

Translation of financial statements  
Originally issued in Arabic

**Abu Dhabi Commercial Bank – EGYPT (S.A.E)**

**Condensed interim Financial Statements  
For the period ended 30 June 2022  
AND Limited Auditors' Report**



**Abu Dhabi Commercial Bank – EGYPT (S.A.E)**

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For the period ended 30 June 2022  
AND Limited Auditors' Report**

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## Report on Limited Review of condensed Interim Financial Statements

To the Board of Directors of Abu Dhabi Commercial Bank – Egypt (S.A.E)

### Introduction


We have performed a limited review for the accompanying condensed interim financial statements of Abu Dhabi Commercial Bank – Egypt (S.A.E) which comprise of the condensed statement of financial position as of June 30, 2022 and the related condensed statements of income, comprehensive income, change in equity and cash flows for the six-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the basis of recognition and measurement in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in accordance with the Central Bank of Egypt's rules issued on May 3, 2020 related to the issuance of the condensed interim financial statements and the prevailing Egyptian laws related to the preparation of the condensed interim financial statements. Our responsibility is to express a conclusion on these condensed interim financial statements based on our limited review.

### Scope of Limited Review

We conducted our limited review in accordance with the Egyptian standard on review engagements (2410) "Limited Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". A limited review of condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed interim financial statements.

### Conclusion

Based on our limited review, nothing has come to our attention that cause us to believe that accompanying condensed interim financial statements do not present fairly, in all material respects, the financial position of the bank as of June 30, 2022 and of its financial performance and its cash flows for the six months period then ended in accordance with the bases of recognition and measurement issued by the central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and in accordance with the Central Bank of Egypt's rules issued on May 3, 2020 related to the issuance of the condensed interim financial statements and the prevailing Egyptian laws related to the preparation of the condensed interim financial statements.

 **KPMG Hazem Hassan** Auditors  
Public Accountants and Consultants  
(23) KPMG Hazem Hassan  
Public Accountants & Consultants

 **MOORE Egypt**  
Public Accountants & Consultants

Cairo, August 4, 2022

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## Statement of Financial Position As OF June 30, 2022

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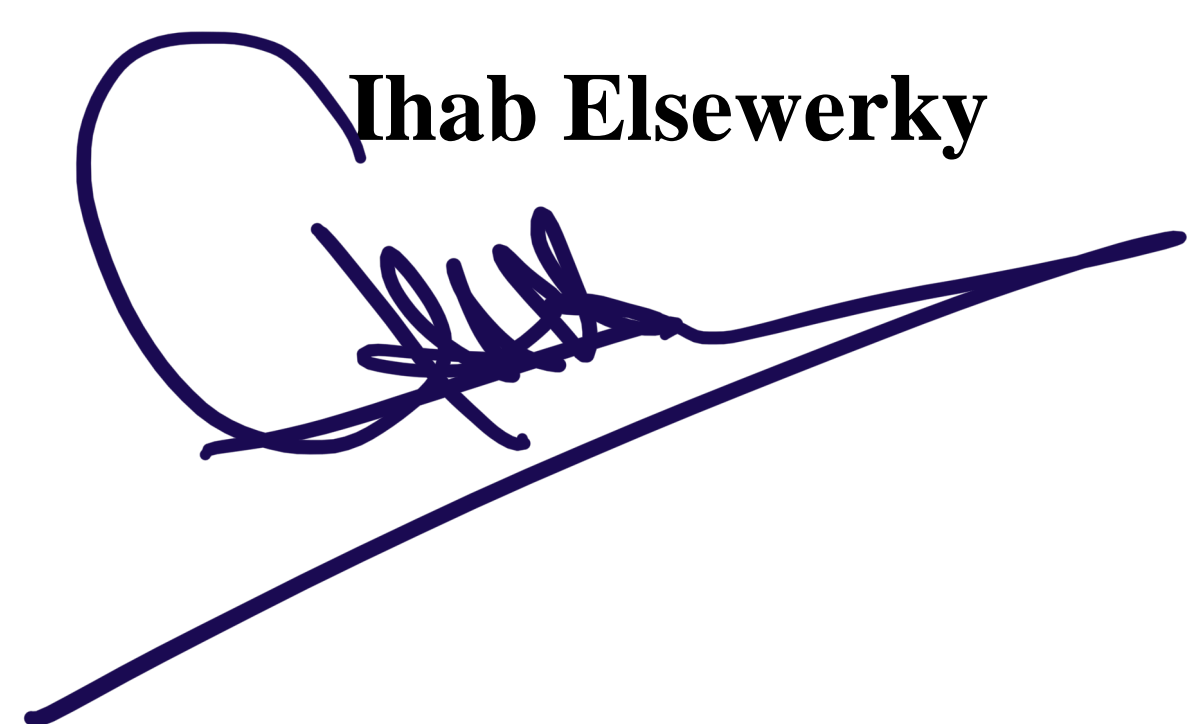
| <i>In Egyptian Pound</i>  | Note | 30 June 2022          | 31 December 2021      |
|---|------|-----------------------|-----------------------|
| <b>Assets</b>   |      |                       |                       |
| Cash and due from Central Bank of Egypt                         | (6)  | 3 468 204 949         | 4 192 587 117         |
| Due from banks  | (7)  | 11 208 717 447        | 5 648 905 303         |
| Treasury bills at fair value through other comprehensive income | (8)  | 17 092 767 446        | 10 813 514 066        |
| Loans and advances to customers                                 | (9)  | 25 957 143 252        | 21 222 172 434        |
| <b>Investments :</b>  |      |                       |                       |
| – At Amortized Cost   | (10) | 438 319 956           | 641 223 070           |
| – At fair value through other comprehensive income              | (11) | 5 015 223 292         | 4 808 194 852         |
| Investments in associates                                       | (12) | 100                   | 100                   |
| Intangible assets   | (13) | 32 894 272            | 44 175 274            |
| Other assets  | (14) | 945 773 433           | 781 781 820           |
| Property and equipment  | (16) | 492 350 418           | 203 607 583           |
| <b>Total assets</b>   |      | <b>64 651 394 565</b> | <b>48 356 161 619</b> |
| <b>Liabilities and shareholders' equity</b>                     |      |                       |                       |
| <b>Liabilities</b>  |      |                       |                       |
| Due to banks  | (17) | 52 639 583            | 145 530 761           |
| Customers' deposits   | (18) | 57 185 485 350        | 41 109 736 634        |
| Other liabilities   | (19) | 741 502 117           | 611 550 757           |
| Other provisions  | (20) | 70 876 372            | 55 700 189            |
| Deferred tax liabilities  | (15) | 18 207 933            | 20 207 933            |
| <b>Total liabilities</b>  |      | <b>58 068 711 355</b> | <b>41 942 726 274</b> |
| <b>Shareholders' equity</b>                                     |      |                       |                       |
| Paid-in capital   | (21) | 5 000 000 001         | 1 474 814 253         |
| Amounts paid under capital increase                             |      | –                     | 3 525 185 748         |
| Reserves  | (21) | 859 493 414           | 688 308 069           |
| Retained earnings   | (21) | 723 189 795           | 725 127 275           |
| <b>Total shareholders' equity</b>                               |      | <b>6 582 683 210</b>  | <b>6 413 435 345</b>  |
| <b>Total liabilities and shareholders' equity</b>               |      | <b>64 651 394 565</b> | <b>48 356 161 619</b> |

– The accompanying notes from (1) to (36) are an integral part of these condensed interim Financial Statements and read with it.

– Limited Auditors' report attached.

Managing Director and CEO

Ihab Elsewerky



Chairman

Mohamed Dhaen Al Hamli



## Income Statement for period ended June 30, 2022

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| <i>In Egyptian Pound</i>                       | Note | 30 June 2022         | 30 June 2021       | Period from<br>1 April 2022 to 30<br>June 2022 | Period from<br>1 April 2021 to<br>30 June 2021 |
|--|------|----------------------|--------------------|--|--|
| Interest income on loans and similar revenues  | (24) | 2 829 183 635        | 1 921 854 171      | 1 554 840 583                                  | 1 006 813 186                                  |
| Interest expense and similar charges           | (24) | (1 676 057 352)      | (1 115 417 088)    | ( 915 408 486)                                 | ( 569 758 704)                                 |
| <b>Net interest income</b>                     |      | <b>1 153 126 283</b> | <b>806 437 083</b> | <b>639 432 097</b>                             | <b>437 054 482</b>                             |
| Fees and Commissions income                    |      | 254 516 774          | 136 169 678        | 120 856 774                                    | 71 841 223                                     |
| Fees and Commissions expenses                  |      | (11 624 282)         | (8 982 876)        | (5 086 205)                                    | (5 222 422)                                    |
| <b>Net fees and commissions income</b>         |      | <b>242 892 492</b>   | <b>127 186 802</b> | <b>115 770 569</b>                             | <b>66 618 801</b>                              |
| Dividends income                               | (25) | 1 323 360            | 2 602 855          | 1 323 360                                      | 2 380 952                                      |
| Net trading income                             | (26) | –                    | 1 752 008          | –  | 1 700 163                                      |
| Gains from financial investments               | (27) | 12 867 845           | 1 700 923          | 4 317 352                                      | (1 371 089)                                    |
| Expected credit losses impairment              | (28) | (215 542 615)        | (92 523 946)       | (136 795 953)                                  | (47 850 609)                                   |
| Administrative expenses                        | (29) | (426 846 480)        | (372 129 414)      | (216 659 650)                                  | (193 390 649)                                  |
| Other operating expenses                       | (30) | 1 113 304            | 27 254 048         | (38 280 387)                                   | (1 596 009)                                    |
| <b>Profit for the period before income tax</b> |      | <b>768 934 189</b>   | <b>502 280 359</b> | <b>369 107 388</b>                             | <b>263 546 042</b>                             |
| Income tax expenses                            | (15) | (262 057 712)        | (144 711 602)      | (148 426 117)                                  | (76 045 986)                                   |
| <b>Net profit for the period</b>               |      | <b>506 876 477</b>   | <b>357 568 757</b> | <b>220 681 271</b>                             | <b>187 500 056</b>                             |
| <b>Earnings per share (EGP)</b>                | (31) | <b>0.50</b>          | <b>1.22</b>        | <b>0.21</b>                                    | <b>0.66</b>                                    |

– The accompanying notes from (1) to (36) are an integral part of these condensed interim Financial Statements and read with it.

**ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)**
**Statement of Other Comprehensive Income for period ended June 30, 2022**

| <i>In Egyptian Pound</i>   | <b>30 June 2022</b>  | <b>30 June 2021</b> | <b>Period from<br/>1 April 2022 to<br/>30 June 2022</b> | <b>Period from<br/>1 April 2021 to<br/>30 June 2021</b> |
|--|----------------------|---------------------|---|---|
| <b>Net profit for the period</b>   | <b>506 876 477</b>   | <b>357 568 757</b>  | <b>220 681 271</b>                                      | <b>187 500 056</b>                                      |
| <b>Items that may be reclassified to profit or loss</b>                                      |                      |                     |   |   |
| Net change in the fair value of investments at fair value through other comprehensive income | (190 845 724)        | (43 063 060)        | (151 310 652)   | ( 18 521)   |
| Income tax related to items that may be reclassified to profit or loss                       | 42 940 288           | 9 689 189           | 34 044 897  | 4 167   |
| Expected credit losses on debt instruments at fair value through other comprehensive income  | (4 089 884)          | ( 10 124 442)       | (1 761 052)   | (1 230 069)   |
| <b>Total other comprehensive income for the period, net after tax</b>                        | <b>(151 995 320)</b> | <b>(43 498 314)</b> | <b>(119 026 807)</b>                                    | <b>(1 244 423)</b>                                      |
| <b>Total comprehensive income for the period, net after tax</b>                              | <b>354 881 157</b>   | <b>314 070 444</b>  | <b>101 654 464</b>                                      | <b>186 255 633</b>                                      |

– The accompanying notes from (1) to (36) are an integral part of these condensed interim Financial Statements and read with it.

ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY For The period ended 30 June 2022

| <i>In Egyptian Pound</i>   | <u>Paid-in capital</u> | <u>Paid under capital increase</u> | <u>Treasury Stock</u> | <u>Legal Reserve</u> | <u>General Reserve</u> | <u>Capital Reserve</u> | <u>General banking risk reserve</u> | <u>Fair value reserve – Investment through OCI</u> | <u>Asset Held For Sale reserve</u> | <u>Retained earnings</u> | <u>Total</u>  |
|--|------------------------|------------------------------------|-----------------------|----------------------|------------------------|------------------------|-------------------------------------|--|------------------------------------|--------------------------|---------------|
| <b>Period Ended 30 June 2021</b>                                 |                        |                                    |                       |                      |                        |                        |                                     |  |                                    |                          |               |
| Balance as at January 1, 2021 before distribution                | 1 474 814 253          | –                                  | (82 535 470)          | 216 236 225          | 11 504 993             | 74 167 937             | 275 272 854                         | 112 651 024  | 4 171 712                          | 918 966 240              | 3 005 249 768 |
| Profit distribution (Staff & BOD members) – 2020                 | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (62 199 737)             | (62 199 737)  |
| Profit distribution (shareholders) – 2020                        | –                      | 737 407 127                        | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (737 407 127)            | –             |
| Paid under capital increase                                      | –                      | –                                  | –                     | 47 551 315           | –                      | –                      | –                                   | –  | –                                  | (47 551 315)             | –             |
| Transfer to legal reserve  | –                      | –                                  | –                     | –                    | –                      | 15 052 147             | –                                   | –  | –                                  | (15 052 147)             | –             |
| Transfer to capital reserve                                      | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (4 332 127)              | (4 332 127)   |
| Banking Support and Development Fund                             | –                      | –                                  | –                     | –                    | –                      | –                      | 288 865 218                         | –  | –                                  | (288 865 218)            | –             |
| Transfer to General Risk Reserve                                 | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | (53 187 502)                                       | –                                  | –                        | (53 187 502)  |
| Net of change in fair value of financial investments through OCI | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | (8 582 971)                        | –                        | (8 582 971)   |
| Asset Held For Sale reserve                                      | –                      | –                                  | 82 535 470            | –                    | –                      | –                      | –                                   | –  | –                                  | –                        | 82 535 470    |
| Treasury Stocks  | –                      | 2 784 633 403                      | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | –                        | 2 784 633 403 |
| Net profit for the period ended June 30, 2021                    | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | 357 568 757              | 357 568 757   |
| Balance as at 30 June 2021                                       | 1 474 814 253          | 3 522 040 530                      | –                     | 263 787 540          | 11 504 993             | 89 220 084             | 564 138 072                         | 59 463 522   | (4 411 259)                        | 121 127 326              | 6 101 685 061 |
| <b>Period Ended 30 June 2022</b>                                 |                        |                                    |                       |                      |                        |                        |                                     |  |                                    |                          |               |
| Balance as at January 1, 2022 before distribution                | 1 474 814 253          | 3 525 185 748                      | –                     | 263 787 540          | 11 504 993             | 89 220 084             | 308 044 899                         | 15 750 553   | –                                  | 725 127 275              | 6 413 435 345 |
| Profit distribution (Staff & BOD members) – 2021                 | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (83 024 585)             | (83 024 585)  |
| Profit distribution (shareholders) – 2021                        | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (73 740 713)             | (73 740 713)  |
| Transfer to legal reserve  | –                      | –                                  | –                     | 47 302 351           | –                      | –                      | –                                   | –  | –                                  | (47 302 351)             | –             |
| Transfer to capital reserve                                      | –                      | –                                  | –                     | –                    | –                      | 237 222 335            | –                                   | –  | –                                  | (237 222 335)            | –             |
| Banking Support and Development Fund                             | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (4 402 515)              | (4 402 515)   |
| Transfer to General Risk Reserve                                 | –                      | –                                  | –                     | –                    | –                      | –                      | 77 506 383                          | –  | –                                  | (77 506 383)             | –             |
| Net of change in fair value of financial investments through OCI | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | (190 845 724)                                      | –                                  | –                        | (190 845 724) |
| Disposal Loss financial Assets Fair value through OCI            | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | (1 061 971)              | (1 061 971)   |
| Refund part of the BOD remuneration                              | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | 15 446 896               | 15 446 896    |
| Paid under capital increase                                      | 3 525 185 748          | (3 525 185 748)                    | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | –                        | –             |
| Net profit for the period ended June 30, 2022                    | –                      | –                                  | –                     | –                    | –                      | –                      | –                                   | –  | –                                  | 506 876 477              | 506 876 477   |
| Balance as at June 30 2022                                       | 5 000 000 001          | –                                  | –                     | 311 089 891          | 11 504 993             | 326 442 419            | 385 551 282                         | (175 095 171)                                      | –                                  | 723 189 795              | 6 582 683 210 |

