

Translation of financial statements
Originally issued in Arabic

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

**Condensed interim Financial Statements
For the period ended 31 March 2023
AND Limited Auditors' Report**



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

**Condensed interim Financial Statements
For the period ended 31 March 2023
AND Limited Auditors' Report**

Table of Contents	Page
Limited Auditor's report	3
Financial Statements and notes index	4
Statement of Financial Position	5
Income Statement	6
Statement of Other Comprehensive Income	7
Statement of Changes in Shareholders' Equity	8
Statement of Cash Flows	9-10
Notes to the Condensed interim Financial Statements	11-56

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 March 31, 2023 and the related condensed statements of income, comprehensive income, change in equity and cash flows for the three 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 March 31, 2023 and of its financial performance and its cash flows for the three 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.


Public Accountants & Consultants

Auditors


Public Accountants & Consultants

Cairo, May 10, 2023

Table of Contents

#	Description	Page
1	Financial Position	5
2	Income Statement	6
3	The other comprehensive income statement	7
4	Statement Of Changes In Shareholders' Equity	8
5	Cash flows	9
6	Continued the statement of cash flows	10
7	Policy A-5	15
8	Policy A-5-1	16
9	Policy A-5-2	17
10	Policy A-5-3	18
11	Policy A -6	19
12	Policy A-7	23
13	Policy A-8	24
14	Policy A-9	25
15	Policy B-3	26
16	Policy B-4	29
17	Capital adequacy - Basel II	33
18	Leverage Ratio	34
19	Note 5	36
20	Notes 6 7 8	37
21	Notes 9	38
22	Note 10	40
23	Notes 11	41
24	Notes 12	42
25	Note 13 14	43
26	Notes 15	44
27	Notes 16	45
28	Continued Note 16	46
29	Note 17 18	47
30	Note 19	48
31	Notes 20	49
32	Notes 21	50
33	Notes 22 23 24	52
34	Notes 25 26 27 28	53
35	Notes 29 30 31	54
36	Note 32 33	55
37	Note 34	56
38	Note 35	56

<i>In Egyptian Pound</i>	<i>Note</i>	<i>31 March 2023</i>	<i>31 December 2022</i>
Assets			
Cash and due from Central Bank	(6)	10 559 179 728	11 957 062 397
Due from banks	(7)	16 395 992 893	11 823 057 068
Treasury bills at fair value through other comprehensive income	(8)	19 351 743 498	23 511 576 216
Loans and advances to customers	(9)	30 681 454 664	29 781 734 796
Investments :			
- At Amortized Cost	(10)	93 081 094	96 210 105
- At fair value through other comprehensive income	(11)	6 420 475 415	7 206 940 908
Investments in associates	(12)	100	100
Deferred Tax Assets	(15)	83 747 817	83 747 817
Intangible assets	(13)	25 957 484	35 077 156
Other assets	(14)	1 379 732 534	1 178 656 317
Property and equipment	(16)	492 383 741	496 447 239
Total assets		85 483 748 968	86 170 510 119
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(17)	154 158 962	2 406 440 698
Customers' deposits	(18)	76 604 955 085	75 492 440 836
Other liabilities	(19)	1 420 339 876	1 114 597 018
Other provisions	(20)	95 230 749	103 165 953
Total liabilities		78 274 684 672	79 116 644 505
Shareholders' equity			
Paid-in capital	(21)	5 000 000 001	5 000 000 001
Amounts paid under capital increase		249 999 999	-
Reserves	(21)	1 135 180 174	1 048 196 262
Retained earnings	(21)	823 884 122	1 005 669 351
Total shareholders' equity		7 209 064 296	7 053 865 614
Total liabilities and shareholders' equity		85 483 748 968	86 170 510 119

- The accompanying notes from (1) to (35) are an integral part of these Condensed Interim Financial Statements and read with it.

- Limited Review" report attached.

Managing Director and CEO

Ihab Elsewerky

Chairman

Mohamed Dhaen Al Hamli

Income Statement for Period March 31, 2023

Translation of financial statements
Originally issued in Arabic

<i>In Egyptian Pound</i>	Note	31 March 2023	31 March 2022
Interest income on loans and similar revenues	(24)	2 668 347 168	1 274 343 052
Interest expense and similar charges	(24)	(1 728 704 597)	(760 648 866)
Net interest income		939 642 571	513 694 186
Fees and Commissions income		181 010 539	133 660 000
Fees and Commissions expenses		(4 321 853)	(6 538 077)
Net fees and commissions income		176 688 686	127 121 923
Dividends income	(25)	214 421	-
Gains from financial investments	(27)	4 408 650	8 550 493
Expected credit losses impairment	(28)	(184 368 110)	(78 746 662)
Administrative expenses	(29)	(272 224 737)	(210 186 830)
Other operating expenses	(30)	(41 348 790)	39 393 691
Profit for the Period before income tax		623 012 691	399 826 801
Income tax expenses	(15)	(273 905 423)	(113 631 595)
Net profit for the Period		349 107 268	286 195 206
Earnings per share (EGP)	(31)	0.32	0.29

- The accompanying notes from (1) to (35) are an integral part of these Financial Statements and read with it.

Statement of Other Comprehensive Income for Period March 31, 2023

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Net profit for the Period	349 107 268	286 195 206
Items that may be reclassified to profit or loss		
Net change in the fair value of investments at fair value through other comprehensive income	(68 816 259)	(39 535 072)
Income tax related to items that may be reclassified to profit or loss	15 483 658	8 895 391
Expected credit losses on debt instruments at fair value through other comprehensive income	11 311 573	(2 328 832)
Total other comprehensive income for the Period, net after tax	(42 021 028)	(32 968 513)
Total comprehensive income for the Period, net after tax	307 086 240	253 226 693

- The accompanying notes from (1) to (35) are an integral part of these Financial Statements and read with it.

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For The Period 31 March 2023

<i>In Egyptian Pound</i>	<u>Paid-in capital</u>	<u>Paid under capital increase</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>Retained earnings</u>	<u>Total</u>
Period 31 March 2022									
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	-	-	-	-	-	97 637 127	-	(97 637 127)	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	(39 535 072)	-	(39 535 072)
Losses on the sale of financial assets	-	-	-	-	-	-	-	(1 061 971)	(1 061 971)
Paid under capital increase	3 525 185 748	(3525 185 748)	-	-	-	-	-	-	-
Net profit for the Period March 31, 2022	-	-	-	-	-	-	-	286 195 206	286 195 206
Balance as at 31 March 2022	5 000 000 001		311 089 891	11 504 993	326 442 419	405 682 026	(23 784 519)	466 930 884	6 497 865 695
Period 31 March 2023									
Balance as at January 1, 2023 before distribution	5 000 000 001	-	311 089 891	11 504 993	326 442 419	661 408 983	(262 250 024)	1 005 669 351	7 053 865 614
Profit distribution (Staff & BOD members) - 2022	-	-	-	-	-	-	-	(118 521 373)	(118 521 373)
Profit distribution (shareholders) - 2022	-	249 999 999	-	-	-	-	-	(249 999 999)	-
Transfer to legal reserve	-	-	101 045 951	-	-	-	-	(101 045 951)	-
Transfer to capital reserve	-	-	-	-	54 754 220	-	-	(54 754 220)	-
Banking Support and Development Fund	-	-	-	-	-	-	-	(6 570 954)	(6 570 954)
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	(68 816 259)	-	(68 816 259)
Net profit for the Period March 31, 2023	-	-	-	-	-	-	-	349 107 268	349 107 268
Balance as at March 31, 2023	5 000 000 001	249 999 999	412 135 842	11 504 993	381 196 639	661 408 983	(331 066 283)	823 884 122	7 209 064 296

- The accompanying notes from (1) to (35) are an integral part of these Financial Statements and read with it.

