

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 September 2022  
AND Limited Auditors' Report**



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

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**Hazem Hassan**  
Public Accountants & Consultants



**MOORE Egypt**

Translation of report originally issued in Arabic

## **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 September 30, 2022 and the related condensed statements of income, comprehensive income, change in equity and cash flows for the Nine-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 September 30, 2022 and of its financial performance and its cash flows for the nine 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**  
**Public Accountants and Consultants**

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KPMG Hazem Hassan

Public Accountants & Consultants

**Auditors**

*MOORE Egypt*  
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Moore Egypt

Public Accountants & Consultants

Cairo, October 25, 2022

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

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<i>In Egyptian Pound</i>	<i>Note</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b><u>Assets</u></b>			
Cash and due from Central Bank of Egypt	(6)	5 670 029 437	4 192 587 117
Due from banks	(7)	9 039 756 231	5 648 905 303
Treasury bills at fair value through other comprehensive income	(8)	21 171 132 493	10 813 514 066
Loans and advances to customers	(9)	28 707 853 315	21 222 172 434
<b>Investments :</b>			
- At Amortized Cost	(10)	328 442 687	641 223 070
- At fair value through other comprehensive income	(11)	6 848 593 880	4 808 194 852
Investments in associates	(12)	100	100
Intangible assets	(13)	37 785 863	44 175 274
Other assets	(14)	992 331 423	781 781 820
Property and equipment	(16)	498 556 471	203 607 583
<b>Total assets</b>		<b>73 294 481 900</b>	<b>48 356 161 619</b>
<b><u>Liabilities and shareholders' equity</u></b>			
<b><u>Liabilities</u></b>			
Due to banks	(17)	67 123 481	145 530 761
Customers' deposits	(18)	65 568 800 925	41 109 736 634
Other liabilities	(19)	824 108 270	611 550 757
Other provisions	(20)	88 750 822	55 700 189
Deferred tax liabilities	(15)	18 207 933	20 207 933
<b>Total liabilities</b>		<b>66 566 991 431</b>	<b>41 942 726 274</b>
<b><u>Shareholders' equity</u></b>			
Paid-in capital	(21)	5 000 000 001	1 474 814 253
Amounts paid under capital increase		-	3 525 185 748
Reserves	(21)	652 874 713	688 308 069
Retained earnings	(21)	1 074 615 755	725 127 275
<b>Total shareholders' equity</b>		<b>6 727 490 469</b>	<b>6 413 435 345</b>
<b>Total liabilities and shareholders' equity</b>		<b>73 294 481 900</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 September 30, 2022

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<i>In Egyptian Pound</i>	Note	30 September 2022	30 September 2021	Period from 1 July 2022 to 30 September 2022	Period from 1 July 2021 to 30 September 2021
Interest income on loans and similar revenues	(24)	4 753 817 154	3 051 573 221	1 924 633 519	1 129 719 050
Interest expense and similar charges	(24)	(2 877 180 249)	(1 779 108 390)	(1 201 122 897)	( 663 691 302)
<b>Net interest income</b>		<b>1 876 636 905</b>	<b>1 272 464 831</b>	<b>723 510 622</b>	<b>466 027 748</b>
Fees and Commissions income		362 568 243	223 089 264	108 051 469	86 919 586
Fees and Commissions expenses		(16 577 490)	(16 109 486)	(4 953 208)	(7 126 610)
<b>Net fees and commissions income</b>		<b>345 990 753</b>	<b>206 979 778</b>	<b>103 098 261</b>	<b>79 792 976</b>
Dividends income	(25)	1 323 360	2 602 855		
Net trading income	(26)	-	1 752 008	-	
Gains from financial investments	(27)	16 991 150	3 802 877	4 123 305	2 101 954
Expected credit losses impairment	(28)	(372 686 321)	(305 458 231)	(157 143 706)	(212 934 285)
Administrative expenses	(29)	(660 136 164)	(572 849 004)	(233 289 684)	(200 719 590)
Other operating expenses	(30)	(53 075 684)	8 999 603	(54 188 988)	(18 254 445)
<b>Profit for the period before income tax</b>		<b>1 155 043 999</b>	<b>618 294 717</b>	<b>386 109 810</b>	<b>116 014 358</b>
Income tax expenses	(15)	(449 819 030)	(239 482 033)	(187 761 318)	(94 770 431)
<b>Net profit for the period</b>		<b>705 224 969</b>	<b>378 812 684</b>	<b>198 348 492</b>	<b>21 243 927</b>
<b>Earnings per share (EGP)</b>	(31)	<b>0.69</b>	<b>1.29</b>	<b>0.19</b>	<b>0.07</b>

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

## Statement of Other Comprehensive Income for period ended September 30, 2022

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>Period from 1 July 2022 to 30 September 2022</b>	<b>Period from 1 July 2021 to 30 September 2021</b>
<b>Net profit for the period</b>	<b>705 224 969</b>	<b>378 812 684</b>	<b>198 348 492</b>	<b>21 243 927</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	(244 386 957)	(23 266 388)	(53 541 233)	19 796 672
Income tax related to items that may be reclassified to profit or loss	54 987 065	5 234 937	12 046 777	(4 454 251)
Expected credit losses on debt instruments at fair value through other comprehensive income	(11 246 230)	( 13 552 279)	(7 156 346)	(3 427 837)
<b>Total other comprehensive income for the period, net after tax</b>	<b>(200 646 122)</b>	<b>(31 583 730)</b>	<b>(48 650 802)</b>	<b>11 914 584</b>
<b>Total comprehensive income for the period, net after tax</b>	<b>504 578 847</b>	<b>347 228 954</b>	<b>149 697 690</b>	<b>33 158 511</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 September 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 Septmchr 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	-	-	-	-	-	-	-	(23 266 388)	-	-	(23 266 388)
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	-	2 787 778 621	-	-	-	-	-	-	-	-	2 787 778 621
Net profit for the period ended September 30, 2021	-	-	-	-	-	-	-	-	-	378 812 684	378 812 684
<b>Balance as at 30 September 2021</b>	<b>1 474 814 253</b>	<b>3 525 185 748</b>	<b>-</b>	<b>263 787 540</b>	<b>11 504 993</b>	<b>89 220 084</b>	<b>564 138 072</b>	<b>89 384 636</b>	<b>(4 411 259)</b>	<b>142 371 253</b>	<b>6 155 995 320</b>
<b>Period Ended 30 September 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	-	-	-	-	-	-	(75 571 085)	-	-	75 571 085	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	-	(244 386 957)	-	-	(244 386 957)
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 September 30, 2022	-	-	-	-	-	-	-	-	-	705 224 969	705 224 969
<b>Balance as at September 30 2022</b>	<b>5 000 000 001</b>	<b>-</b>	<b>-</b>	<b>311 089 891</b>	<b>11 504 993</b>	<b>326 442 419</b>	<b>232 473 814</b>	<b>(228 636 404)</b>	<b>-</b>	<b>1 074 615 755</b>	<b>6 727 490 469</b>