– The accompanying notes from (1) to (36) are an integral part of these condensed interim Financial Statements and read with it.

| <i>In Egyptian Pound</i>   | <b>Note</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|--|-------------|---------------------|---------------------|
| <b>Cash flow from operating activities</b>   |             |                     |                     |
| Net profit for the period before tax   |             | 768 934 189         | 502 280 359         |
| Adjustments to reconcile net profit to cash flow from operating activities                 |             |                     |                     |
| Depreciation and amortization  | (16,13)     | 54 466 989          | 54 270 840          |
| Reversed charged during the period–other provisions  | (20,30)     | 24 168 144          | 12 559 333          |
| Reversed charged during the period–due from banks  | (7,28)      | 2 340 613           | 19 703              |
| Foreign revaluation differences for other provisions                                       | (20)        | 988 121             | ( 120 721)          |
| Gain on sale of fixed assets   | (30)        | (70 650 607)        | (44 779 178)        |
| Dividends payable  | (25)        | (1 323 360)         | (2 602 855)         |
| <b>Operating profit before changes in assets and liabilities from operating activities</b> |             | <b>778 924 089</b>  | <b>521 627 481</b>  |
| <b>Cash flow from operating activities</b>   |             |                     |                     |
| Change in due from banks   | (7)         | (9 067 198 353)     | (251 047 561)       |
| Change in due from Central Bank of Egypt within reserve percentage                         | (6)         | 788 621 366         | (1 060 843 584)     |
| Change in treasury bills and other governmental notes                                      | (8)         | (3 372 310 276)     | (1 131 178 142)     |
| Financial assets at amortized cost   | (10)        | –                   | 1 497 639           |
| Change in loans and advances to banks  | (9)         | (4 720 976 389)     | (3 248 067 874)     |
| Change in other assets   | (14)        | (106 050 827)       | (78 086 090)        |
| Change in due to bank  | (17)        | (92 891 178)        | (631 839 459)       |
| Change in customers' deposits  | (18)        | 16 075 748 716      | 5 822 362 869       |
| Change in used from other provisions   | (20)        | (9 980 082)         | 115 603             |
| Change in other liabilities  | (19)        | 85 340 091          | 171 688 357         |
| Change in income tax paid  |             | (191 216 516)       | (96 742 229)        |
| <b>Net cash flow provided from operating activities</b>                                    |             | <b>168 010 641</b>  | <b>19 487 010</b>   |

| <i>In Egyptian Pound</i>   | Note    | 30 June 2022          | 30 June 2021         |
|--|---------|-----------------------|----------------------|
| <b>Cash flow from investing activities</b>   |         |                       |                      |
| Payments to purchase fixed assets and establishments of branches   |         | (398 286 090)         | (67 617 770)         |
| Proceeds from sale of fixed assets   |         | 79 067 089            | 58 319 999           |
| Retrieval of financial investments – Amortized cost  | (10)    | 203 700 000           | 923 050 262          |
| Purchase of financial investment Amortized cost, net investment Fair Value through OCI and in associates               | (13 12) | (298 815 366)         | (870 083 628)        |
| Reversed charged during the period provision at fair value through OCI   |         | 4 089 884             | (10 124 442)         |
| Dividends received   | (25)    | 1 323 360             | 2 602 855            |
| <b>Net cash flow (used in) provided from investing activities</b>  |         | <b>(408 921 123)</b>  | <b>36 147 276</b>    |
| <b>Cash flow from financing activities</b>   |         |                       |                      |
| Treasury Stocks  |         | –                     | 82 535 470           |
| Paid under capital increase  |         | –                     | 2 784 633 403        |
| Proceeds from other loans  |         | –                     | (787 511 000)        |
| Refund part of the BOD remuneration  |         | 15 446 896            | –                    |
| Dividends paid   |         | (161 167 813)         | (66 531 864)         |
| <b>Net cash flow (used in) provided from financing activities</b>  |         | <b>(145 720 917)</b>  | <b>2 013 126 009</b> |
| <b>Net (decrease) increase in cash and cash equivalents during the period</b>  |         | <b>( 386 631 399)</b> | <b>2 068 760 295</b> |
| Cash and cash equivalents at the beginning of the period   |         | 4 890 554 188         | 1 221 195 703        |
| <b>Cash and cash equivalents at the end of the period</b>  |         | <b>4 503 922 789</b>  | <b>3 289 955 998</b> |
| <b>For the purpose of preparing the statement of cash flow, the cash and cash equivalent comprise of the following</b> |         |                       |                      |
| Cash and due from Central Bank of Egypt  | (6)     | 3 468 204 949         | 2 975 440 378        |
| Due from banks   | (7)     | 11 211 736 432        | 3 542 071 538        |
| Treasury bills and other governmental notes  | (8)     | 17 903 160 544        | 10 703 127 395       |
| Due from Central Bank within reserve percentage  |         | (3 206 681 748)       | (2 782 772 287)      |
| Due from banks (over 3 months maturity)  |         | (10 023 511 844)      | (743 383 631)        |
| Treasury bills and other governmental notes (over 3 months maturity)   |         | (14 848 985 544)      | (10 404 527 395)     |
| <b>Cash and cash equivalents at the end of the period</b>  |         | <b>4 503 922 789</b>  | <b>3 289 955 998</b> |

– The accompanying notes from (1) to (36) are an integral part of these condensed interim Financial Statements and read with it.

**Abu Dhabi Commercial Bank - Egypt (S.A.E)**

**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

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**1- Background**

- Abu Dhabi Commercial Bank- Egypt provides retail, corporate and investment banking services in Arab Republic of Egypt and abroad through 46 branches and employs 1165 employees as at 30 June 2022.
- Abu Dhabi Commercial Bank – Egypt (Union National Bank – Egypt formerly) which acquired (Alexandria Commercial and Maritime Bank formerly) is an Egyptian Joint Stock Company as a commercial Bank established in pursuance of Ministerial Decree no, 262 of 1981, published in the Official Gazette in September 12,1981 and in accordance with the provisions of Investment Law No, 43 for the year 1974 and its amendments, which was superseded by Law No, 230 for the Year 1989, cancelled by the Law No, 8 for the year 1997 concerning Investment Guarantees and Incentives. The Bank provides all banking services related to its activity and operates through its Giza - Head office, 46 branches and 119 ATMs, the bank is delisted on Egyptian stock exchange since March 25, 2020.
- The extraordinary general assembly dated January 13, 2007 decided to change the bank's name to Union National Bank – Egypt from Alexandria Commercial and Maritime Bank and it was annotated in the Bank's Commercial Register.
- The extraordinary general assembly dated June 1, 2020 decided to change the bank's name to Abu Dhabi Commercial Bank - Egypt instead of Union National Bank - Egypt, and this was indicated in the bank's commercial register on July 26, 2020.
- Board of Directors dated July,27 2022 approved the adoption of the Condensed Interim Financial Statements for period ended June 30, 2022.

**2- Summary of significant accounting policies**

The following are the most important accounting policies used in preparing these financial statements. These policies have been consistently followed for all the years and period presented, unless otherwise disclosed.

**A-Basis of preparation**

The financial statements are prepared in accordance with Egyptian Accounting Standards issued during 2006 and its amendments and in accordance with Central Bank of Egypt instructions approved by its Board of Directors as at December 16, 2008 As well as the accompanying explanatory instructions issued in April 2009 and in conformity with the mentioned standards, and after releasing the instructions of the Central Bank of Egypt to prepare the financial statements of banks in accordance with the requirements of IFRS 9 “Financial Instruments” issued by the

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

Central Bank of Egypt on 26 February 2019 to be effective from January ,1 2019 , Management has adjusted certain policies to comply with these instructions the following notes details the changes in accounting policies.

These financial statements were prepared according to the related local laws.

The accounting policies used when preparing the condensed periodic financial statements are consistent with those used in preparing the financial statements for the fiscal year ending on December 31, 2021.

**3- Financial risk management**

The bank is exposed to various financial risks, Since the basis of financial activity is to accept risks; some risks or group of risks are analyzed, evaluated and managed all together, Therefore the bank aims to achieve an appropriate balance between the risk and return and to reduce the probable adverse effects on the bank's financial performance.

The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. the market risk comprises foreign currency exchange rates, interest rate risk and other price risks.

The risk management policies have been placed to determine and analyze the risks and to set limits to the risk and monitor them through reliable methods and updated systems.

The bank regularly reviews the risk management policies and systems and amends them in order to reflect the changes in market, products and services and the best updated applications.

Those risks are managed by risk department in the light of policies approved by Board of Directors.

The risk department determines, evaluates and covers the financial risks, in coordination with the bank's various operating units, and the Board of Directors provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas, like credit risk, foreign exchange rate risk, interest rate risk, and using the financial derivative and non-derivative instruments, Moreover, the credit risk department is responsible for periodical independent review of risk management and control environment.

**A-3 Impairment and provisioning policies**

The internal rating systems described in note (A/1) focus more on credit-quality at the inception of lending and investment activities, Otherwise, impairment provisions recognized at the balance sheet date for financial reporting purposes are losses that have been incurred and based on objective evidence of impairment as will be mentioned below, Due to the different methodologies applied, despite different methods are applied

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there was no material impact for potential credit loss in the financial statement by the amount of loss estimated using expected loss model used as at 30 June 2022 for the purpose of compliance to the rules of the CBE in note (A/4).

The impairment loss provision appeared in the balance sheet at the end of the period is derived from the four internal rating grades, However, the majority of the impairment provision comes from the last two ratings, the table below shows the percentage of in-balance sheet items relating to loans and advances and the related impairment loss provision for each rating: -

| Bank's rating        | 30/6/2022              |                        | 31/12/2021             |                        |
|----------------------|------------------------|------------------------|------------------------|------------------------|
|                      | Impairment             |                        | Impairment             |                        |
|                      | Loans<br>advances<br>% | loss<br>provision<br>% | Loans<br>advances<br>% | loss<br>provision<br>% |
| Performing loans     | 86.4                   | 7.0                    | 84.8                   | 6.6                    |
| Regular watching     | 4.0                    | 3.6                    | 5.1                    | 1.9                    |
| Watch list           | 3.7                    | 34.9                   | 3.9                    | 30.2                   |
| Non-performing loans | 5.9                    | 54.5                   | 6.2                    | 61.3                   |
|                      | 100                    | 100                    | 100                    | 100                    |

The bank's internal rating helps management to determine whether objective evidence of impairment exists under EAS (26) based on the following criteria set out by the bank:

- Payment delinquency of debtor or loan beneficiary.
- Breach of loan agreement such as a default in payment.
- Possibility of bankruptcy or entering liquidation procedures or financial restructures of granted credit.
- Deterioration of the borrower's competitive position.
- Due to economical or legal reasons, the bank agrees to grant the borrower additional benefits that would not normally be granted in normal circumstances.
- The impairment of the value of collateral.
- Deterioration of customer credit status.

The bank policies require the review of all financial assets that exceed defined relative importance at least annually or more when necessary, the impairment loss is determined on individual basis by assessing the realized loss at the reporting date on each individual case & to be applied individually to all account that have relative importance, Valuation usually

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includes the outstanding collateral, the related enforcements on these collaterals and the expected collections from those accounts, Impairment loss provision is formed based on group of similar assets using the historical experience available, personal judgment and statistical methods,

**A-4 General module to measure banking general risk**

In addition to the four categories of credit rating indicated in note (A/1) the management makes more detailed groups in accordance with the Central Bank of Egypt (CBE) requirements,

Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on information related to the customer, it's activities, financial position and payment performance,

The bank calculates the provisions required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE, In the case, the provision required for impairment losses as per CBE regulations exceeds the provision required for financial statements preparation purposes according to the Egyptian Accounting Standards, this increase shall be debited from the retained earnings to and credited to the "general banking risk reserve" under the equity caption, This reserve is regularly adjusted with this increase and decrease, to equal the amount of increase and decrease in the two provisions, This reserve is not distributable,

The rating categories based on internal evaluation techniques and their comparative figures used by the Central Bank of Egypt and the required provisions percentage for impairment of the assets exposed to credit risk.

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 loans and advances, and debt instruments as follows:

- 30.6 % of the loans and advances portfolio is classified at the highest two ratings in the internal rating.
- 82.1 % of the loans and advances portfolio having no past due or impairment indicators.
- Mortgage loans, which represent a significant part of the portfolio, are covered by guarantees.
- Loans and advances that have been evaluated on an individual basis of total amount EGP 906 M which represent 3.3 % and the provision formed and interest in suspense amount EGP 554 M represent 61.2 % of it.

The bank applies a more conservative way in granting loans and advances to customers during the period.

**A-5 Maximum limits for credit risk before collaterals through OCI****Balance sheet items exposed to credit risks**

| <i>In Egyptian pound</i>  | <b>30 June 2022</b>   | <b>31 December 2021</b> |
|---|-----------------------|-------------------------|
| Treasury bills and other governmental securities through OCI      | 17 903 160 544        | 11 476 675 268          |
| <b>Customers loans and advances</b>                               |                       |                         |
| <b>Retail loans:</b>  |                       |                         |
| Overdraft Accounts  | 108 584 216           | 108 542 687             |
| Personal loans  | 7 662 448 825         | 7 020 431 192           |
| Real Estate Finance loans   | 192 222 336           | 196 280 110             |
| Credit cards  | 85 526 642            | 59 395 009              |
| <b>Corporate loans:</b>   |                       |                         |
| Overdraft Accounts  | 5 526 244 635         | 4 430 732 523           |
| Syndicated loans  | 1 948 504 756         | 1 770 149 952           |
| Direct loans  | 11 203 481 856        | 8 205 940 481           |
| Discounted commercial bills                                       | 464 993 244           | 499 366 709             |
| <b>Financial investments:</b>                                     |                       |                         |
| Debt instruments at amortized cost                                | 438 319 956           | 641 223 070             |
| Debt instruments at fair value through other comprehensive income | 5 088 513 352         | 4 957 027 684           |
| <b>Total</b>  | <b>50 622 000 361</b> | <b>39 365 764 686</b>   |
| <b>Credit risk exposures of off balance sheet items</b>           |                       |                         |
| Credit commitments (couldn't be cancelled)                        | 574 905 884           | 372 309 558             |
| Letters of guarantees   | 5 363 590 880         | 4 008 252 978           |
| Letters of guarantees based on other banks requests               | 6 274 183 284         | 5 272 430 178           |
| Letters of credit   | 1 748 417 788         | 981 156 136             |
| Other financial liabilities                                       | 629 414 110           | 556 084 935             |
| <b>Total</b>  | <b>14 590 511 946</b> | <b>11 190 233 785</b>   |

The above table represents the maximum limit for credit risk as of 30 June 2022, without taking into considerations any collateral for balance-sheet items.

As shown in the preceding table, 53 % of the total maximum limit exposed to credit risk resulted from loans and advances to customers and banks, while 46 % represents investments in debt instruments.

