

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

**Interim Condensed Standalone Financial Statements
For the Period Ended 30 June 2023
& Limited Review Report**

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

As of 30 June 2023

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Limited Review Report on Separate Condensed Interim Financial Statements

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

Introduction

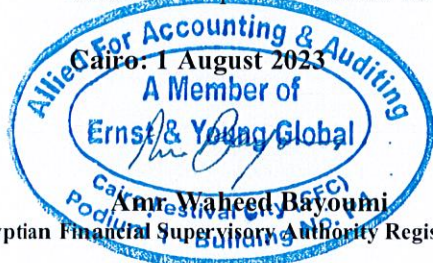
We have performed a limited review on the accompanying separate condensed financial statements of Ahli United Bank Egypt (SAE) as of 30 June 2023 and the related separate condensed statement of financial position, separate condensed statement of income, separate condensed Statement of Comprehensive Income, separate condensed changes in equity and cash flows for the six 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

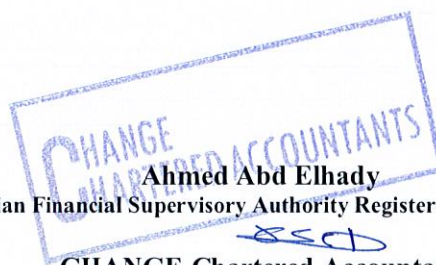
Based on our limited review, nothing has come to our attention that causes us to believe that accompanying separate condensed interim financial statements do not present fairly, in all material respects, the separate condensed financial position of the Bank as of 30 June 2023 and of its separate condensed financial performance and its separate condensed cash flows for the six 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.



Egyptian Financial Supervisory Authority Register no.358

Allied for Accounting & Auditing EY

Auditors



Egyptian Financial Supervisory Authority Register no.287

CHANGE Chartered Accountant

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

As at 30 June 2023

	Note	30 June 2023 EGP Thousands	31 December 2022 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	11,686,910	7,248,414
Due from banks	(14)	14,456,129	9,882,149
Treasury bills	(15)	7,446,236	3,405,991
Loans and advances to customers & banks	(16)	57,164,785	48,368,475
Derivative financial instruments	(17)	17,720	16,391
Financial investments at:			
- Fair value through other comprehensive income	(18)	11,368,347	11,615,381
- Amortized cost	(18)	1,608,382	1,906,221
- Fair value through profit or loss	(18)	41,133	38,347
Investments in subsidiaries	(19)	54,468	54,468
Investments properties (net)	(20)	19,637	19,879
Other assets	(21)	2,441,693	1,988,967
Property, plant and equipment (net)	(22)	1,010,182	947,765
TOTAL ASSETS		107,315,622	85,492,448
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(23)	7,159,570	2,532,950
Customers' deposits	(24)	84,335,248	69,798,551
Treasury bills sold under repurchase agreements	(15)	-	2,030
Other Loans	(25)	617,938	494,868
Other liabilities	(26)	2,599,237	1,875,957
Other provisions	(27)	239,447	265,258
TOTAL LIABILITIES		94,951,440	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		307,459	301,600
Retained earnings (including net profit for the current period /prior year)		2,956,723	3,221,234
TOTAL EQUITY		12,364,182	10,522,834
TOTAL LIABILITIES AND EQUITY		107,315,622	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 six months ended 30 June 2023

