

**AHLI UNITED BANK
(SAE)**

**Interim Condensed Consolidated Financial Statements
For the Period Ended 31 March 2024
& Limited Review Report**

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

As of 31 March 2024

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Limited Review Report on Consolidated Condensed Interim Financial Statements

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

Introduction

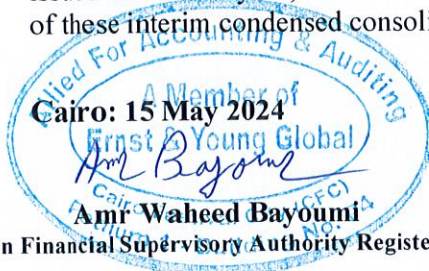
We have performed a limited review on the accompanying consolidated condensed financial statement of Ahli United Bank Egypt (SAE) as of 31 March 2024 and the related consolidated condensed statements of financial position, consolidated condensed statements of income, consolidated condensed Statement of comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that accompanying consolidated condensed interim financial statements do not present fairly, in all material respects, the financial position of the Bank as of 31 March 2024 and of its financial performance and its cash flows for the three months then ended in accordance with the bases of recognition and measurement issued by central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations, relevant to the preparation of these interim condensed consolidated financial statements.



Egyptian Financial Supervisory Authority Register no.358

Allied for Accounting & Auditing EY

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 31 March 2024

	Note	31 March 2024 EGP Thousands	31 December 2023 EGP Thousands
ASSETS			
Cash and balances with the Central Bank of Egypt	(12)	12,561,564	15,065,217
Due from banks	(13)	21,092,258	11,465,806
Treasury bills	(14)	9,142,348	8,940,081
Loans and advances to customers & banks	(15)	69,247,854	62,392,903
Derivative financial instruments	(16)	14,278	9,844
Financial Investments at:			
- Fair value through other comprehensive income	(17)	9,728,268	11,575,012
- Amortized cost	(17)	2,351,109	1,015,527
- Fair value through profit or loss	(17)	46,751	45,022
Investments properties (net)	(18)	-	16,551
Other assets	(19)	2,131,292	1,764,580
Property, plant and equipment (net)	(20)	1,120,083	1,100,663
TOTAL ASSETS		127,435,805	113,391,206
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(21)	3,076,247	3,722,834
Customers' deposits	(22)	101,354,568	90,029,739
Other loans	(23)	849,423	574,544
Other liabilities	(24)	6,252,773	5,323,217
Other provisions	(25)	394,909	337,874
Deferred tax liability		7,916	26,906
TOTAL LIABILITIES		111,935,836	100,015,114
EQUITY			
Issued and paid-up-capital	(26)	7,000,000	7,000,000
Transferred under capital increase	(26)	3,000,000	2,100,000
Reserves		(99,003)	54,472
Retained earnings (including net profit for the period/ year)		5,598,972	4,221,620
TOTAL EQUITY		15,499,969	13,376,092
TOTAL LIABILITIES AND EQUITY		127,435,805	113,391,206



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 period ended 31 March 2024

	Note	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Interest from loans and similar revenues	(5)	4,643,290	2,882,728
Interest on deposits and similar costs	(5)	(2,897,743)	(1,813,186)
Net interest income		1,745,547	1,069,542
Fees and commission revenues	(6)	299,586	276,527
Fees and commission expenses	(6)	(58,149)	(22,557)
Net fees and commission income		241,437	253,970
Net trading income	(7)	113,588	64,960
Gains on financial investments	(17)	18,457	6,052
Provision for credit losses	(8)	(1,567,858)	(381,783)
Administrative expenses	(9)	(462,157)	(345,769)
Other operating income	(10)	2,928,016	1,164,950
Net profit before income tax		3,017,030	1,831,922
Income tax expenses	(11)	(200,434)	(253,490)
Net profit for the period after tax		2,816,596	1,578,432
Earnings per share (EGP/Share)		3.99	2.25
Attributable to:			
Equity holders of the bank		2,816,596	1,578,432
Net profit of the period		2,816,596	1,578,432

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 period ended 31 March 2024

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Net profit for the period	2,816,596	1,578,432
<i>Items that will not be recycled to the profit or loss:</i>		
Net change in fair value of equity instruments measured at fair value through other comprehensive income	4,530	1,130
<i>Items that is or may be recycled to the profit or loss:</i>		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(330,845)	(257,540)
Net change in fair value of interest rate swaps – Fair value hedge	4,434	1,041
Expected credit losses of debt instruments measured at fair value through other comprehensive income	17	2,604
Total comprehensive income for the period	2,494,732	1,325,667

