مصرف أبوظبي الإسلامي

ADIB

ANNUAL REPORT 2024

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Bank Mission, Vision and Values

Our Mission

Shari'a-compliant financial solutions for the Egyptian community.

Our Vision

To be a leading universal bank focused on service excellence and product-and-solution innovation.

Our Values

- We keep it simple and sensible
- We are transparent
- We work for mutual benefit
- We nurture hospitality and tolerance
- We are shari'a-inspired

2024 at a Glance

EGP 17.5

(billion) Total Revenue in 2024

72

Egypt-based branches

EGP 9.0

(billion) Net Income in 2024

2400+

Experts on our dynamic team

EGP 96.1

(billion) Net Customer Financing as of 31 December 2024

66%

Year-on-year Revenue Growth

Growing Portfolio of Fully Shari'a-Compliant Banking Products and Services

Retail Banking

Our Retail division offers individual clients the means to achieve their goals via ADIB's Shari'a-inspired financial products and services, including personal banking, business banking, and wealth management

Wholesale Banking

Our Wholesale business offers the full array of Shari'a-compliant corporate banking services, financing organizations ranging from large corporations to small- and medium-sized enterprises, including financial and non-financial institutions

A Message from the CEO and Managing Director

Dear Shareholders,

Esteemed Colleagues,

It gives me great pleasure—both personally and on behalf of ADIB-Egypt Board of Directors to present a summary of the Bank's key achievements in 2024, a milestone year that marked a defining chapter in our journey.

Throughout the year, we continued to deliver exceptional growth across all areas of our business, further affirming our position as the largest Islamic bank in the Egyptian market and reinforcing our leadership in offering innovative, Sharia-compliant banking solutions.

Our achievements go far beyond numbers—they represent a genuine story of dedication, passion, and belief in the value we bring to our customers and partners. 2024 witnessed comprehensive growth across business lines and remarkable financial results that translated into 39 international awards, most notably:

- "Best Islamic Bank in Egypt" for the seventh consecutive year by Global Finance magazine, and
- Six awards for Best Sustainable Islamic Bank.

More than Numbers-A Story of Success

Behind the record-breaking growth in profit, assets, and operating income lies an inspiring success story, built on solid planning and cohesive teamwork—making 2024 a year of well-earned achievements.

- Net profit surged by 93% to reach EGP 9.016 billion by year-end.
- Operating income grew by 72% to EGP 15.388 billion.
- Total assets reached EGP 260.5 billion, cementing our leadership in the Islamic banking sector in Egypt.
- For the second year in a row, the Board approved the distribution of bonus shares, granting one free share for every existing share, with a total value of EGP 6 billion.

Robust Growth in Financing and Deposits-Our Clients Are Our Partners

We recorded significant growth in both retail and corporate banking, driven by client confidence and our differentiated service offerings. The increase in financing and deposits reflects our long-term approach to relationship management and our balanced commitment to professionalism and values.

- Customer financing portfolio rose by 50% to EGP 96 billion.
- Customer deposits grew by 58% to EGP 200 billion.
- In retail banking, financing grew by 54% to EGP 27 billion, while individual deposits reached EGP 86.8 billion.
- In corporate banking, financing stood at EGP 64.65 billion (+55%), and corporate deposits reached EGP 75.96 billion.

Strategic Partnerships Reflect Global Trust

We expanded our regional and international partnerships, strengthening our position as a trusted financial institution among global entities. These collaborations opened new horizons for the Bank and its clients alike.

Key highlights include:

- Acting as Lead Arranger and Facility Agent for a joint Islamic financing deal for Giza Systems, totaling EGP 2.8 billion and USD 84 million, in collaboration with ADI Capital, a subsidiary of the Bank.
- Institutional financing portfolio grew by 54%, with deposits rising 48.5%.
- We signed key financing and cooperation agreements with leading international institutions, including:
- A USD 25 million agreement with Saudi EXIM Bank,
- A USD 20 million agreement with the International Islamic Trade Finance Corporation (ITFC),
- Active partnerships with institutions such as EBRD, IFC, and ATFP.

Leadership in Sustainability and Social Responsibility

Our sustainability strategy is not just a direction—it's a firm commitment grounded in responsible initiatives, transparent reporting, and modern financing policies that integrate environmental, social, and governance (ESG) standards into the core of our banking practices.

- We allocated over EGP 20.6 million to community initiatives via the ADIB Foundation.
- We published our first sustainability report (for 2023), aligned with GRI standards, titled "Preserving Values as We Build the Future."
- We adopted a sustainable financing policy that embeds ESG principles across all operations.
- We continue to introduce financial products that support the green economy and help reduce carbon emissions.

A Message from the CEO and Managing Director (cont.)

Closer to You-Everywhere

We expanded both geographically and digitally to be more accessible to our customers. We opened new branches, enhanced our digital channels, and launched new services such as online government payment solutions for businesses—enhancing efficiency and the overall customer experience.

- Our branch network reached 72 branches, supported by 139 ATMs nationwide.
- We launched online government payment services for corporate clients, streamlining their operations and elevating their experience with us.

An Integrated Business Model Through Our Subsidiaries

Our subsidiaries in investment, consumer finance, and leasing enabled us to build a comprehensive financial ecosystem that supports the diversification and sustainability of our services. Notably, Arzaq, our microfinance company, played a leading role in expanding access to finance at the grassroots level.

- Arzaq concluded the year with 30 branches, with plans to grow to 50 branches by 2025.

Our People—The Core of Our Excellence

We firmly believe that investing in our people is investing in our future. Accordingly, we placed strong emphasis on building the capabilities of our teams through specialized training programs—both local and international—preparing them to lead the Bank through digital transformation and a rapidly evolving financial landscape.

- The Bank invested in the training of 2,613 employees, totaling over 170,000 training hours in 2023.
- We continue to empower our workforce to navigate digital transformation and adapt to the modern banking environment.

Toward a Brighter, More Sustainable Future

As we look ahead, we are always committed to building a future that reflects our core Islamic values and aspirations of the communities we serve.

I extend my sincere gratitude to our shareholders for their continued trust and confidence in our vision. To our valued customers whose trust continues to fuel our determination to grow and excel. And to our team who are the driving force behind our success.

Sincerely,
Mohamed Aly
CEO and Managing Director
Abu Dhabi Islamic Bank, Egypt

Overview of Abu Dhabi Islamic Bank - Egypt

Abu Dhabi Islamic Bank – Egypt (ADIB-Egypt) is a leading Islamic financial institution delivering modern, Shari'a-compliant banking solutions across Egypt. Since its market entry in 2007, the bank has focused on aligning ethical finance with technological innovation and operational excellence.

General Information

ADIB-Egypt began its operations in Egypt following the acquisition of the National Bank for Development by an Emirati consortium led by Abu Dhabi Islamic Bank and Emirates International Investment Company. Since then, the bank has established itself as a trusted financial partner for both individuals and corporates, offering a broad suite of Islamic banking services tailored to evolving market needs.

With a customer-centric strategy at its core, the bank has invested heavily in strengthening its operational infrastructure and national presence. As of 2024, ADIB-Egypt operates a robust network of 72 branches and 139 ATMs across key governorates, enabling convenient, nationwide access to its services. These operations are supported by a highly qualified workforce and a strong commitment to staff development.

Human capital remains one of the bank's key differentiators. In 2024 alone, ADIB-Egypt delivered over 174,000 hours of training to 3,456 employees, maximizing the impact of both internal and external training programs. This investment in talent not only enhances service delivery but also ensures the bank remains agile and responsive in a fast-evolving financial environment.

Overview

ADIB-Egypt continues to lead the way in digital transformation within the Islamic banking sector. Its digital roadmap includes enhancements across internet banking, mobile applications, self-service channels, and ATMs, offering customers a seamless, secure, and inclusive banking experience. The bank has also modernized its branch visit reservation system—introducing accessibility features for people with special needs—and upgraded ATM interfaces to elevate the user experience.

Further supporting its mission to integrate ethical finance with innovation, the bank established a group of subsidiaries to expand its service offering. These include ADI Capital (investment banking), ADIFinance (leasing), as well as ADI Consumer Finance and ADI Microfinance—both launched in 2020—to address underserved market segments through agile, tech-enabled financial solutions.

In recognition of its outstanding performance and unwavering commitment to excellence, ADIB-Egypt was honored with 39 prestigious international awards in 2024. These accolades spanned a wide spectrum of banking excellence, including repeated recognitions as Best Islamic Bank in Egypt, Best Islamic Financial Institution, and Most Sustainable Islamic Bank. The Bank was also celebrated for its achievements in digital innovation, treasury services, wealth management, and Shari'a-compliant product offerings, alongside leadership awards recognizing its CEO, private banking strength, and corporate social responsibility initiatives. Collectively, these honors reflect ADIB-Egypt's distinguished position as a leader in modern, values-based Islamic banking.

Together, these achievements reinforce ADIB-Egypt's position as a benchmark for innovation, inclusion, and performance within Egypt's banking landscape.

Overview of ADIB UAE

Abu Dhabi Islamic Bank "ADIB" is a leading bank in the UAE and one of the largest Islamic banks globally. It is headquartered in Abu Dhabi and listed on the Abu Dhabi Securities Exchange.

General Information

ADIB was incorporated in 1997 to serve as the first Islamic bank in the Emirate of Abu Dhabi, with assets totaling AED 226 billion as of FY 2024 . Presently, the bank caters to over 2 million clients across the franchise, benefiting from an extensive network comprising of more than 60 branches and 550 ATMs within the UAE and maintaining a regional footprint across six strategic markets - notably Egypt, which boasts 72 branches, as well as the Kingdom of Saudi Arabia, the United Kingdom, Qatar, and Iraq.

Additionally, ADIB provides top-tier online, mobile, and telephonic banking services, ensuring that clients have seamless digital access to their accounts around the clock.

The bank delivers a comprehensive suite of financial services to its clients, catering to the needs of individuals, corporations, and affluent customers. Moreover, it has garnered acclaim through its receipt of numerous prestigious awards from distinguished global organizations.

Overview

A Leading Islamic Bank

Over the last two decades, ADIB has demonstrated a consistent track record of growth with assets now totaling AED 226 billion by FY 2024. The bank currently serves more than 2 million customers through a balanced proposition that combines a highly personalized customer experience with world-class digital banking services.

A Universal Bank

ADIB is a full-fledged financial services provider that offers banking solutions for individuals, corporations, and affluent customers. In addition, the wider ADIB Group provides brokerage, real estate and property management, payments, and insurance services..

A Large Regional Presence

ADIB has one of the largest distribution networks in the UAE with more than 60 branches and around 550 ATMs. Internationally, the bank has a presence in six strategic markets - Egypt, where it has 72 branches, the Kingdom of Saudi Arabia, the United Kingdom, Qatar, and Iraq.

A Digital Focus

ADIB's digital transformation journey is centered around customers, ensuring that the bank's digital solutions always deliver the best possible banking experience. The bank has seen a substantial rise in customer demand for its digital banking services with 80% of customers now enrolled through the bank's digital channels.

An Internationally Recognized Bank

ADIB has received numerous awards from leading global organizations, having been named World's Best Islamic Bank by The Financial Times' The Banker publication, Best Bank in the UAE by Global Finance, and Best Islamic Digital Bank by Global Finance.

A Strong Board & Management Team Guided by Islamic Values

ADIB has embedded robust corporate governance principles overseen by an eminent board that supports a strong and experienced management team. The bank is guided by Islamic finance values, principles of responsible corporate citizenship, and a strong belief that banking solutions should always be simple, fair, and transparent.

Subsidiaries of Abu Dhabi Islamic Bank - Egypt

Abu Dhabi Islamic Bank-Egypt holds a leading position among the prominent providers of integrated financial services in Egypt through its subsidiaries: Abu Dhabi Islamic Capital, Abu Dhabi Islamic Consumer Finance, Abu Dhabi Islamic Finance–ADIFinance, and Abu Dhabi Islamic Microfinance.

Abu Dhabi Islamic Capital - ADI Capital

Company Overview

Abu Dhabi Islamic Bank Capital S.A.E. is the corporate finance and investment banking arm of ADIB Egypt. Leveraging the bank's strong corporate client relationships, ADIB Capital provides Shari'a-compliant, tailor-made financial solutions with efficient execution across various domains, including project finance, syndicated loans, Sukuk issuance, IPOs, and M&A advisory services.

Key Achievements of 2024

In 2024, ADIB Capital acted as the sole Lead Arranger for Egypt's largest Shari'a-compliant syndicated financing transaction, totaling EGP 5.5 billion for Giza Systems Group. This landmark deal was the first in Egypt to adopt a dual Islamic structure combining both Mudaraba and Murabaha principles. The transaction was oversubscribed by 1.7 times, reflecting robust demand from a wide base of regional and local financial institutions.

Abu Dhabi Islamic Consumer Finance (Takka)

Company Overview

Abu Dhabi Islamic Consumer Finance is a subsidiary of Abu Dhabi Islamic Bank, dedicated to offering Shari'a-compliant consumer finance solutions. Licensed by the Financial Regulatory Authority and the Central Bank of Egypt, the company operates as a non-banking financial institution with a focus on fast, simple financing processes and exceptional customer service.

"Takka" is the first Shari'a-compliant consumer finance application in Egypt, linked to a prepaid Takka card. It allows users to enjoy a seamless shopping experience with no administrative or card issuance fees, and without any upfront payment. Takka offers flexible repayment plans of up to 36 months and enables customers to shop at any store across Egypt with ease. As the first of its kind in Egypt, Takka empowers consumers with the freedom to purchase what they need on their own terms.

Merchants benefit from a range of features designed to boost their sales, profitability, and cash flow turnover—all without added risk—thanks to Takka's innovative, card-based transaction model. The wide acceptance of the Takka card among merchants nationwide is a testament to shifting consumer preferences and positions Takka as a growing tool in advancing financial inclusion.

ADIB Consumer Finance remains committed to leading innovation by offering accessible, user-friendly digital financial solutions that meet the evolving needs of its customers.

Key Achievements of 2024

Following official regulatory approval in March 2023, Abu Dhabi Islamic Consumer Finance officially launched its services. In 2024, the Takka app achieved remarkable growth, significantly surpassing its launch-year performance. It recorded over 215,000 financing requests, granted financing limits exceeding EGP 534 million, and completed transactions worth EGP 355 million. Additionally, nearly 12,000 Takka prepaid cards were issued during the year, reflecting the company's strong operational expansion.

Abu Dhabi Islamic Finance - ADIFinance

Company Overview

Abu Dhabi Islamic Finance (ADIFinance) is the only company in the Egyptian market that practices leasing, mortgage financing, and factoring according to Shari'a principles.

Key Achievements of 2024

The company is one of the most efficient entities in the non-banking financial sector, leading the Egyptian market in terms of efficiency, performance, return on equity, return on assets, and growth rates. In 2024, the company achieved the following goals:

- A 31% increase in the financing portfolio, reaching EGP 5,069 billion in 2024 compared with EGP 3,878 billion in 2023.
- Over a 50% increase in activity revenue, reaching EGP 714 million in 2024 compared with 475 million in 2023.
- A 50% increase in net profit after tax, reaching EGP 150 million in 2024 compared with EGP 100 million in 2023.
- A 62% increase in earnings per share, reaching EGP 4.83 in 2024 compared with EGP 2.98 in 2023.

Abu Dhabi Islamic Microfinance

Company Overview

Abu Dhabi Islamic Microfinance (ADI-MF) is the dedicated microfinance arm of ADIB Egypt, established to support micro and small business owners across the country. The company plays a vital role in promoting economic activity, creating employment opportunities, and advancing financial inclusion in underserved communities. Launched at the end of Q1 2024, ADI-MF began operations with 10 branches and rapidly expanded to 30 branches by year-end, now serving clients across 18 governorates in Egypt. The company offers accessible and Shari'a-compliant financing solutions designed to empower entrepreneurs and support sustainable economic growth.

Key Achievements of 2024

In its first year of operation, ADI-MF successfully provided financing to over 4,785 clients, issuing total loans worth EGP 165 million. Women-led projects accounted for over 38% of total financing, reaffirming ADI-MF's commitment to supporting female entrepreneurship. Financing distribution spanned various sectors, with 60% allocated to commercial projects, 34% to service-based businesses, 4% to production ventures, and 2% to agricultural activities. The company maintained strong portfolio quality, achieving an average collection rate of 97.5% and keeping portfolio at risk (PAR) at a low 1.1%. ADI-MF also enhanced convenience and accessibility by activating financing disbursement and installment collection channels through partnerships with major electronic payment providers including Fawry, Egypt Post, OPAY, and Damen.

In 2025, ADI-MF aims to obtain a license to expand into small and medium enterprise (SME) financing and plans to launch a new Shari'a-compliant supplier invoice financing product. The company is targeting EGP 1 billion in total financing by year-end, delivered through a growing network of nearly 75 branches across 20 governorates.

ADIB Egypt Subsidiaries

Company Name	Bank Ownership % (Direct & Indirect)	Company Activity
Abu Dhabi Islamic Properties	44.24%	Real Estate Investment
Assuit Islamic Company for Trading & Development	58.99%	Agricultural
Cairo National Company for Investment	74.85%	Financial Investment
ADI Lease for Financial Lease	99.00%	Financial Leasing
Abu Dhabi Islamic Holding Company	99.93%	Establishing Companies
Abu Dhabi Islamic Capital	99.95%	Promoting Subscription of Securities
ADIB Invest	99.92%	Managing Securities & Investments
ADIB Micro Finance	99.92%	Financing Medium, Small, Micro
ADIB Consumer Finance	99.92%	Consumer Financing
ADI Taskeek	99.92%	Securities
National Company for Trading & Development (ENTAD)	73.16%	Commercial

Sustainability

Sustainability at the Heart of ADIB Egypt

Sustainability has always been an integral part of ADIB Egypt—it is deeply embedded in the bank's core values and operational DNA. Over the years, the bank has taken consistent and significant steps to implement the pillars of Environmental, Social, and Governance (ESG), ensuring that its sustainability efforts go hand in hand with financial performance.

Our commitment to sustainability stems from the highest levels of leadership. Guided by visionary decision-makers who recognized the importance of integrating sustainable practices into business strategies and daily operations, ADIB Egypt formed a dedicated team to lead this transition. Together, we developed a holistic sustainability strategy aligned with our core values: adherence to Shari'a principles, environmental stewardship, and community empowerment.

In pursuit of its ambition to become a leading institution in the financial sector and a benchmark for environmental responsibility, ADIB Egypt has undertaken a range of initiatives to strengthen its environmental and social commitments.

Among these initiatives is the Bank's Sustainable Finance Policy, a key component of its Credit Policy. This policy reflects a comprehensive framework for identifying, evaluating, and managing environmental and social risks. ADIB Egypt ensures that financed projects are designed, constructed, operated, and maintained in compliance with national laws, regulations, and internationally recognized standards.

In support of environmental protection and climate action, the Bank has taken tangible steps to make its internal operations more sustainable. These efforts include the full conversion of its lighting systems to LED technology, installation of water-saving fixtures, and standardizing air conditioning systems to 24°C to reduce cooling-related emissions.

As a result of these efforts, ADIB Egypt has successfully reduced its Scope 1 and Scope 2 emissions by 6.4%, achieving 15% of its total emissions reduction target. Notably, six of the Bank's 77 facilities have achieved an A+ rating in energy efficiency, highlighting their exceptional environmental performance.

At ADIB Egypt, we believe our people are the foundation of our success. Their well-being and development are central to our strategy and are key to achieving long-term sustainable growth. Recognizing employees as essential drivers of our mission, we are committed to cultivating a workplace culture rooted in transparency, fairness, and collective progress.

Our vision extends beyond banking transactions—it encompasses a deep responsibility toward the well-being of our broader society. Through partnerships with various NGOs and community-based organizations, we have worked to uplift and support surrounding communities, emphasizing capacity-building and long-term impact.

From a governance perspective, ADIB Egypt operates as a fully Shari'a-compliant financial institution and remains firmly committed to adhering to both local and international regulations and policies that support sustainable development goals.

ADIB Egypt International Awards

GLOBAL BUSINESS REVIEW MAGAZINE:
Best Islamic Banking CEO Of The Year Egypt 2024 Mr. Mohamed Aly
Best Islamic Bank Egypt 2024

BRANDS REVIEW MAGAZINE AWARD
Best Shari a Compliant Banking Solutions Egypt 2024
Best Bank for Treasury Services Egypt 2024
Best Online Banking Services Egypt 2024

INTERNATIONAL BUSINESS MAGAZINE
ADIB Egypt Most Sustainable Islamic Bank Egypt 2024
Best Islamic Bank Egypt 2024

GLOBAL BUSINESS OUTLOOK
Most Innovative Islamic Corporate Bank Egypt 2024 for ADIB
" Fastest Growing Investment Bank Egypt 2024 for ADI Capital "

ENIGMA MAGAZINE
Best CEO Mr Mohamed Aly

WORLD BUSINESS STARS MAGAZINE
Best Islamic Bank Egypt 2024
Best Retail Bank Egypt 2024
Best Islamic Corporate Bank Egypt 2024

GLOBAL BUSINESS MAGAZINE
Best Bank for Treasury Services Egypt 2024
Best Islamic Bank Egypt 2024
Best Social Responsibility Bank Egypt 2024

COSMOPOLITAN THE DAILY BUSINESS AWARD
Best Digital Islamic Bank Egypt 2024
Best Islamic Bank for Sustainable Financing Egypt 2024

WEALTH BRIEFING MENA AWARDS 2024 PROGRAMME
Best Islamic Private Bank

THE BUSINESS PINNACLE
Best Islamic Bank
Most Sustainable Islamic Bank Egypt 2024

WORLD UNION OF ARAB BANKS
Best Shari'a Compliant Banking Products

MEED
Best Islamic Wealth Management Firm in MENA Region 2024

EUROMONEY
Best Islamic Bank in Egypt 2024

WORLD BUSINESS OUTLOOK
Best Islamic Bank Award for Year Egypt 2024

THE DIGITAL BANKER
Best Islamic Bank for Sustainable Finance – Egypt

INTERNATIONAL FINANCE AWARDS 2024
Most Innovative Islamic Digital Bank – Egypt 2024

BRANDS AND BUSINESS MAGAZINE
Best Versatile Developer in Egypt 2024

GLOBAL FINANCE
Best Islamic Financial Institution in Egypt 2024

FORBES MIDDLE EAST
One Of The Top listed 50 companies

GLOBAL BUSINESS & FINANCE MAGAZINE
Best Islamic Bank Egypt 2024
Most Innovative Internet Banking Egypt 2024

WORLD BUSINESS ACHIEVERS
Best Banking CEO Of The Year - Egypt 2024 - Mr. Mohamed Aly
Best Islamic Auto Financing Bank - Egypt 2024
Best Islamic Bank For ESG - Egypt 2024

GLOBAL BANKING AND FINANCE REVIEW
Best Bank for Sustainable Development Egypt 2024

GLOBAL BRAND FRONTIER AWARDS
The best marketing and public relations campaign for the Islamic Bank in the summer

WORLD ECONOMIC MAGAZINE
Best Islamic Bank in Egypt 2024
Best Online Banking Services Egypt 2024

Arab Security Conference
Best Information Security Manager of the Year 2024 Award in the banking sector

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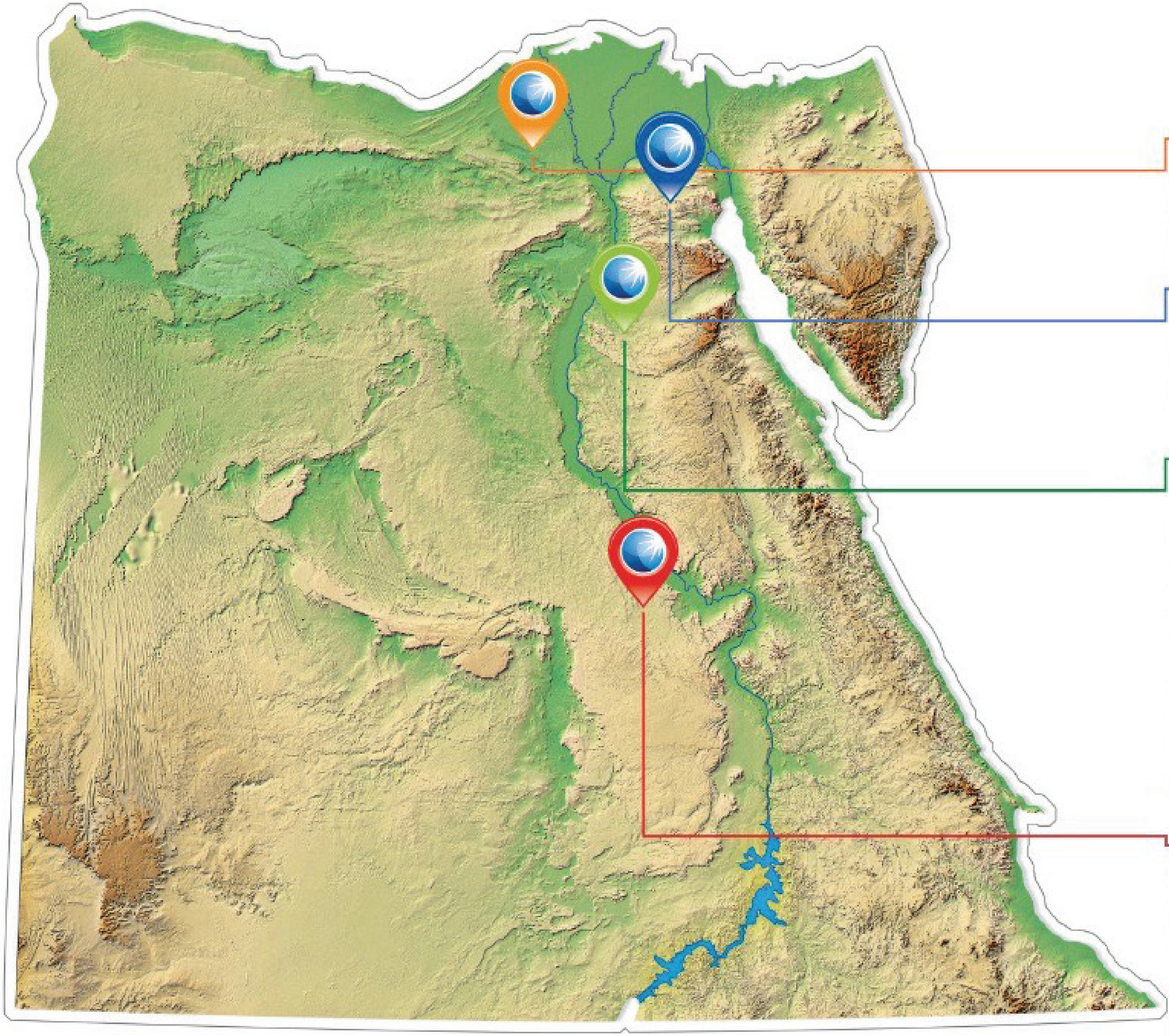
ADIB



WEST DELTA & ALEX

Fouad (Alex)	Miami (Alex)	Damanhour
Roushdy (Alex)	Lagoon Club (Alex)	Kafr Al-Sheikh
Smouha (Alex)	Al-Mansoura	Tanta
Louran (Alex)	Al-Mahala Al-Kobra	

EAST DELTA

Qalioub	Shebin Al-Koam	Kafr Sakr
Banha	Belbeis	Dammietta
Zagazig Al-Galaa	Fakouss	Ismalia
Zagazig Al-Awkaf	Faraskour	Port Said

EAST CAIRO	WEST CAIRO	CAIRO DOWN TOWN	NEW CAIRO REGION
Heliopolis Al Andalous	Al-Mohandessen	Emad Al-Din	Makram Ebeid
Heliopolis Al -Maryland	Al-Dokki	Al-Borsa	Moustafa Al-Nahas
Salah Salem St.	Lebanon Sq.	Al-Opera	New Cairo
Sheraton Heliopolis	Shooting Club	Al-Azhar	Cairo Festival City
Al-Korba	Al-Haram	Garden City	Arabella Plaza Mall
Al-Thawra St.	Al-Sheikh Zayed	Al-Manial	Al-Obour Golf City
Al-Shams club	Sodic Strip Mall	Al-Zamalek	Al-Rehab
Al-Sawah	6th of October		Open Air Mall
Shobra Al-Khema	Mall Of Egypt		
Shobra	Al-Maadi		
10th of Ramadan City	Al-Maadi 9st.		
	Helwan		

UPPER EGYPT

Al-Fayoum	Assiut - Saad Zaghloul	Hurghada
Minia	Sohag - Nasser	Luxor
Bani Swaif	Sohag - Al-Nile	Aswan
Assiut - Gomhouria	Qena	

TOTAL 72 Branches in EGYPT

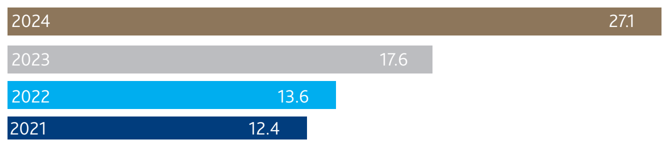
Work Centers

- Alex - Azarita
- Cairo - Omar Makram
- Cairo - Elshawarby St.
- Cairo - Emirates Tower
- Cairo - Garden City

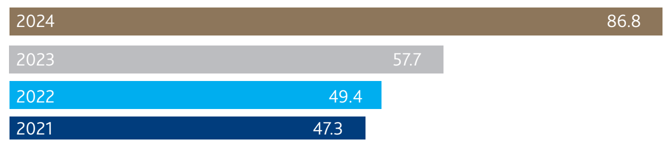
Consumer Banking

The retail banking services sector at Abu Dhabi Islamic Bank, Egypt, has greatly outperformed the previous years in 2024, growing the total assets by 54% growth and customer deposit by 50%, reaching EGP 86.8 billion, mainly driven by Sukuk and term deposits.

Retail Assets (EGP Bn)



Retail Deposits (EGP Bn)



Overview

In 2024, the retail banking sector of Abu Dhabi Islamic Bank (ADIB) Egypt experienced impressive growth, demonstrating significant progress in both deposits and financing. This growth was driven by innovative products and services tailored to meet customer needs while maintaining transparency and simplicity in transactions. The retail banking division's performance also reflected the bank's commitment to adhering to Shari'a principles, offering competitive returns and customized financial solutions for both individuals and businesses.

Key Achievements in 2024

Deposits

The deposit portfolio of the retail banking sector recorded substantial growth, increasing by EGP 30.4 billion, or 50.6%, by the end of 2024, reaching a total of EGP 91.3 billion. This growth was supported by an increase in the Sukuk portfolio for individuals, which grew by EGP 9.5 billion, or 29.2%, reaching EGP 42.3 billion by December 31, 2024.

New Products and Programs Launched in 2024:

- Advance Profits Campaign: Launched in January 2024, this campaign successfully attracted over EGP 4.5 billion from 6,988 customers, offering an instant profit for each amount invested in any of the bank's Sukuk products.
- Sukuk Al Ghina: Launched in February 2024, this product provided competitive returns of up to 85% at maturity, attracting more than EGP 6.5 billion in funds over 10 months.
- Al Ghina and Diamond Accounts: In March 2024, ADIB launched these products to offer immediate profits on current and savings accounts, attracting EGP 4.6 billion from customers by year-end.
- Foreign Currency Exchange Accounts: Introduced in May 2024, these innovative accounts targeted customers needing competitive rates for foreign currency exchanges or investments, attracting EGP 395 million by year-end.

Financing

The retail banking financing portfolio grew by EGP 10 billion, or 52%, in 2024, bringing the total financing to EGP 31.8 billion. This growth was driven by various sectors:

- Personal Financing: Increased by EGP 4.15 billion, or 39%, to EGP 14.9 billion.
- Auto Financing: Increased by EGP 4.8 billion, or 81%, reaching EGP 10.7 billion.
- Business Financing: Grew by EGP 1.37 billion, or 48%, to EGP 4.26 billion.
- Real Estate Financing: Increased by EGP 135 million, or 26%, to EGP 659 million.
- Banking Insurance: Increased by EGP 117 million, or 64%, to EGP 276 million.
- Credit Card Portfolio: Grew by 51%, reaching EGP 1.2 billion by December 2024.

New Programs Launched in 2024:

- Auto Financing Campaign: The campaign achieved EGP 10.69 billion in auto sales, offering customers free insurance for the first year or cashback.
- Business Financing Program: Attracted EGP 4.26 billion in line with the Central Bank's initiative for small and medium-sized enterprises.
- Personal Financing Programs: New programs, such as "Top Up" and "Personal Murabaha in USD," contributed to increasing the personal financing portfolio to EGP 14.95 billion.

* Figures are based on management reporting.

Consumer Banking (continued)

Cards

The total value of the secured card portfolio grew by over 51%, reaching EGP 1.2 billion by December 2024. The number of secured cards issued in 2024 reached 70,000, marking a 43% increase from the previous year. The overall card portfolio, including debit, secured, and prepaid cards, surpassed 755,000, a 36% increase.

Key Card Usage in 2024:

- Secured Cards: EGP 7.6 billion, an increase of 52%.
- Debit Cards: EGP 13.9 billion, an increase of 39%.

New Products and Programs Launched in 2024:

- Visa Debit Cards: New types launched, including Rewards, Platinum, and Signature cards.
- Prepaid Card "Miza": A joint product with PayMint, expanding the range of prepaid cards.
- Strategic Partnerships: New partnerships with major merchants like Carrefour Egypt, Egypt Air, and Flyin.com, as well as payment providers like Fawry and Paymob, helped enhance card usage and facilitated installment payment options.

ADIB@WORK

In 2024, ADIB@WORK enhanced internal systems to improve customer service and performance monitoring. This led to:

- A 309% increase in corporate accounts, reaching 170 companies compared to 55 in 2023.
- A 446% increase in total customer accounts, with 45,234 salary accounts compared to 10,132 in 2023.
- A 298% increase in salary transfers, totaling EGP 2.6 billion, compared to EGP 870 million in 2023.

