

**AHLI UNITED BANK
(S.A.E)**

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

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

As of 31 March 2023

Index	Page
Limited Review Report on Interim Condensed Standalone Financial Statements	1
Interim Condensed Standalone Balance Sheet	2
Interim Condensed Standalone Income Statement	3
Interim Condensed Standalone Statement of Comprehensive Income	4
Interim Condensed Standalone Cash Flow Statement	5
Interim Condensed Standalone Statement of Changes In Equity	6
Notes to the Interim Condensed Standalone Financial Statements	7- 24

Limited Review Report on Separate Condensed Interim Financial Statements

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

Introduction

We have performed a limited review on the accompanying separate condensed financial statements of Ahli United Bank Egypt (SAE) as of 31 March 2023 and the related separate condensed statement of financial position, separate condensed statement of income, separate condensed Statement of Comprehensive Income, separate condensed 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 separate 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 separate 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 separate 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 separate condensed interim financial statements.

Conclusion

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

Cairo: 16 May 2023

Auditors



Amr Wahed Bayoumi
Egyptian Financial Supervisory Authority Register no.358
Allied for Accounting & Auditing EY



Ahmed Abdel Hady
Egyptian Financial Supervisory Authority Register no.287

CHANGE Chartered Accountant

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

As at 31 March 2023

	Note	31 March 2023 EGP Thousands	31 December 2022 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	9,637,056	7,248,414
Due from banks	(14)	13,047,702	9,882,149
Treasury bills	(15)	5,469,609	3,405,991
Loans and advances to customers & banks	(16)	54,324,118	48,368,475
Derivative financial instruments	(17)	17,435	16,391
Financial investments at:			
- Fair value through other comprehensive income	(18)	11,172,142	11,615,381
- Amortized cost	(18)	1,659,951	1,906,221
- Fair value through profit or loss	(18)	39,438	38,347
Investments in subsidiaries	(19)	54,468	54,468
Investments properties (net)	(20)	19,758	19,879
Other assets	(21)	2,148,738	1,988,967
Property, plant and equipment (net)	(22)	966,177	947,765
TOTAL ASSETS		98,556,592	85,492,448
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(23)	4,503,503	2,532,950
Customers' deposits	(24)	79,687,050	69,798,551
Treasury bills sold under repurchase agreements	(15)	-	2,030
Other Loans	(25)	617,966	494,868
Other liabilities	(26)	1,918,787	1,875,957
Other provisions	(27)	233,009	265,258
TOTAL LIABILITIES		86,960,315	74,969,614
EQUITY			
Issued and paid-up-capital	(28)	5,000,000	5,000,000
Transferred under capital increase	(28)	4,100,000	2,000,000
Reserves		149,954	301,600
Retained earnings (including net profit for the current period /prior year)		2,346,323	3,221,234
TOTAL EQUITY		11,596,277	10,522,834
TOTAL LIABILITIES AND EQUITY		98,556,592	85,492,448

Hala Hatem Sadek
CEO & Board Member

- The attached notes from (1) to (34) form a part of these interim condensed standalone financial statements.
- Limited review report attached

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONDENSED STANDALONE 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)	2,873,438	1,469,828
Interest on deposits and similar costs	(5)	<u>(1,810,928)</u>	<u>(912,638)</u>
Net interest income		<u>1,062,510</u>	<u>557,190</u>
Fees and commission revenues	(6)	274,263	99,863
Fees and commission expenses	(6)	<u>(22,257)</u>	<u>(15,838)</u>
Net fees and commission income		<u>252,006</u>	<u>84,025</u>
Net trading income	(7)	64,190	23,682
Gain on financial investments	(18)	6,052	6,908
Provision for credit losses	(8)	(381,261)	(412,507)
Administrative expenses	(9)	(342,203)	(231,581)
Other operating income	(10)	<u>1,165,502</u>	<u>451,513</u>
Net profit before income tax		<u>1,826,796</u>	<u>479,230</u>
Income tax expenses	(11)	<u>(252,219)</u>	<u>(62,240)</u>
Net profit for the period		<u>1,574,577</u>	<u>416,990</u>
Earnings per share (EGP/Share)	(12)	<u>3.14</u>	<u>0.83</u>

The attached notes from (1) to (34) form a part of these interim condensed standalone financial statements.