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 period ended 31 March 2024

	Note	31 March 2024 EGP Thousands	31 March 2023 EGP Thousands
<u>OPERATING ACTIVITIES</u>			
Net Profit before income tax		3,017,030	1,831,922
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Depreciation and amortization	(9)	40,698	28,572
Provision for credit losses		1,567,832	383,430
Other provisions charged (released)	(25)	55,808	(33,857)
Revaluation differences of other provisions in foreign currencies	(25)	1,247	2,009
Gain on disposals of property, plant and equipment	(10)	(13)	(360)
Amortization of premium	(17)	309,481	29,534
Revaluation difference in foreign currencies	(10)	(2,984,339)	(1,123,943)
Revaluation of financial investments at fair value through profit or loss	(7)	(1,729)	(1,861)
Operating income before changes in operating assets and liabilities		2,006,015	1,115,446
<i>Net changes in operating assets and liabilities:</i>			
Balances with Central Bank of Egypt - mandatory reserve		2,654,096	(2,193,252)
Due from banks		(5,646,766)	1,640,142
Treasury bills		(43,023)	(2,070,835)
Loans and advances to customers and banks		(2,410,481)	(4,193,011)
Other assets		492,197	137,201
Due to banks		(646,587)	1,970,553
Customers' deposits		1,437,995	6,049,212
Treasury bills sold under repurchase agreements		-	(2,030)
Other liabilities		377,068	(344,372)
Other provisions utilized	(25)	(20)	(400)
Income tax paid		(198,142)	(116,214)
Net cash flows (used in) / generated from operating activities		(1,977,648)	1,992,440
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(20)	(43,567)	(46,834)
Proceeds from sale of property, plant and equipment		13	360
Proceeds from redemption of financial investments at amortized cost		66,720	244,988
Purchases of financial investments at amortized cost		(1,401,362)	-
Proceeds from redemption of financial investments at FVOCI		2,021,047	601,500
Purchases of financial investments at FVOCI	(17)	(523,349)	(257,674)
Net cash flows provided from investing activities		119,502	542,340
<u>FINANCING ACTIVITIES</u>			
Net Change in other loans		(4,934)	(7,642)
Net cash flows used in financing activities		(4,934)	(7,642)
Net change in cash and cash equivalents during the period		(1,863,080)	2,527,138
Cash and cash equivalents at the beginning of the period		9,433,215	2,888,176
Cash and cash equivalents at the end of the period	(27)	7,570,135	5,415,314
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(12)	12,561,564	9,637,056
Due from banks	(13)	21,102,106	13,057,672
Treasury bills	(14)	9,357,750	5,473,252
Balances with Central Bank of Egypt - mandatory reserve	(12)	(11,794,369)	(8,975,027)
Deposits with banks with original maturities more than 3 months		(14,299,166)	(8,304,387)
Treasury bills with original maturities more than 3 months		(9,357,750)	(5,473,252)
Cash and cash equivalents at the end of the period	(27)	7,570,135	5,415,314

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 period ended 31 March 2024

	Issued and paid-up capital	Transferred under capital increase	Legal & capital reserve	Reserves			Fair value reserve	Total Reserves	Retained earnings	Total
	EGP Thousands	EGP Thousands	EGP Thousands	General risk reserve EGP Thousands	General banking risk reserve EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Balance as at 1 January 2023	5,000,000	2,000,000	624,529	11,884	3,631	-	(329,692)	310,352	3,347,365	10,657,717
Prior year adjustments	-	-	-	-	-	-	-	-	(690)	(690)
Balance as at 1 January 2023 after adjustments	5,000,000	2,000,000	624,529	11,884	3,631	-	(329,692)	310,352	3,347,365	10,657,717
Net profit for the period	-	-	-	-	-	-	-	-	1,578,432	1,578,432
Other comprehensive income	-	-	-	-	-	-	(252,765)	(252,765)	-	(252,765)
Transferred under capital increase	-	2,100,000	-	-	-	-	-	-	(2,100,000)	-
Employees profit share	-	-	-	-	-	-	-	-	(223,688)	(223,688)
Directors' remuneration	-	-	-	-	-	-	-	-	(7,400)	(7,400)
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 31 March 2023	5,000,000	4,100,000	727,163	11,884	3,631	-	(582,457)	160,221	2,471,909	11,732,130
Balance as at 1 January 2024	7,000,000	2,100,000	727,163	11,884	196	-	(684,771)	54,472	4,221,620	13,376,092
Prior year adjustments	-	-	-	-	-	-	-	-	40	40
Balance as at 1 January 2024 after adjustments	7,000,000	2,100,000	727,163	11,884	196	-	(684,771)	54,472	4,221,660	13,376,132
Net profit for the period	-	-	-	-	-	-	-	-	2,816,596	2,816,596
Other comprehensive income	-	-	-	-	-	-	(321,864)	(321,864)	-	(321,864)
Employees profit share	-	-	-	-	-	-	-	-	(332,447)	(332,447)
Transferred under capital increase	-	900,000	-	-	-	-	-	-	(900,000)	-
Directors' remuneration	-	-	-	-	-	-	-	-	(5,326)	(5,326)
Transferred to legal and capital reserve	-	-	168,389	-	-	-	-	168,389	(168,389)	-
Transferred to banking sector support fund	-	-	-	-	-	-	-	-	(33,122)	(33,122)
Balance as at 31 March 2024	7,000,000	3,000,000	895,552	11,884	196	-	(1,006,635)	(99,003)	5,598,972	15,499,969

