

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

**Condensed interim Financial Statements
For the period ended 30 September 2023
AND Limited Auditors' Report**



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Translation of report originally issued in Arabic

Report on Limited Review of condensed Interim Financial Statements

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

Introduction

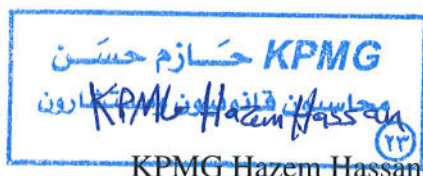
We have performed a limited review for the accompanying condensed interim financial statements of Abu Dhabi Commercial Bank – Egypt (S.A.E) which comprise of the condensed statement of financial position as of September 30, 2023 and the related condensed statements of income, comprehensive income, change in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the basis of recognition and measurement in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in accordance with the Central Bank of Egypt's rules issued on May 3, 2020 related to the issuance of the condensed interim financial statements and the prevailing Egyptian laws related to the preparation of the condensed interim financial statements. Our responsibility is to express a conclusion on these condensed interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that cause us to believe that accompanying condensed interim financial statements do not present fairly, in all material respects, the financial position of the bank as of September 30, 2023 and of its financial performance and its cash flows for the nine months period then ended in accordance with the bases of recognition and measurement issued by the central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and in accordance with the Central Bank of Egypt's rules issued on May 3, 2020 related to the issuance of the condensed interim financial statements and the prevailing Egyptian laws related to the preparation of the condensed interim financial statements.



Public Accountants & Consultants

Auditors



Public Accountants & Consultants

Cairo, October 26, 2023

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ABU DHABI COMMERCIAL BANK- EGYPT (S.A.E)**Statement of Financial Position As OF September 30, 2023***In Egyptian Pound***Note 30 September 2023****31 December 2022****Assets**

Cash and due from Central Bank of Egypt	(6)	10 141 490 235	11 957 062 397
Due from banks	(7)	14 117 860 108	11 823 057 068
Treasury bills at fair value through other comprehensive income	(8)	22 246 375 536	23 511 576 216
Loans and advances to customers	(9)	32 667 641 024	29 781 734 796

Investments :

- At Amortized Cost	(10)	93 239 305	96 210 105
- At fair value through other comprehensive income	(11)	5 920 432 336	7 206 940 908
Investments in associates	(12)	100	100
Deferred Tax Assets	(15)	-	83 747 817
Intangible assets	(13)	62 132 721	35 077 156
Other assets	(14)	1 563 030 945	1 178 656 317
Property and equipment	(16)	526 751 848	496 447 239
Total assets		87 338 954 158	86 170 510 119

Liabilities and shareholders' equity**Liabilities**

Due to banks	(17)	243 728 211	2 406 440 698
Customers' deposits	(18)	75 728 228 643	75 492 440 836
Other liabilities	(19)	2 844 089 431	1 114 597 018
Other provisions	(20)	137 672 306	103 165 953
Deferred tax liabilities	(15)	15 207 933	-
Total liabilities		78 968 926 524	79 116 644 505

Shareholders' equity

Paid-in capital	(21)	5 250 000 000	5 000 000 001
Reserves	(21)	956 674 097	1 048 196 262
Retained earnings	(21)	2 163 353 537	1 005 669 351
Total shareholders' equity		8 370 027 634	7 053 865 614
Total liabilities and shareholders' equity		87 338 954 158	86 170 510 119

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

Managing Director and CEO**Ihab Elsewerky**
Chairman**Mohamed Dhaen Al Hamli**

Income Statement for Period September 30, 2023

<i>In Egyptian Pound</i>	<i>Note</i>	30 September 2023	30 September 2022	Period from 1 July 2023 to 30 September 2023	Period from 1 July 2022 to 30 September 2022
Interest income on loans and similar revenues	(24)	8 787 156 947	4 753 817 154	3 182 625 520	1 924 633 519
Interest expense and similar charges	(24)	(5 577 758 900)	(2 877 180 249)	(1 964 790 105)	(1 201 122 897)
Net interest income		3 209 398 047	1 876 636 905	1 217 835 415	723 510 622
Fees and Commissions income		489 046 168	362 568 243	145 575 387	108 051 469
Fees and Commissions expenses		(19 248 371)	(16 577 490)	(9 211 366)	(4 953 208)
Net fees and commissions income		469 797 797	345 990 753	136 364 021	103 098 261
Dividends income	(25)	2 000 135	1 323 360	-	-
Net trading income	(26)	1 043 318	-	-	-
Gains from financial investments	(27)	14 903 650	16 991 150	2 335 200	4 123 305
Expected credit losses impairment	(28)	(529 357 107)	(372 686 321)	(199 856 778)	(157 143 706)
Administrative expenses	(29)	(875 789 493)	(660 136 164)	(322 943 718)	(233 289 684)
Other operating expenses	(30)	(114 889 972)	(53 075 684)	(60 587 354)	(54 188 988)
Profit for the Period before income tax		2 177 106 375	1 155 043 999	773 146 786	386 109 810
Income tax expenses	(15)	(869 724 840)	(449 819 030)	(282 597 380)	(187 761 318)
Net profit for the Period		1 307 381 535	705 224 969	490 549 406	198 348 492
Earnings per share (EGP)	(31)	1.23	0.69	0.43	0.19

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

Statement of Other Comprehensive Income for Period September 30, 2023

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022	Period from 1 July 2023 to 30 September 2023	Period from 1 July 2022 to 30 September 2022
Net profit for the Period	1 307 381 535	705 224 969	490 549 406	198 348 492
Items that are not reclassified to profit or loss				
Net change in the fair value of investments in equity instruments at fair value through other comprehensive income	(69 017)	-	(69 017)	-
Income tax related to items that are not reclassified to profit or loss	15 529	-	15 529	-
Items that may be reclassified to profit or loss				
Net change in the fair value of investments at fair value through other comprehensive income	133 943 320	(244 386 957)	213 008 987	(53 541 233)
Income tax related to items that may be reclassified to profit or loss	(30 137 247)	54 987 065	(47 927 022)	12 046 777
Expected credit losses on debt instruments at fair value through other comprehensive income	15 200 605	(11 246 230)	(61 208)	(7 156 346)
Total other comprehensive income for the Period, net after tax	118 953 190	(200 646 122)	164 967 269	(48 650 802)
Total comprehensive income for the Period, net after tax	1 426 334 725	504 578 847	655 516 675	149 697 690