<i>In Egyptian Pound</i>	Note	31 March 2023	31 March 2022
Cash flow from operating activities			
Net profit for the Period before tax		623 012 691	399 826 801
Depreciation and amortization	(13,16)	27 271 345	26 604 862
Reversed charged during the Period-other provisions	(20,30)	16 631 890	9 463 500
Reversed charged during the Period-due from banks	(7,28)	(2 175 836)	109 719
Foreign revaluation differences for other provisions	(20)	2 513 728	948 921
Gain on sale of fixed assets	(30)	-	(70 650 607)
Dividends payable	(25)	(214 421)	-
Operating profit before changes in assets and liabilities from operating activities		667 039 397	366 303 196
<u>Cash flow from operating activities</u>			
Change in due from banks	(7)	1 389 611 411	706 313 491
Change in due from Central Bank of Egypt within reserve percentage	(6)	1 542 205 097	(590 482 041)
Change in treasury bills and other governmental notes	(8)	4 520 509 959	(597 982 531)
Change in loans and advances to banks	(9)	(904 968 862)	(3 350 543 028)
Change in other assets	(14)	(180 113 979)	(50 477 942)
Change in due to bank	(17)	(2252 281 736)	381 196 279
Change in customers' deposits	(18)	1 112 514 249	3 601 843 205
Change in used from other provisions	(20)	(27 080 822)	(8 351 228)
Change in other liabilities	(19)	(352 488 252)	279 980 384
Change in income tax paid		(184 862 999)	(111 428 200)
Net cash flow provided from operating activities		5 330 083 463	626 371 585

<i>In Egyptian Pound</i>	Note	31 March 2023	31 March 2022
<u>Cash flow from investing activities</u>			
Payments to purchase fixed assets and establishments of branches		(35 050 414)	(366 773 251)
Proceeds from sale of fixed assets		-	78 910 109
Retrieval of financial investments - Amortized cost	(10)	3 205 000	203 700 000
Purchase of financial investment Amortized cost, net investment Fair Value through OCI and in associates	(10, 11)	892 445 258	(19 699 730)
Reversed charged during the Period provision at fair value through OCI		(11 311 573)	2 328 832
Dividends received	(25)	214 421	-
Net cash flow provided from (used in) investing activities		849 502 692	(101 534 040)
<u>Cash flow from financing activities</u>			
Dividends paid		(125 092 327)	(161 167 813)
Net cash flow (used in) financing activities		(125 092 327)	(161 167 813)
Net (decrease) increase in cash and cash equivalents during the Period		6 054 493 828	363 669 732
Cash and cash equivalents at the beginning of the Period		9 993 404 997	4 890 554 188
Cash and cash equivalents at the end of the Period		16 047 898 825	5 254 223 920
<u>For the purpose of preparing the statement of cash flow, the cash and cash equivalent comprise of the following</u>			
Cash and due from Central Bank of Egypt	(6)	10 559 179 728	4 845 957 356
Due from banks	(7)	16 398 580 772	4 866 476 719
Treasury bills and other governmental notes	(8)	20 919 242 676	12 452 232 800
Due from Central Bank within reserve percentage		(10 110 897 426)	(4 585 785 155)
Due from banks (over 3 months maturity)		(919 489 249)	(250 000 000)
Treasury bills and other governmental notes (over 3 months maturity)		(20 798 717 676)	(12 074 657 800)
Cash and cash equivalents at the end of the Period		16 047 898 825	5 254 223 920

- The accompanying notes from (1) to (35) are an integral part of these Financial Statements and read with it.

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

1- Background

- Abu Dhabi Commercial Bank- Egypt provides retail, corporate and investment banking services in Arab Republic of Egypt and abroad through 49 branches and employs 1176 employees as at 31 March 2023.
- 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, 49 branches and 155 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 May 3, 2023 approved the adoption of the Condensed Interim Financial Statements for period ended March 31, 2023.

2- Summary of significant accounting policies

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

A-Basis of preparation

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

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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 year ending on December 31, 2022.

3- Financial risk management

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

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

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

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

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

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

A-3 Impairment and provisioning policies

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

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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 31 March 2023 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	31/3/2023		31/12/2022	
	Loans & advances	Impairment loss provision	Loans & advances	Impairment loss provision
	%	%	%	%
Performing loans	86.8	4.2	86.6	4.9
Regular watching	3.9	3.1	4.1	3.9
Watch list	0.7	3.1	1.4	4.4
Non-performing loans	8.6	49.6	7.9	86.8
	100	100	100	100

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

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

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

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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:

- 23.4 % of the loans and advances portfolio is classified at the highest two ratings in the internal rating.
- 78.8 % 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 1,9 Bn which represent 5.9 % and the provision formed and interest in suspense amount EGP 1,4 Bn represent 74.5 % 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>	31 March 2023	31 December 2022
Treasury bills and other governmental securities through OCI	20 919 242 676	25 489 952 635
Customers loans and advances		
Retail loans:		
Overdraft Accounts	61 757 976	79 312 969
Personal loans	7 540 466 063	7 542 748 469
Real Estate Finance loans	185 536 706	187 398 433
Credit cards	164 544 728	132 846 176
Corporate loans:		
Overdraft Accounts	7 373 125 189	7 349 330 807
Syndicated loans	1 745 031 641	1 697 796 455
Direct loans	14 915 004 118	13 933 642 414
Discounted commercial bills	601 033 732	481 308 617
Financial investments:		
Debt instruments at amortized cost	93 081 094	96 210 105
Debt instruments at fair value through other comprehensive income	6 395 106 392	7 201 265 267
Total	59 993 930 315	64 191 812 347
<u>Credit risk exposures of off balance sheet items</u>		
Credit commitments (Irrevocable)	342 572 218	320 863 486
Letters of guarantees	8 168 281 594	7 463 344 582
Letters of guarantees based on other banks requests	11 817 380 689	9 276 319 622
Letters of credit	1 251 958 345	1 459 438 708
Other financial liabilities	554 233 777	607 064 896
Total	22 134 426 623	19 127 031 294

The above table represents the maximum limit for credit risk as of 31 March 2023, 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:

31 March 2023

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	2 049 959 766	-	-	2 049 959 766
Financial investments	6 945 300 266	-	-	6 945 300 266
Loans and facilities - corporate	19 546 467 785	3 159 687 524	1 928 039 371	24 634 194 680
Loans and facilities - retail	6 737 087 575	707 848 081	507 369 817	7 952 305 473
Contingent liabilities	19 096 679 683	793 741 427	7 631 811	19 898 052 921
Loan commitments and facilities - corporate clients	342 571 218	-	-	342 571 218
Total	54 718 066 293	4 661 277 032	2 443 040 999	61 822 384 324

31 December 2022

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	1 950 024 135	-	-	1 950 024 135
Financial investments	6 286 337 808	-	-	6 286 337 808
Loans and facilities - corporate	20 102 332 371	1 640 434 133	1 719 311 789	23 462 078 293
Loans and facilities - retail	6 851 594 887	994 170 348	96 540 812	7 942 306 047
Contingent liabilities	16 880 978 222	27 584 229	5 880 223	16 914 442 674
Loan commitments and facilities - corporate clients	320 862 486	-	-	320 862 486
Total	52 392 129 909	2 662 188 710	1 821 732 824	56 876 051 443

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 "Financial Instruments" issued by the Central Bank of Egypt on February 26, 2019" (9)

31 March 2023

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	2 587 879	-	-	2 587 879
Financial investments	29 681 056	-	-	29 681 056
Loans and facilities - corporate	19 807 126	139 194 934	1 350 083 661	1 509 085 721
Loans and facilities - retail	38 238 169	10 676 644	255 316 914	304 231 727
Contingent liabilities	16 844 906	22 200 736	6 431 978	45 477 620
Loan commitments and facilities - corporate clients	427 267	-	-	427 267
Total	107 586 403	172 072 314	1 611 832 553	1 891 491 270