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

For the three months ended 31 March 2023

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Net profit for the period	1,574,577	416,990
Income 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
Income 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	1,043	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	1,321,814	234,206

The attached notes from (1) to (34) form a part of these interim condensed standalone financial statements.

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONSENSSED STANDALONE 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		1,826,796	479,230
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Provision for credit losses		382,908	412,507
Depreciation and amortization	(9)	28,543	24,650
Other provisions charged (released)	(27)	(33,857)	18,092
Revaluation differences of other provisions in foreign currencies	(27)	2,008	952
Gain on disposals of property, plant and equipment	(10)	(360)	(1,436)
Amortization of premium	(18)	29,534	132,836
Revaluation difference in foreign currencies		10,904	122,025
Revaluation of financial assets at fair value through profit or loss	(7)	(1,091)	(441)
Operating income before changes in operating assets and liabilities		2,245,385	1,188,415
<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		(6,520,157)	(4,503,863)
Financial investments at fair value through profit or loss		-	(106)
Other assets		(159,771)	352,177
Due to banks		1,970,553	4,722,470
Customers' deposits		9,888,499	2,287,580
Treasury bills sold under repurchase agreements		(2,030)	(2,030)
Other liabilities		(341,547)	(20,270)
Other provision utilized	(27)	(400)	-
Income tax paid		(116,214)	(100,897)
Net cash flows generated from operating activities		1,861,753	1,562,398
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(22)	(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 financial investments at FVOCI		601,499	95,152
Purchases of financial investments at FVOCI	(18)	(257,677)	-
Net cash flows provided from (used in) investing activities		542,236	(232,372)
<u>FINANCING ACTIVITIES</u>			
Net Change in other loans		123,098	365,286
Net cash flows generated from financing activities		123,098	365,286
Net increase in cash and cash equivalents during the period		2,527,187	1,695,312
Cash and cash equivalent at the beginning of the period		2,887,952	5,238,625
Cash and cash equivalents at the end of the period	(29)	5,415,139	6,933,937
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	9,637,056	4,665,779
Due from banks	(14)	13,057,497	6,255,032
Treasury Bills	(15)	5,473,252	5,355,841
Balances with Central Bank of Egypt - mandatory reserve	(13)	(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	(29)	5,415,139	6,933,937

The attached notes from (1) to (34) form a part of these interim condensed standalone financial statements.

AHLI UNITED BANK EGYPT S.A.E

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Reserves						
	Issued and paid-up capital	Transferred under capital increase	Legal Reserve & Capital Reserve	General Risk Reserve	General Banking Risk Reserve	Fair Value Reserve	Total Reserves
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Balances as at 1 January 2022	3,000,000	2,000,000	560,312	11,884	6,727	97,792	676,715
Net profit for the period	-	-	-	-	-	-	3,395,853
Other comprehensive income	-	-	-	-	-	(182,784)	416,990
Transferred under capital increase	-	2,000,000	-	-	-	-	(182,784)
Employees profit share	-	-	-	-	-	-	(2,000,000)
Directors' remuneration	-	-	-	-	-	-	(116,000)
Transferred to legal and capital reserve	-	-	-	-	-	-	(5,922)
Transferred to banking sector support fund	-	-	58,604	-	-	-	(58,604)
Bonus shares issued	2,000,000	(2,000,000)	-	-	-	-	(11,517)
Balances as at 31 March 2022	5,000,000	2,000,000	618,916	11,884	6,727	(84,992)	1,620,800
							9,173,335
Balances as at 1 January 2023	5,000,000	2,000,000	618,916	11,884	3,629	(332,829)	3,221,234
Net profit for the period	-	-	-	-	-	-	1,574,577
Other comprehensive income	-	-	-	-	-	(252,763)	-
Transferred under capital increase	-	2,100,000	-	-	-	-	(2,100,000)
Employees profit share	-	-	-	-	-	-	(220,805)
Directors' remuneration	-	-	-	-	-	-	(7,400)
Transferred to legal and capital reserve	-	-	101,117	-	-	-	(101,117)
Transferred to banking sector support fund	-	-	-	-	-	-	(20,166)
Bonus shares issued	-	-	-	-	-	-	-
Balances as of 31 March 2023	5,000,000	4,100,000	720,033	11,884	3,629	(585,592)	2,346,323
							11,596,277

