

**AHLI UNITED BANK
(SAE)**

**Interim Condensed Consolidated Financial Statements
For the Period Ended 30 September 2024
& Limited Review Report**

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

As of 30 September 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 30 September 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 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 2024 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.


Allied for Accounting & Auditing EY

Auditors



Ashraf Ali Hafez
Egyptian Financial Supervisory Authority Register no.222

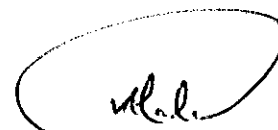
Change Chartered Accountants



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

As at 30 September 2024

	Note	30 September 2024 EGP Thousands	31 December 2023 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(12)	13,540,218	15,065,217
Due from banks	(13)	23,441,692	11,465,806
Treasury bills	(14)	14,262,476	8,940,081
Financing receivables	(15)	77,542,174	62,392,903
Derivative financial instruments	(16)	-	9,844
Financial Investments at:			
- Fair value through other comprehensive income	(17)	8,117,049	11,575,012
- Amortized cost	(17)	1,918,143	1,015,527
- Fair value through profit or loss	(17)	49,536	45,022
Investments properties	(18)	-	16,551
Other assets	(19)	2,322,809	1,764,580
Property, plant and equipment	(20)	1,201,161	1,100,663
TOTAL ASSETS		142,395,258	113,391,206
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(21)	2,570,842	3,722,834
Customers' deposits	(22)	116,939,405	90,029,739
Term financing	(23)	705,801	574,544
Other liabilities	(24)	4,027,566	5,323,217
Other provisions	(25)	417,995	337,874
Deferred tax liability		23,358	26,906
TOTAL LIABILITIES		124,684,967	100,015,114
EQUITY			
Issued and paid-up-capital	(26)	9,100,000	7,000,000
Transferred under capital increase	(26)	900,000	2,100,000
Reserves		187,188	54,472
Retained earnings		7,523,103	4,221,620
TOTAL EQUITY		17,710,291	13,376,092
TOTAL LIABILITIES AND EQUITY		142,395,258	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 30 September 2024

	Note	<i>Nine Months ended 30 September 2024 EGP Thousands</i>	<i>Nine Months ended 30 September 2023 EGP Thousands</i>	<i>Three Months ended 30 September 2024 EGP Thousands</i>	<i>Three Months ended 30 September 2023 EGP Thousands</i>
Financing income and similar revenues	(5)	17,146,037	9,997,889	6,326,168	3,715,055
Cost of deposits and similar expenses	(5)	(11,588,927)	(6,422,910)	(4,497,234)	(2,401,451)
Net financing income		5,557,110	3,574,979	1,828,934	1,313,604
Fees and commission revenues	(6)	879,938	785,661	266,951	266,932
Fees and commission expenses	(6)	(154,582)	(67,449)	(32,782)	(16,378)
Net fees and commission income		725,356	718,212	234,169	250,554
Dividends income		14,168	12,493	12,421	-
Net trading income	(7)	233,799	140,792	38,927	49,545
Gains on financial investments	(17)	20,065	25,874	3,627	5,654
Expected credit losses	(8)	(2,137,093)	(913,106)	(225,141)	(306,243)
Administrative expenses	(9)	(1,603,590)	(1,109,555)	(565,676)	(406,889)
Other operating income (expenses)	(10)	2,997,004	1,141,955	48,277	(43,936)
Net profit before income tax		5,806,819	3,591,644	1,375,538	862,289
Income tax expenses	(11)	(1,074,119)	(817,620)	(447,862)	(280,505)
Net profit for the period after tax		4,732,700	2,774,024	927,676	581,784
Earnings per share (EGP/Share)		5.2	3.0	1.0	0.6
Attributable to:					
Equity holders of the bank		4,732,700	2,774,024	927,676	581,784
Net profit of the period		4,732,700	2,774,024	927,676	581,784