- 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 September 2022</b>	<b>30 September 2021</b>
<b>Cash flow from operating activities</b>			
Net profit for the period before tax		1 155 043 999	618 294 717
Adjustments to reconcile net profit to cash flow from operating activities			
Depreciation and amortization	(13,16)	84 342 448	82 399 254
Reversed charged during the period-other provisions	(20,30)	43 324 048	18 693 048
Reversed charged during the period-due from banks	(7,28)	5 823 623	( 232 964)
Foreign revaluation differences for other provisions	(20)	1 028 974	( 179 694)
Gain on sale of fixed assets	(30)	(70 650 607)	(45 239 313)
Dividends payable	(25)	(1 323 360)	(2 602 855)
<b>Operating profit before changes in assets and liabilities from operating activities</b>		<b>1 217 589 125</b>	<b>671 132 193</b>
<b>Cash flow from operating activities</b>			
Change in due from banks	(7)	( 991 836 273)	(20 808 670)
Change in due from Central Bank of Egypt within reserve percentage	(6)	(1342 326 451)	(2 080 302 965)
Change in treasury bills and other governmental notes	(8)	(9 722 563 305)	(1 060 550 252)
Financial assets at amortized cost	(10)	-	1 497 639
Change in loans and advances to banks	(9)	(7 468 308 939)	(3 492 346 895)
Change in other assets	(14)	(158 171 404)	(34 238 249)
Change in due to bank	(17)	(78 407 280)	(776 221 826)
Change in customers' deposits	(18)	24 459 064 291	11 026 025 777
Change in used from other provisions	(20)	(11 302 389)	(19 884 397)
Change in other liabilities	(19)	445 940 394	310 584 459
Change in income tax paid		(286 272 095)	(196 097 241)
<b>Net cash flow provided from operating activities</b>		<b>6 063 405 674</b>	<b>4 328 789 573</b>

<i>In Egyptian Pound</i>	<b>Note</b>	<b>30 September 2022</b>	<b>30 September 2021</b>
<b><u>Cash flow from investing activities</u></b>			
Payments to purchase fixed assets and establishments of branches		(433 696 606)	(98 478 095)
Proceeds from sale of fixed assets		79 067 089	58 780 135
Retrieval of financial investments - Amortized cost	(10)	313 823 000	1 580 891 262
Purchase of financial investment Amortized cost, net investment Fair Value through OCI and in associates	(10, 11)	(2 213 353 759)	(2 408 533 960)
Reversed charged during the period provision at fair value through OCI		11 256 305	(13 552 279)
Dividends received	(25)	1 323 360	2 602 855
<b>Net cash flow (used in) investing activities</b>		<b>(2241 580 611)</b>	<b>(878 290 082)</b>
<b><u>Cash flow from financing activities</u></b>			
Treasury Stocks		-	82 535 470
Paid under capital increase		-	2 787 778 622
Proceeds from other loans		-	(787 560 650)
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>2 016 221 578</b>
<b>Net (decrease) increase in cash and cash equivalents during the period</b>		<b>3 676 104 146</b>	<b>5 466 721 069</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>8 566 658 334</b>	<b>6 687 916 772</b>
<b><u>For the purpose of preparing the statement of cash flow, the cash and cash equivalent comprise of the following</u></b>			
Cash and due from Central Bank of Egypt	(6)	5 670 029 437	4 008 775 301
Due from banks	(7)	9 046 258 226	5 724 167 879
Treasury bills and other governmental notes	(8)	22 335 388 573	11 604 249 505
Due from Central Bank within reserve percentage		(5 337 629 565)	(3 802 231 668)
Due from banks (over 3 months maturity)		(1 948 149 764)	(513 144 740)
Treasury bills and other governmental notes (over 3 months maturity)		(21 199 238 573)	(10 333 899 505)
<b>Cash and cash equivalents at the end of the period</b>		<b>8 566 658 334</b>	<b>6 687 916 772</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS 30 September 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 1181 employees as at 30 September 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 139 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 October 20, 2022 approved the adoption of the Condensed Interim Financial Statements for period ended September 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

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with the requirements of IFRS 9 “Financial Instruments” issued by the 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

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different methodologies applied, despite different methods are applied 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 September 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	30/9/2022		31/12/2021	
	Impairment		Impairment	
	Loans advances %	loss provision %	Loans advances %	loss provision %
Performing loans	88.1	6.0	84.8	6.6
Regular watching	2.8	3.4	5.1	1.9
Watch list	3.7	40.8	3.9	30.2
Non-performing loans	5.4	49.8	6.2	61.3
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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:

- 26.4 % of the loans and advances portfolio is classified at the highest two ratings in the internal rating.
- 79.5 % 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 941 M which represent 3.1 % and the provision formed and interest in suspense amount EGP 559 M represent 59.4 % 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 September 2022</b>	<b>31 December 2021</b>
Treasury bills and other governmental securities through OCI	22 335 388 573	11 476 675 268
<b>Customers loans and advances</b>		
<b>Retail loans:</b>		
Overdraft Accounts	97 509 785	108 542 687
Personal loans	7 843 558 157	7 020 431 192
Real Estate Finance loans	189 185 892	196 280 110
Credit cards	112 677 490	59 395 009
<b>Corporate loans:</b>		
Overdraft Accounts	6 015 718 455	4 430 732 523
Syndicated loans	1 857 287 434	1 770 149 952
Direct loans	13 527 737 676	8 205 940 481
Discounted commercial bills	453 685 977	499 366 709
<b>Financial investments:</b>		
Debt instruments at amortized cost	328 442 687	641 223 070
Debt instruments at fair value through other comprehensive income	6 882 401 089	4 957 027 684
<b>Total</b>	<b>59 643 593 215</b>	<b>39 365 764 686</b>
<b>Credit risk exposures of off balance sheet items</b>		
Credit commitments (couldn't be cancelled)	590 698 301	372 309 558
Letters of guarantees	5 970 343 407	4 008 252 978
Letters of guarantees based on other banks requests	6 809 191 268	5 272 430 178
Letters of credit	926 956 807	981 156 136
Other financial liabilities	647 711 724	556 084 935
<b>Total</b>	<b>14 944 901 507</b>	<b>11 190 233 785</b>

The above table represents the maximum limit for credit risk as of 30 September 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 September 2022**

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	1 957 116 016	-	-	1 957 116 016
Financial investments	5 482 603 300	-	-	5 482 603 300
Loans and facilities - corporate	18 864 888 368	2 048 222 813	941 318 361	21 854 429 542
Loans and facilities - retail	7 176 996 596	913 372 310	152 562 418	8 242 931 324
Contingent liabilities	13 129 417 852	28 854 522	5 880 223	13 164 152 597
Loan commitments and facilities - corporate clients	590 697 301	-	-	590 697 301
<b>Total</b>	<b>47 201 719 433</b>	<b>2 990 449 645</b>	<b>1 099 761 002</b>	<b>51 291 930 080</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

<b>30 September 2022</b>				
<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	6 501 995	-	-	6 501 995
Financial investments	20 054 806	-	-	20 054 806
Loans and facilities - corporate	29 085 916	614 157 412	482 397 192	1 125 640 520
Loans and facilities - retail	52 114 369	23 252 845	106 416 547	181 783 761
Contingent liabilities	23 215 331	3 387 410	4 796 344	31 399 085
Loan commitments and facilities - corporate clients	945 053	-	-	945 053
<b>Total</b>	<b>131 917 470</b>	<b>640 797 667</b>	<b>593 610 083</b>	<b>1 366 325 220</b>