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For The Period 30 September 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 30 September 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	-	-	-	-	-	(75 571 085)	-	75 571 085	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	(244 386 957)	-	(244 386 957)
Losses on the sale of financial assets	-	-	-	-	-	-	-	(1 061 971)	(1 061 971)
Refund part of the BOD remuneration	-	-	-	-	-	-	-	15 446 896	15 446 896
Paid under capital increase	3 525 185 748	(3 525 185 748)	-	-	-	-	-	-	-
Net profit for the Period September 30 2022	-	-	-	-	-	-	-	705 224 969	705 224 969
Balance as at 30 September 2022	5 000 000 001	-	311 089 891	11 504 993	326 442 419	232 473 814	(228 636 404)	1 074 615 755	6 727 490 469
Period 30 September 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)
Bouns Share from 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)
Transfer to General Risk Reserve	-	-	-	-	-	-	-	-	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	133 874 303	-	133 874 303
Disposal Loss financial Assets Fair value through OCI	-	-	-	-	-	-	-	(1 491)	(1 491)
Transfer to retained earnings	-	-	-	-	(381 196 639)	-	-	381 196 639	-
Paid under capital increase	249 999 999	(249 999 999)	-	-	-	-	-	-	-
Net profit for the Period September 30 2023	-	-	-	-	-	-	-	1 307 381 535	1 307 381 535
Balance as at September 30 2023	5 250 000 000	-	412 135 842	11 504 993	-	661 408 983	(128 375 721)	2 163 353 537	8 370 027 634

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

<i>In Egyptian Pound</i>	Note	30 September 2023	30 September 2022
<u>Cash flow from operating activities</u>			
Net profit for the Period before tax		2 177 106 375	1 155 043 999
<u>Adjustments to reconcile net profit to cash flow from operating activities</u>			
Depreciation and amortization	(13,16)	83 163 131	84 342 448
Reversed charged during the Period-other provisions	(20,30)	59 642 893	43 324 048
Reversed charged during the Period-due from banks	(7,28)	(4 301 846)	5 823 623
Foreign revaluation differences for other provisions	(20)	2 348 688	1 028 974
Gain on sale of fixed assets	(30)	(36 500 730)	(70 650 607)
Dividends payable	(25)	(2 000 135)	(1 323 360)
Operating profit before changes in assets and liabilities from operating activities		2 279 458 376	1 217 589 125
<u>Cash flow from operating activities</u>			
Change in due from banks	(7)	1 100 025 664	(991 836 273)
Change in due from Central Bank of Egypt within reserve percentage	(6)	2 009 919 637	(1 342 326 451)
Change in treasury bills and other governmental notes	(8)	3 819 846 515	(9 722 563 305)
Change in loans and advances to banks	(9)	(2 882 058 597)	(7 468 308 939)
Change in other assets	(14)	(127 502 624)	(158 171 404)
Change in due to bank	(17)	(2162 712 487)	(78 407 280)
Change in customers' deposits	(18)	235 787 807	24 459 064 291
Change in used from other provisions	(20)	(27 485 228)	(11 302 389)
Change in other liabilities	(19)	1 000 092 500	445 940 394
Change in income tax paid		(595 954 302)	(286 272 095)
Net cash flow provided from operating activities		4 649 417 261	6 063 405 674

<i>In Egyptian Pound</i>	Note	30 September 2023	30 September 2022
<u>Cash flow from investing activities</u>			
Payments to purchase fixed assets and establishments of branches		(403 894 580)	(433 696 606)
Proceeds from sale of fixed assets		43 000 000	79 067 089
Retrieval of financial investments - Amortized cost	(10)	3 205 000	313 823 000
Purchase of financial investment Amortized cost, net investment Fair Value through OCI and in associates	(10, 11)	1 376 266 199	(2 213 353 759)
Reversed charged during the Period provision at fair value through OCI		(9 327 355)	11 256 305
Dividends received	(25)	2 000 135	1 323 360
Net cash flow provided from (used in) investing activities		1 011 249 399	(2 241 580 611)
<u>Cash flow from financing activities</u>			
Refund part of the BOD remuneration		-	15 446 896
Dividends paid		(125 092 327)	(161 167 813)
Net cash flow (used in) financing activities		(125 092 327)	(145 720 917)
Net (decrease) increase in cash and cash equivalents during the Period		5 535 574 333	3 676 104 146
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		15 528 979 330	8 566 658 334
<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)	10 141 490 235	5 670 029 437
Due from banks	(7)	14 118 321 977	9 046 258 226
Treasury bills and other governmental notes	(8)	23 620 806 119	22 335 388 573
Due from Central Bank within reserve percentage		(9 643 182 886)	(5 337 629 565)
Due from banks (over 3 months maturity)		(1 209 074 996)	(1948 149 764)
Treasury bills and other governmental notes (over 3 months maturity)		(21 499 381 119)	(21 199 238 573)
Cash and cash equivalents at the end of the Period		15 528 979 330	8 566 658 334

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

1- Background

- Abu Dhabi Commercial Bank- Egypt provides retail, corporate and investment banking services in Arab Republic of Egypt and abroad through 50 branches and employs 1190 employees as at 30 September 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, 50 branches and 167 ATMs, the bank is delisted on Egyptian stock exchange since March 25, 2020.
- The extraordinary general assembly dated January 13, 2007 decided to change the bank's name to Union National Bank – Egypt from Alexandria Commercial and Maritime Bank and it was annotated in the Bank's Commercial Register.
- The extraordinary general assembly dated June 1, 2020 decided to change the bank's name to Abu Dhabi Commercial Bank - Egypt instead of Union National Bank - Egypt, and this was indicated in the bank's commercial register on July 26, 2020.
- Board of Directors dated October 24, 2023 approved the adoption of the Condensed Interim Financial Statements for period ended September 30, 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 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 there was no material impact for potential credit loss in the financial statement by the amount of loss estimated using expected loss model used as at 30 September 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.

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 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, its 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:

- 22.5 % of the loans and advances portfolio is classified at the highest two ratings in the internal rating.
- 87.1 % of the loans and advances portfolio having no past due or impairment indicators.
- Mortgage loans, which represent a significant part of the portfolio, are covered by guarantees.
- Loans and advances that have been evaluated on an individual basis of total amount EGP 1,9 Bn which represent 5.5 % and the provision formed and interest in suspense amount EGP 1,3 Bn represent 69.9 % 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>	30 September 2023	31 December 2022
Treasury bills and other governmental securities through OCI	23 620 806 119	25 489 952 635
Customers loans and advances		
Retail loans:		
Overdraft Accounts	44 957 814	79 312 969
Personal loans	7 470 041 397	7 542 748 469
Real Estate Finance loans	174 211 935	187 398 433
Credit cards	222 279 681	132 846 176
Corporate loans:		
Overdraft Accounts	7 028 141 465	7 349 330 807
Syndicated loans	1 874 892 791	1 697 796 455
Direct loans	17 662 503 781	13 933 642 414
Discounted commercial bills	-	481 308 617
Financial investments:		
Debt instruments at amortized cost	93 239 305	96 210 105
Debt instruments at fair value through other comprehensive income	5 895 137 035	7 201 265 267
Total	64 086 211 323	64 191 812 347
<u>Credit risk exposures of off balance sheet items</u>		
Credit commitments (Irrevocable)	206 682 000	320 863 486
Letters of guarantees	9 789 109 366	7 463 344 582
Letters of guarantees based on other banks requests	12 092 038 275	9 276 319 622
Letters of credit	1 226 369 708	1 459 438 708
Other financial liabilities	556 393 777	607 064 896
Total	23 870 593 126	19 127 031 294

The above table represents the maximum limit for credit risk as of 30 September 2023, without taking into considerations any collateral for balance-sheet items.