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>	31 March 2023	31 March 2023	
Loan provision (regular / irregular)	1 813 317 448	2 273 189 661	(459 872 213)
Provision Contingent liabilities - Customer	41 555 492	174 397 224	(132 841 732)
	1 854 872 940	2 447 586 885	(592 713 945)

31 December 2022

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	4 763 715	-	-	4 763 715
Financial investments	35 114 699	-	-	35 114 699
Loans and facilities - corporate	31 552 320	138 337 694	1 248 742 454	1 418 632 468
Loans and facilities - retail	43 104 115	18 415 039	56 018 875	117 538 029
Contingent liabilities	22 575 020	4 298 428	5 117 170	31 990 618
Loan commitments and facilities - corporate clients	768 651	-	-	768 651
Total	137 878 520	161 051 161	1 309 878 499	1 608 808 180

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>	31 December 2022	31 December 2022	
Loan provision (regular / irregular)	1 536 170 497	2 045 402 940	(509 232 443)
Provision Contingent liabilities - Customer	24 685 148	156 383 442	(131 698 294)
	1 560 855 645	2 201 786 382	(640 930 737)

The comparison figures for the general bank risk reserve were adjusted in the financial statements in accordance with the decision of the Ordinary General Assembly held on March 16, 2023, where the general bank risk reserve was reinforced from retained earnings by 4,716,174 EGP, in addition to the apparent support in the proposed dividend distribution schedule for the fiscal year ending on December 31, 2022 .

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.

31 March 2023

	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)	4 763 715	-	-	-	-	(2 175 836)	2 587 879
Loans and facilities - corporate clients	(9)	1 418 632 468	21 634 239	945 630	(978 872)	68 852 256	-	1 509 085 721
Loans and facilities - retail clients	(9)	117 538 029	176 221 280	10 870 092	(397 674)	-	-	304 231 727
Total provision for expected credit losses (1)		1 540 934 212	197 855 519	11 815 722	(1 376 546)	68 852 256	(2 175 836)	1 815 905 327

	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)	35 114 699	-	-	-	5 877 930	(11 311 573)	29 681 056
Total provision for expected credit losses (2)		35 114 699	-	-	-	5 877 930	(11 311 573)	29 681 056

	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)	31 990 618	10 973 274	-	-	2 513 728	-	45 477 620
Loan commitments and facilities - corporate clients	(20)	768 651	-	-	-	-	(341 384)	427 267
Total provision for expected credit losses (3)		32 759 269	10 973 274	-	-	2 513 728	(341 384)	45 904 887
Total expected credit losses (1 + 2 + 3)		1 608 808 180	208 828 793	11 815 722	(1 376 546)	77 243 914	(2 517 220)	1 891 491 270

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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>	31/03/2023	31/12/2022
Neither past dues nor impaired	25 674 860 659	26 254 760 982
Past dues but not impaired	4 089 741 320	2 661 311 495
Past dues are subjected to impairment	2 821 898 174	2 488 311 863
Total	32 586 500 153	31 404 384 340
<u>(Less):</u>		
Unearned revenue and discount	(4 685 983)	(4 860 957)
Expected credit loss provision	(1 813 317 448)	(1 536 170 497)
Interest in suspense	(87 042 058)	(81 618 090)
Net	30 681 454 664	29 781 734 796

Note (9) include additional information regarding Expected credit loss 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.

A-6 Loans and advances neither having past due nor subject to impairment
31 March 2023

<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>Discounted Commercial Papers</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	<u>Total</u>
1-Performing loans	61 757 976	142 059 713	6 573 258 460	159 952 412	6 937 028 561	601 033 732	7 373 125 189	1 274 334 262	7 997 622 962	17 246 116 145	24 183 144 706
2-Regular follow up	-	-	-	-	-	-	-	219 687 182	1 059 155 459	1 278 842 641	1 278 842 641
3-Watch list	-	-	-	-	-	-	-	-	212 873 312	212 873 312	212 873 312
Total	61 757 976	142 059 713	6 573 258 460	159 952 412	6 937 028 561	601 033 732	7 373 125 189	1 494 021 444	9 269 651 733	18 737 832 098	25 674 860 659

31 December 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>Discounted Commercial Papers</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	<u>Total</u>
1-Performing loans	79 312 969	114 822 055	6 712 560 750	163 410 546	7 070 106 320	481 308 617	7 349 330 807	1 274 209 836	8 343 432 758	17 448 282 018	24 518 388 338
2-Regular follow up	-	-	-	-	-	-	-	10 841 973	1 292 860 520	1 303 702 493	1 303 702 493
3-Watch list	-	-	-	-	-	-	-	203 504 533	229 165 618	432 670 151	432 670 151
Total	79 312 969	114 822 055	6 712 560 750	163 410 546	7 070 106 320	481 308 617	7 349 330 807	1 488 556 342	9 865 458 896	19 184 654 662	26 254 760 982

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

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:

31 March 2023

<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	-	-	106 880 491	14 536 366	121 416 857	-	-	3 968 324 463	3 968 324 463	4 089 741 320
Total	-	-	106 880 491	14 536 366	121 416 857	-	-	3 968 324 463	3 968 324 463	4 089 741 320

31 December 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	-	-	89 419 583	13 776 299	103 195 882	-	-	2 558 115 613	2 558 115 613	2 661 311 495
Total	-	-	89 419 583	13 776 299	103 195 882	-	-	2 558 115 613	2 558 115 613	2 661 311 495

Notes to Condensed Interim Financial Statements for Period Ended March 31, 2023
Loans and advances subject to individual impairment

Loans and advances subject to individual impairment regardless any cash flows from collaterals amounted to EGP 2 675 141 506

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:

31 March 2023

<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	-	22 485 015	860 327 112	11 047 928	893 860 055	-	251 010 197	1 677 027 922	-	1 928 038 119	2 821 898 174
Fair value of collaterals	-	-	-	-	-	-	69 783 001	76 973 667	-	146 756 668	146 756 668

31 December 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	-	18 024 121	740 768 136	10 211 588	769 003 845	-	209 240 113	1 510 067 905	-	1 719 308 018	2 488 311 863
Fair value of collaterals	-	-	-	-	-	-	69 783 001	73 698 106	-	143 481 106	143 481 106

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

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

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 At fair value through other comprehensive income</u>	<u>Total</u>
Classification of B2	20 919 242 676	-	3 235 110 152	24 154 352 828
Total	20 919 242 676	-	3 235 110 152	24 154 352 828

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

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

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	20 919 242 676	-	-	20 919 242 676
Loans and advances to customers:				
Retail:				
Overdraft Accounts	24 241 890	32 137 937	5 378 149	61 757 976
Personal loans	4 085 869 507	2 805 213 503	649 383 053	7 540 466 063
Real Estate Finance loans	157 211 682	28 325 024	-	185 536 706
Credit cards	107 919 165	41 166 777	15 458 786	164 544 728
Corporate:				
Overdraft Accounts	5 248 467 232	2 075 488 137	49 169 820	7 373 125 189
Syndicated loans	1 047 302 328	697 729 313	-	1 745 031 641
Direct loans	11 083 312 085	3 747 318 658	84 373 375	14 915 004 118
Discounted commercial bills	-	601 033 732	-	601 033 732
Other Financial investments				
Debt instruments at amortized cost	93 081 094	-	-	93 081 094
Debt instruments at fair value through other comprehensive income	6 395 106 392	-	-	6 395 106 392
Total as at 31 March 2023	49 161 754 051	10 028 413 081	803 763 183	59 993 930 315