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

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

For the period ended 31 March 2024

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 42 branches with 1270 employees at 31 March 2024.

These interim condensed consolidated financial statements were approved by the Board of Directors on 15 May 2024.

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 period ended 31 March 2024

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:

<i>31 March 2024</i>	<i>Stage (1)</i> <i>12 months</i>	<i>Stage (2)</i> <i>Lifetime</i>	<i>Stage (3)</i> <i>Lifetime</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Due from banks	13,167,398	7,934,708	-	21,102,106
Treasury bills	9,387,743	501,011	-	9,888,754
Loans and advances to customers - Retail	4,153,029	828,232	163,308	5,144,569
Loans and advances to customers – Corporate & Banks	36,633,502	32,503,966	2,172,181	71,309,649
Debt Instruments at Fair value through other comprehensive income	8,510,357	851,693	-	9,362,050
Debt Instruments at Amortized Cost	2,351,109	-	-	2,351,109
	<u>74,203,138</u>	<u>42,619,610</u>	<u>2,335,489</u>	<u>119,158,237</u>

31 December 2023

Due from banks	6,684,856	4,785,478	-	11,470,334
Treasury bills	9,309,213	342,913	-	9,652,126
Loans and advances to customers - Retail	3,838,979	761,294	133,223	4,733,496
Loans and advances to customers - Corporate & Banks	32,621,903	28,070,722	2,032,491	62,725,116
Debt Instruments at Fair value through other comprehensive income	10,540,775	691,796	-	11,232,571
Debt Instruments at Amortized Cost	1,015,527	-	-	1,015,527
	<u>64,011,253</u>	<u>34,652,203</u>	<u>2,165,714</u>	<u>100,829,170</u>

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

<i>31 March 2024</i>	<i>Stage (1)</i> <i>12 months</i>	<i>Stage (2)</i> <i>Lifetime</i>	<i>Stage (3)</i> <i>Lifetime</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Due from banks	1,387	8,461	-	9,848
Treasury bills	-	7,580	-	7,580
Loans and advances to customers - Retail	48,664	29,264	52,773	130,701
Loans and advances to customers – Corporate & Banks	922,988	3,715,811	1,785,041	6,423,840
Debt instruments at Fair value through other comprehensive income	917	1,630	-	2,547
Commitments on loans and collaterals	66,693	53,628	34,157	154,478
	<u>1,040,649</u>	<u>3,816,374</u>	<u>1,871,971</u>	<u>6,728,994</u>

31 December 2023

Due from banks	632	3,896	-	4,528
Treasury bills	-	606	-	606
Loans and advances to customers - Retail	33,623	18,148	36,973	88,744
Loans and advances to customers - Corporate & Banks	835,136	1,765,045	1,692,151	4,292,332
Debt Instruments at Fair value through other comprehensive income	857	1,673	-	2,530
Commitments on loans and collaterals	55,259	22,875	27,207	105,341
	<u>925,507</u>	<u>1,812,243</u>	<u>1,756,331</u>	<u>4,494,081</u>

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

For the period ended 31 March 2024

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

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
According to Basel II		
Total Tier 1 (basic capital)	15,495,357	13,000,522
Total Tier 2 (subordinated capital)	996,233	940,377
Total Capital Base	16,491,590	13,940,899
Total weighted risk of contingent assets and liabilities	105,364,170	96,079,749
Capital Adequacy Ratio	15.65%	14.51%

3.3 Financial leverage risk management

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Tier 1 of the capital adequacy ratio	15,495,357	13,000,522
Total exposures in & off-Balance Sheet	136,124,933	122,005,467
Leverage ratio%	11.38%	10.66%

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

4. Segment analysis**Activity segment analysis**

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

According to banking processes the segment analysis includes the following:**Large, medium & small institutions**

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

Investments & Treasury:

It includes activities of corporate mergers, 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 period ended 31 March 2024

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

31 March 2024	Large institutions		Small & medium institutions		Investments & Treasury		Retail		Other activities		Total	
	EGP Thousands		EGP Thousands		EGP Thousands		EGP Thousands		EGP Thousands		EGP Thousands	
Revenues & expenses according to segment activities												
	2,410,749		37,876		461,227		1,624,214		3,516,760		8,050,826	
Segment activity revenues	(1,772,255)		(79,814)		(243,530)		(1,402,017)		(1,536,180)		(5,033,796)	
Segment activity expenses	638,494		(41,938)		217,697		222,197		1,980,580		3,017,030	
Net Profit (Loss) before income tax	(139,886)		6,716		(129,080)		(47,976)		109,792		(200,434)	
Income tax	498,608		(35,222)		88,617		174,221		2,090,372		2,816,596	
Net Profit (Loss) for the period after tax												
Assets & liabilities according to activity segment												
Segment activity assets	65,341,828		1,836,496		51,941,700		4,873,583		3,442,198		127,435,805	
Total assets	65,341,828		1,836,496		51,941,700		4,873,583		3,442,198		127,435,805	
Segment activity liabilities	52,902,892		685,424		3,905,504		50,122,071		4,319,945		111,935,836	
Total liabilities	52,902,892		685,424		3,905,504		50,122,071		4,319,945		111,935,836	
Other items for segment activity												
Depreciation	(11,961)		(1,054)		(5,735)		(14,970)		(6,978)		(40,698)	
ECL charges	(93,578)		(60,382)		(100)		(26,776)		(1,387,022)		(1,567,858)	

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 March 2024

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

31 March 2023

	Large institutions EGP Thousands	Small & medium institutions EGP Thousands	Investments & Treasury EGP Thousands	Retail EGP Thousands	Other activities EGP Thousands	Total EGP Thousands
<i>Revenues & expenses according to segment activities</i>						
Segment activity revenues	1,642,018	27,651	597,514	862,622	1,265,413	4,395,218
Segment activity expenses	(1,353,574)	(12,428)	(398,348)	(726,110)	(72,836)	(2,563,296)
Net Profit before income tax	288,444	15,223	199,166	136,512	1,192,577	1,831,922
Income tax	(68,709)	(3,425)	(91,780)	(31,126)	(58,450)	(253,490)
Net Profit for the period after tax	219,735	11,798	107,386	105,386	1,134,127	1,578,432
<i>Assets & liabilities according to segment activities</i>						
Segment activity assets	58,524,410	1,677,768	45,182,988	4,195,568	3,810,472	113,391,206
Total assets	58,524,410	1,677,768	45,182,988	4,195,568	3,810,472	113,391,206
Segment activity liabilities	51,425,735	562,000	4,265,245	40,454,617	3,307,517	100,015,114
Total liabilities	51,425,735	562,000	4,265,245	40,454,617	3,307,517	100,015,114
<i>Other items for segment activity</i>						
Depreciation	(4,829)	(355)	(2,391)	(11,436)	(9,561)	(28,572)
ECL charges / (released)	(374,485)	106,811	(8,760)	(29,975)	(75,374)	(381,783)

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

For the period ended 31 March 2024

5. Net interest income

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Interest from loans and similar revenues:		
Loans and advances to customers	3,416,881	2,066,419
Treasury bills, Bond & other	1,020,907	663,460
Deposits and current accounts	205,502	152,849
Total	4,643,290	2,882,728
Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	(166,999)	(243,851)
Customers	(2,716,187)	(1,557,067)
	(2,883,186)	(1,800,918)
Other loans	(14,557)	(12,268)
Total	(2,897,743)	(1,813,186)
Net interest income	1,745,547	1,069,542

6. Net fees and commission income

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Fees and commission revenues:		
Credit Fees and commissions	230,239	228,706
Custody fees	23,922	9,762
Other fees	45,425	38,059
Total	299,586	276,527
Fees and commission expenses:	(58,149)	(22,557)
Total	(58,149)	(22,557)
Net fees and commission income	241,437	253,970

7. Net trading income

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Foreign exchange trading gains	111,859	63,099
Change in fair value of investments at FVTPL	1,729	1,861
Total	113,588	64,960

8. Provision for credit losses

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Loans and advances to customers & banks	(1,559,026)	(373,684)
Due from banks	(2,172)	(3,390)
Debt instruments at FVTOCI	(26)	(1,647)
Treasury bills	(6,634)	(3,062)
Total	(1,567,858)	(381,783)

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For the period ended 31 March 2024

