

**AHLI UNITED BANK
(SAE)**

**Interim Condensed Consolidated Financial Statements
For the Period Ended 30 September 2023
& Limited Review Report**

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

As of 30 September 2023

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Limited Review Report on Consolidated Condensed Interim Financial Statements

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

Introduction

We have performed a limited review on the accompanying consolidated condensed financial statement of Ahli United Bank Egypt (SAE) as of 30 September 2023 and the related consolidated condensed statements of financial position, consolidated condensed statements of income, consolidated condensed Statement of comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

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



Auditors

Ahmed Abd Elhady
Egyptian Financial Supervisory Authority Register no.287

CHANGE Chartered Accountant



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

As at 30 September 2023

	Note	30 September 2023 EGP Thousands	31 December 2022 EGP Thousands
ASSETS			
Cash and balances with the Central Bank of Egypt	(12)	10,494,887	7,248,414
Due from banks	(13)	14,630,863	9,882,372
Treasury bills	(14)	7,752,997	3,405,991
Loans and advances to customers & banks	(15)	59,448,306	48,608,208
Derivative financial instruments	(16)	16,080	16,391
Financial Investments at:			
- Fair value through other comprehensive income	(17)	10,790,706	11,621,519
- Amortized cost	(17)	1,101,334	1,906,221
- Fair value through profit or loss	(17)	42,476	61,094
Investments properties (net)	(18)	18,510	18,854
Other assets	(19)	2,602,812	1,993,692
Property, plant and equipment (net)	(20)	1,020,256	949,932
TOTAL ASSETS		107,919,227	85,712,688
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(21)	6,970,412	2,532,950
Customers' deposits	(22)	84,052,470	69,776,702
Treasury bills sold under repurchase agreements	(14)	-	2,030
Other loans	(23)	667,799	561,381
Other liabilities	(24)	3,105,658	1,914,866
Other provisions	(25)	242,889	266,352
TOTAL LIABILITIES		95,039,228	75,054,281
EQUITY			
Issued and paid-up-capital	(26)	7,000,000	5,000,000
Transferred under capital increase	(26)	2,100,000	2,000,000
Reserves		112,498	310,352
Retained earnings (including net profit for the period/ year)		3,667,501	3,348,055
TOTAL EQUITY		12,879,999	10,658,407
TOTAL LIABILITIES AND EQUITY		107,919,227	85,712,688



Hala Hatem Sadek
CEO & Board Member

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

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

For the Nine months ended 30 September 2023

	Note	<i>Nine months ended 30 September 2023 EGP Thousands</i>	<i>Nine months ended 30 September 2022 EGP Thousands</i>	<i>Three months ended 30 September 2023 EGP Thousands</i>	<i>Three months ended 30 September 2022 EGP Thousands</i>
Interest from loans and similar revenues	(5)	9,997,889	5,313,472	3,715,055	2,087,809
Interest on deposits and similar costs	(5)	<u>(6,422,910)</u>	<u>(3,177,711)</u>	<u>(2,401,451)</u>	<u>(1,240,726)</u>
Net interest income		<u>3,574,979</u>	<u>2,135,761</u>	<u>1,313,604</u>	<u>847,083</u>
Fees and commission revenues	(6)	785,661	373,107	266,932	132,526
Fees and commission expenses	(6)	<u>(79,649)</u>	<u>(49,763)</u>	<u>(29,147)</u>	<u>(18,348)</u>
Net fees and commission income		<u>706,012</u>	<u>323,344</u>	<u>237,785</u>	<u>114,178</u>
Dividends income		12,493	6,253	-	1,308
Net trading income	(7)	140,792	58,643	49,545	20,685
Gains on financial investments	(17)	25,874	21,621	5,654	3,936
Provision for credit losses	(8)	<u>(913,106)</u>	<u>(641,804)</u>	<u>(306,243)</u>	<u>(162,715)</u>
Administrative expenses	(9)	<u>(1,097,355)</u>	<u>(758,925)</u>	<u>(394,120)</u>	<u>(270,508)</u>
Other operating income	(10)	<u>1,141,955</u>	<u>668,009</u>	<u>(43,936)</u>	<u>114,892</u>
Net profit before income tax		<u>3,591,644</u>	<u>1,812,902</u>	<u>862,289</u>	<u>668,859</u>
Income tax expenses	(11)	<u>(817,620)</u>	<u>(395,875)</u>	<u>(280,505)</u>	<u>(167,678)</u>
Net profit for the period after tax		<u>2,774,024</u>	<u>1,417,027</u>	<u>581,784</u>	<u>501,181</u>
Attributable to:					
Equity holders of the bank		<u>2,774,024</u>	<u>1,417,027</u>	<u>581,784</u>	<u>501,181</u>
Net profit of the period		<u>2,774,024</u>	<u>1,417,027</u>	<u>581,784</u>	<u>501,181</u>