The attached notes from (1) to (34) form a part of the interim condensed standalone financial statements and to be read therewith.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the three months ended 31 March 2023

1 General information

Ahli United Bank- Egypt S.A.E (the Bank) was incorporated under its previous name 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 as at 31 March 2023.

These condensed interim financial statements were approved by the board of directors on 16 May 2023.

2 Summary of the significant accounting policies

The significant accounting policies applied in the preparation of these standalone 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 standalone 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 interim condensed consolidated financial statements of the Bank have been prepared as well, in which all the subsidiaries are entirely consolidated, the subsidiaries are the entities that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of the activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost less impairment loss.

The interim condensed standalone financial statements of the Bank should be read with its interim condensed consolidated financial statements, for the period ended on 31 March 2023 to get complete information on the Bank's financial position, income statements, cash flows and change in shareholders equity.

The interim condensed standalone financial statements have been prepared on a historical cost basis as modified for the re-measurement at fair value of certain financial instruments and all derivative financial instruments.

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

For the three months ended 31 March 2023

3 Financial risks management**3.1 Quality of Financial Assets**

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

<i>31 March 2023</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Due from banks	7,565,521	5,491,977	-	13,057,497
Treasury bills	5,407,589	342,971	-	5,750,560
Loans and advances to customers & banks	28,488,430	28,440,235	1,281,309	58,209,973
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>53,558,365</u>	<u>34,849,013</u>	<u>1,281,309</u>	<u>89,688,688</u>
<i>31 December 2022</i>				
Due from banks	4,649,416	5,237,807	-	9,887,223
Treasury bills	3,305,400	274,652	-	3,580,052
Loans and advances to customers & banks	32,134,789	19,415,882	1,945,168	53,495,839
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>52,719,320</u>	<u>25,669,451</u>	<u>1,945,168</u>	<u>80,333,939</u>

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

<i>31 March 2023</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Due from banks	395	9,399	-	9,795
Treasury bills	23	3,620	-	3,643
Loans and advances to customers & banks	770,614	1,636,376	1,026,035	3,433,025
Debt Instruments at Fair value through other comprehensive income	1,174	6,726	-	7,900
Commitments on loans and collaterals	54,529	23,122	24,412	102,063
	<u>826,735</u>	<u>1,679,244</u>	<u>1,050,447</u>	<u>3,556,426</u>
<i>31 December 2022</i>				
Due from banks	392	4,682	-	5,074
Treasury bills	-	453	-	453
Loans and advances to customers & banks	727,693	2,189,717	1,744,374	4,661,784
Debt Instruments at Fair value through other comprehensive income	1,007	3,921	-	4,928
Commitments on loans and collaterals	43,697	81,645	21,390	146,732
	<u>772,789</u>	<u>2,280,418</u>	<u>1,765,764</u>	<u>4,818,971</u>

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

For the three months ended 31 March 2023

3 Financial risks management (Cont....)**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**4.1 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.

Individuals:

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 STANDALONE FINANCIAL STATEMENTS

For the three months ended 31 March 2023

4 Segment analysis (continued)
4.1 Activity segment analysis (continued)
31 March 2023
Revenues & expenses according to activity segment

	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	804,572	1,265,412	4,337,167
Segment activity expenses	(1,353,574)	(12,428)	(298,348)	(673,186)	(172,836)	(2,510,372)
Net profit (losses) before income tax	288,444	15,223	299,166	131,386	1,092,576	1,826,795
Income tax expenses	(68,709)	(3,425)	(114,280)	(29,855)	(35,950)	(252,219)
Net profit (losses) for the period after tax	219,735	11,798	184,886	101,531	1,056,626	1,574,576

