recognized during the Year	1,462,708	2,207,223
Recoveries from previously written-off financings	44,643	46,647
Used from provision during the Year	(530,948)	(580,310)
Foreign exchange translation differences	(194,813)	711,522
Total	7,443,689	6,662,099

18- Financing and facilities to customers - Continued

The analysis of movement of the provision for impairment losses for financings and facilities to customers classified according to their types is as follows:

EGP (in thousands)

	Retail				
31 December 2025	**Debit current accounts**	**Covered cards**	**Personal financing**	**Mortgage Financing**	**Total**
Balance at beginning of the Year	-	151,862	450,126	10,713	612,701
Expected Credit Losses During the year	-	58,982	387,363	6,750	453,095
Recoveries from Written off loans	-	9,409	26,288	-	35,697
Used provisions during the year	-	(28,424)	(87,623)	-	(116,047)
Balance at 31 December 2025	-	191,829	776,154	17,463	985,446

	Corporate				
31 December 2025	**Debit current accounts**	**Direct financing**	**Syndicated financing**	**Covered cards**	**Total**
Balance at beginning of the Year	705,238	4,086,554	1,257,606	-	6,049,398
Expected Credit Losses During the year	(262,424)	1,002,225	269,812	-	1,009,613
Recoveries from Written off loans	-	8,946	-	-	8,946
Used provisions during the year	-	(414,901)	-	-	(414,901)
Foreign exchange translation differences	(15,001)	(129,584)	(50,228)	-	(194,813)
Balance at 31 December 2025	427,813	4,553,240	1,477,190	-	6,458,243

EGP (in thousands)

	Retail				
31 December 2024	**Debit current accounts**	**Covered cards**	**Personal financing**	**Mortgage Financing**	**Total**
Balance at beginning of the year	-	89,369	528,432	9,011	626,812
Expected Credit Losses During the year	-	66,476	40,743	1,702	108,921
Recoveries from Written off loans	-	12,265	29,065	-	41,330
Used from provision during the year	-	(16,248)	(148,114)	-	(164,362)
Balance at 31 December 2024	-	151,862	450,126	10,713	612,701

	Corporate				
31 December 2024	**Debit current accounts**	**Direct financing**	**Syndicated financing**	**Covered cards**	**Total**
Balance at beginning of the year	148,912	2,876,675	560,780	8	3,586,375
Expected Credit Losses During the year	497,451	1,030,109	570,750	(8)	2,098,302
Disposals resulting from sale of subsidiaries	-	63,830	-	-	63,830
Recoveries from Written off loans	-	5,317	-	-	5,317
Used from provision during the year	-	(415,948)	-	-	(415,948)
Foreign exchange translation differences	58,875	526,571	126,076	-	711,522
Balance at 31 December 2024	705,238	4,086,554	1,257,606	-	6,049,398

19- Financial investments

Financial investments at FVPL	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
A) Listed equity instruments		
Local corporate shares	16,067	14,924
Total equity instruments	**16,067**	**14,924**
B) Mutual funds certificates		
Un-Listed in stock exchange market	127,394	107,095
Total mutual funds certificates	**127,394**	**107,095**
Total financial investments at FVPL (1)	**143,461**	**122,019**

Financial investments at FVOCI	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
A) Treasury bonds - at FV		
Listed in stock exchange market	12,462,411	1,607,748
Total Treasury bonds	**12,462,411**	**1,607,748**
B) Islamic Sukuk - at FV		
Listed in stock exchange market	4,423,413	262,944
Total Islamic Sukuk	**4,423,413**	**262,944**
C) Government treasury bills - at FV		
Un-Listed in stock exchange market	5,299,244	619,681
Total Government treasury bills	**5,299,244**	**619,681**
Detailed T-bills maturities as the following:		
Treasury bills of 91 days maturity	30,700	11,625
Treasury bills of 182 days maturity	192,025	5,375
Treasury bills of 273 days maturity	366,025	-
Treasury bills of 364 days maturity	5,611,275	632,025
Total	**6,200,025**	**649,025**
Unearned revenues	(904,189)	(32,002)
Valuation differences of treasury bills at FV	3,408	2,658
Net	**5,299,244**	**619,681**
D) Equity instruments at FV		
Un-Listed in stock exchange market	387,578	400,959
Total equity instruments	**387,578**	**400,959**
E) Mutual funds certificates at FV		
Un-Listed in stock exchange market	47,702	36,591
Total mutual funds certificates	**47,702**	**36,591**
Total financial investments at FVOCI (2)	**22,620,348**	**2,927,923**