**Impairment provision of loans and contingent liabilities without the unused portion of the facility limits**

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 September 2022</b>	<b>30 September 2022</b>	
Loan provision (regular / irregular)	1 307 424 281	1 512 626 357	205 202 076
Provision Contingent liabilities	31 399 085	118 741 656	87 342 571
	<b>1 338 823 366</b>	<b>1 631 368 013</b>	<b>292 544 647</b>

<b>31 December 2021</b>				
<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>

**Impairment provision of loans and contingent liabilities without the unused portion of the facility limits**

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 September 2022

	Note	Balance at the beginning of the period	Provision for impairment losses	refund of loans previously written off	Amounts written off during the period	Foreign currencies revaluation differences	Negated the purpose	Balance at the end of the period
Due from banks	(7)	678 372	5 823 623	-	-	-	-	6 501 995
Loans and facilities - corporate clients	(9)	804 918 662	325 572 618	197 774	(47 356 460)	42 307 926	-	1 125 640 520
Loans and facilities - retail clients	(9)	164 292 355	30 043 850	34 335 476	(46 887 920)	-	-	181 783 761
<b>Total provision for expected credit losses (1)</b>		<b>969 889 389</b>	<b>361 440 090</b>	<b>34 533 250</b>	<b>(94 244 380)</b>	<b>42 307 926</b>	<b>-</b>	<b>1 313 926 275</b>

	Note	Balance at the beginning of the period	Provision for impairment losses	refund of loans previously written off	Amounts written off during the period	Foreign currencies revaluation differences	Negated the purpose	Balance at the end of the period
Financial investments at fair value through other comprehensive income statement	(21)	8 798 501	11 256 305	-	-	-	-	20 054 806
<b>Total provision for expected credit losses (2)</b>		<b>8 798 501</b>	<b>11 256 305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20 054 806</b>

	Note	Balance at the beginning of the period	Provision for impairment losses	refund of loans previously written off	Amounts written off during the period	Foreign currencies revaluation differences	Negated the purpose	Balance at the end of the period
Contingent liabilities	(20)	16 551 433	14 907 532	540 000	(1 628 854)	1 028 974	-	31 399 085
Loan commitments and facilities - corporate clients	(20)	328 537	616 516	-	-	-	-	945 053
<b>Total provision for expected credit losses (3)</b>		<b>16 879 970</b>	<b>15 524 048</b>	<b>540 000</b>	<b>(1 628 854)</b>	<b>1 028 974</b>	<b>-</b>	<b>32 344 138</b>
<b>Total expected credit losses (1 + 2 + 3)</b>		<b>995 567 860</b>	<b>388 220 443</b>	<b>35 073 250</b>	<b>(95 873 234)</b>	<b>43 336 900</b>	<b>-</b>	<b>1 366 325 219</b>

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

**NOTES TO THE FINANCIAL STATEMENTS 30 September 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>30/9/2022</b>	<b>31/12/2021</b>
Neither past dues nor impaired	23 939 600 053	18 128 146 748
Past dues but not impaired	4 502 144 398	2 791 755 658
Past dues are subjected to impairment	1 655 616 415	1 370 936 257
<b>Total</b>	<b>30 097 360 866</b>	<b>22 290 838 663</b>
<b><u>(Less):</u></b>		
Unearned revenue and discount	(5 039 818)	(7 655 264)
Impairment loss provision	(1 307 424 281)	(969 211 017)
Interest in suspense	(77 043 452)	(91 799 948)
<b>Net</b>	<b>28 707 853 315</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.

**ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)**
**Notes to condensed interim Financial Statements for the period ended September 30, 2022**
**A-6 Loans and advances neither having past due nor subject to impairment**
**30 September 2022**

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>				
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	<u>Total</u>
1-Performing loans	97 509 785	93 990 003	6 632 880 697	160 791 986	6 985 172 472	6 469 404 432	1 482 866 810	7 068 656 214	15 020 927 456	22 006 099 928
2-Regular follow up	-	-	-	-	-	-	11 235 158	818 343 856	829 579 014	829 579 014
3-Watch list	-	-	-	-	-	-	197 929 145	905 991 966	1 103 921 111	1 103 921 111
<b>Total</b>	<b>97 509 785</b>	<b>93 990 003</b>	<b>6 632 880 697</b>	<b>160 791 986</b>	<b>6 985 172 472</b>	<b>6 469 404 432</b>	<b>1 692 031 113</b>	<b>8 792 992 036</b>	<b>16 954 427 581</b>	<b>23 939 600 053</b>

**31 December 2021**

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>				
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft 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 September 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 September 2022**

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>				
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	<u>Total</u>
Past due less than 30 days	-	-	526 214 435	17 234 874	543 449 309	-	-	3 958 695 089	3 958 695 089	4 502 144 398
<b>Total</b>	-	-	526 214 435	17 234 874	543 449 309	-	-	3 958 695 089	3 958 695 089	4 502 144 398

**31 December 2021**

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>				
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft 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	206 537 958	-	-	2 585 217 700	2 585 217 700	2 791 755 658
<b>Total</b>	-	-	198 538 739	7 999 219	206 537 958	-	-	2 585 217 700	2 585 217 700	2 791 755 658

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

## Notes to condensed interim Financial Statements for the period ended September 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 1 531 038 126

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 September 2022

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>					
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Net loans and advances</u>	<u>Total Corporate</u>	<u>Total</u>
Balance	-	18 687 486	684 463 025	11 159 032	714 309 543	-	165 256 322	776 050 550	-	941 306 872	1 655 616 415
Fair value of collaterals	-	-	-	-	-	-	55 142 711	69 435 578	-	124 578 289	124 578 289

31 December 2021

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>					
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Net loans and 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

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

Notes to condensed interim Financial Statements for the period ended September 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 and other governmental notes</u>	<u>Financial assets held for trading</u>	<u>Other Financial Investments</u>	<u>Total</u>
Classification of B2	22 335 388 573	-	3 831 806 840	26 167 195 413
<b>Total</b>	<b>22 335 388 573</b>	<b>-</b>	<b>3 831 806 840</b>	<b>26 167 195 413</b>

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

### Notes to condensed interim Financial Statements for the period ended September 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	22 335 388 573	-	-	22 335 388 573
<b>Loans and advances to customers:</b>				
<b>Retail:</b>				
Overdraft Accounts	37 206 912	56 863 303	3 439 570	97 509 785
Personal loans	3 938 538 534	3 214 311 826	690 707 797	7 843 558 157
Real Estate Finance loans	159 886 986	29 228 767	70 139	189 185 892
Credit cards	67 169 671	34 243 561	11 264 258	112 677 490
<b>Corporate:</b>				
Overdraft Accounts	4 721 076 481	1 238 721 458	55 920 516	6 015 718 455
Syndicated loans	1 373 686 898	483 600 536	-	1 857 287 434
Direct loans	9 449 344 474	3 980 954 746	97 438 456	13 527 737 676
Discounted commercial bills	448 862 151	4 823 826	-	453 685 977
<b>Other Financial investments</b>				
Debt instruments at amortized cost	328 442 687	-	-	328 442 687
Debt instruments at fair value through other comprehensive income	6 882 401 089	-	-	6 882 401 089
<b>Total as at 30 September 2022</b>	<b>49 742 004 456</b>	<b>9 042 748 023</b>	<b>858 840 736</b>	<b>59 643 593 215</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 institutions</u>	<u>Trading activity</u>	<u>Governmental sector/General</u>	<u>Others</u>	<u>Retail</u>	<u>Total</u>
Treasury bills and other governmental notes	-	-	22 335 389	-	-	22 335 389
<b>Financial assets held for trading</b>						
Debt instruments	-	-	-	-	-	-
Loans and advances to customers	8 264 734	4 839 840	2 210 515	6 539 341	8 242 931	30 097 361
<b>Financial investments</b>						
Debt instruments at amortized cost	-	-	328 443	-	-	328 443
Debt instruments at fair value through other comprehensive income	-	-	3 831 807	3 050 594	-	6 882 402
<b>Total as at 30 September 2022</b>	<b>8 264 734</b>	<b>4 839 840</b>	<b>28 706 154</b>	<b>9 589 935</b>	<b>8 242 931</b>	<b>59 643 595</b>