Electronic Channels

ADIB continued to invest in digital banking solutions to improve customer service and convenience. The bank expanded its online banking, mobile app, and electronic payment services.

Key Digital Achievements:

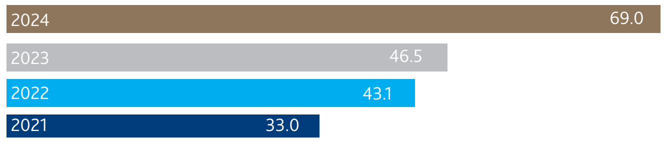
- Mobile Banking: Users of the mobile banking app increased to 154,000, an increase of 34,000 users in 2024.
- Online Banking and Self-Service Channels: More than 15 new bill payment services were added to the mobile wallet.
- Instant Payment Network: The total transaction value via the instant payment network reached EGP 70 billion with 10 million transactions.
- Electronic Wallet: The volume of transactions via the e-wallet increased by 37%, reaching 469 million transactions by the end of 2024.

ADIB's expansion in digital services also included several new features such as linking Sukuk accounts for current customers, additional account opening services, instant transfers via the payment network, and password changes for debit cards without needing ATM access.

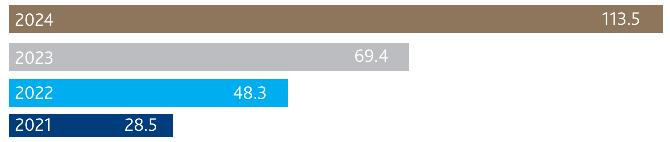
Wholesale Banking

The successful blending of high-quality products and exceptional services is the main reason for the strong growth in 2024.

Wholesale Assets (EGP Bn)



Wholesale Deposits (EGP Bn)



Overview

Abu Dhabi Islamic Bank- Egypt, offers a comprehensive suite of Shari'a-compliant banking products and services tailored to meet the needs of its corporate clients, including public sector institutions, large corporations, medium and small enterprises, global companies, and financial organizations. This is achieved through a professional team of highly skilled banking experts striving to maximize returns for the bank's clients.

Key Developments in 2024

Corporate Sector (Large Corporations – Public Sector – Financial Institutions – Others)

ADIB Egypt's Corporate Sector achieved significant milestones in 2024, reflecting strong performance and strategic focus across key factors:

- Corporate Financing Growth: Net corporate financing portfolio grew by EGP 22.86 billion, reaching EGP 64.65 billion by the end of 2024.
- Deposit Growth: Corporate deposits increased by EGP 24.9 billion to reach EGP 75.96 billion.

Institutional Banking Performance

Institutional financing portfolio witnessed remarkable growth of 54%, while deposits grew by 48.5%. This performance was driven by a focused strategy targeting the industrial sector—particularly exporters—through enhanced trade finance solutions that support both import and export operations. The Bank also provided Shari'a-compliant financing options tailored for vital sectors, further strengthening its role as a key financial partner in Egypt's economic development.

Key Syndicated Deal

ADIB acted as Lead Arranger and Facility Agent for a major Islamic syndicated financing deal amounting to EGP 2.8 billion and USD 84 million for Giza Systems (jointly guaranteed by Solutions by STC). The transaction supports the growth of the ICT sector, in collaboration with ADICapital, one of the subsisiaries of AIDB Egypt.

Digital Transformation & Financial Inclusion

Reinforcing its commitment to financial inclusion and enhancing the corporate customer experience, ADIB successfully enabled government payment services (including taxes, customs, social insurance, and the government's unified portal for payments) through its ADIB-Online Banking platform for corporates, allowing corporate clients to settle all government dues digitally and securely.

International Partnerships

Despite global and local challenges, ADIB Egypt secured key trade finance agreements, reflecting strong international confidence in the Bank:

- USD 25 million credit facility with Saudi EXIM Bank, to support and facilitate trade between Egypt and Saudi Arabia.
- USD 20 million credit facility with the International Islamic Trade Finance Corporation (ITFC), offering competitive trade finance solutions.
- Ongoing cooperation with institutions such as EBRD, IFC, and the Arab Trade Financing Program, providing guarantees and enhancing trade volumes while securing competitive terms for ADIB clients.

These achievements highlight ADIB Egypt's strategic focus on sustainable growth, digital innovation, and its expanding role in regional and international trade financing.

* Figures are based on management reporting.

Wholesale Banking (continued)

ADIB Egypt empowers SMEs with tailored solutions, driving growth and expanding support across key markets.

Small and Medium Enterprises (SMEs) and Business Sector

In 2024, the sector achieved exceptional growth of 124% in deposits and current accounts, reaching EGP 32 billion, up from EGP 14 billion in 2023. This accounted for 24% of the total deposit growth across ADIB Egypt. Additionally, the sector successfully attracted 1,700 new SME clients across various governorates.

Proudly maintaining the lowest level of non-performing loans in the Egyptian market, the sector has remained a leader since 2016, supported by a customized credit program that addresses the full range of client needs. During the year, credit facilities totaling EGP 5.7 billion were extended to 70 new and existing companies, contributing to a 40% increase in utilized facilities, which reached EGP 10 billion in 2024 compared to the previous year.

Strategically focusing on expanding foreign trade transactions—particularly among export clients—the total trade finance volume reached EGP 36 billion, marking 40% growth, while foreign currency conversions amounted to USD 139 million, reflecting a 114% increase.

These efforts resulted in a remarkable leap in the sector's operating profit, which reached EGP 1.3 billion, a 60% growth rate, with net profit after tax amounting to EGP 726 million, growing by 78%.

As part of the Bank's new Fast Track Program to meet the financial and non-financial needs of SMEs, three new Business Centers were launched in 6th of October City, Obour City, and New Cairo, located near key industrial zones. Additionally, four more centers are planned for Delta, Canal Region, Downtown Cairo, and Sadat City.

The team also provides strong support for the SME payroll sector. In line with the Bank's growth strategy, the number of SME companies benefiting from payroll services doubled in 2024 to reach 94 companies, covering 8,500 employees.

* Figures are based on management reporting.

Treasury

The Treasury & Global Markets Department at ADIB-Egypt has evolved into a dynamic and fully integrated management hub-guided by a renewed vision and a forward-looking approach. Today, the department leads the Bank's global markets operations, delivering a diverse portfolio of Shari'a-compliant treasury solutions that support our clients' evolving needs and reinforce the Bank's leadership in sophisticated financial management.

Overview

The Treasury Operations Sector at ADIB-Egypt is responsible for establishing and formulating the bank's overall strategy and ensuring its implementation. It also manages crucial aspects such as cash liquidity and market risk. The sector provides various types of support and services to the bank's clients, from specialized financial consulting and market analysis to keeping clients informed about the latest bank products and services.

Key Operations in 2024

- ADIB Egypt maintained its position as a leader in Islamic banking by expanding its range of Shari'a-compliant derivative products, successfully launching and executing the country's first FX Options and Zero-Cost Collar structures.
- In line with Egypt's national strategy, the Treasury Department enhanced foreign currency inflows by strengthening support for the service sector and exporters—contributing to the resolution of the FX shortage. These efforts led to a 480% year-on-year increase in FX revenues and enabled the bank to cover 3.2% of Egypt's total trade balance.
- Leveraging in-depth market insights, accurate forecasting of profit rate movements, and a diversified investment portfolio, the Asset Liability Management desk nearly doubled its revenues compared to 2023.
- ADIB Egypt continues to maintain a healthy and liquid balance sheet in full compliance with CBE requirements and international banking standards.

2024 Financial Highlights

Full-year revenue of EGP 17.5 billion – a 66% y-o-y increase; Net income of EGP 9.0 billion. Customer financing reached EGP 96.1 billion, up 50% y-o-y.

The Board of Directors of ADIB Egypt has approved, for the second consecutive year, the distribution of bonus shares at a ratio of one bonus share for each original share, with a total value of EGP 6 billion.

Financial Overview

66%	58%	260 bn
Total Revenue increased y-o-y	Deposits expanded y-o-y	Total Assets
97%	50%	200 bn
Net Standalone Profits after Taxes grew y-o-y	Net Financing increased y-o-y	Total Deposits

* Figures are based on management reporting.

Corporate Governance

Corporate Governance Report 2024

Abu Dhabi Islamic Bank - Egypt ("ADIB Egypt") recognizes the importance of applying Governance principles as they are in line with the principles and fundamentals of Shari'a law and keys to the success of any corporation.

At ADIB-Egypt, our leadership remains firmly committed to enhancing the corporate governance legislative framework-gradually and objectively-ensuring the full and effective application of governance principles across all levels of the organization. This commitment goes beyond compliance; it reflects our belief in the power of sound governance to drive sustainable growth, protect stakeholder interests, and promote a culture rooted in integrity and transparency. By reinforcing governance best practices, we continue to elevate awareness, embed ethical standards in every transaction, and enable an environment of fairness-particularly in safeguarding the rights of minority shareholders. These measures are not just mechanisms-they are enablers of long-term value creation. Through greater transparency, reduced exposure to corruption risks, and the adoption of equitable investor treatment, we strengthen the foundation for trust and accountability. In line with our governance commitments, we ensure timely and accurate disclosure of information, empowering shareholders with the clarity and confidence they deserve. These actions ultimately reinforce our performance, bolster stakeholder confidence, and support our vision for sustainable, values-driven banking.

ADIB – Egypt has developed and maintained a Governance Manual, which is updated periodically in line with the Bank's changing needs, regulatory requirements, and international best practices. The Bank's governance manual contains the key principles of governance, including CBE regulations and Governance best practices.

The Bank's General Assembly

The General Assembly is the highest authority in the Bank's organization and includes all shareholders and their percentage of ownership. The Bank's management encourages all shareholders to attend the General Assembly meeting, which allows each shareholder to express their opinion and discuss all topics in complete transparency. The secretary of the General Assembly and vote tellers are appointed from persons who are non-members of the General Assembly or the Board of Directors. The assembly is managed in a manner that enables all shareholders to express their opinion, as stipulated by law and the Bank's Articles of Association, as well as the Bank's management, announcing all the topics on the assembly's agenda. The assembly considers each topic listed on the agenda of an ordinary or extraordinary general assembly, accompanied by the necessary data and information necessary to enable shareholders to make decisions. ADIB Egypt takes into consideration that the purpose of providing such information is to empower shareholders to take informed decisions on topics and subjects that concern the Bank's performance and is not limited to just attending meetings. In every meeting, all shareholders' questions are answered, whether by answering inquiries sent before the meeting and listed on the agenda or those for which sufficient time is allotted during the meeting to respond. The Bank adopts a cumulative voting procedure to better represent all shareholders in the process of electing Board members enabling a proportional representation of all shareholders. A brief curriculum vitae of each board nominee is provided to the shareholders when they are invited to elect the Board.

The Bank is committed to providing the Financial Regulatory Authority and the Egyptian Stock Exchange with all the resolutions of ordinary and extraordinary general assemblies upon conclusion, within a time not exceeding the start of the first trading session following the meeting, thus ensuring that information is readily available and accessible to all.

The Bank's Board of Directors

The Bank's Board of Directors consists of an appropriate number of members in a manner that enables the Board to undertake its functions and duties, including constituting its committees. The Bank takes into consideration that the majority of members are nonexecutives, among whom at least two are independent members with technical and analytical skills, without bias to any gender or religion. In compliance with the principle of "Comply or Explain", the Bank discloses that it only has one independent member and that a process of appointing another independent member is underway. Sufficient information, data, and explanations about the Bank are provided to the new members of the Board upon their appointment to make them aware of all the general aspects, strengths, weaknesses, administrative structure, and anything that enables the Board to effectively and properly perform their duties. The Board Secretary acts as an important link between the members of the Board, the Board of Directors, and the Bank's C-Suite.

Board Committees

Committees established under the Board of Directors are formed based on the charter approved by the Board and contain the committee's tasks, period of operation, authorities granted thereto during this period, as well as the way it is controlled by the Board and the committee's financial arrangements. Each committee provides periodic reports to the Board of Directors on the work they have accomplished and the outcomes and impacts the Board has achieved as well as all recommendations made. The Board periodically monitors the work of committees to assess how well they have performed the tasks assigned to them.

Board Committees Include

- Audit Committee;
- Risk Management Committee;
- Governance and Nominations Committee
- Salaries and Remunerations Committee

Board of Directors

Khalifa Almheiri

(Non-Executive Chairman)

A board member of ADIB since 2016, Khalifa Almheiri is the Executive Director of the Alternative Investments Department at the Abu Dhabi Investment Authority (ADIA), where he oversees hedge fund investments. He is a CFA charterholder and holds degrees from the University of Arizona and London Business School. He also serves on ADIA's Investment Committee and the board of ADIA (Hong Kong) Ltd.

Mohamed Aly

(CEO and Managing Director)

A seasoned banking professional with over 38 years in the financial services industry. Since becoming CEO and Managing Director of ADIB Egypt in 2017, Aly has led the bank through a transformative phase, strengthening its market position and performance.

Bassam Hage

(Non-Executive Board Member)

A finance and governance expert with over 40 years of experience, Bassam Hage currently serves on the Audit Committee of the United Nations Joint Staff Pension Fund and the Independent Management Advisory Committee of the International Telecommunication Union. He is also Advisor to the Board and Audit Committee of ADIB UAE, a non-executive director of ADIB Capital UAE, and Chair of the External Audit Committee of the International Monetary Fund.

Dr. Rania Al-Mashat

(Independent Board Member)

Egypt's Minister of Planning, Economic Development, and International Cooperation, Dr. Al-Mashat joined the ADIB Egypt board in 2023. A former IMF advisor and Egypt's first female Minister of Tourism, she specializes in monetary policy and central banking. She has also served at the Central Bank of Egypt and taught economics at AUC.

Board of Directors

(continued)

Heidi Kamal

(Executive Board Member)

Cluster Chief Risk Officer for ADIB Egypt and Sudan, Heidi Kamal serves on ADIB Egypt's board. She has led risk functions across credit, operations, and markets, and played a key role in the transformation of the National Bank for Development into ADIB Egypt. She holds an MBA in international business.

Joseph Iskander

(Non-Executive Board Member)

With over 20 years in financial services, Joseph Iskander is the CEO of Entrust Capital. He previously led investments at Emirates International Investment Company (EIIC) and has expertise in asset management, private equity, and financial restructuring.

Saed Arekat

(Non-Executive Board Member)

Group CFO at National Holding, Saed Arekat brings 30 years of finance experience across various sectors. He has a strong background in financial planning, governance, and digital transformation and holds a Global MBA from the University of Manchester.

Dr. Ahmed M. Darwish

(Independent Board Member)

Dr. Darwish is a renowned expert in computer engineering, governance, and economic development. A former Egyptian Minister and Chairman of the Suez Canal Economic Zone, he has advised global organizations on policy and ICT. He holds a Ph.D. from UC Davis and is widely recognized for his contributions to public service and innovation.

Fatwa and Shari'a Supervisory Board

The Internal Shari'a Supervisory Committee ("Shari'a Committee") is an independent committee from the Board of Directors and its administrative apparatus that is appointed by the General Assembly with nomiations from the Board of Directors, and is given full access to all of the bank's records, documents, and data with the main responsibility of ensuring the compliance of ADIB Egypt's products, services, operations, and decision-making in line with Islamic principles. The Shari'a Committee submits an annual report to the Bank's board of directors, and within the printed annual financial report, and displayed on the bank's website.

The Shari'a Committee communicates with the Board of Directors and its committees and senior management of the institution, as needed, regarding its commitment to Islamic law. It adopts the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

The Shari'a Committee consists of:

- Dr. Nizam Yaqoubi - Chairman of the Committee
- Dr. Osama Al-Azhari - Member of the Committee
- Dr. Muhammad Naguib Awadin - Member of the Committee
- Dr. Muhammad Abdel Hakim - Member of the Committee
- Dr. Osaid Al-Kilani is an external legal adviser to the Committee
- Dr. Muhammad Jasser - Secretary of the Committee and Head of the Internal Shari'a Supervisory Department

The Shari'a Committee met 4 times, in addition to numerous meetings with the Bank's relevant departments in coordination with the bank's Internal Shari'a Supervisory Department during the year 2024, and issued its fatwas and extensively discussed the bank's new products.

ADIB Egypt's Contribution in Community Development in 2024

Driven by its deep-rooted commitment to serving its community, and in line with its continuous efforts to maintain a leading role in social responsibility, ADIB Egypt provided donations and signed several charitable protocols throughout 2024. These initiatives, funded through the "Al-Khayrat" account, focused on supporting programs in the fields of healthcare and community development.

Over the past years, ADIB Egypt has successfully embedded the principles and values of social responsibility into its corporate culture, making it an integral part of its daily operations and strategic framework. The Bank has consistently taken a pioneering role in supporting key sectors, including education, healthcare, community development, and humanitarian initiatives.

In 2024, through the ADIB Egypt Charity Foundation, the Bank disbursed a total of EGP 20,664,304 towards various social responsibility projects. Furthermore, ADIB Egypt is currently awaiting official approval from the Ministry of Social Solidarity to sponsor critical humanitarian cases directly, without the need for an intermediary.

Community Development Initiatives in 2024

In 2024, ADIB-Egypt deepened its commitment to community development through impactful partnerships and initiatives led by the ADIB-Egypt Charity Foundation. Guided by a strong belief in shared responsibility and social solidarity, the Bank supported a wide range of causes aimed at improving healthcare, education, and quality of life for underserved communities across Egypt.

Food Security & Humanitarian Relief

Our efforts began with a partnership with Sonaa El Khair Foundation, through which we distributed 15-kilogram Ramadan cartons to 4,000 low-income families in Upper Egypt, addressing urgent nutritional needs during the holy month. Additionally, we supported individual humanitarian cases, including sponsoring critical surgeries and settling debts on behalf of deceased individuals, based on a case-by-case social and financial assessment and in accordance with Shari'a principles and the Foundation's Board of Trustees.

Healthcare Support & Infrastructure Development

In the healthcare sector, ADIB-Egypt played a key role in enhancing medical infrastructure and expanding access to quality care. We contributed EGP 2.58 million to Ahl Masr Hospital, which treats burn victims free of charge, to establish and equip a fully functional intensive care unit serving around 500 patients annually. At Baheya Hospital – Zayed, we continued our commitment from 2023 by furnishing a single-patient room with advanced medical equipment to support over 500,000 women annually.

We also funded the operation of two specialized rooms at Sohag University Hospital for the screening and treatment of diabetic foot complications—enabling over 4,300 medical examinations and facilitating the recovery of approximately 1,150 cases. Our largest healthcare initiative was at Sohag Oncology Institute, where we allocated EGP 11.23 million to establish two critical care units: one for marrow cryopreservation and another for post-transplant isolation. These units eliminate the need to transfer patients to Cairo and will serve over 1,000 patients annually, greatly reducing financial and physical burdens on families.

Education & Youth Empowerment

As part of our investment in Egypt's future, we contributed EGP 848,000 to support the education of 32 students at the El Sewedy Technical Academy. We covered 50% of their tuition fees after carefully assessing their socio-economic conditions. This initiative enables students to complete their technical education and begin contributing to their families' livelihoods.

Consolidated Financial Statements

FORVIS MAZARS Mostafa Shawki
Public Accountants & Consultants

PricewaterhouseCoopers EzzEldeen, Diab& CO.
Public Accountants

Abu Dhabi Islamic Bank" S.A.E"
Consolidated financial statements
for the financial year ended on December 31, 2024
and the audit report

Forvis Mazars Mostafa Shawki
Public Accountants and Consultants

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Abu Dhabi Islamic Bank – Egypt (S.A.E), ("The Bank") and its subsidiaries (together "The Group") which comprise the consolidated financial position as of 31 December 2024 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the consolidated financial statements

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

Auditor's Responsibility

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

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

Forvis Mazars Mostafa Shawki
Public Accountants and Consultants

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Bank and its subsidiaries as of 31 December 2024 and of their consolidated financial performance and their consolidated cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements basis of recognition and measurement issued by the Central bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations.

Auditors

Hoda Shawky

Hoda Mostafa Shawky
Accountants and Auditors Register No. (3451)
Financial Regulatory Authority Register No. (7)
CBE Register No. (92)
Fellow of Egyptian Society of Accountants and Auditors
Fellow of Egyptian Tax Society
Forvis Mazars Mostafa Shawki
Public Accountants and consultants
153 Mohamed Farid St., Bank Misr Tower, Cairo

Ashraf Mamdouh
Accountants and Auditors Register No. (26231)
Financial Regulatory Authority register No. (383)
CBE Register No. (569)
PricewaterhouseCoopers Ezzeldeen, Diab &Co.
Public Accountants
Plot No 211, Second Sector, City Center
New Cairo 11835, Egypt

Cairo; 9 February 2025

	Note No	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Assets			
Cash and due from Central Bank	15	13,811,689	9,985,417
Due from banks	16	98,117,659	48,591,299
Financing and facilities to banks (net of expected credit losses)	17	2,030,727	-
Conventional financing to customers (net of expected credit losses)	18	61,123	16,305
Financing and facilities to customers (net of expected credit losses)*	18	95,629,948	63,621,939
Islamic Pre promised exchange contracts	28	25,402	34
Financial investments			
- Fair value through profits and losses	1/19	122,019	213,054
- Financial investments at FVOCI	2/19	2,927,923	11,697,889
- Financial investments at amortized cost	3/19	39,040,223	21,933,121
Investments in associates	20	456,545	320,378
Intangible assets (net of accumulated amortization)	21	44,356	38,832
Other assets*	22	5,241,682	3,091,337
Fixed assets (net of accumulated depreciation)	23	713,160	647,461
Investments properties (net)	24	7,982	14,709
Financial leased assets to others	25	2,039,700	1,919,651
Deferred tax assets	32	196,968	163,253
Total assets		**260,467,106**	**162,254,679**
Liabilities and equity			
Liabilities			
Due to banks	26	14,837,337	6,478,842
Customers' deposits	27	199,982,599	127,031,908
Islamic Pre promised exchange contracts	28	14,710	3,450
Subordinated Financing / Other Islamic Financings	29	10,401,271	4,753,202
Other liabilities	30	7,670,203	6,727,424
Current income tax liability		2,647,113	1,530,248
Other provisions	31	1,557,712	1,077,798
Defined benefits obligations	39	369,454	287,359
Total liabilities		**237,480,399**	**147,890,231**
Equity			
Issued & Paid up Capital	2/33	6,000,000	5,000,000
Reserves	34	1,118,374	745,190
Difference between face value and present value for Reduced cost subordinated financing		24,950	30,435
Retained earnings	35	15,815,345	8,569,192
Total equity attributable to equity holders' of the bank		**22,958,669**	**14,344,817**
Non-controlling interests		28,038	19,631
Total equity		**22,986,707**	**14,364,448**
Total liabilities and equity		**260,467,106**	**162,254,679**

Independent auditor's report "attached"

The accompanying notes from (1) to (42) are integral part of these financial statements and are to be read together.

*The comparative figures have been modified to reflect the appropriate classification of the items referred to in Note No (41)

Mohamed Shawky
Chief financial officer

Mohamed Aly
CEO and Managing Director

Cairo on 06 February 2025

	Note No	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		36,944,486	19,533,749
Cost of deposits and similar costs		(21,691,838)	(10,609,499)
Net income from funds	7	**15,252,648**	**8,924,250**
Fees and commissions income		2,590,419	1,946,618
Fees and commissions expenses		(695,288)	(388,129)
Net fees and commission income	8	**1,895,131**	**1,558,489**
Dividend income	9	5,415	5,202
Net trading income	10	708,711	291,150
Administrative expenses	11	(2,614,518)	(1,921,925)
Other operating expenses	12	(927,002)	(772,507)
Expected credit losses	13	(2,170,571)	(1,633,830)
Gain/Loss on financial investments		-	5
Share Of Associates Results		140,338	84,520
profit for the year before tax		**12,290,152**	**6,535,354**
Income tax expense	14	(3,274,213)	(1,861,514)
Net profit for the year		**9,015,939**	**4,673,840**
Attributable to:			
Shareholder's equity of the bank		9,008,528	4,670,654
Non-controlling interests		7,411	3,186
Net profit for the year		**9,015,939**	**4,673,840**
Basic earning per share in net profit for the year (EGP)		**14.02**	**8.67**

The accompanying notes from (1) to (42) are integral part of these financial statements and are to be read together.

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

Consolidated statement of comprehensive income for the year ended 31 December 2024

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net profit for the year	**9,015,939**	**4,673,840**
Items that will not be reclassified to the Profit and Loss:		
Change in fair value reserve of equity instruments at fair value through other comprehensive income	98,888	97,917
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(22,369)	(22,031)
Items that will be reclassified to the Profit and Loss:		
Change in fair value reserve of debt instruments at fair value through other comprehensive income	34,028	18,176
Expected credit loss for fair value of debt Instruments measured at fair value through other comprehensive income	5,518	4,199
Deffered Income tax related to items that are reclassified to the profits and losses	(9,553)	(4,090)
Total other comprehensive income/(loss) for the year ,net of tax	**106,512**	**94,171**
Total comprehensive income for the year net of tax	**9,122,451**	**4,768,011**
Attributable to:		
Shareholder's equity of the bank	9,115,040	4,764,825
Non-controlling interests	7,411	3,186
Total comprehensive income for the year net of tax	**9,122,451**	**4,768,011**

The accompanying notes from (1) to (42) are integral part of these financial statements and are to be read together.

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

Consolidated statement of Cash flows for the year ended 31 December 2024

	Note No.	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash flows from operating activities			
profit for the year before tax		12,290,152	6,535,354
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets	11	132,268	92,471
Depreciation of investment property	24	1,213	1,220
Charge impairment loss of financing and facilities to customers	13	2,202,512	1,574,630
Charge impairment loss of financing and facilities to banks		2,481	-
Collections of loans previously written off	18	46,647	30,831
Charge other provisions	31	631,693	317,133
Provisions no longer required other than financing provision	31	(342,771)	(64,404)
Provisions used other than financing provision	31	(18,917)	(6,692)
Bonds' premium and discount amortization		(1,151,806)	(200,474)
Foreign currency valuation differences of financing provisions in foreign currencies	18	711,522	133,179
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	31	209,909	82,187
Foreign currency valuation differences of due from banks provisions in foreign currencies	16	8,370	359
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(194,121)	(12,576)
Foreign currency valuation differences of financial assets at AC in foreign currencies		(2,191,967)	186
Foreign currency valuation differences provisions in foreign currencies for financial instruments at AC		46,971	7,123
Foreign currency valuation differences of subordinated financing - With coupon		4,998,043	1,283,765
Foreign currency valuation differences of subordinated financing - at reduced cost	29	681,592	204,215
Foreign currency valuation differences of subordinated financing - at reduced cost - Equity		37,671	21,390
(Gains) valuation of financial investments at FVPL		(19,722)	(15,700)
(losses) / Gains from revaluation of Pre promised Forward contracts	10	(1,902)	(34)
(Release) / charge impairment loss of due from banks	13	1,084	11,326
(Release) / charge impairment loss provisions of FVOCI instruments	13	(5,518)	4,199
Charge /(release) impairment loss of financial investments at amortized cost	13	(29,988)	43,675
Charge /(release) Impairment loss of other assets	12	7,268	2,823
(Gains) sale of equity instruments at FVPL		(16,389)	(16,856)
(Gains) sale of equity instruments at FVOCI	4/19	-	(5)
(Gains) on sale of fixed assets	12	(10,890)	(42,173)
(Gains) on sale of Investment Property	12	(8,886)	(222)
Bank's Share of Associates' results		(140,338)	(84,520)
Dividends income from equity instruments at FVOCI	9	(4,747)	(5,202)
Dividends income from investments in subsidiaries and associates		(668)	-
Amortization of subordinated financing using EIR method	29	43,156	26,735
Operating profits before changes in assets and liabilities resulting from operating activities		**17,913,922**	**9,923,943**
Net change in assets & liabilities			
Due from banks with maturity more than 90 days		(20,351,869)	1,180,987
Treasury bills with maturity more than 90 days		4,656	(761,325)
Financial investments at FVPL		127,146	6,102
Financing and facilities to customers and banks*	18	(37,273,326)	(8,833,765)
Other assets*		(2,034,452)	(540,159)
Receivables of Leased assets		(115,339)	(444,200)
Due to banks	26	8,358,496	6,404,002
Customers' deposits	27	72,855,096	29,289,118
Financial Pre promised Contracts		(12,206)	13,896
Other liabilities		1,040,769	1,357,659
Employees' Benefits obligations	39	82,095	67,144
Income tax paid		(2,223,701)	(1,036,943)
Net Cash flows generated from Operating activities		**38,371,287**	**36,626,459**

*The comparative figures have been modified to reflect the appropriate classification of the items referred to in Note No (41)

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

Consolidated statement of Cash flows for the year ended 31 December 2024 - continued

	Note No.	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash flows from investing activities			
Payments to purchase of fixed assets & Branches fixtures	23	(178,671)	(234,666)
Proceeds from sale of fixed assets		11,005	49,082
Payments to purchase of intangible assets		(24,935)	(33,603)
Proceeds from Sale of Investment Property		15,094	400
Payments to purchase financial investments at FVOCI		(1,923,497)	(671,394)
Proceeds from recovery of financial investments at FVOCI		630,438	428,728
Payments to purchase financial investments at AC		(17,878,369)	(3,119,108)
Proceeds from recovery of financial investments at AC		6,487,717	4,985,510
Payments to purchase investment in subsidiaries and associates		-	(48,687)
Proceeds from sale of investments in subsidiaries and associates		4,900	-
Proceeds from dividends income		5,415	5,202
Net Cash flows (used in) generated from Investing activities		**(12,850,903)**	**1,361,464**
Cash flows from financing activities			
Issued and Paid-up Capital		-	1,000,000
General Reserve		-	3,584
Proceeds from other long term loans		36,356	261,196
Dividends income paid		(542,900)	(314,294)
Net Cash flows (used in) generated from financing activities		**(506,544)**	**950,486**
Net Increase in cash and cash equivalents during the year		25,013,840	38,938,409
Cash and Cash Equivalents at the beginning of the year		55,075,924	16,137,515
Cash and cash equivalents at the end of the year		**80,089,764**	**55,075,924**
Cash and cash equivalents are represented in			
Cash and due from Central Bank of Egypt	13	13,811,689	9,985,417
Due from banks	14	98,140,356	48,604,542
Treasury bills		8,196,684	16,197,717
Central Bank of Egypt Reserve		(12,474,932)	(9,184,571)
Due from banks with maturity more than three months from date of acquisition		(19,398,973)	(2,337,465)
Treasury bills with maturity more than three months from date of acquisition		(8,185,060)	(8,189,716)
Cash and cash equivalents at the end of the year		**80,089,764**	**55,075,924**

The accompanying notes from (1) to (42) are integral part of these financial statements and are to be read together.

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

Consolidated statement of changes in equity for the year ended 31 December 2024

EGP (in thousands)

	Issued & Paid up capital	Capital Reserve	Legal reserve	General reserve	Special reserve	General banking risk reserve	General risk reserve	Fair value reserve	Difference between face value and present value for Reduced cost subordinated financing	Retained earnings	Total	Non-controlling interests	Total
31 December 2023													
Balance at 1 January 2023	4,000,000	4,063	149,239	51,371	25,295	9,062	219,979	83,878	35,780	4,311,574	**8,890,241**	13,558	**8,903,799**
Transferred to reserves	-	685	106,252	-	-	(9,062)	-	-	-	(97,875)	**-**	-	**-**
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	(303,138)	**(303,138)**	-	**(303,138)**
Remuneration for board members and Employees' Subsideries	-	-	-	-	-	-	-	-	-	(14,393)	**(14,393)**	(96)	**(14,489)**
Net change in other comprehensive income items	-	-	-	-	-	-	-	94,171	-	-	**94,171**	-	**94,171**
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(5,345)	26,735	**21,390**	-	**21,390**
Capital Icrease	1,000,000	-	-	3,584	-	-	-	-	-	-	**1,003,584**	-	**1,003,584**
Prior periods impact of subsidiaries & associates adjustments	-	-	-	-	6,673	-	-	-	-	(24,365)	**(17,692)**	2,983	**(14,709)**
Net profit for the Year	-	-	-	-	-	-	-	-	-	4,670,654	**4,670,654**	3,186	**4,673,840**
Balance at 31 December 2023	**5,000,000**	**4,748**	**255,491**	**54,955**	**31,968**	**-**	**219,979**	**178,049**	**30,435**	**8,569,192**	**14,344,817**	**19,631**	**14,364,448**
31 December 2024													
Balance at 1 January 2023	5,000,000	4,748	255,491	54,955	31,968	-	219,979	178,049	30,435	8,569,192	**14,344,817**	19,631	**14,364,448**
Transferred to reserves	-	41,556	222,451	-	-	-	-	-	-	(264,007)	**-**	-	**-**
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	(528,520)	**(528,520)**	-	**(528,520)**
Remuneration for board members and Employees' Subsideries	-	-	-	-	-	-	-	-	-	(14,250)	**(14,250)**	(130)	**(14,380)**
Net change in other comprehensive income items	-	-	-	-	-	-	-	106,512	-	-	**106,512**	-	**106,512**
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(5,485)	43,156	**37,671**	-	**37,671**
Prior years Impact of subsidiaries adjustments	-	-	-	-	2,666	-	-	-	-	1,246	**3,912**	1,126	**5,038**
Shareholders' distributions (bonus issue)	1,000,000	-	-	-	-	-	-	-	-	(1,000,000)	**-**	-	**-**
Net profit for the Year	-	-	-	-	-	-	-	-	-	9,008,926	**9,008,926**	7,013	**9,015,939**
Balance at 31 December 2024	**6,000,000**	**46,304**	**477,942**	**54,955**	**34,634**	**-**	**219,979**	**284,561**	**24,950**	**15,815,743**	**22,959,068**	**27,640**	**22,986,708**

The accompanying notes from (1) to (42) are integral part of these financial statements and are to be read together.