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

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

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	-	-	20 919 243	-	-	20 919 243
Financial assets held for trading						
Debt instruments	-	-	-	-	-	-
Loans and advances to customers	9 817 758	5 331 698	2 487 176	6 997 564	7 952 305	32 586 500
Financial investments						
Debt instruments at amortized cost	-	-	93 081	-	-	93 081
Debt instruments at fair value through other comprehensive income	-	-	3 235 110	3 159 996	-	6 395 106
Total as at 31 March 2023	9 817 758	5 331 698	26 734 610	10 157 560	7 952 305	59 993 930

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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 Condensed Interim Financial Statements for Period Ended 31 March 2023

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:

31 March 2023

	Average	Maximum	Minimum
Foreign exchange risk	3,383,033	4,962,803	1,219,801
Interest rate risk	78,961,096	84,837,023	70,779,085
Equity instruments risk	-	-	-

31 December 2022

	Average	Maximum	Minimum
Foreign exchange risk	2,974,885	6,869,964	515,921
Interest rate risk	64,530,103	70,106,917	61,069,931
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>	EGP	USD	Euro	GBP	Other currencies	Total
<u>Financial assets</u>						
Cash and due from central banks	10 393 004	143 426	20 317	1 011	1 422	10 559 180
Due from banks	12 860 537	3 411 002	93 098	11 607	17 700	16 393 944
Treasury bills and other governmental notes	15 993 871	3 290 669	67 204	-	-	19 351 744
Loans and advances to customers	25 960 329	4 384 847	347 153	181	124	30 692 634
<u>Financial investments</u>						
- Amortized cost	93 081	-	-	-	-	93 081
- At fair value through other comprehensive income	6 121 344	299 131	-	-	-	6 420 475
Fixed and intangible assets	25 957	-	-	-	-	25 957
Other financial assets	1 927 764	27 797	303	-	-	1 955 864
Total financial assets	73 375 887	11 556 872	528 075	12 799	19 246	85 492 879
<u>Financial liabilities</u>						
Due to banks	9 420	144 567	-	-	172	154 159
Customer's deposits	65 375 883	10 684 491	517 030	12 922	14 629	76 604 955
Other financial liabilities and deferred tax	1 255 632	160 609	4 098	-	-	1 420 339
Other provisions	82 090	6 792	5 360	-	-	94 242
Total share holder's equity	7 219 184	-	-	-	-	7 219 184
Total financial liabilities	73 942 209	10 996 459	526 488	12 922	14 801	85 492 879
Net financial position	(566 322)	560 413	1 587	(123)	4 445	-
<u>Purchasing</u>	-	-	-	-	-	-
<u>Selling</u>	-	-	-	-	-	-
Net financial position	(566 322)	560 413	1 587	(123)	4 445	-
Loan Commitments – Irrevocable	332 600	9 972	-	-	-	342 572
Letters of credit	3 597	96 952	35 358	-	-	135 907
Letters of guarantees	7 114 044	646 471	30 804	-	-	7 791 319
Letters of guarantees based on other banks requests	522 516	634 898	10 641 871	-	18 096	11 817 381
Other financial liabilities	554 234	-	-	-	-	554 234
Total	8 526 991	1 388 294	10 708 033	-	18 096	20 641 413

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 Period</u>	<u>More than one Period till five Periods</u>	<u>Financial Assets and Liabilities non interest bearing</u>	<u>Total</u>
<i>In thousand Egyptian pound</i>						
<u>Financial assets</u>						
Cash and due from central banks	-	-	-	-	10 559 180	10 559 180
Due from banks	13 326 388	2 990 798	-	-	76 757	16 393 943
Treasury bills and other governmental notes	1 090 274	5 718 571	12 542 899	-	-	19 351 744
Loans and advances to customers	8 473 590	3 764 099	8 464 688	9 799 280	190 977	30 692 634
<u>Financial investments</u>						
- Amortized cost	-	-	14 650	78,431.00	-	93 081
- At fair value through other comprehensive income	49 842	51 226	2 247 566	4 046 472	25 369	6 420 475
Intangible assets	-	-	-	-	83 748	83 748
Other financial assets	-	-	-	-	1 898 074	1 898 074
Total financial assets	22 940 094	12 524 694	23 269 803	13 924 183	12 834 105	85 492 879
<u>Financial liabilities</u>						
Due to banks	-	-	-	-	154 159	154 159
Customer’s deposits	24 513 081	3 923 205	25 516 454	18 429 328	4 222 887	76 604 955
Share holder’s equity	-	-	-	-	7 219 184	7 219 184
Other financial liabilities	-	-	-	-	1 514 581	1 514 581
Total financial liabilities	24 513 081	3 923 205	25 516 454	18 429 328	13 110 811	85 492 879
Interest re-pricing gap	(1 572 987)	8 601 489	(2 246 651)	(4 505 145)	(276 706)	-

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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 Condensed Interim Financial Statements for Period Ended 31 March 2023

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	31/03/2023		31/12/2022	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
<u>Financial assets</u>				
Loans and advances to customers				
-Retail	7 952 305	7 952 305	7,942,306	7,942,306
-Corporate	24 634 195	24 634 195	23,462,078	23,462,078
Financial Investments at amortized cost	93 081	93 081	96,210	96,210
<u>Financial liabilities</u>				
Due to banks	154 159	154 159	2,406,441	2,406,441
Customer's deposits				
-Retail	11 588 186	11 588 186	11,132,954	11,132,954
-Corporate	65 016 769	65 016 769	64,359,486	64,359,486

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 Condensed Interim Financial Statements for Period Ended 31 March 2023

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 31 March 2023.

Capital adequacy ratio as per Basel II requirements
In thousand Egyptian pound
Capital
Tier I Capital
Core capital after deductions

	31 March 2023	31 December 2022
Share capital (net of treasury stocks)	5 250 000	5 000 000
IFRS9 risk reserve	804 837	649 037
Retained earnings	474 777	(54 828)
Total cumulative other comprehensive income after control adjustments	(331 066)	(262 250)

Additional Going Concern

Quarterly interim profit / (losses)	349 107	1 065 214
-------------------------------------	---------	-----------

Deduct from Common Equity

(-) Deduct 100% from net of Intangible assets (Other than goodwill)	(25 957)	(35 077)
Deferred tax Assets	(98 956)	(98 955)
(-) Deduct total the fair value for investment FVOCI Which have been reclassified to Amortized cost investments	(154)	(211)

Total Tier I	6 422 588	6 262 930
---------------------	------------------	------------------

Tier 2 Capital (subordinated capital)

Provision for performing loans, facilities & Off BS within 1.25% of total credit risk for assets and weighted average potential liabilities when applying standardize approach amount for financial investments (FVOCI, Amortized cost and in subsidiaries and associates)	107 512	137 879
--	---------	---------

Total Tier 2 capital	107 512	137 879
-----------------------------	----------------	----------------

Total capital based after deductions	6 530 100	6 400 809
---	------------------	------------------

Total Assets and potential liabilities weighted by credit risk	40 902 196	39 849 226
--	------------	------------

Capital requirements for market risk	229 333	-
--------------------------------------	---------	---

Capital requirements for operating risk	2 341 411	2 341 411
---	-----------	-----------

Total Assets and potential liabilities weighted by credit, market and operating risk	43 472 940	42 190 637
---	-------------------	-------------------

Capital adequacy ratio (%)	15.02%	15.17%
-----------------------------------	---------------	---------------

ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)
Notes to Condensed Interim Financial Statements for Period Ended March 31, 2023
Leverage Ratio