19- Financial investments – continued

Financial investments at AC	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
A) Government treasury bonds		
Listed in stock exchange market	62,510,460	30,105,418
Less: Expected Credit Losses	(73,696)	(56,673)
Total government treasury bonds	**62,436,764**	**30,048,745**
B) Islamic Sukuk		
Listed in stock market exchange	5,768,366	1,459,204
(Deduct) Impairment loss provision	(31,978)	(7,691)
Total Islamic Sukuk	**5,736,388**	**1,451,513**
C) Government treasury bills		
Un-Listed in stock exchange market	12,220,751	7,580,187
Less: Expected Credit Losses	(43,438)	(39,696)
Total government treasury bills	**12,177,313**	**7,540,491**
Detailed T-bills maturities as the following:		
Treasury bills of 182 days maturity	450,000	-
Treasury bills of 273 days maturity	1,875,000	-
Treasury bills of 364 days maturity	10,288,735	7,682,801
Total	**12,613,735**	**7,682,801**
Unearned revenues	(392,984)	(102,614)
Less: Expected Credit Losses	(43,438)	(39,696)
Net (1)	**12,177,313**	**7,540,491**
REPOs		
Treasury bills sold with repurchase commitment within one week	-	(522)
Total	-	**(522)**
Unearned revenues	-	(4)
Net (2)	-	**(526)**
Net (1+2)	**12,177,313**	**7,539,965**
Total financial investments at AC (3)	**80,350,465**	**39,040,223**
Total financial investments (1+2+3)	**103,114,274**	**42,090,165**
Non-profit bearing balances	435,280	437,550
Fixed-profit bearing balances	99,722,078	40,097,473
Variable-profit bearing balances	2,956,916	1,555,142
Total financial investments	**103,114,274**	**42,090,165**

Debt instruments Expected Credit Losses movement	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Balance at the beginning of the Year	104,060	79,386
Net Expected Credit Losses during the Year	50,459	(29,988)
Foreign exchange translation differences	(5,407)	54,662
Total	**149,112**	**104,060**

19- Financial investments – continued

- **Mutual funds**
- ***Sanabel Mutual Fund**

- An Islamic equity fund, with an independent Sharia body, was launched in December 2006 and aims to create a mechanism that allows for investors, invest in local and regional markets through moderate risk investment strategies. The fund works to reduce the risks to which investors are exposed through diversification into local short- and medium-term Islamic stocks Term, Global Depositary Receipts and Regional Shares
- The financial investments at fair value through other comprehensive income include ADIB's contribution in Sanabel Mutual Fund between ADIB and the Arab International Banking Company under the management of CI Capital company for managing mutual funds.
- The total number of documents invested in by ADIB is 25,000 documents at market value of EGP 609.4 at 2.5% of total number of documents outstanding to reach total amount of EGP 15,236 thousand as at 31 December 2025 (31 December 2024: EGP 9,921 thousand).

- ****Abu Dhabi Islamic Bank - Egypt Monetary Fund with Accumulative Daily Return (El-Naharda)**

- ADIB has established Abu Dhabi Islamic Bank - Egypt Monetary Fund with Accumulative Daily Return (El-Naharda) compatible with the principles of Islamic Sharia law, as the fund is managed by Beltone for managing investment funds.
- The total number of documents invested in by ADIB is 87,165 documents at market value of EGP 372.47 at 2.5% of the fund's total number of documents outstanding, so the total amount is EGP 32,467 thousand as at 31 December 2025 (31 December 2024: EGP 26,670 thousand).

The following is a summary of the movement of financial investments during the year:

EGP (in thousands)

31 December 2025	FVOCI	Amortized cost	Total
Balance at beginning of the Period	2,927,923	39,040,223	41,968,146
Additions	210,953,009	52,378,539	263,331,548
Premium / discount Amortization	1,021,897	1,637,050	2,658,947
Disposals (Sale / redemption)	(192,322,514)	(11,538,227)	(203,860,741)
Translation difference of monetary assets in foreign currencies	(20,409)	(1,122,069)	(1,142,478)
Changes in fair value reserve	60,442	-	60,442
Less: impairment loss provision	-	(45,051)	(45,051)
Balance at 31 December 2025	22,620,348	80,350,465	102,970,813

31 December 2024	FVOCI	Amortized cost	Total
Balance at beginning of the year	11,697,889	21,933,121	33,631,010
Additions	33,834,640	24,998,194	58,832,834
Premium / discount Amortization	2,851,536	1,482,776	4,334,312
Disposals (Sale / redemption)	(45,783,179)	(14,443,649)	(60,226,828)
Translation difference of monetary assets in foreign currencies	194,121	5,086,764	5,280,885
Changes in fair value reserve	132,916	-	132,916
Less: impairment loss provision	-	(16,983)	(16,983)
31 December 2024	2,927,923	39,040,223	41,968,146

Notes to the consolidated financial statements

For the year ended 31 December 2025

19/4 Gains / (losses) of financial investments

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Gains (Losses) from sale of investments in associates	9,155	-
Total	9,155	-

20- Investments in associates

EGP (in thousands)

	31 December 2025		31 December 2024	
Contribution in Associates	Value	Share	Value	Share
Orient Takaful Insurance - Egypt	648,068	20.0%	456,520	20.0%
Consumer Cooperative Society	25	71.4%	25	71.4%
Total	648,093		456,545	

21- Intangible Assets (net of accumulated amortization)

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Net book value at the beginning of the year	44,356	38,832
Additions	29,434	24,935
Amortization for the year	(23,355)	(19,411)
Net book value ate the end of the year	50,435	44,356