	Note	<i>Six Months ended 30 June 2023 EGP Thousands</i>	<i>Six Months ended 30 June 2022 EGP Thousands</i>	<i>Three Months Ended 30 June 2023 EGP Thousands</i>	<i>Three Months Ended 30 June 2022 EGP Thousands</i>
Interest from loans and similar revenues	(5)	6,266,623	3,198,888	3,393,185	1,729,060
Interest on deposits and similar costs	(5)	(4,017,846)	(1,933,124)	(2,206,918)	(1,020,486)
Net interest income		2,248,777	1,265,764	1,186,267	708,574
Fees and commission revenues	(6)	512,895	235,662	238,632	135,799
Fees and commission expenses	(6)	(49,942)	(31,415)	(27,685)	(15,577)
Net fees and commission income		462,953	204,247	210,947	120,222
Dividends income		12,493	4,945	12,493	4,945
Net trading income	(7)	90,221	37,445	26,031	13,763
Gain on financial investments	(18)	20,220	17,685	14,168	10,777
Provision for credit losses	(8)	(606,943)	(480,486)	(225,682)	(67,979)
Administrative expenses	(9)	(694,514)	(481,675)	(352,311)	(250,094)
Other operating income	(10)	1,187,005	554,255	21,503	102,742
Net profit before income tax		2,720,212	1,122,180	893,416	642,950
Income tax expenses	(11)	(535,235)	(223,966)	(283,016)	(161,726)
Net profit for the period		2,184,977	898,214	610,400	481,224
Earnings per share (EGP/Share)	(12)	4.37	1.80	1.22	0.96

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 six months ended 30 June 2023

	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Net profit for the period	2,184,977	898,214	610,400	481,224
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	4,554	1,006	3,424	995
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	(102,706)	(234,592)	154,834	(45,625)
Net change in fair value of interest rate swaps – fair value hedge	1,329	13,317	286	7,849
Expected credit losses of debt instruments measured at fair value through other comprehensive income	1,565	3,480	(1,039)	2,776
Total comprehensive income for the period	2,089,719	681,425	767,905	447,219

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 CASH FLOWS**

For the six months ended 30 June 2023

	Note	30 June 2023 EGP Thousands	30 June 2022 EGP Thousands
<u>OPERATING ACTIVITIES</u>			
Net profit before income tax		2,720,212	1,122,180
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Dividends income		(12,493)	(4,945)
Depreciation and amortization	(9)	57,758	51,123
Provision for credit losses	(8)	606,943	480,486
Other provisions (released)/ charged	(27)	(27,418)	21,316
Revaluation differences of other provisions in foreign currencies	(27)	2,007	1,455
Gain on disposals of property, plant and equipment	(10)	(718)	(295)
Amortization of premium	(18)	62,502	147,911
Revaluation difference in foreign currencies	(10)	(1,123,220)	(556,891)
Gain on sale of financial investment at fair value through other comprehensive income		-	(8,146)
Revaluation of financial assets at fair value through profit or loss	(7)	(2,786)	(1,345)
Operating income before changes in operating assets and liabilities		2,282,787	1,252,849
<i>Net changes in operating assets and liabilities</i>			
Balances with Central Bank of Egypt - mandatory reserve		(4,258,972)	(2,194,330)
Due from banks		1,401,870	-
Treasury bills		(3,930,368)	(1,714,304)
Loans and advances to customers and banks		(7,278,877)	(9,685,918)
Financial investments at fair value through profit or loss		-	(106)
Other assets		(271,360)	381,393
Due to banks		4,619,053	5,578,873
Customers' deposits		10,695,107	8,984,552
Treasury bills sold under repurchase agreements		(2,030)	(4,060)
Other liabilities		186,412	215,510
Other provision utilized	(27)	(400)	(70)
Income tax paid		(242,331)	(253,525)
Net cash flows generated from operating activities		3,200,891	2,560,864
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(22)	(120,037)	(92,299)
Proceeds from sale of property, plant and equipment		823	1,277
Proceeds from redemption of financial investments at amortized cost		295,814	95,697
Purchases of financial investments at amortized cost		-	(115,553)
Proceeds from redemption financial investments at FVOCI		723,326	1,686,618
Purchases of financial investments at FVOCI	(18)	(437,522)	(2,145,526)
Dividends income received		12,493	4,945
Net cash flows provided from (used in) investing activities		474,897	(564,841)
<u>FINANCING ACTIVITIES</u>			
Net Change in other loans		-	376,056
Net cash flows generated from financing activities		-	376,056
Net increase in cash and cash equivalents during the period		3,675,788	2,372,079
Cash and cash equivalent at the beginning of the period		9,611,560	5,238,625
Cash and cash equivalents at the end of the period	(29)	13,287,348	7,610,704
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	11,686,910	7,879,285
Due from banks	(14)	14,464,102	6,958,866
Treasury Bills	(15)	7,449,874	3,647,293
Balances with Central Bank of Egypt - mandatory reserve	(13)	(11,040,747)	(7,227,447)
Deposits with banks with original maturities more than 3 months		(1,822,917)	-
Treasury bills with original maturities more than 3 months		(7,449,874)	(3,647,293)
Cash and cash equivalents at the end of the period	(29)	13,287,348	7,610,704

