

**AHLI UNITED BANK
(SAE)**

**Interim Condensed Consolidated Financial Statements
For the Period Ended 31 March 2023
& Limited Review Report**

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As of 31 March 2023

Index	Page
Limited Review Report on Interim Condensed Consolidated Financial Statements	1
Interim Condensed Consolidated Balance Sheet	2
Interim Condensed Consolidated Income Statement	3
Interim Condensed Consolidated Statement of Other Comprehensive Income	4
Interim Condensed Consolidated Statement of Cash Flows	5
Interim Condensed Consolidated Statement of Changes in Equity	6
Notes to the Interim Condensed Consolidated Financial Statements	7- 22

Limited Review Report on Consolidated Condensed Interim Financial Statements

To : Ahli United Bank Egypt (SAE) Board of Directors

Introduction

We have performed a limited review on the accompanying consolidated condensed financial statement of Ahli United Bank Egypt (SAE) as of 31 March 2023 and the related consolidated condensed statements of financial position, consolidated condensed statements of income, consolidated condensed Statement of comprehensive income, changes in equity and cash flows for the Three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our limited review.

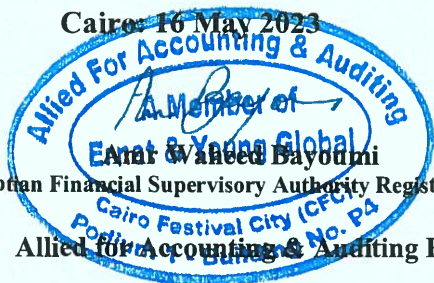
Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that accompanying consolidated condensed interim financial statements do not present fairly, in all material respects, the financial position of the Bank as of 31 March 2023 and of its financial performance and its cash flows for the Three months then ended in accordance with the bases of recognition and measurement issued by central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations, relevant to the preparation of these interim condensed consolidated financial statements.

Cairo: 16 May 2023

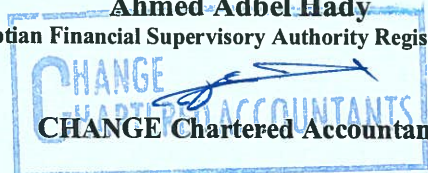


Egyptian Financial Supervisory Authority Register no.358

Allied for Accounting & Auditing EY

Auditors

Ahmed Abdel Hady
Egyptian Financial Supervisory Authority Register no.287



CHANGE Chartered Accountant

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**

As at 31 March 2023

	Note	31 March 2023 EGP Thousands	31 December 2022 EGP Thousands
ASSETS			
Cash and balances with the Central Bank of Egypt	(12)	9,637,056	7,248,414
Due from banks	(13)	13,047,877	9,882,372
Treasury bills	(14)	5,469,609	3,405,991
Loans and advances to customers & banks	(15)	54,556,220	48,608,208
Derivative financial instruments	(16)	17,435	16,391
Financial Investments at:			
- Fair value through other comprehensive income	(17)	11,178,281	11,621,519
- Amortized cost	(17)	1,659,951	1,906,221
- Fair value through profit or loss	(17)	62,955	61,094
Investments properties (net)	(18)	18,739	18,854
Other assets	(19)	2,151,425	1,993,692
Property, plant and equipment (net)	(20)	968,307	949,932
TOTAL ASSETS		98,767,855	85,712,688
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(21)	4,503,503	2,532,950
Customers' deposits	(22)	79,662,258	69,776,702
Treasury bills sold under repurchase agreements	(14)	-	2,030
Other loans	(23)	676,836	561,381
Other liabilities	(24)	1,959,024	1,914,866
Other provisions	(25)	234,104	266,352
TOTAL LIABILITIES		87,035,725	75,054,281
EQUITY			
Issued and paid-up-capital	(26)	5,000,000	5,000,000
Transferred under capital increase	(26)	4,100,000	2,000,000
Reserves		160,221	310,352
Retained earnings (including net profit for the period/ year)		2,471,909	3,348,055
TOTAL EQUITY		11,732,130	10,658,407
TOTAL LIABILITIES AND EQUITY		98,767,856	85,712,688



Hala Hatem Sadek
CEO & Board Member

- The attached notes from (1) to (32) form an integral part of these interim condensed consolidated financial statements.
- Limited review report attached

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

For the three months ended 31 March 2023

	Note	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Interest from loans and similar revenues	(5)	2,882,728	1,483,135
Interest on deposits and similar costs	(5)	(1,813,186)	(914,574)
Net interest income		1,069,542	568,561
Fees and commission revenues	(6)	276,527	103,229
Fees and commission expenses	(6)	(22,370)	(15,838)
Net fees and commission income		254,157	87,391
Net trading income	(7)	64,960	23,947
Gains on financial investments	(17)	6,052	6,908
Provision for credit losses	(8)	(381,783)	(414,358)
Administrative expenses	(9)	(345,956)	(234,390)
Other operating income	(10)	1,164,950	450,942
Net profit before income tax		1,831,922	489,001
Income tax expenses	(11)	(253,490)	(64,439)
Net profit for the period after tax		1,578,432	424,562
Attributable to:			
Equity holders of the bank		1,578,432	424,562
Net profit of the period		1,578,432	424,562

The attached notes from (1) to (32) form an integral part of these interim condensed consolidated financial statements

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the three months ended 31 March 2023

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Net profit for the period	1,578,432	424,562
Items that will not be recycled to the profit or loss:		
Net change in fair value of equity instruments measured at fair value through other comprehensive income	1,130	11
Items that is or may be recycled to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(257,540)	(188,967)
Net change in fair value of interest rate swaps – Fair value hedge	1,041	5,468
Expected credit losses of debt instruments measured at fair value through other comprehensive income	2,604	704
Total comprehensive income for the period	1,325,667	241,778

The attached notes from (1) to (32) form an integral part of these interim condensed consolidated financial statements.