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

**NOTES TO THE FINANCIAL STATEMENTS 30 September 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



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

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

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 September 2022**

	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Foreign exchange risk	3 367 979	5 714 741	1 630 943
Interest rate risk	42 656 514	48 129 755	39 477 834
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	5 585 691	71 493	9 089	2 543	1 213	5 670 029
Due from banks	6 190 657	2 690 445	99 517	4 859	54 278	9 039 756
Treasury bills and other governmental notes	18 974 251	2 159 481	37 400	-	-	21 171 132
Loans and advances to customers	25 823 541	2 766 391	117 737	92	92	28 707 853
<b>Financial investments</b>						
- Amortized cost	328 443	-	-	-	-	328 443
- At fair value through other comprehensive income	6 678 645	169 949	-	-	-	6 848 594
Fixed and intangible assets	37 786	-	-	-	-	37 786
Other financial assets	1 474 232	16 536	120	-	-	1 490 888
<b>Total financial assets</b>	<b>65 093 246</b>	<b>7 874 295</b>	<b>263 863</b>	<b>7 494</b>	<b>55 583</b>	<b>73 294 481</b>
<b>Financial liabilities</b>						
Due to banks	3 364	39 751	-	-	24 008	67 123
Customer's deposits	57 199 269	8 071 908	259 418	9 810	28 396	65 568 801
Other financial liabilities and deferred tax	807 712	33 848	756	-	-	842 316
Other provisions	81 425	4 298	3 028	-	-	88 751
Total share holder's equity	6 727 490	-	-	-	-	6 727 490
<b>Total financial liabilities</b>	<b>64 819 260</b>	<b>8 149 805</b>	<b>263 202</b>	<b>9 810</b>	<b>52 404</b>	<b>73 294 481</b>
<b>Net financial position</b>	<b>273 986</b>	<b>( 275 510)</b>	<b>661</b>	<b>( 2 316)</b>	<b>3 179</b>	<b>-</b>
<b>Purchasing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net financial position</b>	<b>273 986</b>	<b>( 275 510)</b>	<b>661</b>	<b>( 2 316)</b>	<b>3 179</b>	<b>-</b>
Loan Commitments – Irrevocable	576 888	13 810	-	-	-	590 698
Letters of credit	1 701	173 959	64 296	-	-	239 956
Letters of guarantees	5 351 015	304 074	16 197	-	-	5 671 286
Other financial liabilities	647 712	-	-	-	-	647 712
<b>Total</b>	<b>6 577 315</b>	<b>491 843</b>	<b>80 493</b>	<b>-</b>	<b>-</b>	<b>7 149 652</b>

**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 till three months</u>	<u>More than three month till one year</u>	<u>More than one year till five years</u>	<u>Financial Assets and Liabilities non interest bearing</u>	<u>Total</u>
<i>In thousand Egyptian pound</i>						
<b><u>Financial assets</u></b>						
Cash and due from central banks	-	-	-	-	5 670 029	5 670 029
Due from banks	6 983 492	960 292	987 858	-	108 114	9 039 756
Treasury bills and other governmental notes	5 930 684	5 042 637	10 197 811	-	-	21 171 132
Loans and advances to customers	2 121 272	3 613 357	12 316 093	10 234 172	422 959	28 707 853
<b><u>Financial investments</u></b>						
- Amortized cost	328 443	-	-	-	-	328 443
- At fair value through other comprehensive income	3 831 807	49 006	170 472	2 771 940	25 369	6 848 594
Intangible assets	-	-	-	-	37 786	37 786
Other financial assets	-	-	-	-	1 490 888	1 490 888
<b>Total financial assets</b>	<b>19 195 698</b>	<b>9 665 292</b>	<b>23 672 234</b>	<b>13 006 112</b>	<b>7 755 145</b>	<b>73 294 481</b>
<b><u>Financial liabilities</u></b>						
Due to banks	-	-	-	-	67 123	67 123
Customer’s deposits	4 406 671	12 411 916	25 245 548	23 089 775	414 891	65 568 801
Share holder’s equity	-	-	-	-	6 727 490	6 727 490
Other financial liabilities	-	-	-	-	931 067	931 067
<b>Total financial liabilities</b>	<b>4 406 671</b>	<b>12 411 916</b>	<b>25 245 548</b>	<b>23 089 775</b>	<b>8 140 571</b>	<b>73 294 481</b>
<b>Interest re-pricing gap</b>	<b>14 789 027</b>	<b>(2 746 624)</b>	<b>(1 573 314)</b>	<b>(10 083 663)</b>	<b>( 385 426)</b>	<b>-</b>

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

NOTES TO THE FINANCIAL STATEMENTS 30 September 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.

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

NOTES TO THE FINANCIAL STATEMENTS 30 September 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	30/9/2022		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	8 242 931	8 242 931	7 384 649	7 384 649
-Corporate	21 854 429	21 854 429	14 906 190	14 906 190
Financial Investments at amortized cost	-	-	641 223	641 223
<b><u>Financial liabilities</u></b>				
Due to banks	67 123	67 123	145 531	145 531
Customer's deposits				
-Retail	11 322 150	11 322 150	10 409 172	10 409 172
-Corporate	54 246 650	54 246 650	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.

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

NOTES TO THE FINANCIAL STATEMENTS 30 September 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 September 2022.



**Capital adequacy ratio as per Basel II requirements**

<i>In thousand Egyptian pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Capital</b>		
<b>Tier I Capital</b>		
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	291 884	279 435
Total cumulative other comprehensive income after control adjustments	( 228 636)	15 750
<b>Additional Going Concern</b>		
Quarterly interim profit / (losses)	705 225	-
<b>Deduct from Common Equity</b>		
(-) Deduct 100% from net of Intangible assets(Other than goodwill)	( 37 786)	( 44 175)
(-) Deduct total the fair value for investment FVOCI Which have been reclassified to Amortized cost investments	( 267)	( 662)
<b>Total Tier I</b>	<b>6 379 457</b>	<b>5 899 385</b>
<b>Tier 2 Capital (subordinated capital)</b>		
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)	131 917	85 343
<b>Total Tier 2 capital</b>	<b>131 917</b>	<b>85 343</b>
<b>Total capital based after deductions</b>	<b>6 511 374</b>	<b>5 984 728</b>
Total Assets and potential liabilities weighted by credit risk	35 877 222	25 074 181
Capital requirements for market risk	228 422	-
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>37 693 821</b>	<b>27 474 984</b>
<b>Capital adequacy ratio (%)</b>	<b>17.3%</b>	<b>21.8%</b>