**A-5-1 Items at credit risk in accordance with the requirements of IFRS9**

According to the instructions of the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Standard for Financial Reports (9) “Financial Instruments” issued by the Central Bank of Egypt on February 26, 2019, Financial assets are classified at the date of the financial statements into three stages to measure the expected credit losses from those financial assets, based on the change in credit quality since their first recognition within three stages. We review the following financial assets distributed according to the evaluation stages:

**30 June 2022**

| <i>In Egyptian pound</i>                            | The first stage       | The second stage     | The third stage      | Total                 |
|---|-----------------------|----------------------|----------------------|-----------------------|
| Due from banks                                      | 1 513 800 130         | –                    | –                    | 1 513 800 130         |
| Financial investments                               | 3 436 887 035         | –                    | –                    | 3 436 887 035         |
| Loans and facilities – corporate                    | 16 250 840 313        | 1 978 563 478        | 913 820 700          | 19 143 224 491        |
| Loans and facilities – retail                       | 7 043 306 702         | 851 515 109          | 153 960 208          | 8 048 782 019         |
| Contingent liabilities                              | 12 523 294 520        | 48 805 506           | 7 880 223            | 12 579 980 249        |
| Loan commitments and facilities – corporate clients | 574 905 884           | –                    | –                    | 574 905 884           |
| <b>Total</b>  | <b>41 343 034 584</b> | <b>2 878 884 093</b> | <b>1 075 661 131</b> | <b>45 297 579 808</b> |

**31 December 2021**

| <i>In Egyptian pound</i>                            | The first stage       | The second stage     | The third stage    | Total                 |
|---|-----------------------|----------------------|--------------------|-----------------------|
| Due from banks                                      | 506 393 938           | –                    | –                  | 506 393 938           |
| Financial investments                               | 2 693 073 232         | –                    | –                  | 2 693 073 232         |
| Loans and facilities – corporate                    | 12 270 020 966        | 1 854 020 760        | 782 147 939        | 14 906 189 665        |
| Loans and facilities – retail                       | 6 496 888 343         | 723 007 905          | 164 752 750        | 7 384 648 998         |
| Contingent liabilities                              | 9 643 392 636         | 25 724 104           | 9 509 077          | 9 678 625 817         |
| Loan commitments and facilities – corporate clients | 372 309 558           | –                    | –                  | 372 309 558           |
| <b>Total</b>  | <b>31 982 078 672</b> | <b>2 602 752 769</b> | <b>956 409 766</b> | <b>35 541 241 208</b> |

**A-5-2 Expected credit losses in accordance with the requirements of IFRS9**

According to the instructions of the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Standard for

.Financial Reports (9) “Financial Instruments” issued by the Central Bank of Egypt on February 26, 2019

**30 June 2022**

| <i>In Egyptian pound</i>                            | The first stage    | The second stage   | The third stage    | Total                |
|---|--------------------|--------------------|--------------------|----------------------|
| Due from banks                                      | 3 018 985          | –                  | –                  | 3 018 985            |
| Financial investments                               | 12 888 385         | –                  | –                  | 12 888 385           |
| Loans and facilities – corporate                    | 22 370 308         | 477 601 809        | 479 754 561        | 979 726 678          |
| Loans and facilities – retail                       | 54 807 484         | 22 292 258         | 92 576 056         | 169 675 798          |
| Contingent liabilities                              | 14 567 777         | 2 984 371          | 5 931 426          | 23 483 574           |
| Loan commitments and facilities – corporate clients | 963 807            | –                  | –                  | 963 807              |
| <b>Total</b>  | <b>108 616 746</b> | <b>502 878 438</b> | <b>578 262 043</b> | <b>1 189 757 227</b> |

|   |  |   |   |
|---|--|---|---|
| <b>Impairment provision of loans and contingent liabilities without the unused portion of the facility limits</b> | The provision for impairment is in accordance with the requirements of IFRS9 | Provision for impairment in accordance with the basis of creditworthiness | The difference between risk rating and IFRS 9 |
|---|--|---|---|

| <i>In Egyptian pound</i>             | <b>30 June 2022</b>  | <b>30 June 2022</b>  |                    |
|--------------------------------------|----------------------|----------------------|--------------------|
| Loan provision (regular / irregular) | 1 149 402 476        | 1 408 470 914        | 259 068 438        |
| Provision Contingent liabilities     | 23 483 574           | 132 530 868          | 109 047 294        |
|                                      | <b>1 172 886 050</b> | <b>1 541 001 782</b> | <b>368 115 732</b> |

**31 December 2021**

| <i>In Egyptian pound</i>                            | The first stage   | The second stage   | The third stage    | Total              |
|---|-------------------|--------------------|--------------------|--------------------|
| Due from banks                                      | 678 372           | –                  | –                  | 678 372            |
| Financial investments                               | 8 798 501         | –                  | –                  | 8 798 501          |
| Loans and facilities – corporate                    | 11 746 369        | 334 531 982        | 458 640 311        | 804 918 662        |
| Loans and facilities – retail                       | 55 038 255        | 19 088 407         | 90 165 693         | 164 292 355        |
| Contingent liabilities                              | 8 752 880         | 352 061            | 7 446 492          | 16 551 433         |
| Loan commitments and facilities – corporate clients | 328 537           | –                  | –                  | 328 537            |
| <b>Total</b>  | <b>85 342 914</b> | <b>353 972 450</b> | <b>556 252 496</b> | <b>995 567 860</b> |

|   |  |   |   |
|---|--|---|---|
| <b>Impairment provision of loans and contingent liabilities without the unused portion of the facility limits</b> | The provision for impairment is in accordance with the requirements of IFRS9 | Provision for impairment in accordance with the basis of creditworthiness | The difference between risk rating and IFRS 9 |
|---|--|---|---|

| <i>In Egyptian pound</i>             | <b>31 December 2021</b> | <b>31 December 2021</b> |                    |
|--------------------------------------|-------------------------|-------------------------|--------------------|
| Loan provision (regular / irregular) | 969 211 017             | 1 187 390 467           | 218 179 450        |
| Provision Contingent liabilities     | 16 551 433              | 88 981 332              | 72 429 899         |
|                                      | <b>985 762 450</b>      | <b>1 276 371 799</b>    | <b>290 609 349</b> |

**A-5-3 Movement of expected credit losses in accordance with the requirements of IFRS9**

According to the instructions of the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Standard for Financial Reports (9) “Financial Instruments” issued by the Central Bank of Egypt on February 26, 2019.

30 June 2022

|   | Note | Balance at the<br>beginning of the period | Provision for<br>impairment losses | refund of loans<br>previously written off | Amounts written off<br>during the period | Foreign currencies<br>revaluation<br>differences | Negated the purpose | Balance at the end<br>of the period |
|---|------|---|------------------------------------|---|--|--|---------------------|-------------------------------------|
| Due from banks  | (7)  | 678 372                                   | 2 340 613                          | –   | –  | –  | –                   | 3 018 985                           |
| Loans and facilities – corporate clients              | (9)  | 804 918 662                               | 181 271 831                        | 197 774                                   | (40 583 620)                             | 33 922 031                                       | –                   | 979 726 678                         |
| Loans and facilities – retail clients                 | (9)  | 164 292 355                               | 27 840 287                         | 24 161 261                                | (46 618 105)                             | –  | –                   | 169 675 798                         |
| <b>Total provision for expected credit losses (1)</b> |      | <b>969 889 389</b>                        | <b>211 452 731</b>                 | <b>24 359 035</b>                         | <b>(87 201 725)</b>                      | <b>33 922 031</b>                                | <b>–</b>            | <b>1 152 421 461</b>                |

|   | Note | Balance at the<br>beginning of the period | Provision for<br>impairment losses | refund of loans<br>previously written off | Amounts written off<br>during the period | Foreign currencies<br>revaluation<br>differences | Negated the purpose | Balance at the end<br>of the period |
|---|------|---|------------------------------------|---|--|--|---------------------|-------------------------------------|
| Financial investments at fair value through other<br>comprehensive income statement | (21) | 8 798 501                                 | 4 089 884                          | –   | –  | –  | –                   | 12 888 385                          |
| <b>Total provision for expected credit losses (2)</b>                               |      | <b>8 798 501</b>                          | <b>4 089 884</b>                   | <b>–</b>                                  | <b>–</b>                                 | <b>–</b>   | <b>–</b>            | <b>12 888 385</b>                   |

|   | Note | Balance at the<br>beginning of the period | Provision for<br>impairment losses | refund of loans<br>previously written off | Amounts written off<br>during the period | Foreign currencies<br>revaluation<br>differences | Negated the purpose | Balance at the end<br>of the period |
|---|------|---|------------------------------------|---|--|--|---------------------|-------------------------------------|
| Contingent liabilities                                | (20) | 16 551 433                                | 7 032 874                          | 540 000                                   | (1 628 854)                              | 988 121  | –                   | 23 483 574                          |
| Loan commitments and facilities – corporate clients   | (20) | 328 537                                   | 635 270                            | –   | –  | –  | –                   | 963 807                             |
| <b>Total provision for expected credit losses (3)</b> |      | <b>16 879 970</b>                         | <b>7 668 144</b>                   | <b>540 000</b>                            | <b>(1 628 854)</b>                       | <b>988 121</b>                                   | <b>–</b>            | <b>24 447 381</b>                   |
| <b>Total expected credit losses (1 + 2 + 3)</b>       |      | <b>995 567 860</b>                        | <b>223 210 759</b>                 | <b>24 899 035</b>                         | <b>(88 830 579)</b>                      | <b>34 910 152</b>                                | <b>–</b>            | <b>1 189 757 227</b>                |

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

**A-6 Loans and advances**

Loans and advances are summarized according to their credit rating as follows: -

**Loans and advances to customers**

| <i>In Egyptian Pound</i>              | <b>30/6/2022</b>      | <b>31/12/2021</b>     |
|---------------------------------------|-----------------------|-----------------------|
| Neither past dues nor impaired        | 22 316 868 935        | 18 128 146 748        |
| Past dues but not impaired            | 3 264 763 726         | 2 791 755 658         |
| Past dues are subjected to impairment | 1 610 373 849         | 1 370 936 257         |
| <b>Total</b>                          | <b>27 192 006 510</b> | <b>22 290 838 663</b> |
| <b><u>(Less):</u></b>                 |                       |                       |
| Unearned revenue and discount         | (6 603 136)           | (7 655 264)           |
| Impairment loss provision             | (1 149 402 476)       | (969 211 017)         |
| Interest in suspense                  | (78 857 646)          | (91 799 948)          |
| <b>Net</b>                            | <b>25 957 143 252</b> | <b>21 222 172 434</b> |

Note (9) include additional information regarding impairment loss provision on loans and advances to customers and banks.

The credit quality of the loans and advances portfolio that are neither having past due nor subject to impairment are evaluated by the internal rating of the bank.

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## Notes to condensed interim Financial Statements for the period ended June 30, 2022

### A-6 Loans and advances neither having past due nor subject to impairment

30 June 2022

| <u>Valuation</u>    |                               | <u>Retail</u>       |                       |                                |                      | <u>Corporate</u>              |                         |                      |                        |                       |
|---------------------|-------------------------------|---------------------|-----------------------|--------------------------------|----------------------|-------------------------------|-------------------------|----------------------|------------------------|-----------------------|
| In Egyptian Pound   | <u>Overdraft<br/>Accounts</u> | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate<br/>Finance</u> | <u>Total Retail</u>  | <u>Overdraft<br/>Accounts</u> | <u>Syndicated loans</u> | <u>Direct loan</u>   | <u>Total Corporate</u> | <u>Total</u>          |
| 1-Performing loans  | 108 584 217                   | 70 949 578          | 6 823 532 580         | 163 066 189                    | 7 166 132 564        | 5 991 237 879                 | 1 546 431 285           | 5 529 804 394        | 13 067 473 558         | 20 233 606 122        |
| 2-Regular follow up | –                             | –                   | –                     | –                              | –                    | –                             | 11 632 038              | 1 067 344 267        | 1 078 976 305          | 1 078 976 305         |
| 3-Watch list        | –                             | –                   | –                     | –                              | –                    | –                             | 225 559 083             | 778 727 425          | 1 004 286 508          | 1 004 286 508         |
| <b>Total</b>        | <b>108 584 217</b>            | <b>70 949 578</b>   | <b>6 823 532 580</b>  | <b>163 066 189</b>             | <b>7 166 132 564</b> | <b>5 991 237 879</b>          | <b>1 783 622 406</b>    | <b>7 375 876 086</b> | <b>15 150 736 371</b>  | <b>22 316 868 935</b> |

31 December 2021

| <u>Valuation</u>    |                               | <u>Retail</u>       |                       |                                |                      | <u>Corporate</u>              |                         |                      |                        |                       |
|---------------------|-------------------------------|---------------------|-----------------------|--------------------------------|----------------------|-------------------------------|-------------------------|----------------------|------------------------|-----------------------|
| In Egyptian Pound   | <u>Overdraft<br/>Accounts</u> | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate<br/>Finance</u> | <u>Total Retail</u>  | <u>Overdraft<br/>Accounts</u> | <u>Syndicated loans</u> | <u>Direct loan</u>   | <u>Total Corporate</u> | <u>Total</u>          |
| 1-Performing loans  | 108 542 687                   | 51 156 850          | 6 240 148 049         | 173 270 301                    | 6 573 117 887        | 4 930 099 232                 | 1 410 853 752           | 3 200 628 994        | 9 541 581 978          | 16 114 699 865        |
| 2-Regular follow up | –                             | –                   | –                     | –                              | –                    | –                             | 221 624 014             | 923 659 774          | 1 145 283 788          | 1 145 283 788         |
| 3-Watch list        | –                             | –                   | –                     | –                              | –                    | –                             | –                       | 868 163 095          | 868 163 095            | 868 163 095           |
| <b>Total</b>        | <b>108 542 687</b>            | <b>51 156 850</b>   | <b>6 240 148 049</b>  | <b>173 270 301</b>             | <b>6 573 117 887</b> | <b>4 930 099 232</b>          | <b>1 632 477 766</b>    | <b>4 992 451 863</b> | <b>11 555 028 861</b>  | <b>18 128 146 748</b> |

The non performing segments of secured loans are not subject to impairment after considering the collectability of the guarantees.

**ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)**
**Notes to condensed interim Financial Statements for the period ended June 30, 2022**
**Loans and advances having past due and not subject to impairment**

Loans and advances having past due up till 30 days and are not subject to impairment, unless there is information to the contrary. Loans and advances having past due and not subject to impairment are as follows:

**30 June 2022**

| <u>Valuation</u>           | <u>Retail</u>                 |                     |                       |                            |                     | <u>Corporate</u>              |                         |                      |                        |                      |
|----------------------------|-------------------------------|---------------------|-----------------------|----------------------------|---------------------|-------------------------------|-------------------------|----------------------|------------------------|----------------------|
| In Egyptian Pound          | <u>Overdraft<br/>Accounts</u> | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate Finance</u> | <u>Total Retail</u> | <u>Overdraft<br/>Accounts</u> | <u>Syndicated loans</u> | <u>Direct loan</u>   | <u>Total Corporate</u> | <u>Total</u>         |
| Past due less than 30 days | –                             | –                   | 162 485 262           | 16 103 057                 | <b>178 588 319</b>  | –                             | –                       | 3 086 175 407        | <b>3 086 175 407</b>   | <b>3 264 763 726</b> |
| <b>Total</b>               | –                             | –                   | <b>162 485 262</b>    | <b>16 103 057</b>          | <b>178 588 319</b>  | –                             | –                       | <b>3 086 175 407</b> | <b>3 086 175 407</b>   | <b>3 264 763 726</b> |

**31 December 2021**

| <u>Valuation</u>           | <u>Retail</u>                 |                     |                       |                            |                     | <u>Corporate</u>              |                         |                      |                        |                      |
|----------------------------|-------------------------------|---------------------|-----------------------|----------------------------|---------------------|-------------------------------|-------------------------|----------------------|------------------------|----------------------|
| In Egyptian Pound          | <u>Overdraft<br/>Accounts</u> | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate Finance</u> | <u>Total Retail</u> | <u>Overdraft<br/>Accounts</u> | <u>Syndicated loans</u> | <u>Direct loan</u>   | <u>Total Corporate</u> | <u>Total</u>         |
| Past due less than 30 days | –                             | –                   | 198 538 739           | 7 999 219                  | <b>206 537 958</b>  | –                             | –                       | 2 585 217 700        | <b>2 585 217 700</b>   | <b>2 791 755 658</b> |
| <b>Total</b>               | –                             | –                   | <b>198 538 739</b>    | <b>7 999 219</b>           | <b>206 537 958</b>  | –                             | –                       | <b>2 585 217 700</b> | <b>2 585 217 700</b>   | <b>2 791 755 658</b> |

## ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)

### Notes to condensed interim Financial Statements for the period ended June 30, 2022

#### Loans and advances subject to individual impairment

Loans and advances subject to individual impairment regardless any cash flows from collaterals amounted to EGP 1 491 088 495

The breakdown of the total loans and advances subject to individual impairment including fair value of collaterals obtained by the bank in respect of loans granted are as follows:

#### 30 June 2022

| <u>Valuation</u>          | <u>Retail</u>                 |                     |                       |                                |                     | <u>Corporate</u>              |                         |                    |                                   |                        |               |
|---------------------------|-------------------------------|---------------------|-----------------------|--------------------------------|---------------------|-------------------------------|-------------------------|--------------------|-----------------------------------|------------------------|---------------|
| In Egyptian Pound         | <u>Overdraft<br/>Accounts</u> | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate<br/>Finance</u> | <u>Total Retail</u> | <u>Overdraft<br/>Accounts</u> | <u>Syndicated loans</u> | <u>Direct loan</u> | <u>Net loans and<br/>advances</u> | <u>Total Corporate</u> | <u>Total</u>  |
| Balance                   | –                             | 14 577 063          | 676 430 983           | 13 053 090                     | 704 061 136         | –                             | 164 882 350             | 741 430 363        | –                                 | 906 312 713            | 1 610 373 849 |
| Fair value of collaterals | –                             | –                   | –                     | –                              | –                   | –                             | 53 028 921              | 66 256 433         | –                                 | 119 285 354            | 119 285 354   |