AHLI UNITED BANK EGYPT S.A.E

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2023

	Note	31 March 2023 EGP Thousands	31 March 2022 EGP Thousands
<u>OPERATING ACTIVITIES</u>			
Net Profit before income tax		1,831,922	489,001
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Depreciation and amortization	(9)	28,572	24,705
Provision for credit losses		383,430	414,358
Other provisions charged / released	(25)	(33,857)	18,092
Revaluation differences of other provisions in foreign currencies	(25)	2,009	952
Gain on disposals of property, plant and equipment		(360)	(1,436)
Amortization of premium		29,534	132,836
Revaluation difference in foreign currencies		10,205	121,442
Revaluation of financial investments at fair value through profit or loss	(7)	(1,861)	(706)
<i>Operating income before changes in operating assets and liabilities</i>		2,249,594	1,199,244
<i>Net changes in operating assets and liabilities:</i>			
Balances with Central Bank of Egypt - mandatory reserve		(2,193,252)	1,046,244
Due from banks		(838,477)	-
Treasury bills		(2,070,835)	(3,407,322)
Loans and advances to customers and banks		(6,513,048)	(4,517,012)
Financial investments at fair value through profit or loss		-	(106)
Other assets		(157,733)	352,146
Due to banks		1,970,553	4,722,470
Customers' deposits		9,885,556	2,295,999
Treasury bills sold under repurchase agreements		(2,030)	(2,030)
Other liabilities		(344,372)	97,441
Other provisions utilized	(25)	(400)	-
Income tax paid		(116,214)	(100,897)
Net cash flows generated from operating activities		1,869,342	1,686,177
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(20)	(46,834)	(78,059)
Proceeds from sale of property, plant and equipment		360	1,433
Proceeds from redemption of financial investments at amortized cost		244,988	-
Purchases of financial investments at amortized cost		-	(250,898)
Proceeds from redemption of financial investments at FVOCI		601,500	(20,848)
Purchases of financial investments at FVOCI		(257,674)	-
Dividends income received		-	-
Net cash flows provided from (used in) investing activities		542,340	(348,372)
<u>FINANCING ACTIVITIES</u>			
Net Change in other loans		115,456	357,741
Net cash flows generated from financing activities		115,456	357,741
Net increase in cash and cash equivalents during the period		2,527,138	1,695,546
Cash and cash equivalents at the beginning of the period		2,888,176	5,239,321
Cash and cash equivalents at the end of the period	(27)	5,415,314	6,934,867
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(12)	9,637,056	4,665,779
Due from banks	(13)	13,057,672	6,255,962
Treasury bills	(14)	5,473,252	5,355,841
Balances with Central Bank of Egypt - mandatory reserve	(12)	(8,975,027)	(3,986,874)
Deposits with banks with original maturities more than 3 months		(8,304,387)	-
Treasury bills with original maturities more than 3 months		(5,473,252)	(5,355,841)
Cash and cash equivalents at the end of the period	(27)	5,415,314	6,934,867

The attached notes from (1) to (32) form an integral part of these interim condensed consolidated financial statements.

AHLI UNITED BANK EGYPT S.A.E

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Issued and paid-up capital	Transferred under capital increase	Legal & capital reserve	Reserves				Fair value reserve	Total Reserves	Retained earnings	Total
	EGP Thousands	EGP Thousands	EGP Thousands	General risk reserve	General banking risk reserve	Fair value reserve	Total Reserves	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Balance as at 1 January 2022	3,000,000	2,000,000	564,759	11,884	6,729	99,517	682,889	3,491,889	3,491,889	725	9,174,778
Prior year adjustments	-	-	-	-	-	-	-	424,562	424,562	-	424,562
Balance as at 1 January 2022 after adjustments	3,000,000	2,000,000	564,759	11,884	6,729	99,517	682,889	3,491,889	3,491,889	725	9,174,778
Net profit for the period	-	-	-	-	-	(182,784)	(182,784)	-	-	-	(182,784)
Other comprehensive income	-	-	-	-	-	-	-	(2,000,000)	(2,000,000)	-	-
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(116,000)	(116,000)	-	(116,000)
Employees profit share	-	-	-	-	-	-	-	(5,922)	(5,922)	-	(5,922)
Directors' remuneration	-	-	-	-	-	-	-	(58,604)	(58,604)	-	-
Transferred to legal and capital reserve	-	-	58,604	-	-	-	-	(11,517)	(11,517)	-	(11,517)
Transferred to banking sector support fund	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	2,000,000	(2,000,000)	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	5,000,000	2,000,000	623,363	11,884	6,729	(83,267)	558,709	1,724,408	1,724,408	-	9,283,117
Balance as at 1 January 2023	5,000,000	2,000,000	624,529	11,884	3,631	(329,692)	310,352	3,348,055	3,348,055	(690)	10,658,407
Prior year adjustments	-	-	-	-	-	-	-	(690)	(690)	-	(690)
Balance as at 1 January 2023 after adjustments	5,000,000	2,000,000	624,529	11,884	3,631	(329,692)	310,352	3,347,365	3,347,365	-	10,657,717
Net profit for the period	-	-	-	-	-	(252,765)	(252,765)	1,578,432	1,578,432	-	1,578,432
Other comprehensive income	-	-	-	-	-	-	-	(2,100,000)	(2,100,000)	-	(252,765)
Transferred under capital increase	-	2,100,000	-	-	-	-	-	(223,688)	(223,688)	-	-
Employees profit share	-	-	-	-	-	-	-	(7,400)	(7,400)	-	-
Directors' remuneration	-	-	-	-	-	-	-	-	-	-	-
Release of general banking risk reserve	-	-	-	-	-	-	-	(102,634)	(102,634)	-	-
Transferred to legal and capital reserve	-	-	102,634	-	-	-	-	(20,166)	(20,166)	-	(20,166)
Transferred to banking sector support fund	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	5,000,000	4,100,000	727,163	11,884	3,631	(582,457)	160,221	2,471,909	2,471,909	-	11,732,130