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

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

For the Nine months ended 30 September 2023

	<i>Nine months ended 30 September 2023 EGP Thousands</i>	<i>Nine months ended 30 September 2022 EGP Thousands</i>	<i>Three months ended 30 September 2023 EGP Thousands</i>	<i>Three months ended 30 September 2022 EGP Thousands</i>
Net profit for the period	2,774,024	1,417,027	581,784	501,181
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	7,739	(1,489)	3,185	(2,494)
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	(305,737)	(491,791)	(203,034)	(256,469)
Net change in fair value of interest rate swaps – Fair value hedge	(310)	18,615	(1,639)	5,298
Expected credit losses of debt instruments measured at fair value through other comprehensive income	(2,180)	1,456	(3,745)	(2,024)
Total comprehensive income for the period	2,473,536	943,816	376,554	245,492

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

AHLI UNITED BANK EGYPT S.A.E**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Nine months ended 30 September 2023

	Note	30 September 2023 EGP Thousands	30 September 2022 EGP Thousands
<u>OPERATING ACTIVITIES</u>			
Net Profit before income tax		3,591,644	1,812,902
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Dividends income		(12,493)	(6,253)
Depreciation and amortization	(9)	90,584	79,413
Provision for credit losses		916,189	640,875
Other provisions (released) / charged	(25)	(24,937)	35,874
Gain on disposals of property, plant and equipment	(10)	(2,204)	(56)
Amortization of premium	(17)	64,104	277,841
Revaluation difference in foreign currencies	(10)	(1,123,572)	(687,192)
Gain on sale of financial investments at fair value through other comprehensive income	(17)	-	(8,989)
Revaluation of financial investments at fair value through profit or loss	(7)	(5,155)	(3,210)
Operating income before changes in operating assets and liabilities		3,494,160	2,141,205
<i>Net changes in operating assets and liabilities:</i>			
Balances with Central Bank of Egypt - mandatory reserve		(710,166)	741,306
Due from banks		(3,088,850)	330,503
Treasury bills		(4,231,109)	(1,833,231)
Loans and advances to customers and banks		(9,470,674)	(9,722,992)
Financial investments at fair value through profit or loss		28,936	(311)
Other assets		(623,100)	(125,510)
Due to banks		4,429,910	1,231,697
Customers' deposits		10,511,907	11,327,494
Treasury bills sold under repurchase agreements		(2,030)	(6,091)
Other liabilities		616,950	424,000
Other provisions utilized	(25)	(400)	(97)
Income tax paid		(495,032)	(377,327)
Net cash flows generated from operating activities		460,502	4,130,646
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(20)	(160,834)	(111,391)
Proceeds from sale of property, plant and equipment		2,474	1,538
Proceeds from redemption of financial investments at amortized cost		800,812	280,607
Purchases of financial investments at amortized cost		-	(170,650)
Proceeds from redemption of financial investments at FVOCI		1,163,460	1,691,166
Purchases of financial investments at FVOCI		(501,538)	(3,032,983)
Dividends income received		12,493	4,945
Net cash flows provided from (used in) investing activities		1,316,867	(1,336,768)
<u>FINANCING ACTIVITIES</u>			
Net Change in other loans		(16,582)	370,374
Net cash flows generated from financing activities		(16,582)	370,374
Net increase in cash and cash equivalents during the period		1,760,787	3,164,252
Cash and cash equivalents at the beginning of the period		9,017,941	5,239,321
Cash and cash equivalents at the end of the period	(27)	10,778,728	8,403,573
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(12)	10,494,887	5,248,042
Due from banks	(13)	14,634,009	7,933,993
Treasury bills		7,755,167	3,836,065
Balances with Central Bank of Egypt - mandatory reserve	(12)	(9,870,625)	(4,702,615)
Deposits with banks with original maturities more than three months		(4,479,543)	(75,847)
Treasury bills with original maturities more than three months		(7,755,167)	(3,836,065)
Cash and cash equivalents at the end of the period	(27)	10,778,728	8,403,573

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

AHLI UNITED BANK EGYPT S.A.E

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Nine months ended 30 September 2023