1- General information

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

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

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

Abu Dhabi Islamic Bank - Egypt -an Egyptian Joint Stock Company provides corporates, retail banking and investment services in the Arab Republic of Egypt through 72 branches, delegates and agencies employing 2,493 employees on the date of the interim financial statements.
These financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 06 February 2025.

2- Basis of preparation of the financial statements

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

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

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E
Notes to the consolidated financial statements for the year ended 31 December 2024

3- Summary of accounting policies

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

(A) Investment in subsidiaries and associates

<u>Consolidated Financial Statements</u>
<u>A/1 Subsidiaries</u>
Subsidiaries are entities that ADIB has the ability to directly or indirectly control its financial and operating policies, and ADIB usually has ownership share that exceeds one-half of the voting rights. This takes into consideration the impact of the future voting rights, which can be exercised or converted at the current time when evaluating ADIB's ability to control the subsidiaries.

A/1/1 Method of Acquisition

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

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

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

A /1/3 Exclusion of Subsidiaries

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

A /1/4 Measurement Period

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

A/1/5 Basis of consolidation

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

Company	Ownership % (Direct & Indirect)	The Company Activity
Abu Dhabi Islamic Properties	44.24%	Real estate investment
Assuit Islamic company for trading and development	58.99%	Aggricultural
Cairo national company for investment	74.85%	Financial Investment
ADI Lease for Financial Lease	99.39%	Financial Leasing
Abu Dhabi Islamic holding company	99.93%	Establishing Companies
Abu Dhabi Islamic Capital	99.95%	Promoting subscription of Securities
ADIB Micro Finance	99.92%	Financing Medium, small, Micro
Adib Consumer Finance	99.92%	Consumer Financing
ADI Taskeek	99.92%	Securities
National company for trading and development (ENTAD)	73.16%	Commercial

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

A/1/6 Transactions with Minority Shareholders

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

A /2 Associates Companies

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

A/2/1 Equity Method

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

A/2/2 Changes in Equity

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

A/2/3 Losses of Associates

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

A/2/4 Transactions with Associate Companies

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

A/3 Inventory

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

Finished production inventories: an industrial cost basis as per the cost lists or net realizable value, whichever is lower.
Cost shall include direct materials, direct labour and a share of indirect industrial costs and shall not include the cost of borrowing.
Production inventory under operation: based on the industrial cost of the last stage completed according to the cost lists.
Net realizable value: it is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to complete the sale.
A decrease in the value of inventory shall be recognized in net sale value and all inventory losses shall be included in the cost of sales in the statement of income in the period in which the decline or loss occurs. The decrease reimburses in inventories resulting from the increase in net sale value shall be recognized in the statement of income as a reduction of the cost of sales in the period in which the reimburse occurs.

A/4 Real Estate Investment

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

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

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

A/5 Projects under construction
The projects under constructions shall be represented in the amounts that were expended for the purpose of establishing or purchasing fixed assets until being ready for use in the operation. Then, subsequently transferred to the fixed assets items and the projects under construction shall be estimated at cost after deduction of impairment.

(B) Operating Sectors

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

(C) Sectors reporting

An activity sector is a group of assets and processes associated with the provision of products or services that are characterized by risks and benefits and differ from those of other sectors of activity. The geographical sector is engaged in the provision of products or services within a single economic environment with risks and benefits that are related to geographical sectors operating in a different economic environment.
ADIB is divided into two main sectors: Corporate Banking Services and Retail Banking for Individuals. In addition, the Corporate Centre is a central funding department for ADIB's core business. For the dealings of the department of transactions, investment activity and other non-core activities, they are reported within the Corporate Banking Services
For the purpose of sectors reporting in accordance with the classification of geographic regions, the Sector's profits, losses, assets and liabilities are presented on a basis of branches’ locations.
Based on the fact that ADIB (ADIB - Egypt) does not have an entity to register abroad, the sectors report present, unless otherwise stated in a certain disclosure, all ADIB's investments in equity instruments and debt instruments issued by foreign institutions, as well as, credit facilities granted by ADIB to foreign parties based on the location of the local branch in which such assets are registered.

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E
Notes to the consolidated financial statements for the year ended 31 December 2024

(D) Foreign currency translation

<u>D/1 Functional and presentation currency</u>
The financial statements of ADIB are presented using the currency of the primary economic environment in which ADIB exercises its business (the functional currency). ADIB's financial statements are presented in Egyptian pounds, which is ADIB's functional and presentation currency.

<u>D/2 Transactions and balances in foreign currencies</u>
ADIB keeps its accounting records in Egyptian pound. Foreign currency transactions during the financial period / year are translated using the exchange rates prevailing at the date of the transaction. All monetary assets and liabilities balances in foreign currencies at the end of the financial year are re-translated based on the exchange rates prevailing at that date. Foreign exchange gains and losses resulting from settlement of such transactions and translation differences are recognized in the statement of profit and loss under the following items:

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

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

E) Financial assets and financial liabilities

E/1. Initial recognition and measurement

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

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

E/2. Classification

Financial assets

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

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E
Notes to the consolidated financial statements for the year ended 31 December 2024

Business model valuation

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

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

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

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

- ADIB evaluates the purpose of business model at the level of portfolio in which the financial asset is held to reflect the method of management and supplying information. Such information, which is taken into consideration when evaluating the business model, includes the following:
- Documented approved policies and portfolio's objectives and application of such policies in the real world. In particular, whether the management's strategy focuses only upon collection of contractual cash flows and holding a definite Profit rate to compare maturity dates of financial assets with maturity dates of liabilities that fund such assets or generates cash flows from sale of assets.
- Way of evaluating and reporting on portfolio's performance to senior management.
- Risks that affect business model performance including nature of financial assets held in such model and the way of managing such risks.
- Way of evaluating the performance of business managers (fair value and/or Profit on portfolio).
- Periodic, value and date of sale transactions in previous periods, reasons of such transactions, and forecasts regarding future sale activities. However, information regarding sale activities is not taken into consideration separately but as a part of a whole comprehensive valuation of how to achieve ADIB's objective from managing the financial assets and how to generate cash flows.
- The financial assets held for trading, or managed and its performance valued on basis of fair value are measured at fair value through profit and loss since they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.

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

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E
Notes to the consolidated financial statements for the year ended 31 December 2024

Financial liabilities

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

Reclassification

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

E/3. Exclusion

1- Financial assets

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

2- Financial liabilities

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

E/4. Adjustments to financial assets and financial liabilities

1. Financial assets

- If the terms of a financial asset are amended, ADIB evaluates whether the cash flows of adjusted asset are materially different. If the cash flows materially differ, the contractual rights of cash flows from the original financial asset are considered expired and hence the original financial asset is excluded and the new financial asset is recognised at fair value and the value resulting from adjusting aggregate book value is recognised as profits or losses under profits and losses. On the other hand, if such adjustment has occurred due to financial difficulties of the borrower, the profits have to be deferred and presented with aggregate impairment losses whilst losses have to be recognised in the statement of profit and loss.
- If the cash flows of adjusted asset recognised at amortised cost do not materially differ, the adjustment will not result in the exclusion of the financial asset.

2. Financial liabilities

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

F) Offsetting financial assets and liabilities

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

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

G)Measurement of fair value

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

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

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

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

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

The following table shows the change in the measurement methods of the fair value of financial assets at 31 December 2024, compared to the comparative figures at 31 December 2023

			EGP (in thousands)	
31 December 2024	**Level One**	**Level Two**	**Level Three**	**Total**
Financial investments in debt instruments	1,870,692	619,681	-	**2,490,373**
Mutual funds certificates	-	-	143,686	**143,686**
Equity instruments	14,924	-	400,959	**415,883**
31 December 2023	**Level One**	**Level Two**	**Level Three**	**Total**
Financial investments in debt instruments	367,965	11,032,003	-	**11,399,968**
Mutual funds certificates	-	-	224,884	**224,884**
Equity instruments	17,716	-	268,375	**286,091**

(G/1) Financial instruments at level 1

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

(G/2) Financial instruments at level 2

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

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

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

H)Profit income and expenses

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

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

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

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

I) Fees and commission income

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

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

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

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

J) Dividends income

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

K)Purchase and resale agreements & sale and repurchase agreements

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

L) Impairment of financial assets

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

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

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

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

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

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

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- **Debt instruments related to medium enterprises**

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

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

- **Debt instruments related to medium enterprises**

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

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

Measurement of expected credit losses

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

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

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

Measurement of expected credit losses

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

Transition from Stage 2 to Stage 1

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

Transition from Stage 3 to Stage 2

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

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

Restructured financial assets:

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

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

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

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

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

Debts write-off

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

M) Intangible assets

M/1 Computer Software

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

Asset type	Default Life / deprecation rate
Computer Software	3 years

M/ 2 Other intangible assets

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

N) Fixed assets

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

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

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

O) Impairment of non-financial assets

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

P) Leases

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

Q) Cash and cash equivalents

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

R) Other provisions

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

S) Commitments of financing and financial guarantee contracts

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

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T) Obligations of retirement benefits

<u>T/1 Employees' fund</u>

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

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

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

U) Borrowing

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

V) Comparative figures

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

W) Income taxes

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

X) Capital issuance fees

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

Y) Dividends

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

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4- Financial risk management

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

Risk Management Strategy

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

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

Risk Management Governance and Risk Management Principles

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

1- Strong management intervention at all levels of the organization, starting from the Board of Directors to the management of field task forces responsible for operations.
2- An integrated framework for internal procedures and guidelines.
3- Continuous monitoring by business lines and supporting functions, as well as, by an independent Risk Control Body and compliance with the rules and procedures.
   Risk and audit committees within the Board are more specifically responsible for examining the compatibility of the internal framework in order to monitor risks and the adherence to the rules.

Risk Categories:

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

4/1 Credit risk

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

4/1/1 Credit risk measurement

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

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

ADIB's internal rating categories

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

Classification of the Credit Risks

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

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

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

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

- **Debt Instruments issued by the Egyptian Government and CBE**
  Debt instruments, Treasury Bills and Government Bonds

- ADIB uses external classifications of institutions that comply with the CBE's instructions to manage the credit risk for debt instruments in the investment portfolio. These ratings are regularly monitored and updated periodically. The default rates associated with each rating are determined on the basis of rates achieved over the previous 12 months as published by the aforementioned rating agencies. The loss rate for government debt instruments and the central bank in local currency equals zero.
- ADIB's rating of creditworthiness of government debt instruments, where the primary measure of each rating category gives a specific range of probability of default, is stable over time. ADIB complies with the internal rating categories alongside with the rating categories set by CBE according to the instructions of determining creditworthiness and the formation of provisions, and reviewing that compliance on a regular basis. The rating methods are periodically re-calibrated and validated to reflect the most recent projections in light of all assumptions observed in reality.

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

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

Variable Economic Assumptions

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

Enterprises' Portfolio

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

Individuals' Portfolio

- Gross domestic product (GDP).
- Private consumption

- Balancing capital expenditures as a percentage of GDP.

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

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

Sensitivity Analysis

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

Individuals and Institutions Portfolio

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

- At least three scenarios are conducted to study future forecasts and to determine their impact on the variables of the expected credit loss measurement model. These scenarios represent:
- Basic Scenario
- Downside Scenario
- Upside Scenario
- The calculation of the expected credit loss reflects, without any bias, the probable weighted scenario, which is determined based on the assessment of a range of expected results instead of reliance on the upside and downside scenarios.

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

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

Individuals' Financing - Groups are formed as per:

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

Corporates' Financing - Groups are formed as per:

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

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

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

4/1/5 Risk limit control and mitigation policies

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

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

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

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

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Here are some ways to limit risk:

Guarantees

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

The principal guarantees types for financing and facilities are:

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

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

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

Credit-related commitments

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

4/1/6 Impairment and provisioning policies

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

The impairment loss provision included in the financial statements at the end of the year is derived from the four internal ratings. However, the majority of the provision is derived from the last rating. The following table shows the percentage of the items within the financial statements for the period ended 31 December 2024 related to financing, facilities, and related impairment for each of ADIB's internal assessment categories:

	31 December 2024		31 December 2023	
Bank's evaluation	Financing and facilities	Impairment losses provision	Financing and facilities	Impairment losses provision
Stage 1	93%	27%	93%	32%
Stage 2	5%	41%	3%	9%
Stage 3	2%	32%	3%	59%
	100%	**100%**	**100%**	**100%**

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

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

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

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4/1/7 General banking risk measurement model
In addition to ADIB's four internal rating categories described above, the management classifies loans and facilities in the form of more detailed sub-groups in line with the requirements of the Central Bank of Egypt. The assets exposed to credit risk in these groups are classified according to detailed rules and conditions that rely heavily on information related to customer's business, financial position and regularity of payment.
ADIB calculates the provisions required to offset the impairment of assets exposed to credit risk, including credit-related commitments, on the basis of ratios set by the Central Bank of Egypt. In case of the excess of the provision for impairment losses required in accordance with the creditworthiness rules of the Central Bank of Egypt over the provision required to use the expected credit losses, such excess in the provision is set aside as a general banking risk reserve within equity to be deducted against retained earnings by the amount of that excess.

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

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

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

Balance sheet items exposed to credit risk	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Due from Banks	98,117,659	48,591,299
Financing and facilities to banks and customers		
Facilities to banks	2,030,727	-
Retail financing		
Debit current accounts	9,855	5,617
Credit cards	1,276,893	846,104
Personal financings	26,129,524	16,922,030
Real estate financings	599,717	478,284
Corporate financings		
Debit current accounts	13,878,758	8,043,753
Credit cards	70	172
Direct financings	58,994,996	40,760,423
Syndicated financings	1,463,357	795,048
Less Expected Credit Losses	(6,662,099)	(4,213,187)
Financial investments		
Debt instruments at FVOCI	2,490,373	11,399,968
Debt instruments at amortized cost	39,040,223	21,933,121
Total	**237,370,053**	**145,562,632**
Credit risk of off balance sheet items		
Letters of credit (import + confirmed export)	9,973,110	3,971,484
Letters of guarantee	31,839,568	20,480,992
Letters of guarantee for suppliers facilities	7,190,358	1,677,299
Bank guarantees	4,487,803	2,584,024
Total	**53,490,839**	**28,713,799**

- The previous table represents the maximum exposure on 31 December 2024, without taking any guarantees into consideration. For financial position items, the reported amounts depend on the net carrying amount that was presented in the financial position.
- As shown in the previous table, 41.17% of the maximum exposure to credit risk is the result of financing and facilities for banks and customers, against 43.72% at the end of the comparative year, while investments in debt instruments represent 17.5% against 22.9 % at the end of comparative year.

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

- 97.83% of the portfolio of financing and facilities is classified in the two highest degrees of internal rating compared to 98.73% at the end of the comparative year.
- 92.59% of the financing and facilities portfolio does not have past dues or impairment indicators against 92.26% at the end of the comparative year.
- The finances and facilities assessed on a single basis amounted to EGP 2,269 million compared to EGP 860 million at the end of the comparative year.
- ADIB applied more conservative selection processes when granting financing and facilities during the financial period on 31 December 2024.

4/1/9 Financing and facilities

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

EGP (in thousands)

Financing and facilities	31 December 2024			31 December 2023		
	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities	Financing and facilities to customers	Financing and facilities to banks	Total Financing and facilities
Stage 1	94,613,681	2,033,552	96,647,233	62,598,057	-	62,598,057
Stage 2	5,470,559	-	5,470,559	4,393,105	-	4,393,105
Stage 3	2,268,930	-	2,268,930	860,269	-	860,269
Total	**102,353,170**	**2,033,552**	**104,386,722**	**67,851,431**	**-**	**67,851,431**
Less:						
Expected Credit Losses	(6,662,099)	(2,825)	(6,664,924)	(4,213,187)	-	(4,213,187)
Net	**95,691,071**	**2,030,727**	**97,721,798**	**63,638,244**	**-**	**63,638,244**

- During the financial period on 31 December 2024, ADIB's portfolio of financing and facilities increased by 53.58% (31 December 2023: an increase of 13.51%)

4/1/9 Financing and facilities

Financing and facilities Credit worthiness.

EGP (in thousands)

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

31 December 2023	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	5,617	767,297	16,156,626	469,930	**17,399,470**
Stage 2	-	66,122	392,244	-	**458,366**
Stage 3	-	12,685	373,160	8,354	**394,199**
Total	**5,617**	**846,104**	**16,922,030**	**478,284**	**18,252,035**
(Less) Expected Credit Losses	-	(89,369)	(528,432)	(9,011)	**(626,812)**
Book value	**5,617**	**756,735**	**16,393,598**	**469,273**	**17,625,223**

EGP (in thousands)

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

31 December 2023	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	8,038,308	29	37,152,608	7,642	**45,198,587**
Stage 2	5,445	143	3,141,745	787,406	**3,934,739**
Stage 3	-	-	466,070	-	**466,070**
Total	**8,043,753**	**172**	**40,760,423**	**795,048**	**49,599,396**
(Less) Expected Credit Losses	(148,911)	(8)	(2,876,676)	(560,780)	**(3,586,375)**
Book value	**7,894,842**	**164**	**37,883,747**	**234,268**	**46,013,021**

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Financing and facilities that are past due but are not impaired

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

EGP (in thousands)

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

EGP (in thousands)

31 December 2023	Debit current accounts	Credit cards	Retail Personal financings	Real estate financings	Total
Past dues up to 30 days	5,617	767,297	16,156,626	469,930	**17,399,470**
Past dues more than 30 to 90 days	-	66,122	392,244	-	**458,366**
Total	**5,617**	**833,419**	**16,548,870**	**469,930**	**17,857,836**

EGP (in thousands)

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

EGP (in thousands)

31 December 2023	Debit current accounts	Credit cards	Corporate Direct financings	Syndicated financings	Total
Past dues up to 30 days	8,038,308	29	37,152,608	7,642	**45,198,587**
Past dues more than 30 to 90 days	5,445	143	3,141,745	787,406	**3,934,739**
Total	**8,043,753**	**172**	**40,294,353**	**795,048**	**49,133,326**

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

Financing and facilities that are subject to impairment solely

- **Financing and facilities for customers**

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

EGP (in thousands)

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

31 December 2023	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Solely impaired financing	-	12,685	373,160	8,354	**394,199**

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

31 December 2023	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Solely impaired financing	-	-	466,070	-	**466,070**

4/1/10 Transfer between stages

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

EGP (in thousands)

	31 December 2024				31 December 2023			
Retail	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
beginning Balance of Financing and facilities	17,399,470	458,366	394,199	**18,252,035**	13,233,531	510,051	645,178	**14,388,760**
Transferred from stage 1	(452,228)	340,080	112,148	-	(415,805)	330,209	85,596	-
Transferred from stage 2	63,071	(108,961)	45,890	-	76,988	(129,461)	52,473	-
Transferred from stage 3	2,344	73	(2,417)	-	4,074	781	(4,855)	-
Re-Measurement impact	(3,332,045)	(110,536)	(51,975)	**(3,494,556)**	(2,645,368)	(129,718)	(105,757)	**(2,880,843)**
New Financial assets purchased	16,458,393	211,781	58,352	**16,728,526**	10,130,536	121,169	11,606	**10,263,311**
Financial assets disposed of/ paid	(3,002,486)	(255,827)	(47,322)	**(3,305,635)**	(2,984,486)	(244,665)	(129,389)	**(3,358,540)**
Used provisions	-	-	(164,381)	**(164,381)**	-	-	(160,653)	**(160,653)**
Balance of Financing and facilities	**27,136,519**	**534,976**	**344,494**	**28,015,989**	**17,399,470**	**458,366**	**394,199**	**18,252,035**

EGP (in thousands)

	31 December 2024				31 December 2023			
Corporate	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
beginning Balance of Financing and facilities	45,198,587	3,934,739	466,070	**49,599,396**	41,367,860	3,139,830	482,229	**44,989,919**
Transferred from stage 1	(932,491)	885,218	47,273	-	(1,453,720)	1,418,223	35,497	-
Transferred from stage 2	1,648	(1,126,080)	1,124,432	-	312,892	(324,822)	11,930	-
Transferred from stage 3	-	-	-	-	26,943	-	(26,943)	-
Foreign exchange translation differences	7,240,184	798,191	62,065	**8,100,440**	2,562,802	358,936	1,226	**2,922,964**
Re-Measurement impact	243,130	(318,552)	364,564	**289,142**	(781,112)	(207,540)	(24,196)	**(1,012,848)**
New Financial assets purchased	39,189,128	1,619,660	70,417	**40,879,205**	26,881,998	1,145,173	9,660	**28,036,831**
Financial assets disposed of/ paid	(23,463,024)	(857,593)	205,544	**(24,115,073)**	(23,719,076)	(1,595,061)	24,537	**(25,289,600)**
Used provisions	-	-	(415,929)	**(415,929)**	-	-	(47,870)	**(47,870)**
Balance of Financing and facilities	**67,477,162**	**4,935,583**	**1,924,436**	**74,337,181**	**45,198,587**	**3,934,739**	**466,070**	**49,599,396**

4/1/10 Transfer between stages – Continued

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

EGP (in thousands)

Retail	Stage 1 12 Month (31 December 2024)	Stage 2 Life time (31 December 2024)	Stage 3 Life time (31 December 2024)	Total (31 December 2024)	Stage 1 12 Month (31 December 2023)	Stage 2 Life time (31 December 2023)	Stage 3 Life time (31 December 2023)	Total (31 December 2023)
beginning Balance of expected credit losses	235,573	82,170	309,069	**626,812**	202,316	82,568	347,582	**632,466**
Transferred from stage 1	(5,816)	4,030	1,786	-	(4,859)	3,858	1,001	-
Transferred from stage 2	14,499	(36,507)	22,008	-	16,425	(34,881)	18,456	-
Transferred from stage 3	485	22	(507)	-	1,823	441	(2,264)	-
Re-Measurement impact	(51,583)	62,256	117,955	**128,628**	9,047	33,986	98,360	**141,393**
New Financial assets purchased	37,538	23,946	9,873	**71,357**	18,803	17,226	6,587	**42,616**
Financial assets disposed of/ paid	(8,565)	(21,372)	(19,797)	**(49,734)**	(7,982)	(21,028)	-	**(29,010)**
Used provisions	-	-	(164,362)	**(164,362)**	-	-	(160,653)	**(160,653)**
Balance of Expected Credit Losses	**222,131**	**114,545**	**276,025**	**612,701**	**235,573**	**82,170**	**309,069**	**626,812**

EGP (in thousands)

Corporate	Stage 1 12 Month (31 December 2024)	Stage 2 Life time (31 December 2024)	Stage 3 Life time (31 December 2024)	Total (31 December 2024)	Stage 1 12 Month (31 December 2023)	Stage 2 Life time (31 December 2023)	Stage 3 Life time (31 December 2023)	Total (31 December 2023)
beginning Balance of expected credit losses	1,004,391	2,136,862	445,122	**3,586,375**	1,037,885	545,970	480,607	**2,064,462**
Transferred from stage 1	(19,851)	18,813	1,038	-	(17,903)	16,847	1,056	-
Transferred from stage 2	78	(602,826)	602,748	-	15,429	(16,187)	758	-
Transferred from stage 3	-	-	-	-	-	-	-	-
Foreign exchange translation differences	143,248	511,793	56,438	**711,479**	18,942	113,011	1,226	**133,179**
Re-Measurement impact	284,677	494,865	832,382	**1,611,924**	(221,479)	398,740	4,981	**182,242**
New Financial assets purchased	513,683	206,116	70,386	**790,185**	415,021	1,138,224	4,364	**1,557,609**
Financial assets disposed of/ paid	(380,214)	(124,204)	269,801	**(234,617)**	(243,504)	(59,743)	-	**(303,247)**
Used provisions	-	-	(415,948)	**(415,948)**	-	-	(47,870)	**(47,870)**
Balance of Expected Credit Losses	**1,546,012**	**2,641,419**	**1,861,967**	**6,049,398**	**1,004,391**	**2,136,862**	**445,122**	**3,586,375**

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

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

EGP (in thousands)

Debt instruments, treasury bills and other government securities	Treasury Bills (31 December 2024)	Treasury & Bonds Islamic Sukuk (31 December 2024)	Due From Banks (31 December 2024)	Treasury Bills (31 December 2023)	Treasury & Bonds Islamic Sukuk (31 December 2023)	Due From Banks (31 December 2023)
AAA- to AAA	-	-	28,106	-	-	504,309
A- to A+	-	-	1,037,576	-	-	311,661
Less than A-	8,159,646	31,919,437	97,051,977	16,156,071	17,177,018	47,775,329
Total	**8,159,646**	**31,919,437**	**98,117,659**	**16,156,071**	**17,177,018**	**48,591,299**

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

(A) Geographical sectors

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

EGP (in thousands)

	Arab Republic of Egypt: Great Cairo	Arab Republic of Egypt: Alexandria, Delta & Sinai	Arab Republic of Egypt: Upper Egypt	Total	Gulf Countries	Other Countries	Total
Due from Banks	92,461,487	-	-	**92,461,487**	1,557,360	4,098,812	**98,117,659**
Debt instruments at FVOCI							
- Egyptian treasury Bonds	1,607,748	-	-	**1,607,748**	-	-	**1,607,748**
- Islamic Sukuk	262,944	-	-	**262,944**	-	-	**262,944**
- Egyptian treasury bills	619,681	-	-	**619,681**	-	-	**619,681**
Debt instruments at amortized cost							
- Egyptian treasury Bonds	30,048,745	-	-	**30,048,745**	-	-	**30,048,745**
- Islamic Sukuk	1,451,513	-	-	**1,451,513**	-	-	**1,451,513**
- Egyptian treasury bills	7,539,965	-	-	**7,539,965**	-	-	**7,539,965**
Facilities to banks	2,030,727	-	-	**2,030,727**	-	-	**2,030,727**
Retail Financings							
- Debit current accounts	5,645	3,665	545	**9,855**	-	-	**9,855**
- Credit cards	1,276,893	-	-	**1,276,893**	-	-	**1,276,893**
- Personal financings	19,357,311	5,750,515	1,021,698	**26,129,524**	-	-	**26,129,524**
- Mortgage financings	585,344	14,373	-	**599,717**	-	-	**599,717**
Corporate Financings							
- Debit current accounts	12,820,121	1,058,557	80	**13,878,758**	-	-	**13,878,758**
- Credit cards	70	-	-	**70**	-	-	**70**
- Direct financings	50,716,185	7,853,748	425,063	**58,994,996**	-	-	**58,994,996**
- Syndicated financings	1,463,357	-	-	**1,463,357**	-	-	**1,463,357**
Less Expected Credit Losses for customer financings	(6,465,767)	(168,775)	(27,557)	**(6,662,099)**	-	-	**(6,662,099)**
Balance at 31 December 2024	**215,781,969**	**14,512,083**	**1,419,829**	**231,713,881**	**1,557,360**	**4,098,812**	**237,370,053**
Balance at 31 December 2023	**133,541,353**	**9,814,363**	**1,174,867**	**144,530,583**	**714,184**	**317,865**	**145,562,632**

(B) Activity sectors

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

EGP (in thousands)

	Financial institution	Manufacturing institution	Services	Wholesale and Retail	Governmental sector	Retail	Other activities	Total
Due from Banks	98,117,659	-	-	-	-	-	-	**98,117,659**
Debt instruments at FVOCI								
- Egyptian treasury Bonds	-	-	-	-	1,607,748	-	-	**1,607,748**
- Islamic Sukuk	-	-	-	-	262,944	-	-	**262,944**
- Egyptian treasury bills	-	-	-	-	619,681	-	-	**619,681**
Debt instruments at amortized cost								
- Egyptian treasury Bonds	-	-	-	-	30,048,745	-	-	**30,048,745**
- Islamic Sukuk	-	-	-	-	1,451,513	-	-	**1,451,513**
- Egyptian treasury bills	-	-	-	-	7,539,965	-	-	**7,539,965**
Facilities to banks	2,030,727	-	-	-	-	-	-	**2,030,727**
Retail Financings								
- Debit current accounts	-	-	-	-	-	9,855	-	**9,855**
- Credit cards	-	-	-	-	-	1,276,893	-	**1,276,893**
- Personal financings	-	-	-	-	-	26,129,524	-	**26,129,524**
- Mortgage financings	-	-	-	-	-	599,717	-	**599,717**
Corporate Financings								
- Debit current accounts	-	6,170,874	900,917	521,038	6,267,462	-	18,467	**13,878,758**
- Credit cards	-	58	12	-	-	-	-	**70**
- Direct financings	-	24,273,495	13,153,189	5,753,077	15,346,035	-	469,200	**58,994,996**
- Syndicated financings	-	1,270,196	193,161	-	-	-	-	**1,463,357**
Less Expected Credit Losses for customer financings	-	(2,115,412)	(1,330,776)	(352,466)	(2,240,505)	(612,701)	(10,239)	**(6,662,099)**
Balance at 31 December 2024	**100,148,386**	**29,599,211**	**12,916,503**	**5,921,649**	**60,903,588**	**27,403,288**	**477,428**	**237,370,053**
Balance at 31 December 2023	**48,591,299**	**17,250,621**	**11,524,647**	**4,284,714**	**45,398,406**	**17,625,224**	**887,721**	**145,562,632**

4/2 Market Risk

ADIB is exposed to market risk represented in fluctuations in fair value or future cash flows arising from changes in market prices. The market risk arises from the open positions of the Profit rate and the currency, as each is exposed to general and private movements in the market and changes in the level of sensitivity to market rates or prices such as rates of Profit and exchange rates. ADIB separates its exposure to market risk to trading or non-trading portfolios.

The management of market risk arising from trading or non-trading activities is concentrated in ADIB's risk management and is monitored by two separate teams. Market risk reports are reported to the Risk Committee of the Board of Directors and heads of operating units on a regular basis.

The portfolios of financial investments at fair value through profit or loss include those positions resulting from ADIB's direct dealing with customers or with the market, while non-trading portfolios arise primarily from managing the Profit rate on assets and liabilities. These portfolios include foreign exchange risk and equity instruments arising from financial investments at amortized cost and financial investments at fair value through other comprehensive income.

4/2/1 Market risk measurement techniques

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

Value at risk

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

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

Stress testing

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

- **Stress testing related to exchange rate**
  The following table shows the position of the currencies (surplus or deficit) of the items inside and outside the balance sheet

EGP (in thousands)

Currency	Surplus / deficit	Deficit	Surplus	Maximum expected loss 10%
USD	149,361	-	149,361	14,936
Euro	1,769	-	1,769	177
Sterling Pound	4,705	-	4,705	470
Swiss Franc	54	-	54	5
Japanese Yen	(69)	(69)	-	(7)
Other currencies	(5,591)	(5,591)	-	(559)
Maximum expected loss 31 December 2024				**15,022**
Maximum expected loss 31 December 2023				**(101,004)**

4/2/2 VAR summary
Total value at risk by the type of risk

EGP (in thousands)

	31 December 2024			31 December 2023		
	Average	Higher	Lower	Average	Higher	Lower
Total value at risk according to risk type						
Exchange rates risk	10,734	44,423	66	10,959	32,561	156
Profit rate risk	18,200	40,995	4,488	11,294	29,153	841
Total value at risk	**28,934**	**85,418**	**4,554**	**22,253**	**61,714**	**997**
Value at risk of the trading portfolio according to risk type						
Exchange rates risk	10,734	44,423	66	10,959	32,561	156
Total value at risk	**10,734**	**44,423**	**66**	**10,959**	**32,561**	**156**
value at risk of a non-trading portfolio according to risk type						
Profit rate risk	18,200	40,995	4,488	11,294	29,153	841
Total value at risk	**18,200**	**40,995**	**4,488**	**11,294**	**29,153**	**841**

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

- ADIB is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows. The Board of Directors has set limits on foreign exchange at the total value of each of the positions at the end of the day as well as during the day. The following table summarizes ADIB's exposure to foreign exchange risk at the end of the financial year. The following table presents the book value of financial instruments distributed in their respective currencies:

EGP (in thousands)

31 December 2024	EGP	USD	Euro	Sterling Pound	Japanese Yen	Other currencies	Total
Financial Assets							
Cash and due from Central Bank of Egypt	13,531,982	205,980	3,802	39,854	-	30,071	13,811,689
Due from banks	50,013,649	43,444,722	330,048	4,058,095	7,016	264,129	98,117,659
Financings and facilities to banks	-	2,030,727	-	-	-	-	2,030,727
Financings and facilities to customers	75,218,791	17,715,912	-	2,756,367	-	1	95,691,071
Islamic Pre promised exchange contracts	22,795	2,607	-	-	-	-	25,402
Financial investments at FVPL	122,019	-	-	-	-	-	122,019
Financial investments at FVOCI	2,436,186	486,503	-	5,234	-	-	2,927,923
Financial investments at amortized cost	20,582,633	18,176,015	-	281,575	-	-	39,040,223
Leased Assets	2,039,700	-	-	-	-	-	2,039,700
Other Financial assets	1,722,849	558,690	345	27,188	-	534	2,309,606
Total Financial assets	**165,690,604**	**82,621,156**	**334,195**	**7,168,313**	**7,016**	**294,735**	**256,116,019**
Financial Liabilities							
Due to banks	116,900	14,531,454	-	102,746	-	86,237	14,837,337
Customers' deposits	135,346,155	56,678,671	324,638	6,934,728	8,307	690,100	199,982,599
Islamic Pre promised exchange contracts	10,540	4,170	-	-	-	-	14,710
Subordinated financings	1,154,415	9,246,856	-	-	-	-	10,401,271
Other Financial liabilities	998,038	325,752	1,092	4,869	-	(168)	1,329,583
Total Financial Liabilities	**137,626,048**	**80,786,903**	**325,730**	**7,042,343**	**8,307**	**776,169**	**226,565,500**
Net financial position	**28,064,556**	**1,834,253**	**8,465**	**125,970**	**(1,291)**	**(481,434)**	**29,550,519**
31 December 2023							
Total Financial assets	**122,489,830**	**33,842,399**	**363,126**	**2,851,574**	**-**	**112,720**	**159,659,649**
Total Financial Liabilities	**103,616,378**	**31,294,624**	**358,125**	**2,839,849**	**5,050**	**563,899**	**138,677,925**
Net financial position	**18,873,452**	**2,547,775**	**5,001**	**11,725**	**(5,050)**	**(451,179)**	**20,981,724**

4/2/4 Profit rate risk

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

Profit rate structure risk management system

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

Asset-Liability Committee (ALCO) Duties

-Determination of acceptable limits for sensitivity analysis purposes
-Reviewing the assumptions used to identify, measure, validate and approve risks.
-Evaluating, modifying and adopting the proposed recommendations for the adjustment of gaps (if any) in line with the previously approved limits.