As shown in the preceding table, 54 % of the total maximum limit exposed to credit risk resulted from loans and advances to customers and banks, while 46 % represents investments in debt instruments.

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

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

30 September 2023

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	1 469 008 732	-	-	1 469 008 732
Financial investments	6 663 396 510	-	-	6 663 396 510
Loans and facilities - corporate	21 541 552 490	3 125 947 735	1 898 037 812	26 565 538 037
Loans and facilities - retail	6 709 308 598	755 899 310	446 282 919	7 911 490 827
Contingent liabilities	20 494 007 408	1 025 028 591	19 650 157	21 538 686 156
Loan commitments and facilities	13 009 885 470	6 648 162	5 640 385	13 022 174 017
Total	69 887 159 208	4 913 523 798	2 369 611 273	77 170 294 279

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	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)

30 September 2023				
<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	461 869	-	-	461 869
Financial investments	25 787 344	-	-	25 787 344
Loans and facilities - corporate	90 723 137	78 248 227	1 248 560 462	1 417 531 826
Loans and facilities - retail	12 880 662	44 204 222	252 139 714	309 224 598
Contingent liabilities	29 437 228	3 990 917	8 906 736	42 334 881
Loan commitments and facilities	16 418 039	42 493	1 837 451	18 297 983
Total	175 708 279	126 485 859	1 511 444 363	1 813 638 501

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>	30 September 2023	30 September 2023	
Loan provision (regular / irregular)	1 726 756 424	2 005 833 996	(279 077 572)
Provision Contingent liabilities - Customer	27 590 105	181 316 763	(153 726 658)
	1 754 346 529	2 187 150 759	(432 804 230)

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	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)

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

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

30 September 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	-	-	-	-	(4 301 846)	461 869
Loans and facilities - corporate clients	(9)	1 418 632 468	176 463 892	5 980 054	(252 340 718)	68 796 130	-	1 417 531 826
Loans and facilities - retail clients	(9)	117 538 029	372 395 666	24 299 885	(205 008 982)	-	-	309 224 598
Total provision for expected credit losses (1)		1 540 934 212	548 859 558	30 279 939	(457 349 700)	68 796 130	(4 301 846)	1 727 218 293

	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	-	-	-	5 873 250	(15 200 605)	25 787 344
Total provision for expected credit losses (2)		35 114 699	-	-	-	5 873 250	(15 200 605)	25 787 344

	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	8 113 561	-	-	117,986.00	-	42 334 881
Loan commitments and facilities	(20)	768 651	17 529 332	-	-	-	-	18 297 983
Total provision for expected credit losses (3)		32 759 269	25 642 893	-	(117 986)	2 348 688	-	60 632 864
Total expected credit losses (1 + 2 + 3)		1 608 808 180	574 502 451	30 279 939	(457 467 686)	77 018 068	(19 502 451)	1 813 638 501

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>	30/09/2023	31/12/2022
Neither past dues nor impaired	30 023 453 786	25 436 425 786
Past dues but not impaired	2 212 495 858	3 840 182 938
Past dues are subjected to impairment	2 241 079 220	2 127 775 616
Total	34 477 028 864	31 404 384 340
<u>(Less):</u>		
Prepaid Revenue	(4 343 943)	(4 860 957)
Expected credit loss provision	(1 726 756 424)	(1 536 170 497)
Interest in suspense	(78 287 473)	(81 618 090)
Net	32 667 641 024	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.

ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)
Notes to Condensed Interim Financial Statements for Period Ended September 30, 2023
A-6 Loans and advances neither having past due nor subject to impairment
30 September 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	44 957 814	169 625 928	5 696 127 432	140 619 062	6 051 330 236		7 028 141 465	1 564 586 646	14 342 781 126	22 935 509 237	28 986 839 473
2-Regular follow up	-	-	-	-	-	-	-	69 502 308	831 167 889	900 670 197	900 670 197
3-Watch list	-	-	-	-	-	-	-	-	135 944 116	135 944 116	135 944 116
Total	44 957 814	169 625 928	5 696 127 432	140 619 062	6 051 330 236		7 028 141 465	1 634 088 954	15 309 893 131	23 972 123 550	30 023 453 786

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	99 019 784	5 913 372 595	156 959 689	6 248 665 038	481 308 617	7 349 330 807	1 274 209 836	8 346 538 844	17 451 388 104	23 700 053 142
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	99 019 784	5 913 372 595	156 959 689	6 248 665 038	481 308 617	7 349 330 807	1 488 556 342	9 868 564 982	19 187 760 748	25 436 425 786

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:

30 September 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 from 1 day to 30 days	-	19 983 909	1 092 690 242	27 040 557	1 139 714 708	-	-	585 089 152	585 089 152	1 724 803 860
Past due from 31 day to 60 days	-	8 400 941	257 544 959	3 144 152	269 090 052	-	-	86 365 650	86 365 650	355 455 702
Past due from 61 day to 90 days	-	3 970 340	102 416 287	1 912 033	108 298 660	-	-	23 937 636	23 937 636	132 236 296
Total	-	32 355 190	1 452 651 488	32 096 742	1 517 103 420	-	-	695 392 438	695 392 438	2 212 495 858

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 from 1 day to 30 days	-	15 802 271	888 606 124	20 228 769	924 637 164	-	-	2 555 009 527	2 555 009 527	3 479 646 691
Past due from 31 day to 60 days	-	3 752 804	269 015 319	1 380 865	274 148 988	-	-	-	-	274 148 988
Past due from 61 day to 90 days	-	2 023 454	84 076 871	286 935	86 387 259	-	-	-	-	86 387 259
Total	-	21 578 528	1 241 698 314	21 896 569	1 285 173 411	-	-	2 555 009 527	2 555 009 527	3 840 182 938

Loans and advances subject to individual impairment

Loans and advances subject to individual impairment regardless any cash flows from collaterals amounted to EGP 2 065 889 214

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

30 September 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	-	20 298 563	321 262 478	1 496 130	343 057 171	-	240 803 837	1 657 218 212	-	1 898 022 049	2 241 079 220
Fair value of collaterals	-	-	-	-	-	-	69 783 001	105 407 005	-	175 190 005	175 190 005