	Reserves							Retained earnings	Total
	Issued and paid-up capital	Transferred under capital increase	Legal & capital reserve	General		Fair value reserve	Total Reserves		
				General risk reserve	banking risk reserve				
Balance as at 1 January 2022	3,000,000	2,000,000	564,759	11,884	6,729	99,517	682,889	3,491,164	9,174,053
Prior year adjustments	-	-	-	-	-	-	-	716	716
Balance as at 1 January 2022 after adjustments	3,000,000	2,000,000	564,759	11,884	6,729	99,517	682,889	3,491,880	9,174,769
Net profit for the period	-	-	-	-	-	-	-	1,417,027	1,417,027
Other comprehensive income	-	-	-	-	-	(473,209)	(473,209)	-	(473,209)
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(2,000,000)	-
Bonus shares issued	2,000,000	(2,000,000)	-	-	-	-	-	-	-
Employees profit share	-	-	-	-	-	-	-	-	-
Directors' remuneration	-	-	-	-	-	-	-	(117,628)	(117,628)
Transferred to legal and capital reserve	-	-	59,770	-	-	-	59,770	(59,770)	-
Transferred to banking sector support fund	-	-	-	-	-	-	-	(11,517)	(11,517)
Release to general banking risk reserve	-	--	-	-	(3,097)	-	(3,097)	3,097	-
Balance as at 30 September 2022	5,000,000	2,000,000	624,529	11,884	3,632	(373,692)	266,353	2,717,167	9,983,520
Balance as at 1 January 2023	5,000,000	2,000,000	624,529	11,884	3,632	(329,693)	310,352	3,348,055	10,658,407
Prior year adjustments	-	-	-	-	-	-	-	(690)	(690)
Balance as at 1 January 2023 after adjustments	5,000,000	2,000,000	624,529	11,884	3,632	(329,693)	310,352	3,347,365	10,657,717
Net profit for the period	-	-	-	-	-	-	-	2,774,024	2,774,024
Other comprehensive income	-	-	-	-	-	(300,488)	(300,488)	-	(300,488)
Transferred under capital increase	-	2,100,000	-	-	-	-	-	(2,100,000)	-
Bonus shares issued	2,000,000	(2,000,000)	-	-	-	-	-	-	-
Employees profit share	-	-	-	-	-	-	-	-	-
Directors' remuneration	-	-	-	-	-	-	-	(223,688)	(223,688)
Transferred to legal and capital reserve	-	-	102,634	-	-	-	102,634	(102,634)	-
Transferred to banking sector support fund	-	-	-	-	-	-	-	(20,166)	(20,166)
Balance as at 30 September 2023	7,000,000	2,100,000	727,163	11,884	3,632	(630,181)	112,498	3,667,501	12,879,999

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

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months ended 30 September 2023

1 General information

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

The Bank provides Institutional, Retail Banking and Investment Banking services within the Arab Republic of Egypt through its head office and 40 branches with 1241 employees at 30 September 2023.

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

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

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

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

For the Nine months ended 30 September 2023

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

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

30 September 2023

	<i>Stage (1)</i> <i>12 months</i>	<i>Stage (2)</i> <i>Lifetime</i>	<i>Stage (3)</i> <i>Lifetime</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Due from banks	11,198,777	3,435,232	-	14,634,009
Treasury bills	7,736,069	342,917	-	8,078,986
Loans and advances to customers & banks	33,829,813	28,014,309	2,103,746	63,947,868
Debt Instruments at Fair value through other comprehensive income	10,106,803	487,323	-	10,594,126
Debt Instruments at Amortized Cost	1,101,334	-	-	1,101,334
	<u>63,254,963</u>	<u>33,008,761</u>	<u>2,092,598</u>	<u>98,356,322</u>

31 December 2022

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

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

30 September 2023

	<i>Stage (1)</i> <i>12 months</i>	<i>Stage (2)</i> <i>Lifetime</i>	<i>Stage (3)</i> <i>Lifetime</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Due from banks	2,183	963	-	3,146
Treasury bills	-	2,170	-	2,170
Loans and advances to customers & banks	670,392	1,679,913	1,653,369	4,003,674
Debt Instruments at Fair value through other comprehensive income	813	2,303	-	3,116
Commitments on loans and collaterals	43,814	21,824	24,720	90,358
	<u>717,202</u>	<u>1,707,173</u>	<u>1,678,089</u>	<u>4,102,464</u>

31 December 2022

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

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

For the Nine months ended 30 September 2023

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

	<i>30 September 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)	12,871,718	10,403,212
Total Tier 2 (subordinated capital)	729,663	789,549
Total Capital Base	13,601,381	11,192,761
Total assets and contingent liabilities weighted by credit, market and operational risks	94,348,629	66,624,025
Capital Adequacy Ratio	14.42%	16.80%

3.3 Financial leverage risk management

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Tier 1 capital (1)	12,871,718	10,403,212
Total exposures on balance Sheet and off-balance sheet (2)	116,274,846	93,088,784
Financial leverage ratio% (1/2)	11.07%	11.18%