ADIBs' objective of managing Profit rate risk

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

4/2/4 Profit rate risk - Continue

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

EGP (in thousands)

31 December 2024	Up to 1 month	Over 1 month to 3 month	More than 3 month up to 1 year	More than 1 year to 3 years	More than 3 years	Non-profit bearing	Total
Financial Assets							
Cash and due from banks and CBE	-	-	-	-	-	19,430,191	**19,430,191**
Due from banks	77,387,507	11,989,883	4,972,349	-	-	205,664	**94,555,403**
Financings and facilities to customers	53,049,527	13,307,086	10,723,833	14,554,770	8,634,864	2,052,695	**102,322,775**
Treasury Bills	1,739	6,357,987	1,971,590	-	-	-	**8,331,316**
Treasury Bonds	234,735	39,122	3,540,468	19,195,199	12,593,829	-	**35,603,353**
Other Financial Investments	-	-	-	1,016,112	-	-	**1,016,112**
Other financial assets	-	-	-	-	-	8,795,089	**8,795,089**
Total financial assets	**130,673,508**	**31,694,078**	**21,208,240**	**34,766,081**	**21,228,693**	**30,483,639**	**270,054,239**
Financial Liabilities							
Due to banks	14,837,337	-	-	1,491,705	7,960,499	-	**24,289,541**
Customers' deposits	55,375,947	15,224,986	29,710,230	32,499,118	67,879,140	-	**200,689,421**
Other financial liabilities	-	-	-	-	-	45,075,277	**45,075,277**
Total financial liabilities	**70,213,284**	**15,224,986**	**29,710,230**	**33,990,823**	**75,839,639**	**45,075,277**	**270,054,239**
Profit re-pricing Gap	**60,460,224**	**16,469,092**	**(8,501,990)**	**775,258**	**(54,610,946)**	**(14,591,638)**	**-**
31 December 2023							
Total financial assets	**94,316,582**	**12,895,104**	**12,817,091**	**19,719,671**	**3,961,232**	**20,405,103**	**164,114,783**
Total financial liabilities	**28,756,318**	**12,182,751**	**15,429,891**	**31,501,146**	**49,653,508**	**26,591,169**	**164,114,783**
Profit re-pricing Gap	**65,560,264**	**712,353**	**(2,612,800)**	**(11,781,475)**	**(45,692,276)**	**(6,186,066)**	**-**

Profit Rate Sensitivity Analysis

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

Sensitivity of net income expected from Profit

EGP (in thousands)

	31 December 2024			31 December 2023		
Profit rate sensitivity analysis	Average	Higher	Lower	Average	Higher	Lower
Sensitivity of net expected income from profit						
Increase or decrease 200 basis points	790,900	928,194	568,942	574,574	833,126	407,086
Total value at risk	**790,900**	**928,194**	**568,942**	**574,574**	**833,126**	**407,086**
Equity sensitivity to changes in profit rates						
Increase or decrease 200 basis points	790,900	928,194	568,942	574,574	833,126	407,086
Total value at risk	**790,900**	**928,194**	**568,942**	**574,574**	**833,126**	**407,086**

- Changes in Profit rates affect equity in the following ways:
  - Retained earnings: Increase or decrease in net income from the Profit and the fair value of the financial derivatives and included within profit and loss.
    Fair value reserve: Increase or decrease in the fair value of financial assets at fair value through other comprehensive income (before 1 January 2019: available for sale) recognized directly in other comprehensive income.
  - Hedging reserve: The increase or decrease in fair value of hedging instruments classified as cash flow hedging.

4/3 Liquidity risk

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

- **Liquidity risk management**

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

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

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

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

4/3 Liquidity risk – Continued

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

EGP (in thousands)

31 December 2024	Up to 1 month	Over 1 month to 3 month	More than 3 month up to 1 year	More than 1 year to 3 years	More than 3 years	Total
Financial Assets						
Cash and due from banks and CBE	1,336,697	-	-	12,475,956	-	**13,812,653**
Due from banks	79,123,356	15,827,549	3,558,716	2,762	-	**98,512,383**
Treasury bills	1,668,205	5,200,478	1,463,143	-	-	**8,331,826**
Financings and facilities to banks	536,265	-	1,661,675	-	-	**2,197,940**
Financings and facilities to customers	11,905,979	14,945,952	58,404,281	26,016,716	12,248,082	**123,521,010**
Financial investments:						
Financial investments at FVPL	-	-	122,019	-	-	**122,019**
Financial investments at FVOCI	2,998,809	-	-	437,549	-	**3,436,358**
Financial investments at amortized cost	48,112,925	-	-	-	-	**48,112,925**
Investments in associates	-	-	-	-	456,545	**456,545**
Other financial assets	-	-	-	-	6,645,099	**6,645,099**
Total financial assets	**145,682,236**	**35,973,979**	**65,209,834**	**38,932,983**	**19,349,726**	**305,148,758**
Financial Liabilities						
Due to banks	16,070,041	-	-	-	-	**16,070,041**
Customers' deposits	63,920,446	13,898,973	26,242,992	127,091,481	255,253	**231,409,145**
Subordinated financings	122,516	131,195	436,763	3,749,501	8,887,220	**13,327,195**
Other financial liabilities	1,732,301	-	-	-	40,264,422	**41,996,723**
Total financial liabilities	**81,845,304**	**14,030,168**	**26,679,755**	**130,840,982**	**49,406,895**	**302,803,104**
Liquidity Gap	**63,836,932**	**21,943,811**	**38,530,079**	**(91,907,999)**	**(30,057,169)**	**2,345,654**
31 December 2023						
Total financial assets	**91,836,287**	**22,132,887**	**31,343,379**	**26,417,849**	**13,430,673**	**185,161,075**
Total financial liabilities	**34,621,899**	**10,744,524**	**16,488,271**	**94,967,429**	**31,948,673**	**188,770,796**
Liquidity Gap	**57,214,388**	**11,388,363**	**14,855,108**	**(68,549,580)**	**(18,518,000)**	**(3,609,721)**

4/4 Fair value of financial assets and liabilities and fair value sources

A- Financial instruments measured at fair value
Financial assets classified as trading financial assets at fair value with changes in fair value are recognized in the statement of income under "Net trading income". Debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with the difference in fair value recognized in other comprehensive income in the "fair value reserve". For investments in equity instruments, equity securities listed on the stock exchange are measured at fair value at the quoted market price at the date of the consolidated financial statements. For non-listed shares, except for strategic investments, they are evaluated on an "acceptable technical basis", and the inclusion of valuation differences in other comprehensive income within the "fair value reserve"; for strategic investments, the cost or nominal value is considered to be the fair value of those investments.

Due from Banks
The fair value of overnight deposits and deposits with variable yield represents their present value. The expected fair value of variable yield deposits is estimated based on discounted cash flows using the prevailing market profit rate on debt with a credit risk and a similar due date.

Financing and facilities to customers
Financings and facilities to banks consist of financings other than due from banks. The expected fair value of financings and facilities represents the discounted value of future cash flows expected to be recovered. Cash flows are discounted using the current market profit rate to determine the fair value. Financings and facilities are presented net of provision for impairment losses.

Investments in securities
Investments in securities include only financial assets with a fixed or determinable maturity date and the business model is intended to be retained in order to obtain the principal and profit of the investment only. The fair values of financial assets held to maturity are determined based on market prices or prices obtained from brokers. If these data are not available, fair value is estimated using quoted market prices of quoted securities with credit characteristics, due date and similar rates.

Customers' Deposits and Due to other banks
The estimated fair value of deposits with an undetermined due date, including non-yield bearing deposits, represents the amount to be repaid on demand.

The fair value of fixed rate deposits and other non-current financings is determined on an active market based on discounted cash flows using the profit rate on new debts with a similar due date.

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4/5 Capital management

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

- To comply with the legal capital requirements in the Arab Republic of Egypt and other countries in which ADIB's branches operate.
- To protect ADIB's ability to continue and enable it to continue to generate Profit for shareholders and other parties dealing with ADIB.
- To maintain a strong capital base that supports growth in activity.

Capital adequacy and capital uses are reviewed in accordance with the requirements of the regulatory body (the Central Bank of Egypt in the Arab Republic of Egypt or the supervisory bodies in which the foreign branches of ADIB operate) daily through ADIB's management, through models based on Basel Committee guidelines for banking supervision. The required data are provided to the Central Bank of Egypt on a quarterly basis.

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

The numerator in capital adequacy comprises the following two tiers:

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

Tier 2: It is the subordinated capital, which consists of the equivalent of the general risk provision according to the creditworthiness principles issued by CBE at no more than 1.25% of the total risk-weighted assets and contingent liabilities, and the subordinated financing / deposits with more than five years' maturity terms (amortisation of 20% of their value at each of the last five years of maturity).

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

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

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

According to Basel II	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Tier 1 after disposals		
Issued and paid up capital	6,000,000	5,000,000
Reserves	796,365	532,358
Fair value reserve	284,547	178,036
Retained earnings	15,831,681	8,567,603
Less: The bank's investments in financial companies (banks or companies) and insurance companies (shares and investment funds)	(232,922)	(163,545)
Deferred tax	(196,968)	(163,253)
Intangible assets	(44,356)	(38,832)
Total basic going concern capital after disposal	**22,438,347**	**13,912,367**
Additional basic capital		
Difference between FV and PV for subordinated financing	24,950	30,435
Total additional basic capital	**24,950**	**30,435**
Total Tier 1 after disposal (basic capital)	**22,463,297**	**13,942,802**
Tier 2 after disposals		
Equivalent of required provisions balances against debt instruments / loans and credit facilities incorporated in stage 1	2,076,871	1,104,808
Subordinated financing	7,073,796	2,859,863
45 % of the increase in fair value compared to carrying amount of available for sale investment, investments held to maturity & investments in affiliates and associates	46,528	46,528
45% of special reserve	15,585	14,386
Total Tier 2 after disposal	**9,212,780**	**4,025,585**
Total capital base after disposal	**31,676,077**	**17,968,387**
Credit risks	166,189,756	88,387,332
The value of overriding the top 50 clients over the prescribed limits is weighted by risk weights	9,265,436	1,775,770
Market risks	845,530	1,207,590
Operating risks	7,742,300	8,587,550
Total assets and contingent liabilities weighted by credit, market, operational risks	**184,043,022**	**99,958,242**
Capital Adequacy Ratio	**17.21%**	**17.98%**

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4/6 Leverage ratio

- The Board of Directors of the Central Bank of Egypt (CBE) at its session dated 7 July 2015 issued a resolution approving the supervisory instructions for the financial leverage, with the banks' commitment to the minimum rate of 3% on a quarterly basis as a binding control ratio starting from 2019.

In preparation for consideration of the first pillar of Basel (Minimum Capital Adequacy) in order to preserve the strength and integrity of the Egyptian banking system and to comply with the best international supervisory practices in this regard. The leverage reflects the relationship between the first tier of capital used in the standard of capital adequacy (after exclusions), and bank assets (both within and outside the financial position) are not weighted by risk weights.

Ratio components:

The numerator components

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

The denominator elements

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

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

2- Exposures resulting from derivatives contracts.

3- Exposures resulting from financing securities.

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

The following table summarizes the leverage ratio:

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Tier 1 capital after disposals (1)	**22,463,297**	**13,942,802**
Cash and due from CBE	19,433,859	12,324,827
Due from Banks	94,537,740	46,265,093
Treasury bills and other government securities	8,196,685	16,197,716
Financial investments at FVPL	60,991	162,176
Financial investments at FVOCI	2,308,242	665,886
Financial investments at amortized cost	31,564,622	16,849,808
Investments in subsidiaries and associates	543,817	407,650
Total financings and credit facilities to customers	97,813,331	65,007,754
Fixed assets (net of impairment loss provision & accumulated depreciation)	706,918	640,636
Other assets	8,225,129	6,232,573
Deducted amounts from exposures (some of tier 1 exclusions for capital base)	(474,246)	(365,631)
Total on-balance sheet exposures items after deducting tier 1 disposals	**262,917,088**	**164,388,488**
Replacement cost	25,402	33
Expected future value	20,988	7,016
Pre-Promised Islamic Contracts	**46,390**	**7,049**
Treasury bills sale with repurchase commitment	93	1,954
Exposure resulting from securities financing	**93**	**1,954**
Total on-balance sheet exposures, pre-promised islamic contracts and financing financial securities	**262,963,571**	**164,397,491**
Letters of credit -import	1,974,911	657,553
Letters of credit -export	12,009	136,741
letters of guarantee	15,798,476	10,179,819
letters of guarantee requested or guaranteed by external banks	2,227,233	1,291,879
Contingent liabilities for general collaterals for financing facilities and similar collaterals	162,684	98,858
Bank acceptance	7,189,089	1,677,299
Total contingent liabilities	**27,364,402**	**14,042,149**
Capital commitments	286,064	101,176
Operating lease commitments	594,631	281,775
Financing commitments to clients /banks (unutilized part) original maturity period	4,860,880	4,154,760
Total commitments	**5,741,575**	**4,537,711**
Total exposures off-balance sheet	**33,105,977**	**18,579,860**
Total exposures on-balance sheet and off-balance sheet (2)	**296,069,548**	**182,977,351**
Financial leverage ratio (1/2)	**7.59%**	**7.62%**

5- Significant accounting estimates and assumptions

ADIB uses estimates and assumptions that affect the amounts of assets and liabilities disclosed during the next fiscal year. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and information available.

A) Estimates:

Information on estimates used in applying accounting policies that have a material impact on the amounts recognized in the financial statements:

- **Classification of financial assets**: Valuation of the business model in which the asset shall be retained and evaluated whether contractual terms of the financial asset shall result in the generating of cash flows in the form of payment of profit and instalments on the outstanding balances of those assets.

B) Uncertainty Related with Assumptions and Estimates:

Uncertainties related with assumptions and estimates of significant risks that may result in material adjustments in the financial period ended on 31 December 2024 shall be appeared in the following notes:

- **Impairment of financial instruments**: An assessment of whether there has been a significant increase in credit risk on financial assets since the initial recognition, taking into account, the impact of future information upon measuring the expected credit losses.
- **Determination of the fair value of financial instruments**: using unobservable inputs upon measuring.
- **Measurement of defined benefit liabilities**: Key actuarial assumptions.
- **Recognition of deferred tax assets**: The existence of future taxable profits that may be benefited from forward tax losses.

6- Segment analysis

The activity segments include the operations, assets used in the provision of banking services, the management of the risks surrounding them, and the profit related with this activity, which may differ from other activities. The segment analysis of operations in accordance with the banking business include:

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

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

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

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

EGP (in thousands)

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

EGP (in thousands)

31 December 2023	corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment					
Revenues of activity segment	3,776,767	2,239,373	2,983,338	1,696,852	**10,696,330**
Expenses of activity sectors	(1,933,006)	(124,758)	(1,386,963)	(716,249)	**(4,160,976)**
Profit for the year before tax	**1,843,761**	**2,114,615**	**1,596,375**	**980,603**	**6,535,354**
Tax	(414,878)	(780,124)	(379,168)	(287,344)	**(1,861,514)**
Profit for the year	**1,428,883**	**1,334,491**	**1,217,207**	**693,259**	**4,673,840**
Assets and liabilities by activity segment					
Assets of activity sectors	43,193,792	81,922,936	20,369,395	-	**145,486,123**
Non-Classified assets	-	-	-	16,768,556	**16,768,556**
Total assets	**43,193,792**	**81,922,936**	**20,369,395**	**16,768,556**	**162,254,679**
Liabilities of activity sectors	66,622,150	10,458,786	60,538,143	-	**137,619,079**
Non-classified liabilities	-	-	-	10,271,152	**10,271,152**
Total liabilities	**66,622,150**	**10,458,786**	**60,538,143**	**10,271,152**	**147,890,231**

7- Net profit income

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income		
Banks	126,917	-
customers	18,185,314	10,509,100
Total	**18,312,231**	**10,509,100**
Financial investments in debt instruments at AC and FVOCI	38,992	15,173
Deposits and current accounts*	17,941,955	8,599,773
Income from Lease Receivable	651,308	409,703
Total	**36,944,486**	**19,533,749**
Cost of deposits and similar costs		
To banks	(1,397,411)	(183,879)
To customers	(19,445,837)	(9,901,182)
other financings	(848,421)	(523,394)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(169)	(1,044)
Total	**(21,691,838)**	**(10,609,499)**
Net Revenues from funds	**15,252,648**	**8,924,250**

The income from deposits and current accounts with banks includes the return resulting from the Murabaha concluded with a local bank, and the returns, profits and losses resulting from financial investments in government debt instruments belong to this bank according to the investment restricted agency, which requires investing these amounts in government debt instruments within the limits of the return expected and agreed upon.

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

8- Net fees and commissions income

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Fees and commissions income:		
Credit related fees and commissions	1,702,689	1,193,450
Fees of corporate financing	20,484	28,587
Custody fees	1,743	3,252
Other fees	865,503	721,329
Total	**2,590,419**	**1,946,618**
Fees and commissions expenses:		
Paid brokerage fees	(896)	(512)
Miscellaneous banking commission	(25,123)	(31,334)
Credit cards paid commissions	(550,697)	(273,039)
Other fees and commissions paid	(118,572)	(83,244)
Total	**(695,288)**	**(388,129)**
Net fees and commission income	**1,895,131**	**1,558,489**

9- Dividends Icome

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Equity instruments at FVPL	1,168	955
Equity instruments at FVOCI	3,579	4,247
Total	**5,415**	**5,202**

10- Net trading income

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Foreign currencies operations:		
Gain from fx deals	647,833	258,532
Gain of Islamic forward contracts revaluation	1,902	34
Gain / (Loss) of currency option contracts revaluation	10,352	(3,450)
Gain of revaluation of forward exchange contracts	12,513	3,478
Equity Instruments at FVPL	8,046	8,583
Mutual funds at FVPL	28,065	23,973
Total	**708,711**	**291,150**

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11- Administrative expenses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Employees' cost		
Salaries,wages and benefits	(1,149,731)	(891,536)
Social insurance	(61,946)	(51,108)
Pension cost		
Defined contribution plans	(34,812)	(28,419)
Defined benefit plans	(128,546)	(109,411)
Depreciation and amortization	(133,481)	(93,694)
Other administrative expenses	(1,106,002)	(747,757)
Total	**(2,614,518)**	**(1,921,925)**

12- Other operating expenses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Gain / (Loss) on translation of monetary assets and liabilities denominated in foreign currencies other than those held for trading or initially designated at FVPL	49,251	(90,949)
Gain on sale of assets reverted to bank	-	25,611
Gain on sale of fixed assets	10,890	42,173
Gain on sale of investment properties	8,886	222
Cost Of Program	(338,466)	(221,517)
operating lease expense	(177,702)	(136,051)
Other assets Impairment	(7,268)	(2,823)
Other provisions	(288,922)	(252,729)
Other expense	(183,671)	(136,444)
Total	**(927,002)**	**(772,507)**

13- Expected credit losses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Financing and facilities to customers	(2,207,223)	(1,560,772)
Financing and facilities to banks	(2,481)	-
Due from banks	(1,084)	(11,326)
Financial investments at FVOCI	5,518	(4,199)
Financial investments at amortized cost	29,988	(43,675)
Leased Assets	4,711	(13,858)
Total	**(2,170,571)**	**(1,633,830)**

14- Income tax expenses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current tax	(3,339,975)	(1,924,113)
Deferred tax	65,762	62,599
Total	**(3,274,213)**	**(1,861,514)**

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

Reconciliation to calculate effective tax rate:

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Profit before tax	12,290,152	6,535,354
Applicable tax rate	22.5%	22.5%
Income tax (expenses) based on applied tax rate	2,765,284	1,470,455
Tax impact for		
Non-taxable revenues	(1,203,973)	(933,429)
Non-deductible tax expenses	895,088	563,962
Tax of treasury bills and bonds and dividends	817,815	760,526
Income tax expenses according to effective tax rate	**3,274,213**	**1,861,514**
Effective tax rate	**26.64%**	**28.48%**

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15- Cash and balances with the Central Bank of Egypt

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash	1,336,757	800,846
Balances with central bank within mandatory reserve ratio	12,474,932	9,184,571
Total	**13,811,689**	**9,985,417**
Non-Profit bearing balances	13,811,689	9,985,417
Total	**13,811,689**	**9,985,417**

16- Due from banks

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current accounts	213,859	124,842
Placements with other banks	97,926,497	48,479,700
Murabaha due from local banks*	48,013,050	37,047,764
Restricted wakala due to local banks*	(48,013,050)	(37,047,764)
	98,140,356	**48,604,542**
(less) Expected Credit Losses	(22,697)	(13,243)
Total	**98,117,659**	**48,591,299**
Balances with CBE other than mandatory reserve ratio	5,622,227	2,339,449
Local banks	86,856,949	45,232,649
Murabaha due from local banks*	48,013,050	37,047,764
Restricted wakala due to local banks*	(48,013,050)	(37,047,764)
Foreign Banks	5,661,180	1,032,444
(less) Expected Credit Losses	(22,697)	(13,243)
Total	**98,117,659**	**48,591,299**
Non-Profit bearing balances	213,859	124,842
Variable profit bearing balances	92,307,996	46,142,236
Fixed profit bearing balances	5,618,501	2,337,464
(less) Expected Credit Losses	(22,697)	(13,243)
Total	**98,117,659**	**48,591,299**
Due from banks' expected credit losses movement		
Balance at beginning of the year	13,243	1,558
Net Expected credit losses recognized during the year	1,084	11,326
Foreign exchange translation differences	8,370	359
Total	**22,697**	**13,243**

*Balances with banks include an amount of 48,013,050 EGP representing Murabaha due from a local bank, offset by restricted investment agencies due to the same bank for the same amount to invest the restricted agency amount in government debt instruments, and a set-off has been made between them due to their fulfilment of the conditions for set-off between assets and liabilities contained in the rules for preparing and photographing The financial statements issued by the Central Bank of Egypt on December 16.
In 2020, the Sharia Board of the bank approved this structure, through which Abu Dhabi Islamic Bank - Egypt invests its surplus liquidity in concluding an international commodity murabaha transaction with a local bank and concluding an investment agency contract in which the local bank assigns Abu Dhabi Islamic Bank - Egypt as a restricted agency for investment. In the purchase of treasury bills and bonds for the benefit of the principal, and therefore, as mentioned, the bank's return is the profit of international commodity murabaha and the Profit of the bills and bonds in favour of the contracted local bank.

17- Financing and facilities to Banks

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Direct Facilities	2,033,552	-
Total	**2,033,552**	**-**
less:		
Expected Credit Losses	(2,825)	-
Total	**(2,825)**	**-**
Net	**2,030,727**	**-**
Financing and Facilities to banks' impairment loss provision analysis		
Balance at beginning of the year	-	-
Net Expected credit losses recognized during the year	2,481	-
Foreign exchange translation differences	344	-
Total	**2,825**	**-**

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18- Financing and facilities to Customers

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

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Retail		
Debit current accounts	9,855	5,617
Credit cards	1,276,893	846,104
Personal financing	26,129,524	16,922,030
Mortgage Financing	599,717	478,284
Total	**28,015,989**	**18,252,035**
Corporate (including SMEs)		
Debit current accounts	13,878,758	8,043,753
Direct financing	58,994,996	40,760,423
Syndicated financing	1,463,357	795,048
Credit cards	70	172
Total	**74,337,181**	**49,599,396**
Total financing and facilities to customers	**102,353,170**	**67,851,431**
Deduct:		
Expected Credit Losses	(6,662,099)	(4,213,187)
Total	**(6,662,099)**	**(4,213,187)**
Net	**95,691,071**	**63,638,244**
Classified in balance sheet as follow		
Conventional financings to Customers(net of ECL)	61,123	16,305
Islamic financings to Customers(net of ECL)	95,629,948	63,621,939
Net	**95,691,071**	**63,638,244**
Variable-profit bearing balances	63,485,421	41,423,098
Fixed-profit bearing balances	32,205,650	22,215,146
Total	**95,691,071**	**63,638,244**

Financing and Facilities to customers' Expected Credit Losses movement	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at beginning of the year	**4,213,187**	**2,696,928**
Subsideries write off	63,830	-
Net Expected credit losses recognized during the year	2,207,223	1,560,772
Recoveries from previously written-off financings	46,647	30,831
Used from provision during the year	(580,310)	(208,523)
Foreign exchange translation differences	711,522	133,179
Total	**6,662,099**	**4,213,187**

18- Financing and facilities to customers - Continued

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

EGP (in thousands)

Retail

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

Corporate

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

EGP (in thousands)

Retail

31 December 2023	Debit current accounts	Credit cards	Personal financing	Mortgage Financing	Total
Balance at beginning of the year	-	56,138	574,268	2,060	632,466
Expected Credit Losses During the year	-	37,416	84,513	6,951	128,880
Recoveries from Written off loans	-	13,881	12,238	-	26,119
Used from provision during the year	-	(18,066)	(142,587)	-	(160,653)
Balance at 31 December 2023	-	89,369	528,432	9,011	626,812

Corporate

31 December 2023	Debit current accounts	Direct financing	Syndicated financing	Other financings	Total
Balance at beginning of the year	72,462	1,933,161	58,839	-	2,064,462
Expected Credit Losses During the year	76,450	853,493	501,941	8	1,431,892
Recoveries from Written off loans	-	4,712	-	-	4,712
Used from provision during the year	-	(47,870)	-	-	(47,870)
Foreign exchange translation differences	-	133,179	-	-	133,179
Balance at 31 December 2023	148,912	2,876,675	560,780	8	3,586,375

19- Financial investments

1/19 Financial investments at FVPL	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Listed equity instruments		
Local corporate shares	14,924	17,716
Total equity instruments	**14,924**	**17,716**
B) Mutual funds certificates		
Un-Listed in stock exchange market	107,095	195,338
Total mutual funds certificates	**107,095**	**195,338**
Total financial investments at FVPL (1)	**122,019**	**213,054**

2/19 Financial investments at FVOCI	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Treasury bonds - at FV		
Listed in stock exchange market	1,607,748	216,022
Total Treasury bonds	**1,607,748**	**216,022**
B) Islamic Sukuk - at FV		
Listed in stock exchange market	262,944	151,943
Total Islamic Sukuk	**262,944**	**151,943**
B) Government treasury bills - at FV		
Un-Listed in stock exchange market	619,681	11,032,003
Total Government treasury bills	**619,681**	**11,032,003**
Detailed T-bills maturities as the following:		
Treasury bills of 91 days maturity	11,625	8,008,000
Treasury bills of 182 days maturity	5,375	1,350,000
Treasury bills of 273 days maturity	-	535,250
Treasury bills of 364 days maturity	632,025	1,353,000
Total	**649,025**	**11,246,250**
Unearned revenues	(32,002)	(211,233)
Valuation differences of treasury bills at FV	2,658	(3,014)
Net	**619,681**	**11,032,003**
C) Equity instruments at FV		
Un-Listed in stock exchange market	400,959	268,375
Total equity instruments	**400,959**	**268,375**
D) Mutual funds certificates at FV		
Un-Listed in stock exchange market	36,591	29,546
Total mutual funds certificates	**36,591**	**29,546**
Total financial investments at FVOCI (2)	**2,927,923**	**11,697,889**

19- Financial investments —— continued

3/19 Financial investments at AC	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Government treasury bonds		
Listed in stock exchange market	30,105,418	16,849,807
Less: Expected Credit Losses	(56,673)	(40,754)
Total government treasury bonds	**30,048,745**	**16,809,053**
B) Corporate Bonds - AC		
Listed in stock market exchange	1,459,204	-
(Deduct) Impairment loss provision	(7,691)	-
Total corporate bonds	**1,451,513**	**-**
B) Government treasury bills		
Un-Listed in stock exchange market	7,580,187	5,184,182
Less: Expected Credit Losses	(39,696)	(38,632)
Total government treasury bills	**7,540,491**	**5,145,550**
Detailed T-bills maturities as the following:		
Treasury bills of 273 days maturity	-	575,000
Treasury bills of 364 days maturity	7,682,801	4,679,389
Total	**7,682,801**	**5,254,389**
Unearned revenues	(102,614)	(70,207)
Less: Expected Credit Losses	(39,696)	(38,632)
Net (1)	**7,540,491**	**5,145,550**
REPOs		
Treasury bills sold with repurchase commitment within one week	(522)	(21,319)
Total	**(522)**	**(21,319)**
Unearned revenues	(4)	(163)
Net (2)	**(526)**	**(21,482)**
Net (1+2)	**7,539,965**	**5,124,068**
Total financial investments at AC (3)	**39,040,223**	**21,933,121**
Total financial investments (1+2+3)	**42,090,165**	**33,844,064**
Non-profit bearing balances	437,550	297,921
Fixed-profit bearing balances	40,097,473	33,147,985
Variable-profit bearing balances	1,555,142	398,158
Total financial investments	**42,090,165**	**33,844,064**

Debt instruments Expected Credit Losses movement	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	79,386	28,588
Net Expected Credit Losses during the year	(29,988)	43,675
Foreign exchange translation differences	54,662	7,123
Total	**104,060**	**79,386**

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19- Financial investments —— continued

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

▪ An Islamic equity fund, with an independent Sharia body, was launched in December 2006 and aims to create a mechanism that allows for investors, invest in local and regional markets through moderate risk investment strategies. The fund works to reduce the risks to which investors are exposed through diversification into local short- and medium-term Islamic stocks Term, Global Depositary Receipts and Regional Shares

▪ The financial investments at fair value through other comprehensive income include ADIB's contribution in Sanabel Mutual Fund between ADIB and the Arab International Banking Company under the management of HC company for managing mutual funds.

▪ The total number of documents invested in by ADIB is 25,000 documents at market value of EGP 398.8 at 2.5% of total number of documents outstanding to reach total amount of EGP 9,921 thousand as at 31 December 2024 (31 December 2023: EGP 7,270 thousand).

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

▪ ADIB has established Abu Dhabi Islamic Bank - Egypt Monetary Fund with Accumulative Daily Return (El-Naharda) compatible with the principles of Islamic Sharia law, as the fund is managed by Beltone for managing investment funds.

▪ The total number of documents invested in by ADIB is 87,165 documents at market value of EGP 305.97 at 3% of the fund's total number of documents outstanding, so the total amount is EGP 26,670 thousand as at 31 December 2024 (31 December 2023: EGP 22,276 thousand).