**Leverage Ratio**

	<i>In Thousand Egyptian Pounds</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>First</b>	<b>Tier 1 capital after Exclusions</b>	<b>6 379 457</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)	12 528 612	8 568 846
	Due from Banks	2 187 676	1 273 325
	Treasury bills and other Government securities	21 217 484	10 868 384
	REPO	( 46 352)	( 54 871)
	Financial investments Fair Value through OCI	6 907 769	4 984 531
	Financial investments Amortized Cost	328 443	641 223
	Loans and credit facilities to customers	30 097 361	22 290 839
	Fixed Assets (after deducting depreciation and impairment losses)	498 556	203 608
	Other assets	992 335	783 842
	Deducted amounts from exposures (after deducting Tier I Exclusions for capital base)	( 37 786)	( 946 601)
	<b>Total on-balance sheet exposures items after deducting after Tier I Exclusions for capital base.</b>	<b>74 674 098</b>	<b>48 613 126</b>
<b>2</b>	<b><u>Exposures off-balance sheet</u></b>		
	<b><u>Contingent liabilities (1)</u></b>		
	Letters of Credit - Import	47 991	71 293
	Letters of Credit - Export	63 889	-
	Letters of Guarantees	2 835 642	1 912 974
	Letters of Guarantees according to foreign banks	3 404 596	2 636 215
	Accepted papers	67 217	148 391
	Re-discounted Commercial paper	57 061	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	864 216	500 401
	<b>Total Exposures off-balance sheet</b>	<b>7 970 026</b>	<b>5 900 750</b>
	<b>Total On-Off balance sheet exposures items (1) + (2)</b>	<b>82 644 124</b>	<b>54 513 876</b>
	<b>Leverage financial ratio</b>	<b>7.72%</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 caption.

**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	3 229 827 025	2 848 219 061	6 249 203 487	12 327 249 573
Segment expenses	(2957 364 597)	(2440 934 112)	(5773 906 865)	(11 172 205 574)
<b>Profit for the period before taxes</b>	<b>272 462 428</b>	<b>407 284 949</b>	<b>475 296 622</b>	<b>1 155 043 999</b>
Taxes	(76 653 396)	(92 991 087)	(280 174 547)	(449 819 030)
<b>Profit (Loss) for the period</b>	<b>195 809 032</b>	<b>314 293 862</b>	<b>195 122 075</b>	<b>705 224 969</b>
<b><u>Assets and Liabilities according to business segment</u></b>				
Total assets	24 558 926 754	8 741 296 282	39 994 258 864	73 294 481 900
Total liabilities	38 175 675 022	29 314 383 807	5 804 423 071	73 294 481 900
<b><u>Other business segment items</u></b>				
Depreciations	(28 291 266)	(50 480 848)	(5 570 334)	(84 342 448)
Expedcted Credit Loss	(341 096 666)	(30 043 850)	(17 069 853)	(388 210 369)

**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	4 903 669 961	1 622 387 030	172 049 629	6 698 106 620
Geographical sector expenses	(4021 726 466)	(1371 731 577)	(149 604 578)	(5 543 062 621)
<b>Profit for the period before taxes</b>	<b>881 943 495</b>	<b>250 655 453</b>	<b>22 445 051</b>	<b>1 155 043 999</b>
Taxes	(382 876 926)	(61 415 387)	(5 526 716)	(449 819 030)
<b>Profit for the period</b>	<b>499 066 569</b>	<b>189 240 066</b>	<b>16 918 335</b>	<b>705 224 969</b>
<b><u>Assets and Liabilities</u></b>				
Total assets	63 450 728 162	8 975 547 131	868 206 607	73 294 481 900
Total liabilities	58 555 334 523	13 859 894 176	879 253 201	73 294 481 900
<b><u>Other Geographical sector items</u></b>				
Depreciations	(66 821 377)	(11 861 127)	(5 659 944)	(84 342 448)
Expedcted Credit Loss	(266 110 603)	(111 509 118)	(10 590 649)	(388 210 369)

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

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

### 6- Cash and due from Central Bank of Egypt

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Cash on hand	332 399 872	197 284 003
Due from Central Bank of Egypt within reserve ratio	5 337 629 565	3 995 303 114
	<b>5 670 029 437</b>	<b>4 192 587 117</b>

### 7- Due from banks

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b><u>The Central Bank of Egypt</u></b>		
Current accounts	57 813 443	19 945 562
Time Deposits	6 800 768 662	4 356 313 491
	<b>6 858 582 105</b>	<b>4 376 259 053</b>
<b><u>Local Banks</u></b>		
Current accounts	54 656 848	24 517 595
Time Deposits	1 404 138 410	1 047 900 600
	<b>1 458 795 258</b>	<b>1 072 418 195</b>
<b><u>Foreign Banks</u></b>		
Current accounts	108 114 362	43 739 427
Time Deposits	620 766 501	157 167 000
	<b>728 880 863</b>	<b>200 906 427</b>
<b>Total due from banks</b>	<b>9 046 258 226</b>	<b>5 649 583 675</b>
Expect credit loss provision	(6 501 995)	( 678 372)
<b>Net due from banks</b>	<b>9 039 756 231</b>	<b>5 648 905 303</b>
Non-interest bearing balances	220 584 653	88 202 584
Interest bearing balances	8 825 673 573	5 561 381 091
Expect credit loss provision	(6 501 995)	( 678 372)
	<b>9 039 756 231</b>	<b>5 648 905 303</b>

### 8- Treasury bills at fair value through other comprehensive income

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b><u>Treasury bills</u></b>		
Treasury bills maturing to 91 days	1 136 150 000	-
Treasury bills maturing from 92 to 182 days	5 503 325 000	75 000 000
Treasury bills maturing grater than 182 to 364 days	15 742 265 250	11 456 545 830
	<b>22 381 740 250</b>	<b>11 531 545 830</b>
<b><u>(Less):</u></b>		
Unearned interest	(1070 988 281)	(654 686 523)
REPO *	(46 351 677)	(54 870 562)
	<b>21 264 400 292</b>	<b>10 821 988 745</b>
Net change in fair value	<b>(93 267 799)</b>	<b>(8 474 679)</b>
<b>Net of Treasury bills after change in fair value</b>	<b>21 171 132 493</b>	<b>10 813 514 066</b>

### \* REPO

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Against the the amount granted by the Central Bank of Egypt within the mortgage finance initiative for low-income people	40 342 231	42 232 421
Against the the amount granted by the Central Bank of Egypt within SMEs initiative	6 009 446	12 638 141
	<b>46 351 677</b>	<b>54 870 562</b>

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

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Discounted commercial bills	453 685 977	499 366 709
Customers loans	29 643 674 889	21 791 471 954
	<b>30 097 360 866</b>	<b>22 290 838 663</b>
<b>(Less):</b>		
Unearned discount on discounted commercial bills	(5 039 818)	(7 655 264)
Expect credit loss provision	(1 307 424 281)	(969 211 017)
Interest in suspense	(77 043 452)	(91 799 948)
	<b>(1 389 507 551)</b>	<b>(1068 666 229)</b>
	<b>28 707 853 315</b>	<b>21 222 172 434</b>