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

4. Segment analysis**Activity segment analysis**

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

According to banking processes the segment analysis includes the following:

Large, medium & small institutions

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

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 CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months ended 30 September 2023

4 Segment analysis (continued)

4.1 Activity segment analysis (continued)

30 September 2023	Large institutions EGP Thousands	Medium & Small institutions EGP Thousands	Treasury & Investment EGP Thousands	Retail EGP Thousands	Other activities EGP Thousands	Total EGP Thousands
<i>Revenues & expenses according to segment activities</i>						
Segment activity revenues	5,856,980	98,141	1,620,372	2,983,223	1,545,949	12,104,665
Segment activity expenses	(4,406,116)	(104,204)	(778,282)	(2,448,701)	(775,717)	(8,513,020)
Net Profit (Loss) before income tax	1,450,864	(6,063)	842,090	534,522	770,232	3,591,644
Income tax	(320,648)	(1,063)	(366,446)	(121,657)	(7,806)	(817,620)
Net Profit (Loss) for the period after tax	1,130,215	(7,126)	475,644	412,865	762,426	2,774,024
<i>Assets & liabilities according to segment activities</i>						
Segment activity assets	58,610,831	1,660,826	42,426,230	4,160,118	1,061,222	107,919,227
Total assets	58,610,831	1,660,826	42,426,230	4,160,118	1,061,222	107,919,227
Segment activity liabilities	47,011,191	703,216	7,603,224	36,776,630	2,944,967	95,039,228
Total liabilities	47,011,191	703,216	7,603,224	36,776,630	2,944,967	95,039,228
<i>Other items for segment activity</i>						
Depreciation	(19,785)	(1,373)	(8,468)	(26,848)	(34,110)	(90,584)
ECL (charges) / released	(305,533)	(53,940)	5,516	(34,466)	(524,683)	(913,106)

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

For the Nine months ended 30 September 2023

4 Segment analysis (continued)**4.2 Activity segment analysis (continued)***30 September 2022*

	<i>Large Institutions EGP Thousands</i>	<i>Medium & Small Institutions EGP Thousands</i>	<i>Treasury & Investment EGP Thousands</i>	<i>Retail EGP Thousands</i>	<i>Other activities EGP Thousands</i>	<i>Total EGP Thousands</i>
<i>Revenues & expenses according to segment activities</i>						
Segment activity revenues	2,742,139	45,269	840,545	1,848,839	964,314	6,441,106
Segment activity expenses	(2,239,645)	(82,774)	(478,585)	(1,489,614)	(337,585)	(4,628,203)
Net Profit (Loss) before income tax	502,494	(37,505)	361,960	359,225	626,729	1,812,903
Income tax	(103,020)	5,861	(168,780)	(83,462)	(46,475)	(395,876)
Net Profit (Loss) for the period after tax	399,474	(31,644)	193,180	275,763	580,254	1,417,027
<i>Assets & liabilities according to segment activities</i>						
Segment activity assets	46,966,660	1,420,182	27,729,092	3,010,412	1,118,468	80,244,814
Total assets	46,966,660	1,420,182	27,729,092	3,010,412	1,118,468	80,244,814
Segment activity liabilities	33,389,113	467,373	1,983,554	32,805,509	1,615,745	70,261,294
Total liabilities	33,389,113	467,373	1,983,554	32,805,509	1,615,745	70,261,294
<i>Other items for segment activity</i>						
Depreciation	(13,605)	(1,527)	(7,907)	(40,683)	(15,691)	(79,413)
ECL (charges) / released	(545,874)	(63,104)	(1,975)	(37,699)	6,848	(641,804)

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

For the Nine months ended 30 September 2023

5. Net interest income

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest income and similar revenues from:				
Loans and advances to customers	7,189,972	3,522,555	2,678,490	1,433,761
Treasury bills, bonds and sukuk	2,294,146	1,698,428	845,915	601,019
Deposits and current accounts	513,771	92,489	190,650	53,029
Total	9,997,889	5,313,472	3,715,055	2,087,809
Cost of deposits and similar expenses on:				
Deposits and current accounts:				
Banks	(610,993)	(374,610)	(209,226)	(178,747)
Customers	(5,771,676)	(2,789,791)	(2,178,919)	(1,056,257)
	(6,382,669)	(3,164,401)	(2,388,145)	(1,235,004)
Other loans	(40,241)	(13,310)	(13,306)	(5,722)
Total	(6,422,910)	(3,177,711)	(2,401,451)	(1,240,726)
Net interest income	3,574,979	2,135,761	1,313,604	847,083