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

EGP (in thousands)

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

31 December 2023	FVOCI	Amortized cost	Total
Balance at beginning of the year	**4,003,093**	**26,889,619**	**30,892,712**
Additions	27,002,573	8,583,662	**35,586,235**
Premium / discount Amortization	2,799,670	731,389	**3,531,059**
Disposals (Sale / redemption)	(22,236,117)	(15,121,709)	**(37,357,826)**
Translation difference of monetary assets in foreign currencies	12,576	900,958	**913,534**
Changes in fair value reserve	116,094	-	**116,094**
Less: impairment loss provision	-	(50,798)	**(50,798)**
31 December 2023	**11,697,889**	**21,933,121**	**33,631,010**

19/4 Gains / (losses) of financial investments

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Gains from sale of equity instruments at FVOCI	-	5
Total	**-**	**5**

20- Investments in associates

	31 December 2024		31 December 2023	
Contribution in Associates	**Value**	**Share**	**Value**	**Share**
Orient Takaful Insurance - Egypt	456,520	20.0%	157,342	20.0%
Consumer Cooperative Society	25	71.4%	25	20.0%
Total	**456,545**		**157,367**	

21- Intangible Assets (after deducting accumulated amortization)

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net book value at the beginning of the year	38,832	20,936
Additions	24,935	33,606
Amortization for the year	(19,411)	(15,710)
Net book value ate the end of the year	**44,356**	**38,832**

22- Other assets

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Accrued revenues	2,309,606	1,680,940
prepaid expenses	1,172,008	710,051
Advance payments for purchase of fixed assets	611,809	106,144
Assets reverted to the bank in settlement of debts (Net of impairment losses)	2,984	2,984
Deposits and custodies	14,943	8,550
Due from Related Parties	86,390	58,677
Accounts Under Settlements With Correspondents	510,795	449,234
Inventory	1,280	1,354
Other debit balances	537,397	78,933
Total	**5,247,212**	**3,096,867**
Provision for impairment of other assets	(5,530)	(5,530)
Net other assets	**5,241,682**	**3,091,337**

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23- Fixed assets (after deducting accumulated depreciation)

EGP (in thousands)

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

EGP (in thousands)

31 December 2023	Lands & Premises	& Machinery Equipment	Renovation	Other assets	Total
Cost	246,391	104,650	364,438	807,001	**1,522,480**
Accumulated Depreciation	(46,118)	(55,982)	(142,893)	(448,371)	**(693,364)**
Disposals resulting from the sale and reclassification of subsidiaries	(77,100)	(41,286)	-	(63,269)	**(181,655)**
Net Book Value	**123,173**	**7,382**	**221,545**	**295,361**	**647,461**
Net Book Value at the beginning of the year	135,157	8,624	234,995	117,692	**496,468**
Additions	-	508	3,953	230,205	**234,666**
Disposals	(11,061)	(644)	-	(10,034)	**(21,739)**
Disposals' Accumulated Depreciation	4,679	644	-	9,507	**14,830**
Depreciation charge for the year	(5,602)	(1,750)	(17,403)	(52,009)	**(76,764)**
Net Book Value	**123,173**	**7,382**	**221,545**	**295,361**	**647,461**

24- Investment property

31 December 2024	Lands	Premises	Total
		EGP (in thousands)	
Balance at the beginning of the year	3,663	11,046	**14,709**
Disposals	-	(5,514)	**(5,514)**
Depreciation for the year	(1,213)	-	**(1,213)**
Balance at the end of the year	**2,450**	**5,532**	**7,982**

31 December 2023	Lands	Premises	Total
		EGP (in thousands)	
Balance at the beginning of the year	5,062	11,046	**16,108**
Disposals	(340)	-	**(340)**
Depreciation for the year	(1,220)	-	**(1,220)**
Disposals' Accumulated Depreciation	161	-	**161**
Balance at the end of the year	**3,663**	**11,046**	**14,709**

25- Financial Leased Assets to Others

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cost		
Total investments in finance lease contract	4,453,142	3,553,218
Less Down Payment - Leasing Contracts	(2,390,945)	(1,606,359)
Net Invest in Lease contract	**2,062,197**	**1,946,859**
Less: impairment loss provision	(22,497)	(27,208)
Net at the end of the year	**2,039,700**	**1,919,651**

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26- Due to banks

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current Accounts	754,990	357,803
Deposits	14,082,347	6,121,039
Total	**14,837,337**	**6,478,842**
Local Banks	2,542,117	4,384
Foreign Banks	12,295,220	6,474,458
Total	**14,837,337**	**6,478,842**
Non-profit bearing balances	754,990	357,803
Variable profit bearing balances	14,082,347	6,121,039
Total	**14,837,337**	**6,478,842**

27- Customers' deposits

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Demand Deposits	61,541,391	45,624,314
Time and call deposits	72,277,419	34,087,087
Saving and deposit certificates	42,425,063	32,858,686
Saving Deposits	20,580,968	10,612,357
Other Deposits	3,157,758	3,849,464
Total	**199,982,599**	**127,031,908**
Corporate deposits	113,177,810	69,312,922
Retail deposits	86,804,789	57,718,986
Total	**199,982,599**	**127,031,908**
Non-profit bearing balances	20,637,415	15,176,731
Fixed profit bearing balances	179,345,184	111,855,177
Total	**199,982,599**	**127,031,908**

28- Islamic forward contracts / Islamic currency swap contracts

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

EGP (in thousands)

	31 December 2024		
	/ Contractual nominal amount	Assets	Liabilities
Islamic Pre promised forward exchange contracts	717,103	25,402	-
Islamic Pre promised currency swap contracts	757,768	-	14,710
Total	**1,474,871**	**25,402**	**14,710**

	31 December 2023		
	/ Contractual nominal amount	Assets	Liabilities
Islamic Pre promised forward exchange contracts	440	34	-
Islamic Pre promised currency swap contracts	708,413	-	3,450
Total	**708,853**	**34**	**3,450**

29- Subordinated financing – Other Islamic Financings

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Subordinated Financing at reduced cost*	1,777,365	1,052,617
Subordinated Financing with coupon**	7,469,491	2,471,448
Other Financings	1,154,415	1,229,137
Total	**10,401,271**	**4,753,202**
Subordinated Financing at reduced cost*		
Balance at the beginning of the year- face value of subordinated financing	1,052,617	821,667
Subordinated financing cost using effective interest rate method	43,156	26,735
Foreign currency translation differences	681,592	204,215
Total	**1,777,365**	**1,052,617**

***Subordinated financing at Reduced Cost**

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

****Subordinated financing With Coupon**

Abu Dhabi Islamic Bank – UAE

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

International Finance Corporation

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

30- Other liabilities

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Accrued revenues	1,329,583	410,523
Accrued expenses	967,493	700,087
Other credit balances	5,373,127	5,616,814
Total	**7,670,203**	**6,727,424**

31- Other provisions

EGP (in thousands)

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

31 December 2023	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Other Provisions	Total
Balance at beginning of the year	**17,432**	**45,519**	**679,617**	**2,010**	**744,578**
Impairment charged during the year	57,446	5,133	254,554	-	**317,133**
Used provision during the year	(2,804)	(3,888)	-	-	**(6,692)**
Provision No longer Required	(101)	-	(64,303)	-	**(64,404)**
Foreign exchange translation differences	-	-	82,187	-	**82,187**
Transfer From/ To Liabilities	4,996	-	-	-	**4,996**
Balance at 31 December 2023	**76,969**	**46,764**	**952,055**	**2,010**	**1,077,798**

In reference to what was stated in the minutes of the ordinary general assembly of the bank on October 18, 2015, regarding the different opinions on the basis for calculating the amounts of US dollars paid under the capital increase account by Abu Dhabi Islamic Bank - UAE as amounts in Egyptian pounds, which may result in a possible claim from Abu Dhabi Islamic Bank, UAE. Based on the assessment of the external legal advisor of Abu Dhabi Islamic Bank - Egypt for the potential loss resulting from the change in the exchange rate, the bank has established a provision for potential claims in the amount of EGP 1,895 million to Date 31 December 2022 Which Represents the Expected Cash Inflow to meet the current obligation.

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E
Notes to the consolidated financial statements for the year ended 31 December 2024

32- Deferred tax Asset

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

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

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

Deferred tax assets balances

EGP (in thousands)

	Deferred Tax Assets		Deferred Tax Liabilities	
Taxable Impact for Temporary differences on	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Fixed Assets Depreciation	-	-	(83,178)	(90,171)
Provisions (other than provision for loans impairment loss)	416,372	284,721	-	-
Differences of changes in fair value for financial investments at FVOCI	-	-	(82,396)	(50,473)
Profit in suspense	15,466	20,298	-	-
Other	-	-	(69,298)	(1,122)
Total Deferred Tax Assets / (Liabilities)	**431,838**	**305,019**	**(234,871)**	**(141,766)**
Net Deferred Tax Assets / (Liabilities)	**196,967**	**163,253**		

Movement of deferred tax assets and liabilities	Deferred Tax Assets		Deferred Tax Liabilities	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Balance at the beginning of the year	305,019	205,213	(78,437)	(78,437)
Additions	126,819	99,806	(93,105)	-
Total balance at the end of the year	**431,838**	**305,019**	**(171,542)**	**(78,437)**

Deferred tax assets (liabilities) balances recognized directly within equity	**31 December 2024**	**31 December 2023**
Differences of changes in fair value for financial investments at FVOCI	(82,396)	(50,473)
Total reserves at the end of the year	**(82,396)**	**(50,473)**

33-Capital

33/1- Authorised capital

The authorized capital amounted to 10 billion Egyptian pounds (December 31, 2023: 7 billion Egyptian pounds).

33/2 Issued and paid-up capital

The issued and paid-up capital amounted to 6 billion Egyptian pounds (representing 600 million shares with a nominal value of 10 Egyptian pounds per share) (December 31, 2023: 5 billion Egyptian pounds)

34- Reserves

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Legal Reserve	477,941	255,491
General Reserve	54,955	54,955
Special Reserve	34,634	31,968
Capital Reserve	46,304	4,748
General Risk Reserve	219,979	219,979
Fair value reserve	284,561	178,049
Total reserves	**1,118,374**	**745,190**

Reserves movements are as follows:

34/1- Special Reserve

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Adjustments resulting from the effect of change in the measurement policy of AFS financial investments for previous years	31,968	22,688
Adjustments resulted from changes in foreign currency of monetary items translation for associates	2,666	9,280
Total	**34,634**	**31,968**
Balance at the beginning of the year	31,968	25,295
Transferred from (to) retained losses	2,666	6,673
Total	**34,634**	**31,968**

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Notes to the consolidated financial statements for the year ended 31 December 2024

34/2- General Banking Risk Reserve

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	-	9,062
Transferred from (to) retained losses	-	(9,062)
Total	**-**	**-**

34/3- Fair value reserve

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	178,049	83,878
Net change in fair value of equity instruments during the year	98,888	97,917
Net change in fair value of debt instruments during the year	34,028	18,176
Expected credit losses for debt instrument at FVOCI	5,518	4,199
Deferred income tax recognized during the year	(31,922)	(26,121)
Total	**284,561**	**178,049**

35-Retained earnings

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	8,569,192	4,311,574
Net profit for the year	9,008,528	4,670,654
Transferred to LegaL Reserve	(222,451)	(106,252)
Transferred to Capital Reserve	(41,556)	(685)
Remuneration for board members and Employees'	(448,482)	(259,395)
Remuneration for board members	(35,190)	(17,803)
Banking System Development Fund	(44,848)	(25,940)
Transferred from general banking risk reserve	-	9,062
Amortization of subordinated financing cost using effective interest rate	43,156	26,735
Free Shares Dividedns	(1,000,000)	-
Subsidiaries prior years adjustments	1,246	(24,365)
Dividends paid - Associates	(14,250)	(14,393)
Total	**15,815,345**	**8,569,192**

36- Contingent liabilities and commitments

36/1- capital commitments

EGP (in thousands)

31 December 2024	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	1,870,692	619,681	-	**2,490,373**
Mutual funds certificates	-	-	143,686	**143,686**
Equity instruments	14,924	-	400,959	**415,883**

31 December 2023	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	367,965	11,032,003	-	**11,399,968**
Mutual funds certificates	-	-	224,884	**224,884**
Equity instruments	17,716	-	268,375	**286,091**

36/2- Liabilities of LGs, LCs and other commitments

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Letters of Credit (import / export)	9,973,110	3,971,484
Letters of guarantee	31,839,568	20,480,992
Acceptance Letter	7,190,358	1,677,299
Financial guarantees	4,487,803	2,584,024
Total	**53,490,839**	**28,713,799**

ABU DHABI ISLAMIC BANK (ADIB) – EGYPT – S.A.E
Notes to the consolidated financial statements for the year ended 31 December 2024

37- Cash and cash equivalents

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

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash and Due from CBE	1,336,757	800,846
maturity	78,741,383	46,267,077
Treasury bills of 91 days maturity	11,624	8,008,001
Total	**80,089,764**	**55,075,924**

38- Transactions with related parties

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

Relationship Nature	Account Nature	Transaction Nature	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Major Shareholders	Assets	Due from banks	2,908	1,257
Major Shareholders	Assets	Other Assets	85,896	58,592
Major Shareholders	Liabilities	Due to banks	227,053	48,199
Major Shareholders	Liabilities	Subordinated financing	6,704,916	1,979,410
Major Shareholders	Liabilities	Other Liabilities	2,153,158	3,798,573
Major Shareholders	Liabilities	Management fees	242,816	200,838
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	24,950	30,435
Associates Companies	Liabilities	Customers deposits	586,225	137,440

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

Relationship Nature	Account Nature	Transaction Nature	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(191,115)	(36,127)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(113,094)	(190,718)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(555,789)	-

*The wages, salaries and benefits in kind on 31 December 2024 include an amount of EGP 78,376 thousand, which represents the total amount of the twenty largest employees who earn bonuses, salaries, and benefits in ADIB altogether.

39- Retirement benefits obligations

Liabilities recognised in the statement of financial position:

The main actuarial assumptions used by ADIB are as follows:

Liabilities recognized in statement of financial position:	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
post-retirement medical benefits	369,454	287,359
Total	**369,454**	**287,359**
Existing balances in balance sheet comprise:		
Present value of financed liabilities	529,077	500,891
Unrealized actuarial losses	(159,623)	(213,532)
Liabilities in balance sheet	**369,454**	**287,359**
Movement of liabilities during the year is as follows		
Estimated obligation at the beginning of year	500,891	545,733
Cost of current service	2,166	1,758
cost of income	106,646	84,754
Actuarial losses / (Gains)	(34,175)	(89,087)
Benefits paid	(46,451)	(42,267)
Estimated obligations during the year	**529,077**	**500,891**
Balance sheet settlement		
Liabilities (assets) in balance sheet	287,359	220,215
Calculation of recognized pension in profits or losses in the financial year	128,546	109,411
Paid benefit directly by the company in financial year	(46,451)	(42,267)
Liabilities (assets) in balance sheet the end of year	**369,454**	**287,359**

Amounts recognized in income statements	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
post-retirement medical benefits	(128,546)	(109,411)
Total	**(128,546)**	**(109,411)**
Amounts recognized in income statements comprise:		
Cost of current service	128,546	109,411
Cost of early retirement recognized in profit or loss	**128,546**	**109,411**

The main actuarial assumptions used by the bank are as follows:	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Discount on medical benefits post retirement rate	23.35%	23.35%
Increase of compensation rate	16.00%	16.00%
Inflation rate	26.53%	34.55%

Retirement benefits obligations - continued

39/1 Savings Insurance Fund for Employees

On 1 July 2013, ADIB established the Private Social Security Fund (the Fund) under Law No. 54 of 1975, regarding "The Private Insurance Funds Law and its Executive Regulations". ADIB registered the Fund on 14 January 2014 under registration number with the Financial Regulatory Authority (FRA) (884). The Fund started as of 1 April 2014. The provisions of this Fund and its amendments shall apply to all employees of the main office of ADIB and its branches in the Arab Republic of Egypt.
ADIB is obliged to pay the due contributions to the Fund for each month as calculated in accordance with the Fund's Regulations and its Amendments. The Fund is generally financed through monthly contributions and some other resources specified in the Fund's Regulations.
Insurance benefits are paid in the case of termination of service due to the member reaching the age of retirement, death, permanent disability or permanent partial disability that terminates the service. In the event that the term of membership is less than (3) three years, the member of the Fund will be paid the final balance of his account corresponding to the contributions paid by him to the Fund on the date of termination of service or membership.

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

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

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

- Mortality Rate Based on British table A67-70ULT for death rates
- The rate of inflation of medical care costs 26.53%.
- Profit rate used as a basis for deduction 23.35%.
- (Projected Unit Credit Method) is used in the calculation of liabilities.

40- Tax Position

1. **ADIB- Egypt**

Tax on Corporate Profits

Years until 2017

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

Year 2018/ 2019

- Inspection Took Place and the Settlment Issuance is under Processing after Proofing the Payment of Bills/Bonds Tax, according to the Bank Books the due taxes are covered.

Year 2020/ 2021

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

Year 2022

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

Salaries tax

Years until 2017

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

Years 2018/ 2019

- The value of the original tax has been examined and paid to take advantage of the overrun law, and Proved Debit balance of EGP 50,682.

Years 2020

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

Years 2021/ 2022

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

Stamp duty

Years Until 2020

- The tax inspection for that period was completed and the Settlment from the Debit balance is in process.

Years 2020/ 2021

- The tax inspection for that period was is in process.

Sales tax

Years Until 2015

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

Years 2016/ 2020

- Notification of the inspection has been issued, and follow-up is in progress with the Major Financiers Centre for processing the examination.

Real Estate tax

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

2. National Company for Trade and Development - ENTAD

Sales taxes

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

Stamp Duty and Development Fee

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

Salary Tax

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

40- Tax Position - continued

Corporate Tax and Movable Values

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

3. Cairo National Company for Investment and Securities

Income Taxes

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

Tax on Salaries and the Equivalent

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

Stamp Duty

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

Real Estate Tax

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

4. **ADI Finance Company**

Corporate Tax

- The examination has been completed, and reconciliation has been done until the year 2000. An agreement has been reached after settling all outstanding discrepancies.
- The examination of the corporate tax for financial companies has been completed for the period from January 1, 2001, to December 31, 2009. Settlement has been reached, and all due amounts have been paid.
- For the years 2010 to 2021, the examination has been completed, and we are awaiting the results of the inspection from the tax authority

Salary Tax

- The examination has been completed until the year 2001, and settlement has been reached with payment.
- The examination for the period 2002 to 2009 has been completed, an internal committee has convened, and settlement has been reached with the payment of the due tax differences.
- The years from 2010 to 2017 have been examined, and the payments have been settled.
- For the years 2018 to 2021, the company has been notified with a request for examination, and the preparation of documents is currently underway.

Stamp Duty

- The examination of the stamp duty was completed up to 31/12/2010, and the settlement and all due the taxes were paid
- For the years 2011 to 2021, the company has been notified with a request for examination, and the preparation of documents is currently underway.

5. **Abu Dhabi Islamic Holding Company for Financial Investments**

Corporate tax

- The audit and payment were completed from the start of operations until 2014, and work is currently underway to finalize the settlement.
- For the years 2015/2016, the audit and payment were completed, and work is currently underway to finalize the settlement.
- For the year 2017, no sample was received for the audit.
- For the years 2018/2021, the audit and payment were completed, and work is currently underway to finalize the settlement.
- For the years 2022/2023, the company has not received any notifications requesting an audit to date.
- The company submits tax returns within the legal deadlines

Salary Tax

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

Stamp Duty

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

VAT

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

6. **ADI Capital Abu Dhabi Islamic Capital Co. for the Promotion and Hedge of Securities Subscription**

Corporate Tax

- For years 2013/2014 The company received Form-19 with an estimated tax of 1,252,672 Egyptian Pounds and an additional tax of 193,657 Egyptian Pounds. An objection has been filed within the legal deadlines, and the documents are being prepared for the re-examination.
- For years 2015/2016 The company received Form-19 with an estimated tax of 5,340,398 Egyptian Pounds. An objection has been filed within the legal deadlines, and the documents are being prepared for the re-examination.
- For years 2017 To 2022 The company has not been notified with any forms until the current date.

Salary Tax

- Years 2012/2014 The examination has been completed, and the company has approved the decision of the Dispute Resolution Committee at the authority.
- Years 2015/2018 An estimated tax examination was conducted on March 5, 2020, amounting to 22,169,070 Egyptian Pounds. An objection was lodged on March 18, 2020. A re-examination took place on May 30, 2022, resulting in a tax of 1,834,473 Egyptian Pounds. An objection to the re-examination result was submitted on June 14, 2022. The case was referred to the specialized internal committee, and an agreement was reached on a tax of 1,118,798 Egyptian Pounds, inclusive of any delayed payment charges.
- Years 2019/2020 An examination was conducted, and an objection was submitted on June 14, 2022, regarding Form 38 issued on May 31, 2022, under number 3811, with an amount of 342,197 Egyptian Pounds. The case was referred to the specialized internal committee, and an agreement was reached on a tax of 243,284 Egyptian Pounds, inclusive of any delayed payment charges.
- Years 2021/2022 The company has not been notified with any forms until the current date.

Stamp Duty

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

7. Abu Dhabi Real Estate Investment Company

Commercial and Industrial Profits Tax

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

Tax of Salaries, Wages and Equivalent

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

Stamp Duty

- The company is subjected to the Stamp Law No. 143 of 2006 and its amendments.
- The Company has not been examined till date.

41- Amending the Comparative Figures of Prior Years

Past due accrued receivable of financings to customers and penalty fees have been reclassified from other assets to financings and facilities to customers in the comparative balance sheet to appropriately reflects the nature of such items. This re-classification didn't result any changes in the bank's net assets from last year. Further there is no significant change on balance sheet and cash flow statements during first and second quarters of 2024.

Balance Sheet Items	Note No	31 December 2023 Balance Before Adjustment EGP (in thousands)	Adjustment EGP (in thousands)	31 December 2023 Balance After Adjustment EGP (in thousands)
Financing and facilities to customers (net of expected credit losses)	18	63,083,489	538,450	63,621,939
Other assets	22	3,629,787	(538,450)	3,091,337

Cash Flow Statement Items	Note No	31 December 2023 Balance Before Adjustment EGP (in thousands)	Adjustment EGP (in thousands)	31 December 2023 Balance After Adjustment EGP (in thousands)
Financing and facilities to customers (net of expected credit losses)	18	(8,544,529)	(289,236)	(8,833,765)
Other assets	22	(829,395)	289,236	(540,159)

Balance Sheet Items	Note No	1 January 2023 Balance Before Adjustment EGP (in thousands)	Adjustment EGP (in thousands)	1 January 2023 Balance After Adjustment EGP (in thousands)
Financing and facilities to customers (net of expected credit losses)		56,558,054	249,214	56,807,268
Other assets	22	2,666,551	(249,214)	2,417,337

42- Significant Events

Economic factors

- To support the goal of price stability, the Monetary Policy Committee (MPC) decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points on February 4, 2024, to reach 21.25%, 22.25%, and 21.75% respectively. Then, on March 6, 2024, the Central Bank of Egypt's Monetary Policy Committee decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 600 basis points to reach 27.25%, 28.25%, and 27.75% respectively. The credit and discount rate was also raised by 600 basis points to reach 27.75%, along with the liberalization of the exchange rate.
- Moody's credit rating agency announced that it has revised its outlook on Egypt's credit rating to positive while maintaining the credit rating at "Caa1".
- Standard & Poor's and Fitch credit rating agencies announced that they have revised their outlook on Egypt's credit rating to positive while maintaining the credit rating at "B-".
- Fitch credit rating agency announced that it has upgraded Egypt's credit rating from "B-" to "B" with a stable outlook.

Separate Financial Statements

MAZARS Mostafa Shawki

Public Accountants & Consultants

PricewaterhouseCoopers EzzEldeen, Diab& CO.

Public Accountants

Abu Dhabi Islamic Bank Egypt" S.A.E"

separate financial statements

for the financial year ended on December 31, 2023

and the audit report

Forvis Mazars Mostafa Shawki
Public Accountants and Consultants

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements of Abu Dhabi Islamic Bank - Egypt "S.A.E" (the "Bank") which comprise the statement of financial position as of 31 December 2024 and the income statement, comprehensive income, cash flows and changes in shareholder's equity for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Forvis Mazars Mostafa Shawki
Public Accountants and Consultants

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abu Dhabi Islamic Bank - Egypt "S.A.E" as of 31 December 2024, and its financial performance and its cash flows for the financial year then ended in accordance with rules of preparation and presentation of the bank's financial statement. Basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulation issued on 26 February 2019 and in light of the related Egyptian laws and regulations.

Report on other legal and regulatory requirements

We did not note material contravention, during the financial year ended 31 December 2024, of the provisions of Central Bank of Egypt and the banking sector law no 194 of 2020 in the light of our audit of the financial statements.

The bank maintains proper financial records, which includes all that is required by the law and the bank's statutes, and the accompanying financial statements are in agreement therewith.

The financial information included in the Board of Directors' report that is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's accounting records, within the limits that such information recorded therein.

Auditors

Hoda Mostafa Shawky
Accountants and Auditors Register No. (3451)
Financial Regulatory Authority Register No. (7)
CBE Register No. (92)
Fellow of Egyptian Society of Accountants and Auditors
Fellow of Egyptian Tax Society
Forvis Mazars Mostafa Shawki
Public Accountants and consultants
153 Mohamed Farid St., Bank Misr Tower, Cairo

Ashraf Mamdouh
Accountants and Auditors Register No. (26231)
Financial Regulatory Authority register No. (383)
CBE Register No. (569)
PricewaterhouseCoopers Ezzeldeen, Diab &Co.
Public Accountants
Plot No 211, Second Sector, City Center
New Cairo 11835, Egypt

9 February 2025
Cairo

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

Separate statement of financial position – as of 31 December 2024

	Note No	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Assets			
Cash and due from Central Bank	16	13,811,629	9,985,375
Due from banks	17	98,109,464	48,589,847
Financing and facilities to banks (after deducting expected credit losses)	18	2,030,727	-
Conventional financing to customers (after deducting expected credit losses)	19	61,123	16,305
Financing and facilities to customers (after deducting expected credit losses)	19	96,046,876	64,085,332
Pre-Promised forward exchange contracts	27	25,402	34
Financial investments			
- Financial investments at FVOCI	1/20	2,926,877	11,696,843
- Financial investments at amortized cost	2/20	39,040,223	21,933,121
Investments in subsidiaries and associates (net)	21	661,193	416,605
Intangible assets (net of accumulated amortization)	22	17,051	25,570
Other assets *	23	5,216,751	3,097,004
Fixed assets (net of accumulated depreciation)	24	693,434	636,177
Deferred tax assets	31	199,994	164,375
Total assets		**258,840,744**	**160,646,588**
Liabilities and equity			
Liabilities			
Due to banks	25	14,837,337	6,478,842
Customers' deposits	26	200,282,503	127,127,503
Pre-Promised forward exchange contracts	27	14,710	3,450
Subordinated Financing	28	9,246,856	3,524,065
Other liabilities	29	7,568,548	6,724,803
Current income tax liability		2,611,984	1,507,598
Other provisions	30	1,536,487	1,063,315
Defined benefits obligations	38	369,454	287,359
Total liabilities		**236,467,879**	**146,716,935**
Equity			
Issued & Paid up Capital	2/32	6,000,000	5,000,000
Reserves	33	1,039,545	668,496
Difference between face value and present value for non-interest subordinated fina	28	24,950	30,435
Retained earnings	34	15,308,370	8,230,722
Total equity		**22,372,865**	**13,929,653**
Total liabilities and equity		**258,840,744**	**160,646,588**

Independent auditor's report "attached"

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

*The comparison figures have been modified to reflect the appropriate classification of the items referred to in Note No. (40)

Mohamed Shawky
Chief financial officer

Mohamed Aly
CEO and Managing Director

Cairo on 6 February 2025

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

Separate Income Statement for the year ended 31 December 2024

	Note No	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and similar income		36,363,609	19,181,659
Cost of deposits and similar costs		(21,382,939)	(10,395,916)
Net Revenues from funds	7	**14,980,670**	**8,785,743**
Fees and commissions income		2,550,938	1,901,065
Fees and commissions expenses		(695,288)	(388,129)
Net fees and commission income	8	**1,855,650**	**1,512,936**
Dividend Income	9	4,247	4,247
Net trading income	10	672,600	258,594
Administrative expenses	11	(2,402,282)	(1,817,899)
Other operating expenses	12	(944,933)	(792,711)
Expected credit losses	13	(2,114,685)	(1,636,689)
Gain From financial investments	3/20	2,488	1,292
profit for the year before tax		**12,053,755**	**6,315,513**
Income tax expense	14	(3,226,736)	(1,824,935)
Net profit for the year		**8,827,019**	**4,490,578**
Basic earning per share in net profit for the year (EGP)	15	**14.02**	**8.67**

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

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

Separate statement of comprehensive income for the year ended 31 December 2024

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net profit for the year	**8,827,019**	**4,490,578**
Items that are not reclassified to the profit and losses:		
Change in fair value reserve of equity instruments at fair value through other comprehensive income	99,418	97,917
Deferred tax related to items that are not reclassified to the profit or loss	(22,369)	(22,031)
Items that are reclassified to profits and losses:		
Change in fair value reserve of debt instruments at fair value through other comprehensive income	34,028	18,178
Expected credit loss for fair value of debt Instruments measured at fair value through other comprehensive income	5,518	4,197
Deffered tax related to items that are reclassified to the profits and losses	(9,553)	(4,090)
Total other comprehensive income for the year , net of tax	**107,042**	**94,171**
Total comprehensive income for the year , net of tax	**8,934,061**	**4,584,749**

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

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

Separate statement of cash flows for the year ended 31 December 2024

	Note No.	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash flows from operating activities			
profit for the year before tax		12,053,755	6,315,513
Adjustments to reconcile profits with cash flows from operating activities			
Depreciation and Amortization of fixed and intangible assets		124,906	89,360
Charge impairment loss of financing and facilities to customers	13	2,146,626	1,577,489
Charge impairment loss of financing and facilities to banks	13	2,481	-
Collections of loans previously written-off	19	46,647	30,831
Charge other provisions	30	624,828	316,527
Provisions no longer required other than financing provision	30	(342,772)	(64,405)
Provisions used other than financing provision	30	(18,793)	(5,899)
Bonds' premium / discount amortization		(1,151,806)	(200,474)
Foreign currency valuation differences of financing provisions in foreign currencies	19	711,522	133,179
Foreign currency valuation differences of provisions in foreign currencies other than financing provisions	30	209,909	82,187
Foreign currency revaluation of due from banks provisions	17	8,370	359
Foreign currency valuation differences of financial investments at FVOCI in foreign currencies		(194,121)	(12,575)
Foreign currency valuation differences for financial instruments balances in foreign currencies at AC		(2,191,967)	186
Foreign currency valuation differences of financial instrument at AC's provisions		46,971	7,123
Foreign currency valuation differences of subordinated financing - With coupon		4,998,043	1,283,765
Foreign currency valuation differences of subordinated financing - Zero coupon	28	681,592	204,215
Foreign currency valuation differences of subordinated financing - Zero coupon - Equity		37,671	21,390
Gain / (Losses) from valuation of Pre-Promised forward exchange contracts		(1,902)	(34)
(Release) / Charge impairment loss of due from banks	13	1,084	11,326
(Release) / Charge impairment losses of financial investments at FVOCI	13	(5,518)	4,199
Charge /(release) of impairment losses of financial investments at AC	13	(29,988)	43,675
Charge /(release) Impairment loss of investments in subsidiaries and associates	3/20	(2,488)	(1,292)
Charge Impairment Loss of other assets	12	1,078	4,295
Gain on sale of fixed assets	12	(10,890)	(41,556)
Dividends income from equity instruments at FVOCI	9	(3,579)	(4,247)
Dividends income from investments in subsidiaries and associates	9	(668)	-
Amortization of subordinated financing using EIR method	28	43,156	26,735
Operating profits before changes in assets and liabilities resulting from operating activities		17,784,147	9,821,872
Net change in assets and liabilities			
Due from banks with maturity more than 90 days		(20,351,869)	1,180,987
Treasury bills with maturity more than 90 days		4,656	(761,325)
Financing and facilities to customers and banks*	19	(36,944,710)	(8,804,608)
Other assets*		(2,109,766)	(700,887)
Due to banks	25	8,358,496	6,404,002
Customers' deposits	26	73,155,000	29,384,713
Pre-Promised forward exchange contracts		(12,206)	13,896
Other liabilities		843,745	1,245,275
Employees' Benefits obligations		82,095	67,144
Income tax paid		(2,189,569)	(1,010,847)
Net Cash Flow genereted from Operating Activities		38,620,019	36,840,222

*The comparison figures have been modified to reflect the appropriate classification of the items referred to in Note No. (40)

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

Separate statement of cash flows - continued for the year ended 31 December 2024

	Note No.	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash flows from investing activities			
Payments for purchase of fixed assets and branches fixtures	24	(167,494)	(232,496)
Proceeds from sale of fixed assets		11,005	48,465
Payments for purchase of intangible assets		(6,265)	(18,642)
Payments for purchase of financial investments at FVOCI		(1,923,497)	(683,818)
Proceeds from recovery of financial investments at FVOCI		630,338	428,728
Payments to purchase of financial investments at amortized cost		(17,878,369)	(3,119,108)
Proceeds from recovery of financial investments at amortized cost		6,487,717	4,985,510
Payments to purchase of investments in subsidiaries and associates		(247,000)	(9,800)
Proceeds from recovery of investments in subsidiaries and associates		4,900	-
Proceeds from dividends income		4,247	4,247
Net Cash flows (used in) generated from Investing activities		(13,084,418)	1,403,086
Cash flows from financing activities			
Issued and Paid-up Capital		-	1,000,000
General Reserve		-	3,584
Dividends paid		(528,520)	(303,138)
Net cash flows (used in) genereted from financing activities		(528,520)	700,446
Net increase in cash and cash equivilent during the year		25,007,081	38,943,754
Cash and cash equivalents at the beginning of the year		55,074,429	16,130,675
Cash and cash equivalents at the end of the year		80,081,510	55,074,429
Cash and cash equivalents comprise			
Cash and due from Central Bank of Egypt	16	13,811,629	9,985,375
Due from banks	17	98,132,160	48,603,090
Treasury bills		8,196,685	16,197,716
Central Bank of Egypt Reserve		(12,474,931)	(9,184,571)
Due from banks with maturity more than three months from date of acquisition		(19,398,973.00)	(2,337,465)
Treasury bills with maturity more than three months from date of acquisition		(8,185,060)	(8,189,716)
Cash and cash equivalents at the end of the year		**80,081,510**	**55,074,429**

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

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

Separate statement of changes in equity for the year ended 31 December 2024

EGP (in thousands)

	Issued & Paid up Capital	Capital Reserve	Legal reserve	General reserve	Special reserve	General banking risk reserve	General risk reserve	Fair value reserve	Difference between face value and present value for non-interest subordinated financing	Retained earnings	Total
31 December 2023											
Balance at 1 January 2023	4,000,000	4,063	149,239	51,371	17,165	9,062	158,088	83,878	35,780	4,114,422	**8,623,068**
Transferred to reserve accounts	-	685	106,252	-	-	(9,062)	-	-	-	(97,875)	**-**
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	(303,138)	**(303,138)**
Net change in other comprehensive income items	-	-	-	-	-	-	-	94,171	-	-	**94,171**
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(5,345)	26,735	**21,390**
Capital Increase	1,000,000	-	-	3,584	-	-	-	-	-	-	**1,003,584**
Net profit for the year	-	-	-	-	-	-	-	-	-	4,490,578	**4,490,578**
Balance at 31 December 2023	**5,000,000**	**4,748**	**255,491**	**54,955**	**17,165**	**-**	**158,088**	**178,049**	**30,435**	**8,230,722**	**13,929,653**
31 December 2024											
Balance at 1 January 2024	5,000,000	4,748	255,491	54,955	17,165	-	158,088	178,049	30,435	8,230,722	**13,929,653**
Transferred to reserve accounts	-	41,556	222,451	-	-	-	-	-	-	(264,007)	**-**
Dividends distributions to employees, board members and the banking system development fund	-	-	-	-	-	-	-	-	-	(528,520)	**(528,520)**
Net change in other comprehensive income items	-	-	-	-	-	-	-	107,042	-	-	**107,042**
Amortization of the difference between face value and present value of subordinated financing	-	-	-	-	-	-	-	-	(5,485)	43,156	**37,671**
Shareholders distributions (bonus Issue)	1,000,000	-	-	-	-	-	-	-	-	(1,000,000)	**-**
Net profit for the year	-	-	-	-	-	-	-	-	-	8,827,019	**8,827,019**
Balance at 31 December 2024	**6,000,000**	**46,304**	**477,942**	**54,955**	**17,165**	**-**	**158,088**	**285,091**	**24,950**	**15,308,370**	**22,372,865**

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

Separate statements of proposed dividends distribution For the year ended 31 December 2024

	Note No	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net profit for the year (based on income statement)		**8,827,019**	**4,490,578**
Add / (Deduct):			
Gain on sale of fixed assets transferred to capital reserve according to law provisions	12	(10,890)	(41,556)
Change in general banking risk reserve	33	-	9,062
Items transferred to retained earnings	28	43,156	26,735
Net distributable profits for the year		**8,859,285**	**4,484,819**
Add / (Deduct):			
Retained earning at the beginning of the year		6,667,251	3,933,404
Total		**15,526,536**	**8,418,223**
To be distributed as follows:			
Legal reserve 5%		440,806	222,451
Banking system development fund		88,593	44,848
Employees' share		885,929	448,482
Shareholder distributions - down payment of 5% of the paid-up capital (Fre		300,000	250,000
Board of directors remuneration		71,440	35,190
Shareholder distributions - second payment (Free Shares)		5,700,000	750,000
Retained earnings at the end of the year		8,039,769	6,667,251
Total		**15,526,536**	**8,418,223**

Separate statements of proposed dividends distribution For the year ended 31 December 2024

1- General information

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

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

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

Abu Dhabi Islamic Bank - Egypt -an Egyptian Joint Stock Company provides corporates, retail banking and investment services in the Arab Republic of Egypt through 72 branches, delegates and agencies employing 2,493 employees on the date of the interim financial statements.
These financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 6 February 2025.