Assets & liabilities according to activity segment

Segment activity assets	54,689,419	1,401,599	38,283,973	3,022,221	1,159,380	98,556,592
Total assets	54,689,419	1,401,599	38,283,973	3,022,221	1,159,380	98,556,592
Segment activity liabilities	45,521,686	671,872	5,125,003	33,562,131	2,079,623	86,960,315
Total liabilities	45,521,686	671,872	5,125,003	33,562,131	2,079,623	86,960,315

Other items for activity segment

Depreciation and amortization	(4,829)	(355)	(2,391)	(11,407)	(9,561)	(28,543)
ECL charges	(267,674)	-	-	(29,453)	(84,134)	(381,261)

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

For the three months ended 31 March 2023

4 Segment analysis (continued)
4.2 Activity segment analysis (continued)

31 March 2022	Large Institutions EGP Thousands	Small & Medium Institutions EGP Thousands	Investments EGP Thousands	Retail EGP Thousands	Other Activities EGP Thousands	Total EGP Thousands
<i>Revenues & expenses according to activity segment</i>						
Segment activity revenues	788,985	11,667	199,139	511,494	556,160	2,067,445
Segment activity expenses	(634,944)	(8,591)	(96,091)	(428,476)	(420,113)	(1,588,215)
Net profit before income tax	154,041	3,076	103,048	83,018	136,047	479,230
Income tax (expenses) income	(31,576)	(692)	(37,210)	(19,320)	26,558	(62,240)
Net profit for the period after tax	122,465	2,384	65,838	63,698	162,605	416,990
<i>Assets & liabilities according to segment activities</i>						
Segment activity assets	41,200,991	1,051,564	26,394,128	2,229,218	947,730	71,823,631
Total assets	41,200,991	1,051,564	26,394,128	2,229,218	947,730	71,823,631
Segment activity liabilities	29,027,135	259,407	5,422,696	26,474,523	1,466,536	62,650,297
Total liabilities	29,027,135	259,407	5,422,696	26,474,523	1,466,536	62,650,297
<i>Other items for activity segment</i>						
Depreciation	(7,551)	(687)	(2,747)	(11,822)	(1,843)	(24,650)
ECL charges	(397,096)	-	(1,776)	(13,635)	-	(412,507)

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE INTERIM CONDENSED STANDALONE 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 and similar revenues from:		
Loans and advances to customers	2,066,419	892,105
Treasury bills and bonds	663,460	554,432
Deposits and current accounts	143,559	23,291
Total	2,873,438	1,469,828
Cost of deposits and similar expenses on:		
Deposits and current accounts:		
Banks	(243,850)	(63,807)
Customers	(1,557,068)	(847,697)
	(1,800,918)	(911,504)
Other loans	(10,010)	(1,134)
Total	(1,810,928)	(912,638)
Net interest income	1,062,510	557,190

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 income:		
Credit Fees and commissions	226,442	79,972
Custody fees	9,762	8,746
Other fees	38,059	11,145
Total	274,263	99,863
Fees and commissions expenses	(22,257)	(15,838)
Total	(22,257)	(15,838)
Net income from fees and commissions	252,006	84,025

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	1,091	441
Total	64,190	23,682

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

For the three months ended 31 March 2023

8 Provision of credit losses

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Loans and advances to customers & banks	(373,162)	(410,730)
Due from banks	(3,390)	246
Debt instruments at FVTOCI	(1,647)	(352)
Treasury bills	(3,062)	(1,671)
Total	(381,261)	(412,507)

9 Administrative expense

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Staff cost:		
Salaries and wages	(102,582)	(83,672)
Social insurance	(6,760)	(5,722)
	(109,342)	(89,394)
Depreciation and amortization	(28,543)	(24,650)
Other administrative expenses	(204,318)	(117,537)
Total	(342,203)	(231,581)

10 Other operating income

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</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 charged	(1,500)	(100)
Claims provision charged	(10,920)	(2,304)
Contingent provision realized /(charged)	46,277	(15,688)
Other income	7,342	7,921
Total	1,165,502	451,513