22- Other assets

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Accrued revenues	5,020,622	2,309,606
prepaid expenses	1,225,116	1,172,008
Advance payments for purchase of fixed assets	790,163	611,809
Assets reverted to the bank in settlement of debts (Net of impairment losses)	862,397	2,984
Deposits and custodies	22,584	14,943
Due from Related Parties	134,713	86,390
Accounts Under Settlements With Correspondents	253,501	510,795
Inventory	278	1,280
Projects Under Construction	217	-
Other debit balances	2,047,231	537,397
Total	10,356,822	5,247,212
Provision for impairment of other assets	-	(5,530)
Net other assets	10,356,822	5,241,682

Notes to the consolidated financial statements

For the year ended 31 December 2025

23- Fixed assets (Net of accumulated depreciation)

EGP (in thousands)

31 December 2025	Lands & Premises	& Machinery Equipment	Rennovation	Other assets	Total
Cost	556,567	117,703	373,856	1,009,266	2,057,392
Accumulated Depreciation	(43,377)	(64,626)	(174,155)	(640,492)	(922,650)
Disposals resulting from the sale and reclassification of subsidiaries	(77,100)	(41,286)	-	(63,269)	(181,655)
Net Book Value	**436,090**	**11,791**	**199,701**	**305,505**	**953,087**
Net Book Value at the beginning of the year	117,940	7,933	218,331	368,956	713,160
Additions	350,066	12,698	6,502	51,312	420,578
Disposals	(39,616)	(1,922)	(11,721)	(3,713)	(56,972)
Disposals' Accumulated Depreciation	17,178	1,840	9,149	2,547	30,714
Depreciation charge for the year	(9,478)	(8,758)	(22,560)	(113,597)	(154,393)
Net Book Value	**436,090**	**11,791**	**199,701**	**305,505**	**953,087**

EGP (in thousands)

31 December 2024	Lands & Premises	& Machinery Equipment	Renovation	Other assets	Total
Cost	246,117	106,927	379,075	961,667	1,693,786
Accumulated Depreciation	(51,077)	(57,708)	(160,744)	(529,442)	(798,971)
Disposals resulting from the sale and reclassification of subsidiaries	(77,100)	(41,286)	-	(63,269)	(181,655)
Net Book Value	**117,940**	**7,933**	**218,331**	**368,956**	**713,160**
Net Book Value at the beginning of the year	123,173	7,382	221,545	295,361	647,461
Additions	-	2,292	14,637	161,742	178,671
Disposals	(274)	(15)	-	(7,076)	(7,365)
Disposals' Accumulated Depreciation	274	14	-	6,962	7,250
Depreciation charge for the year	(5,233)	(1,740)	(17,851)	(88,033)	(112,857)
Net Book Value	**117,940**	**7,933**	**218,331**	**368,956**	**713,160**

Notes to the consolidated financial statements

For the year ended 31 December 2025

24- Investment properties

EGP (in thousands)

31 December 2025	Lands	Premises	Other Equipment	Total
Balance at the beginning of the year	2,100	5,882	-	7,982
Disposals	(2,100)	(1,187)	-	(3,287)
Depreciation for the year	-	(1,101)	-	(1,101)
Balance at the end of the year	-	3,594	-	3,594

EGP (in thousands)

31 December 2024	Lands	Premises	Other Equipment	Total
Balance at the beginning of the year	2,100	12,609	-	14,709
Disposals	-	(5,514)	-	(5,514)
Depreciation for the year	-	(1,213)	-	(1,213)
Balance at the end of the year	2,100	5,882	-	7,982

25- Financial Leased Assets to Others

	30 September 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Total investments in finance lease contract	6,055,115	4,453,142
Less Down Payment - Leasing Contracts	(3,343,061)	(2,390,945)
Net Invest in Lease contract	2,712,054	2,062,197
Less: impairment loss provision	(28,491)	(22,497)
Net at the end of the year	2,683,563	2,039,700

26- Due to banks

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Current Accounts	1,154,637	754,990
Deposits	4,767,120	14,082,347
Total	5,921,757	14,837,337
Local Banks	2,598	2,542,117
Foreign Banks	5,919,159	12,295,220
Total	5,921,757	14,837,337
Non-profit bearing balances	1,154,637	754,990
Variable profit bearing balances	4,767,120	14,082,347
Total	5,921,757	14,837,337

27- Customers' deposits

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Demand Deposits	95,384,602	61,541,391
Time and call deposits	82,531,021	72,277,419
Saving and deposit certificates	64,401,661	42,425,063
Saving Deposits	31,995,770	20,580,968
Other Deposits	3,551,316	3,157,758
Total	**277,864,370**	**199,982,599**
Corporate deposits	143,291,426	113,177,810
Retail deposits	134,572,944	86,804,789
Total	**277,864,370**	**199,982,599**
Non-profit bearing balances	28,528,530	20,637,415
Variable profit bearing balances	7,293,337	-
Fixed profit bearing balances	242,042,503	179,345,184
Total	**277,864,370**	**199,982,599**

28- Islamic Pre-Promised exchange contracts

Currency forwards contracts represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Future foreign currency exchange contracts and/or Profit rates are contractual obligations to receive or pay a net amount based on changes in currency rates, Profit rates and/or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an active financial market.
Credit risk at ADIB is considered low. Forward Profit rate agreements represent future exchange rate contracts negotiated on a case-by-case basis. These agreements require financial settlements on a future date for the difference between the contractual Profit rate and the Profit rate prevailing in the market on the basis of an agreed contractual amount/ nominal value.