The attached notes from (1) to (32) form a part of these interim condensed consolidated financial statements.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2023

1 General information

Ahli United Bank- Egypt S.A.E ("the Bank") was incorporated on 8 August 1978 in accordance with Law No.43 of 1974 and its executive Regulations within the Arab Republic of Egypt, having its Head Office situated at 81, Ninety St., City Centre, the 5th Settlement New Cairo, and Governorate of Cairo. On 14 July 2010 the Bank's shares were voluntarily delisted from the Cairo and Alexandria stock exchanges.

The Bank provides Institutional, Retail Banking and Investment Banking services within the Arab Republic of Egypt through its head office and 40 branches with 1225 employees at 31 March 2023.

These interim condensed consolidated financial statements were approved by the Board of Directors on 16 May 2023.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated:

2.1 Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with the Central Bank of Egypt (CBE) instructions approved by its Board of Directors on 16 December 2008 and the instructions for applying the International Financial Reporting Standard 9 (IFRS 9) issued on 26 February 2019, as well as, in accordance with the applicable Egyptian accounting standards and applicable laws of Egypt.

The bank issued these interim condensed consolidated financial statements based on the CBE instructions issued on 5 May 2020, which allow banks to issue condensed quarterly financial statements .

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As of 31 March 2023

3. Financial risks management (Continued)**3.1 Quality of Financial Assets**

The following table provide information on the credit quality of the financial assets balances as at:

<i>31 March 2023</i>	<i>Stage (1)</i> <i>12 months</i>	<i>Stage (2)</i> <i>Lifetime</i>	<i>Stage (3)</i> <i>Lifetime</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Due from banks	7,565,696	5,491,977	-	13,057,672
Treasury bills	5,407,589	342,971	-	5,750,560
Loans and advances to customers & banks	28,847,464	28,440,235	1,281,309	58,569,007
Debt Instruments at Fair value through other comprehensive income	10,436,875	573,831	-	11,010,706
Debt Instruments at Amortized Cost	1,659,951	-	-	1,659,951
	<u>53,917,574</u>	<u>34,849,013</u>	<u>1,281,309</u>	<u>90,047,897</u>

31 December 2022

Due from banks	4,649,639	5,237,807	-	9,887,446
Treasury bills	3,305,400	274,652	-	3,580,052
Loans and advances to customers & banks	33,199,075	18,711,652	1,956,624	53,867,351
Debt Instruments at Fair value through other comprehensive income	10,723,494	741,110	-	11,464,604
Debt Instruments at Amortized Cost	1,906,221	-	-	1,906,221
	<u>53,783,829</u>	<u>24,965,221</u>	<u>1,956,624</u>	<u>80,705,674</u>

The following table provide information on the expected credit losses balances as at:

<i>31 March 2023</i>	<i>Stage (1)</i> <i>12 months</i>	<i>Stage (2)</i> <i>Lifetime</i>	<i>Stage (3)</i> <i>Lifetime</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Due from banks	395	9,399	-	9,795
Treasury bills	23	3,620	-	3,643
Loans and advances to customers & banks	775,876	1,630,958	1,036,848	3,443,682
Debt instruments at fair value through other comprehensive income	1,174	6,726	-	7,900
Commitments on loans and collaterals	54,529	23,122	24,413	102,064
	<u>831,997</u>	<u>1,673,826</u>	<u>1,673,826</u>	<u>3,567,084</u>

31 December 2022

Due from banks	392	4,682	-	5,074
Treasury bills	-	453	-	453
Loans and advances to customers & banks	734,191	2,183,777	1,753,951	4,671,919
Debt instruments at fair value through other comprehensive income	1,007	3,921	-	4,928
Commitments on loans and collaterals	43,697	81,645	21,391	146,733
	<u>779,287</u>	<u>2,274,478</u>	<u>1,775,342</u>	<u>4,829,107</u>