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 six months ended 30 June 2023

	Reserves									
	Issued and paid-up capital	Transferred under capital increase	Legal Reserve & Capital Reserve	General			Fair Value Reserve	Total Reserves	Retained Earnings	Total
				Risk Reserve	Risk Reserve	Banking Risk Reserve				
EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	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	3,395,853	9,072,568	
Net profit for the period	-	-	-	-	-	-	-	898,214	898,214	
Other comprehensive income	-	-	-	-	-	(216,789)	(216,789)	-	(216,789)	
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(2,000,000)	-	
Employees profit share	-	-	-	-	-	-	-	(116,000)	(116,000)	
Directors' remuneration	-	-	-	-	-	-	-	(5,922)	(5,922)	
Transferred to legal and capital reserve	-	-	58,604	-	-	-	58,604	(58,604)	-	
Transferred to banking sector support fund	-	-	-	-	-	-	-	(11,517)	(11,517)	
Bonus shares issued	2,000,000	(2,000,000)	-	-	-	-	-	-	-	
Balances as at 30 June 2022	5,000,000	2,000,000	618,916	11,884	6,727	(118,997)	518,530	2,102,024	9,620,554	
Balances as at 1 January 2023	5,000,000	2,000,000	618,916	11,884	3,629	(332,829)	301,600	3,221,234	10,522,834	
Net profit for the period	-	-	-	-	-	-	-	2,184,977	2,184,977	
Other comprehensive income	-	-	-	-	-	(95,258)	(95,258)	-	(95,258)	
Transferred under capital increase	-	2,100,000	-	-	-	-	-	(2,100,000)	-	
Employees profit share	-	-	-	-	-	-	-	(220,805)	(220,805)	
Directors' remuneration	-	-	-	-	-	-	-	(7,400)	(7,400)	
Transferred to legal and capital reserve	-	-	101,117	-	-	-	101,117	(101,117)	-	
Transferred to banking sector support fund	-	-	-	-	-	-	-	(20,166)	(20,166)	
Bonus shares issued	-	-	-	-	-	-	-	-	-	
Balances as of 30 June 2023	5,000,000	4,100,000	720,033	11,884	3,629	(428,087)	307,459	2,956,723	12,364,182	

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 six months ended 30 June 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 1227 employees as at 30 June 2023.

These condensed interim financial statements were approved by the board of directors on 1 August 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 30 June 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 six months ended 30 June 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>30 June 2023</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) 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	11,327,034	3,137,068	-	14,464,102
Treasury bills	7,479,278	342,956	-	7,822,234
Loans and advances to customers & banks	31,136,792	28,768,354	1,362,011	61,267,157
Debt Instruments at Fair value through other comprehensive income	10,542,992	659,221	-	11,202,213
Debt instruments at Amortized Cost	1,608,382	-	-	1,608,382
	62,094,479	32,907,598	1,362,011	96,364,088
<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
	52,719,320	25,669,451	1,945,168	80,333,939

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

<i>30 June 2023</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) 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	6,210	1,763	-	7,973
Treasury bills	24	3,614	-	3,638
Loans and advances to customers & banks	829,082	1,745,191	1,104,817	3,679,090
Debt Instruments at Fair value through other comprehensive income	1,023	5,837	-	6,861
Commitments on loans and collaterals	49,591	21,948	24,353	95,893
	885,931	1,778,354	1,129,170	3,793,454
<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
	772,789	2,280,418	1,765,764	4,818,971

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

For the six months ended 30 June 2023

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

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
According to Basel II		
Total Tier 1 (basic and additional capital)	12,497,016	10,403,212
Total Tier 2 (subordinated capital)	901,260	789,549
Total Capital Base	13,398,276	11,192,761
Total assets and contingent liabilities weighted by credit, market and operational risks	92,092,697	66,624,025
Capital Adequacy Ratio	14.55%	16.80%

3.3 Financial leverage risk management

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Tier 1 capital (1)	12,497,016	10,403,212
Total exposures on balance Sheet and off-balance sheet (2)	116,079,883	93,088,784
Financial leverage ratio% (1/2)	10.77%	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.