9. Administrative expenses

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Staff cost:		
Salaries and wages	(145,678)	(105,798)
Social insurance	(6,695)	(6,760)
	<u>(152,373)</u>	<u>(112,558)</u>
Depreciation and amortization	(40,698)	(28,572)
Other administrative expenses	(269,086)	(204,639)
Total	<u>(462,157)</u>	<u>(345,769)</u>

10. Other operating income

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
FX revaluation from monetary assets and liabilities other than carried at fair value through profit or loss	2,984,339	1,123,943
Gain from sale of property, plant and equipment	13	360
Legal provision realized / (charged)	1,990	(1,500)
Claims provision charged	(9,909)	(10,920)
Contingent provision (charged) / realized	(47,889)	46,277
Other (expenses) / income	(528)	6,790
Total	<u>2,928,016</u>	<u>1,164,950</u>

11. Income tax expenses

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Current Tax	(219,369)	(245,825)
Deferred Tax	18,935	(7,665)
Total	<u>(200,434)</u>	<u>(253,490)</u>

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 March 2023</i> <i>EGP Thousands</i>
Net profit before tax	3,017,030	1,831,922
Income tax (22.5%)	(678,832)	(412,182)
Tax effect on:		
Income not subject to tax	6,814	5,644
Provision	(129,162)	(34,993)
Depreciation differences	152	607
Others	581,659	195,099
Income tax expenses	<u>(219,369)</u>	<u>(245,825)</u>
Effective income tax rate	<u>%7.3</u>	<u>%13.4</u>

12. Cash and balances with the Central Bank of Egypt

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Cash	767,195	616,752
Balances with CBE (mandatory reserve)	11,794,369	14,448,465
Total	<u>12,561,564</u>	<u>15,065,217</u>
Interest free balances	<u>12,561,564</u>	<u>15,065,217</u>

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For the period ended 31 March 2024

13. Due from Banks

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Current accounts	1,520,978	962,886
Deposits	19,581,128	10,507,448
	<u>21,102,106</u>	<u>11,470,334</u>
Less: ECL allowance	(9,848)	(4,528)
Total	<u>21,092,258</u>	<u>11,465,806</u>
Balances at CBE other than those under the mandatory reserve	3,044,156	2,191,794
Local banks	154,778	71,362
Foreign Banks	17,903,172	9,207,178
	<u>21,102,106</u>	<u>11,470,334</u>
Less: ECL allowance	(9,848)	(4,528)
Total	<u>21,092,258</u>	<u>11,465,806</u>
Non-interest-bearing balances	766,663	525,481
Interest-bearing balances	20,335,443	10,944,853
	<u>21,102,106</u>	<u>11,470,334</u>
Less: ECL allowance	(9,848)	(4,528)
Total	<u>21,092,258</u>	<u>11,465,806</u>

14. Treasury bills

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Treasury Bills at Amortized Cost		
365 Days maturity	524,092	342,914
Less: Unearned interest	(23,081)	(2,271)
Total	<u>501,011</u>	<u>340,643</u>
Treasury Bills at Fair value through OCI		
365 Days maturity	9,357,750	9,308,150
Change in fair value	6,912	1,062
Less: Unearned interest	(715,745)	(709,168)
Less: ECL allowance	(7,580)	(606)
Total	<u>8,641,337</u>	<u>8,599,438</u>
Egyptian government T-Bills	9,881,842	9,651,064
Change in fair value	6,912	1,062
Less: Unearned interest	(738,826)	(711,439)
Less: ECL allowance	(7,580)	(606)
Total	<u>9,142,348</u>	<u>8,940,081</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.

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15. Loans and advances to customers & banks

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Individuals:		
Overdrafts	287,112	302,843
Credit cards	129,988	99,760
Personal loans	3,383,464	2,961,988
Mortgage Loans	1,026,194	1,020,279
Other Loans	317,811	348,626
Total (1)	5,144,569	4,733,496
Corporate and banks		
Overdrafts	7,764,210	5,086,004
Direct loans	53,891,200	48,464,135
Syndication loans	9,654,239	9,174,977
Total (2)	71,309,649	62,725,116
Total Loans and advances to customers and banks (1+2)	76,454,218	67,458,612
Less :ECL allowance	(6,554,541)	(4,381,076)
Less: Interest in suspense	(149,255)	(137,226)
Less :Unearned discount	(502,568)	(547,407)
Net Loans and advances to customers and banks	69,247,854	62,392,903

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

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Balance at the beginning of the period / year	4,381,076	4,671,919
ECL allowance charge during the period / year (note 8)	1,559,026	1,249,453
Write-off during the period / year	(141,767)	(1,793,273)
Recoveries from written-off debts	35,717	61,084
Foreign currency translation	720,489	191,893
Balance at the end of the period / year	6,554,541	4,381,076