#### 31 December 2021

| <u>Valuation</u>          | <u>Retail</u>                 |                     |                       |                                |                     | <u>Corporate</u>              |                         |                    |                                   |                        |               |
|---------------------------|-------------------------------|---------------------|-----------------------|--------------------------------|---------------------|-------------------------------|-------------------------|--------------------|-----------------------------------|------------------------|---------------|
| In Egyptian Pound         | <u>Overdraft<br/>Accounts</u> | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate<br/>Finance</u> | <u>Total Retail</u> | <u>Overdraft<br/>Accounts</u> | <u>Syndicated loans</u> | <u>Direct loan</u> | <u>Net loans and<br/>advances</u> | <u>Total Corporate</u> | <u>Total</u>  |
| Balance                   | –                             | 8 238 159           | 581 744 404           | 15 010 590                     | 604 993 153         | –                             | 137 672 186             | 628 270 918        | –                                 | 765 943 104            | 1 370 936 257 |
| Fair value of collaterals | –                             | –                   | –                     | –                              | –                   | –                             | 44 325 294              | 40 749 135         | –                                 | 85 074 429             | 85 074 429    |

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Notes to condensed interim Financial Statements for the period ended June 30, 2022

**A -7 Debt instruments, treasury bills and other governmental notes , Based on Moody's rating agency Moodys for credit rating**

| In Egyptian Pound    | <u>Treasury bills<br/>and other<br/>governmental<br/>notes</u> | <u>Financial<br/>assets held<br/>for trading</u> | <u>Other<br/>Financial<br/>Investments</u> | <u>Total</u>          |
|----------------------|--|--|--|-----------------------|
| Classification of B2 | 17 903 160 544   | –  | 3 953 569 755                              | 21 856 730 299        |
| <b>Total</b>         | <b>17 903 160 544</b>  | <b>–</b>   | <b>3 953 569 755</b>                       | <b>21 856 730 299</b> |

## ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)

### Notes to condensed interim Financial Statements for the period ended June 30, 2022

#### A-8 Concentration of risks of financial assets exposed to credit risk

The following table provides a breakdown of the bank's significant credit risk concentration at their carrying amounts, distributed by geographical sector as at the end of the period:

| <i>In Egyptian Pound</i>  | Cairo                 | Alexandria, Delta and Canal | Upper Egypt & Red Sea | Total                 |
|---|-----------------------|-----------------------------|-----------------------|-----------------------|
| Treasury bills and other governmental notes                       | 17 903 160 544        | –                           | –                     | 17 903 160 544        |
| <b>Loans and advances to customers:</b>                           |                       |                             |                       |                       |
| <b>Retail:</b>  |                       |                             |                       |                       |
| Overdraft Accounts  | 44 878 509            | 56 619 694                  | 7 086 013             | 108 584 216           |
| Personal loans  | 3 816 939 158         | 3 165 175 592               | 680 334 075           | 7 662 448 825         |
| Real Estate Finance loans   | 162 200 031           | 30 022 305                  | –                     | 192 222 336           |
| Credit cards  | 46 474 382            | 28 923 176                  | 10 129 084            | 85 526 642            |
| <b>Corporate:</b>   |                       |                             |                       |                       |
| Overdraft Accounts  | 4 264 430 223         | 1 227 735 022               | 34 079 390            | 5 526 244 635         |
| Syndicated loans  | 1 455 539 252         | 492 965 504                 | –                     | 1 948 504 756         |
| Direct loans  | 7 637 174 899         | 3 483 493 095               | 82 813 862            | 11 203 481 856        |
| Discounted commercial bills                                       | –                     | 464 993 244                 | –                     | 464 993 244           |
| <b>Other Financial investments</b>                                |                       |                             |                       |                       |
| Debt instruments at amortized cost                                | 438 319 956           | –                           | –                     | 438 319 956           |
| Debt instruments at fair value through other comprehensive income | 5 088 513 352         | –                           | –                     | 5 088 513 352         |
| <b>Total as at 30June 2022</b>                                    | <b>40 857 630 306</b> | <b>8 949 927 632</b>        | <b>814 442 424</b>    | <b>50 622 000 362</b> |

**A-9 Concentration of risks of financial assets exposed to credit risk**

The following table provides a breakdown of the most significant credit risk limits at their carrying amounts categorized according to the customer's line of business:

| In thousand Egyptian pound  | <u>Manufacturing<br/>institutions</u> | <u>Trading activity</u> | <u>Governmental<br/>sector/General</u> | <u>Others</u>    | <u>Retail</u>    | <u>Total</u>      |
|---|---------------------------------------|-------------------------|--|------------------|------------------|-------------------|
| Treasury bills and other governmental notes                       | -                                     | -                       | 17 903 161                             | -                | -                | 17 903 161        |
| <b>Financial assets held for trading</b>                          |                                       |                         |  |                  |                  |                   |
| Debt instruments  | -                                     | -                       | -                                      | -                | -                | -                 |
| Loans and advances to customers                                   | 7 680 829                             | 3 660 557               | 1 901 689                              | 5 900 149        | 8 048 782        | 27 192 006        |
| <b>Financial investments</b>                                      |                                       |                         |  |                  |                  |                   |
| Debt instruments at amortized cost                                | -                                     | -                       | 438 320                                | -                | -                | 438 320           |
| Debt instruments at fair value through other comprehensive income | -                                     | -                       | 3 953 570                              | 1 134 944        | -                | 5 088 514         |
| <b>Total as at 30 June 2022</b>                                   | <b>7 680 829</b>                      | <b>3 660 557</b>        | <b>24 196 740</b>                      | <b>7 035 093</b> | <b>8 048 782</b> | <b>50 622 001</b> |

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

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**B- Market risk**

The bank is exposed to market risks that the fair value or future cash flows of the financial instruments will fluctuate due to changes in market prices, Market risks emerges from open markets unsealed to interest rate, currency, and equity instruments; each is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instrument prices. The bank classifies its exposure to market risk into trading and non-trading portfolios.

The bank market risk department is responsible for managing the market risks arising from trading and non-trading activities.

Trading portfolios include transactions where the bank directly deals with clients or with the market; while non-trading portfolios primarily arise from managing assets and liabilities interest rate related to retail transactions. Non-trading portfolios also includes foreign currency exchange risk and equity instruments risks arising from the available-for-sale investments.

**B-1 Market risk measurement techniques**

As part of market risk management, the bank undertakes various hedging strategies as well as entering into fixed interest rate swap agreements. The significant measurement techniques used to control market risk are outlined below.

**- Value at Risk**

The bank applies a 'value at risk' methodology (VAR) for trading and non-trading portfolios to estimate the market risk of outstanding positions and the maximum expected losses based on a number of scenarios for various changes in market conditions. The board of director sets limits for the value at risk that may be classified separately by the bank as for trading and non-trading portfolios and the process is daily monitored by the risk management department.

Value at risk is a statistical expectation of the expected losses on the current portfolio resulting from adverse market movements. It represents the 'maximum' loss the bank is expected to incur. When using a specified confidence level, there is statistical probability that the actual losses exceed the estimated VAR. The VAR module assumes that there is a specified holding period (1 day) before closing the opened position. It also assumes that market movements during the holding period will be consistent with the previous day pattern The bank assesses the past movement based on data from previous periods, and applies these historical changes in rates, prices and indicators directly to its current positions this approach is known as

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historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The quality of the value at risk model is continuously monitored through assurance tests to the VAR results for trading portfolio and results are reported to the top management and board of directors.

**- Stress Testing**

Stress testing provides an indication of the expected losses that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The stress testing carried out by the bank market risk department includes: risk factor stress testing where sharp movements are applied to each risk category, emerging market stress test where emerging market are subject to sharp movements, and special stress test including possible material stress events affecting specific locations or regions, for example the stress outcome to a region applying a free currency rate.

The results of the stress testing are reviewed by top management and board of directors.

**B-2 VAR summary**

The total value at risk for trading in addition to the active and listed shares for non-trading according to the type of risk as at:

**30 June 2022**

|                         | <b>Average</b> | <b>Maximum</b> | <b>Minimum</b> |
|-------------------------|----------------|----------------|----------------|
| Foreign exchange risk   | 211 092        | 534 692        | 47 193         |
| Interest rate risk      | 40 657 867     | 47 231 325     | 35 804 065     |
| Equity instruments risk | -              | -              | -              |

**31 December 2021**

|                         | <b>Average</b> | <b>Maximum</b> | <b>Minimum</b> |
|-------------------------|----------------|----------------|----------------|
| Foreign exchange risk   | 45 795         | 86 206         | 4 031          |
| Interest rate risk      | 32 984 907     | 34 749 750     | 30 939 161     |
| Equity instruments risk | -              | -              | -              |

The increase in VAR especially the interest rate risk is directly proportional to the increase in market interest rates volatility in the global financial markets.

The above three VAR results are calculated independently from the underlying positions and historical market movements with a simple way without using complex quantitative techniques. The aggregate of the trading and non-trading VAR results does not represent the bank's value at risk due to correlations between risk types and portfolio types and their various resulted effects.

**B-3 The risk of fluctuation in foreign exchange rates**

The bank is exposed to the risk of fluctuations in foreign exchange rates on the financial position and cash flows, and the Board of Directors has set limits for foreign currencies by the total value of each of the centers at the end of the day as well as during the day that is monitored at the moment. The following table summarizes the extent of the bank's exposure to the risk of fluctuations in the foreign exchange rate

At the end of the financial position, the following table includes the book value of the financial instruments distributed in the currencies that make up them:

| <i>In thousand Egyptian pound</i>                  | <b>EGP</b>        | <b>USD</b>        | <b>Euro</b>    | <b>GBP</b>   | <b>Other currencies</b> | <b>Total</b>      |
|--|-------------------|-------------------|----------------|--------------|-------------------------|-------------------|
| <b>Financial assets</b>                            |                   |                   |                |              |                         |                   |
| Cash and due from central banks                    | 3 412 744         | 42 819            | 9 963          | 30           | 2 649                   | 3 468 205         |
| Due from banks                                     | 8 778 331         | 2 272 845         | 120 341        | 8 588        | 28 612                  | 11 208 717        |
| Treasury bills and other governmental notes        | 15 011 961        | 2 061 051         | 19 756         | –            | –                       | 17 092 768        |
| Loans and advances to customers                    | 23 335 435        | 2 552 947         | 68 604         | 91           | 66                      | 25 957 143        |
| <b>Financial investments</b>                       |                   |                   |                |              |                         |                   |
| – Amortized cost                                   | 438 320           | –                 | –              | –            | –                       | 438 320           |
| – At fair value through other comprehensive income | 4 839 965         | 175 259           | –              | –            | –                       | 5 015 224         |
| Fixed and intangible assets                        | 32 894            | –                 | –              | –            | –                       | 32 894            |
| Other financial assets                             | 1 432 898         | 5 105             | 121            | –            | –                       | 1 438 124         |
| <b>Total financial assets</b>                      | <b>57 282 548</b> | <b>7 110 026</b>  | <b>218 785</b> | <b>8 709</b> | <b>31 327</b>           | <b>64 651 395</b> |
| <b>Financial liabilities</b>                       |                   |                   |                |              |                         |                   |
| Due to banks                                       | 6 113             | 46 308            | 168            | –            | 51                      | 52 640            |
| Customer's deposits                                | 49 829 115        | 7 105 531         | 214 239        | 8 515        | 28 085                  | 57 185 486        |
| Other financial liabilities and deferred tax       | 697 146           | 62 306            | 259            | –            | –                       | 759 710           |
| Other provisions                                   | 66 612            | 4 107             | 157            | –            | –                       | 70 876            |
| Total share holder's equity                        | 6 582 683         | –                 | –              | –            | –                       | 6 582 683         |
| <b>Total financial liabilities</b>                 | <b>57 181 669</b> | <b>7 218 252</b>  | <b>214 823</b> | <b>8 515</b> | <b>28 136</b>           | <b>64 651 395</b> |
| <b>Net financial position</b>                      | <b>100 879</b>    | <b>( 108 226)</b> | <b>3 962</b>   | <b>194</b>   | <b>3 191</b>            |                   |
| <b>Purchasing</b>                                  | <b>–</b>          | <b>–</b>          | <b>–</b>       | <b>–</b>     | <b>–</b>                | <b>–</b>          |
| <b>Net financial position</b>                      | <b>100 879</b>    | <b>( 108 226)</b> | <b>3 962</b>   | <b>194</b>   | <b>3 191</b>            | <b>–</b>          |
| Loan Commitments – Irrevocable                     | 508 532           | 66 374            | –              | –            | –                       | 574 906           |
| Letters of credit                                  | 9 343             | 580 936           | 130 310        | –            | –                       | 720 589           |
| Letters of guarantees                              | 4 753 551         | 327 075           | 13 205         | –            | –                       | 5 093 831         |
| Other financial liabilities                        | 629 414           | –                 | –              | –            | –                       | 629 414           |
| <b>Total</b>                                       | <b>5 900 840</b>  | <b>974 385</b>    | <b>143 515</b> | <b>–</b>     | <b>–</b>                | <b>7 018 740</b>  |

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### Notes to condensed interim Financial Statements for the period ended June 30, 2022

#### B-4 Interest rate risk

The bank is exposed to the impact of the fluctuation in interest rate prevailing in the market; this risk is defined as “cash flows interest rate risk” which is the risk of fluctuation in the future cash flows of a financial instrument due to changes in interest rates of the instrument. Fair value interest rate risk is the risk of fluctuation in the fair market value of a financial instrument due to changes in market interest rates. Yield margins may increase as a result of such changes but it may cause profits to decrease when unexpected movements occur.

The table below summarizes the bank’s exposure to interest rate risks including the financial instruments at carrying amounts classified according to its maturities

|  | <u>Up to one month</u> | <u>More than one month<br/>till three months</u> | <u>More than three<br/>month till one year</u> | <u>More than one year<br/>till five years</u> | <u>Financial Assets and<br/>Liabilities non<br/>interest bearing</u> | <u>Total</u>      |
|--|------------------------|--|--|---|--|-------------------|
| <i>In thousand Egyptian pound</i>                  |                        |  |  |   |  |                   |
| <b>Financial assets</b>                            |                        |  |  |   |  |                   |
| Cash and due from central banks                    | –                      | –  | –  | –   | 3 468 205  | 3 468 205         |
| Due from banks                                     | 7 957 290              | 2 264 430  | 747 572  | –   | 239 425  | 11 208 717        |
| Treasury bills and other governmental notes        | 1 118 063              | 4 278 894  | 11 695 811                                     | –   | –  | 17 092 768        |
| Loans and advances to customers                    | 6 371 782              | 2 342 261  | 7 166 450                                      | 9 604 784                                     | 471 866  | 25 957 143        |
| <b>Financial investments</b>                       |                        |  |  |   |  |                   |
| – Amortized cost                                   | –                      | –  | 345 127  | 93 193  | –  | 438 320           |
| – At fair value through other comprehensive income | –                      | –  | 1 685 687                                      | 3 304 168                                     | 25 369   | 5 015 224         |
| Intangible assets                                  | –                      | –  | –  | –   | 32 894   | 32 894            |
| Other financial assets                             | –                      | –  | –  | –   | 945 774  | 945 774           |
| Fixed assets                                       | –                      | –  | –  | –   | 492 350  | 492 350           |
| <b>Total financial assets</b>                      | <b>15 447 135</b>      | <b>8 885 585</b>                                 | <b>21 640 647</b>                              | <b>13 002 145</b>                             | <b>5 675 883</b>   | <b>64 651 395</b> |
| <b>Financial liabilities</b>                       |                        |  |  |   |  |                   |
| Due to banks                                       | –                      | –  | –  | –   | 52 640   | 52 640            |
| Customer’s deposits                                | 6 679 318              | 11 275 205                                       | 21 735 683                                     | 14 333 664                                    | 3 161 615  | 57 185 485        |
| Share holder’s equity                              | –                      | –  | –  | –   | 6 582 683  | 6 582 683         |
| Other financial liabilities                        | –                      | –  | –  | –   | 830 587  | 830 587           |
| <b>Total financial liabilities</b>                 | <b>6 679 318</b>       | <b>11 275 205</b>                                | <b>21 735 683</b>                              | <b>14 333 664</b>                             | <b>10 627 525</b>  | <b>64 651 395</b> |
| <b>Interest re–pricing gap</b>                     | <b>8 767 817</b>       | <b>(2 389 620)</b>                               | <b>( 95 036)</b>                               | <b>(1 331 519)</b>                            | <b>(4 951 642)</b>   | <b>–</b>          |

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

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**C- Liquidity risk**

Liquidity risk represents difficulty the bank faces in meeting its financial obligations when they fall due and replace funds when they are withdrawn. This may result in failure in fulfilling the bank's obligation to repay to the depositors and fulfilling lending commitments.