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	-	12 247 863	387 677 560	8 542 175	408 467 598	-	209 240 113	1 510 067 905	-	1 719 308 018	2 127 775 616
Fair value of collaterals	-	-	-	-	-	-	69 783 001	73 698 106	-	143 481 106	143 481 106

A -7 Debt instruments, treasury bills and other governmental notes , Based on 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 B3	23 620 806 119	-	2 947 353 782	26 568 159 901
Total	23 620 806 119	-	2 947 353 782	26 568 159 901

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Notes to Condensed Interim Financial Statements for Period Ended September 30, 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>	<u>Cairo</u>	<u>Alexandria, Delta and Canal</u>	<u>Upper Egypt & Red Sea</u>	<u>Total</u>
Treasury bills and other governmental notes	23 620 806 119	-	-	23 620 806 119
Loans and advances to customers:				
Retail:				
Overdraft Accounts	10 390 358	31 085 029	3 482 427	44 957 814
Personal loans	4 037 294 358	2 836 685 928	596 061 111	7 470 041 397
Real Estate Finance loans	146 670 320	27 541 615	-	174 211 935
Credit cards	157 699 659	49 757 985	14 822 037	222 279 681
Corporate:				
Overdraft Accounts	4 991 199 721	1 995 958 304	40 983 440	7 028 141 465
Syndicated loans	1 294 165 026	580 727 765	-	1 874 892 791
Direct loans	14 099 091 425	3 464 399 919	99 012 437	17 662 503 781
Discounted commercial bills	-	-	-	-
Other Financial investments				
Debt instruments at amortized cost	93 239 305	-	-	93 239 305
Debt instruments at fair value through other comprehensive income	5 895 137 035	-	-	5 895 137 035
Total at the end of the period	54 345 693 326	8 986 156 545	754 361 452	64 086 211 323

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Notes to Condensed Interim Financial Statements for Period Ended September 30, 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	-	-	23 620 806	-	-	23 620 806
Financial assets held for trading						
Debt instruments	-	-	-	-	-	-
Loans and advances to customers	9 883 389	5 647 470	2 139 576	8 895 103	7 911 491	34 477 029
Financial investments						
Debt instruments at amortized cost	-	-	93 239	-	-	93 239
Debt instruments at fair value through other comprehensive income	-	-	2 947 354	2 947 783	-	5 895 137
Total at the end of the period	9 883 389	5 647 470	28 800 975	11 842 886	7 911 491	64 086 211

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

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

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

- Stress Testing

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

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

B-2 VAR summary

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

30 September 2023

	Average	Maximum	Minimum
Foreign exchange risk	927,385	1,514,140	459,208
Interest rate risk	40,954,706	44,104,004	37,897,071
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	9 923 018	190 999	23 007	2 364	2 102	10 141 490
Due from banks	8 679 695	4 991 818	376 864	9 797	59 686	14 117 860
Treasury bills and other governmental notes	19 045 548	3 135 680	65 148	-	-	22 246 376
Loans and advances to customers	29 042 508	3 503 719	121 023	254	137	32 667 641
<u>Financial investments</u>						
- Amortized cost	93 239	-	-	-	-	93 239
- At fair value through other comprehensive income	5 616 359	304 073	-	-	-	5 920 432
Fixed and intangible assets	62 133	-	-	-	-	62 133
Other financial assets	2 061 644	27 771	368	-	-	2 089 783
Total financial assets	74 524 144	12 154 060	586 410	12 415	61 925	87 338 954
<u>Financial liabilities</u>						
Due to banks	2 525	212 862	6 851	-	21 490	243 728
Customer's deposits	63 335 396	11 803 589	563 699	12 147	13 398	75 728 229
Other financial liabilities and deferred tax	2 721 852	127 296	10 149	-	-	2 859 297
Other provisions	125 644	6 790	5 238	-	-	137 672
Total share holder's equity	8 382 363	(12 335)	-	-	-	8 370 028
Total financial liabilities	74 567 780	12 138 202	585 937	12 147	34 888	87 338 954
Net financial position	(43 636)	15 858	473	268	27 037	-
<u>Purchasing</u>	-	-	-	-	-	-
Net financial position	(43 636)	15 858	473	268	27 037	-
Loan Commitments – Irrevocable	206 682	-	-	-	-	206 682
Letters of credit	29 566	60 972	8 845	-	9 103	108 486
Letters of guarantees	8 458 063	584 653	29 862	-	265 584	9 338 162
Letters of guarantees based on other banks requests	630 022	845 209	10 559 788	-	57 019	12 092 038
Other financial liabilities	556 394	-	-	-	-	556 394
Total	9 880 727	1 490 834	10 598 495	-	331 706	22 301 762

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	-	-	-	-	10 141 490	10 141 490
Due from banks	1 014 135	3 461 264	-	-	9 642 461	14 117 860
Treasury bills and other governmental notes	3 756 214	9 977 265	8 512 896	-	-	22 246 375
Loans and advances to customers	7 647 624	3 827 255	10 167 818	10 826 475	198 470	32 667 642
<u>Financial investments</u>						
- Amortized cost	-	14 692	78 547	-	-	93 239
- At fair value through other comprehensive income	905 211	-	1 443 109	3 546 817	25 295	5 920 432
Intangible assets	-	-	-	-	-	-
Other financial assets	-	-	-	-	2 151 916	2 151 916
Total financial assets	13 323 184	17 280 476	20 202 370	14 373 292	22 159 632	87 338 954
<u>Financial liabilities</u>						
Due to banks	-	-	-	-	243 728	243 728
Customer’s deposits	7 307 472	28 015 702	14 955 495	21 185 371	4 264 189	75 728 229
Share holder’s equity	-	-	-	-	8 370 027	8 370 027
Other financial liabilities	-	-	-	-	2 996 970	2 996 970
Total financial liabilities	7 307 472	28 015 702	14 955 495	21 185 371	15 874 914	87 338 954
Interest re-pricing gap	6 015 712	(10 735 226)	5 246 875	(6 812 079)	6 284 718	-

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.

D- Fair value of financial assets and liabilities
D-1 Financial instruments not measured at fair value

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

In thousand Egyptian pound	30/09/2023		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	7,911,490	7,911,490	7,942,306	7,942,306
-Corporate	26,565,538	26,565,538	23,462,078	23,462,078
Financial Investments at amortized cost	93,239	93,239	96,210	96,210
<u>Financial liabilities</u>				
Due to banks	243,728	243,728	2,406,441	2,406,441
Customer's deposits				
-Retail	13,068,061	13,068,061	11,132,954	11,132,954
-Corporate	62,660,168	62,660,168	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.

F- Capital management (continue)

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

Tier 1:

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

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

Tier 2:

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

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

The bank has complied with all local capital requirements during the last two years. The following schedule summarizes the components of Tier I capital Tier II capital and capital adequacy ratio as of 30 September 2023.