EGP (in thousands)

	31 December 2025		
	/ Contractual nominal amount	Assets	Liabilities
Pre-Promised Forward exchange contracts	1,557,180	13,981	-
Pre-Promised Swap exchange contracts	717,776	-	140,892
Total	2,274,955	**13,981**	**140,892**

	31 December 2024		
	/ Contractual nominal amount	Assets	Liabilities
Pre-Promised Forward exchange contracts	717,103	25,402	-
Pre-Promised Swap exchange contracts	757,768	-	14,710
Total	**1,474,871**	**25,402**	**14,710**

29- Subordinated Financing / Other Islamic Financings

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Subordinated Financing at reduced cost*	1,710,055	1,777,365
Subordinated Financing with coupon**	7,029,091	7,469,491
Other Financings	1,492,860	1,154,415
Total	**10,232,006**	**10,401,271**
Subordinated Financing at reduced cost*		
Balance at the beginning of the Period/Year	1,777,365	1,052,617
Subordinated financing cost using effective interest rate method	44,571	43,156
Foreign currency translation differences	(111,881)	681,592
Total	**1,710,055**	**1,777,365**

***Subordinated financing at Reduced Cost**

The subordinated financing at Reduced Cost represents an amount of 39 million US dollars granted by the Abu Dhabi Islamic Bank, the UAE, under a framework agreement for the agency with investment for a period of 6 years, starting from December 27, 2012, and in 2016 a supplementary agreement was concluded for the support financing contract by extending the term of the contract to end on December 27, 2023 On March 30, 2022, another supplementary agreement was concluded for the support financing contract, by extending the contract term to end on March 29, 2029 instead of December 27, 2023. The bank recorded the supporting financing at the current value using a discount rate of 3.25%, and these supplementary agreements resulted in the loading of equity net the amount of 12,465 thousand Egyptian pounds, which represents the difference between the nominal value and the present value of the financing at the date of the term extension agreement.
This agreement also resulted in an expected profit for the agent of 6.25% of the investment amount.

****Subordinated financing With Coupon**

Abu Dhabi Islamic Bank – UAE

On March 28, 2019, the bank obtained additional supportive financing in the amount of 30 million US dollars from Abu Dhabi Islamic Bank, UAE, under a framework agreement for investment agency for a period of 7 years starting from March 28, 2019, resulting in an expected profit of 9.88% of the investment amount, which is not fundamentally different from Market discount rate.

International Finance Corporation

**On July 7, 2023, the bank obtained a supportive financing compatible with the principles of Islamic Sharia in the amount of 50 million US dollars from the International Finance Corporation under the Murabaha system for a period of 5 years starting from July 7, 2023, resulting in an expected profit of 9.433% of the investment amount, which is not fundamentally different from the price. Market discount.

Notes to the consolidated financial statements

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30- Other liabilities

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Accrued revenues	1,023,526	1,329,583
Accrued expenses	1,352,772	967,493
Other credit balances	9,031,633	5,373,127
Total	**11,407,931**	**7,670,203**

31- Other provisions

EGP (in thousands)

31 December 2025	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
Balance at beginning of the Period	83,707	50,922	1,421,073	2,010	1,557,712
Impairment charged during the Period	6,941	1,000	282,313	(1,178)	289,076
Used provision during the Period	(1,490)	(922)	(100)	-	(2,512)
Provision No longer Required	(1,843)	(545)	-	-	(2,388)
Foreign exchange translation differences	-	-	(16,194)	-	(16,194)
Balance at 30 September 2025	**87,315**	**50,455**	**1,687,092**	**832**	**1,825,694**

31 December 2024	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
Balance at beginning of the year	76,969	46,764	952,055	2,010	1,077,798
Impairment charged during the year	9,597	20,650	601,446	-	631,693
Used provision during the year	(2,425)	(16,492)	-	-	(18,917)
Provision No longer Required	(434)	-	(342,337)	-	(342,771)
Foreign exchange translation differences	-	-	209,909	-	209,909
Balance at 31 December 2024	83,707	50,922	1,421,073	2,010	1,557,712

32- Deferred tax Asset

Deferred tax was calculated on all temporary tax differences using the liabilities method and using the effective tax rate for the current financial year.

Deferred tax assets and liabilities can be offset when there is a legal reason to offset between the current taxes on assets versus the current tax on liabilities, in addition, when the deferred tax is following the same tax authority.