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

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b><u>Retail</u></b>		
Overdraft Accounts	97 509 785	108 542 687
Personal loans	7 843 558 157	7 020 431 192
Credit cards	112 677 490	59 395 009
Real Estate Finance loans	189 185 892	196 280 110
<b>Total (1)</b>	<b>8 242 931 324</b>	<b>7 384 648 998</b>
<b><u>Corporate</u></b>		
Overdraft Accounts	6 015 718 455	4 430 732 523
Syndicated loans	1 857 287 434	1 770 149 952
Direct loans	13 527 737 676	8 205 940 481
Discounted commercial bills	453 685 977	499 366 709
<b>Total (2)</b>	<b>21 854 429 542</b>	<b>14 906 189 665</b>
<b>Total loans and Advances to customers (1+2)</b>	<b>30 097 360 866</b>	<b>22 290 838 663</b>
<b>(Deduct):</b>		
prepaid revenue	(5 039 818)	(7 655 264)
Expect credit loss provision	(1307 424 281)	(969 211 017)
Interest in suspense	(77 043 452)	(91 799 948)
<b>Net</b>	<b>28 707 853 315</b>	<b>21 222 172 434</b>

9-2 Expect credit loss provision

<i>In Egyptian Pound</i>	30 September 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	355 616 468	474 869 937
Proceeds from loans previously written off	34 533 250	34 818 002
Foreign currencies revaluation differences	42 307 926	( 305 300)
	<b>1 401 668 661</b>	<b>1 256 148 993</b>
Amounts written off during the period / year ended	(94 244 380)	(286 937 976)
<b>ECL provisions at the end of the period / year ended</b>	<b>1 307 424 281</b>	<b>969 211 017</b>

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

30 September 2022

Retail

<i>In Egyptian Pound</i>	<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	3 631 437	28 146 946	(1 734 533)	30 043 850
Proceeds from loans previously written off	493 711	28 798 114	5 043 651	34 335 476
Provisions used	( 369 148)	(46 448 574)	( 70 198)	(46 887 920)
<b>Balance at the end of the period / year ended</b>	<b>5 492 284</b>	<b>163 578 474</b>	<b>12 713 003</b>	<b>181 783 761</b>

Corporate

<i>In Egyptian Pound</i>	<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	112 858 835	195 212 130	17 501 653	325 572 618
Proceeds from loans previously written off	197 774	-	-	197 774
Foreign currencies revaluation differences	22 899 993	13 509 254	5 898 679	42 307 926
Provisions used	(47 356 460)	-	-	(47 356 460)
<b>Balance at the end of the period / year ended</b>	<b>524 278 127</b>	<b>465 738 255</b>	<b>135 624 139</b>	<b>1 125 640 520</b>

31 December 2021

Retail

<i>In Egyptian Pound</i>	<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

<i>In Egyptian Pound</i>	<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 September 2022</b>	<b>31 December 2021</b>
Quoted governmental debt instruments	328 442 687	641 223 070
<b>Total governmental debt instruments</b>	<b>328 442 687</b>	<b>641 223 070</b>

**Movement of treasury bonds at amortized cost**

<i>In Egyptian Pound</i>	<b>30 September 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)	648 136	458 936
Retrieval – Treasury Bonds & Financial Investments	(313 823 000)	(1580 890 762)
Net change in fair value	394 481	2 213 194
Expect credit loss provision	-	43 241
Foreign currencies revaluation differences	-	( 500)
<b>Balance</b>	<b>328 442 687</b>	<b>641 137 344</b>
Unearned Income	-	85 726
<b>Balance at the end of the period \ year</b>	<b>328 442 687</b>	<b>641 223 070</b>



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

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Quoted governmental debt instruments at fair value	3 831 806 840	3 857 801 387
Quoted Non governmental debt instruments at fair value	3 050 594 249	1 099 226 297
	<b>6 882 401 089</b>	<b>4 957 027 684</b>
<b>Unearned returns after years of government</b>	(59 176 232)	(176 337 300)
	<b>6 823 224 857</b>	<b>4 780 690 384</b>
Unquoted equity instruments	<b>25 369 023</b>	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>6 848 593 880</b>	<b>4 808 194 852</b>
<b>Current balances</b>	6 823 224 857	4 780 690 384
<b>Non-current balances</b>	25 369 023	27 504 468
	<b>6 848 593 880</b>	<b>4 808 194 852</b>

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

<i>In Egyptian Pound</i>	<b>30 September 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)	99 752 631	(67 240 372)
Buy – Treasury Bonds & Financial Investments	2 432 692 771	3 265 915 311
Retrieval – Treasury Bonds & Financial Investments	(332 920 842)	(608 266 859)
Net change in fair value	(171 244 624)	(76 318 728)
Foreign currencies revaluation differences	12 119 092	(3 199 557)
<b>Balance at the end of the period \ year</b>	<b>6 848 593 880</b>	<b>4 808 194 852</b>

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

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

**Associates**

	30 September 2022	31 December 2021
EL Fouadeya Development Company	100	100
	<b>100</b>	<b>100</b>

**	<b><u>Company Name</u></b>	<b><u>Assets</u></b>	<b><u>Liabilities</u></b>	<b><u>Paid in Capital</u></b>	<b><u>Income</u></b>	<b><u>Net profit /(loss)</u></b>	<b><u>Last financial statement date</u></b>	<b><u>Headquarter country</u></b>
	EL Fouadeya Development Company	12 259 001	15 914 479	3 668 000	-	( 129 079)	31 December 2021	Egypt

**Notes to condensed interim Financial Statements for the period ended September 30, 2022**
**13- Intangible assets**

<i>In Egyptian Pound</i>	<b>30 September 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	<b>17 230 356</b>	<b>23 165 736</b>
<b>Total</b>	<b>61 405 630</b>	<b>66 506 871</b>
Amortization during the period \ year	<b>(23 619 767)</b>	<b>(22 331 597)</b>
<b>Net</b>	<b>37 785 863</b>	<b>44 175 274</b>

**14- Other assets**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Accrued revenues	401 167 600	297 230 144
Prepaid expenses	67 681 638	32 109 762
Down payments to purchase of fixed assets	408 514 834	356 136 635
Assets reverted to the bank in settlement of debts *	50 586 093	51 116 301
Deposits held with others and custody	6 398 114	4 887 095
Other debit balances **	57 983 144	40 301 883
	<b>992 331 423</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 September 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 September 2022</b>	<b>31 December 2021</b>
ATM outstanding balances	35 763 270	29 228 150
Others	22 219 874	11 073 733
	<b>57 983 144</b>	<b>40 301 883</b>

**15-A Deferred Tax**
**30 September 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 September 2022</b>	<b>30 September 2021</b>
Corporate Tax Expenses	119 550 000	16 000 000
Treasury bills and bonds revenues taxes	332 136 694	223 221 747
Dividend tax	132 336	260 286
Deferred tax - Expenses	(2 000 000)	-
	<b>449 819 030</b>	<b>239 482 033</b>