Capital adequacy ratio as per Basel II requirements
In thousand Egyptian pound
30 September 2023
31 December 2022
Capital
Tier I Capital
Core capital after deductions

Share capital (net of treasury stocks)	5 250 000	5 000 000
IFRS9 risk reserve	423 641	649 037
Retained earnings	855 972	(54 828)
Total cumulative other comprehensive income after control adjustments	(128 376)	(262 250)

Additional Going Concern

Quarterly interim profit / (losses)	1 307 382	1 065 214
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Deduct from Common Equity

(-) Deduct 100% from net of Intangible assets (Other than goodwill)	(62 133)	(35 077)
Deferred tax Assets	-	(98 955)
(-) Deduct total the fair value for investment FVOCI Which have been reclassified to Amortized cost investments	(23)	(211)

Total Tier I	7 646 463	6 262 930
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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)	175 708	137 879
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Total Tier 2 capital	175 708	137 879
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Total capital based after deductions	7 822 171	6 400 809
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Total Assets and potential liabilities weighted by credit risk	44 391 654	39 849 226
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Capital requirements for market risk	-	-
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Capital requirements for operating risk	2 341 411	2 341 411
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Total Assets and potential liabilities weighted by credit, market and operating risk	46 733 065	42 190 637
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Capital adequacy ratio (%)	16.74%	15.17%
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ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)

Notes to Condensed Interim Financial Statements for Period Ended September 30, 2023

Leverage Ratio

<i>In Thousand Egyptian Pounds</i>		30 September 2023	31 December 2022
First	Tier 1 capital after Exclusions	7 646 463	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)	16 925 421	19 742 294
	Due from Banks	4 286 083	3 738 630
	Treasury bills and other Government securities	22 284 198	27 452 121
	REPO	(37 822)	(43 718)
	Financial investments Fair Value through OCI	5 920 432	3 310 116
	Financial investments Amortized Cost	93 239	96 210
	Loans and credit facilities to customers	34 477 029	31 404 384
	Fixed Assets (after deducting depreciation and impairment losses)	526 752	496 447
	Other assets	1 625 165	1 297 981
	Deducted amounts from exposures (after deducting Tier I Exclusions for capital base)	(1 685 286)	(134 032)
	Total on-balance sheet exposures items after deducting after Tier I Exclusions for capital base.	84 415 211	87 360 433
2	<u>Exposures off-balance sheet</u>		
	<u>Contingent liabilities (1)</u>		
	Letters of Credit - Import	6 551	27 187
	Letters of Credit - Export	-	49 487
	Letters of Guarantees	4 669 081	3 559 371
	Letters of Guarantees according to foreign banks	6 046 019	4 638 160
	Accepted papers	25 341	91 877
	Re-discounted Commercial paper	31 744	44 137
	<u>Commitments (2)</u>		
	Operating lease commitments	556 394	607 065
	Loan commitments to clients/banks (unutilized part) within original maturity	1 022 886	928 897
	Total Exposures off-balance sheet	12 358 016	9 946 181
	Total On-Off balance sheet exposures items (1) + (2)	96 773 227	97 306 614
	Leverage financial ratio	7.90%	6.44%

4- Significant accounting estimates and assumptions

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

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

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

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

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

C - Impairment of Financial investment at amortized cost

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

5- A-Segment analysis

In Egyptian Pound

	<u>Corporate</u>	<u>Retail</u>	<u>Treasury & Financial Institutions</u>	<u>Total</u>
<u>Revenues and expenses according to business segment</u>				
Segment revenues	5 879 217 989	3 251 628 413	4 263 356 403	13 394 202 805
Segment expenses	(4 765 738 274)	(2 946 221 919)	(3 505 136 237)	(11 217 096 430)
Profit for the Period before taxes	1 113 479 715	305 406 494	758 220 166	2 177 106 375
Taxes	(436 428 458)	(146 527 675)	(286 768 707)	(869 724 840)
Profit for the Period	677 051 257	158 878 819	471 451 459	1 307 381 535
<u>Assets and Liabilities according to business segment</u>				
Total assets	27 017 817 107	8 339 549 826	51 981 587 225	87 338 954 158
Total liabilities	46 902 089 721	27 838 676 825	12 598 187 612	87 338 954 158
<u>Other business segment items</u>				
Depreciations	(23 730 860)	(56 505 654)	(2 926 617)	(83 163 131)
Expedcted Credit Loss	(202 106 785)	(372 395 666)	19 502 451	(555 000 000)

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	10 274 860 974	2 879 353 023	239 988 808	13 394 202 805
Geographical sector expenses	(8 499 294 837)	(2 503 105 670)	(214 695 923)	(11 217 096 430)
Profit for the Period before taxes	1 775 566 137	376 247 353	25 292 885	2 177 106 375
Taxes	(773 193 412)	(90 167 498)	(6 363 930)	(869 724 840)
Profit for the Period before taxes	1 002 372 725	286 079 855	18 928 955	1 307 381 535
<u>Assets and Liabilities</u>				
Total assets	77 746 412 407	8 858 280 235	734 261 516	87 338 954 158
Total liabilities	68 437 450 281	17 764 209 395	1 137 294 482	87 338 954 158
<u>Other Geographical sector items</u>				
Depreciations	(69 806 069)	(9 863 474)	(3 493 588)	(83 163 131)
Expedcted Credit Loss	(392 690 438)	(149 739 381)	(12 570 181)	(555 000 000)

ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)
Notes to Condensed Interim Financial Statements for Period Ended September 30, 2023
6- Cash and due from Central Bank of Egypt

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Cash on hand	498 307 349	303 959 874
Due from Central Bank of Egypt within reserve ratio	9 643 182 886	11 653 102 523
	10 141 490 235	11 957 062 397

7- Due from banks

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
<u>The Central Bank of Egypt</u>		
Current accounts	30 163 452	30 222 787
Time Deposits	7 252 074 996	8 058 968 033
	7 282 238 448	8 089 190 820
<u>Local Banks</u>		
Current accounts	87 157 052	66 725 559
Time Deposits	4 125 563 400	3 043 438 200
	4 212 720 452	3 110 163 759
<u>Foreign Banks</u>		
Current accounts	161 144 277	82 417 778
Time Deposits	2 462 218 800	546 048 426
	2 623 363 077	628 466 204
Total due from banks	14 118 321 977	11 827 820 783
Expect credit loss provision	(461 869)	(4 763 715)
Net due from banks	14 117 860 108	11 823 057 068
Non-interest bearing balances	278 464 781	179 366 124
Interest bearing balances	13 839 857 196	11 648 454 659
Expect credit loss provision	(461 869)	(4 763 715)
	14 117 860 108	11 823 057 068