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As of 31 March 2023

3. Financial risks management (Continued)**3.2 Capital risk management**

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
According to Basel II		
Total Tier 1 (basic and additional capital)	11,726,125	10,403,212
Total Tier 2 (subordinated capital)	837,065	789,549
Total Capital Base	12,563,190	11,192,761
Total weighted risk of contingent assets and liabilities	87,477,058	66,624,025
Capital Adequacy Ratio	14.36%	16.80%

3.3 Financial leverage risk management

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Tier 1 of the capital adequacy ratio	11,726,125	10,403,212
Total exposures in & off-Balance Sheet	106,915,881	93,088,784
Leverage ratio%	10.97%	11.18%

Capital adequacy Standard had been prepared based on (Basel II) requirements, which Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, and had been issued on December 24, 2012, and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019, And CBE instructions issued in January 2021 regarding the adoption of Standardized Approach for measuring operational risk starting from year 2022 to replace Basic Indicator Approach.

4. Segment analysis**Activity segment analysis**

The segment activity includes operational processes & assets that are used in providing banking services, manage their risk & linking return to this activity which may differ from those of other activities.

According to banking processes the segment analysis includes the following:

Large, medium & small institutions

It includes activities of current accounts, deposits, debit current accounts, loans, advances & financial derivatives.

Investments:

It includes activities of corporate merge, investment purchase, financing corporate restructuring & financial instruments.

Retail:

It includes activities of current accounts, saving, deposits, credit cards, personal loans & real-estate loans.

Other activities:

It includes other banking activities such as fund management. Transactions are applied within segment activities according to the Bank's activity cycle which include assets and liabilities; operational assets and liabilities that are presented in the Bank's balance sheet.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2023

4 Segment analysis (continued)

4.1 Activity segment analysis (continued)

31 March 2023

Revenues & expenses according to segment activities

	Large institutions EGP Thousands	Small & medium institutions EGP Thousands	Investments EGP Thousands	Retail EGP Thousands	Other activities EGP Thousands	Total EGP Thousands
Segment activity revenues	1,642,018	27,651	597,514	862,622	1,265,412	4,395,217
Segment activity expenses	(1,353,574)	(12,428)	(298,348)	(726,109)	(172,836)	(2,563,295)
Net Profit before income tax	288,444	15,223	299,166	136,513	1,092,576	1,831,922
Income tax	(68,709)	(3,425)	(114,280)	(31,126)	(35,950)	(253,490)
Net Profit for the period after tax	219,735	11,798	184,886	105,387	1,056,626	1,578,432

Assets & liabilities according to segment activities

Segment activity assets	54,689,419	1,401,599	38,283,973	3,233,485	1,159,380	98,767,856
Total assets	54,689,419	1,401,599	38,283,973	3,233,485	1,159,380	98,767,856
Segment activity liabilities	45,521,686	671,872	5,125,003	33,637,542	2,079,623	87,035,726
Total liabilities	45,521,686	671,872	5,125,003	33,637,542	2,079,623	87,035,726

Other items for segment activity

Depreciation	(4,829)	(355)	(2,391)	(11,436)	(9,561)	(28,572)
ECL charges	(267,674)	-	-	(29,975)	(84,134)	(381,783)

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2023

4 Segment analysis (continued)

4.2 Activity segment analysis (continued)

31 March 2022

Revenues & expenses according to segment activities

	Large institutions EGP Thousands	Small & medium institutions EGP Thousands	Investments EGP Thousands	Retail EGP Thousands	Other activities EGP Thousands	Total EGP Thousands
Segment activity revenues	788,985	11,667	199,140	512,174	556,160	2,068,125
Segment activity expenses	(634,944)	(8,591)	(96,091)	(419,384)	(420,114)	(1,579,124)
Net Profit before income tax	154,041	3,076	103,049	92,790	136,046	489,001
Income tax	(31,575)	(692)	(37,211)	(21,519)	26,558	(64,439)
Net Profit for the period after tax	122,466	2,384	65,838	71,271	162,604	424,562

Assets & liabilities according to segment activities

Segment activity assets	41,200,991	1,051,564	26,394,128	2,443,383	947,730	72,037,797
Total assets	41,200,991	1,051,564	26,394,128	2,443,383	947,730	72,037,797
Segment activity liabilities	29,027,135	259,407	5,422,696	26,578,906	1,466,536	62,754,680
Total liabilities	29,027,135	259,407	5,422,696	26,578,906	1,466,536	62,754,680

Other items for segment activity

Depreciation	(7,551)	(687)	(2,747)	(11,877)	(1,843)	(24,705)
ECL charges	(410,729)	-	(1,778)	(1,851)	-	(414,358)

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

5. Net interest income

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Interest from loans and similar revenues:		
Loans and advances to customers	2,066,419	905,412
Treasury bills and bonds	663,460	554,432
Deposits and current accounts	152,849	23,291
Total	2,882,728	1,483,135
Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	(243,851)	(63,807)
Customers	(1,557,067)	(847,697)
	(1,800,918)	(911,504)
Other loans	(12,268)	(3,070)
Total	(1,813,186)	(914,574)
Net interest income	1,069,542	568,561