<i>In Thousand Egyptian Pounds</i>		31 March 2023	31 December 2022
First	Tier 1 capital after Exclusions	6 422 588	6 262 930
Second	On-Off balance sheet exposures items		
1	<u>Exposures on-balance sheet and financial derivatives and securities finance</u>		
	Cash and due from Central Bank of Egypt (CBE)	23 775 956	19 742 294
	Due from Banks	3 181 805	3 738 630
	Treasury bills and other Government securities	19 392 824	27 452 121
	REPO	(41 080)	(43 718)
	Financial investments Fair Value through OCI	6 420 475	3 310 116
	Financial investments Amortized Cost	93 081	96 210
	Loans and credit facilities to customers	32 586 501	31 404 384
	Fixed Assets (after deducting depreciation and impairment losses)	492 384	496 447
	Other assets	1 489 436	1 297 981
	Deducted amounts from exposures (after deducting Tier I Exclusions for capital base)	(124 913)	(134 032)
	Total on-balance sheet exposures items after deducting after Tier I Exclusions for capital base.	87 266 469	87 360 433
2	<u>Exposures off-balance sheet</u>		
	<u>Contingent liabilities (1)</u>		
	Letters of Credit - Import	27 181	27 187
	Letters of Credit - Export	-	49 487
	Letters of Guarantees	3 895 660	3 559 371
	Letters of Guarantees according to foreign banks	5 908 691	4 638 160
	Accepted papers	153 446	91 877
	Re-discounted Commercial paper	-	44 137
	<u>Commitments (2)</u>		
	Operating lease commitments	554 233	607 065
	Loan commitments to clients/banks (unutilized part) within original maturity	987 240	928 897
	Total Exposures off-balance sheet	11 526 451	9 946 180
	Total On-Off balance sheet exposures items (1) + (2)	98 792 920	97 306 613
	Leverage financial ratio	6.50%	6.44%

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

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's financial condition or operating/finance cash flow, industry or sector performance, or in changes in technology.

C - Impairment of Financial investment at amortized cost

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

5- A-Segment analysis

In Egyptian Pound

	<u>Corporate</u>	<u>Retail</u>	<u>Treasury & Financial Institutions</u>	<u>Total</u>
<u>Revenues and expenses according to business segment</u>				
Segment revenues	2 469 086 440	1 247 935 973	2 508 209 854	6 225 232 267
Segment expenses	(2 075 334 083)	(1 281 834 409)	(2 245 051 084)	(5 602 219 576)
Profit for the Period before taxes	393 752 357	(33 898 436)	263 158 770	623 012 690
Taxes	(130 493 929)	(40 750 482)	(102 661 012)	(273 905 423)
Profit for the Period	263 258 428	(74 648 918)	160 497 758	349 107 268
<u>Assets and Liabilities according to business segment</u>				
Total assets	29 914 329 877	8 344 827 225	47 224 591 865	85 483 748 967
Total liabilities	42 801 408 759	31 008 444 045	11 673 896 163	85 483 748 967
<u>Other business segment items</u>				
Depreciations	(7 637 210)	(18 691 262)	(942 872)	(27 271 345)
Expedcted Credit Loss	(32 607 513)	(176 221 280)	13 487 409	(195 341 384)

B-Geographic analysis

In Egyptian Pound

	<u>Greater Cairo</u>	<u>Alex and Delta and Canal</u>	<u>Upper Egypt & Red Sea</u>	<u>Total</u>
<u>Geographical analysis of revenues and expenses</u>				
Geographical sector revenues	2 690 385 575	793 439 679	66 799 460	3 550 624 714
Geographical sector expenses	(2 252 048 939)	(619 795 151)	(55 767 933)	(2 927 612 023)
Profit for the Period before taxes	438 336 636	173 644 528	11 031 527	623 012 691
Taxes	(229 229 527)	(41 962 013)	(2 713 883)	(273 905 423)
Profit for the Period before taxes	209 107 109	131 682 515	8 317 644	349 107 268
<u>Assets and Liabilities</u>				
Total assets	75 191 258 363	9 481 441 490	811 049 114	85 483 748 967
Total liabilities	68 535 762 384	15 949 592 543	998 394 040	85 483 748 967
<u>Other Geographical sector items</u>				
Depreciations	(22 711 930)	(3 259 820)	(1 299 595)	(27 271 345)
Expedcted Credit Loss	(125 923 979)	(64 266 533)	(5 150 872)	(195 341 384)

ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)
Notes to Condensed Interim Financial Statements for Period Ended March 31, 2023
6- Cash and due from Central

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Cash on hand	448 282 302	303 959 874
Due from Central Bank of Egypt within reserve ratio	10 110 897 426	11 653 102 523
	10 559 179 728	11 957 062 397

7- Due from banks

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
<u>The Central Bank of Egypt</u>		
Current accounts	42 659 534	30 222 787
Time Deposits	13 174 116 782	8 058 968 033
	13 216 776 316	8 089 190 820
<u>Local Banks</u>		
Current accounts	59 174 421	66 725 559
Time Deposits	2 171 321 800	3 043 438 200
	2 230 496 221	3 110 163 759
<u>Foreign Banks</u>		
Current accounts	124 513 886	82 417 778
Time Deposits	826 794 349	546 048 426
	951 308 235	628 466 204
Total due from banks	16 398 580 772	11 827 820 783
Expect credit loss provision	(2 587 879)	(4 763 715)
Net due from banks	16 395 992 893	11 823 057 068
Non-interest bearing balances	226 347 841	179 366 124
Interest bearing balances	16 172 232 931	11 648 454 659
Expect credit loss provision	(2 587 879)	(4 763 715)
	16 395 992 893	11 823 057 068

8- Treasury bills at fair value through other comprehensive income

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
<u>Treasury bills</u>		
Treasury bills maturing to 91 days	120 525 000	170 725 000
Treasury bills maturing from 92 to 182 days	3 087 350 000	5 302 675 000
Treasury bills maturing grater than 182 to 364 days	17 752 447 750	20 060 271 100
	20 960 322 750	25 533 671 100
<u>(Less):</u>		
Unearned interest	(1 251 234 258)	(1 825 671 939)
REPO *	(41 080 074)	(43 718 465)
	19 668 008 418	23 664 280 696
Net change in fair value	(316 264 920)	(152 704 480)
Net of Treasury bills after change in fair value	19 351 743 498	23 511 576 216

*** REPO**

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Against the the amount granted by the Central Bank of Egypt within the mortgage finance initiative for low-income people	37 104 258	39 742 649
Against the the amount granted by the Central Bank of Egypt within SMEs initiative	3 975 816	3 975 816
	41 080 074	43 718 465

9- Loans and advances to customers and banks

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Discounted commercial bills	601 033 732	481 308 617
Customers loans	31 985 466 421	30 923 075 723
	32 586 500 153	31 404 384 340
(Less):		
Unearned discount on discounted commercial bills	(4 685 983)	(4 860 957)
Expect credit loss provision	(1 813 317 448)	(1 536 170 497)
Interest in suspense	(87 042 058)	(81 618 090)
	(1 905 045 489)	(1 622 649 544)
	30 681 454 664	29 781 734 796

9-1 Loans and Advances to customers

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
<u>Retail</u>		
Overdraft Accounts	61 757 976	79 312 969
Personal loans	7 540 466 063	7 542 748 469
Credit cards	164 544 728	132 846 176
Real Estate Finance loans	185 536 706	187 398 433
Total (1)	7 952 305 473	7 942 306 047
<u>Corporate</u>		
Overdraft Accounts	7 373 125 189	7 349 330 807
Syndicated loans	1 745 031 641	1 697 796 455
Direct loans	14 915 004 118	13 933 642 414
Discounted commercial bills	601 033 732	481 308 617
Total (2)	24 634 194 680	23 462 078 293
Total loans and Advances to customers (1+2)	32 586 500 153	31 404 384 340
(Deduct):		
prepaid revenue	(4 685 983)	(4 860 957)
Expect credit loss provision	(1 813 317 448)	(1 536 170 497)
Interest in suspense	(87 042 058)	(81 618 090)
Net	30 681 454 664	29 781 734 796