8- Treasury bills at fair value through other comprehensive income

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
<u>Treasury bills</u>		
Treasury bills maturing to 91 days	2 121 425 000	170 725 000
Treasury bills maturing from 92 to 182 days	4 026 250 000	5 302 675 000
Treasury bills maturing grater than 182 to 364 days	17 510 953 100	20 060 271 100
	23 658 628 100	25 533 671 100
<u>(Less):</u>		
Unearned interest	(1 274 934 443)	(1 825 671 939)
REPO *	(37 821 981)	(43 718 465)
	22 345 871 676	23 664 280 696
Net change in fair value	(99 496 140)	(152 704 480)
Net of Treasury bills after change in fair value	22 246 375 536	23 511 576 216

*** REPO**

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Against the the amount granted by the Central Bank of Egypt within the mortgage finance initiative for low-income people	37 821 981	39 742 649
Against the the amount granted by the Central Bank of Egypt within SMEs initiative	-	3 975 816
	37 821 981	43 718 465

9- Loans and advances to customers and banks

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Discounted commercial bills	-	481 308 617
Customers loans	34 477 028 864	30 923 075 723
	34 477 028 864	31 404 384 340
(Less):		
Prepaid Revenue	(4 343 943)	(4 860 957)
Expect credit loss provision	(1 726 756 424)	(1 536 170 497)
Interest in suspense	(78 287 473)	(81 618 090)
	(1 809 387 840)	(1 622 649 544)
	32 667 641 024	29 781 734 796

9-1 Loans and Advances to customers

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
<u>Retail</u>		
Overdraft Accounts	44 957 814	79 312 969
Personal loans	7 470 041 397	7 542 748 469
Credit cards	222 279 681	132 846 176
Real Estate Finance loans	174 211 935	187 398 433
Total (1)	7 911 490 827	7 942 306 047
<u>Corporate</u>		
Overdraft Accounts	7 028 141 465	7 349 330 807
Syndicated loans	1 874 892 791	1 697 796 455
Direct loans	17 662 503 781	13 933 642 414
Discounted commercial bills	-	481 308 617
Total (2)	26 565 538 037	23 462 078 293
Total loans and Advances to customers (1+2)	34 477 028 864	31 404 384 340
(Deduct):		
Prepaid Revenue	(4 343 943)	(4 860 957)
Expect credit loss provision	(1 726 756 424)	(1 536 170 497)
Interest in suspense	(78 287 473)	(81 618 090)
Net	32 667 641 024	29 781 734 796

9-2 Expect credit loss provision

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Provision balance at the beginning of the Period	1 536 170 497	969 211 017
Expect credit loss	548 859 558	611 158 922
Proceeds from loans previously written off	30 279 939	43 372 403
Foreign currencies revaluation differences	68 796 130	100 406 419
	2 184 106 124	1 724 148 761
Amounts written off during the Period	(457 349 700)	(187 978 264)
ECL provisions at the end of the Period	1 726 756 424	1 536 170 497

Classification of Expect credit loss provision of loans and facilities to customers**30 September 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	7 109 209	376 717 970	(11 431 513)	372 395 666
Proceeds from loans previously written off	863 176	23 402 923	33 786	24 299 885
Provisions used	(3 522 382)	(201 168 811)	(317 789)	(205 008 982)
Balance at the end of the Period	9 880 399	298 397 855	946 344	309 224 598

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	1 141 429 856	107 875 011	169 327 601	1 418 632 468
Expect credit loss	185 128 074	5 799 819	(14 464 001)	176 463 892
Proceeds from loans previously written off	5 980 054	-	-	5 980 054
Foreign currencies revaluation differences	55 353 278	5 231 364	8 211 488	68 796 130
Provisions used	(252 340 718)	-	-	(252 340 718)
Balance at the end of the Period	1 135 550 544	118 906 194	163 075 088	1 417 531 826

31 December 2022Retail

<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	1 141 429 856	107 875 011	169 327 601	1 418 632 468

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

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Quoted governmental debt instruments	93 239 305	96 210 105
Total governmental debt instruments	93 239 305	96 210 105

Movement of treasury bonds at amortized cost

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Balance at the beginning of the Period	96 210 105	641 223 070
Net amortization(issuing discount & issuing premium)	46 228	787 916
Retrieval – Treasury Bonds & Financial Investments	(3 205 000)	(546 251 000)
Net change in fair value	187 972	450 119
Balance at the end of the Period	93 239 305	96 210 105

11- Financial investments at fair value through other comprehensive income

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Governmental debt instruments	2 947 353 782	3 916 518 608
Non governmental debt instruments	2 947 783 253	3 284 746 659
	5 895 137 035	7 201 265 267
Unearned interest of governmental debit instruments	-	(19 693 382)
	5 895 137 035	7 181 571 885
Unquoted equity instruments	25 295 301	25 369 023
Total	25 295 301	25 369 023
Financial investments at fair value through other comprehensive income	5 920 432 336	7 206 940 908
Current balances	5 895 137 035	7 181 571 885
Non-current balances	25 295 301	25 369 023
	5 920 432 336	7 206 940 908

Financial investments at fair value through other comprehensive income

<i>In Egyptian Pound</i>	30 September 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)	49 011 751	136 591 254
Buy – Treasury Bonds & Financial Investments	644 972 183	2 766 815 371
Retrieval – Treasury Bonds & Financial Investments	(2137 372 802)	(408 768 433)
Net change in fair value	89 805 346	(160 537 093)
Foreign currencies revaluation differences	67 074 950	64 644 957
Balance at the end of the Period / Year	5 920 432 336	7 206 940 908

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

Notes to Condensed Interim Financial Statements for Period Ended September 30, 2023

12-	Investments in associates	30 September 2023	31 December 2022
	Unquoted equity instrument *	100	100
	Total Investments in associates	100	100

* **Associates**

	30 September 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	25 %	12 259 001	15 914 479	3 668 000	-	(129 079)	12/31/2021	Egypt

Notes to Condensed Interim Financial Statements for Period Ended September 30, 2023
13- Intangible assets

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Computer program		
Net balance at beginning of the Period	35 077 156	44 175 274
Additions	55 481 128	22 991 328
Total	90 558 284	67 166 602
Amortization during the Period	(28 425 563)	(32 089 446)
Net	62 132 721	35 077 156

14- Other assets

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Accrued revenues	626 093 614	556 543 312
Prepaid expenses	100 517 432	49 754 310
Down payments to purchase of fixed assets	688 870 772	431 998 769
Assets reverted to the bank in settlement of debts *	50 530 450	51 445 450
Deposits held with others and custody	7 492 862	7 500 909
Other debit balances **	89 525 815	81 413 567
	1 563 030 945	1 178 656 317

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

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Buildings and flat units reverted to bank in settlement of debt of customers	50 530 450	51 445 450
	50 530 450	51 445 450

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

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Amounts related to the ATM, visa accounts and the electronic wallet	60 690 360	65 095 601
Others	28 835 455	16 317 966
	89 525 815	81 413 567