**- Liquidity risk management process**

The bank's liquidity risk monitoring process carried out by the bank's assets and liabilities management includes:

- Daily funding is managed by monitoring future cash expenditure to ensure that all requirements can be met when due. This includes availability of liquidity as they become due or to be lent to customers. The bank maintains an active presence in global money markets to ensure achievement of such objective.
- The bank maintains a portfolio of highly marketable securities that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flows.
- Monitoring liquidity ratios in relation with internal requirements and Central Bank of Egypt requirements.
- Managing loans concentration and maturities.

For monitoring and reporting purposes, the bank calculates the expected cash flows for the next day, week and month which are the primary periods for liquidity management, the starting point to calculate these projections is analyzing the financial liabilities maturities and expected financial assets collections.

Assets and liabilities management monitors the mismatch between medium term assets, the value and nature of the unutilized portion of loans commitments, overdraft utilizations, and the impact of contingent liabilities such as letters of guarantees and letters of credit.

**- Funding approach**

Liquidity Sources are regularly reviewed by independent team in the bank Assets and liabilities management for the purpose of maintaining a wide diversification by currency geography source of products and maturities.

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

**D- Fair value of financial assets and liabilities**

**D-1 Financial instruments not measured at fair value**

The table below summarizes the carrying amounts and fair values for those financial assets and liabilities not presented in the bank's balance sheet at their fair value:

| In thousand Egyptian pound              | 30/6/2022         |                   | 31/12/2021        |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <u>Book value</u> | <u>Fair value</u> | <u>Book value</u> | <u>Fair value</u> |
| <b><u>Financial assets</u></b>          |                   |                   |                   |                   |
| Loans and advances to customers         |                   |                   |                   |                   |
| -Retail                                 | 8 048 782         | 8 048 782         | 7 384 649         | 7 384 649         |
| -Corporate                              | 19 143 224        | 19 143 224        | 14 906 190        | 14 906 190        |
| Financial Investments at amortized cost | -                 | -                 | 641 223           | 641 223           |
| <b><u>Financial liabilities</u></b>     |                   |                   |                   |                   |
| Due to banks                            | 52 639            | 52 639            | 145 531           | 145 531           |
| Customer's deposits                     |                   |                   |                   |                   |
| -Retail                                 | 10 586 248        | 10 586 248        | 10 409 172        | 10 409 172        |
| -Corporate                              | 46 599 237        | 46 599 237        | 30 700 564        | 30 700 564        |

**E- Capital management**

The bank's objectives behind capital management which include items in addition to equity section reported in the balance sheet are represented in the following:

- Compliance with capital legal requirements in Egypt.
- Protecting the bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance business growth.

Capital adequacy and uses are reviewed daily in accordance with the regulatory authority's requirements (Central Bank of Egypt) by the bank's management through models based on Basel Committee on Banking Supervision; these data are submitted to the Central Bank of Egypt on quarterly basis.

CBE requires the following from the bank:

- Maintaining LE 5 billion as a minimum requirement for the issued and paid up capital.
- Maintaining a percentage of 12.50 % or more between capital elements and risk-weighted asset and contingent liability elements.

The Bank is recognized as a single group that includes the Bank in all its branches at home and abroad and all other financial companies in which owned its or related parties hold more than 50% of the shareholders' equity or any percentage that enables it to control.

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

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**F- Capital management (continue)**

The numerator of the capital adequacy comprises the following 2 tiers:

**Tier 1:**

**Core capital:** it is the basic capital which comprises paid up capital (after deducting the carrying amount of the treasury stocks) and retained earnings and reserves resulting from dividends except the general banking risks reserve any previously recognized goodwill and any accumulated deficit are to be deducted.

**Additional capital:** it is carried forward profit & loss and minority rights and difference between nominal value and fair value for subordinated loan.

**Tier 2:**

It includes 45% of each of (foreign exchange reserve value reserve for financial investments in Associates companies) subordinated loan and impairment provisions against debt instruments facilities and contingent obligations for the first stage with no more than 1.25% of the trade credit of the contingent assets and liabilities weighted by risk. When applying the standard method.

When calculating the total numerator of capital adequacy continued capital after deductions should not be less than 4.5 % from total credit risk operating risk and market risk. And tier I capital should not be less than 8.50 % from total credit risk operating risk and market risk; and subordinated loan should not exceed 50% of tier 1.

The bank has complied with all local capital requirements during the last two years. The following schedule summarizes the components of Tier I capital Tier II capital and capital adequacy ratio as of 30 June 2022.

**Capital adequacy ratio as per Basel II requirements**
*In thousand Egyptian pound*
**30 June 2022**
**31 December 2021**
**Capital**
**Tier I Capital**
Core capital after deductions

|   |            |           |
|---|------------|-----------|
| Share capital (net of treasury stocks)                                | 5 000 000  | 5 000 000 |
| IFRS9 risk reserve  | 649 037    | 649 037   |
| Retained earnings   | 196 183    | 279 435   |
| Total cumulative other comprehensive income after control adjustments | ( 175 095) | 15 750    |

Additional Going Concern

|                                     |         |   |
|-------------------------------------|---------|---|
| Quarterly interim profit / (losses) | 506 876 | – |
|-------------------------------------|---------|---|

Deduct from Common Equity

|   |           |           |
|---|-----------|-----------|
| (–) Deduct 100% from net of Intangible assets(Other than goodwill)  | ( 32 894) | ( 44 175) |
| (–) Deduct total the fair value for investment FVOCI Which have been reclassified to Amortized cost investments | ( 323)    | ( 662)    |

|                     |                  |                  |
|---------------------|------------------|------------------|
| <b>Total Tier I</b> | <b>6 143 784</b> | <b>5 899 385</b> |
|---------------------|------------------|------------------|

**Tier 2 Capital (subordinated capital)**

|  |         |        |
|--|---------|--------|
| Provision for performing loans, facilities & Off BS within 1.25% of total credit risk for assets and weighted average potential liabilities when applying standardize approach amount for financial investments (FVOCI, Amortized cost and in subsidiaries and associates) | 105 598 | 85 343 |
|--|---------|--------|

|                             |                |               |
|-----------------------------|----------------|---------------|
| <b>Total Tier 2 capital</b> | <b>105 598</b> | <b>85 343</b> |
|-----------------------------|----------------|---------------|

|   |                  |                  |
|---|------------------|------------------|
| <b>Total capital based after deductions</b> | <b>6 249 382</b> | <b>5 984 728</b> |
|---|------------------|------------------|

|  |            |            |
|--|------------|------------|
| Total Assets and potential liabilities weighted by credit risk | 30 649 661 | 25 074 181 |
|--|------------|------------|

|   |           |           |
|---|-----------|-----------|
| Capital requirements for operating risk | 1 588 177 | 2 400 803 |
|---|-----------|-----------|

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Total Assets and potential liabilities weighted by credit, market and operating risk</b> | <b>32 237 838</b> | <b>27 474 984</b> |
|---|-------------------|-------------------|

|                                   |               |              |
|-----------------------------------|---------------|--------------|
| <b>Capital adequacy ratio (%)</b> | <b>19.39%</b> | <b>21.8%</b> |
|-----------------------------------|---------------|--------------|

**Leverage Ratio**

| <i>In Thousand Egyptian Pounds</i> |   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|------------------------------------|---|---------------------|-------------------------|
| <b>First</b>                       | <b>Tier 1 capital after Exclusions</b>  | <b>6 143 784</b>    | <b>5 899 385</b>        |
| <b>Second</b>                      | <b>On–Off balance sheet exposures items</b>   |                     |                         |
| <b>1</b>                           | <b><u>Exposures on–balance sheet and financial derivatives and securities finance</u></b>               |                     |                         |
|                                    | Cash and due from Central Bank of Egypt (CBE)   | 10 654 064          | 8 568 846               |
|                                    | Due from Banks  | 4 025 877           | 1 273 325               |
|                                    | Treasury bills and other Government securities  | 17 141 750          | 10 868 384              |
|                                    | REPO  | ( 48 982)           | ( 54 871)               |
|                                    | Financial investments Fair Value through OCI  | 5 015 225           | 4 984 531               |
|                                    | Financial investments Amortized Cost  | 438 320             | 641 223                 |
|                                    | Loans and credit facilities to customers  | 26 119 781          | 22 290 839              |
|                                    | Fixed Assets (after deducting depreciation and impairment losses)                                       | 492 350             | 203 608                 |
|                                    | Other assets  | 979 126             | 783 842                 |
|                                    | Deducted amounts from exposures (after deducting Tier I Exclusions for capital base)                    | ( 32 894)           | ( 946 601)              |
|                                    | <b>Total on–balance sheet exposures items after deducting after Tier I Exclusions for capital base.</b> | <b>64 784 617</b>   | <b>48 613 126</b>       |
| <b>2</b>                           | <b><u>Exposures off–balance sheet</u></b>   |                     |                         |
|                                    | <b><u>Contingent liabilities (1)</u></b>  |                     |                         |
|                                    | Import L/Cs   | 144 118             | 71 293                  |
|                                    | L/Gs  | 2 542 458           | 1 912 974               |
|                                    | L/Gs according to foreign banks   | 3 137 092           | 2 636 215               |
|                                    | Accepted papers   | 137 983             | 148 391                 |
|                                    | Re–discounted Commercial paper  | 353 395             | 75 391                  |
|                                    | <b><u>Commitments (2)</u></b>   |                     |                         |
|                                    | Operating lease commitments   | 629 414             | 556 085                 |
|                                    | Loan commitments to clients/banks (unutilized part) within original maturity                            | 639 708             | 500 401                 |
|                                    | <b>Total Exposures off–balance sheet</b>  | <b>7 584 168</b>    | <b>5 900 750</b>        |
|                                    | <b>Total On–Off balance sheet exposures items (1) + (2)</b>   | <b>72 368 785</b>   | <b>54 513 876</b>       |
|                                    | <b>Leverage financial ratio</b>   | <b>8.49%</b>        | <b>10.82%</b>           |

**4- Significant accounting estimates and assumptions**

The bank applies estimates and assumptions that affect the amounts of assets and liabilities disclosed in the next financial period. Estimates and assumptions are continuously assessed based on past experience and other factors including the expectations of future events that are believed to be reasonable in light of the available circumstances and information.

**A - Impairment losses for loans and advances (expected credit losses)**

The Bank reviews its loan portfolios to assess impairment on quarterly basis at least. In determining whether impairment loss should be recorded in the income statement, the bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis. This evidence includes data indicating negative changes in a borrower's portfolio ability to repay to the bank or local or economic circumstances related to default of bank assets. Upon scheduling future cash flows, the management uses estimates based on prior loss experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any differences between the estimated loss and actual loss based on experience.

**B - Impairment of investments in equity instruments at fair value through other comprehensive income**

The bank determines the impairment loss relating to available for sale equity investments when there is a significant or prolonged decline in the fair value below its cost. A judgment is required to determine that the decline is significant or prolonged. In making this judgment, the bank evaluates among other factors the usual volatility of the share price. In addition, impairment loss may be recognized when there is evidence of deterioration in the investee financial condition or operating /finance cash flow industry or sector performance or in changes in technology.

**C - Impairment of Financial investment at amortized cost**

The non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity. This classification requires a high degree of judgment; in return, the bank assesses the intention and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity except for certain circumstances (selling an insignificant amount of held-to-maturity investments near to maturity date), then all held to maturity investment portfolio should be reclassified as available for sale, which will be measured at fair value instead of amortized cost. In addition, the bank should cease classifying investments as held to maturity.

**5- A-Segment analysis**

In Egyptian Pound

|  | <u>Corporate</u>   | <u>Retail</u>      | <u>Treasury &amp; Financial Institutions</u> | <u>Total</u>       |
|--|--------------------|--------------------|--|--------------------|
| <b><u>Revenues and expenses according to business segment</u></b>  |                    |                    |  |                    |
| Segment revenues   | 1 923 475 552      | 1 728 480 540      | 3 711 355 428                                | 7 363 311 520      |
| Segment expenses   | (1738 233 006)     | (1532 793 812)     | (3323 350 513)                               | (6 594 377 331)    |
| <b>Profit for the period before taxes</b>                          | <b>185 242 546</b> | <b>195 686 728</b> | <b>388 004 915</b>                           | <b>768 934 189</b> |
| Taxes  | (50 181 872)       | (45 282 327)       | (166 593 513)                                | (262 057 712)      |
| <b>Profit (Loss) for the period</b>                                | <b>135 060 674</b> | <b>150 404 401</b> | <b>221 411 402</b>                           | <b>506 876 477</b> |
| <b><u>Assets and Liabilities according to business segment</u></b> |                    |                    |  |                    |
| Total assets   | 19 178 999 501     | 8 460 458 595      | 37 011 936 469                               | 64 651 394 565     |
| Total liabilities  | 31 938 783 938     | 25 107 444 639     | 7 605 165 988                                | 64 651 394 565     |
| <b><u>Other business segment items</u></b>                         |                    |                    |  |                    |
| Depreciations  | -                  | (18 528 805)       | (35 938 185)                                 | (54 466 990)       |
| Expedcted Credit Loss  | (188 939 975)      | (27 840 287)       | (6 430 497)                                  | (223 210 759)      |

**B-Geographic analysis**

In Egyptian Pound

|  | <u>Greater Cairo</u> | <u>Alex and Delta and Canal</u> | <u>Upper Egypt &amp; Red Sea</u> | <u>Total</u>       |
|--|----------------------|---------------------------------|----------------------------------|--------------------|
| <b><u>Geographical analysis of revenues and expenses</u></b> |                      |                                 |                                  |                    |
| Geographical sector revenues                                 | 6 200 211 257        | 1 050 296 621                   | 112 803 642                      | 7 363 311 520      |
| Geographical sector expenses                                 | (5583 618 276)       | (910 318 556)                   | (100 440 499)                    | (6 594 377 331)    |
| <b>Profit for the period before taxes</b>                    | <b>616 592 981</b>   | <b>139 978 065</b>              | <b>12 363 143</b>                | <b>768 934 189</b> |
| Taxes  | (224 277 979)        | (34 705 845)                    | (3 073 888)                      | (262 057 712)      |
| <b>Profit for the period</b>                                 | <b>392 315 002</b>   | <b>105 272 220</b>              | <b>9 289 255</b>                 | <b>506 876 477</b> |
| <b><u>Assets and Liabilities</u></b>                         |                      |                                 |                                  |                    |
| Total assets   | 54 523 069 439       | 9 305 508 778                   | 822 816 348                      | 64 651 394 565     |
| Total liabilities  | 51 842 413 358       | 11 941 997 339                  | 866 983 868                      | 64 651 394 565     |
| <b><u>Other Geographical sector items</u></b>                |                      |                                 |                                  |                    |
| Depreciations  | (43 685 698)         | (6 065 297)                     | (4 715 995)                      | (54 466 990)       |
| Expedcted Credit Loss  | (145 367 195)        | (71 350 662)                    | (6 492 902)                      | (223 210 759)      |

**ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)**
**Notes to condensed interim Financial Statements for the period ended June 30, 2022**
**6– Cash and due from Central Bank of Egypt**

| <i>In Egyptian Pound</i>                            | يونيو 2022 30        | ديسمبر 2021 31       |
|---|----------------------|----------------------|
| Cash on hand  | 261 523 201          | 197 284 003          |
| Due from Central Bank of Egypt within reserve ratio | 3 206 681 748        | 3 995 303 114        |
|   | <b>3 468 204 949</b> | <b>4 192 587 117</b> |