9-2 Expect credit loss provision

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Provision balance at the beginning of the Period	1 536 170 497	969 211 017
Expect credit loss	197 855 519	611 158 922
Proceeds from loans previously written off	11 815 722	43 372 403
Foreign currencies revaluation differences	68 852 256	100 406 419
	1 814 693 994	1 724 148 761
Amounts written off during the Period	(1 376 546)	(187 978 264)
ECL provisions at the end of the Period	1 813 317 448	1 536 170 497

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

31 March 2023

Retail

<i>In Egyptian Pound</i>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance loans</u>	<u>Total</u>
Balance at the beginning of the Period	5 430 396	99 445 773	12 661 860	117 538 029
Expect credit loss	2 234 415	173 315 187	671 678	176 221 280
Proceeds from loans previously written off	214 405	10 639 546	16 141	10 870 092
Provisions used	(62 265)	(335 409)	-	(397 674)
Balance at the end of the Period	7 816 951	283 065 097	13 349 679	304 231 727

Corporate

<i>In Egyptian Pound</i>	<u>Overdraft Accounts</u>	<u>Direct loans</u>	<u>Syndicated loans</u>	<u>Total</u>
Balance at the beginning of the Period	1 141 429 857	107 875 010	169 327 601	1 418 632 468
Expect credit loss	50 133 177	(13 127 979)	(15 370 959)	21 634 239
Proceeds from loans previously written off	945 630	-	-	945 630
Foreign currencies revaluation differences	55 398 437	5 235 632	8 218 187	68 852 256
Provisions used	(978 872)	-	-	(978 872)
Balance at the end of the Period	1 246 928 228	99 982 664	162 174 829	1 509 085 721

31 December 2022

Retail

<i>In Egyptian Pound</i>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance loans</u>	<u>Total</u>
Balance at the beginning of the Period	1 736 284	153 081 988	9 474 083	164 292 355
Expect credit loss	6 930 020	46 580 628	(1 627 917)	51 882 731
Proceeds from loans previously written off	628 606	31 718 892	5 050 951	37 398 449
Provisions used	(3 864 514)	(131 935 735)	(235 257)	(136 035 506)
Balance at the end of the Period	5 430 396	99 445 773	12 661 860	117 538 029

Corporate

<i>In Egyptian Pound</i>	<u>Overdraft Accounts</u>	<u>Direct loans</u>	<u>Syndicated loans</u>	<u>Total</u>
Balance at the beginning of the Period	435 677 985	257 016 870	112 223 807	804 918 662
Expect credit loss	697 373 735	(181 202 420)	43 104 876	559 276 191
Proceeds from loans previously written off	5 973 954	-	-	5 973 954
Foreign currencies revaluation differences	54 346 940	32 060 561	13 998 918	100 406 419
Provisions used	(51 942 758)	-	-	(51 942 758)
Balance at the end of the Period	1 141 429 857	107 875 010	169 327 601	1 418 632 468

Financial investments
10- Financial assets at amortized cost
Governmental debt instruments

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Quoted governmental debt instruments	93 081 094	96 210 105
Total governmental debt instruments	93 081 094	96 210 105

Movement of treasury bonds at amortized cost

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Balance at the beginning of the Period	96 210 105	641 223 070
Net amortization(issuing discount & issuing premium)	18 161	787 916
Retrieval – Treasury Bonds & Financial Investments	(3 205 000)	(546 251 000)
Net change in fair value	57 828	450 119
Balance at the end of the Period	93 081 094	96 210 105

11- Financial investments at fair value through other comprehensive income

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Quoted governmental debt instruments at fair value	3 235 110 152	3 916 518 608
Quoted Non governmental debt instruments at fair value	3 159 996 240	3 284 746 659
	6 395 106 392	7 201 265 267
Unearned interest of governmental debit instruments	-	(19 693 382)
	6 395 106 392	7 181 571 885
Unquoted equity instruments	25 369 023	25 369 023
Total	25 369 023	25 369 023
Financial investments at fair value through other comprehensive income	6 420 475 415	7 206 940 908
Current balances	6 395 106 392	7 181 571 885
Non-current balances	25 369 023	25 369 023
	6 420 475 415	7 206 940 908

Financial investments at fair value through other comprehensive income

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Balance at the beginning of the Period / Year	7 206 940 908	4 808 194 852
Net amortization(issuing discount & issuing premium)	26 296 105	136 591 254
Buy – Treasury Bonds & Financial Investments	544 972 183	2 766 815 371
Retrieval – Treasury Bonds & Financial Investments	(1524 984 761)	(408 768 433)
Net change in fair value	105 997 926	(160 537 093)
Foreign currencies revaluation differences	61 253 054	64 644 957
Balance at the end of the Period / Year	6 420 475 415	7 206 940 908

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

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

12-	Investments in associates	31 March 2023	31 December 2022
	Unquoted equity instrument *	100	100
	Total Investments in associates	100	100

 * **Associates**

	31 March 2023	31 December 2022
EL Fouadeya Development Company	100	100
	100	100

*	Company Name	Contribution Percentage	Assets	Liabilities	Paid in Capital	Income	Net profit /(loss)	Last financial statement date	Headquarter country
	EL Fouadeya Development Company	12 259 001	15 914 479	3 668 000	-	(129 079)	31-12-21	مصر	Egypt

Notes to Condensed Interim Financial Statements for Period Ended March 31, 2023
13- Intangible assets

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Computer program		
Net balance at beginning of the Period	35 077 156	44 175 274
Additions	-	22 991 328
Total	35 077 156	67 166 602
Amortization during the Period	(9 119 672)	(32 089 446)
Net	25 957 484	35 077 156

14- Other assets

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Accrued revenues	698 803 949	556 543 312
Prepaid expenses	82 378 002	49 754 310
Down payments to purchase of fixed assets	452 961 006	431 998 769
Assets reverted to the bank in settlement of debts *	51 445 450	51 445 450
Deposits held with others and custody	7 477 325	7 500 909
Other debit balances **	86 666 802	81 413 567
	1 379 732 534	1 178 656 317

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

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Buildings and flat units reverted to bank in settlement of debt of customers	51 445 450	51 445 450
	51 445 450	51 445 450

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

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Amounts related to the ATM, visa accounts, visa installments, and the electronic wallet	69 465 827	65 095 601
Others	17 200 975	16 317 966
	86 666 802	81 413 567

15-A Deferred Tax
31 March 2023

<i>In Egyptian Pound</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Total</u>
Deferred Tax Assets	98 955 750	-	98 955 750
Deferred Tax Liabilities (Fixed assets depreciation)	-	(15 207 933)	(15 207 933)
Total Deferred Tax Assets (Liabilities)	98 955 750	(15 207 933)	83 747 817

31 December 2022

<i>In Egyptian Pound</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Total</u>
Deferred Tax Assets	98 955 750	-	98 955 750
Deferred Tax Liabilities (Fixed assets depreciation)	-	(15 207 933)	(15 207 933)
Total Deferred Tax Assets (Liabilities)	98 955 750	(15 207 933)	83 747 817

15-B Income tax expenses

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Corporate Tax Expenses	100 900 000	29 800 000
Treasury bills and bonds revenues taxes	172 994 702	83 831 595
Dividend tax	10 721	-
	273 905 423	113 631 595

16- Property and equipment
31 March 2023

	<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>
<i>In Egyptian Pound</i>									
Cost at the beginning of the Period	316 146 523	43 915 303	232 732 564	3 577 000	75 660 963	212 762 317	24 096 978	9 987 731	918 879 379
Additions during the Period	-	-	4 520 357	-	585 256	8 961 827	20 735	-	14 088 175
Disposals	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2023	316 146 523	43 915 303	237 252 921	3 577 000	76 246 219	221 724 144	24 117 713	9 987 731	932 967 554
Accumulated depreciation at the beginning of the Period	-	14 524 147	143 075 417	1 508 313	69 804 264	166 025 339	17 506 929	9 987 731	422 432 140
Depreciation for the Period	-	248 247	10 957 557	167 750	1 656 299	4 802 031	319 789	-	18 151 673
Disposals accumulated depreciation	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2023	-	14 772 394	154 032 974	1 676 063	71 460 563	170 827 370	17 826 718	9 987 731	440 583 813
Net book value as at 31 March 2023	316 146 523	29 142 909	83 219 947	1 900 937	4 785 656	50 896 774	6 290 995	-	492 383 741