6. Net fees and commission income

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Fees and commission incomes:				
Credit Fees and commissions	630,170	312,459	217,687	118,925
Custody fees	30,108	17,114	11,609	4,094
Other fees	125,383	43,534	37,636	9,507
Total	785,661	373,107	266,932	132,526
Fees and commission expense	(79,649)	(49,763)	(29,147)	(18,348)
Total	(79,649)	(49,763)	(29,147)	(18,348)
Net fees and commission income	706,012	323,344	237,785	114,178

7. Net trading income

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Foreign exchange trading gains	135,637	55,433	48,202	19,333
Change in fair value of investment at FVTPL	5,155	3,210	1,343	1,352
Total	140,792	58,643	49,545	20,685

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For the Nine months ended 30 September 2023

8. Provision of credit losses

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Loans and advances to customers & banks	(917,872)	(639,829)	(316,238)	(165,083)
Due from Banks	3,256	(507)	4,823	(329)
Debt instruments at FVTOCI	3,083	(929)	3,688	2,127
Treasury Bills	(1,573)	(539)	1,484	570
Total	(913,106)	(641,804)	(306,243)	(162,715)

9. Administrative expenses

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Staff cost:				
Salaries and wages	(365,660)	(279,413)	(144,796)	(98,664)
Social insurance	(20,928)	(17,741)	(7,131)	(6,019)
	(386,588)	(297,154)	(151,927)	(104,683)
Depreciation and amortization	(90,584)	(79,413)	(32,694)	(28,165)
Other administrative expenses	(620,183)	(382,358)	(209,499)	(137,660)
Total	(1,097,355)	(758,925)	(394,120)	(270,508)

10. Other operating income (expenses)

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Profit from revaluation of monetary assets and liabilities other than carried at fair value through profit or loss	1,123,572	687,192	352	130,301
Gain (Loss) from sale of property, plant and equipment	2,204	56	1,486	(239)
Legal provision charged	(10,280)	(235)	(1,775)	(186)
Claims provision charged	(22,632)	(16,119)	(6,109)	(11,235)
Contingent provision realized /(charged)	57,849	(19,509)	5,403	(3,126)
Other (expenses) / income	(8,758)	16,624	(43,293)	(623)
Total	1,141,955	668,009	(43,936)	114,892

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For the Nine months ended 30 September 2023

11. Income tax expenses

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Current Tax	(797,785)	(404,389)	(272,754)	(166,661)
Deferred Tax	(19,835)	8,514	(7,751)	(1,017)
Total	(817,620)	(395,875)	(280,505)	(167,678)
Net profit before tax	3,591,644	1,812,903	862,289	668,860
Income tax (22.5%)	(808,120)	(407,903)	(194,015)	(150,493)
Tax effect on:				
Income not subject to tax	16,364	13,769	4,793	5,272
Provision	(62,942)	(50,579)	(13,226)	(12,751)
Depreciation differences	9,618	667	4,513	360
Others	47,295	39,657	(74,819)	(9,049)
Income tax expenses	(797,785)	(404,389)	(272,754)	(166,661)
Effective income tax rate	22.2%	22.3%	31.6%	24.9%

12. Cash and balances with the Central Bank of Egypt

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cash	624,262	466,639
Balances with CBE (mandatory reserve)	9,870,625	6,781,775
Total	10,494,887	7,248,414
Interest free balances	10,494,887	7,248,414

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

For the Nine months ended 30 September 2023

13. Due from Banks

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Current accounts	817,099	760,586
Deposits	13,816,910	9,126,860
	<u>14,634,009</u>	<u>9,887,446</u>
Less: ECL Allowance	(3,146)	(5,074)
Total	<u>14,630,863</u>	<u>9,882,372</u>
Balances at CBE other than those under the mandatory reserve	2,155,181	1,740,378
Local banks	485,449	145,563
Foreign Banks	11,993,379	8,001,505
	<u>14,634,009</u>	<u>9,886,446</u>
Less: ECL Allowance	(3,146)	(5,074)
Total	<u>14,630,863</u>	<u>9,882,372</u>
Non-interest-bearing balances	306,676	435,007
Interest-bearing balances	14,327,333	9,452,439
	<u>14,634,009</u>	<u>9,887,446</u>
Less: ECL Allowance	(3,146)	(5,074)
Total	<u>14,630,863</u>	<u>9,882,372</u>