Treasury & 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 STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4 Segment analysis (continued)
4.1 Activity segment analysis (continued)
30 June 2023

	<i>Large Institutions</i>	<i>Medium & Small Institutions</i>	<i>Treasury & Investments</i>	<i>Retail</i>	<i>Other Activities</i>	<i>Total</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
<i>Revenues & expenses according to activity segment</i>						
Segment activity revenues	3,678,820	61,405	1,118,953	1,763,516	1,466,762	8,089,456
Segment activity expenses	(3,036,156)	(30,423)	(513,669)	(1,458,836)	(330,160)	(5,369,244)
Net profit (losses) before income tax	642,664	30,982	605,284	304,680	1,136,602	2,720,212
Income tax expenses	(151,008)	(6,971)	(245,836)	(70,054)	(61,366)	(535,235)
Net profit (losses) for the period after tax	491,656	24,011	359,448	234,626	1,075,236	2,184,977
<i>Assets & liabilities according to activity segment</i>						
Segment activity assets	57,219,780	1,353,418	43,997,248	3,512,284	1,232,893	107,315,623
Total assets	57,219,780	1,353,418	43,997,248	3,512,284	1,232,893	107,315,623
Segment activity liabilities	48,625,073	689,019	7,785,577	35,331,183	2,520,588	94,951,440
Total liabilities	48,625,073	689,019	7,785,577	35,331,183	2,520,588	94,951,440

Other items for activity segment

Depreciation and amortization	(11,164)	(821)	(5,293)	(15,461)	(25,019)	(57,758)
ECL (charges) / released	(461,630)	7,519	(5,639)	(33,346)	(113,847)	(606,943)

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

For the six months ended 30 June 2023

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

30 June 2022

Revenues & expenses according to activity segment

	Large Institutions EGP Thousands	Medium & Small Institutions EGP Thousands	Treasury & Investments EGP Thousands	Retail EGP Thousands	Other Activities EGP Thousands	Total EGP Thousands
Segment activity revenues	1,693,466	26,473	499,349	1,090,904	755,134	4,065,326
Segment activity expenses	(1,296,601)	(51,532)	(260,713)	(893,421)	(440,876)	(2,943,143)
Net profit before income tax	396,865	(25,059)	238,636	197,483	314,258	1,122,183
Income tax (expenses) income	(84,162)	4,043	(109,014)	(45,692)	10,859	(223,966)
Net profit for the period after tax	312,703	(21,016)	129,622	151,791	325,117	898,217

Assets & liabilities according to segment activities

Segment activity assets	44,694,574	1,221,608	28,808,437	2,544,637	1,334,664	78,603,920
Total assets	44,694,574	1,221,608	28,808,437	2,544,637	1,334,664	78,603,920
Segment activity liabilities	29,592,284	326,084	6,672,687	30,680,439	1,711,872	68,983,366
Total liabilities	29,592,284	326,084	6,672,687	30,680,439	1,711,872	68,983,366

Other items for activity segment

Depreciation	(10,527)	(1,078)	(5,306)	(24,451)	(9,761)	(51,123)
ECL (charges) / released	(424,470)	(40,078)	(4,343)	(16,194)	4,599	(480,486)

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

For the six months ended 30 June 2023

5 Net interest income

	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest and similar revenues from:				
Loans and advances to customers	4,495,270	2,062,019	2,428,851	1,169,914
Treasury bills, bonds and sukuk	1,448,231	1,097,409	784,771	542,977
Deposits and current accounts	323,122	39,460	179,563	16,169
Total	6,266,623	3,198,888	3,393,185	1,729,060
Cost of deposits and similar expenses on:				
Deposits and current accounts:				
Banks	(402,612)	(195,863)	(158,762)	(132,056)
Customers	(3,592,756)	(1,733,534)	(2,035,688)	(885,837)
	(3,995,368)	(1,929,397)	(2,194,450)	(1,017,893)
Other loans	(22,478)	(3,727)	(12,468)	(2,593)
Total	(4,017,846)	(1,933,124)	(2,206,918)	(1,020,486)
Net interest income	2,248,777	1,265,764	1,186,267	708,574