**16- Property and equipment**
**30 September 2022**

<i>In Egyptian Pound</i>	<u>Land</u>	<u>Buildings and constructions</u>	<u>Integrated automated systems</u>	<u>Vehicles</u>	<u>Tools and equipment</u>	<u>Leasehold 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	184 517 823	20 520 888	9 987 731	560 903 520
Additions during the period	316 146 523	-	11 226 861	2 057 000	1 382 402	30 499 137	2 776 128	-	364 088 051
Disposals	-	(13 041 165)	-	-	( 156 980)	(8 948 973)	-	-	(22 147 118)
Cost as at 30 September 2022	316 146 523	43 915 303	223 879 546	3 577 001	75 973 346	206 067 987	23 297 016	9 987 731	902 844 453
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	-	744 741	27 249 505	468 967	10 397 205	20 959 627	902 636	-	60 722 681
Disposals accumulated depreciation	-	(4 781 663)	-	-	-	(8 948 973)	-	-	(13 730 636)
Accumulated depreciation as at 30 September 2022	-	14 275 900	134 020 260	1 340 563	67 524 854	160 197 564	16 941 110	9 987 731	404 287 982
Net book value as at 30 September 2022	316 146 523	29 639 403	89 859 286	2 236 438	8 448 492	45 870 423	6 355 906	-	498 556 471

**16- Property and equipment**

31 December 2021

<i>In Egyptian Pound</i>	<u>Land</u>	<u>Buildings and constructions</u>	<u>Integrated automated systems</u>	<u>Vehicles</u>	<u>Tools and equipment</u>	<u>Leasehold fixtures</u>	<u>Furniture</u>	<u>Other fixtures</u>	<u>Total</u>
Cost at the beginning of the year	52 021 263	174 722 341	146 290 554	1 520 001	96 680 210	274 972 736	35 839 141	9 987 731	792 033 977
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)
Cost as at 31 December 2021	-	56 956 468	212 652 685	1 520 001	74 747 924	184 517 823	20 520 888	9 987 731	560 903 520
Accumulated depreciation at the beginning of the year	-	27 019 489	81 305 984	389 988	63 094 404	177 289 995	21 353 354	9 987 731	380 440 945
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)
Accumulated depreciation as at 31 December 2021	-	18 312 822	106 770 755	871 596	57 127 649	148 186 910	16 038 474	9 987 731	357 295 937
Net book value as at 31 December 2021	-	38 643 646	105 881 930	648 405	17 620 275	36 330 913	4 482 414	-	203 607 583

**17- Due to banks**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Local banks</b>		
Current accounts	1 318	1 059
	<b>1 318</b>	<b>1 059</b>
<b>Foreign banks</b>		
Current accounts	67 122 163	145 529 702
	<b>67 122 163</b>	<b>145 529 702</b>
	<b>67 123 481</b>	<b>145 530 761</b>
Non-interest bearing balances	67 123 481	145 530 761
	<b>67 123 481</b>	<b>145 530 761</b>

**18- Customers' deposits**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Demand deposits	21 878 982 324	11 448 124 020
Time and callable deposits	34 687 241 012	21 308 652 067
Saving and deposit certificates	7 214 773 375	6 091 835 684
Saving deposits	1 372 915 370	1 981 509 893
Other deposits	414 891 718	281 675 026
<b>Total Customers' deposits</b>	<b>65 568 803 799</b>	<b>41 111 796 690</b>
Interest in Advance on USD deposits for retail	( 2 874)	(2 060 056)
<b>Net Customers' deposits</b>	<b>65 568 800 925</b>	<b>41 109 736 634</b>
Corporate & SMEs deposits	54 246 650 350	30 700 564 179
Retail deposits	11 322 150 575	10 409 172 455
	<b>65 568 800 925</b>	<b>41 109 736 634</b>
Non-interest bearing balances	2 749 478 406	2 255 232 480
Interest bearing balances	62 819 322 519	38 854 504 154
	<b>65 568 800 924</b>	<b>41 109 736 634</b>

**19- Other liabilities**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Accrued interest	203 449 016	150 574 424
Unearned revenue	25 424	10 238 156
Accrued expenses	81 073 562	67 295 830
Creditors	6 358 743	18 631 555
Other credit balances *	533 201 525	364 810 792
	<b>824 108 270</b>	<b>611 550 757</b>

\* **The other credit balances includes the following:**

<i>in Egyptian pounds</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Stamp duty	15 346 243	13 189 162
Treasury bills taxes	248 666 483	136 890 284
Income Corporate Tax	100 520 580	47 500 000
Taxes under settlement	1 954 256	1 576 788
Staff Taxes and Insurance	13 997 548	12 576 187
Amount of contractors Insurance being held until paid Social Insurance	2 763 165	2 666 086
Amounts collected from insurance companies under settlement	16 382 698	11 400 336
Clearance cheques (Are to be settled in next day)	105 839 209	117 144 953
Letters of credit deductibles	715 715	840 800
ATM suspense amounts	5 393 713	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	11 898 425	8 475 270
	<b>533 201 525</b>	<b>364 810 792</b>



**20- Other provisions**
**30 September 2022**

<i>In Egyptian Pound</i>	Balance at the beginning of the period	Charged during the period	Foreign currencies revaluation differences	Utilized during the period	Refunds from utilized provisions previously	Negated the purpose	Balance at period end
Provision for potential claims **	32 997 953	27 800 000	-	(11 016 723)	783 188	-	50 564 418
Contingent liabilities provision	16 551 433	14 907 532	1 028 974	(1 628 854)	540 000	-	31 399 085
Other provisions *	5 822 266	-	-	-	20 000	-	5 842 266
Loans commitment provisions	328 537	616 516	-	-	-	-	945 053
	<b>55 700 189</b>	<b>43 324 048</b>	<b>1 028 974</b>	<b>(12 645 577)</b>	<b>1 343 188</b>	<b>-</b>	<b>88 750 822</b>

**31 December 2021**

<i>In Egyptian Pound</i>	Balance at the beginning of the year	Charged during the year	Foreign currencies revaluation differences	Utilized during the year	Refunds from utilized provisions previously	Negated the purpose	Balance at 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 September 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 September 2022 is as follows:

Tax disputes provision	42 009 220
Legal claims provision	8 555 198
Provisions for leave balances	-
	<b>50 564 418</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 September 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 September 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>	892 857 143	5 000 000 001	5 000 000 001

**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>	263 359 688	1 474 814 253	1 474 814 253

**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 September 30 2022:

<i>In Egyptian pound</i>	<b>30 September 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	232 473 814	308 044 899
Revaluation differences for available for sale investments	(228 636 404)	15 750 553
<b>Balance at the end of the period / Year</b>	<b>652 874 713</b>	<b>688 308 069</b>

**The changes in the reserves are represented in the following:**
**A- Legal Reserve**

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

**B- Capital Reserve**

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

**C- General banking risk reserve**

<i>In Egyptian pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Balance at the beginning of the period \ year</b>	<b>308 044 899</b>	<b>275 272 854</b>
Transferred from retained earnings	(75 571 085)	32 772 045
<b>Balance at the end of the period \ Year</b>	<b>232 473 814</b>	<b>308 044 899</b>

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

<i>In Egyptian pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Balance at the beginning of the period \ year</b>	<b>15 750 553</b>	<b>112 651 024</b>
Net change in the fair value	(255 643 262)	(87 731 699)
Expected Credit loss impact	11 256 305	(9 168 772)
<b>Balance at the end of the period \ Year</b>	<b>(228 636 404)</b>	<b>15 750 553</b>