14. Treasury bills & Treasury bills sold under repurchase agreements

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
14.1 Treasury bills		
Treasury Bills at Amortized Cost		
365 Days maturity	342,917	274,651
Treasury Bills at Fair value through OCI		
182 Days maturity	-	247,434
365 Days maturity	7,736,069	3,057,967
	<u>8,078,986</u>	<u>3,580,052</u>
Less: Unearned interest	(323,819)	(173,608)
Less: ECL Allowance	(2,170)	(453)
Total	<u>7,752,997</u>	<u>3,405,991</u>
Egyptian government T-Bills	8,078,986	3,332,618
Others	-	247,434
	<u>8,078,986</u>	<u>3,580,052</u>
Less: Unearned interest	(323,819)	(173,608)
Less: ECL Allowance	(2,170)	(453)
	<u>7,752,997</u>	<u>3,405,991</u>
14.2 Treasury bills sold under repurchase agreements		
Treasury bills sold under repurchase agreements	-	2,030
Total	<u>-</u>	<u>2,030</u>

In accordance with the Central Bank of Egypt's rules issued on February 26, 2019, the debt instrument issued in a local currency by the Egyptian Government (Treasury Bills) exempted from ECL measurement

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

For the Nine months ended 30 September 2023

15. Loans and advances to customers & banks

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Individuals:		
Overdrafts	324,913	446,193
Credit cards	75,096	41,992
Personal loans	2,784,920	2,073,026
Mortgage Loans	1,048,179	1,089,797
Auto Loans	157,003	77,093
Other Loans	223,000	466,645
Total (1)	4,613,111	4,194,746
Corporate and banks		
Overdrafts	4,068,113	4,542,024
Direct loans	46,433,434	38,559,126
Syndication loans	8,833,210	6,571,455
Total (2)	59,334,757	49,672,605
Total Loans and advances to customers and banks (1+2)	63,947,868	53,867,351
Less :ECL Allowance	(4,003,674)	(4,671,919)
Less: Interest in suspense	(137,262)	(129,968)
Less :Unearned discount	(358,626)	(457,256)
Net Loans and advances to customers and banks	59,448,306	48,608,208

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

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Balance at the beginning of the period/year	4,671,919	2,401,717
ECL Allowance charge during the period/year (note8)	917,872	1,702,403
Write-off during the period/year	(1,793,273)	(128,090)
Recoveries from written-off amount	17,636	2,682
Foreign currency translation	189,520	693,207
Balance at the end of the period/year	4,003,674	4,671,919

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

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Individuals		
Balance at the beginning of the period/year	57,159	32,371
ECL Allowance for the period/year	36,178	24,788
Balance at the end of the period / year (1)	93,337	57,159
Corporate and Banks		
Balance at the beginning of the period/ year	4,614,760	2,369,346
ECL Allowance for the period/ year	881,694	1,677,615
Write-off during the period/ year	(1,793,273)	(128,090)
Recoveries from written-off debts	17,636	2,682
Foreign currency translation	189,520	693,207
Balance at the end of the period/ year (2)	3,910,337	4,614,760
Total (1+2)	4,003,674	4,671,919

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16. Derivative financial instruments

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

30 September 2023

	<i>Contractual value EGP Thousands</i>	<i>Assets EGP Thousands</i>	<i>Liabilities EGP Thousands</i>
Cash flow hedge			
Interest rate swap	317,275	16,080	-
Total	317,275	16,080	-

31 December 2022

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

17. Financial Investments

	<i>30 September 2023 EGP Thousands</i>	<i>31 December 2022 EGP Thousands</i>
<i>Financial investments at fair value through Other Comprehensive Income:</i>		
A) Debt instruments		
Treasury Bonds	8,499,065	8,549,300
Non-government Bonds	1,491,511	2,044,304
Sukuk	603,550	871,000
B) Equity instruments		
Listed	3,706	3,818
Unlisted	155,175	123,250
C) Money Market Funds		
AUBE Mutual Fund THARWA	17,627	15,796
AUBE Mutual Fund ALPHA	20,072	14,051
Total financial investments at FVTOCI (1)	10,790,706	11,621,519
<i>Financial investments at Amortized Cost:</i>		
A) Debt instruments		
Treasury Bonds	1,101,334	1,906,221
Total financial investments at Amortized Cost (2)	1,101,334	1,906,221
<i>Financial investments at fair value through profit or loss:</i>		
A) Equity instruments		
Listed	1,877	2,017
B) Money Market Funds		
AUBE Mutual Fund THARWA	40,599	59,077
Total financial investments at FVTPL (3)	42,476	61,094
Total financial investments (1+2+3)	11,934,516	13,588,834
Current balances	4,236,393	1,758,028
Non-current balances	7,698,123	11,830,806
Total financial investments	11,934,516	13,588,834
Debt instruments	11,695,442	13,370,825
Equity instruments	160,776	129,085
Mutual Funds	78,298	88,924
Total financial investments	11,934,516	13,588,834