16- Property and equipment

31 December 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	1 520 000	74 747 924	184 517 823	20 520 889	9 987 731	560 903 520
Additions during the Period	316 146 523	-	21 745 679	2 057 000	1 889 943	37 278 234	3 576 090	-	382 693 469
Disposals	-	(13 041 165)	(1 665 800)	-	(976 904)	(9 033 741)	-	-	(24 717 610)
Cost as at 31 December 2022	-	43 915 303	232 732 564	3 577 000	75 660 963	212 762 317	24 096 978	9 987 731	918 879 379
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	-	992 988	37 970 462	636 717	13 653 519	26 872 170	1 468 455	-	81 594 311
Disposals accumulated depreciation	-	(4 781 663)	(1 665 800)	-	(976 904)	(9 033 741)	-	-	(16 458 108)
Accumulated depreciation as at 31 December 2022	-	14 524 147	143 075 417	1 508 313	69 804 264	166 025 339	17 506 929	9 987 731	422 432 140
Net book value as at 31 December 2022	-	29 391 156	89 657 147	2 068 687	5 856 699	46 736 978	6 590 049	-	496 447 239

17- Due to banks

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Local banks		
Current accounts	2 828 196	1 668
	2 828 196	1 668
Foreign banks		
Current accounts	151 330 766	301 401 030
Time deposits	-	2 105 038 000
	151 330 766	2 406 439 030
	154 158 962	2 406 440 698
Non-interest bearing balances	154 158 962	301 402 698
Interest bearing balances	-	2 105 038 000
	154 158 962	2 406 440 698

18- Customers' deposits

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Demand deposits	15 873 940 038	16 787 849 586
Time and callable deposits	51 291 332 264	49 247 167 762
Saving and deposit certificates	7 707 638 037	7 643 381 191
Saving deposits	1 153 130 245	1 244 368 406
Other deposits	578 914 792	569 674 307
Total Customers' deposits	76 604 955 376	75 492 441 252
Interest in Advance on USD deposits for retail	(291)	(416)
Net Customers' deposits	76 604 955 085	75 492 440 836
Corporate & SMEs deposits	65 016 768 839	64 359 486 314
Retail deposits	11 588 186 246	11 132 954 522
	76 604 955 085	75 492 440 836
Non-interest bearing balances	4 222 887 348	3 293 401 662
Interest bearing balances	72 382 067 737	72 199 039 174
	76 604 955 085	75 492 440 836

19- Other liabilities

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Accrued interest	522 825 145	353 397 912
Unearned revenue	41 292	41 772
Accrued expenses	91 519 177	83 597 590
Creditors	4 851 339	5 355 570
Other credit balances *	801 102 923	672 204 174
	1 420 339 876	1 114 597 018

* The other credit balances includes the following:

<i>in Egyptian pounds</i>	31 March 2023	31 December 2022
Stamp duty	17 951 706	16 635 345
Treasury bills taxes	255 087 551	266 945 126
Income Corporate Tax	269 419 170	168 519 170
Taxes under settlement	2 546 440	2 379 351
Staff Taxes and Insurance	14 549 026	12 124 199
Amount of contractors Insurance being held until paid Social Insurance	3 124 983	3 054 759
Amounts collected from insurance companies under settlement	25 298 485	17 797 737
Clearance cheques (Are to be settled in next day)	170 988 934	152 446 638
Letters of credit deductibles	759 012	794 016
ATM suspense amounts	3 616 092	6 869 101
Coupons of Certificates Deposits accrued did not paid to their owners	158 623	158 623
Amounts paid under debts settlements of some customers	794 675	830 225
Banking Support and Development Fund	15 305 596	8 734 642
Other Amounts	21 502 630	14 915 242
	801 102 923	672 204 174

20- Other provisions
31 March 2023

<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 **	64 564 418	6 000 000	-	(27 080 822)	-	-	43 483 596
Contingent liabilities provision	31 990 618	10 973 274	2 513 728	-	-	-	45 477 620
Other provisions *	5 842 266	-	-	-	-	-	5 842 266
Loans commitment provisions	768 651	-	-	-	-	(341 384)	427 267
	103 165 953	16 973 274	2 513 728	(27 080 822)	-	(341 384)	95 230 749

31 December 2022

<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	32 997 953	41 800 000	-	(11 016 723)	783 188	-	64 564 418
Contingent liabilities provision	16 551 433	13 186 389	3 341 650	(1 628 854)	540 000	-	31 990 618
Other provisions	5 822 266	-	-	-	20 000	-	5 842 266
Loans commitment provisions	328 537	440 114	-	-	-	-	768 651
Total Provisions	55 700 190	55 426 503	3 341 650	(12 645 577)	1 343 188	-	103 165 953

*The other provisions balance as at 31 March 2023 is as follows

Banking risk provision	1 394 000
Operational risk provision	578 515
Assets revert to the bank provision	3 869 751
	5 842 266

**The provision for potential claims balance as at 31 March 2023 is as follows:

Tax disputes provision	34 928 398
Legal claims provision	8 555 198
Provisions for leave balances	-
	43 483 596

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 March 31, 2022 distributed among 892,857 shares with par value of LE 5.60.

the extra ordinary general assembly dated 16 March 2023 approved the increase in the Issued and paid-up capital from EGP 5 billion to EGP 5,250 billion that by distributing one bonus shares for every 20 original shares owned by shareholder from net profit of year ended 31-12-2022 , The necessary procedures are being taken with the relevant administrative authorities to amend the Articles of Association and marking the increase in the issued and paid-up capital.

31 March 2023

<i>In Egyptian pound</i>	<u>Number of shares</u>	<u>Ordinary shares value</u>	<u>Total</u>
Balance at the beginning of the Period	892 857 143	5 000 000 001	5 000 000 001
Balance at the end of the Period	892 857 143	5 000 000 001	5 000 000 001

31 December 2022

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

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 March 31 , 2022:

<i>In Egyptian pound</i>	31 March 2023	31 December 2022
Legal reserve formed in accordance with the bank's article of association	412 135 842	311 089 891
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	381 196 639	326 442 419
General banking risk reserve	661 408 983	661 408 983
Revaluation differences for available for sale investments	(331 066 283)	(262 250 024)
Balance at the end of the Period / year	1 135 180 174	1 048 196 262

The changes in the reserves are represented in the following:

A- Legal Reserve

<i>In Egyptian pound</i>	31 March 2023	31 December 2022
Balance at the beginning of the Period / Year	311 089 891	263 787 540
Changes during the Period / Year	101 045 951	47 302 351
Balance at the end of the Period / Year	412 135 842	311 089 891

B- Capital Reserve

<i>In Egyptian pound</i>	31 March 2023	31 December 2022
Balance at the beginning of the Period / Year	326 442 419	89 220 084
Changes during the Period / Year	54 754 220	237 222 335
Balance at the end of the Period / Year	381 196 639	326 442 419

C- General banking risk reserve

<i>In Egyptian pound</i>	31 March 2023	31 December 2022
Balance at the beginning of the Period / Year	661 408 983	308 044 899
Transferred from general risk reserve	-	353 364 084
Balance at the end of the Period / Year	661 408 983	661 408 983

The comparison figures for the general bank risk reserve were adjusted in the financial statements in accordance with the decision of the Ordinary General Assembly held on March 16, 2023, where the general bank risk reserve was reinforced from retained earnings by 4,716,174 EGP, in addition to the apparent support in the proposed dividend distribution schedule for the fiscal year ending on December 31, 2022 .