**7– Due from banks**

| <i>In Egyptian Pound</i>         | يونيو 2022 30         | ديسمبر 2021 31       |
|----------------------------------|-----------------------|----------------------|
| <b>The Central Bank of Egypt</b> |                       |                      |
| Current accounts                 | 142 561 276           | 19 945 562           |
| Time Deposits                    | 7 043 297 566         | 4 356 313 491        |
|                                  | <b>7 185 858 842</b>  | <b>4 376 259 053</b> |
| <b>Local Banks</b>               |                       |                      |
| Current accounts                 | 51 331 871            | 24 517 595           |
| Time Deposits                    | 3 013 098 000         | 1 047 900 600        |
|                                  | <b>3 064 429 871</b>  | <b>1 072 418 195</b> |
| <b>Foreign Banks</b>             |                       |                      |
| Current accounts                 | 45 531 420            | 43 739 427           |
| Time Deposits                    | 915 916 299           | 157 167 000          |
|                                  | <b>961 447 719</b>    | <b>200 906 427</b>   |
| <b>Total due from banks</b>      | <b>11 211 736 432</b> | <b>5 649 583 675</b> |
| Expect credit loss provision     | (3 018 985)           | ( 678 372)           |
| <b>Net due from banks</b>        | <b>11 208 717 447</b> | <b>5 648 905 303</b> |
| Non-interest bearing balances    | 239 424 567           | 88 202 584           |
| Interest bearing balances        | 10 972 311 865        | 5 561 381 091        |
| Expect credit loss provision     | (3 018 985)           | ( 678 372)           |
|                                  | <b>11 208 717 447</b> | <b>5 648 905 303</b> |

**8– Treasury bills at fair value through other comprehensive income**

| <i>In Egyptian Pound</i>                                | يونيو 2022 30         | ديسمبر 2021 31        |
|---|-----------------------|-----------------------|
| <b>Treasury bills</b>                                   |                       |                       |
| Treasury bills maturing to 91 days                      | 3 054 175 000         | –                     |
| Treasury bills maturing from 92 to 182 days             | 2 849 875 000         | 75 000 000            |
| Treasury bills maturing grater than 182 to 364 days     | 12 048 093 300        | 11 456 545 830        |
|   | <b>17 952 143 300</b> | <b>11 531 545 830</b> |
| <b>(Less):</b>  |                       |                       |
| Unearned interest                                       | (696 910 880)         | (654 686 523)         |
| REPO *  | (48 982 756)          | (54 870 562)          |
|   | <b>17 206 249 664</b> | <b>10 821 988 745</b> |
| Net change in fair value                                | (113 482 218)         | (8 474 679)           |
| <b>Net of Treasury bills after change in fair value</b> | <b>17 092 767 446</b> | <b>10 813 514 066</b> |

**\* REPO**

| <i>In Egyptian Pound</i>   | يونيو 2022 30     | ديسمبر 2021 31    |
|--|-------------------|-------------------|
| Against the the amount granted by the Central Bank of Egypt within the mortgage finance initiative for low-income people | 40 969 588        | 42 232 421        |
| Against the the amount granted by the Central Bank of Egypt within SMEs initiative                                       | 8 013 168         | 12 638 141        |
|  | <b>48 982 756</b> | <b>54 870 562</b> |

**9– Loans and advances to customers and banks**

| <i>In Egyptian Pound</i>                         | <b>30 June 2022</b>    | <b>31 December 2021</b> |
|--|------------------------|-------------------------|
| Discounted commercial bills                      | 464 993 244            | 499 366 709             |
| Customers loans                                  | 26 727 013 266         | 21 791 471 954          |
|  | <b>27 192 006 510</b>  | <b>22 290 838 663</b>   |
| <b>(Less):</b>                                   |                        |                         |
| Unearned discount on discounted commercial bills | (6 603 136)            | (7 655 264)             |
| Expect credit loss provision                     | (1149 402 476)         | (969 211 017)           |
| Interest in suspense                             | (78 857 646)           | (91 799 948)            |
|  | <b>(1 234 863 258)</b> | <b>(1068 666 229)</b>   |
|  | <b>25 957 143 252</b>  | <b>21 222 172 434</b>   |

**9-1 Loans and Advances to customers**

| <i>In Egyptian Pound</i>                           | <b>30 June 2022</b>   | <b>31 December 2021</b> |
|--|-----------------------|-------------------------|
| <b><u>Retail</u></b>                               |                       |                         |
| Overdraft Accounts                                 | 108 584 216           | 108 542 687             |
| Personal loans                                     | 7 662 448 825         | 7 020 431 192           |
| Credit cards                                       | 85 526 642            | 59 395 009              |
| Real Estate Finance loans                          | 192 222 336           | 196 280 110             |
| <b>Total (1)</b>                                   | <b>8 048 782 019</b>  | <b>7 384 648 998</b>    |
| <b><u>Corporate</u></b>                            |                       |                         |
| Overdraft Accounts                                 | 5 526 244 635         | 4 430 732 523           |
| Syndicated loans                                   | 1 948 504 756         | 1 770 149 952           |
| Direct loans                                       | 11 203 481 856        | 8 205 940 481           |
| Discounted commercial bills                        | 464 993 244           | 499 366 709             |
| <b>Total (2)</b>                                   | <b>19 143 224 491</b> | <b>14 906 189 665</b>   |
| <b>Total loans and Advances to customers (1+2)</b> | <b>27 192 006 509</b> | <b>22 290 838 663</b>   |
| <b>(Deduct):</b>                                   |                       |                         |
| prepaid revenue                                    | (6 603 136)           | (7 655 264)             |
| Expect credit loss provision                       | (1149 402 476)        | (969 211 017)           |
| Interest in suspense                               | (78 857 646)          | (91 799 948)            |
| <b>Net</b>   | <b>25 957 143 251</b> | <b>21 222 172 434</b>   |

9-2 Expect credit loss provision

| <i>In Egyptian Pound</i>   | 30 June 2022         | 31 December 2021     |
|--|----------------------|----------------------|
| <b>Provision balance at the beginning of the period / year ended</b> | <b>969 211 017</b>   | <b>746 766 354</b>   |
| Expect credit loss   | 209 112 118          | 474 869 937          |
| Proceeds from loans previously written off                           | 24 359 035           | 34 818 002           |
| Foreign currencies revaluation differences                           | 33 922 031           | ( 305 300)           |
|  | <b>1 236 604 201</b> | <b>1 256 148 993</b> |
| Amounts written off during the period / year ended                   | (87 201 725)         | (286 937 976)        |
| <b>ECL provisions at the end of the period / year ended</b>          | <b>1 149 402 476</b> | <b>969 211 017</b>   |

Classification of Expect credit loss provision of loans and facilities to customers

30 June 2022

Retail

| In Egyptian Pound  | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate Finance loans</u> | <u>Total</u>       |
|--|---------------------|-----------------------|----------------------------------|--------------------|
| <b>Balance at the beginning of the period / year ended</b> | <b>1 736 284</b>    | <b>153 081 988</b>    | <b>9 474 083</b>                 | <b>164 292 355</b> |
| Expect credit loss   | 2 468 580           | 26 349 053            | ( 977 346)                       | 27 840 287         |
| Proceeds from loans previously written off                 | 279 724             | 18 873 147            | 5 008 390                        | 24 161 261         |
| Provisions used  | ( 369 148)          | (46 178 759)          | ( 70 198)                        | (46 618 105)       |
| <b>Balance at the end of the period / year ended</b>       | <b>4 115 440</b>    | <b>152 125 429</b>    | <b>13 434 929</b>                | <b>169 675 798</b> |

Corporate

| In Egyptian Pound  | <u>Overdraft Accounts</u> | <u>Direct loans</u> | <u>Syndicated loans</u> | <u>Total</u>       |
|--|---------------------------|---------------------|-------------------------|--------------------|
| <b>Balance at the beginning of the period / year ended</b> | <b>435 677 985</b>        | <b>257 016 870</b>  | <b>112 223 807</b>      | <b>804 918 662</b> |
| Expect credit loss   | 71 029 590                | 87 602 136          | 22 640 105              | 181 271 831        |
| Proceeds from loans previously written off                 | 197 774                   | –                   | –                       | 197 774            |
| Foreign currencies revaluation differences                 | 18 360 963                | 10 831 572          | 4 729 496               | 33 922 031         |
| Provisions used  | (40 583 620)              | –                   | –                       | (40 583 620)       |
| <b>Balance at the end of the period / year ended</b>       | <b>484 682 692</b>        | <b>355 450 578</b>  | <b>139 593 408</b>      | <b>979 726 678</b> |

31 December 2021

Retail

| In Egyptian Pound  | <u>Credit cards</u> | <u>Personal loans</u> | <u>Real Estate Finance loans</u> | <u>Total</u>       |
|--|---------------------|-----------------------|----------------------------------|--------------------|
| <b>Balance at the beginning of the period / year ended</b> | <b>1 508 640</b>    | <b>157 531 326</b>    | <b>5 006 857</b>                 | <b>164 046 823</b> |
| Expect credit loss   | 3 458 348           | 84 207 958            | 4 467 226                        | 92 133 532         |
| Proceeds from loans previously written off                 | 303 102             | 30 337 340            | –                                | 30 640 442         |
| Provisions used  | (3 533 806)         | (118 994 636)         | –                                | (122 528 442)      |
| <b>Balance at the end of the period / year ended</b>       | <b>1 736 284</b>    | <b>153 081 988</b>    | <b>9 474 083</b>                 | <b>164 292 355</b> |

Corporate

| In Egyptian Pound  | <u>Overdraft Accounts</u> | <u>Direct loans</u> | <u>Syndicated loans</u> | <u>Total</u>       |
|--|---------------------------|---------------------|-------------------------|--------------------|
| <b>Balance at the beginning of the period / year ended</b> | <b>452 771 769</b>        | <b>22 955 993</b>   | <b>106 991 769</b>      | <b>582 719 531</b> |
| Expect credit loss   | 143 303 599               | 234 061 532         | 5 371 274               | 382 736 405        |
| Proceeds from loans previously written off                 | 4 177 560                 | –                   | –                       | 4 177 560          |
| Foreign currencies revaluation differences                 | ( 165 409)                | ( 655)              | ( 139 236)              | ( 305 300)         |
| Provisions used  | (164 409 534)             | –                   | –                       | (164 409 534)      |
| <b>Balance at the end of the period / year ended</b>       | <b>435 677 985</b>        | <b>257 016 870</b>  | <b>112 223 807</b>      | <b>804 918 662</b> |

**Financial investments**
**10– Financial assets at amortized cost**
**Governmental debt instruments**

| <i>In Egyptian Pound</i>                   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| Quoted governmental debt instruments       | 438 319 956         | 641 223 070             |
| <b>Total governmental debt instruments</b> | <b>438 319 956</b>  | <b>641 223 070</b>      |

**Movement of treasury bonds at amortized cost**

| <i>In Egyptian Pound</i>                             | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| <b>Balance at the beginning of the period \ year</b> | <b>641 223 070</b>  | <b>2 219 313 235</b>    |
| Net amortization(issuing discount & issuing premium) | 458 039             | 458 936                 |
| Retrieval – Treasury Bonds & Financial Investments   | (203 700 000)       | (1580 890 762)          |
| Net change in fair value                             | 338 847             | 2 213 194               |
| Expect credit loss provision                         | –                   | 43 241                  |
| Foreign currencies revaluation differences           | –                   | ( 500)                  |
| <b>Balance</b>                                       | <b>438 319 956</b>  | <b>641 137 344</b>      |
| Unearned Income                                      | –                   | 85 726                  |
| <b>Balance at the end of the period \ year</b>       | <b>438 319 956</b>  | <b>641 223 070</b>      |

**11– Financial investments at fair value through other comprehensive income**

| <i>In Egyptian Pound</i>  | <b>30 June 2022</b>  | <b>31 December 2021</b> |
|---|----------------------|-------------------------|
| Quoted governmental debt instruments at fair value                            | 3 953 569 755        | 3 857 801 387           |
| Quoted Non governmental debt instruments at fair value                        | 1 134 943 597        | 1 099 226 297           |
|   | <b>5 088 513 352</b> | <b>4 957 027 684</b>    |
| <b>Unearned returns after years of government</b>                             | (98 659 083)         | (176 337 300)           |
|   | <b>4 989 854 269</b> | <b>4 780 690 384</b>    |
| Unquoted equity instruments   | 25 369 023           | 27 504 468              |
| <b>Total</b>  | <b>25 369 023</b>    | <b>27 504 468</b>       |
| <b>Financial investments at fair value through other comprehensive income</b> | <b>5 015 223 292</b> | <b>4 808 194 852</b>    |
| <b>Current balances</b>   | 4 989 854 269        | 4 780 690 384           |
| <b>Non-current balances</b>   | 25 369 023           | 27 504 468              |
|   | <b>5 015 223 292</b> | <b>4 808 194 852</b>    |

**Financial investments at fair value through other comprehensive income**

| <i>In Egyptian Pound</i>                             | <b>30 June 2022</b>  | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| <b>Balance at the beginning of the period \ year</b> | <b>4 808 194 852</b> | <b>2 297 305 057</b>    |
| Net amortization(issuing discount & issuing premium) | 58 529 153           | (67 240 372)            |
| Buy – Treasury Bonds & Financial Investments         | 432 692 771          | 3 265 915 311           |
| Retrieval – Treasury Bonds & Financial Investments   | (198 571 495)        | (608 266 859)           |
| Net change in fair value                             | (90 266 916)         | (76 318 728)            |
| Foreign currencies revaluation differences           | 4 644 927            | (3 199 557)             |
| <b>Balance at the end of the period \ year</b>       | <b>5 015 223 292</b> | <b>4 808 194 852</b>    |

**ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)**

Notes to condensed interim Financial Statements for the period ended June 30, 2022

**Financial assets at fair value through profit or loss**

|     |  |              |                  |
|-----|--|--------------|------------------|
| 12– | <b>Investments in associates</b> **    | 30 June 2022 | 31 December 2021 |
|     | Unquoted equity instrument             | 100          | 100              |
|     | <b>Total Investments in associates</b> | <b>100</b>   | <b>100</b>       |

**Associates**

|                                 |              |                  |
|---------------------------------|--------------|------------------|
|                                 | 30 June 2022 | 31 December 2021 |
| EL Fouadeya Development Company | 100          | 100              |
|                                 | <b>100</b>   | <b>100</b>       |

|    |                                 |               |                    |                        |               |                           |                                      |                            |
|----|---------------------------------|---------------|--------------------|------------------------|---------------|---------------------------|--------------------------------------|----------------------------|
| ** | <b>Company Name</b>             | <b>Assets</b> | <b>Liabilities</b> | <b>Paid in Capital</b> | <b>Income</b> | <b>Net profit /(loss)</b> | <b>Last financial statement date</b> | <b>Headquarter country</b> |
|    | EL Fouadeya Development Company | 12 247 925    | 15 774 324         | 3 668 000              | –             | ( 115 313)                | 31 December 2020                     | Egypt                      |

**13– Intangible assets**

| <i>In Egyptian Pound</i>                             | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| <b>Computer program</b>                              |                     |                         |
| <b>Net balance at beginning of the period \ year</b> | <b>44 175 274</b>   | <b>43 341 135</b>       |
| Additions  | 3 357 344           | 23 165 736              |
| <b>Total</b>   | <b>47 532 618</b>   | <b>66 506 871</b>       |
| Amortization during the period \ year                | (14 638 346)        | (22 331 597)            |
| <b>Net</b>   | <b>32 894 272</b>   | <b>44 175 274</b>       |

**14– Other assets**

| <i>In Egyptian Pound</i>                             | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| Accrued revenues                                     | 356 635 387         | 297 230 144             |
| Prepaid expenses                                     | 48 655 977          | 32 109 762              |
| Down payments to purchase of fixed assets            | 414 077 421         | 356 136 635             |
| Assets reverted to the bank in settlement of debts * | 50 586 093          | 51 116 301              |
| Deposits held with others and custody                | 5 810 698           | 4 887 095               |
| Other debit balances **                              | 70 007 857          | 40 301 883              |
|  | <b>945 773 433</b>  | <b>781 781 820</b>      |

**The nature and analysis of the assets reverted to the bank is as follows:**

| <i>In Egyptian Pound</i>   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| Buildings and flat units reverted to bank in settlement of debt of customers | 50 586 093          | 51 116 301              |
|  | <b>50 586 093</b>   | <b>51 116 301</b>       |

**The other debit balances include the following:**

| <i>In Egyptian Pound</i> | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--------------------------|---------------------|-------------------------|
| ATM outstanding balances | 44 839 730          | 29 228 150              |
| Others                   | 25 168 127          | 11 073 733              |
|                          | <b>70 007 857</b>   | <b>40 301 883</b>       |