6. Net fees and commission income

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Fees and commission revenues:		
Credit Fees and commissions	228,706	79,972
Custody fees	9,762	8,746
Other fees	38,059	14,511
Total	276,527	103,229
Fees and commission expenses:	(22,370)	(15,838)
Total	(22,370)	(15,838)
Net fees and commission income	254,157	87,391

7. Net trading income

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Foreign exchange trading gains	63,099	23,241
Change in fair value of investments at FVTPL	1,861	706
Total	64,960	23,947

8. Provision of credit losses

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Loans and advances to customers & banks	(373,684)	(412,580)
Due from banks	(3,390)	246
Debt instruments at FVTOCI	(1,647)	(353)
Treasury bills	(3,062)	(1,671)
Total	(381,783)	(414,358)

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

9. Administrative expenses

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Staff cost:		
Salaries and wages	(105,798)	(85,488)
Social insurance	(6,760)	(5,722)
	<u>(112,558)</u>	<u>(91,210)</u>
Depreciation and amortization	(28,572)	(24,705)
Other administrative expenses	(204,826)	(118,475)
Total	<u>(345,956)</u>	<u>(234,390)</u>

10. Other operating income

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
FX revaluation from monetary assets and liabilities other than carried at fair value through profit or loss	1,123,943	460,248
Gain from sale of property, plant and equipment	360	1,436
Legal provision charge	(1,500)	(100)
Claims provision charged	(10,920)	(2,304)
Contingent provision realized /(charged)	46,277	(15,688)
Other income	6,790	7,350
Total	<u>1,164,950</u>	<u>450,942</u>

11. Income tax expenses

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Current Tax	(245,825)	(66,666)
Deferred Tax	(7,665)	2,227
Total	<u>(253,490)</u>	<u>(64,439)</u>
	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Net profit before tax	<u>1,831,922</u>	<u>489,001</u>
Income tax (22.5%)	(412,182)	(110,025)
Tax effect on:		
Income not subject to tax	5,644	3,539
Provision	(34,993)	(23,918)
Depreciation differences	607	(18)
Others	195,099	63,756
Income tax expenses	<u>(245,825)</u>	<u>(66,666)</u>
Effective income tax rate	<u>13.4%</u>	<u>13.5%</u>

12. Cash and balances with the Central Bank of Egypt

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Cash (note 27)	662,029	466,639
Balances with CBE (mandatory reserve)	8,975,027	6,781,775
Total	<u>9,637,056</u>	<u>7,248,414</u>
Interest free balances	<u>9,637,056</u>	<u>7,248,414</u>

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

13. Due from Banks

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Current accounts	1,031,307	760,586
Deposits	12,026,365	9,126,860
	<u>13,057,672</u>	<u>9,887,446</u>
Less: ECL Allowance	(9,795)	(5,074)
Total	<u>13,047,877</u>	<u>9,882,372</u>
Balances at CBE other than those under the mandatory reserve	1,992,764	1,740,378
Local banks	100,394	145,563
Foreign Banks	10,964,514	8,001,505
	<u>13,057,672</u>	<u>9,887,446</u>
Less: ECL Allowance	(9,795)	(5,074)
Total	<u>13,047,877</u>	<u>9,882,372</u>
Non-interest-bearing balances	470,451	434,891
Interest-bearing balances	12,587,221	9,452,555
	<u>13,057,672</u>	<u>9,887,446</u>
Less: ECL Allowance	(9,795)	(5,074)
Total	<u>13,047,877</u>	<u>9,882,372</u>

14. Treasury bills & Treasury bills sold under repurchase agreements

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
14.1 Treasury bills		
Treasury Bills at Amortized Cost		
365 Days maturity	342,971	274,651
Treasury Bills at Fair value through OCI		
182 Days maturity	308,985	247,434
273 Days maturity	308,991	-
365 Days maturity	4,789,613	3,057,967
	<u>5,750,560</u>	<u>3,580,052</u>
Less: Unearned interest	(277,308)	(173,608)
Less: ECL Allowance	(3,643)	(453)
Total	<u>5,469,609</u>	<u>3,405,991</u>
Egyptian government T-Bills	4,823,427	3,332,618
Others	927,133	247,434
	<u>5,750,560</u>	<u>3,580,052</u>
Less: Unearned interest	(277,308)	(173,608)
Less: ECL Allowance	(3,643)	(453)
	<u>5,469,609</u>	<u>3,405,991</u>
14.2 Treasury bills sold under repurchase agreements		
Treasury bills sold under repurchase agreements	-	2,030
Total	<u>-</u>	<u>2,030</u>

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

15. Loans and advances to customers & banks

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Individuals:		
Overdrafts	507,324	446,193
Credit cards	46,538	41,992
Personal loans	2,027,835	2,073,026
Mortgage Loans	1,079,500	1,089,797
Other Loans	481,497	543,738
Total (1)	4,142,694	4,194,746
Corporate and bank		
Overdrafts	4,611,181	4,542,468
Direct loans	40,705,496	38,558,682
Syndication loans	9,109,636	6,571,455
Total (2)	54,426,313	49,672,605
Total Loans and advances to customers and banks (1+2)	58,569,007	53,867,351
Less :ECL Allowance	(3,443,682)	(4,671,919)
Less: Interest in suspense	(131,582)	(129,968)
Less :Unearned discount	(437,523)	(457,256)
Net Loans and advances to customers and banks	54,556,220	48,608,208