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

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Individuals		
Balance at the beginning of the period / year	88,744	57,159
ECL allowance for the period / year	42,115	31,585
Write-off during the period / year	(158)	-
Balance at the end of the period / year (1)	130,701	88,744
Corporate and banks		
Balance at the beginning of the period / year	4,292,332	4,614,760
ECL allowance for the period / year	1,516,911	1,217,868
Write-off during the period / year	(141,609)	(1,793,273)
Recoveries from written-off debts	35,717	61,084
Foreign currency translation	720,489	191,893
Balance at the end of the period / year (2)	6,423,840	4,292,332
Total (1) + (2)	6,554,541	4,381,076

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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.

31 March 2024

	<i>Contractual value EGP Thousands</i>	<i>Assets EGP Thousands</i>	<i>Liabilities EGP Thousands</i>
Cash flow hedge			
Interest rate swap	490,971	14,278	-
Total	<u>490,971</u>	<u>14,278</u>	<u>-</u>

31 December 2023

Cash flow hedge			
Interest rate swap	324,965	9,844	-
Total	<u>324,965</u>	<u>9,844</u>	<u>-</u>

17. Financial Investments

	<i>31 March 2024 EGP Thousands</i>	<i>31 December 2023 EGP Thousands</i>
Financial investments at fair value through Other Comprehensive Income:		
A) Debt instruments		
Treasury Bonds	6,729,265	8,637,718
Non-government Bonds	2,203,833	2,108,233
Sukuk	428,952	486,637
B) Equity instruments		
Listed	4,132	3,500
Unlisted	315,149	295,885
C) Money Market Funds		
AUBE Mutual Fund THARWA	19,389	18,484
AUBE Mutual Fund ALPHA	27,548	24,555
Total financial investments at FVTOCI (1)	<u>9,728,268</u>	<u>11,575,012</u>
Financial investments at Amortized Cost:		
A) Debt instruments		
Treasury Bonds	2,351,109	1,015,527
Total financial investments at Amortized Cost (2)	<u>2,351,109</u>	<u>1,015,527</u>
Financial investments at fair value through profit or loss:		
A) Equity instruments		
Listed	2,157	2,510
B) Money Market Funds		
AUBE Mutual Fund THARWA	44,594	42,512
Total financial investments at FVTPL (3)	<u>46,751</u>	<u>45,022</u>
Total financial investments (1+2+3)	<u>12,126,128</u>	<u>12,635,561</u>
Current balances	3,073,858	4,273,866
Non-current balances	9,052,270	8,361,695
Total financial investments	<u>12,126,128</u>	<u>12,635,561</u>
Debt instruments	11,713,159	12,248,115
Equity instruments	321,438	301,895
Mutual Funds	91,531	85,551
Total financial investments	<u>12,126,128</u>	<u>12,635,561</u>

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

For the period ended 31 March 2024

17. Financial investments (continued)*31 March 2024*

	Financial assets at Fair Value through OCI EGP Thousands	Financial assets at Amortized Cost EGP Thousands	Financial assets at Fair Value through P&L EGP Thousands	Total EGP Thousands
Balance at the beginning of the period	11,575,012	1,015,527	45,022	12,635,561
Additions	523,349	1,401,362	-	1,924,711
Disposals / maturities	(2,021,047)	(66,720)	-	(2,087,767)
Amortization of (premium) / discount	(310,421)	940	-	(309,481)
Change in fair value of investments	(332,165)	-	1,729	(330,436)
Foreign currency revaluation	293,540	-	-	293,540
Balance at the ending of the period	9,728,268	2,351,109	46,751	12,126,128

31 December 2023

Balance at the beginning of the year	11,621,519	1,906,221	61,094	13,588,834
Additions	1,849,587	-	-	1,849,587
Disposals / maturities	(1,568,329)	(886,000)	(23,773)	(2,478,102)
Amortization of premium	(156,792)	(4,694)	-	(161,486)
Change in fair value of investment	(354,212)	-	7,701	(346,511)
Foreign currency revaluation	183,239	-	-	183,239
Balance at the ending of the year	11,575,012	1,015,527	45,022	12,635,561

Gain on Financial investments

	<i>31 March 2024</i> EGP Thousands	<i>31 March 2023</i> EGP Thousands
Gain on sale of treasury bills	15,554	6,052
Gain on sale of financial investment –FVTOCI	2,903	-
Total	18,457	6,052