**E- Asset Held For Sale reserve**

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

**F- Retained earnings**

<i>In Egyptian pound</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b><u>Movement on retained earnings</u></b>		
<b>Balance at the beginning of the period \ year</b>	<b>725 127 275</b>	<b>918 966 240</b>
- 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)
<b>Retained earnings</b>	<b>279 434 776</b>	<b>52 423 787</b>
Net profit for the period \ year	705 224 969	710 245 847
- Transferred to General Banking Risk reserve	75 571 085	(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)	-
<b>Balance at the end of the period / Year</b>	<b>1 074 615 755</b>	<b>725 127 275</b>

**Notes to condensed interim Financial Statements for the period ended September 30, 2022**
**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 September 2022</b>	<b>30 September 2021</b>
Cash and due from Central Bank of Egypt (Note no 6)	332 399 872	206 543 633
Due from banks (Note no 7)	7 098 108 462	5 211 023 139
Treasury bills and the governmental notes (Note no 8)	1 136 150 000	1 270 350 000
	<b>8 566 658 334</b>	<b>6 687 916 772</b>

**23- Contingent liabilities and commitments**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
Loan Commitments – Irrevocable	590 698 301	372 309 558
Letter of guarantee	5 671 285 837	3 825 947 096
Letter of credit	239 956 341	356 466 615
Other contingent liabilities	647 711 724	556 084 935
	<b>7 149 652 203</b>	<b>5 110 808 204</b>

**24- Net income from revenue**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
<b><u>Loans interest and similar revenues</u></b>		
Loans, facilities and deposits at banks		
Deposits at banks	580 138 638	124 886 276
Loans and facilities to clients	2 393 436 230	1 718 641 612
<b>Total loans &amp; banks</b>	<b>2 973 574 868</b>	<b>1 843 527 888</b>
Treasury bills	1 260 285 655	757 572 410
Investment in available for sale and held to maturity debt instruments	519 956 631	450 472 923
<b>Total Debt instruments</b>	<b>1 780 242 286</b>	<b>1 208 045 333</b>
<b>Total Loans interest and similar revenues</b>	<b>4 753 817 154</b>	<b>3 051 573 221</b>
<b><u>Interest expense and similar charges</u></b>		
Deposits and current accounts:		
To banks	( 708 805)	(17 017 861)
To clients	(2 875 594 772)	(1 757 560 990)
Other Loans & REPO	( 876 672)	(4 529 539)
<b>Total Interest expense and similar charges</b>	<b>(2 877 180 249)</b>	<b>(1 779 108 390)</b>
<b>Net interest income</b>	<b>1 876 636 905</b>	<b>1 272 464 831</b>

**25- Dividends income**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</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>30 September 2022</b>	<b>30 September 2021</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>30 September 2022</b>	<b>30 September 2021</b>
Gains on sale of treasury bills	16 991 150	3 737 293
Gain on Sale of debt instruments through OCI	-	65 584
	<b>16 991 150</b>	<b>3 802 877</b>

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

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
Loans and advances - Impairment charge	355 616 468	319 286 715
Due from banks - Impairment charge	5 823 623	( 232 964)
Financial investments at amortized cost - Impairment charge (reverse)	-	( 43 241)
Financial investments at fair value through OCI - Impairment charge (reverse)	11 246 230	(13 552 279)
	<b>372 686 321</b>	<b>305 458 231</b>

**29- Administrative expenses**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
<b>Labor cost</b>		
Wages and salaries	304 207 227	257 113 073
Social insurance	17 511 395	14 626 725
<b>Total Labor cost</b>	<b>321 718 622</b>	<b>271 739 798</b>
Other administrative expenses*	338 417 542	301 109 206
	<b>660 136 164</b>	<b>572 849 004</b>

\* Other administrative expenses

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
Depreciation and amortization	84 342 448	82 399 255
Subscriptions	23 692 335	23 122 015
Taxes and fees	64 660 880	50 517 015
Repair and maintenance	58 810 521	45 646 775
Insurance	4 954 860	3 800 422
Advertising	11 209 246	6 820 642
Security and cleaning	15 425 577	17 148 469
Electricity water mail swifts & Gas	15 077 027	13 874 420
Hospitality	2 228 613	1 459 788
Stationary & Prints	2 342 124	1 599 439
Expenses and commissions for sales and customer service representatives	37 867 817	36 674 494
Community Contribution and Donations	4 890 086	5 050 000
Others	12 916 008	12 996 472
	<b>338 417 542</b>	<b>301 109 206</b>

**30- Other operating revenues (expenses).**

<i>In Egyptian Pound</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
Gains from revaluation of assets and liabilities in foreign currencies and foreign exchange earnings	22 652 156	32 978 746
Gains from sale of fixed assets	70 650 607	45 239 313
Other provision formed	(43 324 048)	(18 693 048)
Assets rent expense	(101 686 408)	(49 946 554)
Gains from assets reverted to the bank	(1 367 991)	( 578 854)
	<b>(53 075 684)</b>	<b>8 999 603</b>

**31- Earnings 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 September 2022</b>	<b>30 September 2021</b>
<i>Net profit for the period</i>	705 224 969	378 812 684
<b>Deduct:</b> <i>Employees share</i>	(70 522 497)	(37 881 268)
<b>Deduct:</b> <i>B.O.D. remuneration</i>	(16 466 824)	-
distributed net profit	<b>618 235 648</b>	<b>340 931 416</b>
Weighted average number of shares	<b>892 857 143</b>	<b>263 359 688</b>
<b>Profit per share</b>	<b>0.69</b>	<b>1.29</b>

**32- Capital commitments**

The uncalled capital commitments related to the financial investments at the balance sheet date amounted to EGP 647,711,724 as follows:

<i>In Egyptian Pound</i>	<b>Commitments</b>	<b>Amount Paid</b>	<b>Unclaimed / unpaid amount</b>
Obligations for leases	647 711 724	-	647 711 724
	<b>647 711 724</b>	<b>-</b>	<b>647 711 724</b>

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

The average interest rates on assets 12.06% and liabilities 8.41% 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 September 2022</b>	<b>31 December 2021</b>
<b><u>Nature of transactions</u></b>		
Due from banks	27 911 041	6 488 104
Contingent liabilities and commitment	4 487 571 837	3 850 545 766

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

**NOTES TO THE FINANCIAL STATEMENTS 30 September 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 M EGP and it is expected to decrease the amount to be EGP 20 M.
- Note that the bank paid an amount of fifty million Egyptian pounds from the tax account for the years 2007\2018, which might be resulting that a surplus amount is EGP 15 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 14 M EGP from inspection in addition to 4 M EGP tax on independent pool.

The tax rate for the period ended 30 September 2022 reached 38.9 %

**Second : Delay penalties**

The delay penalties regarding the year 1994/2002 amounted of 24.7 M EGP 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.



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

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

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**Year 2021**

Not Investigated yet and provisions charged with 4 million EGP according to the opinion of the tax consultant, was fully formed.

**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 M EGP it was fully paid during Q2-2013.

**Years 2006 till 2019**

The bank was notified with estimated tax differences with an amount of 109 M EGP the bank object against it in front of internal committee which's ended with tax amount 19.5 M EGP and it was fully paid in addition to delay penalties 27 M EGP 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 8 M was fully formed.

**36-Comparative figures**

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