6 Net fees and commission income

	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Fees and commission income:				
Credit Fees and commissions	406,649	193,534	180,207	113,562
Custody fees	18,499	13,020	8,737	4,274
Other fees	87,747	29,108	49,688	17,963
Total	512,895	235,662	238,632	135,799
Fees and commissions expenses	(49,942)	(31,415)	(27,685)	(15,577)
Total	(49,942)	(31,415)	(27,685)	(15,577)
Net income from fees and commissions	462,953	204,247	210,947	120,222

7 Net trading income

	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Foreign exchange trading gains	87,435	36,100	24,336	12,859
Change in fair value of investments at FVTPL	2,786	1,345	1,695	904
Total	90,221	37,445	26,031	13,763

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For the six months ended 30 June 2023

8 Provision of credit losses

	<i>Six Months Ended 30 June 2023 EGP Thousands</i>	<i>Six Months Ended 30 June 2022 EGP Thousands</i>	<i>Three Months Ended 30 June 2023 EGP Thousands</i>	<i>Three Months Ended 30 June 2022 EGP Thousands</i>
Loans and advances to customers & banks	(601,714)	(476,144)	(228,552)	(65,414)
Due from Banks	(1,567)	(178)	1,823	(424)
Debt instruments at FVTOCI	(605)	(3,055)	1,042	(2,703)
Treasury Bills	(3,057)	(1,109)	5	562
Total	(606,943)	(480,486)	(225,682)	(67,979)

9 Administrative expense

	<i>Six Months Ended 30 June 2023 EGP Thousands</i>	<i>Six Months Ended 30 June 2022 EGP Thousands</i>	<i>Three Months Ended 30 June 2023 EGP Thousands</i>	<i>Three Months Ended 30 June 2022 EGP Thousands</i>
Staff cost:				
Salaries and wages	(214,193)	(176,750)	(111,611)	(93,078)
Social insurance	(13,797)	(11,722)	(7,037)	(6,000)
	(227,990)	(188,472)	(118,648)	(99,078)
Depreciation and amortization	(57,758)	(51,123)	(29,215)	(26,473)
Other administrative expenses	(408,766)	(242,080)	(204,448)	(124,543)
Total	(694,514)	(481,675)	(352,311)	(250,094)

10 Other operating income

	<i>Six Months Ended 30 June 2023 EGP Thousands</i>	<i>Six Months Ended 30 June 2022 EGP Thousands</i>	<i>Three Months Ended 30 June 2023 EGP Thousands</i>	<i>Three Months Ended 30 June 2022 EGP Thousands</i>
FX revaluation from monetary assets and liabilities other than carried at fair value through profit or loss	1,123,220	556,891	(723)	96,643
Gain (Loss) from sale of property, plant and equipment	718	295	358	(1,141)
Legal provision (charged) / realized	(8,505)	(49)	(7,005)	51
Claims provision charged	(16,523)	(4,884)	(5,603)	(2,580)
Contingent provision realized /(charged)	52,446	(16,383)	6,169	(695)
Other income	35,649	18,385	28,307	10,464
Total	1,187,005	554,255	21,503	102,742

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For the six months ended 30 June 2023

11 Income tax expense

	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Current Tax	(523,001)	(233,497)	(278,447)	(169,030)
Deferred Tax	(12,234)	9,531	(4,569)	7,304
Total	(535,235)	(223,966)	(283,016)	(161,726)
	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Net profit before tax	2,720,212	1,122,180	893,416	642,950
Income tax (22.5%)	(612,048)	(252,491)	(201,019)	(144,665)
Tax effect on:				
Income not subject to tax	11,571	8,497	5,927	4,958
Provision	(49,716)	(37,828)	(14,723)	(13,910)
Depreciation differences	5,105	307	4,498	325
Others	122,087	48,018	(73,130)	(15,738)
Income Tax Expense	(523,001)	(233,497)	(278,447)	(169,030)
Effective income tax rate	19.2%	20.8%	31.2%	26.3%