18. Investment properties (net)

	<i>31 March 2024</i> EGP Thousands	<i>31 December 2023</i> EGP Thousands
Cost		
Cost at the beginning of the period/year	21,097	23,406
Transferred to property, plant and equipment	(21,097)	(2,309)
Cost at the end of the period / year	-	21,097
Accumulated Depreciation		
Accumulated depreciation at the beginning of the period/year	(4,546)	(4,552)
Depreciation charged during the period/year	(36)	(452)
accumulated depreciation balances related to properties transferred to property, plant and equipment during the period/year	4,582	458
Accumulated depreciation at the end of the period / year	-	(4,546)
Net book value at the end of the period / year	-	16,551

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For the period ended 31 March 2024

19. Other assets

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest receivable from customers and banks	1,089,545	1,028,457
Prepaid expenses	73,289	43,387
Advances for purchase of property, plant and equipment	249,156	143,149
Assets acquired as settlement of debts (net of impairment)	313,699	313,699
Deposits held with other custody	12,614	11,343
Other assets	392,989	224,545
Total	2,131,292	1,764,580

20. Property, plant and equipment (net)

<i>31 March 2024</i>	<i>Lands and buildings EGP Thousands</i>	<i>Leased assets improvements EGP Thousands</i>	<i>Equipment and machinery EGP Thousands</i>	<i>Others Fixed Assets EGP Thousands</i>	<i>Total EGP Thousands</i>
Net book value at the beginning of the period	449,466	149,099	101,702	400,396	1,100,663
Additions	-	10,063	5,914	27,590	43,567
Transfer	16,515	(4,166)	4,134	32	16,515
Depreciation charge	(2,712)	(5,820)	(3,945)	(28,185)	(40,662)
Net book value at the end of the period	463,269	149,176	107,805	399,833	1,120,083
Balance at the end of current period represents in:					
Cost	569,184	335,286	175,118	724,157	1,803,745
Accumulated depreciation	(105,915)	(186,110)	(67,313)	(324,324)	(683,662)
Net book value	463,269	149,176	107,805	399,833	1,120,083
<i>31 December 2023</i>					
Net book value at the beginning of the year	458,220	151,343	107,223	233,146	949,932
Additions	-	19,746	9,505	245,341	274,592
Disposals	-	(183)	-	-	(183)
Transfer	1,851	443	(423)	(20)	1,851
Depreciation charge	(10,605)	(22,250)	(14,603)	(78,071)	(125,529)
Net book value at the end of the year	449,466	149,099	101,702	400,396	1,100,663
Balance at the end of the year represents in:					
Cost	548,087	329,390	165,070	696,535	1,739,082
Accumulated depreciation	(98,621)	(180,291)	(63,368)	(296,139)	(638,419)
Net book value	449,466	149,099	101,702	400,396	1,100,663

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For the period ended 31 March 2024

21. Due to banks

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Current accounts	76,247	22,834
Deposits	3,000,000	3,700,000
Total	3,076,247	3,722,834
Local banks	3,000,000	3,700,000
Foreign banks	76,247	22,834
Total	3,076,247	3,722,834

22. Customers' deposits

	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Demand deposits	42,815,837	37,038,571
Time deposits	44,038,550	39,657,713
Certificates of deposit	8,242,753	8,425,868
Savings deposits	5,379,188	4,087,561
Other deposits	878,240	820,026
Total	101,354,568	90,029,739
Corporate deposits	79,892,282	71,618,334
Individual deposits	21,462,286	18,411,405
Total	101,354,568	90,029,739
Non-interest-bearing balances	9,237,089	7,133,833
Floating-interest bearing balances	82,311,355	73,448,032
Fixed interest-bearing balances	9,806,124	9,447,874
Total	101,354,568	90,029,739
Current balances	87,161,682	77,403,729
Non-current balances	14,192,886	12,626,010
Total	101,354,568	90,029,739

23. Other Loans

	Rates	<i>31 March 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Egyptian Mortgage Refinance company (EMRC)	1%	325	360
Egyptian Mortgage Refinance company (EMRC)	3%	7,245	7,500
Egyptian Mortgage Refinance company (EMRC)	Variable	20,630	23,925
Export Development Bank of Egypt	Variable	11,814	13,163
European Bank for Reconstruction and Development (EBRD)	Variable	809,409	529,596
Total		849,423	574,544

- 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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For the period ended 31 March 2024

24. Other liabilities

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest Payable	710,648	579,668
Clearing operations – CBE	471,042	297,484
Margin deposits	2,538,555	2,514,122
Accrued Taxes	919,964	872,353
Unearned revenue	32,434	27,633
Accrued expenses	470,913	319,962
Other credit balances	1,109,217	711,995
Total	6,252,773	5,323,217