15-A Deferred Tax
30 September 2023

<i>In Egyptian Pound</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Total</u>
Deferred Tax Assets	-	-	-
Deferred Tax Liabilities (Fixed assets depreciation)	-	(15 207 933)	(15 207 933)
Total Deferred Tax Assets (Liabilities)	-	(15 207 933)	(15 207 933)

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>	30 September 2023	30 September 2022
Corporate Tax Expenses	228 944 250	119 550 000
Treasury bills and bonds revenues taxes	541 635 548	332 136 694
Dividend tax	189 292	132 336
Deferred tax - Liabilities	-	(2 000 000)
Deferred tax - Asset	98 955 750	-
	869 724 840	449 819 030

16- Property and equipment
30 September 2023

<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	316 146 523	43 915 303	232 732 564	3 577 001	75 660 963	212 762 316	24 096 978	9 987 731	918 879 379
Additions during the Period	-	-	32 918 279	-	2 287 143	53 406 722	2 929 303	-	91 541 447
Disposals	-	(8 745 000)	-	-	-	(2 439 975)	-	-	(11 184 975)
Cost as at 30 September 2023	316 146 523	35 170 303	265 650 843	3 577 001	77 948 106	263 729 063	27 026 281	9 987 731	999 235 851
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	-	628 621	30 889 331	503 250	4 146 480	17 547 831	1 022 055	-	54 737 568
Disposals accumulated depreciation	-	(2 302 850)	-	-	-	(2 382 855)	-	-	(4 685 705)
Accumulated depreciation as at 30 September 2023	-	12 849 918	173 964 748	2 011 563	73 950 744	181 190 315	18 528 984	9 987 731	472 484 003
Net book value as at 30 September 2023	316 146 523	22 320 385	91 686 095	1 565 438	3 997 362	82 538 748	8 497 297	-	526 751 848

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	1 520 001	74 747 924	184 517 823	20 520 888	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	316 146 523	43 915 303	232 732 564	3 577 001	75 660 963	212 762 316	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	316 146 523	29 391 156	89 657 147	2 068 688	5 856 699	46 736 977	6 590 049	-	496 447 239

17- Due to banks

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Local banks		
Current accounts	13 651 145	1 668
	13 651 145	1 668
Foreign banks		
Current accounts	230 077 066	301 401 030
Time deposits	-	2 105 038 000
	230 077 066	2 406 439 030
	243 728 211	2 406 440 698
Non-interest bearing balances	243 728 211	301 402 698
Interest bearing balances	-	2 105 038 000
	243 728 211	2 406 440 698

18- Customers' deposits

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Demand deposits	18 832 640 720	16 787 849 586
Time and callable deposits	46 198 182 353	49 247 167 762
Saving and deposit certificates	8 796 499 085	7 643 381 191
Saving deposits	1 227 219 528	1 244 368 406
Other deposits	673 686 957	569 674 307
Total Customers' deposits	75 728 228 643	75 492 441 252
Interest in Advance on USD deposits for retail	-	(416)
Net Customers' deposits	75 728 228 643	75 492 440 836
Corporate & SMEs deposits	62 660 167 826	64 359 486 314
Retail deposits	13 068 060 817	11 132 954 522
	75 728 228 643	75 492 440 836
Non-interest bearing balances	4 264 188 644	3 293 401 662
Interest bearing balances	71 464 039 999	72 199 039 174
	75 728 228 643	75 492 440 836

19- Other liabilities

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Accrued interest	1 772 056 094	353 397 912
Unearned revenue	41 759	41 772
Accrued expenses	114 838 577	83 597 590
Creditors	21 169 447	5 355 570
Other credit balances *	935 983 554	672 204 174
	2 844 089 431	1 114 597 018

* The other credit balances includes the following:

<i>in Egyptian pounds</i>	30 September 2023	31 December 2022
Stamp duty	19 315 256	16 635 345
Treasury bills taxes	372 632 637	266 945 126
Income Corporate Tax	237 646 448	168 519 170
Taxes under settlement	6 113 347	2 379 351
Staff Taxes and Insurance	15 147 176	12 124 199
Amount of contractors Insurance being held until paid Social Insurance	4 625 257	3 054 759
Amounts collected from insurance companies under settlement	9 189 681	17 797 737
Clearance cheques (Are to be settled in next day)	233 201 370	152 446 638
Letters of credit deductibles	707 915	794 016
ATM suspense amounts	328 801	6 869 101
Coupons of Certificates Deposits accrued did not paid to their owners	-	158 623
Amounts paid under debts settlements of some customers	-	830 225
Banking Support and Development Fund	15 305 596	8 734 642
Other Amounts	21 770 070	14 915 242
	935 983 554	672 204 174

20- Other provisions
30 September 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	Balance at Period end
Provision for potential claims **	64 564 418	34 000 000	-	(27 324 242)	-	71 240 176
Contingent liabilities provision	31 990 618	8 113 561	2 348 688	(117 986)	-	42 334 881
Other provisions *	5 842 266	-	-	(43 000)	-	5 799 266
Loans commitment provisions	768 651	17 529 332	-	-	-	18 297 983
	103 165 953	59 642 893	2 348 688	(27 485 228)	-	137 672 306

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	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	55 700 189	55 426 503	3 341 650	(12 645 577)	1 343 188	103 165 953

*The other provisions balance as at 30 September 2023 is as follows

Banking risk provision	1 394 000
Operational risk provision	535 515
Assets revert to the bank provision	3 869 751
	5 799 266

**The provision for potential claims balance as at 30 September 2023 is as follows:

Tax disputes provision	60 928 397
Legal claims provision	10 311 778
Provisions for leave balances	-
	71 240 175

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 Two Hundred and Fifty Million Pounds as at September 30, 2023 distributed among 937,500 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 , and the Financial Regulatory Authority approval issued at 20 August 2023 and the annotation in the commercial register on 31 August 2023 and published in the investment gazette dated 24 August 2023 and the annotation in the banks register at CBE on 27 September 2023.