ADIB reassesses the position of deferred tax assets unrecognized at each date of the financial position and recognizes the deferred tax assets that were not previously recognized to the extent that it becomes probable in the future that there will be a tax profit that allows the absorption of the value of the deferred tax asset.

Deferred tax assets balances

EGP (in thousands)

Taxable Impact for Temporary differences on:	Deferred Tax Assets 31 December 2025	Deferred Tax Assets 31 December 2024	Deferred Tax Liabilities 31 December 2025	Deferred Tax Liabilities 31 December 2024
Fixed Assets Depreciation	-	-	(84,518)	(83,178)
Provisions (other than provision for loans impairment loss)	501,845	416,372	-	-
Differences of changes in fair value for financial investments at FVOCI	-	-	(95,348)	(82,396)
Profit in suspense	21,169	15,466	-	-
Other	-	-	(5,263)	(69,297)
Total Deferred Tax Assets / (Liabilities)	**523,014**	**431,838**	**(185,129)**	**(234,870)**
Net Deferred Tax Assets / (Liabilities)	337,885	196,968		

Movement of deferred tax assets and liabilities

	Deferred Tax Assets 31 December 2025	Deferred Tax Assets 31 December 2024	Deferred Tax Liabilities 31 December 2025	Deferred Tax Liabilities 31 December 2024
Balance at the beginning of the year	431,838	305,019	(234,870)	(141,766)
Additions	91,176	126,819	49,741	(93,104)
Total balance at the end of the year	523,014	431,838	(185,129)	(234,870)

Deferred tax assets (liabilities) balances recognized directly within equity	31 December 2025	31 December 2024
Differences of changes in fair value for financial investments at FVOCI	(95,348)	(82,396)
Total reserves at the end of the year	(95,348)	(82,396)

33-Capital

33/1- Authorised capital

The authorized capital amounted to 20 billion Egyptian pounds (December 31, 2024: 10 billion Egyptian pounds).

33/2 Issued and paid-up capital

The issued and paid-up capital amounted to 12 billion Egyptian pounds (representing 1,200 million shares with a nominal value of 10 Egyptian pounds per share) (December 31, 2024: 6 billion Egyptian pounds)

34- Reserves

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Legal Reserve	918,748	477,941
General Reserve	54,955	54,955
Special Reserve	29,287	34,634
Capital Reserve	57,194	46,304
General Risk Reserve	219,979	219,979
Fair value reserve	333,630	284,561
Total reserves	**1,613,793**	**1,118,374**

Reserves movements are as follows:

34/1- Special Reserve

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Adjustments resulting from the effect of change in the measurement policy of AFS financial investments for previous years	34,634	31,968
Adjustments resulted from changes in foreign currency of monetary items translation for associates	(5,347)	2,666
Total	**29,287**	**34,634**
Balance at the beginning of the year	34,634	31,968
Transferred from (to) retained losses	(5,347)	2,666
Total	**29,287**	**34,634**

34- Reserves -Continued

34/2- Capital reserve

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Balance at the beginning of the year	46,304	4,748
Transferred from (to) retained earnings	10,890	41,556
Total	**57,194**	**46,304**

34/3- Fair value reserve

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Balance at the beginning of the year	284,561	178,049
Net change in fair value of equity instruments during the year	6,152	98,888
Net change in fair value of debt instruments at OCI	54,290	34,028
Expected credit losses for debt instrument at FVOCI	1,578	5,518
Deferred income tax recognized during the year	(12,951)	(31,922)
Total	**333,630**	**284,561**

35-Retained earnings

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Balance at the beginning of the year	15,815,345	8,569,192
Net profit for the year	12,588,572	9,008,528
Transferred to LegaL Reserve	(440,806)	(222,451)
Transferred to Capital Reserve	(10,890)	(41,556)
Remuneration for board members and Employees	(885,929)	(448,482)
Remuneration for board members	(57,671)	(35,190)
Banking System Development Fund	(88,593)	(44,848)
Amortization of subordinated financing cost using effective interest rate	44,571	43,156
Free Shares Dividedns	(6,000,000)	(1,000,000)
Subsidiaries prior years adjustments	22,238	1,246
Dividends paid - Associates	(23,673)	(14,250)
Total	**20,963,164**	**15,815,345**

36- Contingent liabilities and commitments

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Letters of Credit (import / export)	11,211,401	9,973,110
Letters of guarantee	44,394,310	31,839,568
Acceptance Letter	7,441,436	7,190,358
Financial Bank guarantees	3,208,615	4,487,803
Total	**66,255,762**	**53,490,839**

37- Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include the following balances with original maturities not exceeding three months from the date of acquisition:

	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Cash and Due from CBE	1,301,167	1,336,757
Due from banks with less than 3 months maturity	46,808,345	78,741,383
Treasury bills of 91 days maturity	30,700	11,624
Total	**48,140,212**	**80,089,764**

38- Transactions with related parties

38/1- Transactions with related parties' balances included during the Year are as follows:

Relationship Nature	Account Nature	Transaction Nature	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Major Shareholders	Assets	Due from banks	591,393	2,908
Major Shareholders	Assets	Other Assets	134,713	85,896
Major Shareholders	Liabilities	Due to banks	289,465	227,053
Major Shareholders	Liabilities	Subordinated financing	6,330,586	6,704,916
Major Shareholders	Liabilities	Other Liabilities	285,322	2,153,158
Major Shareholders	Liabilities	Management fees	189,035	242,816
Major Shareholders	Shareholders equity	Difference between face and present value for subordinated financing at Reduced Cost	19,323	24,950
Associates Companies	Liabilities	Customers deposits	929,163	586,225

38/2- Transactions with related parties' balances included during the Year are as follows:

Relationship Nature	Account Nature	Transaction Nature	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Major Shareholders	Revenues	Income from Murabaha, Musharaka, Mudaraba and other similar income	600	-
Major Shareholders	Expenses	Cost of subordinated financing At Reduced Cost using EIR method	(433,771)	(191,115)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(121,764)	(113,094)
Major Shareholders	Expenses	Cost of Deposits Paid To banks	130,000	(555,789)
Associates Companies	Expenses	Cost of Deposits Paid To Customers	(97,793)	-

*The wages, salaries and benefits in kind on 31 December 2025 include an amount of EGP 95,250 thousand, which represents the total amount of the twenty largest employees who earn bonuses, salaries, and benefits in ADIB altogether.

39- Defined benefits obligations

Liabilities recognised in the statement of financial position:

Amounts recognised in the statement of income:

Unrealized actuarial losses are amortized over the remaining average working years, and the amortization for the year amounted to EGP 83,707 million.

The main actuarial assumptions used by ADIB are as follows:

Liabilities recognized in statement of financial position:	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
post-retirement medical benefits	453,161	369,454
Total	**453,161**	**369,454**
Existing balances in balance sheet comprise:		
Present value of financed liabilities	601,365	529,077
Unrealized actuarial losses	(148,203)	(159,623)
Liabilities in balance sheet	**453,162**	**369,454**
Movement of liabilities during the year is as follows		
Estimated obligation at the beginning of year	529,077	500,891
Cost of current service	2,336	2,166
cost of income	113,381	106,646
Actuarial losses / (Gains)	(17,707)	(34,175)
Benefits paid	(25,722)	(46,451)
Estimated obligations during the year	**601,365**	**529,077**
Balance sheet settlement		
Liabilities (assets) in balance sheet	369,454	287,359
Calculation of recognized pension in profits or losses in the	141,201	128,546
Paid benefit directly by the company in financial year	(57,493)	(46,451)
Liabilities (assets) in balance sheet the end of year	**453,162**	**369,454**

Amounts recognized in income statements	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
post-retirement medical benefits	(141,201)	(128,546)
Total	**(141,201)**	**(128,546)**
Amounts recognized in income statements comprise:		
Cost of current service	141,201	128,546
Cost of early retirement recognized in profit or loss	**141,201**	**128,546**

The main actuarial assumptions used by the bank are as	31 December 2025 EGP (in thousands)	31 December 2024 EGP (in thousands)
Discount on medical benefits post retirement rate	20.56%	23.35%
Increase of compensation rate	17.25%	16.00%
Inflation rate	12.30%	26.53%

Defined benefits obligations - continued

39/1 Savings Insurance Fund for Employees

On 1 July 2013, ADIB established the Private Social Security Fund (the Fund) under Law No. 54 of 1975, regarding "The Private Insurance Funds Law and its Executive Regulations". ADIB registered the Fund on 14 January 2014 under registration number with the Financial Regulatory Authority (FRA) (884). The Fund started as of 1 April 2014. The provisions of this Fund and its amendments shall apply to all employees of the main office of ADIB and its branches in the Arab Republic of Egypt.

ADIB is obliged to pay the due contributions to the Fund for each month as calculated in accordance with the Fund's Regulations and its Amendments. The Fund is generally financed through monthly contributions and some other resources specified in the Fund's Regulations.

Insurance benefits are paid in the case of termination of service due to the member reaching the age of retirement, death, permanent disability or permanent partial disability that terminates the service. In the event that the term of membership is less than (3) three years, the member of the Fund will be paid the final balance of his account corresponding to the contributions paid by him to the Fund on the date of termination of service or membership.

The approval of FRA has been taken to start investing the employees' monthly contributions and depositing them in the investment account of the Fund Manager.

39/2 System of defined benefits for the medical care of the senior employees during the period of service and after retirement

ADIB has a defined benefit system for medical care for senior employees during the period of service and after retirement. ADIB has assigned an independent actuarial expert to estimate the liabilities arising from the above-mentioned medical care system using the projected unit credit method in calculating liabilities.

The most important assumptions used by the actuarial expert are as follow: -

- Mortality Rate Based on British table A67-70ULT for death rates
- The rate of inflation of medical care costs 26.53%.
- Profit rate used as a basis for deduction 23.5%.
- (Projected Unit Credit Method) is used in the calculation of liabilities.

40- Tax Position

1. ADIB- Egypt

Tax on Corporate Profits

Year 2018/ 2019

- All taxes due for that period were reviewed and paid.