2- Basis of preparation of the financial statements

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

The separate financial statements of the Bank should be read with its consolidated financial statements, for the year ended on 31 December, 2024 to get complete information on the Bank’s financial position, results of operations, cash flows and changes in ownership rights.

3- Summary of accounting policies

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

(A) Investment in subsidiaries and associates

A/1 Subsidiaries

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

A/2 Associates

Associates are all entities in which ADIB has directly or indirectly significant influence, which does not reach the limit of control, and ADIB usually owns between 20% and 50% of the voting rights.
The purchasing method is used by ADIB to account for the acquisition of companies. Acquisition cost is measured at fair value or the consideration provided by ADIB for the assets of purchase and/or issued equity instruments and/or liabilities incurred by ADIB and/or liabilities assumed by ADIB on behalf of acquire, at the date of exchange plus any costs directly attributable to the acquisition. Net assets including identifiable contingent liabilities are measured at their fair values at the acquisition date. Irrespective to the existence of non-controlling Profits, the excess in acquisition cost over ADIBs' share of the fair value in the net assets acquired is considered as goodwill. If the acquisition cost is less than the fair value of the net assets, the difference is recognized directly in the statement of income within the item "Other operating income / (expenses)".
Associates and subsidiaries at ADIB's separate financial statements are accounted for using the cost method. According to this method, investments are recognized at the cost of acquisition, including goodwill, less any impairment loss. Dividends are recognized in the statement of income, when the dividends are approved to be distributed and ADIB's right of collection is established.

(B) Operating Sectors

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

Summary of accounting policies – continued

(C) Sectors reporting

An activity sector is a group of assets and processes associated with the provision of products or services that are characterized by risks and benefits and differ from those of other sectors of activity. The geographical sector is engaged in the provision of products or services within a single economic environment with risks and benefits that are related to geographical sectors operating in a different economic environment.
ADIB is divided into two main sectors: Corporate Banking Services and Retail Banking for Individuals. In addition, the Corporate Centre is a central funding department for ADIB's core business. For the dealings of the department of transactions, investment activity and other non-core activities, they are reported within the Corporate Banking Services
For the purpose of sectors reporting in accordance with the classification of geographic regions, the Sector's profits, losses, assets and liabilities are presented on a basis of branches' locations.
Based on the fact that ADIB (ADIB - Egypt) does not have an entity to register abroad, the sectors report present, unless otherwise stated in a certain disclosure, all ADIB's investments in equity instruments and debt instruments issued by foreign institutions, as well as, credit facilities granted by ADIB to foreign parties based on the location of the local branch in which such assets are registered.

(D) Foreign currency translation

D/1 Functional and presentation currency

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

D/2 Transactions and balances in foreign currencies

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

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

Summary of accounting policies - continued

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

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

E) Financial assets and financial liabilities

E/1. Initial recognition and measurement

ADIB conducts initial recognition of financial assets and liabilities on the date on which ADIB becomes a party to the contractual conditions of financial instrument.
The financial asset or liability is initially measured at fair value. With regard to asset or liability that is not subsequently measured at fair value through profit and loss, it would be measured at fair value plus cost of transaction that is connected directly with acquisition or issuance.

E/2. Classification

Financial assets - Applicable Policy as of January 1, 2019

- Upon initial recognition, ADIB classifies the financial assets into financial assets at amortized cost, financial assets at fair value through statement of other comprehensive income or at fair value through profit and loss.
- The financial asset is measured at amortized cost upon fulfilment of the following two conditions and when it has not been allocated by Bank's management upon initial recognition at fair value through profit and loss:
  - The financial asset is held within a business model whose purpose is to hold financial asset to collect contractual cash flows.
  - The contractual conditions of financial asset result, on specific dates, in contractual cash flows for the asset and is represented only in the principal amount of the financial instrument and the Profit.
- The financial asset is measured at fair value through other comprehensive income upon fulfilment of the following two conditions and when it has not been allocated upon initial recognition at fair value through profit and loss:
  - The financial asset is held within a business model whose purpose is to collect contractual cash flows and sell the financial asset.
  - The contractual conditions of financial asset result, on specific dates, in contractual cash flows for the asset and is not represent only in the principal debt and the Profit.
- Upon initial recognition of an equity instrument not held for trading, ADIB can take irrevocable option to present subsequent changes in fair value through statement of other comprehensive income. Such option is adopted for each investment individually.

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Summary of accounting policies - continued

- Other outstanding financial assets are classified as financial investments at fair value through profit and loss.
- Furthermore, ADIB may, upon initial recognition, irrevocably allocate a financial asset as measured at fair value through profit or loss despite of fulfilling the conditions of classifying as financial asset at amortized cost or fair value through statement of other comprehensive income, if so materially prevents or reduces the conflict that may arise in accounting measurement.

Business model valuation

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

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

Summary of accounting policies - continued

Business model valuation

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

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

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

- Documented approved policies and portfolio's objectives and application of such policies in the real world. In particular, whether the management's strategy focuses only upon collection of contractual cash flows and holding a definite Profit rate to compare maturity dates of financial assets with maturity dates of liabilities that fund such assets or generates cash flows from sale of assets.
- Way of evaluating and reporting on portfolio's performance to senior management.

Summary of accounting policies - continued

- Risks that affect business model performance including nature of financial assets held in such model and the way of managing such risks.
- Way of evaluating the performance of business managers (fair value and/or Profit on portfolio).
- Periodic, value and date of sale transactions in previous periods, reasons of such transactions, and forecasts regarding future sale activities. However, information regarding sale activities is not taken into consideration separately but as a part of a whole comprehensive valuation of how to achieve ADIB's objective from managing the financial assets and how to generate cash flows.

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

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

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

Summary of accounting policies - continued

Financial liabilities

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

Reclassification

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

C/3. Exclusion

1- Financial assets

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

Summary of accounting policies - continued

2- Financial liabilities

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

C/4. Adjustments to financial assets and financial liabilities

1- Financial assets

- If the terms of a financial asset are amended, ADIB evaluates whether the cash flows of adjusted asset are materially different. If the cash flows materially differ, the contractual rights of cash flows from the original financial asset are considered expired and hence the original financial asset is excluded and the new financial asset is recognised at fair value and the value resulting from adjusting aggregate book value is recognised as profits or losses under profits and losses. On the other hand, if such adjustment has occurred due to financial difficulties of the borrower, the profits have to be deferred and presented with aggregate impairment losses whilst losses have to be recognised in the statement of profit and loss.
- If the cash flows of adjusted asset recognised at amortised cost do not materially differ, the adjustment will not result in the exclusion of the financial asset.

2- Financial liabilities

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

H) Offsetting financial assets and liabilities

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

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

I) Measurement of fair value

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

Summary of accounting policies - continued

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

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

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

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

The following table shows the change in the measurement methods of the fair value of financial assets at 31 December 2024, compared to the comparative figures at 31 December 2023

EGP (in thousands)

31 December 2024	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	1,870,692	619,681	-	**2,490,373**
Mutual funds certificates	-	-	36,591	**36,591**
Equity instruments	-	-	399,913	**399,913**

31 December 2023	Level One	Level Two	Level Three	Total
Financial investments in debt instruments	367,964	11,032,003	-	**11,399,967**
Mutual funds certificates	-	-	29,547	**29,547**
Equity instruments	-	-	267,329	**267,329**

Summary of accounting policies - continued

(E/1) Financial instruments at level 1

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

(E/2) Financial instruments at level 2

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

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

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

J) Profit income and expenses

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

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

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

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

Summary of accounting policies – continued

K) Fees and commission income

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

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

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

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

L) Dividends income

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

M) Purchase and resale agreements & sale and repurchase agreements

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

N) Impairment of financial assets

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

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

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

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Summary of accounting policies – continued

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

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

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

Summary of accounting policies – continued

- **Debt instruments related to medium enterprises**

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

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

Summary of accounting policies – continued

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

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

Summary of accounting policies - continued

Measurement of expected credit losses

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

▪ Commitments on funds and similar debt instruments are included in the calculation of value upon default. They are calculated on the balances outstanding on the date of the financial statements after they have been converted into value in the event that these commitments are used in the future.

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

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

Summary of accounting policies - continued

Measurement of expected credit losses - continued

- For debt instruments held by banks operating outside Egypt, the probability rates of default are determined on the basis of the credit rating of the headquarters of ADIB operating outside of Egypt in no more than the credit rating of the country of the headquarters, taking into consideration the instructions issued by the Central Bank of Egypt on the risks of countries. The loss rate is calculated at 45%.
- As for the instruments held by the banks operating inside Egypt, the probability of default is calculated on the basis of ADIB's classification by the external international rating institutions. The branches of the Egyptian banks abroad will be treated as the headquarters. The branches of the foreign banks operating in Egypt will be treated as their headquarters, and the loss rate is calculated at 45%.
- For debt instruments issued by entities other than the banks, the probability of default is calculated on the basis of the rating of the issuing entity for the financial instrument by the external international rating institutions in no more than the credit rating of the issuing country in the case of external entities and the loss rate is calculated at 45%.
- The impairment provision for financial assets recognised in the financial position is deducted from the carrying amount of the financial assets at the time of the statement of financial position, while the provision for impairment relating to funds commitments, financial guarantee contracts and contingent liabilities is recognised within other provisions for the liabilities in the financial position.
- For financial guarantee contracts, ADIB estimates the expected credit loss on the basis of the difference between the payments expected to be made to the guarantee holder less any other amounts that ADIB expects to recover.

Transition from Stage 2 to Stage 1

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

Transition from Stage 3 to Stage 2

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

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

Summary of accounting policies - continued

Restructured financial assets:

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

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

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

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

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

Debts write-off

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

Summary of accounting policies - continued

O) Intangible assets

O/1 Computer Software

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

Asset type	Default Life / deprecation rate
Computer Software	3 years

O/ 2 Other intangible assets

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

P) Fixed assets

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

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

Summary of accounting policies – continued

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

Q) Impairment of non-financial assets

- Assets that do not have definite life time are not depreciated and their impairment is reviewed annually. Impairment of depreciated assets is examined when there are events or changes in circumstances that indicate that the book value may be partially or wholly non-recoverable.

- Impairment loss is recognised and the asset value is deducted at the amount by which the asset's book value increases over the recoverable amount. The recoverable amount represents the higher of the asset's net selling amount and value in use. For the purpose of estimating impairment, the asset is grouped to the smallest possible cash generating unit. The non-financial assets are reviewed for any impairment in order to determine if impairment can be reversed to the statement of profit and loss at the date of each financial statement.

R) Leases

- Finance leases are accounted for in accordance with Law 95 of 1995 concerning Finance Lease if the contract grants the right to the lessee to purchase the asset on a specified date and at a specified value; and the contract period represents at least 75 % of the expected useful life of the asset, or the present value of the total lease payments represents at least 90% of the value of the asset. Other leases are considered operating leases.

R/1 Leasing

- Finance lease contracts, lease costs including maintenance expense of leased assets are recognised under expenses in the statement of profit and loss in the year / period incurred. If the Bank decides to exercise the right to purchase the leased assets, the cost of this right of purchase is capitalised as an asset within the fixed asset and depreciated over the assets' expected remaining useful life in the same way used with similar assets.
- Payments made under operating leases, less any discounts received from the lessor, are recognised as expense in the statement of profit and loss on a straight-line basis over the period of the lease.

S) Cash and cash equivalents

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

Summary of accounting policies - continued

T) Other provisions

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

U) Commitments of financing and financial guarantee contracts

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

Summary of accounting policies - continued

V) Obligations of retirement benefits

V/1 Employees' fund

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

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

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

W) Borrowing

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

X) Comparative figures

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

Summary of accounting policies – continued

Y) Income taxes

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

Z) Capital issuance fees

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

AA) Dividends

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

4-Financial risk management

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

Risk Management Strategy

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

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

Risk Management Governance and Risk Management Principles
<u>ADIB's risk department governance is based on the following:</u>

1- Strong management intervention at all levels of the organization, starting from the Board of Directors to the management of field task forces responsible for operations.
2- An integrated framework for internal procedures and guidelines.
3- Continuous monitoring by business lines and supporting functions, as well as, by an independent Risk Control Body and compliance with the rules and procedures.
Risk and audit committees within the Board are more specifically responsible for examining the compatibility of the internal framework in order to monitor risks and the adherence to the rules.

Financial risk Management-Continued

Risk Categories:

<u>The risks associated with ADIB's banking activities include the following:</u>

4/1 Credit risk

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

4/1/1 Credit risk measurement

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

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

ADIB's internal rating categories

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

Financial risk Management-Continued

Classification of the Credit Risks

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

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

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

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

- **Large and Medium Enterprises**

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

- **Debt Instruments issued by the Egyptian Government and CBE**
  Debt instruments, Treasury Bills and Government Bonds

- ADIB uses external classifications of institutions that comply with the CBE's instructions to manage the credit risk for debt instruments in the investment portfolio. These ratings are regularly monitored and updated periodically. The default rates associated with each rating are determined on the basis of rates achieved over the previous 12 months as published by the aforementioned rating agencies. The loss rate for government debt instruments and the central bank in local currency equals zero.
- ADIB's rating of creditworthiness of government debt instruments, where the primary measure of each rating category gives a specific range of probability of default, is stable over time. ADIB complies with the internal rating categories alongside with the rating categories set by CBE according to the instructions of determining creditworthiness and the formation of provisions, and reviewing that compliance on a regular basis. The rating methods are periodically re-calibrated and validated to reflect the most recent projections in light of all assumptions observed in reality.

Financial risk Management-Continued

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

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

Financial risk Management-Continued

Variable Economic Assumptions

The following are the key year-end assumptions that have been used to estimate ECL 31 December 2024.

Enterprises' Portfolio

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

Individuals' Portfolio

- Gross domestic product (GDP).
- Private consumption

- Balancing capital expenditures as a percentage of GDP.

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

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

Sensitivity Analysis

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

Individuals and Institutions Portfolio

The following represent the most important sensitivity analysis used to estimate the expected credit losses as at 31 December 2024:

- At least three scenarios are conducted to study future forecasts and to determine their impact on the variables of the expected credit loss measurement model. These scenarios represent:
- Basic Scenario
- Downside Scenario
- Upside Scenario
- The calculation of the expected credit loss reflects, without any bias, the probable weighted scenario, which is determined based on the assessment of a range of expected results instead of reliance on the upside and downside scenarios.

Financial risk Management-Continued

Classification of loss-related instruments measured on the basis of similar groups

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

Individuals' Financing - Groups are formed as per:

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

Corporates' Financing - Groups are formed as per:

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

Financial risk Management-Continued

4/1/3 Amendments to the terms of financing and re-scheduling

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

4/1/4 Risk limit control and mitigation policies

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

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

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

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

Here are some ways to limit risk:

Guarantees

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

The principal guarantees types for financing and facilities are:

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

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

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

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Notes to the separate financial statements For the year ended 31 December 2024

Financial risk Management-Continued

Credit-related commitments

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

4/1/5 Impairment and provisioning policies

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

The impairment loss provision included in the financial statements at the end of the year is derived from the four internal ratings. However, the majority of the provision is derived from the last rating. The following table shows the percentage of the items within the financial statements for the period ended 31 December 2024 related to financing, facilities, and related impairment for each of ADIB's internal assessment categories:

	31 December 2024		31 December 2023	
Banks' evaluation	Financing and facilities	Impairment losses provision	Financing and facilities	Impairment losses provision
Stage 1	93%	27%	92%	29%
Stage 2	5%	41%	6%	52%
Stage 3	2%	32%	1%	19%
	100%	100%	100%	100%

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

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

Financial risk Management-Continued

4/1/6 Impairment and provisions policies - continued

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

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

4/1/7 General banking risk measurement model

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

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

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

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

Financial risk Management-Continued

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

Balance sheet items exposed to credit risk	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Due from banks	98,109,464	48,589,847
Financing and facilities to banks & customers		
Facilities to banks	2,030,727	-
Retail financing		
Debit current accounts	9,855	5,617
Credit cards	1,276,893	846,104
Personal financings	25,769,508	16,892,872
Real estate financings	599,717	478,285
Corporate financings		
Debit current accounts	14,084,251	8,137,013
Credit cards	70	172
Direct financings	59,536,054	41,253,746
Syndicated financings	1,463,357	795,049
Less Expected Credit Losses	(6,631,706)	(4,307,221)
Financial investments		
Debt instruments at FVOCI	2,490,373	11,399,967
Debt instruments at amortized cost	39,040,223	21,933,121
Total	**237,778,786**	**146,024,572**
Credit risk of off balance sheet items		
Letters of credit (import + confirmed export)	9,973,110	3,971,484
Letters of guarantee	31,839,568	20,480,992
Letters of guarantee for suppliers facilities	7,190,358	1,677,299
Bank guarantees	4,487,803	2,584,024
Total	**53,490,839**	**28,713,799**

- The previous table represents the maximum exposure on 31 December 2024, without taking any guarantees into consideration. For financial position items, the reported amounts depend on the net carrying amount that was presented in the financial position.
- As shown in the previous table, 41.27% of the maximum exposure to credit risk is the result of financing and facilities for banks and customers, against 43.90% at the end of the comparative year, while investments in debt instruments represent 17.5% against 22.8% at the end of comparative year.

Financial risk Management-Continued

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

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

- 96.01% of the portfolio of financing and facilities is classified in the two highest degrees of internal rating compared to 98.63% at the end of the comparative year.
- 90.91% of the financing and facilities portfolio does not have past dues or impairment indicators against 92.21% at the end of the comparative year.
- The finances and facilities assessed on a single basis amounted to EGP 2,230 billion compared to EGP 935 million at the end of the comparative year.
- ADIB applied more conservative selection processes when granting financing and facilities during the financial period on 31 December 2024.

4/1/9 Financing and facilities

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

EGP (in thousands)

Financing and facilities	31 December 2024 Financing and facilities to customers	31 December 2024 Financing and facilities for banks	31 December 2024 Total financing and facilities for banks and customers	31 December 2023 Financing and facilities to customers	31 December 2023 Financing and facilities for banks	31 December 2023 Total financing and facilities for banks and customers
Stage 1	95,068,808	2,033,552	97,102,360	63,080,357	-	63,080,357
Stage 2	5,440,725	-	5,440,725	4,393,105	-	4,393,105
Stage 3	2,230,172	-	2,230,172	935,396	-	935,396
Total	**102,739,705**	**2,033,552**	**104,773,257**	**68,408,858**	**-**	**68,408,858**
Less:						
Expected Credit Losses	(6,631,706)	(2,825)	(6,634,531)	(4,307,221)	-	(4,307,221)
Net	**96,107,999**	**2,030,727**	**98,138,726**	**64,101,637**	**-**	**64,101,637**

- During the financial period on 31 December 2024, ADIB's portfolio of financing and facilities increased by 53.16% (31 December 2023: an increase of 13.88%)

Financial risk Management-Continued

Financing and facilities neither past due nor impaired

Credit worthiness of financing and facilities portfolio that are neither past due nor impaired and that according to internal rating used by ADIB.

EGP (in thousands)

31 December 2024	Retail: Debit current accounts	Retail: Credit cards	Retail: Personal financings	Retail: Real estate financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	9,855	1,171,885	25,074,246	589,109	**26,845,095**
Stage 2	-	87,545	415,282	2,315	**505,142**
Stage 3	-	17,462	279,981	8,293	**305,736**
Total	**9,855**	**1,276,892**	**25,769,509**	**599,717**	**27,655,973**
Impairment loss provision is deducted	-	(151,861)	(409,131)	(10,369)	**(571,361)**
Book value	**9,855**	**1,125,031**	**25,360,378**	**589,348**	**27,084,612**

31 December 2023	Retail: Debit current accounts	Retail: Credit cards	Retail: Personal financings	Retail: Real estate financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	5,617	767,297	16,127,469	469,930	**17,370,313**
Stage 2	-	66,122	392,244	-	**458,366**
Stage 3	-	12,685	373,159	8,355	**394,199**
Total	**5,617**	**846,104**	**16,892,872**	**478,285**	**18,222,878**
Impairment loss provision is deducted	-	(89,369)	(527,702)	(9,011)	**(626,082)**
Book value	**5,617**	**756,735**	**16,365,170**	**469,274**	**17,596,796**

Financial risk Management-Continued

EGP (in thousands)

31 December 2024	Corporate Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	13,738,729	71	54,277,251	207,662	68,223,713
Stage 2	281,421	-	3,398,467	1,255,695	4,935,583
Stage 3	64,101	-	1,860,335	-	1,924,436
Total	14,084,251	71	59,536,053	1,463,357	75,083,732
Impairment loss provision is deducted	(705,236)	(3)	(4,097,500)	(1,257,606)	(6,060,345)
Book value	13,379,015	68	55,438,553	205,751	69,023,387

31 December 2023	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Creditworthiness as per ADIB internal rating					
Stage 1	8,131,568	29	37,570,804	7,643	45,710,044
Stage 2	5,445	143	3,141,745	787,406	3,934,739
Stage 3	-	-	541,197	-	541,197
Total	8,137,013	172	41,253,746	795,049	50,185,980
Impairment loss provision is deducted	(148,911)	(8)	(2,971,440)	(560,780)	(3,681,139)
Book value	7,988,102	164	38,282,306	234,269	46,504,841

Financial risk Management-Continued

Financing and facilities that are past due but are not impaired

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

EGP (in thousands)

31 December 2024	Retail Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Past dues up to 30 days	9,855	1,171,885	25,074,246	589,109	26,845,095
Past dues more than 30 to 90 days	-	87,545	415,282	2,315	505,142
Total	9,855	1,259,430	25,489,528	591,424	27,350,237

31 December 2023	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Past dues up to 30 days	5,617	767,297	16,127,469	469,930	17,370,313
Past dues more than 30 to 90 days	-	66,122	392,244	-	458,366
Total	5,617	833,419	16,519,713	469,930	17,828,679

EGP (in thousands)

31 December 2024	Corporate Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Past dues up to 30 days	13,738,729	71	54,277,251	207,662	68,223,713
Past dues more than 30 to 90 days	281,421	-	3,398,467	1,255,695	4,935,583
Total	14,020,150	71	57,675,718	1,463,357	73,159,296

31 December 2023	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Past dues up to 30 days	8,131,568	29	37,570,804	7,643	45,710,044
Past dues more than 30 to 90 days	5,445	143	3,141,745	787,406	3,934,739
Total	8,137,013	172	40,712,549	795,049	49,644,783

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

Financial risk Management-Continued

Financing and facilities that are subject to impairment solely

- **Financing and facilities for customers**

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

EGP (in thousands)

	Retail				
31 December 2024	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Solely impaired financing	-	17,462	279,981	8,293	**305,736**

31 December 2023	Debit current accounts	Credit cards	Personal financings	Real estate financings	Total
Solely impaired financing	-	12,685	373,159	8,355	**394,199**

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

31 December 2023	Debit current accounts	Credit cards	Direct financings	Syndicated financings	Total
Solely impaired financing	-	-	541,197	-	**541,197**

Financial risk Management-Continued

4/1/10 Transfer between stages for ECL

The analysis of stage movement for financing and facilities is as follows:

	31 December 2024				31 December 2023			
Retail	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
Balance of expected credit losses at the beginning of year	17,370,313	458,366	394,199	**18,222,878**	13,233,531	510,051	647,475	**14,391,057**
Transferred from stage 1	(452,228)	340,080	112,148	-	(415,805)	330,209	85,596	-
Transferred from stage 2	63,071	(108,961)	45,890	-	76,988	(129,461)	52,473	-
Transferred from stage 3	2,344	73	(2,417)	-	4,074	781	(4,855)	-
Re-measurement Impact	(3,332,044)	(110,537)	(51,975)	**(3,494,556)**	(2,674,525)	(129,718)	(108,054)	**(2,912,297)**
New Financial assets purchased	16,196,126	181,947	19,594	**16,397,668**	10,130,536	121,169	11,606	**10,263,311**
Financial assets disposed of/ paid	(3,002,486)	(255,827)	(47,322)	**(3,305,635)**	(2,984,486)	(244,665)	(129,389)	**(3,358,540)**
Used provisions	-	-	(164,381)	**(164,381)**	-	-	(160,653)	**(160,653)**
Balance of Financing and Facilities	**26,845,095**	**505,142**	**305,736**	**27,655,973**	**17,370,313**	**458,366**	**394,199**	**18,222,878**

EGP (in thousands)

	31 December 2024				31 December 2023			
Corporate	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
Balance of expected credit losses at the beginning of year	45,710,044	3,934,739	541,197	**50,185,980**	41,586,491	3,139,829	560,021	**45,286,341**
Transferred from stage 1	(932,491)	885,218	47,273	-	(1,453,720)	1,418,223	35,497	-
Transferred from stage 2	1,648	(1,126,080)	1,124,432	-	312,892	(324,822)	11,930	-
Transferred from stage 3	-	-	-	-	26,943	-	(26,943)	-
Re-measurement Impact	478,224	(318,552)	289,437	**449,110**	(488,286)	(207,539)	(26,861)	**(722,686)**
Foreign exchange translation differences	7,240,184	798,191	62,065	**8,100,440**	2,562,802	358,936	1,226	**2,922,964**
New Financial assets purchased	39,189,128	1,619,660	70,417	**40,879,205**	26,881,998	1,145,173	9,660	**28,036,831**
Financial assets disposed of/ paid	(23,463,024)	(857,593)	205,544	**(24,115,074)**	(23,719,076)	(1,595,061)	24,537	**(25,289,600)**
Used provisions	-	-	(415,929)	**(415,929)**	-	-	(47,870)	**(47,870)**
Balance of Financing and Facilities	**68,223,713**	**4,935,583**	**1,924,436**	**75,083,732**	**45,710,044**	**3,934,739**	**541,197**	**50,185,980**

Financial risk Management-Continued

4/1/10 Transfer between stages for ECL

The analysis of stage movement for financing and facilities is as follows:

Retail	31 December 2024 Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	31 December 2023 Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
Balance of expected credit losses at the beginning of year	234,844	82,168	309,070	626,082	202,315	82,568	347,582	632,465
Transferred from stage 1	(5,816)	4,030	1,786	-	(4,859)	3,858	1,001	-
Transferred from stage 2	14,499	(36,507)	22,008	-	16,426	(34,881)	18,456	-
Transferred from stage 3	485	22	(507)	-	1,823	441	(2,264)	-
Re-measurement Impact	(53,051)	44,073	96,996	88,018	8,318	33,986	98,360	140,663
New Financial assets purchased	37,538	23,946	9,873	71,357	18,803	17,226	6,587	42,617
Financial assets disposed of/ paid	(8,565)	(21,372)	(19,797)	(49,734)	(7,982)	(21,028)	-	(29,010)
Used provisions	-	-	(164,362)	(164,362)	-	-	(160,653)	(160,653)
Balance of expected credit losses	**219,935**	**96,361**	**255,066**	**571,361**	**234,842**	**82,170**	**309,069**	**626,082**

EGP (in thousands)

Corporate	31 December 2024 Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total	31 December 2023 Stage 1 12 Month	Stage 2 Life time	Stage 3 Life time	Total
Balance of expected credit losses at the beginning of year	1,024,027	2,136,863	520,249	3,681,139	1,039,915	545,970	555,895	2,141,780
Transferred from stage 1	(19,852)	18,813	1,038	-	(17,903)	16,847	1,056	-
Transferred from stage 2	78	(602,826)	602,748	-	15,429	(16,187)	758	-
Transferred from stage 3	-	-	-	-	-	-	-	-
Re-measurement Impact	275,988	494,865	821,085	1,591,938	(203,872)	398,740	4,820	199,688
Foreign exchange translation differences	143,248	511,793	56,438	711,478	18,942	113,011	1,226	133,179
New Financial assets purchased	513,683	206,116	70,386	790,185	415,020	1,138,224	4,364	1,557,608
Financial assets disposed of/ paid	(380,214)	(124,204)	205,971	(298,447)	(243,504)	(59,743)	-	(303,247)
Used provisions	-	-	(415,948)	(415,948)	-	-	(47,870)	(47,870)
Balance of expected credit losses	**1,556,958**	**2,641,420**	**1,861,966**	**6,060,345**	**1,024,027**	**2,136,862**	**520,250**	**3,681,139**

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

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

EGP (in thousands)

Debt instruments, treasury bills and other government securities	31 December 2024 Treasury Bills	& Treasury Bonds Islamic Sukuk	Due From Banks	31 December 2023 Treasury Bills	& Treasury Bonds Islamic Sukuk	Due From Banks
AAA- to AAA	-	-	28,106	-	-	504,309
A- to A+	-	-	1,037,576	-	-	311,661
Less than A-	8,159,646	31,919,437	97,043,782	16,156,071	17,177,017	47,773,877
Total	**8,159,646**	**31,919,437**	**98,109,464**	**16,156,071**	**17,177,017**	**48,589,847**

Financial risk Management-Continued

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

(A) Geographical sectors

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

EGP (in thousands)

	Arab Republic of Egypt: Great Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total	Gulf Countries	Other Countries	Total
Due from Banks	92,453,292	-	-	**92,453,292**	1,557,360	4,098,812	**98,109,464**
Debt instruments at FVOCI							
- Egyptian treasury Bonds	1,607,748	-	-	**1,607,748**	-	-	**1,607,748**
- Egyptian Islamic Sukuk	262,944	-	-	**262,944**	-	-	**262,944**
- Egyptian treasury bills	619,681	-	-	**619,681**	-	-	**619,681**
Debt instruments at amortized cost							
- Egyptian treasury Bonds	30,048,745	-	-	**30,048,745**	-	-	**30,048,745**
- Islamic Sukuk	1,451,513	-	-	**1,451,513**	-	-	**1,451,513**
- Egyptian treasury bills	7,539,965	-	-	**7,539,965**	-	-	**7,539,965**
Facilities to banks	2,030,727	-	-	**2,030,727**	-	-	**2,030,727**
Retail Financings							
- Debit current accounts	5,645	3,665	545	**9,855**	-	-	**9,855**
- Credit cards	1,276,893	-	-	**1,276,893**	-	-	**1,276,893**
- Personal financings	18,997,295	5,750,515	1,021,698	**25,769,508**	-	-	**25,769,508**
- Mortgage financings	585,344	14,373	-	**599,717**	-	-	**599,717**
Corporate Financings							
- Debit current accounts	13,025,614	1,058,557	80	**14,084,251**	-	-	**14,084,251**
- Credit cards	70	-	-	**70**	-	-	**70**
- Direct financings	51,257,243	7,853,748	425,063	**59,536,054**	-	-	**59,536,054**
- Syndicated financings	1,463,357	-	-	**1,463,357**	-	-	**1,463,357**
Less : expected credit losses For Customer financings	(6,435,374)	(168,775)	(27,557)	**(6,631,706)**	-	-	**(6,631,706)**
Balance at 31 December 2024	**216,190,702**	**14,512,083**	**1,419,829**	**232,122,614**	**1,557,360**	**4,098,812**	**237,778,786**
Balance at 31 December 2023	**134,003,292**	**9,814,363**	**1,174,867**	**144,992,522**	**714,184**	**317,865**	**146,024,572**

Financial risk Management-Continued

(B) Activity sectors

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

EGP (in thousands)

	Financial institution	Manufacturing institution	Services	Wholesale and Retail	Government sector	Retail	Other activities	Total
Due From Banks	98,109,464	-	-	-	-	-	-	**98,109,464**
Debt instruments at FVOCI								
- Egyptian treasury Bonds	-	-	-	-	1,607,748	-	-	**1,607,748**
- Islamic Sukuk	-	-	-	-	262,944	-	-	**262,944**
- Egyptian treasury bills	-	-	-	-	619,681	-	-	**619,681**
Debt instruments at amortized cost								
- Egyptian treasury Bonds	-	-	-	-	30,048,745	-	-	**30,048,745**
- Islamic Sukuk	-	-	-	-	1,451,513	-	-	**1,451,513**
- Egyptian treasury bills	-	-	-	-	7,539,965	-	-	**7,539,965**
Facilities to banks	2,030,727	-	-	-	-	-	-	**2,030,727**
Retail Financings								
- Debit current accounts	-	-	-	-	-	9,855	-	**9,855**
- Credit cards	-	-	-	-	-	1,276,893	-	**1,276,893**
- Personal financings	-	-	-	-	-	25,769,508	-	**25,769,508**
- Mortgage financings	-	-	-	-	-	599,717	-	**599,717**
Corporate Financings								
- Debit current accounts	25,318	6,351,049	900,917	521,038	6,267,462	-	18,467	**14,084,251**
- Credit cards	-	58	12	-	-	-	-	**70**
- Direct financings	721,266	24,093,287	13,153,189	5,753,077	15,346,035	-	469,200	**59,536,054**
- Syndicated financings	-	1,270,196	193,161	-	-	-	-	**1,463,357**
Less : expected credit losses For Customer financings	(10,979)	(2,115,380)	(1,330,776)	(352,466)	(2,240,505)	(571,361)	(10,239)	**(6,631,706)**
Balance at 31 December 2024	**100,875,796**	**29,599,210**	**12,916,503**	**5,921,649**	**60,903,588**	**27,084,612**	**477,428**	**237,778,786**
Balance at 31 December 2023	**49,093,039**	**17,239,249**	**11,524,647**	**4,284,714**	**45,398,406**	**17,596,796**	**887,721**	**146,024,572**

Financial risk Management-Continued

4/2 Market Risk

ADIB is exposed to market risk represented in fluctuations in fair value or future cash flows arising from changes in market prices. The market risk arises from the open positions of the Profit rate and the currency, as each is exposed to general and private movements in the market and changes in the level of sensitivity to market rates or prices such as rates of Profit and exchange rates. ADIB separates its exposure to market risk to trading or non-trading portfolios.