Analysis of expected credit losses of loans and advances to customers and banks:

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Balance at the beginning of the period/year	4,671,919	2,401,717
ECL Allowance charge during the period/year (note8)	373,684	1,702,403
Write-off during the period/year	(1,793,274)	(128,090)
Recoveries from written-off amount	-	2,682
Foreign currency translation	191,353	693,207
Balance at the end of the period/year	3,443,682	4,671,919

Analysis of expected credit losses of loans and advances to customers and banks by type:

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Individuals		
Balance at the beginning of the period/year	58,551	33,763
ECL Allowance for the period/year (note8)	66,543	24,788
Balance at the end of the period / year (1)	125,094	58,551
Corporate and Banks		
Balance at the beginning of the period/ year	4,613,368	2,367,954
ECL Allowance for the period/ year (note8)	307,141	1,677,615
Write-off during the period/ year	(1,793,274)	(128,090)
Recoveries from written-off debts	-	2,682
Foreign currency translation	191,353	693,207
Balance at the end of the period/ year (2)	3,318,588	4,613,368
Total (1) + (2)	3,443,682	4,671,919

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

16. Derivative financial instruments

The Bank has applied hedge accounting and the change in the fair value of the derivative is recognized in other comprehensive income.

31 March 2023

	<i>Contractual value EGP Thousands</i>	<i>Assets EGP Thousands</i>	<i>Liabilities EGP Thousands</i>
Cash flow hedge			
Interest rate swap	322,764	17,435	-
Total	322,764	17,435	-

31 December 2022

Cash flow hedge			
Interest rate swap	502,810	16,391	-
Total	502,810	16,391	-

17. Financial Investments

	<i>31 March 2023 EGP Thousands</i>	<i>31 December 2022 EGP Thousands</i>
Financial investments at fair value through Other Comprehensive Income:		
A) Debt instruments		
Treasury Bonds	8,505,772	8,549,300
Non-government Bonds	1,791,487	2,044,304
Sukuk	713,447	871,000
B) Equity instruments		
Listed	3,448	3,818
Unlisted	132,779	123,250
C) Money Market Funds		
AUBE Mutual Fund THARWA	16,332	15,796
AUBE Mutual Fund ALPHA	15,016	14,051
Total financial investments at FVTOCI (1)	11,178,281	11,621,519
Financial investments at Amortized Cost:		
A) Debt instruments		
Treasury Bonds	1,659,951	1,906,221
Total financial investments at Amortized Cost (2)	1,659,951	1,906,221
Financial investments at fair value through profit or loss:		
A) Equity instruments		
Listed	1,876	2,017
B) Money Market Funds		
AUBE Mutual Fund THARWA	61,080	59,077
Total financial investments at FVTPL (3)	62,955	61,094
Total financial investments (1+2+3)	12,901,179	13,588,834
Current balances	3,084,621	1,599,616
Non-current balances	9,816,566	11,989,218
Total financial investments	12,901,187	13,588,834
Debt instruments	12,670,639	13,370,825
Equity instruments	138,119	129,085
Mutual Funds	92,429	88,924
Total financial investments	12,900,416	13,588,834

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

17. Financial investments (continued)*31 March 2023*

	Financial assets at Fair Value through OCI EGP Thousands	Financial assets at Amortized Cost EGP Thousands	Financial assets at Fair Value through P&L EGP Thousands	Total EGP Thousands
Balance at the beginning of the period	11,621,519	1,906,221	61,094	13,588,834
Additions	257,677	-	-	257,677
Disposals / Maturities	(601,499)	(244,988)	-	(846,487)
Amortization of premium	(28,252)	(1,282)	-	(29,534)
Change in fair value of investment	(252,385)	-	1,861	(250,524)
Foreign currency revaluation	181,221	-	-	181,221
Balance at the ending of the period	11,178,281	1,659,951	62,955	12,901,187

31 December 2022

Balance at the beginning of the year	10,507,500	2,504,245	45,745	13,057,490
Additions	2,832,976	165,383	10,110	3,008,469
Disposals / Maturities	(1,452,702)	(766,947)	-	(2,219,649)
Amortization of premium	(72,811)	3,540	-	(69,271)
Change in fair value of investment	(444,946)	-	5,239	(439,707)
Foreign currency revaluation	251,501	-	-	251,501
Balance at the ending of the year	11,621,519	1,906,221	61,094	13,588,834

Gain on Financial investments

	<i>31 March 2023</i> EGP Thousands	<i>31 March 2022</i> EGP Thousands
Gain on sale of treasury bills	6,052	6,176
Gain on sale of financial investment –FVTOCI	-	732
Total	6,052	6,908

18. Investment properties (net)

	<i>31 March 2023</i> EGP Thousands	<i>31 December 2022</i> EGP Thousands
<u>Cost</u>		
Cost at the beginning of the period/year	23,406	40,830
Transferred to property, plant and equipment	-	(17,424)
Cost at the ending of the period/year	23,406	23,406
<u>Accumulated Depreciation</u>		
Accumulated depreciation at the beginning of the period/year	(4,552)	(7,196)
Depreciation charged during the period/year	(115)	(541)
Accumulated depreciation balances related to properties transferred to property, plant and equipment	-	3,185
Accumulated depreciation at the ending of the period/ year	(4,667)	(4,552)
Net book value at the ending of the period/ year	18,739	18,854