Year 2020/ 2021

- No claims have been Filed to the Bank and tax inspection is under processing through the electronic tax inspection system.

Year 2022/2024

- No claims have been Filed to the Bank and did not receive an examination date yet, meanwhile the bank is submitting Tax Declaration on time.

Salaries tax

Years until 2020

- The tax inspection for that period was completed and all due taxes were paid.

Years 2021/ 2022

- The tax inspection for that period was completed and a claim was filed to pay only the Tax Principle amount and the bank paid. Regarding the Late Fees claim on the bank will be filed after applying Law No.16 For year 2020.

Years 2023/ 2024

- No claims have been Filed, monthly Settlements have been uploaded Regularly and in Time Quarterly and Annual settlements were uploaded.

Years 2025

- monthly Settlements have been uploaded Regularly and the bank is in Process of Uploading Yearly Settlements And Form 4 Salaries for the Fourth Quarter

Stamp duty

Years Until 2022

- The tax inspection for that period was completed and the Settled

Years 2023/ 2024

- The bank is Uploading all Forms, however , no tax inspection till date.

Sales tax

Years Until 2015

- Examination, linking, and payment of sales tax have been completed from the beginning of registration until the year 2015.

Years 2016/ 2020

- the inspection is Completed has been Completed and tax settlement is in Process with Major Financiers.

Years 2021/ 2024

- the bank Was Notified with the Tax Inspection, and All Documents Were Prepared and Delivered to Major Financiers.

Real Estate tax

- Real estate tax on buildings owned by ADIB is paid each year periodically and all due taxes were paid till 2023.

40- Tax Position - continued

2. National company for trading and development (ENTAD)

Sales taxes

- The tax audit was conducted by the Sales Tax Authority until 31/12/2022, and the company paid all the due differences based on the tax office's audit. Thus, the company has settled the original, additional, and compensation amounts.

Stamp Duty and Development Fee

- The tax audit was conducted by the Shubra El-Kheima Tax Authority until 31/12/2005, and the company paid all the due differences based on the tax office's audit.
- For the period from 1/1/2006 to 31/12/2012, the company was notified of a payment demand of EGP 89,745. The company paid EGP 30,000 on account while appealing and referring the dispute to the competent courts. The settlement with the tax office is ongoing to resolve the dispute.

Salary Tax

- The tax audit was conducted by the Joint-Stock Companies Tax Authority until 31/12/2004, and the company paid all the due differences based on the tax office's audit.
- For the period from 1/1/2005 until now, no tax audit has been conducted. The company remits the due tax based on the monthly payroll sheets in accordance with the law.

Corporate Tax and Movable Values

- The tax audit was conducted by the Joint-Stock Companies Tax Authority until 31/12/2004, and all dues were settled and paid according to the final settlement dated 28/11/2018, except for the years 1999/2001, where a primary ruling of EGP 88,294 was issued and settled according to the execution of the ruling.
- For the period from 2005/2009, the tax return submitted by the company was approved.
- For the period from 2010/2012, the tax was estimated arbitrarily at EGP 1,011,122, and a memorandum was submitted to the appeal committee

3. Cairo national company for investment & Securities

Income Taxes

- For the years 1995 to 2012, the audit, settlement, and payment were completed.
- For the years 2013 to 2014, the appeal committee issued a decision to re-examine these years.
- For the years 2015 to 2017, an estimated assessment was made and appealed.
- For the year 2018, the company was notified of an estimated assessment with Form 19, but no appeal has been filed to date.
- For the years 2019 to 2021, they are included in the tax authority's audit plan.
- Work is ongoing to benefit from Law 30, Article 3 to finalize the audit from 2013 to 2022

40- Tax Position - continued

Tax on Salaries and the Equivalent

- For the years 1995 to 2020, the company was audited, and all due taxes and audit differences owed to the authority were settled and paid.
- The audit for the years 2020 and 2021 is ongoing.
- For the year 2023 to date, no audit has been conducted

Stamp Duty

- For the years 1995 to 2010, the company was audited and the due stamp duty was paid.
- For the years 2011 to date, no audit has been conducted.

Real Estate Tax

- - The company pays its due tax according to the latest valuation of the company's headquarters, and the tax has been paid until 31st December 2024 without any dispute with the Authority

4. Abu Dhabi Islamic Capital to promote and cover the subscription of securities- ADIB Capital

Corporate Tax

- For years 2013/2014 The inspection and Settlements Is Complete.
- For years 2015/2016 The company received Form-19 with an estimated tax of 5,340,398 Egyptian Pounds. An objection has been filed within the legal deadlines, and the documents are being prepared for the re-examination.
- For years 2017 To 2022 The company has not been notified with any forms until the current date.

Salary Tax

- Years 2012/2014 The examination has been completed, and the company has approved the decision of the Dispute Resolution Committee at the authority.
- Years 2015/2020 Tax Inspection is Completed and the Committee Decision is Approved and Form (1/3) has been Received under Number 2364 Dated 30 May 2024 From Tax Authority Number 18389 dated 2 June 2024 with Tax Differences
- Years 2021/2023 The company has not been notified with any forms until the current date.