11 Income tax expense

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Current Tax	(244,554)	(64,467)
Deferred Tax	(7,665)	2,227
Total	(252,219)	(62,240)
 Net profit before tax	 1,826,796	 479,230
Income tax (22.5%)	(411,029)	(107,826)
 Tax effect on:		
Income not subject to tax	5,644	3,539
Provision	(34,993)	(23,918)
Depreciation differences	607	(18)
Others	195,217	63,756
Income tax expense	(244,554)	(64,467)
Effective income tax rate	13.4%	13.5%

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

For the three months ended 31 March 2023

12 Earnings per share

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Net profit for the period available for distribution	1,574,577	416,990
Weighted average number of shares (shares thousands)	500,000	500,000
Earnings per share (EGP/Share)	3.14	0.83

13 Cash and balances with Central Bank of Egypt

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Cash (note 29)	662,029	466,639
Balances with CBE (mandatory reserve)	8,975,027	6,781,775
Total	9,637,056	7,248,414
Interest free balances	9,637,056	7,248,414

14 Due from Banks

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Current accounts	1,031,132	760,363
Deposits	12,026,365	9,126,860
	13,057,497	9,887,223
Less: ECL Allowance	(9,795)	(5,074)
Total	13,047,702	9,882,149
Balances at CBE other than those under the mandatory reserve	1,992,764	1,740,378
Local banks	100,219	145,340
Foreign Banks	10,964,514	8,001,505
	13,057,497	9,887,223
Less: ECL Allowance	(9,795)	(5,074)
Total	13,047,702	9,882,149
Non-interest-bearing balances	470,276	434,668
Interest-bearing balances	12,587,221	9,452,555
	13,057,497	9,887,223
Less: ECL Allowance	(9,795)	(5,074)
Total	13,047,702	9,882,149

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

For the three months ended 31 March 2023

15 Treasury bills sold under repurchase agreements

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
15.1 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>
 15.2 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 STANDALONE FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

16 Loans and advances to customers & banks

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</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
Other Loans	481,497	543,738
Total (1)	3,063,194	3,104,949
Corporate and Banks		
Overdrafts	4,611,181	4,542,468
Direct loans	41,425,962	39,276,967
Syndication loans	9,109,636	6,571,455
Total (2)	55,146,779	50,390,890
Total loans and advances to customers and banks (1+2)	58,209,973	53,495,839
Less :ECL Allowance	(3,433,025)	(4,661,784)
Less: Interest in suspense	(131,582)	(129,968)
Less :Unearned discount	(321,248)	(335,612)
Net loans and advances to customers and banks	54,324,118	48,368,475

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

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Balance at the beginning of the period/year	4,661,784	2,387,863
ECL Allowance charge during the period/year (note 8)	373,162	1,705,543
Write-off during the period/year	(1,793,274)	(128,090)
Recoveries from written-off debts	-	2,682
Foreign currency translation	191,353	693,786
Balance at the end of the period/year	3,433,025	4,661,784

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

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Individuals		
Balance at the beginning of the period/ year (note 8)	41,083	16,295
ECL Allowance for the period/ year	66,543	24,788
Balance at the end of the period/ year (1)	107,626	41,083
Corporate and Banks		
Balance at the beginning of the period/ year	4,620,701	2,371,568
ECL Allowance for the period/ year (note 8)	306,619	1,680,755
Write-off during the year	(1,793,274)	(128,090)
Recoveries from written-off debts	-	2,682
Foreign currency translation	191,353	693,786
Balance at the end of the period/year (2)	3,325,399	4,620,701
Total (1) + (2)	3,433,025	4,661,784

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

For the three months ended 31 March 2023

17 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

	<i>Contractual value</i>	<i>Assets</i>	<i>Liabilities</i>
Cash flow hedge			
Interest rate swap	502,810	16,391	-
Total	502,810	16,391	-