25. Other provisions

<i>31 March 2024</i>	<i>Provision for legal claims EGP Thousands</i>	<i>Claims provision EGP Thousands</i>	<i>Contingent liabilities EGP Thousands</i>	<i>Total EGP Thousands</i>
Beginning balance	41,086	191,446	105,342	337,874
Foreign currency revaluation	-	-	1,247	1,247
(Released) / charged during the period	(1,990)	9,909	47,889	55,808
Utilized during the period	(20)	-	-	(20)
Ending balance	39,076	201,355	154,478	394,909
<i>31 December 2023</i>				
Beginning balance	29,586	90,033	146,733	266,352
Foreign currency revaluation	-	-	2,049	2,049
Charged / (released) during the year	11,730	101,647	(43,040)	70,337
Utilized during the year	(230)	(234)	(400)	(864)
Ending balance	41,086	191,446	105,342	337,874

26. Capital**26.1 Authorized Capital**

Authorized capital amounts to EGP 10 Billion (31 December 2023: EGP 10 Billion).

On March 24, 2024 the extraordinary general assembly approved to increase the bank Authorized capital by EGP 10 billion to reach EGP 20 billion. Commercial register update is in progress.

26.2 Issued and paid up Capital

Issued and paid in capital amounts to EGP 7 Billion at 31 March 2024 (31 December 2023: EGP 7 Billion) represented by 700 Million Share (31 December 2023: 700 Million Share) with par value 10 EGP for each.

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.

On March 24, 2024 the ordinary general assembly approved to increase the bank issued and paid up capital by EGP 900 million to reach EGP 10 billion, by issuing of 90 million bonus shares out of retained earnings. Commercial register update is in progress.

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27. Cash and cash equivalents

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

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cash	767,195	662,029
Due from banks with original maturities less than 3 months	6,802,940	4,753,285
Total	7,570,135	5,415,314

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

There are some existing cases filed against the bank on 31 March 2024 without provision as the bank does not expect to incur losses from it.

28.2 Capital commitments

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Capital commitments of fixed assets	42,455	45,470
Commitments under operating lease contracts	205,544	247,232
Contingent liabilities against letters of credit, documentary credits and other commitments	14,444,834	12,675,206
Total	14,692,833	12,967,908

29. Related party transactions

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

Interim Condensed Consolidated Balance Sheet

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Due from banks	3,437,636	1,890,521
Due to banks	70,552	15,679

Interim Condensed Consolidated Income Statement

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Interest and similar revenues	37,070	35,460
Interest on deposits and similar costs	-	(23)
Fees and commission revenue	21	39

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 31 March 2024 is EGP 5,670 thousand.

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For the period ended 31 March 2024

30. Tax position**34.1 Ahli United Bank- Egypt****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 is going on.
- 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 2020 settled with tax authority- inspection completed.

Real Estate Tax

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

34.2 Ahli United for Finance Co.**Income Tax**

- The company submits its tax returns on the legal dates and pays taxes based on those returns.
- The company was examined from the beginning of activity until 2016, and the objection was made within the legal deadlines.
- The actual examination procedures for the company are currently underway, and the period from 2017 to 2022 has not been examined.

Stamp Duty Tax

- The company was inspected from the beginning of activity until 2012, and the tax was paid on it.
- The period from 2013 to 2019 was examined randomly, and work is underway to actually examine the period.
- The period from 2020 to 2022 was not examined yet.

Salary Tax

- The company deducts the tax monthly and remits it to the Tax Authority on a regular basis.
- The company was inspected from the beginning of activity until 2019 and the tax was paid.
- The period from 2020 to 2022 was not examined yet.
- The company took into account the periods under examination or that had not been examined and created an allowance for expected taxes.

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

For the period ended 31 March 2024

31. Comparative Figures

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

32. Important Events

On 1 February 2024, the Central Bank of Egypt has resolved to increase its overnight deposit and lending rates, along with the price of main operation by 200 basis points to be 21.25%, 22.25% and 21.75%, respectively. The credit and debit rates have been also raised by 200 basis points to be 21.75%.

On 6 March 2024, and proceeding in the policy of monetary compliance adopted by the Central Bank, the Monetary Policy Committee has resolved in its extraordinary meeting to increase its overnight deposit and lending rates along with the price of the main operation of the Central Bank by 600 basis points, to be 27.25%, 28.25%, and 27.75%, respectively. The credit and debit rates have been also raised by 600 basis points, to be 27.75%.

On 6 March 2024, the Central Bank agreed to continue its hedging efforts towards a flexible inflation-targeting framework by amending the interest rates on deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to the market mechanisms, including the consequent significant future financial impacts on the Company's financial position, future business results, and equity. In order to explain the impact of exchange rate risks.

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.