D- Fair value reserve – Investment through OCI

<i>In Egyptian pound</i>	31 March 2023	31 December 2022
Balance at the beginning of the Period / Year	(262 250 024)	15 750 553
Net change in the fair value	(57 504 686)	(300 340 178)
Expected Credit loss impact	(11 311 573)	22 339 601
Balance at the end of the Period / Year	(331 066 283)	(262 250 024)

F- Retained earnings

<i>In Egyptian pound</i>	31 March 2023	31 December 2022
<u>Movement on retained earnings</u>		
Balance at the beginning of the Period / Year	1 005 669 351	725 127 275
- Transferred to legal reserve	(101 045 951)	(47 302 351)
- Employees share in the profit	(106 521 373)	(71 024 585)
- Board of directors remuneration	(12 000 000)	(12 000 000)
- Transferred to Capital reserve	(54 754 220)	(237 222 335)
- Dividend shareholders	(249 999 999)	(73 740 713)
-Transformer of the Banking System Support and Development Fund	(6 570 954)	(4 402 515)
Retained earnings	474 776 854	279 434 776
Net profit for the Period / Year	349 107 268	1 065 213 734
-Transferred to General Banking Risk reserve	-	(350 321 388)
-Transferred to General Banking Risk reserve (Assets revert to the bank)	-	(3 042 696)
- Refund part of the BOD remuneration	-	15 446 896
- Disposal Loss financial Assets Fair value through OCI - Equity	-	(1 061 971)
Balance at the end of the Period / Year	823 884 122	1 005 669 351

Notes to Condensed Interim Financial Statements for Period Ended March 31, 2023
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>	31 March 2023	31 March 2022
Cash and due from Central Bank of Egypt (Note no 6)	448 282 302	260 172 201
Due from banks (Note no 7)	15 479 091 523	4 616 476 719
Treasury bills and the governmental notes (Note no 8)	120 525 000	377 575 000
	16 047 898 825	5 254 223 920

23- Contingent liabilities and commitments

<i>In Egyptian Pound</i>	31 March 2023	31 December 2022
Loan Commitments – Irrevocable	342 572 218	320 863 486
Letter of guarantee	7 791 319 087	7 118 740 504
Letters of guarantees based on other banks requests	11 817 380 687	9 276 319 622
Letter of credit	135 907 386	135 934 752
Other contingent liabilities	554 233 777	607 064 896
	20 641 413 155	17 458 923 260

24- Net interest income

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
<u>Loans interest and similar revenues</u>		
Loans, facilities and deposits at banks		
Deposits at banks	396 069 445	150 985 571
Loans and facilities to clients	1 258 980 120	675 691 458
Total loans & banks	1 655 049 565	826 677 029
Treasury bills	777 212 038	279 502 444
Investment in available for sale and held to maturity debt instruments	236 085 565	168 163 579
Total Debt instruments	1 013 297 603	447 666 023
Total Loans interest and similar revenues	2 668 347 168	1 274 343 052
<u>Interest expense and similar charges</u>		
Deposits and current accounts:		
To banks	(11 216 283)	(318 227)
To clients	(1 717 255 221)	(760 021 515)
Other Loans & REPO	(233 093)	(309 124)
Total Interest expense and similar charges	(1 728 704 597)	(760 648 866)
Net interest income	939 642 571	513 694 186

25- Dividends income

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Financial securities through OCI	214 421	-
	214 421	-

26- Gains from financial investments

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Gains on sale of treasury bills	3 355 455	8 550 493
Gain on Sale of debt instruments through OCI	1 053 195	-
	4 408 650	8 550 493

27- Charge of impairment for expected credit losses

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Loans and advances - Impairment charge	197 855 519	76 308 111
Due from banks - Impairment charge	(2 175 836)	109 719
Financial investments at fair value through OCI - Impairment charge (reverse)	(11 311 573)	2 328 832
	184 368 110	78 746 662

28- Administrative expenses

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Labor cost		
Wages and salaries	120 352 757	98 320 149
Social insurance	7 023 695	5 732 426
Total Labor cost	127 376 452	104 052 575
Other administrative expenses*	144 848 285	106 134 255
	272 224 737	210 186 830

* Other administrative expenses

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Depreciation and amortization	27 271 345	26 604 863
Subscriptions	16 924 015	7 093 275
Taxes and fees	28 031 808	20 213 951
Repair and maintenance	32 376 142	18 967 738
Insurance	2 123 873	1 586 771
Advertising	1 436 526	3 333 154
Security and cleaning	8 954 189	5 759 769
Electricity water mail swifts & Gas	4 899 562	4 420 772
Hospitality	3 214 714	663 618
Stationary & Prints	1 100 506	780 982
Expenses and commissions for sales and customer service representatives	10 766 808	10 687 396
Community Contribution and Donations	978 699	1 068 500
Others	6 770 098	4 953 466
	144 848 285	106 134 255

29- Other operating revenues (expenses)

<i>In Egyptian Pound</i>	31 March 2023	31 March 2022
Gains from revaluation of assets and liabilities in foreign currencies and foreign exchange earnings	14 677 790	10 770 197
Gains from sale of Intangible assets	-	-
Gains from sale of fixed assets	-	70 650 607
Other provision formed	(16 631 890)	(9 463 500)
Assets rent expense	(38 718 060)	(32 251 622)
Gains from assets reverted to the bank	(676 630)	(311 991)
	(41 348 790)	39 393 691

30- 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>	31 March 2023	31 March 2022
Net profit for the Period	349 107 268	286 195 206
Deduct: Employees share	(34 910 727)	(28 619 521)
Deduct: B.O.D. remuneration	(21 678 581)	(977 012)
Deduct: Banking Support and Development Fund	(3 207 768)	(1 338 039)
distributed net profit	289 310 192	255 260 634
Weighted average number of shares	892 857 143	892 857 143
Earnings per share	0.32	0.29

31- Capital commitments

The uncalled capital commitments related to the financial investments at the balance sheet date amounted to EGP 554,233,777 as follows:

<i>In Egyptian Pound</i>	Commitments	Amount Paid	Unclaimed / unpaid amount
Obligations for leases	554 233 777	-	554 233 777
	554 233 777	-	554 233 777

Notes to Condensed Interim Financial Statements for Period Ended March 31, 2023**32- Effective average interest rates during the Period**

The average interest rates on assets 15.4% and liabilities 10.9% during the Period.

33- 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:-

In Egyptian Pound

31 March 2023

31 December 2022

Nature of transactions

Due from banks	13 134 944	39 755 985
Due to banks	67 110 055	444 607 873
Contingent liabilities and commitment	7 638 976 156	6 064 338 909

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

NOTES TO Condensed Interim Financial Statements for Period Ended 31 March 2023

35- Tax status

First : Corporate income tax

Years from establishment till 2019

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

Year 2019

- Year 2019 under inspection and as per tax consultant a provision with EGP 8 M and in addition to 2 M EGP tax on independent pool was fully form.

Year 2020/2022

- The bank submitted the tax return for these years and not inspected till date noting that the expected tax amount will be 24 M EGP from inspection in addition to 6 M EGP tax on independent pool.

The tax rate for the period ended 31 March 2022 reached 43.9 %

Second : Stamp duty tax

Years till December 2020

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

Year 2021/2022

Not Investigated yet and provisions charged with 10 million EGP according to the opinion of the tax consultant, was fully formed.

Third : Payroll Tax

Years from establishment till 2020

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

Year 2020\2021

Not inspected yet as per tax consultant a provision with EGP 10 M was fully formed.

36-Comparative figures

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