18 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	126,640	117,112
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)	11,172,142	11,615,381
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	37,562	36,330
Total financial investments at FVTPL (3)	39,438	38,347
Total financial investments (1+2+3)	12,871,531	13,559,949
Current Balances		
Non- current Balances		
Total financial investments	12,871,531	13,559,949
Debt Instruments	12,670,657	13,370,825
Equity Instruments	131,964	122,947
Mutual Funds	68,910	66,177
Total financial investments	12,871,531	13,559,949

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

For the three months ended 31 March 2023

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

	Financial assets at Fair Value through OCI EGP Thousands	Financial assets at Amortized Cost EGP Thousands	Financial assets Fair Value through P&L EGP Thousands	Total EGP Thousands
Balance at the beginning of the period	11,615,381	1,906,221	38,347	13,559,949
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)	-	1,091	(251,294)
Foreign currency revaluation	181,220	-	-	181,220
Balance at the end of the period	11,172,142	1,659,951	39,438	12,871,531

31 December 2022

Balance at the beginning of the year	10,502,774	2,504,245	34,269	13,041,288
Additions	2,832,973	165,383	106	2,998,462
Disposals / Maturities	(1,452,702)	(766,947)	-	(2,219,649)
Amortization of (premium) /discount	(72,811)	3,540	-	(69,271)
Change in fair value of investment	(446,358)	-	3,972	(442,386)
Foreign currency revaluation	251,505	-	-	251,505
Balance at the end of the year	11,615,381	1,906,221	38,347	13,559,949

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

19. Investment in subsidiaries

	<i>31 March 2023</i> EGP Thousands	<i>31 December 2022</i> EGP Thousands
Ahli United Finance Company (Unlisted) - Owned 100%	54,468	54,468

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

For the three months ended 31 March 2023

20. Investment properties (net)

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
<u>Cost:</u>		
Cost at the beginning of the period/year	24,656	42,080
Transferred to property, plant and equipment	-	(17,424)
Cost at the ending of the period/ year	24,656	24,656
<u>Accumulated depreciation</u>		
Accumulated depreciation at the beginning of the period/year	(4,777)	(7,421)
Depreciation charged during the period/year	(121)	(541)
Accumulated depreciation balances transferred to property, plant and equipment	-	3,185
Accumulated depreciation at the ending of the period/year	(4,898)	(4,777)
Net book value at the ending of the period/ year	19,758	19,879

21. Other assets

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</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	168,976	132,485
Total	2,148,738	1,988,967

22. 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	457,193	151,343	107,223	232,006	947,765
Additions	-	1,485	7,285	38,064	46,834
Depreciation charge	(2,649)	(5,519)	(3,622)	(16,632)	(28,422)
Net book value at the end of the period	454,544	147,309	110,886	253,438	966,177
Balance at the end of current period represents in:					
Cost	544,528	310,869	163,273	487,610	1,506,280
Accumulated depreciation	(89,984)	(163,560)	(52,387)	(234,172)	(540,103)
Net book value at the end of the period	454,544	147,309	110,886	253,438	966,177

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

For the three months ended 31 March 2023

22. Property, plant and equipment (net) (Continued)

<i>31 December 2022</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 year	454,359	118,905	77,219	174,135	824,618
Additions	-	57,002	41,906	114,110	213,018
Disposals	-	(2,156)	(22,082)	(105,674)	(129,912)
Transfer from investment property	14,238	-	-	-	14,238
Depreciation charge	(12,045)	(23,274)	(11,673)	(55,556)	(102,548)
Accumulated depreciation related to disposals	641	866	21,853	104,991	128,351
Net book value at the end of the year	<u>457,193</u>	<u>151,343</u>	<u>107,223</u>	<u>232,006</u>	<u>947,765</u>
Balance at the end of the year represents in:					
Cost	544,528	309,384	155,988	449,543	1,459,443
Accumulated depreciation	<u>(87,335)</u>	<u>(158,041)</u>	<u>(48,765)</u>	<u>(217,537)</u>	<u>(511,678)</u>
Net book value	<u>457,193</u>	<u>151,343</u>	<u>107,223</u>	<u>232,006</u>	<u>947,765</u>