**15-A Deferred Tax**

**30 June 2022**

| <i>In Egyptian Pound</i>                       | <u>Assets</u> | <u>Liabilities</u>  | <u>Total</u>        |
|--|---------------|---------------------|---------------------|
| Deferred Tax (Fixed assets depreciation)       | –             | (18 207 933)        | (18 207 933)        |
| <b>Total Deferred Tax Assets (Liabilities)</b> | <b>–</b>      | <b>(18 207 933)</b> | <b>(18 207 933)</b> |

**31 December 2021**

| <i>In Egyptian Pound</i>                       | <u>Assets</u> | <u>Liabilities</u>  | <u>Total</u>        |
|--|---------------|---------------------|---------------------|
| Deferred Tax (Fixed assets depreciation)       | –             | (20 207 933)        | (20 207 933)        |
| <b>Total Deferred Tax Assets (Liabilities)</b> | <b>–</b>      | <b>(20 207 933)</b> | <b>(20 207 933)</b> |

**15-B Income tax expenses**

| <i>In Egyptian Pound</i>                | <b>30 June 2022</b> | <b>30 June 2021</b> |
|---|---------------------|---------------------|
| Corporate Tax Expenses                  | 74 800 000          | 7 000 000           |
| Treasury bills and bonds revenues taxes | 189 125 376         | 137 451 316         |
| Dividend tax                            | 132 336             | 260 286             |
| Deferred tax – Expenses                 | (2 000 000)         | –                   |
|   | <b>262 057 712</b>  | <b>144 711 602</b>  |

**16– Property and equipment**
**30 June 2022**

| <i>In Egyptian Pound</i>                                | <u>Land</u> | <u>Buildings<br/>and<br/>constructions</u> | <u>Integrated<br/>automated<br/>systems</u> | <u>Vehicles</u> | <u>Tools and<br/>equipment</u> | <u>Leasehold<br/>fixtures</u> | <u>Furniture</u> | <u>Other fixtures</u> | <u>Total</u> |
|---|-------------|--|---|-----------------|--------------------------------|-------------------------------|------------------|-----------------------|--------------|
| Cost at the beginning of the period                     | -           | 56 956 468                                 | 212 652 685                                 | 1 520 001       | 74 747 924                     | 184 517 822                   | 20 520 889       | 9 987 731             | 560 903 520  |
| Additions during the period                             | 316 146 523 | -  | 4 600 560                                   | 2 057 000       | 811 425                        | 12 621 464                    | 750 988          | -                     | 336 987 960  |
| Disposals   | -           | (13 041 165)                               | -   | -               | ( 156 980)                     | (8 948 973)                   | -                | -                     | (22 147 118) |
| Cost as at 30 June 2022                                 | 316 146 523 | 43 915 303                                 | 217 253 245                                 | 3 577 001       | 75 402 369                     | 188 190 313                   | 21 271 877       | 9 987 731             | 875 744 362  |
| Accumulated depreciation at the beginning of the period | -           | 18 312 822                                 | 106 770 755                                 | 871 596         | 57 127 649                     | 148 186 910                   | 16 038 474       | 9 987 731             | 357 295 937  |
| Depreciation for the period                             | -           | 496 494                                    | 18 039 930                                  | 301 217         | 6 751 584                      | 13 673 330                    | 566 088          | -                     | 39 828 643   |
| Disposals accumulated depreciation                      | -           | (4 781 663)                                | -   | -               | -                              | (8 948 973)                   | -                | -                     | (13 730 636) |
| Accumulated depreciation as at 30 June 2022             | -           | 14 027 653                                 | 124 810 685                                 | 1 172 813       | 63 879 233                     | 152 911 267                   | 16 604 562       | 9 987 731             | 383 393 944  |
| Net book value as at 30 June 2022                       | 316 146 523 | 29 887 650                                 | 92 442 560                                  | 2 404 188       | 11 523 136                     | 35 279 046                    | 4 667 315        | -                     | 492 350 418  |

**16– Property and equipment**

31 December 2021

| <i>In Egyptian Pound</i>   | <u>Land</u>       | <u>Buildings<br/>and<br/>constructions</u> | <u>Integrated<br/>automated<br/>systems</u> | <u>Vehicles</u>  | <u>Tools and<br/>equipment</u> | <u>Leasehold<br/>fixtures</u> | <u>Furniture</u>  | <u>Other fixtures</u> | <u>Total</u>       |
|--|-------------------|--|---|------------------|--------------------------------|-------------------------------|-------------------|-----------------------|--------------------|
| <b>Cost at the beginning of the year</b>                         | <b>52 021 263</b> | <b>174 722 341</b>                         | <b>146 290 554</b>                          | <b>1 520 001</b> | <b>96 680 210</b>              | <b>274 972 736</b>            | <b>35 839 141</b> | <b>9 987 731</b>      | <b>792 033 977</b> |
| Additions during the year  | -                 | -  | 66 362 131                                  | -                | 3 562 475                      | 19 752 407                    | 3 973 683         | -                     | 93 650 696         |
| Disposals  | (52 021 263)      | (117 765 873)                              | -   | -                | (25 494 761)                   | (110 207 320)                 | (19 291 936)      | -                     | (324 781 153)      |
| <b>Cost as at 31 December 2021</b>                               | <b>-</b>          | <b>56 956 468</b>                          | <b>212 652 685</b>                          | <b>1 520 001</b> | <b>74 747 924</b>              | <b>184 517 822</b>            | <b>20 520 889</b> | <b>9 987 731</b>      | <b>560 903 520</b> |
| <b>Accumulated depreciation at the<br/>beginning of the year</b> | <b>-</b>          | <b>27 019 489</b>                          | <b>81 305 984</b>                           | <b>389 988</b>   | <b>63 094 404</b>              | <b>177 289 995</b>            | <b>21 353 354</b> | <b>9 987 731</b>      | <b>380 440 945</b> |
| Depreciation for the year  | -                 | 3 095 248                                  | 25 464 771                                  | 481 608          | 14 624 844                     | 40 004 366                    | 4 278 507         | -                     | 87 949 344         |
| Disposals accumulated depreciation                               | -                 | (11 801 915)                               | -   | -                | (20 591 599)                   | (69 107 451)                  | (9 593 387)       | -                     | (111 094 352)      |
| <b>Accumulated depreciation as at 31<br/>December 2021</b>       | <b>-</b>          | <b>18 312 822</b>                          | <b>106 770 755</b>                          | <b>871 596</b>   | <b>57 127 649</b>              | <b>148 186 910</b>            | <b>16 038 474</b> | <b>9 987 731</b>      | <b>357 295 937</b> |
| <b>Net book value as at 31 December 2021</b>                     | <b>-</b>          | <b>38 643 646</b>                          | <b>105 881 930</b>                          | <b>648 405</b>   | <b>17 620 275</b>              | <b>36 330 912</b>             | <b>4 482 415</b>  | <b>-</b>              | <b>203 607 583</b> |

**17– Due to banks**

| <i>In Egyptian Pound</i>      | <b>30 June 2022</b> | <b>31 December 2021</b> |
|-------------------------------|---------------------|-------------------------|
| <b><u>Local banks</u></b>     |                     |                         |
| Current accounts              | 1 268               | 1 059                   |
|                               | <b>1 268</b>        | <b>1 059</b>            |
| <b><u>Foreign banks</u></b>   |                     |                         |
| Current accounts              | 52 638 315          | 145 529 702             |
|                               | <b>52 638 315</b>   | <b>145 529 702</b>      |
|                               | <b>52 639 583</b>   | <b>145 530 761</b>      |
| Non-interest bearing balances | 52 639 583          | 145 530 761             |
|                               | <b>52 639 583</b>   | <b>145 530 761</b>      |

**18– Customers' deposits**

| <i>In Egyptian Pound</i>                       | <b>30 June 2022</b>   | <b>31 December 2021</b> |
|--|-----------------------|-------------------------|
| Demand deposits                                | 12 703 425 747        | 11 448 124 020          |
| Time and callable deposits                     | 35 914 728 366        | 21 308 652 067          |
| Saving and deposit certificates                | 6 787 497 748         | 6 091 835 684           |
| Saving deposits                                | 1 411 891 159         | 1 981 509 893           |
| Other deposits                                 | 368 401 481           | 281 675 026             |
| <b>Total Customers' deposits</b>               | <b>57 185 944 501</b> | <b>41 111 796 690</b>   |
| Interest in Advance on USD deposits for retail | ( 459 151)            | (2 060 056)             |
| <b>Net Customers' deposits</b>                 | <b>57 185 485 350</b> | <b>41 109 736 634</b>   |
| Corporate & SMEs deposits                      | 46 599 237 304        | 30 700 564 179          |
| Retail deposits                                | 10 586 248 046        | 10 409 172 455          |
|  | <b>57 185 485 350</b> | <b>41 109 736 634</b>   |
| Non-interest bearing balances                  | 2 793 218 192         | 2 255 232 480           |
| Interest bearing balances                      | 54 392 267 158        | 38 854 504 154          |
|  | <b>57 185 485 350</b> | <b>41 109 736 634</b>   |

## 19– Other liabilities

| <i>In Egyptian Pound</i> | 30 June 2022       | 31 December 2021   |
|--------------------------|--------------------|--------------------|
| Accrued interest         | 165 384 688        | 150 574 424        |
| Unearned revenue         | 19 627             | 10 238 156         |
| Accrued expenses         | 73 333 369         | 67 295 830         |
| Creditors                | 5 178 435          | 18 631 555         |
| Other credit balances *  | 497 585 998        | 364 810 792        |
|                          | <b>741 502 117</b> | <b>611 550 757</b> |

\* The other credit balances includes the following:  
in Egyptian pounds

|  | 30 June 2022       | 31 December 2021   |
|--|--------------------|--------------------|
| Stamp duty   | 13 469 940         | 13 189 162         |
| Treasury bills taxes   | 200 710 743        | 136 890 284        |
| Income Corporate Tax   | 55 770 580         | 47 500 000         |
| Taxes under settlement   | 2 127 170          | 1 576 788          |
| Staff Taxes and Insurance  | 13 524 721         | 12 576 187         |
| Amount of contractors Insurance being held until paid Social Insurance | 2 677 563          | 2 666 086          |
| Amounts collected from insurance companies under settlement            | 11 831 805         | 11 400 336         |
| Clearance cheques (Are to be settled in next day)                      | 171 982 621        | 117 144 953        |
| Letters of credit deductibles  | 3 352 752          | 840 800            |
| ATM suspense amounts   | 5 078 672          | 6 641 302          |
| Coupons of Certificates Deposits accrued did not paid to their owners  | 158 623            | 158 623            |
| Amounts paid under debts settlements of some customers                 | 830 225            | 830 225            |
| Payments under sold assets revert to the bank                          | –                  | 588 649            |
| Banking Support and Development Fund                                   | 8 734 642          | 4 332 127          |
| Other Amounts  | 7 335 941          | 8 475 270          |
|  | <b>497 585 998</b> | <b>364 810 792</b> |

**ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)**

Notes to condensed interim Financial Statements for the period ended June 30, 2022

**20– Other provisions**
**30 June 2022**

| <i>In Egyptian Pound</i>          | Balance at the<br>beginning of the<br>period | Charged<br>during the period | Foreign<br>currencies<br>revaluation<br>differences | Utilized during<br>the period | Refunds from<br>utilized provisions<br>previously | Negated the<br>purpose | Balance at<br>period end |
|-----------------------------------|--|------------------------------|---|-------------------------------|---|------------------------|--------------------------|
| Provision for potential claims ** | 32 997 953                                   | 16 500 000                   | –   | (8 911 228)                   | –   | –                      | 40 586 725               |
| Contingent liabilities provision  | 16 551 433                                   | 7 032 874                    | 988 121   | (1 628 854)                   | 540 000   | –                      | 23 483 574               |
| Other provisions *                | 5 822 266                                    | –                            | –   | –                             | 20 000  | –                      | 5 842 266                |
| Loans commitment provisions       | 328 537                                      | 635 270                      | –   | –                             | –   | –                      | 963 807                  |
|                                   | <b>55 700 189</b>                            | <b>24 168 144</b>            | <b>988 121</b>                                      | <b>(10 540 082)</b>           | <b>560 000</b>                                    | <b>–</b>               | <b>70 876 372</b>        |

**31 December 2021**

| <i>In Egyptian Pound</i>         | Balance at the<br>beginning of the<br>year | Charged<br>during the year | Foreign<br>currencies<br>revaluation<br>differences | Utilized during<br>the year | Refunds from<br>utilized provisions<br>previously | Negated the<br>purpose | Balance at<br>year end |
|----------------------------------|--|----------------------------|---|-----------------------------|---|------------------------|------------------------|
| Provision for potential claims   | 62 434 098                                 | 19 500 000                 | –   | (48 936 145)                | –   | –                      | 32 997 953             |
| Contingent liabilities provision | 11 175 360                                 | 5 428 870                  | ( 243 435)  | –                           | 190 638   | –                      | 16 551 433             |
| Other provisions                 | 5 842 266                                  | –                          | –   | ( 20 000)                   | –   | –                      | 5 822 266              |
| Loans commitment provisions      | 1 491 936                                  | –                          | –   | –                           | –   | (1 163 399)            | 328 537                |
| <b>Total Provisions</b>          | <b>80 943 660</b>                          | <b>24 928 870</b>          | <b>( 243 435)</b>                                   | <b>(48 956 145)</b>         | <b>190 638</b>                                    | <b>(1 163 399)</b>     | <b>55 700 189</b>      |

\*The other provisions balance as at 30 June 2022 is as follows

|                                     |                  |
|-------------------------------------|------------------|
| Banking risk provision              | 1 394 000        |
| Operational risk provision          | 578 515          |
| Assets revert to the bank provision | 3 869 751        |
|                                     | <b>5 842 266</b> |

\*\*The provision for potential claims balance as at 30 June 2022 is as follows:

|                               |                   |
|-------------------------------|-------------------|
| Tax disputes provision        | 32 031 527        |
| Legal claims provision        | 8 555 198         |
| Provisions for leave balances | –                 |
|                               | <b>40 586 725</b> |

**21– Shareholders' equity**
**A– Authorized capital**

The authorized capital amounted to EGP Ten billion the extra ordinary general assembly dated 12 March 2021 approved the increase in the authorized capital from EGP Five billion to EGP Ten billion and the acceptance from the head of the General Authority for Free Zones and Investment was dated 9 January 2022 the annotation in the commercial register on 12 January 2022 and published in the investment gazette dated 30 January 2022 the annotation in the banks register on 3 March 2022.

**B– Issued and paid-up capital**

The issued and paid-up capital amounted to EGP Five Billion as at June 30, 2022 distributed among 892,857 shares with par value of LE 5.60.

the extra ordinary general assembly dated 12 March 2021 approved the increase in the Issued and paid-up capital from EGP 1,474 billion to EGP Five billion and the acceptance from the head of the General Authority for Free Zones and Investment was dated 9 January 2022 the annotation in the commercial register on 12 January 2022 and published in the investment gazette dated 30 January 2022 the annotation in the banks register on 3 March 2022

**30 June 2022**

| <i>In Egyptian pound</i>                      | <u>Number of shares</u> | <u>Ordinary shares value</u> | <u>Total</u>         |
|---|-------------------------|------------------------------|----------------------|
| <b>Balance at the beginning of the period</b> | 263 359 688             | 1 474 814 253                | 1 474 814 253        |
| Changes during the period                     | 629 497 455             | 3 525 185 748                | 3 525 185 748        |
| <b>Balance at the end of the period</b>       | <b>892 857 143</b>      | <b>5 000 000 001</b>         | <b>5 000 000 001</b> |

**31 December 2021**

| <i>In Egyptian pound</i>                    | <u>Number of shares</u> | <u>Ordinary shares value</u> | <u>Total</u>         |
|---|-------------------------|------------------------------|----------------------|
| <b>Balance at the beginning of the year</b> | 263 359 688             | 1 474 814 253                | 1 474 814 253        |
| <b>Balance at the end of the year</b>       | <b>263 359 688</b>      | <b>1 474 814 253</b>         | <b>1 474 814 253</b> |

**C– Reserves**

According to the bank's article of association 10% of the annual net profit is retained to form the legal reserve which ceases when the reserve balance reaches 50% of the issued capital.