The management of market risk arising from trading or non-trading activities is concentrated in ADIB's risk management and is monitored by two separate teams. Market risk reports are reported to the Risk Committee of the Board of Directors and heads of operating units on a regular basis.

The portfolios of financial investments at fair value through profit or loss include those positions resulting from ADIB's direct dealing with customers or with the market, while non-trading portfolios arise primarily from managing the Profit rate on assets and liabilities. These portfolios include foreign exchange risk and equity instruments arising from financial investments at amortized cost and financial investments at fair value through other comprehensive income.

4/2/1 Market risk measurement techniques

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

Value at risk

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

Financial risk Management-Continued

Stress testing

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

- **Stress testing related to exchange rate**
  The following table shows the position of the currencies (surplus or deficit) of the items inside and outside the balance sheet

EGP (in thousands)

Currency	Surplus / deficit	Deficit	Surplus	Maximum expected loss 10%
USD	149,361	-	149,361	14,936
Euro	1,769	-	1,769	177
Sterling Pound	4,705	-	4,705	470
Swiss Franc	54	-	54	5
Japanese Yen	(69)	(69)	-	(7)
Other currencies	(5,591)	(5,591)	-	(559)
Maximum expected loss at 31 December 2024				**15,022**
Maximum expected loss at 31 December 2023				**(101,004)**

4/2/2 VAR summary
Total value at risk by the type of risk

EGP (in thousands)

	31 December 2024			31 December 2023		
	Average	Higher	Lower	Average	Higher	Lower
Total value at risk according to risk type						
Exchange rates risk	10,734	44,423	66	10,959	32,561	156
Profit rate risk	18,200	40,995	4,488	11,294	29,153	841
Total value at risk	**28,933**	**85,417**	**4,555**	**22,253**	**61,714**	**997**
Value at risk of the trading portfolio according to risk type						
Exchange rates risk	10,734	44,423	66	10,959	32,561	156
Total value at risk	**10,734**	**44,423**	**66**	**10,959**	**32,561**	**156**
value at risk of a non-trading portfolio according to risk type						
Profit rate risk	18,200	40,995	4,488	11,294	29,153	841
Total value at risk	**18,200**	**40,995**	**4,488**	**11,294**	**29,153**	**841**

Financial risk Management-Continued

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

- ADIB is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows. The Board of Directors has set limits on foreign exchange at the total value of each of the positions at the end of the day as well as during the day. The following table summarizes ADIB's exposure to foreign exchange risk at the end of the financial year. The following table presents the book value of financial instruments distributed in their respective currencies:

EGP (in thousands)

31 December 2024	EGP	USD	Sterling Pound	Euro	Japanese Yen	Other currencies	Total
Financial Assets							
Cash and due from Central Bank of Egypt	13,531,922	205,980	3,802	39,854	-	30,071	13,811,629
Due from banks	50,005,454	43,444,722	330,048	4,058,095	7,016	264,129	98,109,464
Financings and facilities to banks	-	2,030,727	-	-	-	-	2,030,727
Financings and facilities to customers	75,635,719	17,715,912	-	2,756,367	-	1	96,107,999
Pre-Promised forward exchange contracts	22,795	2,607	-	-	-	-	25,402
Financial investments at FVOCI	2,435,140	486,503	-	5,234	-	-	2,926,877
Financial investments at amortized cost	20,582,633	18,176,015	-	281,575	-	-	39,040,223
Other Financial assets	1,720,904	558,690	345	27,188	-	534	2,307,661
Total Financial assets	**163,934,567**	**82,621,156**	**334,195**	**7,168,313**	**7,016**	**294,735**	**254,359,982**
Financial Liabilities							
Due to banks	116,900	14,531,454	-	102,746	-	86,237	14,837,337
Customers' deposits	135,646,059	56,678,671	324,638	6,934,728	8,307	690,100	200,282,503
Pre-Promised forward exchange contracts	10,540	4,170	-	-	-	-	14,710
Subordinated financings	-	9,246,856	-	-	-	-	9,246,856
Other Financial liabilities	998,038	325,752	1,092	4,869	-	(168)	1,329,583
Total Financial Liabilities	**136,771,537**	**80,786,903**	**325,730**	**7,042,343**	**8,307**	**776,169**	**225,710,989**
Net financial position	**27,163,030**	**1,834,253**	**8,465**	**125,970**	**(1,291)**	**(481,434)**	**28,648,993**
31 December 2023							
Total Financial assets	**120,770,645**	**33,842,399**	**363,126**	**2,851,574**	**-**	**112,720**	**157,940,464**
Total Financial Liabilities	**102,482,836**	**31,294,624**	**358,125**	**2,839,849**	**5,050**	**563,899**	**137,544,383**
Net financial position	**18,287,809**	**2,547,775**	**5,001**	**11,725**	**(5,050)**	**(451,179)**	**20,396,081**

Financial risk Management-Continued

4/2/4 Profit rate risk

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

Profit rate structure risk management system

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

Asset-Liability Committee (ALCO) Duties

-Determination of acceptable limits for sensitivity analysis purposes
-Reviewing the assumptions used to identify, measure, validate and approve risks.
-Evaluating, modifying and adopting the proposed recommendations for the adjustment of gaps (if any) in line with the previously approved limits.

ADIBs' objective of managing Profit rate risk

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

Financial risk Management-Continued

4/2/4 Profit rate risk

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

EGP (in thousands)

31 December 2024	Up to 1 month	Over 1 month to 3 month	More than 3 month up to 1 year	More than 1 year to 3 years	More than 3 years	Non-profit bearing	Total
Financial Assets							
Cash and due from banks and CBE	-	-	-	-	-	19,430,131	19,430,131
Due from banks	77,379,311	11,989,883	4,972,349	-	-	205,664	94,547,207
Treasury Bills	1,739	6,357,987	1,971,590	-	-	-	8,331,316
Treasury Bonds	234,735	39,122	3,540,468	19,195,199	12,593,829	-	35,603,353
Financings to Customers	53,049,527	13,307,086	10,723,833	14,971,699	8,634,864	2,052,695	102,739,704
Financial investments	-	-	-	1,097,696	-	-	1,097,696
Other financial assets	-	-	-	-	-	6,678,471	6,678,471
Total financial assets	**130,665,312**	**31,694,078**	**21,208,240**	**35,264,594**	**21,228,693**	**28,366,961**	**268,427,878**
Financial Liabilities							
Due to banks	14,837,337	-	-	1,491,705	7,960,499	-	24,289,541
Customers' deposits	55,375,947	15,224,986	29,710,230	32,799,022	67,879,140	-	200,989,325
Other financial liabilities	-	-	-	-	-	43,149,012	43,149,012
Total financial liabilities	**70,213,284**	**15,224,986**	**29,710,230**	**34,290,727**	**75,839,639**	**43,149,012**	**268,427,878**
Profit re-pricing Gap	**60,452,028**	**16,469,092**	**(8,501,990)**	**973,867**	**(54,610,946)**	**(14,782,051)**	**-**
31 December 2023							
Total financial assets	**94,315,131**	**12,895,104**	**12,817,091**	**20,065,191**	**3,961,232**	**18,452,945**	**162,506,694**
Total financial liabilities	**28,756,318**	**12,182,751**	**15,429,891**	**31,596,741**	**49,653,508**	**24,887,485**	**162,506,694**
Profit re-pricing Gap	**65,558,813**	**712,353**	**(2,612,800)**	**(11,531,550)**	**(45,692,276)**	**(6,434,540)**	**-**

Financial risk Management-Continued

Profit Rate Sensitivity Analysis

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

Sensitivity of net income expected from Profit

EGP (in thousands)

	31 December 2024			31 December 2023		
Profit rate sensitivity analysis	Average	Higher	Lower	Average	Higher	Lower
Sensitivity of net expected income from profit						
Increase or decrease 200 basis points	790,900	928,194	568,942	574,574	833,126	407,086
Total value at risk	**790,900**	**928,194**	**568,942**	**574,574**	**833,126**	**407,086**
Equity sensitivity to changes in profit rates						
Increase or decrease 200 basis points	371,383	444,878	297,852	341,841	474,535	225,108
Total value at risk	**371,383**	**444,878**	**297,852**	**341,841**	**474,535**	**225,108**

- Changes in Profit rates affect equity in the following ways:
- Retained earnings: Increase or decrease in net income from the Profit and the fair value of the financial Pre-Promised Forward Contracts and included within profit and loss.
  Fair value reserve: Increase or decrease in the fair value of financial assets at fair value through other comprehensive income (before 1 January 2019: available for sale) recognized directly in other comprehensive income.
- Hedging reserve: The increase or decrease in fair value of hedging instruments classified as cash flow hedging.

4/3 Liquidity risk

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

- **Liquidity risk management**

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

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

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

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

Financial risk Management-Continued

4/3 Liquidity risk – Continued

- The following table represents the cash flows paid by the bank using the non-derivative financial obligations method. Distributed based on the remaining period of contractual maturities at the balance sheet date

EGP (in thousa

31 December 2024	Up to 1 month	Over 1 month to 3 month	More than 3 month up to 1 year	More than 1 year to 3 years	More than 3 years	Total
Financial Assets						
Cash and due from banks and CBE	1,336,697	-	-	12,475,896	-	**13,812,593**
Due from banks	79,115,161	15,827,549	3,558,716	2,762	-	**98,504,188**
Treasury bills	1,668,205	5,200,478	1,463,143	-	-	**8,331,826**
Financings and facilities to banks	536,265	-	1,661,675	-	-	**2,197,940**
Financings and facilities to customers	11,905,979	14,945,952	58,404,281	26,433,645	12,248,082	**123,937,939**
Financial investments:						
Financial investments at FVOCI	2,998,809	-	-	436,503	-	**3,435,312**
Financial investments at amortized cost	48,112,925	-	-	-	-	**48,112,925**
Investments in subsidiaries and associates	-	-	-	-	661,193	**661,193**
Other financial assets	-	-	-	-	4,528,481	**4,528,481**
Total financial assets as per contractual maturity	**145,674,041**	**35,973,979**	**65,087,815**	**39,348,806**	**17,437,756**	**303,522,397**
Financial Liabilities						
Due to banks	16,070,041	-	-	-	-	**16,070,041**
Customers' deposits	63,920,446	13,898,973	26,242,992	127,391,385	255,253	**231,709,049**
Subordinated financings	122,516	131,195	436,763	2,595,086	8,887,220	**12,172,780**
Other financial liabilities	1,732,301	-	-	-	38,338,157	**40,070,458**
Total financial liabilities as per contractual maturity	**81,845,304**	**14,030,168**	**26,679,755**	**129,986,471**	**47,480,630**	**300,022,328**
Profit re-pricing Gap	**63,828,737**	**21,943,811**	**38,408,060**	**(90,637,665)**	**(30,042,874)**	**3,500,069**
31 December 2023						
Total financial assets as per contractual maturity	**91,834,835**	**22,132,887**	**31,130,325**	**26,880,154**	**11,574,784**	**183,552,985**
Total financial liabilities as per contractual maturity	**34,621,899**	**10,744,524**	**16,488,271**	**93,833,887**	**30,244,989**	**185,933,570**
Profit re-pricing Gap	**57,212,936**	**11,388,363**	**14,642,054**	**(66,953,733)**	**(18,670,205)**	**(2,380,585)**

Financial risk Management-Continued

4/4 Capital management

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

- To comply with the legal capital requirements in the Arab Republic of Egypt and other countries in which ADIB's branches operate.
- To protect ADIB's ability to continue and enable it to continue to generate Profit for shareholders and other parties dealing with ADIB.
- To maintain a strong capital base that supports growth in activity.

Capital adequacy and capital uses are reviewed in accordance with the requirements of the regulatory body (the Central Bank of Egypt in the Arab Republic of Egypt or the supervisory bodies in which the foreign branches of ADIB operate) daily through ADIB's management, through models based on Basel Committee guidelines for banking supervision. The required data are provided to the Central Bank of Egypt on a quarterly basis.

CBE requires the following from ADIB:

- Retaining EGP 5 Billion as a minimum limit of paid and issued capital.
- Maintaining a ratio between the capital base and the total credit risk, market and operational risks, and the value of exceeding the established limits for the 50 largest customers, and the value of exceeding the limits determined for placements with countries is equal to or more than 10%.

The numerator in capital adequacy comprises the following two tiers:

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

Tier 2: It is the subordinated capital, which consists of the equivalent of the general risk provision according to the creditworthiness principles issued by CBE at no more than 1.25% of the total risk-weighted assets and contingent liabilities, and the subordinated financing / deposits with more than five years' maturity terms (amortisation of 20% of their value at each of the last five years of maturity).

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

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

Financial risk Management-Continued

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

According to Basel II	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Capital		
Tier 1 after disposals		
Basic going concern capital		
Issued and paid up capital	6,000,000	5,000,000
Reserves	796,365	532,358
Fair value reserve	284,547	178,036
Retained earnings / (Retained losses)	15,831,681	8,567,603
Less: The bank's investments in financial companies (banks or companies) and insurance companies (shares and investment funds)	(232,922)	(163,545)
Deferred Tax	(196,968)	(163,253)
Intangible assets	(44,356)	(38,832)
Total basic going concern capital after disposal	**22,438,346**	**13,912,367**
Additional basic capital		
Difference between FV and PV for subordinated financing	24,950	30,435
Total additional basic capital	**24,950**	**30,435**
Total Tier 1 after disposal (basic capital)	**22,463,297**	**13,942,802**
Tier 2 after disposals		
Equivalent of required provisions balances against debt instruments / loans and credit facilities incorporated in stage 1	2,076,871	1,104,808
Subordinated financing	7,073,796	2,859,863
45 % of the increase in fair value over the carrying amount of investments in subsidiaries and associates	46,528	46,528
45% of special reserve	15,585	14,386
Total Tier 2 after disposal	**9,212,780**	**4,025,585**
Total capital base after disposal	**31,676,077**	**17,968,387**
Total credit risks	166,189,756	88,387,332
The value of overriding the top 50 clients over the prescribed limits is weighted by risk weights	9,265,436	1,775,770
Capital requirements for market risks	845,530	1,207,590
Capital requirements for operating risks	7,742,300	8,587,550
Total assets and contingent liabilities weighted by credit, market, operational risks	**184,043,022**	**99,958,242**
Capital adequacy ratio of tier 1	**12.21%**	**13.95%**
Capital adequacy ratio	**17.21%**	**17.98%**

According to the CBE's publication issued on December 9, 2021, it is decided to exempt banks for one year as of the resolution issuance date from applying the resolution of the CBE's Board of Directors dated January 6, 2016 issued under the periodic letter dated January 11, 2016 regarding the concentration limits of ADIBs' credit portfolios at the largest 50 customers and their associated parties.

Financial risk Management-Continued

4/5 Leverage ratio

- The Board of Directors of the Central Bank of Egypt (CBE) at its session dated 7 July 2015 issued a resolution approving the supervisory instructions for the financial leverage, with the banks' commitment to the minimum rate of 3% on a quarterly basis as a binding control ratio starting from 2019.

In preparation for consideration of the first pillar of Basel (Minimum Capital Adequacy) in order to preserve the strength and integrity of the Egyptian banking system and to comply with the best international supervisory practices in this regard. The leverage reflects the relationship between the first tier of capital used in the standard of capital adequacy (after exclusions), and bank assets (both within and outside the financial position) are not weighted by risk weights.

Ratio components:

The numerator components

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

The denominator elements

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

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

2- Exposures resulting from Pre-Promised Forward Contracts contracts.

3- Exposures resulting from financing securities.

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

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Notes to the separate financial statements For the year ended 31 December 2024

Financial risk Management-Continued

The following table summarizes the leverage ratio:

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Tier 1 capital after disposals (1)	**22,463,297**	**13,942,802**
Cash and due from CBE	19,433,859	12,324,827
Due from Banks	94,537,740	46,265,093
Treasury bills and other government securities	8,196,685	16,197,716
Financial investments at FVPL	60,991	162,176
Financial investments at FVOCI	2,308,242	665,886
Financial investments at amortized cost	31,564,622	16,849,808
Investments in subsidiaries and associates	543,817	407,650
Total financings and credit facilities to customers	97,813,331	65,007,754
Fixed assets (net of impairment loss provision & accumulated depreciation)	706,918	640,636
Other assets	8,225,129	6,232,573
Deducted amounts from exposures (some of tier 1 exclusions for capital base)	(474,246)	(365,631)
Total on-balance sheet exposures items after deducting tier 1 disposals	**262,917,088**	**164,388,489**
Replacement cost	25,402	33
Expected future value	20,988	7,016
Pre-promised Islamic Contracts exposures	**46,389**	**7,050**
Treasury bills sale with repurchase commitment	93	1,954
Exposure resulting from securities financing	**93**	**1,954**
Total on-balance sheet exposures, Pre-promised Islamic contracts and financing financial securities	**262,963,570**	**164,397,493**
Letters of credit -import	1,974,911	657,553
Letters of credit -export	12,009	136,741
letters of guarantee	15,798,476	10,179,819
letters of guarantee requested or guaranteed by external banks	2,227,233	1,291,879
Contingent liabilities for general collaterals for financing facilities and similar collaterals	162,684	98,858
Bank acceptance	7,189,089	1,677,299
Total contingent liabilities	**27,364,403**	**14,042,150**
Capital commitments	286,064	101,176
Operating lease commitments	594,631	281,775
financing commitments to clients /banks (unutilized part) original maturity period	4,860,880	4,154,760
Total commitments	**5,741,575**	**4,537,711**
Total exposures off-balance sheet	**33,105,977**	**18,579,861**
Total exposures on-balance sheet and off-balance sheet (2)	**296,069,547**	**182,977,354**
Financial leverage ratio (1/2)	**7.59%**	**7.62%**

5- Significant accounting estimates and assumptions

ADIB uses estimates and assumptions that affect the amounts of assets and liabilities disclosed during the next fiscal period / year. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and information available.

A) Estimates:

Information on estimates used in applying accounting policies that have a material impact on the amounts recognized in the financial statements:

- **Classification of financial assets**: Valuation of the business model in which the asset shall be retained and evaluated whether contractual terms of the financial asset shall result in the generating of cash flows in the form of payment of profit and instalments on the outstanding balances of those assets.

B) Uncertainty Related with Assumptions and Estimates:

Uncertainties related with assumptions and estimates of significant risks that may result in material adjustments in the financial period ended on 31 December 2024 shall be appeared in the following notes:

- **Impairment of financial instruments**: An assessment of whether there has been a significant increase in credit risk on financial assets since the initial recognition, taking into account, the impact of future information upon measuring the expected credit losses.
- **Determination of the fair value of financial instruments**: using unobservable inputs upon measuring.
- **Measurement of defined benefit liabilities**: Key actuarial assumptions.
- **Recognition of deferred tax assets**: The existence of future taxable profits that may be benefited from forward tax losses.

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6- Segment analysis

The activity segments include the operations, assets used in the provision of banking services, the management of the risks surrounding them, and the profit related with this activity, which may differ from other activities. The segment analysis of operations in accordance with the banking business include:

Large, medium and small enterprises

These include the activities of current accounts, deposits, current accounts receivable (Mudaraba), financing and credit facilities, and financial Pre-Promised Forward Contracts.

Investment

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

Retail

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

Other activities

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

EGP (in thousands)

31 December 2024	Corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment					
Revenues of activity segment	5,928,989	4,989,722	4,690,665	1,953,471	**17,562,847**
Expenses of activity segment	(3,570,350)	(59,200)	(1,703,726)	(175,816)	**(5,509,092)**
Net profit for the year before tax	**2,358,639**	**4,930,522**	**2,986,939**	**1,777,655**	**12,053,755**
Tax	(690,069)	(831,657)	(685,950)	(1,019,060)	**(3,226,736)**
Net profit for the year	**1,668,570**	**4,098,865**	**2,300,989**	**758,595**	**8,827,019**
Assets and liabilities by activity segment					
Assets of activity segment	64,902,169	139,640,061	31,205,829	-	**235,748,060**
Un-classified assets	-	-	-	23,092,684	**23,092,684**
Total assets	**64,902,169**	**139,640,061**	**31,205,829**	**23,092,684**	**258,840,744**
Liabilities of activity segment	109,496,835	24,167,179	91,319,050	-	**224,983,064**
Un-classified liabilities	-	-	-	11,484,815	**11,484,815**
Total liabilities	**109,496,835**	**24,167,179**	**91,319,050**	**11,484,815**	**236,467,879**

EGP (in thousands)

31 December 2023	Corporate	Investment	Retail	Other activities	Total
Revenues and expenses by activity segment					
Revenues of activity segment	3,776,767	2,239,373	2,983,338	1,477,011	**10,476,489**
Expenses of activity segment	(1,933,006)	(124,758)	(1,386,963)	(716,249)	**(4,160,976)**
Net profit for the year before tax	**1,843,761**	**2,114,615**	**1,596,375**	**760,762**	**6,315,513**
Tax	(414,878)	(780,124)	(379,168)	(250,765)	**(1,824,935)**
Net profit for the year	**1,428,883**	**1,334,491**	**1,217,207**	**509,997**	**4,490,578**
Assets and liabilities by activity segment					
Assets of activity segment	43,193,792	81,922,936	20,369,395	-	**145,486,123**
Un-classified assets	-	-	-	15,160,465	**15,160,465**
Total assets	**43,193,792**	**81,922,936**	**20,369,395**	**15,160,465**	**160,646,588**
Liabilities of activity sectors	66,622,150	10,458,786	60,538,143	-	**137,619,079**
Un-classified liabilities	-	-	-	9,097,856	**9,097,856**
Total liabilities	**66,622,150**	**10,458,786**	**60,538,143**	**9,097,856**	**146,716,935**

7- Net Revenues from Funds

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Income from Murabaha, Musharaka, Mudaraba and other similar income		
Financing and facilities		
Banks	126,917	-
customers	18,265,934	10,566,797
Total	**18,392,851**	**10,566,797**
Financial investments in debt instruments at AC and FVOCI*	38,992	15,173
Deposits and current accounts*	17,931,766	8,599,689
Total	**36,363,609**	**19,181,659**
Cost of deposits and similar costs		
Deposits and current accounts:		
To banks	(1,397,411)	(183,879)
To customers	(19,463,354)	(9,911,996)
other financings	(522,005)	(298,997)
Financing financial instruments and sales transactions of financial instruments with a repurchase commitment	(169)	(1,044)
Total	**(21,382,939)**	**(10,395,916)**
Net Revenues from Funds	**14,980,670**	**8,785,743**

The income from deposits and current accounts with banks includes the return resulting from the Murabaha concluded with a local bank, and the returns, profits and losses resulting from financial investments in government debt instruments belong to this bank according to the investment restricted agency, which requires investing these amounts in government debt instruments within the limits of the return expected and agreed upon.
In 2020, the Sharia Board of the bank approved this structure, through which Abu Dhabi Islamic Bank - Egypt invests its surplus liquidity in concluding an international commodity murabaha transaction with a local bank and concluding an investment agency contract in which the local bank assigns Abu Dhabi Islamic Bank - Egypt as a restricted agency for investment. In the purchase of treasury bills and bonds for the benefit of the principal, and therefore, as mentioned, the bank's return is the profit of international commodity murabaha and the Profit of the bills and bonds in favor of the contracted local bank.

8-Net fees and commissions income

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Fees and commissions income:		
Credit related fees and commissions	1,702,689	1,193,450
Fees of corporate financing	25,524	28,587
Custody fees	1,743	3,252
Other fees	820,982	675,776
Total	**2,550,938**	**1,901,065**
Fees and commissions expenses:		
Paid brokerage fees	(896)	(512)
Miscellaneous banking commission	(25,123)	(31,334)
Credit cards paid commissions	(550,697)	(273,039)
Other fees and commissions paid	(118,572)	(83,244)
Total	**(695,288)**	**(388,129)**
Net fees and commission income	**1,855,650**	**1,512,936**

9-Dividends

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Equity instruments at FVOCI	3,579	4,247
Financial investments in subsidiaries and associates	668	-
Total	**4,247**	**4,247**

10-Net trading income

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Foreign exchange operations:		
Gain from fx deals	647,833	258,532
Gain of Islamic forward contracts revaluation	1,902	34
Gain / (Loss) of revaluation of islamic currency swap contracts	10,352	(3,450)
Gain of currency option contracts revaluation	12,513	3,478
Total	**672,600**	**258,594**

11-Administrative expenses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Employees' cost		
Salaries,wages and benefits	(1,053,696)	(837,107)
Social insurance	(60,292)	(49,935)
Pension cost		
Defined contribution plans	(34,812)	(28,419)
Defined benefit plans	(128,546)	(109,411)
Depreciation and amortization	(124,906)	(89,360)
Other administrative expenses	(1,000,030)	(703,667)
Total	**(2,402,282)**	**(1,817,899)**

12-Other operating expenses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Gain / (Loss) on translation of monetary assets and liabilities denominated in foreign currencies other than those held for trading or initially designated at FVPL	28,942	(101,618)
Gain on sale of assets reverted to bank	-	25,611
Gain on sale of fixed assets	10,890	41,556
Cost of Programs	(338,466)	(221,517)
operating lease expense	(177,702)	(136,051)
(Charge) of impairment other assets	(1,078)	(4,295)
Other provisions	(282,056)	(252,122)
Other (expense)	(185,463)	(144,275)
Total	**(944,933)**	**(792,711)**

13- Expected credit losses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Financing and facilities to customers	(2,146,626)	(1,577,489)
Financing and facilities to banks	(2,481)	-
Due from Banks	(1,084)	(11,326)
Financial investments at FVOCI	5,518	(4,199)
Financial investments at amortized cost	29,988	(43,675)
Total	**(2,114,685)**	**(1,636,689)**

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Notes to the separate financial statements For the year ended 31 December 2024

14-Income tax expenses

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current tax	(3,294,278)	(1,888,811)
Deferred tax	67,542	63,876
Total	**(3,226,736)**	**(1,824,935)**

Additional information on deferred income tax was presented in Note (31). Taxes on ADIB's profits are different from the value resulting from the application of tax rates as follows:

Reconciliation to calculate effective tax rate:

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net profit for the year before tax	12,053,755	6,315,513
Applicable tax rate	22.50%	22.50%
Income tax (expenses) based on applied tax rate	**2,712,095**	**1,420,990**
Tax impact for		
Non-taxable revenues	(1,203,973)	(933,429)
Non-deductible tax expenses	900,800	576,848
Tax of treasury bills and bonds and dividends	817,815	760,525
Income tax expenses according to effective tax rate	**3,226,736**	**1,824,934**
Effective tax rate	**26.77%**	**28.90%**

15-Basic earning per share in net profit for the year

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net profit for the year	8,827,019	4,490,578
Banking system development fund	(88,593)	(44,848)
Emplyees' profit share	(885,929)	(448,482)
Board of directors' remuneration	(71,440)	(35,190)
Shareholders' profit share	**7,781,058**	**3,962,058**
Weighted average of shares outstanding during the year	554,918	457,260
Earnings Per Share	**14.02**	**8.67**

16- Cash and balances with the Central Bank of Egypt

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash	1,336,697	800,804
Balances with central bank within mandatory reserve ratio	12,474,932	9,184,571
Total	**13,811,629**	**9,985,375**
Non-Profit bearing balances	13,811,629	9,985,375
Total	**13,811,629**	**9,985,375**

17-Due from banks

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current accounts	205,664	123,390
Placements with other banks	97,926,497	48,479,700
Murabaha due from local banks*	48,013,050	37,047,764
Restricted wakala due to local banks*	(48,013,050)	(37,047,764)
	98,132,161	**48,603,090**
(less) Expected Credit Losses	(22,697)	(13,243)
Total	**98,109,464**	**48,589,847**
Balances with CB other than mandatory reserve ratio	5,622,227	2,339,449
Local banks	86,848,754	45,231,197
Murabaha due from local banks*	48,013,050	37,047,764
Restricted wakala due to local banks*	(48,013,050)	(37,047,764)
Foreign Banks	5,661,180	1,032,444
(less) Expected Credit Losses	(22,697)	(13,243)
Total	**98,109,464**	**48,589,847**
Non-Profit bearing balances	205,664	123,390
Variable profit bearing balances	92,307,996	46,142,235
Fixed profit bearing balances	5,618,501	2,337,465
(less) Expected Credit Losses	(22,697)	(13,243)
Total	**98,109,464**	**48,589,847**
Due from banks' Expected Credit Losses movement		
Balance at beginning of the year	**13,243**	**1,558**
Net expected credit loss during the year	1,084	11,326
Foreign exchange translation differences	8,370	359
Total	**22,697**	**13,243**

*Balances with banks include an amount of 48,013,050 EGP representing Murabaha due from a local bank, offset by restricted investment agencies due to the same bank for the same amount to invest the restricted agency amount in government debt instruments, and a set-off has been made between them due to their fulfilment of the conditions for set-off between assets and liabilities contained in the rules for preparing and photographing The financial statements issued by the Central Bank of Egypt on December 16.
In 2020, the Sharia Board of the bank approved this structure, through which Abu Dhabi Islamic Bank - Egypt invests its surplus liquidity in concluding an international commodity murabaha transaction with a local bank and concluding an investment agency contract in which the local bank assigns Abu Dhabi Islamic Bank - Egypt as a restricted agency for investment. In the purchase of treasury bills and bonds for the benefit of the principal, and therefore, as mentioned,

the bank's return is the profit of international commodity murabaha and the Profit of the bills and bonds in favour of the contracted local bank.