In accordance with the Central Bank of Egypt's rules issued on February 26, 2019, the debt instrument issued in a local currency by the Egyptian Government (Treasury Bond) exempted from ECL measurement

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For the Nine months ended 30 September 2023

17. Financial investments (continued)*30 September 2023*

	Financial assets at Fair Value through OCI	Financial assets at Amortized Cost	Financial assets at Fair Value through P&L	Total
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Balance at the beginning of the period	11,621,519	1,906,221	61,094	13,588,834
Additions	501,538	-	-	501,538
Disposals / Maturities	(1,163,459)	(800,812)	(23,773)	(1,988,044)
Amortization of premium	(60,029)	(4,075)	-	(64,104)
Change in fair value of investment	(287,424)	-	5,155	(282,269)
Foreign currency revaluation	178,561	-	-	178,561
Balance at the ending of the period	10,790,706	1,101,334	42,476	11,934,516

31 December 2022

Balance at the beginning of the year	10,507,500	2,504,245	45,745	13,057,490
Additions	2,832,976	169,992	10,110	3,013,078
Disposals / Maturities	(1,452,702)	(766,947)	-	(2,219,649)
Amortization of premium	(72,810)	(1,069)	-	(73,879)
Change in fair value of investment	(444,946)	-	5,239	(439,707)
Foreign currency revaluation	251,501	-	-	251,501
Balance at the ending of the year	11,621,519	1,906,221	61,094	13,588,834

Gain on Financial investments

	<i>Nine months ended 30 September 2023</i>	<i>Nine months ended 30 September 2022</i>	<i>Three months ended 30 September 2023</i>	<i>Three months ended 30 September 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Gain on sale of treasury bills	25,874	12,632	5,654	3,092
Gain on sale of financial investment –FVTOCI	-	8,989	-	844
Total	25,874	21,621	5,654	3,936

18. Investment properties (net)

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cost		
Cost at the beginning of the period/year	23,406	40,830
Transferred to property, plant and equipment	-	(17,424)
Cost at the ending of the period/year	23,406	23,406
Accumulated Depreciation		
Accumulated depreciation at the beginning of the period/year	(4,552)	(7,196)
Depreciation charged during the period/year	(344)	(541)
Accumulated depreciation balances related to properties transferred to property, plant and equipment	-	3,185
Accumulated depreciation at the ending of the period/ year	(4,896)	(4,552)
Net book value at the ending of the period/ year	18,510	18,854

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19. Other assets

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest receivable from customers and banks	1,677,770	1,312,527
Prepaid expenses	74,217	32,686
Advances for purchase of property, plant and equipment	137,974	191,427
Assets acquired as settlement of debts (net of impairment)	319,971	309,985
Deposits held with other custody	11,034	9,857
Deferred tax assets	-	2,842
Other assets	381,846	134,368
Total	2,602,812	1,993,692

20. Property, plant and equipment (net)*30 September 2023*

	<i>Lands and buildings EGP Thousands</i>	<i>Leased assets improvements EGP Thousands</i>	<i>Equipment and machinery EGP Thousands</i>	<i>Others EGP Thousands</i>	<i>Total EGP Thousands</i>
Net book value at the beginning of the period	458,220	151,343	104,214	236,157	949,934
Additions	-	11,294	6,313	143,224	160,831
Disposals	-	(270)	-	-	(270)
Transferred	-	469	(423)	(46)	-
Depreciation charge	(7,953)	(16,563)	(10,874)	(54,849)	(90,239)
Net book value at the end of the period	450,267	146,273	99,230	324,486	1,020,256

**Balance at the end of current period
represents in:**

Cost	545,778	320,877	161,877	594,607	1,623,141
Accumulated depreciation	(95,511)	(174,604)	(59,638)	(237,130)	(602,885)
Net book value	450,267	146,273	102,239	321,477	1,020,256

31 December 2022

Net book value at the beginning of the year	455,384	118,905	77,219	175,276	826,784
Additions	-	57,002	41,906	114,111	213,019
Disposals	-	(649)	(229)	(683)	(1,561)
Transfer from investment properties	14,238	-	-	-	14,238
Depreciation charge	(11,404)	(23,915)	(11,673)	(55,556)	(102,548)
Net book value at the end of the year	458,218	151,343	107,223	233,148	949,932

Balance at the end of the year represents in:

Cost	545,777	309,384	155,988	451,442	1,462,591
Accumulated depreciation	(87,559)	(158,041)	(48,765)	(218,294)	(512,659)
Net book value	458,218	151,343	107,223	233,148	949,932

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For the Nine months ended 30 September 2023