23. Due to banks

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

24. Customers' deposits

	<i>31 March 2023 EGP Thousands</i>	<i>31 December 2022 EGP Thousands</i>
Demand deposits	29,900,557	25,017,100
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	<u>1,019,004</u>	<u>795,681</u>
Total	<u>79,687,050</u>	<u>69,798,551</u>
Corporate deposits	64,399,928	55,767,075
Individual deposits	<u>15,287,122</u>	<u>14,031,476</u>
Total	<u>79,687,050</u>	<u>69,798,551</u>
Non-interest-bearing balances	8,360,674	6,946,892
Floating-interest bearing balances	64,615,200	56,613,415
Fixed interest-bearing balances	<u>6,711,176</u>	<u>6,238,244</u>
Total	<u>79,687,050</u>	<u>69,798,551</u>
Current balances	67,794,744	60,282,391
Non-current balances	<u>11,892,306</u>	<u>9,516,159</u>
Total	<u>79,687,050</u>	<u>69,798,551</u>

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

For the three months ended 31 March 2023

25. Other Loans

	Rates	31 March 2023 EGP Thousands	31 December 2022 EGP Thousands
European Bank for Reconstruction and Development (EBRD)	Variable	617,966	494,868
		<u>617,966</u>	<u>494,868</u>

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

26. Other liabilities

	31 March 2023 EGP Thousands	31 December 2022 EGP Thousands
Interest Payable	514,777	345,478
Clearing operations – CBE	143,189	102,301
Margin deposits	272,671	717,250
Accrued Taxes	447,174	318,454
Unearned revenue	28,329	28,422
Accrued expenses	199,930	140,754
Deferred tax liability	4,823	-
Other credit balances	307,894	223,298
Total	<u>1,918,787</u>	<u>1,875,957</u>

27. Other provisions**31 March 2023**

	Provision for legal claims EGP Thousands	Claims provision EGP Thousands	Contingent liabilities EGP Thousands	Total EGP Thousands
Beginning balance	29,586	88,940	146,732	265,258
Foreign currency revaluation	-	-	2,008	2,008
Charged (Released) during the period	1,500	10,920	(46,277)	(33,857)
Utilized during the period	-	-	(400)	(400)
Ending balance	<u>31,086</u>	<u>99,860</u>	<u>102,063</u>	<u>233,009</u>

31 December 2022

Beginning balance	29,559	69,155	57,742	156,456
Foreign currency revaluation	903	(32)	2,257	3,128
Charged during the year	1,963	19,817	86,733	108,513
Utilized during the year	(264)	-	-	(264)
No longer required	(2,575)	-	-	(2,575)
Ending balance	<u>29,586</u>	<u>88,940</u>	<u>146,732</u>	<u>265,258</u>

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

For the three months ended 31 March 2023

28. Capital**28.1 Authorized Capital**

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

28.2 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.

29. Cash and cash equivalents

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

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 March 2022</i> <i>EGP Thousands</i>
Cash (note 13)	622,029	678,905
Due from banks with original maturities less than 3 months	5,591,588	6,255,032
Total	6,213,617	6,933,937

30. Contingent liabilities and commitments**A - Legal claims**

There is a number of existing cases filed against the bank on 31 March 2023 without provision as the bank does not expect to incur losses from it.

B- Capital commitments, contingent liabilities against letter of credit, documentary credits and other commitments.

	<i>31 March 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</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	12,204,693
Total	12,410,348	12,326,986

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the three months ended 31 March 2023

31. 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 Standalone Balance Sheet	31 March 2023	31 December 2022
	EGP Thousands	EGP Thousands
Due from banks	3,048,685	2,688,810
Loans and advances to customers	720,466	718,266
Due to banks	31,831	20,821
Customer deposits	26,997	22,707

Interim Condensed Standalone Income Statement	31 March 2023	31 March 2022
	EGP Thousands	EGP Thousands
Interest and similar revenues	22,637	13,152
Interest on deposits and similar costs	196	11,191
Fees and commission revenue	53	33

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.

32. 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.

33. Comparative Figures

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

34. 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.