18- Financing and facilities to banks (after deducting expected credit losses)

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Negotiable instruments	2,033,552	-
Total	**2,033,552**	**-**
less:		
Expected credit losses	(2,825)	-
Total	**(2,825)**	**-**
Net	**2,030,727**	**-**
Financings and Facilities to banks' Expected Credit Losses movement		
Balance at beginning of the year	-	-
Net expected credit loss during the year	2,481	-
Foreign exchange translation differences	344	-
Total	**2,825**	**-**

19- Financing and facilities to customers (net of impairment losses)

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Retail		
Debit current accounts	9,855	5,617
Credit cards	1,276,893	846,104
Personal financing	25,769,508	16,892,873
Mortgage Financing	599,717	478,284
Total	**27,655,973**	**18,222,878**
Corporate (including SMEs)		
Debit current accounts	14,084,251	8,137,013
Direct financing	59,536,054	41,253,747
Syndicated financing	1,463,357	795,048
Credit cards	70	172
Total	**75,083,732**	**50,185,980**
Total financing and facilities to customers	**102,739,705**	**68,408,858**
Deduct:		
Expected Credit Losses	(6,631,706)	(4,307,221)
Total	**(6,631,706)**	**(4,307,221)**
Net	**96,107,999**	**64,101,637**
Classified in balance sheet as follow		
Conventional financing to customers (net of expected credit losses)	61,123	16,305
Islamic Financing to customers (net of expected credit losses)	96,046,876	64,085,332
Net	**96,107,999**	**64,101,637**
Variable-profit bearing balances	63,485,421	41,423,098
Fixed-profit bearing balances	32,622,578	22,678,539
Total	**96,107,999**	**64,101,637**

Financing and facilities to customers Expected Credit Losses movement	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at beginning of the year	**4,307,221**	**2,774,245**
Net expected credit loss during the year	2,146,626	1,577,489
Recoveries from written off loans	46,647	30,831
Used provisions during the year	(580,310)	(208,523)
Foreign exchange translation differences	711,522	133,179
Total	**6,631,706**	**4,307,221**

19- Financing and facilities for customers – continued

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

EGP (in thousands)

31 December 2024	Debit current accounts	Covered Cards	Retail Personal financing	Mortgage Financing	Total
Balance at beginning of the year	-	89,369	527,702	9,011	626,082
Expected credit losses during the year	-	66,476	133	1,702	68,311
Recoveries from written off loans	-	12,265	29,065	-	41,330
Used provisions during the year	-	(16,248)	(148,114)	-	(164,362)
Balance at 31 December 2024	-	151,863	408,785	10,713	571,361

31 December 2024	Debit current accounts	Direct financing	Corporate Syndicated financing	Covered Cards	Total
Balance at beginning of the year	148,911	2,971,440	560,780	8	3,681,139
Expected credit losses during the year	497,451	1,010,122	570,750	(8)	2,078,315
Recoveries from written off loans	-	5,317	-	-	5,317
Used provisions during the year	-	(415,948)	-	-	(415,948)
Foreign exchange translation differences	58,875	526,571	126,076	-	711,522
Balance at 31 December 2024	705,237	4,097,502	1,257,606	-	6,060,345

EGP (in thousands)

31 December 2023	Debit current accounts	Covered Cards	Retail Personal financing	Mortgage Financing	Total
Balance at beginning of the year	-	56,138	574,267	2,060	632,465
Expected credit losses during the year	-	37,416	83,784	6,951	128,151
Recoveries from written off loans	-	13,881	12,238	-	26,119
Used provisions during the year	-	(18,066)	(142,587)	-	(160,653)
Balance at 31 December 2023	-	89,369	527,702	9,011	626,082

31 December 2023	Debit current accounts	Direct financing	Corporate Syndicated financing	Covered Cards	Total
Balance at beginning of the year	72,461	2,010,480	58,839	-	2,141,780
Expected credit losses during the year	76,450	870,939	501,941	8	1,449,338
Recoveries from written off loans	-	4,712	-	-	4,712
Used provisions during the year	-	(47,870)	-	-	(47,870)
Foreign exchange translation differences	-	133,179	-	-	133,179
Balance at 31 December 2023	148,911	2,971,440	560,780	8	3,681,139

20- Financial investments

20/1 Financial investments at fair value through other comprehensive income

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Treasury bonds - at Fair Value		
Listed in stock exchange market	1,607,748	216,021
Total Treasury bonds	**1,607,748**	**216,021**
B) Islamic Sukuk - at Fair Value		
Listed in stock exchange market	262,944	151,943
Total Islamic Sukuk	**262,944**	**151,943**
C) Government treasury bills - at Fair Value		
Un-Listed in stock exchange market	619,681	11,032,003
Total Government treasury bills	**619,681**	**11,032,003**
Detailed T-bills maturities as the following:		
Treasury bills Within 91 days to maturity	11,625	8,008,000
Treasury bills Within 182 days to maturity	5,375	1,350,000
Treasury bills Within 273 days to maturity	-	535,250
Treasury bills Within 364 days to maturity	632,025	1,353,000
Total	**649,025**	**11,246,250**
Unearned revenues	(32,002)	(211,233)
Valuation differences of treasury bills at Fair Value	2,658	(3,014)
Net	**619,681**	**11,032,003**
D) Equity instruments at Fair Value		
Un-Listed in stock exchange market	399,913	267,329
Total equity instruments	**399,913**	**267,329**
E) Mutual funds certificates at FV		
Un-Listed in stock exchange market	36,591	29,547
Total mutual funds certificates	**36,591**	**29,547**
Total financial investments at FVOCI (1)	**2,926,877**	**11,696,843**

20- Financial investments - continued

20/2 Financial investments at amortised cost

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
A) Government treasury bonds		
Listed in stock exchange market	30,105,418	16,849,807
Less: Expected Credit Losses	(56,673)	(40,754)
Total government treasury bonds	**30,048,745**	**16,809,053**
B) Sovergin Sukuk - at AC		
Listed in stock exchange market	1,459,204	-
(Deduct) Impairment loss provision	(7,691)	-
Total Sovergin Sukuk	**1,451,513**	**-**
B) Government treasury bills		
Un-Listed in stock exchange market	7,580,187	5,184,182
Less: Expected Credit Losses	(39,696)	(38,632)
Total government treasury bills	**7,540,491**	**5,145,550**
Detailed T-bills maturities as the following:		
Treasury bills Within 273 days to maturity	-	575,000
Treasury bills Within 364 days to maturity	7,682,801	4,679,389
Total	**7,682,801**	**5,254,389**
Unearned revenues	(102,614)	(70,207)
Less: Expected Credit Losses	(39,696)	(38,632)
Net (1)	**7,540,491**	**5,145,550**
Repurchase Agreements		
Treasury bills sold with repurchase commitment	(522)	(21,319)
Total	**(522)**	**(21,319)**
Unearned revenues	(4)	(163)
Net (2)	**(526)**	**(21,482)**
Net (1+2)	**7,539,965**	**5,124,068**
Total financial investments at AC (2)	**39,040,223**	**21,933,121**
Total financial investments (1+2)	**41,967,100**	**33,629,964**
Non-profit bearing balances	436,504	296,876
Variable-profit bearing balances	1,555,142	398,158
Fixed-profit bearing balances	39,975,454	32,934,930
Total financial investments	**41,967,100**	**33,629,964**

Debt Instruments Expected Credit Losses movement	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	79,386	28,588
Net Expected Credit Losses during the year	(29,988)	43,675
Foreign exchange translation differences	54,662	7,123
Total	**104,060**	**79,386**

20- Financial investments - continued

- **Mutual funds**
- **Sanabel Mutual Fund**
- An Islamic equity fund, with an independent Sharia body, was launched in December 2006 and aims to create a mechanism that allows for investors, invest in local and regional markets through moderate risk investment strategies. The fund works to reduce the risks to which investors are exposed through diversification into local short- and medium-term Islamic Stocks Term, Global Depositary Receipts and Regional Shares
- The financial investments at fair value through other comprehensive income include ADIB's contribution in Sanabel Mutual Fund between ADIB and the Arab International Banking Company under the management of HC company for managing mutual funds.
- The total number of documents invested in by ADIB is 25,000 documents at market value of EGP 369.8 at 2.5% of total number of documents outstanding to reach total amount of EGP 9,921 thousand as at 31 December 2024 (31 December 2023: EGP 7,270 thousand).
- **Abu Dhabi Islamic Bank - Egypt Monetary Fund with Accumulative Daily Return (El-Naharda)**
- ADIB has established Abu Dhabi Islamic Bank - Egypt Monetary Fund with Accumulative Daily Return (El-Naharda) compatible with the principles of Islamic Sharia law, as the fund is managed by Beltone for managing investment funds.
- The total number of documents invested in by ADIB is 87,165 documents at market value of EGP 305.97 at 3% of the fund's total number of documents outstanding, so the total amount is EGP 26,670 thousand as at 31 December 2024 (31 December 2023: EGP 22,276 thousand).

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

		EGP (in thousands)	
31 December 2024	**FVOCI**	**Amortized cost**	**Total**
Balance at the beginning of the year	**11,696,843**	**21,933,121**	**33,629,964**
Additions	33,834,010	24,998,194	**58,832,204**
Premium / discount Amortization	2,851,536	1,482,776	**4,334,312**
Disposals (Sale / redemption)	(45,783,079)	(14,443,649)	**(60,226,728)**
Translation difference of monetary assets in foreign currencies	194,121	5,086,764	**5,280,885**
Changes in fair value reserve	133,446	-	**133,446**
Less: impairment loss provision	-	(16,983)	**(16,983)**
Balance at 31 December 2024	**2,926,877**	**39,040,223**	**41,967,100**

31 December 2023	**FVOCI**	**Amortized cost**	**Total**
Balance at the beginning of the year	**4,002,047**	**26,889,619**	**30,891,666**
Additions	26,980,004	8,583,662	**35,563,666**
Premium / discount Amortization	2,799,670	731,389	**3,531,059**
Disposals (Sale / redemption)	(22,213,548)	(15,121,709)	**(37,335,257)**
Translation difference of monetary assets in foreign currencies	12,575	900,958	**913,533**
Changes in fair value reserve	116,095	-	**116,095**
Less: impairment loss provision	-	(50,798)	**(50,798)**
Balance at 31 December 2023	**11,696,843**	**21,933,121**	**33,629,964**

20- Financial investments - continued

20/3 Gains from financial investments

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Charge of impairment losses of investments in subsidiaries and associates	2,488	1,292
Total	**2,488**	**1,292**

21- Investments in subsidiaries and associates (net)

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Investments in subsidiaries		
Cairo National Company for Investment	76,797	76,797
National Company for Trading and Development (Entad)	19,207	19,207
ADI Holding	4,980	4,980
ADI Capital	11,575	11,575
ADI Properties	13	13
ADIB Investment	-	4,900
ADI Finance	254,315	154,315
ADI MicroFinance	73,500	24,500
ADI Consumer Finance	196,000	98,000
ADI Taskeek	9,800	9,800
Total	**646,187**	**404,087**
Investments in associates		
Orient Takaful Insurance Company - Egypt	20,000	20,000
Total	**20,000**	**20,000**
Total financial investments in subsidiaries and associates	**666,187**	**424,087**
Impairment losses in financial investments in subsidiaries and associates	(4,994)	(7,482)
Net financial investments in subsidiaries and associates	**661,193**	**416,605**

- Financial investments in subsidiaries have been determined according to a study carried out by the bank to identify companies in which the bank has, directly and indirectly, the ability to control their financial and operational policies.
- The board of directors of the bank approved in March 2021 the establishment of Abu Dhabi Islamic Microfinance Company - under establishment, with a paid-up capital of 25 million Egyptian pounds (represented by 2.5 million shares with a nominal value of 10 Egyptian pounds per share). Additionally, the extraordinary general assembly of Abu Dhabi Islamic Microfinance Company approved on October 4, 2023, an increase in the issued capital through the issuance of 5,000,000 shares at a value of 50,000,000 pounds, with subscription limited to existing shareholders at the nominal value of the share, which is 10 pounds per share.

- Based on the decision of the bank's board of directors on July 8, 2021, and the approval of the Central Bank on July 24, 2021, the procedures for establishing ADI Taskeek Company began. The paid-up capital reached 10 million pounds in May 2023, represented by 1 million shares with a nominal value of 10 pounds per share, with the bank's contribution reaching 98%.
- The impairment losses include the dissolution of financial investments in subsidiaries and associate companies, amounted by 4,994 thousand Egyptian pounds, primarily as follows:
  -The impairment of ADI Holding for Financial Investments amounted to 4,980 thousand Egyptian pounds according to the latest fair value study.
- On March 24, 2024, the ordinary general assembly of ADIB investment company was held to discuss the liquidation of the company's assets and the distribution of deposited balances and their returns to the shareholders.

ADIB's shareholding in subsidiaries and associates is as follows Based on the Latest Audited Financial Statements.

					EGP (in thousands)	
31 December 2024	Country	Company's assets	Company's liabilities (without (equity	Company's revenues	Company's profits/(losses)	% Ownership
Contribution in subsidiaries						
Cairo National Company for Investment	Egypt	111,302	1,501	5,630	1,977	64.75%
National Company for Trading and Development (Entad)	Egypt	95,512	19,414	7,464	5,947	40.00%
ADI holding company	Egypt	4,496	303,159	-	(26,773)	99.60%
ADI Capital	Egypt	72,361	11,203	49,762	28,048	92.86%
ADI Properties	Egypt	26,566	80,085	2,673	1,425	5.00%
ADI Finance	Egypt	2,164,875	1,688,381	165,517	99,553	99.20%
ADIB MicroFinance	Egypt	114,314	48,170	19,225	(5,715)	98.00%
ADIB Consumer Finance	Egypt	407,216	358,034	34,771	(65,539)	98.00%
ADI Taskeek	Egypt	12,259	204	1,656	1,487	98.00%
Contribution in associates						
Orient Takaful Insurance Company - Egypt	Egypt	7,258,816	4,976,928	1,244,676	632,522	20.00%
Total		**10,267,718**	**7,487,079**	**1,531,374**	**672,932**	

31 December 2023	Country	Company's assets	Company's liabilities (without (equity	Company's revenues	Company's profits/(losses)	% Ownership
Contribution in subsidiaries						
Cairo National Company for Investment	Egypt	104,555	464	7,631	1,426	64.75%
National Company for Trading and Development (Entad)	Egypt	87,911	13,403	8,056	6,618	40.00%
ADI holding company	Egypt	8,900	268,568	-	(21,819)	99.60%
ADI Capital	Egypt	53,692	26,827	13,505	2,463	92.86%
ADI Properties	Egypt	20,204	80,190	222	(1,528)	5.00%
ADI Finance	Egypt	2,043,913	1,677,023	361,615	74,989	98.66%
ADIB MicroFinance	Egypt	26,576	5,451	-	(3,453)	98.00%
ADIB Consumer Finance	Egypt	109,072	56,712	8,748	(24,539)	98.00%
ADI Taskeek	Egypt	10,240	2	239	238	98.00%
Contribution in associates						
Orient Takaful Insurance Company - Egypt	Egypt	5,309,145	3,707,381	699,999	426,219	20.00%
Total		**7,774,208**	**5,836,022**	**1,100,016**	**460,613**	

22- Intangible Assets (after deducting accumulated amortization)

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Net book value at the beginning of the year	25,570	20,924
Additions	6,265	18,642
Amortization for the year	(14,784)	(13,996)
Net book value at the end of the year	**17,051**	**25,570**

23- Other assets

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Accrued revenues	2,307,661	1,633,607
prepaid expenses	1,153,945	718,186
Advance payments for purchase of fixed assets	611,809	106,144
Assets reverted to the bank in settlement of debts (Net of impairment losses)	2,984	2,984
Deposits and custodies	14,515	8,283
Due from related parties	147,040	113,703
Accounts under settlement with correspondents	510,795	449,234
Other debit balances	472,718	68,501
Total	**5,221,467**	**3,100,642**
Provision for impairment of other assets	(4,716)	(3,638)
Net other assets	**5,216,751**	**3,097,004**

24- Fixed assets (after deducting accumulated depreciations

EGP (in thousands)

31 December 2024	Lands & Premises	& Machinery Equipment	Renovations	Other Assets	Total
Cost	161,259	11,697	379,076	1,075,957	**1,627,989**
Accumulated Depreciation	(63,444)	(6,945)	(160,745)	(703,421)	**(934,555)**
Net Book Value	**97,815**	**4,752**	**218,331**	**372,536**	**693,434**
Net Book Value at the beginning of the year	102,883	5,027	221,545	306,722	**636,177**
Additions	-	817	14,637	152,040	**167,494**
Disposals	(274)	(15)	-	(7,076)	**(7,365)**
Depreciation charge for the year	(5,068)	(1,091)	(17,851)	(86,112)	**(110,122)**
Disposals' Accumulated Depreciation	274	14	-	6,962	**7,250**
Net Book Value	**97,815**	**4,752**	**218,331**	**372,536**	**693,434**

EGP (in thousands)

31 December 2023	Lands & Premises	Machinery & Equipment	Renovations	Other Assets	Total
Cost	161,533	10,895	364,439	930,993	**1,467,860**
Accumulated Depreciation	(58,650)	(5,868)	(142,894)	(624,271)	**(831,683)**
Net Book Value	**102,883**	**5,027**	**221,545**	**306,722**	**636,177**
Net Book Value at the beginning of the year	114,777	5,696	234,995	130,486	**485,954**
Additions	-	360	3,953	228,183	**232,496**
Disposals	(11,061)	-	-	(9,873)	**(20,934)**
Depreciation charge for the year	(5,512)	(1,029)	(17,403)	(51,420)	**(75,364)**
Disposals' Accumulated Depreciation	4,679	-	-	9,346	**14,025**
Net Book Value	**102,883**	**5,027**	**221,545**	**306,722**	**636,177**

25- Due to banks

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Current Accounts	754,990	357,802
Deposits	14,082,347	6,121,040
Total	**14,837,337**	**6,478,842**
Local Banks	2,542,117	4,384
Foreign Banks	12,295,220	6,474,458
Total	**14,837,337**	**6,478,842**
Non-profit bearing balances	754,990	357,802
Variable profit bearing balances	14,082,347	6,121,040
Total	**14,837,337**	**6,478,842**

26- Customers' deposits

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Demand deposits	61,698,942	45,666,977
Time and call deposits	72,419,772	34,140,019
Saving and deposit certificates	42,425,063	32,858,686
Saving deposits	20,580,968	10,612,357
Other deposits	3,157,758	3,849,464
Total	**200,282,503**	**127,127,503**
Corporate deposits	113,477,714	69,408,517
Retail deposits	86,804,789	57,718,986
Total	**200,282,503**	**127,127,503**
Non-profit bearing balances	20,794,966	15,219,394
Fixed profit bearing balances	179,487,537	111,908,109
Total	**200,282,503**	**127,127,503**

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27- Pre-Promised forward/Swap exchange contracts

Currency forwards contracts represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Future foreign currency exchange contracts and/or Profit rates are contractual obligations to receive or pay a net amount based on changes in currency rates, Profit rates and/or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an active financial market.

Credit risk at ADIB is considered low. Forward Profit rate agreements represent future exchange rate contracts negotiated on a case-by-case basis. These agreements require financial settlements on a future date for the difference between the contractual Profit rate and the Profit rate prevailing in the market on the basis of an agreed contractual amount/ nominal value.

EGP (in thousands)

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

	31 December 2023		
	/ Contractual nominal amount	Assets	Liabilities
Pre-Promised forward exchange contracts	440	34	-
Pre-Promised Swap exchange contracts	708,413	-	3,450
Total	**708,853**	**34**	**3,450**

28- Subordinated financing

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Subordinated Financing without coupon*	1,777,365	1,052,617
Subordinated Financing with coupon**	7,469,491	2,471,448
Total	**9,246,856**	**3,524,065**
Subordinated Financing without coupon*		
Balance at the beginning of the financial year	1,052,617	821,667
Subordinated financing cost using effective interest rate method	43,156	26,735
Foreign currency translation differences	681,592	204,215
Total	**1,777,365**	**1,052,617**

***Subordinated Financing with no coupon**

The subordinated financing without Profit represents an amount of 39 million US dollars granted by the Abu Dhabi Islamic Bank, the UAE, under a framework agreement for the agency with investment for a period of 6 years, starting from December 27, 2012, and in 2016 a supplementary agreement was concluded for the support financing contract by extending the term of the contract to end on December 27, 2023 On March 30, 2022, another supplementary agreement was concluded for the support financing contract, by extending the contract term to end on March 29, 2029 instead of December 27, 2023. The bank recorded the supporting financing at the current value using a discount rate of 3.25%, and these supplementary agreements resulted in the loading of equity net The amount of 12,465 thousand Egyptian pounds, which represents the difference between the nominal value and the present value of the financing at the date of the term extension agreement.

This agreement also resulted in an expected profit for the agent of 6.25% of the investment amount.

****Subordinated Financing with coupon**

Abu Dhabi Islamic Bank - AUE

**On 29 December 2016 the bank was granted an additional subordinated financing of USD 9mn from Abu Dhabi Islamic Bank-UAE under Wakala investment agreement for 7 years starting from 29 December 2016 with a profit rate equals to 6.5% from the investment amount, which is not significantly different from the market discount rate.

**On 28 March 2019, the bank was granted an additional subordinated financing of USD 30mn from Abu Dhabi Islamic Bank-UAE under Wakala investment agreement for 7 years starting from 28 March 2019 with a profit rate equals 9.88% from the investment amount, which is not significantly different from the market discount rate.

** On December 17, 2024, the bank obtained an additional supportive financing of 66.925 million US dollars from Abu Dhabi Islamic Bank UAE under the agreement that the investment period will be 7 years, and the expected profit for the client will be (three-month SOFR + 3%), provided that the SOFR is updated every three months.

International Finance Corporation

**On 07 July 2023 the bank was granted an additional subordinated financing of USD 50mn from International Finance Corporation under Murabaha agreement for 5 years starting from 07 July 2023 with a profit rate equals to 9.433% from the investment amount, which is not significantly different from the market discount rate.

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29- Other liabilities

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Accrued revenues	1,329,583	410,523
Accrued expenses	933,486	670,932
Other Credit Balances	5,305,479	5,643,348
Total	**7,568,548**	**6,724,803**

30- Other provisions

EGP (in thousands)

31 December 2024	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Total
Balance at beginning of the year	**68,646**	**42,626**	**952,043**	**1,063,315**
Charged during the year	3,163	20,650	601,015	**624,828**
Provisions no longer required	(434)	-	(342,338)	**(342,772)**
Used provision during the year	(2,425)	(16,368)	-	**(18,793)**
Foreign exchange translation differences	-	-	209,909	**209,909**
Balance at 31 December 2024	**68,951**	**46,908**	**1,420,629**	**1,536,487**

31 December 2023	Provisions for Potential Claims	Tax Provision	Provision for Contingent Liabilities	Total
Balance at beginning of the year	**14,711**	**40,588**	**679,606**	**734,905**
Charged during the year	56,840	5,133	254,554	**316,527**
Provisions no longer required	(101)	-	(64,304)	**(64,405)**
Used provision during the year	(2,804)	(3,095)	-	**(5,899)**
Foreign exchange translation differences	-	-	82,187	**82,187**
Balance at 31 December 2023	**68,646**	**42,626**	**952,043**	**1,063,315**

31- Deferred tax Assets

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

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

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

Deferred tax assets and liabilities balances

	Deferred Tax Assets		Deferred Tax Liabilities	
	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Fixed Assets Depreciation	-	-	(83,178)	(90,171)
Provisions (other than provision for loans impairment loss)	416,372	284,721	-	-
Differences of changes in fair value for financial investments at FVOCI	-	-	(82,396)	(50,473)
Profit in suspense	15,466	20,298	-	-
Other	-	-	(66,271)	-
Total Deferred Tax Assets / (Liabilities)	**431,838**	**305,019**	**(231,845)**	**(140,644)**
Net Deferred Tax Assets / (Liabilities)	**199,994**	**164,375**		

Movement of deferred tax assets and liabilities:

	Deferred Tax Assets		Deferred Tax Liabilities	
	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	305,019	205,058	(140,644)	(78,437)
Additions	126,819	99,961	-	-
Disposals	-	-	(91,201)	(62,207)
Total balance at the end of the year	**431,838**	**305,019**	**(231,845)**	**(140,644)**

Deferred tax assets (liabilities) balances recognized directly within equity

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Differences of changes in fair value for financial investments at FVOCI	(82,396)	(24,352)
Total reserves at the end of the yaer	**(82,396)**	**(24,352)**

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Notes to the separate financial statements For the year ended 31 December 2024

32- Capital

32/1- Authorised capital

- Authorized capital of EGP 10 billion (December 31, 2023: EGP 7 billion).

32/2- Issued and paid up capital

- The issued and paid-up capital amounted to EGP 6 billion (represented by 600 million shares with a par value of EGP 10 per share) (December 31, 2023: EGP 5 billion).

	31 December 2024			31 December 2023		
Shareholder name	Number of Shares	Nominal Value	Contribution Ratio	Number of Shares	Nominal Value	Contribution Ratio
Abu Dhabi Islamic Bank	319,225,034	3,192,250,340	53.2%	266,020,862	2,660,208,620	53%
Emirates International Investment co.	80,648,000	806,480,000	13.4%	67,206,667	672,066,670	13%
Respond Investment	30,007,205	300,072,050	5.0%	25,972,671	259,726,710	5%
Total	**429,880,239**	**4,298,802,390**	**71.6%**	**359,200,200**	**3,592,002,000**	**71.8%**

33- Reserves

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Legal Reserve	477,942	255,491
General Reserve	54,955	54,955
Special Reserve	17,165	17,165
Capital Reserve	46,304	4,748
General Risk Reserve	158,088	158,088
Fair value reserve	285,091	178,049
Total reserves at the end of the year/year	**1,039,545**	**668,496**

Reserves movements are as follows:

33/1- General Banking Reserve

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	-	9,062
Transferred (to) retained losses	-	(9,062)
Total	**-**	**-**

33/2- Fair Value Reserve

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	178,049	83,878
Net change in fair value of equity instruments during the year	99,418	97,917
Net change in fair value of debt instruments during the year	34,028	18,178
Expected credit losses for debt instrument at FVOCI	5,518	4,197
Deferred income tax recognized during the year	(31,922)	(26,121)
Total	**285,091**	**178,049**

34- Retained earnings

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Balance at the beginning of the year	8,230,722	4,114,422
Net profit for the year	8,827,019	4,490,578
Transferred to Legal Reserve	(222,451)	(106,252)
Transferred to capital Reserve	(41,556)	(685)
Employee's profit share	(448,482)	(259,395)
Benefits to the board of directors	(35,190)	(17,803)
Transferred to bank's development and support reserve	(44,848)	(25,940)
Shareholders distributions (free shares)	(1,000,000)	-
Transferred from general banking risk reserve	-	9,062
Amortization of subordinated financing cost using effective interest rate	43,156	26,735
Total	**15,308,370**	**8,230,722**

35- Cash and cash equivalents

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Cash and Due from CBE	1,336,698	800,804
Due from banks with less than 3 months maturity*	78,733,187	46,265,625
Treasury bills of 91 days maturity	11,625	8,008,000
Total	**80,081,510**	**55,074,429**

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Notes to the separate financial statements For the year ended 31 December 2024

36- Contingent liabilities and commitments

36/1- Liabilities of LGs, LCs and other commitments

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Letters of Credit (import / export)	9,973,110	3,971,484
Letters of guarantee	31,839,568	20,480,992
Acceptance Letter	7,190,358	1,677,299
Financial guarantees	4,487,803	2,584,024
Total	**53,490,839**	**28,713,799**

36/2- Commitments for operating leases and capital commitments

EGP (in thousands)

31 December 2024	less than and up to 1 year	More than 1 year & less than 5 years	More than 5 years	Total
Operating lease commitments	158,407	320,606	115,618	**594,631**
Capital commitments resulting from purchase of fixed assets	286,064	-	-	**286,064**

31 December 2023	less than and up to 1 year	More than 1 year & less than 5 years	More than 5 years	Total
Operating lease commitments	91,380	177,175	13,220	**281,775**
Capital commitments resulting from purchase of fixed assets	101,176	-	-	**101,176**
Capital commitments resulting from capital increase in one of the subsidiaries	158,025	-	-	**158,025**

37- Transactions with related parties

37/1- Transactions with related parties' balances included during the year are as follows:

Relationship Nature	Account Nature	Transaction Nature	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Major Shareholders	Assets	Due from banks	2,908	1,257
Major Shareholders	Assets	Other Assets	85,896	58,592
Major Shareholders	Liabilities	Subordinated financing	6,704,916	1,979,410
Major Shareholders	Liabilities	Due to banks	227,053	48,199
Major Shareholders	Liabilities	Management fees	242,816	200,838
Major Shareholders	Liabilities	Other Liabilities	2,153,158	3,798,573
Major Shareholders	Shareholders equity	Difference between face value and present value for subordinated financing	24,950	30,435
Subsidiaries Companies	Assets	Other Assets	60,545	55,047
Subsidiaries Companies	Liabilities	provision for impairment of other assets	4,716	3,638
Subsidiaries Companies	Assets	Financing and facilities to customers	640,871	589,088
Subsidiaries Companies	Liabilities	Customers deposits	210,528	174,850
Associates Companies	Liabilities	Customers deposits	586,225	137,440

37/2- Transactions with related parties' balances included during the year are as follows:

Relationship Nature	Account Nature	Transaction Nature	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Major Shareholders	Expenses	Cost of subordinated financing with no coupon using EIR method	(191,115)	(36,127)
Major Shareholders	Expenses	Cost of subordinated financing with coupon	(113,094)	(190,718)
Major Shareholders	Expenses	Cost of deposits and current accounts paid to banks	(555,789)	-
Subsidiaries Companies	Revenues	Other operating income	125	125
Subsidiaries Companies	Revenues	Income from Murabaha, Musharaka, Mudaraba and other similar income	160,417	60,143
Subsidiaries Companies	Expenses	Cost of deposits and similar expenses	(17,517)	(10,898)
Subsidiaries Companies	Expenses	Fees and commissions expenses	(3)	(369)
Subsidiaries Companies	Expenses	Expected Credit Losses Charge	11,825	(15,864)

*The wages, salaries and benefits in kind on 31 December 2024 include an amount of EGP 78,376 thousand, which represents the total amount of the twenty largest employees who earn bonuses, salaries, and benefits in ADIB altogether.

38- Retirement benefits obligations

Liabilities recognised in the statement of financial position:

Amounts recognised in the statement of income:

Unrealized actuarial losses are amortized over the remaining average working years, and the amortization for the year amounted to EGP 67,144 million.

The main assumptions used by ADIB are as follows:

Liabilities recognized in statement of financial position:	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
post-retirement medical benefits	369,454	287,359
Total	**369,454**	**287,359**
Existing balances in balance sheet comprise:		
Present value for non financed liabilities	529,076	500,890
Actuarial losses not recognized	(159,622)	(213,531)
Liabilities in balance sheet	**369,454**	**287,359**
Movement of liabilities during the year is as follows		
Estimated obligation at the beginning of year	500,890	545,733
Cost of current service	2,166	1,758
Cost of income	106,646	84,754
Actuarial losses / (Gains)	(34,175)	(89,087)
Benefits paid	(46,451)	(42,267)
Estimated obligations during the year	**529,076**	**500,890**
Balance sheet settlement		
Liabilities (assets) in balance sheet	287,359	220,215
Calculation of recognized pension in profits or losses in the financial yea	128,546	109,411
Paid benefit directly by the company in financial year	(46,451)	(42,267)
Liabilities (assets) in balance sheet the end of year	**369,454**	**287,359**

Amounts recognized in income statements	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
post-retirement medical benefits	(128,546)	(109,411)
Total	**(128,546)**	**(109,411)**
Amounts recognized in income statements comprise:		
Cost of current service	128,546	109,411
Cost of early retirement recognized in profit or loss	**128,546**	**109,411**

The main actuarial assumptions used by the bank are as follows:

	31 December 2024 EGP (in thousands)	31 December 2023 EGP (in thousands)
Average assumptions for defining benefits obligations		
Discount on medical benefits post retirement rate	23.35%	23.35%
Increase of compensation rate	16.00%	16.00%
Inflation rate	26.53%	34.55%

38- Retirement benefits obligations - continued

38/1 Savings Insurance Fund for Employees

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

ADIB is obliged to pay the due contributions to the Fund for each month as calculated in accordance with the Fund's Regulations and its Amendments. The Fund is generally financed through monthly contributions and some other resources specified in the Fund's Regulations. Insurance benefits are paid in the case of termination of service due to the member reaching the age of retirement, death, permanent disability or permanent partial disability that terminates the service. In the event that the term of membership is less than (3) three years, the member of the Fund will be paid the final balance of his account corresponding to the contributions paid by him to the Fund on the date of termination of service or membership.

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

38/2 System of defined benefits for the medical care of the senior employees during the period of service and after retirement

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

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

- Mortality Rate Based on British table A67-70ULT for death rates
- The rate of inflation of medical care costs 26.53%.
- Profit rate used as a basis for deduction 23.35%.
- (Projected Unit Credit Method) is used in the calculation of liabilities.

39- Tax position

Tax on Corporate Profits

Years until 2017

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

Year 2018/ 2019

- Inspection Took Place and the Settlment Issuance is under Processing after Proofing the Payment of Bills/Bonds Tax, according to the Bank Books the due taxes are covered.

Year 2020/ 2021

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

Year 2022

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

Salaries tax

Years until 2017

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

Years 2018/ 2019

- The value of the original tax has been examined and paid to take advantage of the overrun law, and Proved Debit balance of EGP 50,682.

Years 2020

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

Years 2021/ 2022

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

Stamp duty

Years Until 2020

- The tax inspection for that period was completed and the Settlment from the Debit balance is in process.

Years 2020/ 2021

- The tax inspection for that period was is in process.

Sales tax (VAT)

Years Until 2015

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

Years 2016/ 2020

- Notification of the inspection has been issued, and follow-up is in progress with the Major Financiers Centre for processing the examination.

Real Estate tax

- Real estate tax on buildings owned by ADIB is paid each year periodically and all due taxes were paid till 2024.

40- Adjustment of Comparative Figures from Previous Years

The comparative figures have been adjusted to reflect the appropriate reclassification. This was done by reclassifying the revenues earned from customer financing and other assets to financing and facilities granted to customers. This reclassification did not result from rescheduling operations. These adjustments did not cause any change in the bank asset quality compared to the previous year and had no material impact on the financial position or cash flows during the first and second quarters of 2024.

The following tables provide the analyses conducted on each item of the relevant financial statements:

Balance Sheet	Note No.	31 December 2024 Balance before Adjustment EGP (in thousands)	Adjustments EGP (in thousands)	31 December 2023 Balance after Adjustment EGP (in thousands)
Customer Financing and Facilities (Net of Expected Credit Losses)	19	63,546,882	538,450	64,085,332
Other Assets		3,635,454	(538,450)	3,097,004

Cash Flow Statement	Note No.	31 December 2024 Balance before Adjustment EGP (in thousands)	Adjustments EGP (in thousands)	31 December 2023 Balance after Adjustment EGP (in thousands)
Customer Financing and Facilities (Net of Expected Credit Losses)	19	(8,515,372)	(289,236)	(8,804,608)
Other Assets		(990,123)	289,236	(700,887)

Balance Sheet	Note No.	31 December 2024 Balance before Adjustment EGP (in thousands)	Adjustments EGP (in thousands)	Sunday, January 1, 2023 Balance after Adjustment EGP (in thousands)
Customer Financing and Facilities (Net of Expected Credit Losses)		56,774,656	249,214	57,023,870
Other Assets		2,649,627	(249,214)	2,400,413

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41- Major events

The rate of interest on interbank loans (IBOR).

return rate risk

Shifting from the rate of return on inter-bank financing:

- Regulators and central banks in various jurisdictions have convened national working groups to set replacement rates for IBOR to facilitate an orderly transition to these rates.
- Traditional prices for this index are replaced by new revised alternative reference rates such as USD LIBOR (London Interbank Offered Rate) is replaced by SOFR, GBP LIBOR is replaced by SONIA, EUR LIBOR is replaced by ESTR, CHF LIBOR is replaced by SARON and Yen Japanese LIBOR b TONAR
- The official publication of the following LIBOR rates will stop immediately after December 31, 2021 for the LIBOR indices of the British pound, the euro, the Swiss franc, and the Japanese yen. US dollar LIBOR will cease to be published for 1-week and 2-month periods by December 31, 2021 and Profit rates other than LIBOR rates will cease to be published on June 30, 2023.
- LIBOR rates are forward-looking and published for a borrowing period (say 1 month, 3 months, 6 months, etc.) Adjustments to the term distribution, and it needs to be economically equivalent to its predecessor in the transition phase.
- The bank has begun to develop a transformation program for IBOR, and the program is currently focused on assessing the impact of the IBOR transition on existing contracts and its impact on the return rate risk, as well as adding a clause in these contracts indicating the bank's eligibility to use an alternative reference rate with other parties and customers.

Economic factors

In order to support the goal of price stability, the Monetary Policy Committee (MPC) decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points on February 4, 2024 to reach 21.25%, 22.25% and 21.75%, respectively. 22.25% and 21.75%, respectively. On March 6, 2024, the CBE's Monetary Policy Committee raised the overnight deposit and lending rates and the central bank's main operation rate by 600 basis points to reach 27.25%, 28.25% and 27.75%, respectively. The credit and discount rate was also raised by 600 to 27.75% in addition to the liberalization of the exchange rate.

- Moody's has revised its outlook on Egypt's credit rating to positive and has maintained the credit rating at "Caa1."
- Standard & Poor's Ratings Services (S&P) revised its outlook on Egypt's rating to positive and maintained the country's the credit rating at "B-."
- Fitch Ratings raised Egypt's credit rating from "B-" to "B" with a stable outlook.

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