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

19. Other assets

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest receivable from customers and banks	1,436,288	1,312,527
Prepaid expenses	33,874	32,686
Advances for purchase of property, plant and equipment	178,858	191,427
Assets acquired as settlement of debts (net of impairment)	319,971	309,985
Deposits held with other custody	10,771	9,857
Other assets	171,663	137,210
Total	2,151,425	1,993,692

20. Property, plant and equipment (net)

<i>31 March 2023</i>	<i>Lands and buildings EGP Thousands</i>	<i>Leased assets improvements EGP Thousands</i>	<i>Equipment and machinery EGP Thousands</i>	<i>Others EGP Thousands</i>	<i>Total EGP Thousands</i>
Net book value at the beginning of the period	458,210	151,342	107,224	233,156	949,932
Additions	-	1,485	7,285	38,064	46,834
Depreciation charge	(2,649)	(5,519)	(3,623)	(16,668)	(28,459)
Net book value at the end of the period	<u>455,561</u>	<u>147,308</u>	<u>110,886</u>	<u>254,552</u>	<u>968,307</u>
Balance at the end of current period represents in:					
Cost	542,590	310,870	163,273	451,948	1,468,681
Accumulated depreciation	<u>(87,029)</u>	<u>(163,562)</u>	<u>(52,387)</u>	<u>(197,396)</u>	<u>(500,374)</u>
Net book value	<u>455,561</u>	<u>147,308</u>	<u>110,886</u>	<u>254,552</u>	<u>968,307</u>
<i>31 December 2022</i>					
Net book value at the beginning of the year	455,376	118,905	77,219	175,272	826,772
Additions	-	57,002	41,906	114,371	213,279
Disposals	-	(2,156)	(22,082)	(105,674)	(129,912)
Transfer from investment properties	14,238	-	-	-	14,238
Depreciation charge	(12,045)	(23,274)	(11,673)	(55,804)	(102,796)
Accumulated depreciation related to Disposals	641	865	21,854	104,991	128,351
Net book value at the end of the year	<u>458,210</u>	<u>151,342</u>	<u>107,224</u>	<u>233,156</u>	<u>949,932</u>
Balance at the end of the year represents in:					
Cost	542,591	309,385	155,988	413,884	1,421,848
Accumulated depreciation	<u>(84,381)</u>	<u>(158,043)</u>	<u>(48,764)</u>	<u>(180,728)</u>	<u>(471,916)</u>
Net book value	<u>458,210</u>	<u>151,342</u>	<u>107,224</u>	<u>233,156</u>	<u>949,932</u>

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

21. Due to banks

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Current accounts	40,537	32,950
Deposits	4,462,966	2,500,000
Total	4,503,503	2,532,950
Local banks	4,462,966	2,500,000
Foreign banks	40,537	32,950
Total	4,503,503	2,532,950

22. Customers' deposits

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Demand deposits	29,875,765	24,995,251
Time deposits	38,847,355	34,272,492
Certificates of deposit	5,627,864	5,611,578
Savings deposits	4,292,270	4,101,700
Other deposits	1,019,004	795,681
Total	79,662,258	69,776,702
Corporate deposits	64,375,136	55,745,226
Individual deposits	15,287,122	14,031,476
Total	79,662,258	69,776,702
Non-interest-bearing balances	8,360,674	6,946,892
Floating-interest bearing balances	64,590,408	56,591,566
Fixed interest-bearing balances	6,711,176	6,238,244
Total	79,662,258	69,776,702
Current balances	67,769,952	60,260,543
Non-current balances	11,892,306	9,516,159
Total	79,662,258	69,776,702

23. Other Loans

	<i>Rates</i>	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Egyptian Mortgage Refinance company (EMRC)	1%	685	735
Egyptian Mortgage Refinance company (EMRC)	3%	13,400	13,500
Egyptian Mortgage Refinance company (EMRC)	Variable	27,568	33,704
Export Development Bank of Egypt	Variable	17,217	18,574
European Bank for Reconstruction and Development (EBRD)	Variable	617,966	494,868
Total		676,836	561,381

-Under CBE financing initiatives (5% and 7%); AUFC acquired financing from the Egyptian Mortgage Refinance Company (EMRC) guaranteed by the company's mortgage portfolio, and another credit facility with a limit of EGP 250 million from Export Development Bank of Egypt on 21 September 2019.

-The Bank signed five years facility agreement with the European Bank for Reconstruction and Development (EBRD) to support SMEs and green financing.