Stamp Duty

- Years 2012 To 2019 The company received Form-19 for stamp duty covering a period with tax differences amounting to 820,000 Egyptian Pounds. An objection has been filed within the legal deadlines, and the re-examination is currently underway.
- Years 2020 To 2022 The company has not been notified with any forms until the current date.

40- Tax Position - continued

5. Abu Dhabi Holding for financial investments - ADIB Holding

Corporate tax

- The audit and payment were completed from the start of operations until 2014, and work is currently underway to finalize the settlement.
- For the years 2012/2021, the audit was completed and estimated payment of 1 million EGP is Made.
- For the years 2022/2023, the company has not received any notifications requesting an audit to date.

Salary Tax

- For the years 2011/2021, the audit and approval were completed, Form 3/1 for payment was received, and a tax amount of EGP 419,982 was approved, with a late fee of EGP 664,454, totalling audit differences and late fees of EGP 1,084,436. The principal amount of EGP 419,982 was paid on 5/2/2024.
- For the years 2022/2023, no audit notifications have been received to date.

Stamp Duty

- The company is subjected to the Stamp Law No. 111 of 1980 which was amended by law No. 143 Of 2006 and its amendments.
- The company's books have not been examined to date.

VAT

- The company's books have not been examined to date.

6. Abu Dhabi Islamic For Finance – ADI Finance

Corporate Tax

- Period from commencement of activity until 2018 , The tax inspection completed.
- For the years 2019 to 2021, The tax inspection for that period was completed, which resulted in tax variance EGP 3,829,538, An appeal was filed within the legal timeframe and a hearing with the internal committees is currently being scheduled
- For the years 2022 to 2023, The company was not notified to submit examination, according to the company's notification

Salary Tax

- Period from commencement of activity until 2017, The tax inspection is completed.
- for the period 2018 to 2021, the required documents were prepared and submitted to tax authority and waiting for processing the examination.
- for the period 2022 to 2023, The Company was not notified by any forms, according to the company's notifications.

40- Tax Position - continued

Stamp Duty

- The examination of the stamp duty was completed up to 31/12/2010, and the settlement and all due the taxes were paid
- For the years 2011 to 2016, Examination and settlement have been completed.
- For the years 2017 to 2018, the company was notified of a tax of 100,000 Egyptian pounds as per Form 19, and an appeal was filed within the legal deadlines
- For the years 2019 to 2023, the company was not notified of any forms, according to the company's notifications.

7. Abu Dhabi Islamic Bank for Consumer Finance - ADI Consumer Finance

Corporate Tax

- The Company is Subjected to Corporate Tax Law Number 91 For Year 2005 and its annexes.
- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

Tax of Salaries, Wages and Equivalent

- The Company is Subjected to Corporate Tax Law Number 91 For Year 2005 and its annexes.
- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

Stamp Duty

- The Company is Subjected to Corporate Tax Law Number 111 For Year 1980 and its annexes.
- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

Withholding Tax

- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

VAT

- The Company is not Subject To VAT.

8. Abu Dhabi Islamic - Egypt for Micro financing 'Arzaq'

Corporate Tax

- The Company is Subjected to Corporate Tax Law Number 91 For Year 2005 and its annexes.
- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.
- The Company Submits tax Returns in legal Times and Taxes are Paid Accordingly.

Tax of Salaries, Wages and Equivalent

- The Company is Subjected to Corporate Tax Law Number 91 For Year 2005 and its annexes.
- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

40- Tax Position - continued

Stamp Duty

- The Company is Subjected to Corporate Tax Law Number 111 For Year 1980 and its annexes.
- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

Withholding Tax

- The Company did not receive any Forms Or Notification till Date and the Company is not was not Examined till Date.

VAT

- The Company is not Subject To VAT.

9. Abu Dhabi Islamic Properties - ADIB Properties

Commercial and Industrial Profits Tax

- The years 2013/2014 were examined, the objection was made, the referral was made to the Appeal Committee, and it was appealed and transferred to the court.
- The years from 2015 to 2019 have been examined and appealed, and an appointment is being set in the internal committees of the tax office.
- The years 2020/2022 The company received a request for examination, and the processing has not been completed yet, pending the resolution of issues related to previous years by the committees.

Tax of Salaries, Wages and Equivalent

- The Company has been examined and paid the taxes till 2019.
- The Company has not been examined from 2020 till date.

Stamp Duty

- The Company has not been examined till date.

41- Significant Events

Economic factors

- The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided to cut the CBE's overnight deposit rate, overnight lending rate and the rate of the main operation by 725 basis points to 20%, 21% and 20.50% respectively. The committee also decided to cut the Credit / discount rate by 725 basis points to 20.50%.

- Standard & Poor's credit rating agency announced on 10 October 2025 that they have revised Egypt's credit rating From "B-" to "B" while maintaining the Stable Outlook.
- Fitch credit rating agency announced on 10 October 2025 Maintaining Egypt's credit rating on "B" with Stable Outlook.