12 Earnings per share

	<i>Six Months Ended 30 June 2023</i>	<i>Six Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2023</i>	<i>Three Months Ended 30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Net profit for the period available for distribution	2,184,977	898,214	610,400	481,224
Weighted average number of shares (shares thousands)	500,000	500,000	500,000	500,000
Earnings per share (EGP/Share)	4.37	1.80	1.22	0.96

13 Cash and balances with Central Bank of Egypt

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cash	646,163	466,639
Balances with CBE (mandatory reserve)	11,040,747	6,781,775
Total	11,686,910	7,248,414
Interest free balances	11,686,910	7,248,414

14 Due from Banks

	<i>30 June 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Current accounts	618,929	760,363
Deposits	13,845,173	9,126,860
	<u>14,464,102</u>	<u>9,887,223</u>
Less: ECL Allowance	(7,973)	(5,074)
Total	<u>14,456,129</u>	<u>9,882,149</u>
Balances at CBE other than those under the mandatory reserve	2,689,278	1,740,378
Local banks	106,290	145,340
Foreign Banks	11,668,534	8,001,505
	<u>14,464,102</u>	<u>9,887,223</u>
Less: ECL Allowance	(7,973)	(5,074)
Total	<u>14,456,129</u>	<u>9,882,149</u>
Non-interest-bearing balances	357,203	434,668
Interest-bearing balances	14,106,899	9,452,555
	<u>14,464,102</u>	<u>9,887,223</u>
Less: ECL Allowance	(7,973)	(5,074)
Total	<u>14,456,129</u>	<u>9,882,149</u>

15 Treasury bills sold under repurchase agreements

	<i>30 June 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	342,956	274,651
Treasury Bills at Fair value through OCI		
182 Days maturity	-	247,434
365 Days maturity	7,479,278	3,057,967
	<u>7,822,234</u>	<u>3,580,052</u>
Less: Unearned interest	(372,360)	(173,608)
Less: ECL Allowance	(3,638)	(453)
Total	<u>7,446,236</u>	<u>3,405,991</u>
Egyptian government T-Bills	7,822,234	3,332,618
Others	-	247,434
	<u>7,822,234</u>	<u>3,580,052</u>
Less: Unearned interest	(372,360)	(173,608)
Less: ECL Allowance	(3,638)	(453)
	<u>7,446,236</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>

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For the six months ended 30 June 2023

16 Loans and advances to customers & banks

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Individuals		
Overdrafts	352,022	446,193
Credit cards	54,690	41,992
Personal loans	2,430,284	2,073,026
Other Loans	431,414	543,738
Total (1)	<u>3,268,410</u>	<u>3,104,949</u>
Corporate and Banks		
Overdrafts	4,667,230	4,542,468
Direct loans	44,303,429	39,276,967
Syndication loans	9,028,088	6,571,455
Total (2)	<u>57,998,747</u>	<u>50,390,890</u>
Total loans and advances to customers and banks (1+2)	61,267,157	53,495,839
Less :ECL Allowance	(3,679,090)	(4,661,784)
Less: Interest in suspense	(134,057)	(129,968)
Less :Unearned discount	(289,225)	(335,612)
Net loans and advances to customers and banks	<u>57,164,785</u>	<u>48,368,475</u>

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

	<i>30 June 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)	601,714	1,705,543
Write-off during the period/year	(1,793,273)	(128,090)
Recoveries from written-off debts	17,474	2,682
Foreign currency translation	191,391	693,786
Balance at the end of the period/year	<u>3,679,090</u>	<u>4,661,784</u>

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

	<i>30 June 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	33,588	24,788
Balance at the end of the period/ year (1)	<u>74,671</u>	<u>41,083</u>
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)	568,126	1,680,755
Write-off during the year	(1793,273)	(128,090)
Recoveries from written-off debts	17,474	2,682
Foreign currency translation	191,391	693,786
Balance at the end of the period/year (2)	<u>3,604,419</u>	<u>4,620,701</u>
Total (1) + (2)	<u>3,679,090</u>	<u>4,661,784</u>

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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.