21. Due to banks

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Current accounts	70,412	32,950
Deposits	6,900,000	2,500,000
Total	6,970,412	2,532,950
Local banks	6,900,000	2,500,000
Foreign banks	70,412	32,950
Total	6,970,412	2,532,950

22. Customers' deposits

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Demand deposits	29,975,288	24,995,251
Time deposits	41,959,571	34,272,492
Certificates of deposit	7,401,652	5,611,578
Savings deposits	4,041,325	4,101,700
Other deposits	674,634	795,681
Total	84,052,470	69,776,702
Corporate deposits	66,669,646	55,745,226
Individual deposits	17,382,824	14,031,476
Total	84,052,470	69,776,702
Non-interest-bearing balances	7,753,476	6,946,790
Floating-interest bearing balances	67,854,899	56,591,668
Fixed interest-bearing balances	8,444,095	6,238,244
Total	84,052,470	69,776,702
Current balances	73,023,650	60,257,077
Non-current balances	11,028,820	9,519,625
Total	84,052,470	69,776,702

23. Other Loans

	<i>Rates</i>	<i>30 September 2023</i>	<i>31 December 2022</i>
		<i>EGP Thousands</i>	<i>EGP Thousands</i>
Egyptian Mortgage Refinance company (EMRC)	1%	417	735
Egyptian Mortgage Refinance company (EMRC)	3%	9,000	13,500
Egyptian Mortgage Refinance company (EMRC)	Variable	25,500	33,704
Export Development Bank of Egypt	Variable	15,014	18,574
European Bank for Reconstruction and Development (EBRD)	Variable	617,868	494,868
Total		667,799	561,381

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

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

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24. Other liabilities

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest Payable	737,924	345,478
Clearing operations – CBE	180,397	102,301
Margin deposits	509,224	717,250
Accrued Taxes	715,073	318,908
Unearned revenue	34,314	28,422
Accrued expenses	295,390	140,754
Deferred tax liability	16,784	-
Other credit balances	616,552	261,753
Total	3,105,658	1,914,866

25. Other provisions*30 September 2023*

	<i>Provision for legal claims</i>	<i>Claims provision</i>	<i>Contingent liabilities</i>	<i>Total</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Beginning balance	29,586	90,033	146,733	266,352
Foreign currency revaluation	-	-	1,874	1,874
Charge (released) during the period	10,280	22,632	(57,849)	(24,937)
Utilized during the period	-	-	(400)	(400)
Ending balance	39,866	112,665	90,358	242,889

31 December 2022

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

26. Capital**26.1 Authorized Capital**

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

26.2 Issued and paid up Capital

Issued and paid in capital amounts to EGP 5 Billion at 30 September 2023 (31 December 2022: EGP 5 Billion) represented by 700 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 updated dated 20 August 2023.

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

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

For the Nine months ended 30 September 2023

27. Cash and cash equivalents

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

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>30 September 2022</i> <i>EGP Thousands</i>
Cash	624,262	545,427
Due from banks with original maturities less than three months	10,154,466	7,858,146
Total	10,778,728	8,403,573

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

There are some existing cases filed against the bank on 30 September 2023 without provision as the bank does not expect to incur losses from it.

28.2 Capital commitments

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Capital commitments of fixed assets	61,693	36,223
Commitments under operating lease contracts	203,027	86,550
Contingent liabilities against letters of credit, documentary credits and other commitments	12,420,905	12,204,693
Total	12,685,625	12,327,466

29. 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 Consolidated Balance Sheet

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>31 December 2022</i> <i>EGP Thousands</i>
Due from banks	2,531,933	2,688,810
Due to banks	51,311	20,821

Interim Condensed Consolidated Income Statement

	<i>30 September 2023</i> <i>EGP Thousands</i>	<i>30 September 2022</i> <i>EGP Thousands</i>
Interest and similar revenues	104,200	13,912
Interest on deposits and similar costs	(61)	(155)
Fees and commission revenue	93	64

The average monthly salaries for top 20 staff as at 30 September 2023 are EGP 4,341 thousand.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months ended 30 September 2023

30. Tax position

Income Tax

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

Stamp Duty Tax

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

Salary Tax

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

Real Estate Tax

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

31. Comparative Figures

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

32. Important and Subsequent 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 September 2023.

During the subsequent period, Standard & Poor's agency Lowered Egypt's Sovereign rating in foreign and local currencies to "B- "from "B "with a stable outlook, in addition Moody's Credit rating agency Lowered Egypt's rating from B3 to Caa1, with a stable outlook. the bank has reviewed the potential impacts resulted from lowered Egypt's rating, and the effects on Bank Financial statements, and the bank's management believes that there is no potential material impact on Financial statements.

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.