Pursuant to the Central Bank of Egypt instructions the balance of the special reserve cannot be utilized without recourse to the Central Bank of Egypt

The reserves balance comprises of the following as at June 30 2022:

| <i>In Egyptian pound</i>   | <b>30 June 2022</b> | <b>31 December 2021</b> |
|--|---------------------|-------------------------|
| Legal reserve formed in accordance with the bank's article of association  | 311 089 891         | 263 787 540             |
| General reserve to be used whenever in favor of the bank and the shareholders in accordance with the General Assembly approval | 11 504 993          | 11 504 993              |
| Capital reserve  | 326 442 419         | 89 220 084              |
| General banking risk reserve   | 385 551 282         | 308 044 899             |
| Revaluation differences for available for sale investments   | (175 095 171)       | 15 750 553              |
| <b>Balance at the end of the period / Year</b>   | <b>859 493 414</b>  | <b>688 308 069</b>      |

The changes in the reserves are represented in the following:

**A– Legal Reserve**

| <i>In Egyptian pound</i>                      | 30 June 2022 | 31 December 2021 |
|---|--------------|------------------|
| Balance at the beginning of the period \ year | 263 787 540  | 216 236 225      |
| Changes during the period \ year              | 47 302 351   | 47 551 315       |
| Balance at the end of the period \ Year       | 311 089 891  | 263 787 540      |

**B– Capital Reserve**

| <i>In Egyptian pound</i>                      | 30 June 2022 | 31 December 2021 |
|---|--------------|------------------|
| Balance at the beginning of the period \ year | 89 220 084   | 74 167 937       |
| Changes during the period \ year              | 237 222 335  | 15 052 147       |
| Balance at the end of the period \ Year       | 326 442 419  | 89 220 084       |

**C– General banking risk reserve**

| <i>In Egyptian pound</i>                      | 30 June 2022 | 31 December 2021 |
|---|--------------|------------------|
| Balance at the beginning of the period \ year | 308 044 899  | 275 272 854      |
| Transferred from retained earnings            | 77 506 383   | 32 772 045       |
| Balance at the end of the period \ Year       | 385 551 282  | 308 044 899      |

**D– Fair value reserve – Investment through OCI**

| <i>In Egyptian pound</i>                      | 30 June 2022  | 31 December 2021 |
|---|---------------|------------------|
| Balance at the beginning of the period \ year | 15 750 553    | 112 651 024      |
| Net change in the fair value                  | (194 935 608) | (87 731 699)     |
| Expected Credit loss impact                   | 4 089 884     | (9 168 772)      |
| Balance at the end of the period \ Year       | (175 095 171) | 15 750 553       |

**E– Asset Held For Sale reserve**

| <i>In Egyptian pound</i>                                 | 30 June 2022 | 31 December 2021 |
|--|--------------|------------------|
| Balance at the beginning of the period \ year            | –            | 4 171 712        |
| Change in fair value of Orient Takaful Insurance Company | –            | (4 171 712)      |
| Balance at the end of the period \ Year                  | –            | –                |

**F– Retained earnings**

| <i>In Egyptian pound</i>   | 30 June 2022  | 31 December 2021 |
|--|---------------|------------------|
| <b>Movement on retained earnings</b>                                     |               |                  |
| Balance at the beginning of the period \ year                            | 725 127 275   | 918 966 240      |
| – Transferred to legal reserve   | (47 302 351)  | (47 551 315)     |
| – Employees share in the profit  | (71 024 585)  | (49 056 529)     |
| – Board of directors remuneration  | (12 000 000)  | (13 143 208)     |
| – Transferred to Capital reserve   | (237 222 335) | (15 052 147)     |
| – Dividend shareholders  | (73 740 713)  | (737 407 127)    |
| –Transformer of the Banking System Support and Development Fund          | (4 402 515)   | (4 332 127)      |
| Retained earnings  | 279 434 776   | 52 423 787       |
| Net profit for the period \ year   | 506 876 477   | 710 245 847      |
| –Transferred to General Banking Risk reserve                             | (77 506 383)  | (31 785 412)     |
| –Transferred to General Banking Risk reserve (Assets revert to the bank) | –             | ( 986 633)       |
| – Transferred to Asset Held For Sale reserve and disposal loss           | –             | (4 770 314)      |
| – Refund part of the BOD remuneration                                    | 15 446 896    | –                |
| – Disposal Loss financial Assets Fair value through OCI – Equity         | (1 061 971)   | –                |
| Balance at the end of the period / Year                                  | 723 189 795   | 725 127 275      |

**22– Cash and cash equivalents**

For the purpose of presenting the cash flow statement cash and cash equivalents include the following balances maturing within less than 3 months from the date of acquisition.

| <i>In Egyptian Pound</i>                              | <b>30 June 2022</b>  | <b>31 December 2021</b> |
|---|----------------------|-------------------------|
| Cash and due from Central Bank of Egypt (Note no 6)   | 261 523 201          | 192 668 091             |
| Due from banks (Note no 7)                            | 1 188 224 588        | 2 798 687 907           |
| Treasury bills and the governmental notes (Note no 8) | 3 054 175 000        | 298 600 000             |
|   | <b>4 503 922 789</b> | <b>3 289 955 998</b>    |

**23– Contingent liabilities and commitments**

| <i>In Egyptian Pound</i>       | <b>30 June 2022</b>  | <b>31 December 2021</b> |
|--------------------------------|----------------------|-------------------------|
| Loan Commitments – Irrevocable | 574 905 884          | 372 309 558             |
| Letter of guarantee            | 5 093 831 208        | 3 825 947 096           |
| Letter of credit               | 720 588 655          | 356 466 615             |
| Other contingent liabilities   | 629 414 110          | 556 084 935             |
|                                | <b>7 018 739 857</b> | <b>5 110 808 204</b>    |

**24– Net income from revenue**

| <i>In Egyptian Pound</i>   | <b>30 June 2022</b>    | <b>30 June 2021</b>    |
|--|------------------------|------------------------|
| <b><u>Loans interest and similar revenues</u></b>                      |                        |                        |
| Loans, facilities and deposits at banks                                |                        |                        |
| Deposits at banks  | 353 416 907            | 63 843 763             |
| Loans and facilities to clients  | 1 462 268 347          | 1 109 117 977          |
| <b>Total loans &amp; banks</b>   | <b>1 815 685 254</b>   | <b>1 172 961 740</b>   |
| Treasury bills   | 673 584 779            | 443 810 513            |
| Investment in available for sale and held to maturity debt instruments | 339 913 602            | 305 081 918            |
| <b>Total Debt instruments</b>  | <b>1 013 498 381</b>   | <b>748 892 431</b>     |
| <b>Total Loans interest and similar revenues</b>                       | <b>2 829 183 635</b>   | <b>1 921 854 171</b>   |
| <b><u>Interest expense and similar charges</u></b>                     |                        |                        |
| Deposits and current accounts:   |                        |                        |
| To banks   | ( 708 805)             | (16 987 700)           |
| To clients   | (1 674 747 830)        | (1 097 647 699)        |
| Other Loans & REPO   | ( 600 717)             | ( 781 689)             |
| <b>Total Interest expense and similar charges</b>                      | <b>(1 676 057 352)</b> | <b>(1 115 417 088)</b> |
| <b>Net interest income</b>   | <b>1 153 126 283</b>   | <b>806 437 083</b>     |

**25– Dividends income**

| <i>In Egyptian Pound</i>         | <b>2022 يونيو 30</b> | <b>2021 يونيو 30</b> |
|----------------------------------|----------------------|----------------------|
| Financial securities through OCI | 1 323 360            | 2 602 855            |
|                                  | <b>1 323 360</b>     | <b>2 602 855</b>     |

**26– Net trading income**

| <i>In Egyptian Pound</i>  | <b>2022 يونيو 30</b> | <b>2021 يونيو 30</b> |
|---|----------------------|----------------------|
| Revaluation differences of Debt instruments & equity instruments        | –                    | ( 16 898)            |
| Dividends from debt instruments for investments through profit and loss | –                    | 74 646               |
| Gains /(Losses) from debt and equity instruments at amortized cost      | –                    | 1 694 260            |
|   | <b>–</b>             | <b>1 752 008</b>     |

**27– Gains from financial investments**

| <i>In Egyptian Pound</i>                  | <b>2022 يونيو 30</b> | <b>2021 يونيو 30</b> |
|---|----------------------|----------------------|
| Gains on sale of treasury bills and bonds | 12 867 845           | 1 700 923            |
|   | <b>12 867 845</b>    | <b>1 700 923</b>     |

**28– Charge of impairment for expected credit losses**

| <i>In Egyptian Pound</i>  | <b>2022 يونيو 30</b> | <b>2021 يونيو 30</b> |
|---|----------------------|----------------------|
| Loans and advances – Impairment charge  | 209 112 118          | 102 671 926          |
| Due from banks – Impairment charge  | 2 340 613            | 19 703               |
| Financial investments at amortized cost – Impairment charge (reverse)         | –                    | ( 43 241)            |
| Financial investments at fair value through OCI – Impairment charge (reverse) | 4 089 884            | (10 124 442)         |
|   | <b>215 542 615</b>   | <b>92 523 946</b>    |

**29– Administrative expenses**

| <i>In Egyptian Pound</i>       | <b>2022 يونيو 30</b> | <b>2021 يونيو 30</b> |
|--------------------------------|----------------------|----------------------|
| <b>Labor cost</b>              |                      |                      |
| Wages and salaries             | 197 270 711          | 169 223 019          |
| Social insurance               | 11 579 020           | 9 750 145            |
| Total Labor cost               | <b>208 849 731</b>   | <b>178 973 164</b>   |
| Other administrative expenses* | 217 996 749          | 193 156 250          |
|                                | <b>426 846 480</b>   | <b>372 129 414</b>   |

\* Other administrative expenses

| <i>In Egyptian Pound</i>  | <b>2022 يونيو 30</b> | <b>2021 يونيو 30</b> |
|---|----------------------|----------------------|
| Depreciation and amortization   | 54 466 990           | 54 270 840           |
| Subscriptions   | 15 352 289           | 14 413 399           |
| Taxes and fees  | 40 905 895           | 31 251 998           |
| Repair and maintenance  | 37 785 966           | 30 829 981           |
| Insurance   | 3 331 009            | 2 327 441            |
| Advertising   | 8 745 931            | 3 820 255            |
| Security and cleaning   | 10 993 927           | 11 408 742           |
| Electricity water mail swifts & Gas                                     | 8 936 216            | 8 768 366            |
| Hospitality   | 1 686 512            | 871 511              |
| Stationary & Prints   | 1 532 397            | 1 147 763            |
| Expenses and commissions for sales and customer service representatives | 21 868 134           | 22 369 217           |
| Community Contribution and Donations                                    | 3 263 305            | 3 000 000            |
| Others  | 9 128 178            | 8 676 737            |
|   | <b>217 996 749</b>   | <b>193 156 250</b>   |

**30– Other operating revenues (expenses)**

| <i>In Egyptian Pound</i>   | <b>30 June 2022</b> | <b>30 June 2021</b> |
|--|---------------------|---------------------|
| Gains from revaluation of assets and liabilities in foreign currencies and foreign exchange earnings | 22 323 403          | 26 830 275          |
| Gains from sale of fixed assets  | 70 650 607          | 44 779 178          |
| Other provision formed   | (24 168 144)        | (12 559 333)        |
| Assets rent expense  | (66 849 571)        | (31 758 218)        |
| Gains from assets reverted to the bank   | ( 842 991)          | ( 37 854)           |
|  | <b>1 113 304</b>    | <b>27 254 048</b>   |

**31– Profit per share**

The portion of the share in the profit is calculated by dividing the net profits of the shareholders of the bank by ordinary shares.

| <i>In Egyptian Pound</i>                  | <b>30 June 2022</b> | <b>30 June 2021</b> |
|---|---------------------|---------------------|
| <i>Net profit for the period</i>          | 506 876 477         | 357 568 757         |
| <b>Deduct:</b> <i>Employees share</i>     | (50 687 648)        | (35 756 876)        |
| <b>Deduct:</b> <i>B.O.D. remuneration</i> | (7 685 800)         | –                   |
| distributed net profit                    | <b>448 503 029</b>  | <b>321 811 881</b>  |
| Weighted average number of shares         | <b>892 857 143</b>  | <b>263 359 688</b>  |
| <b>Profit per share</b>                   | <b>0.50</b>         | <b>1.22</b>         |

**32– Capital commitments**

The uncalled capital commitments related to the financial investments at the balance sheet date amounted to EGP 629,414,110 as follows:

| <i>In Egyptian Pound</i> | <b>Commitments</b> | <b>Amount Paid</b> | <b>Unclaimed / unpaid amount</b> |
|--------------------------|--------------------|--------------------|----------------------------------|
| Obligations for leases   | 629 414 110        | –                  | 629 414 110                      |
|                          | <b>629 414 110</b> | <b>–</b>           | <b>629 414 110</b>               |

**33– Effective average interest rates during the period**

The average interest rates on assets 11.72% and liabilities 8.13% during the period.

**34– Transactions with related parties**

The bank deals with its related parties on the same basis as with other parties. In the balance sheet date the nature of these significant transactions and its balances represented in are as follows:-

| <i>In Egyptian Pound</i>              | <b>30 June 2022</b> | <b>31 December 2021</b> |
|---------------------------------------|---------------------|-------------------------|
| <b><u>Nature of transactions</u></b>  |                     |                         |
| Due from banks                        | 27 099 949          | 6 488 104               |
| Contingent liabilities and commitment | 4 329 012 619       | 3 850 545 766           |

**Abu Dhabi Commercial Bank - Egypt (S.A.E)**

**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

**35- Tax status**

**First : Corporate income tax**

**Years from establishment till 2008**

- The taxes due for this period were fully paid according to the appeal committees assessments and Dispute settlement committees

**Year 2009/2018**

- The bank was notified with a form 19 with a tax amounted of EGP 709 M appeal was conducted and currently pending for the decision of internal committee and It issued its decision to re-inspection it to express its opinion on some points of disagreement in light of the documents submitted by the bank A defense memorandum and a document portfolio were submitted and the dispute was handled and concluded with the Egyptian tax authority which resulted in a tax of EGP 20 M after effect the losses of the years 2007/2008 as well as tax on independent pool with an amount of EGP 14.5 M.
- As well as what is being calculated by the ETA in return for delay penalties in accordance with Article 110 and penalties for delay in accordance with Article 87 of Law 91 of 2005 and its amendments which's estimated by the bank's tax consultant about 40 MEGP and it is expected to decrease the amount to be EGP 20 M.
- The bank paid an amount of 40 MEGP from the tax account for the years 2009/2018 thus the surplus amount for years 2007/2014 is EGP 5.5 M to be used for the result of penalties.

**Year 2019/2021**

- The bank submitted the tax return for these years and not inspected till date noting that the expected tax amount will be 9 MEGP from inspection in addition to 3 MEGP tax on independent pool.

The tax rate for the period ended 30 June 2022 reached 34.1 %

**Second : Delay penalties**

The delay penalties regarding the year 1994/2002 amounted of 24.7 MEGP the due amount was fully paid.

**Third : Stamp duty tax**

**From 2002\2020**

All branches were inspected in accordance with the regulations of law 111 for year 1980 and its amendments law 143 for year 2006.

After the tax authority inspection, the tax differences were fully paid in addition to delay penalties for Horreah branch year 2002 EGP 184 thousand and also for years 2016\2019 penalties EGP 5.6 M under formation.

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**NOTES TO THE FINANCIAL STATEMENTS 30 June 2022**

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**Year 2021**

Not Investigated yet and provisions charged with 3 million EGP according to the opinion of the tax consultant.

**Fourth : Payroll Tax**

**Years from 1981 till 1998**

The taxes due for the period were fully paid according to the internal and appeal committees' decisions.

**Years from 1999 till 2005**

The taxes assessed by the internal committee amounted of 4.6 million EGP the bank object against it in front of court which's ended with a tax amount 2.3 MEGP it was fully paid during Q2-2013.

**Years 2006 till 2019**

The bank was notified with estimated tax differences with an amount of 109 MEGP the bank object against it in front of internal committee which's ended with tax amount 19.5 MEGP and it was fully paid in addition to delay penalties 27 MEGP the bank object against it and in a continues process to allocate the needed provisions.

**Year 2020\2021**

Year 2020 under inspection and year 2021 not inspected yet as per tax consultant a provision with EGP 7 M was fully formed.

**36-Comparative figures**

Comparative figures that are presented in the notes have been reclassified.