30 June 2023

	<i>Contractual value EGP Thousands</i>	<i>Assets EGP Thousands</i>	<i>Liabilities EGP Thousands</i>
Cash flow hedge			
Interest rate swap	323,011	17,720	-
Total	323,011	17,720	-

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>30 June 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	8,808,488	8,549,300
Non-government Bonds	1,715,999	2,044,304
Sukuk	677,726	871,000
B) Equity instruments		
Listed	3,413	3,818
Unlisted	127,915	117,112
C) Money Market Funds		
AUBE Mutual Fund THARWA	16,923	15,796
AUBE Mutual Fund ALPHA	17,883	14,051
Total financial investments at FVTOCI (1)	11,368,347	11,615,381
Financial investments at Amortized Cost:		
A) Debt instruments		
Treasury Bonds	1,608,382	1,906,221
Total financial investments at Amortized Cost (2)	1,608,382	1,906,221
Financial investments at fair value through profit or loss:		
A) Equity instruments		
Listed	2,210	2,017
B) Money Market Funds		
AUBE Mutual Fund THARWA	38,923	36,330
Total financial investments at FVTPL (3)	41,133	38,347
Total financial investments (1+2+3)	13,017,862	13,559,949
 Current Balances	 4,180,638	 1,729,143
Non- current Balances	8,837,224	11,830,806
Total financial investments	13,017,862	13,559,949
 Debt Instruments	 12,810,595	 13,370,825
Equity Instruments	133,538	122,947
Mutual Funds	73,729	66,177
Total financial investments	13,017,862	13,559,949

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NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2023

18. Financial investments (continued)
30 June 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	437,522	-	-	437,522
Disposals / Maturities	(723,326)	(295,814)	-	(1,019,140)
Amortization of premium	(60,477)	(2,025)	-	(62,502)
Change in fair value of investment	(84,763)	-	2,786	(81,977)
Foreign currency revaluation	184,010	-	-	184,010
Balance at the end of the period	11,368,347	1,608,382	41,133	13,017,862

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

	Six Months Ended 30 June 2023 EGP Thousands	Six Months Ended 30 June 2022 EGP Thousands	Three Months Ended 30 June 2023 EGP Thousands	Three Months Ended 30 June 2022 EGP Thousands
Gain on sale of treasury bills	20,220	9,539	14,168	3,363
Gain on sale of financial investment – FVTOCI	-	8,146	-	7,414
Total	20,220	17,685	14,168	10,777

19. Investment in subsidiaries

	30 June 2023 EGP Thousands	31 December 2022 EGP Thousands
Ahli United Finance Company (Unlisted) - Owned 100%	54,468	54,468

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For the six months ended 30 June 2023

20. Investment properties (net)

<u>Cost:</u>	<i>30 June 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
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	(242)	(541)
Accumulated depreciation balances transferred to property, plant and equipment	-	3,185
Accumulated depreciation at the ending of the period/year	(5,019)	(4,777)
Net book value at the ending of the period/ year	19,637	19,879

21. Other assets

	<i>30 June 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Interest Receivable from Customers and banks	1,736,156	1,312,527
Prepaid expenses	44,780	32,686
Advances for purchase of property, plant and equipment	115,758	191,427
Assets acquired as settlement of debts (net of impairment)	319,971	309,985
Deposits held with other custody	10,625	9,857
Deferred tax assets	-	2,842
Other assets	214,403	129,643
Total	2,441,693	1,988,967

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For the six months ended 30 June 2023