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

24. Other liabilities

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest Payable	514,777	345,478
Clearing operations – CBE	143,189	102,301
Margin deposits	272,671	717,250
Accrued Taxes	456,907	318,908
Unearned revenue	28,329	28,422
Accrued expenses	199,930	140,754
Deferred tax liability	4,823	-
Other credit balances	338,398	261,753
Total	1,959,024	1,914,866

25. Other provisions

<i>31 March 2023</i>	<i>Provision for legal claims EGP Thousands</i>	<i>Claims provision EGP Thousands</i>	<i>Contingent liabilities EGP Thousands</i>	<i>Total EGP Thousands</i>
Beginning balance	29,586	90,033	146,733	266,352
Foreign currency revaluation	-	-	2,009	2,009
Charge during the period	1,500	10,920	(46,277)	(33,857)
Utilized during the period	-	-	(400)	(400)
Ending balance	31,086	100,953	102,065	234,104

<i>31 December 2022</i>				
Beginning balance	29,559	70,375	57,742	157,676
Foreign currency revaluation	903	(159)	2,258	3,002
Charge during the year	1,963	19,817	86,733	108,513
No longer required	(2,575)	-	-	(2,575)
Utilized during the year	(264)	-	-	(264)
Ending balance	29,586	90,033	146,733	266,352

26. Capital**26.1 Authorized Capital**

Authorized capital amounts to EGP 10 Billion (31 December 2022: EGP 10 Billion).

26.2 Issued and paid up Capital

Issued and paid in capital amounts to EGP 5 Billion at 31 March 2023 (31 December 2022: EGP 5 Billion) represented by 500 Million Share (31 December 2022: 500 Million Share) with par value 10 EGP for each.

On March 24, 2022 the ordinary general assembly approved to increase the bank issued and paid up capital by EGP 2 billion to reach EGP 7 billion, by issuing of 200 million bonus shares out of retained earnings. Commercial register update is in progress.

On March 22, 2023 the ordinary general assembly approved to increase the bank issued and paid up capital by EGP 2.1 billion to reach EGP 9.1 billion, by issuing of 210 million bonus shares out of retained earnings. Commercial register update is in progress.

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

27. Cash and cash equivalents

For the purpose of statement of cash-flows presentation; cash and cash equivalents include the following balances that have original maturities not exceeding three months from their acquisition date.

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cash (note 12)	622,029	678,905
Due from banks with original maturities less than 3 months	4,753,285	6,225,962
Total	5,415,314	6,934,867

28. Contingent liabilities and commitments**28.1 Legal claims**

There are some existing cases filed against the bank on 31 March 2023 without provision as the bank does not expect to incur losses from it.

28.2 Capital commitments

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Capital commitments of fixed assets	57,173	36,223
Commitments under operating lease contracts	225,495	86,070
Contingent liabilities against letters of credit, documentary credits and other commitments	12,127,680	12,204,901
Total	12,127,680	12,327,194

29. Related party transactions

The Bank is a subsidiary of Ahli United Bank - Bahrain B.S.C (The Parent) which owns 95.68 % of the ordinary shares and the remaining stake of 4.32 % owned by other shareholders. In addition, Bank owns 100% of the subsidiary company, AUFC. Following are related party transactions:

Interim Condensed Consolidated Balance Sheet

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Due from banks	3,048,685	2,688,810
Due to banks	11,609	20,821

Interim Condensed Consolidated Income Statement

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest on deposits and similar costs	23	31
Fees and commission revenue	39	254

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 31 March 2023 is EGP 3,907 thousand.

30. Tax position**Income Tax**

- The Bank calculates and pays the income tax liability in due date based on the bank's tax declaration report.
- Income tax prior till 2016 has been assessed and settled with the tax authority.
- The tax examination for the years 2017 to 2019 inspection completed.
- The bank taken into consideration the status of the above assessment while estimating the tax provision.

Stamp Duty Tax

- All of the bank branches were inspected from operating date till 31 July 2006.
- From 1st August 2006, up to 31st December 2020 settled with the tax authority –inspection completed.

Salary Tax

- The bank calculates, deducts and pays the monthly salary tax on a regular basis
- From the bank inception date till 2002 was assessed and the tax due was paid. Some periods are pending in the courts.
- From 2003 till 2004 was inspected /settled and the bank dispute was transferred to the Interior Committee.
- The period from 2005 till 2019 settled with tax authority- inspection completed.
- The Bank has taken into consideration the status of the above assessments while estimating the tax provision.

Real Estate Tax

- All real estate tax claims are paid; overstated claims were objected.

31. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation of financial statements for the period.

32. Important Events

Reference to the war between Russia and Ukraine, and in light of the continuation of the war and the crisis, the bank continues to apply its internal proactive actions by monitoring and reviewing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the impact on the loan portfolio. In the determination of the impact of the expected credit losses (ECL) balances, the bank has reviewed the potential impact of the local and global economic conditions on the related inputs and assumptions of ECL measurement and analyzed the risk of the credit portfolio by focusing on analyzing the economic sectors overall, and as a result of the above, the Bank has reassessed its ECL models, underlying assumptions including relevant available macroeconomic data, and the credit risks related to particular industries, which was reflected in the management's estimates by increasing the management overlay provisions measurement as of 31 March 2023.

The impact of the current uncertain economic environment is judgmental, and management will keep assessing the current position and its related impact. It should also consider that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual outcome may significantly different from the forecasted information. The Bank has considered the potential impacts of the current economic volatility in determination of the reported amounts offered for the Bank's financial and non-financial assets, and these considered to represent the management's best assessment based on the observable information. However, markets remain volatile, and the recorded amounts remain sensitive to market fluctuations.