30 September 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
Changes during the Period	44 642 857	249 999 999	249 999 999
Balance at the end of the Period	937 500 000	5 250 000 000	5 250 000 000

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 September 30 , 2023:

<i>In Egyptian pound</i>	30 September 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	-	326 442 419
General banking risk reserve	661 408 983	661 408 983
Revaluation differences for available for sale investments	(128 375 721)	(262 250 024)
Balance at the end of the Period / year	956 674 097	1 048 196 262

The changes in the reserves are represented in the following:

A- Legal Reserve

<i>In Egyptian pound</i>	30 September 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>	30 September 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
Transferred to Retained earnings	(381 196 639)	-
Balance at the end of the Period / Year	-	326 442 419

C- General banking risk reserve

<i>In Egyptian pound</i>	30 September 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

D- Fair value reserve – Investment through OCI

<i>In Egyptian pound</i>	30 September 2023	31 December 2022
Balance at the beginning of the Period / Year	(262 250 024)	15 750 553
Net change in the fair value	143 201 658	(304 316 775)
Expected Credit loss impact	(15 200 605)	22 339 601
Expected Credit loss impact Foreign currencies revaluation differences	5 873 250	3 976 597
Balance at the end of the Period / Year	(128 375 721)	(262 250 024)

F- Retained earnings

<i>In Egyptian pound</i>	30 September 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)
- Transferred from Capital reserve	381 196 639	-
Retained earnings	855 973 493	279 434 776
Net profit for the Period / Year	1 307 381 535	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	(1 491)	(1 061 971)
Balance at the end of the Period / Year	2 163 353 537	1 005 669 351

Notes to Condensed Interim Financial Statements for Period Ended September 30, 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>	30 September 2023	30 September 2022
Cash and due from Central Bank of Egypt (Note no 6)	498 307 349	332 399 872
Due from banks (Note no 7)	12 909 246 981	7 098 108 462
Treasury bills and the governmental notes (Note no 8)	2 121 425 000	1 136 150 000
	15 528 979 330	8 566 658 334

23- Contingent liabilities and commitments

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
Loan Commitments – Irrevocable	206 682 000	320 863 486
Letter of guarantee	9 338 161 571	7 118 740 504
Letters of guarantees based on other banks requests	12 092 038 000	9 276 319 622
Letter of credit	108 486 000	135 934 752
Other contingent liabilities	556 393 777	607 064 896
	22 301 761 348	17 458 923 260

24- Net interest income

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
<u>Loans interest and similar revenues</u>		
Loans, facilities and deposits at banks		
Deposits at banks	1 425 377 219	580 138 638
Loans and facilities to clients	4 113 472 723	2 393 436 230
Total loans & banks	5 538 849 942	2 973 574 868
Treasury bills	2 476 457 645	1 260 285 655
Investment in available for sale and held to maturity debt instruments	771 849 360	519 956 631
Total Debt instruments	3 248 307 005	1 780 242 286
Total Loans interest and similar revenues	8 787 156 947	4 753 817 154
<u>Interest expense and similar charges</u>		
Deposits and current accounts:		
To banks	(11 385 516)	(708 805)
To clients	(5 565 707 412)	(2 875 594 772)
Other Loans & REPO	(665 972)	(876 672)
Total Interest expense and similar charges	(5 577 758 900)	(2 877 180 249)
Net interest income	3 209 398 047	1 876 636 905

25- Dividends income

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Financial securities through OCI	2 000 135	1 323 360
	2 000 135	1 323 360

26- Net trading income

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Gains from debt and equity instruments At fair value through profit and loss	1 043 318	-
	1 043 318	-

27- Gains from financial investments

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Gains on sale of treasury bills	6 205 900	16 991 150
Gain on Sale of debt instruments through OCI	8 697 750	-
	14 903 650	16 991 150

28- Charge of impairment for expected credit losses

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Loans and advances - Impairment charge	548 859 558	355 616 468
Due from banks - Impairment charge	(4 301 846)	5 823 623
Financial investments at fair value through OCI - Impairment charge (reverse)	(15 200 605)	11 246 230
	529 357 107	372 686 321

29- Administrative expenses

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Labor cost		
Wages and salaries	373 865 808	304 207 227
Social insurance	20 976 803	17 511 395
Total Labor cost	394 842 611	321 718 622
Other administrative expenses*	480 946 882	338 417 542
	875 789 493	660 136 164

* Other administrative expenses

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Depreciation and amortization	83 163 131	84 342 448
Subscriptions	52 124 656	23 692 335
Taxes and fees	86 675 495	64 660 880
Repair and maintenance	128 964 422	58 810 521
Insurance	9 087 189	4 954 860
Advertising	7 697 632	11 209 246
Security and cleaning	24 395 152	15 425 577
Electricity water mail swifts & Gas	15 835 330	15 077 027
Hospitality	6 005 087	2 228 613
Stationary & Prints	4 575 769	2 342 124
Expenses and commissions for sales and customer service representatives	34 309 407	37 867 817
Community Contribution and Donations	5 182 649	4 890 086
Others	22 930 963	12 916 008
	480 946 882	338 417 542

30- Other operating revenues (expenses)

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Gains from revaluation of assets and liabilities in foreign currencies and foreign exchange earnings	29 286 075	22 652 156
Gains from sale of fixed assets	36 500 730	70 650 607
Other provision formed	(59 642 893)	(43 324 048)
Assets rent expense	(120 166 755)	(101 686 408)
Gains from assets reverted to the bank	(867 129)	(1 367 991)
	(114 889 972)	(53 075 684)

31- Earnings per share

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

<i>In Egyptian Pound</i>	30 September 2023	30 September 2022
Net profit for the Period	1 307 381 535	705 224 969
Deduct: Employees share	(130 738 153)	(70 522 497)
Deduct: B.O.D. remuneration	(16 000 000)	(16 466 824)
Deduct: Banking Support and Development Fund	(3 844 495)	(1 338 039)
distributed net profit	1 156 798 887	616 897 609
Weighted average number of shares	937 500 000	892 857 143
Earnings per share	1.23	0.69

32- Capital commitments

The uncalled capital commitments related to the financial investments at the balance sheet date amounted to EGP 556,393,777 as follows:

<i>In Egyptian Pound</i>	Commitments	Amount Paid	Unclaimed / unpaid amount
Obligations for leases	556 393 777	-	556 393 777
	556 393 777	-	556 393 777

33- Effective average interest rates during the Period

The average interest rates on assets 16.66 and liabilities 11.8 during the Period.

34- Transactions with related parties

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

<i>In Egyptian Pound</i>	30 September 2023	31 December 2022
<u>Nature of transactions</u>		
Due from banks	57 365 313	39 755 985
Due to banks	49 082 151	444 607 873
Contingent liabilities and commitment	7 408 752 751	6 064 338 909

35- Tax status

First : Corporate income tax

Years from establishment till 2018

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

Year 2019

- Inspection completed and the bank was notified with a tax amounted of EGP 175.3 M, currently in the process for appealing and results expected to be EGP 10 M in addition to tax on separate pool with an amount of EGP 3 M, provision was fully formed.

Year 2020/2022

- The bank submitted the tax return for these years and not inspected till date and according to the opinion of the tax consultant, the expected inspection result in a tax differences of approximately EGP 30 million in addition to EGP 15 million tax on independent pool, provision is created sequentially.

The tax rate for the period ended 30 September 2023 reached 39.9 %

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 according to the opinion of the tax consultant, the expected inspection result in a tax differences of approximately EGP 10 million, 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 2021\2022

Not inspected yet and according to the opinion of the tax consultant, the expected inspection result in a tax differences of approximately EGP 10 million, was fully formed.

36-Comparative figures

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