22. Property, plant and equipment (net)

<i>30 June 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	-	1,518	10,575	107,944	120,037
Disposals	-	(110)	-	-	(110)
Depreciation charge	(5,290)	(10,948)	(7,407)	(33,870)	(57,515)
Accumulated depreciation related to disposals	-	5	-	-	5
Net book value at the end of the period	<u>451,903</u>	<u>141,808</u>	<u>110,391</u>	<u>306,080</u>	<u>1,010,182</u>
Balance at the end of current period represents in:					
Cost	544,528	310,796	166,561	557,493	1,579,378
Accumulated depreciation	<u>(92,625)</u>	<u>(168,988)</u>	<u>(56,170)</u>	<u>(251,413)</u>	<u>(569,196)</u>
Net book value at the end of the period	<u>451,903</u>	<u>141,808</u>	<u>110,391</u>	<u>306,080</u>	<u>1,010,182</u>
<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>30 June 2023 EGP Thousands</i>	<i>31 December 2022 EGP Thousands</i>
Current accounts	49,570	32,950
Deposits from Banks	<u>7,110,000</u>	<u>2,500,000</u>
Total	<u>7,159,570</u>	<u>2,532,950</u>
Local banks	7,110,000	2,500,000
Foreign banks	<u>49,570</u>	<u>32,950</u>
Total	<u>7,159,570</u>	<u>2,532,950</u>

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For the six months ended 30 June 2023

24. Customers' deposits

	<i>30 June 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Demand deposits	31,204,685	25,017,100
Time deposits	41,989,731	34,272,492
Certificates of deposit	6,430,603	5,611,578
Savings deposits	4,140,819	4,101,700
Other deposits	569,410	795,681
Total	84,335,248	69,798,551
Corporate deposits	67,806,844	55,767,075
Individual deposits	16,528,404	14,031,476
Total	84,335,248	69,798,551
Non-interest-bearing balances	8,376,374	6,946,892
Floating-interest bearing balances	68,433,857	56,613,415
Fixed interest-bearing balances	7,525,017	6,238,244
Total	84,335,248	69,798,551
Current balances	71,971,952	60,278,926
Non-current balances	12,363,296	9,519,624
Total	84,335,248	69,798,551

25. Other Loans

	Rates	<i>30 June 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
European Bank for Reconstruction and Development (EBRD)	Variable	617,938	494,868
		617,938	494,868

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

	<i>30 June 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Interest Payable	652,954	345,478
Clearing operations – CBE	395,234	102,301
Margin deposits	463,884	717,250
Accrued Taxes	615,462	318,454
Unearned revenue	33,405	28,422
Accrued expenses	221,488	140,754
Deferred tax liability	9,392	-
Other credit balances	207,418	223,298
Total	2,599,237	1,875,957

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For the six months ended 30 June 2023

27. Other provisions*30 June 2023*

	<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	88,940	146,732	265,258
Foreign currency revaluation	-	-	2,007	2,007
Charged (Released) during the period	8,505	16,523	(52,446)	(27,418)
Utilized during the period	-	-	(400)	(400)
Ending balance	<u>38,091</u>	<u>105,463</u>	<u>95,893</u>	<u>239,447</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>

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 30 June 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>30 June 2023 EGP Thousands</i>	<i>30 June 2022 EGP Thousands</i>
Cash	646,163	651,838
Due from banks with original maturities less than 3 months	<u>12,641,185</u>	<u>6,864,852</u>
Total	<u>13,287,348</u>	<u>7,516,690</u>

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For the six months ended 30 June 2023

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

There is a number of existing cases filed against the bank on 30 June 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>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Capital commitments of fixed assets	51,514	36,223
Commitments under operating lease contracts	225,914	86,070
Contingent liabilities against letters of credit, documentary credits and other Commitments	12,508,848	12,204,693
Total	12,786,276	12,326,986

31. Related party transactions

The Bank is a subsidiary of Ahli United Bank - Bahrain B.S.C (Closed) (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

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Due from banks	2,746,855	2,688,810
Loans and advances to customers	744,838	718,266
Due to banks	43,642	20,821
Customer deposits	37,912	22,707

Interim Condensed Standalone Income Statement

	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest and similar revenues	122,268	33,769
Interest on deposits and similar costs	(874)	(555)
Fees and commission revenue	91	48

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 30 June 2023 is EGP 4,102 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 period.

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 30 June 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.