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 COMPREHENSIVE INCOME**

For the period ended 30 September 2024

	<i>Nine months ended 30 September 2024 EGP Thousands</i>	<i>Nine months ended 30 September 2023 EGP Thousands</i>	<i>Three months ended 30 September 2024 EGP Thousands</i>	<i>Three months ended 30 September 2023 EGP Thousands</i>
Net profit for the period	4,732,700	2,774,024	927,676	581,784
<i>Income 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	8,684	7,739	5,517	3,185
<i>Income items that 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	(32,791)	(305,737)	196,935	(203,031)
Net change in fair value of profit rate swaps – Fair value hedge	(9,844)	(310)	-	(1,639)
Expected credit losses of debt instruments measured at fair value through other comprehensive income	(1,722)	(2,180)	(508)	(3,745)
Total other comprehensive (loss) / income for the period	<u>(35,673)</u>	<u>(300,488)</u>	<u>201,944</u>	<u>(205,230)</u>
Total comprehensive income for the period	<u>4,697,027</u>	<u>2,473,536</u>	<u>1,129,620</u>	<u>376,554</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 CASH FLOWS

For the period ended 30 September 2024

	Note	30 September 2024 EGP Thousands	30 September 2023 EGP Thousands
OPERATING ACTIVITIES			
Net Profit before income tax		5,806,819	3,591,644
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Depreciation and amortization	(9)	124,847	90,584
Expected credit losses	(8)	2,137,093	916,189
Other provisions charged (released)	(25)	80,232	(24,937)
Gain on disposals of property, plant and equipment	(10)	(242)	(2,204)
Amortization of premium	(17)	305,467	64,104
Revaluation difference in foreign currencies	(10)	(3,074,937)	(1,123,572)
Revaluation of financial investments at fair value through profit or loss	(7)	(6,725)	(5,155)
Dividends income		(14,168)	(12,493)
<i>Operating income before changes in operating assets and liabilities</i>		<u>5,358,386</u>	<u>3,494,160</u>
<i>Net changes in operating assets and liabilities:</i>			
Balances with Central Bank of Egypt - mandatory reserve		1,674,468	(710,166)
Due from banks		7,697,701	(3,088,850)
Treasury bills		(5,361,055)	(4,231,109)
Financing receivables		(10,839,348)	(9,470,674)
Financial investments at fair value through profit or loss		2,210	28,936
Other assets		446,326	(623,100)
Due to banks		(1,151,992)	4,429,910
Customers' deposits		16,235,259	10,511,907
Treasury bills sold under repurchase agreements		-	(2,030)
Other liabilities		(1,662,108)	616,950
Other provisions utilized	(25)	(1,701)	(400)
Income tax paid		(1,082,640)	(495,032)
Net cash flows generated from operating activities		<u>11,315,506</u>	<u>460,502</u>
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(20)	(393,282)	(160,834)
Proceeds from sale of property, plant and equipment		242	2,474
Proceeds from redemption of financial investments at amortized cost	(17)	536,818	800,812
Purchases of financial investments at amortized cost	(17)	(1,421,083)	-
Proceeds from redemption of financial investments at FVOCI	(17)	4,102,067	1,163,460
Purchases of financial investments at FVOCI	(17)	(647,103)	(501,538)
Dividends income received		14,168	12,493
Net cash flows generated from investing activities		<u>2,191,827</u>	<u>1,316,867</u>
FINANCING ACTIVITIES			
Net change in term financing		(167,053)	(16,582)
Net cash flows used in financing activities		<u>(167,053)</u>	<u>(16,582)</u>
Net change in cash and cash equivalents during the period		<u>13,340,280</u>	<u>1,760,787</u>
Cash and cash equivalents at the beginning of the period		9,433,214	9,017,941
Cash and cash equivalents at the end of the period	(27)	<u>22,773,494</u>	<u>10,778,728</u>
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(12)	13,540,218	10,494,887
Due from banks	(13)	23,456,108	14,634,009
Treasury bills	(14)	14,300,680	7,755,167
Balances with Central Bank of Egypt - mandatory reserve	(12)	(12,773,997)	(9,870,625)
Deposits with banks with original maturities more than 3 months		(1,448,835)	(4,479,543)
Treasury bills with original maturities more than 3 months		(14,300,680)	(7,755,167)
Cash and cash equivalents at the end of the period	(27)	<u>22,773,494</u>	<u>10,778,728</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 CHANGES IN EQUITY

For the period ended 30 September 2024

	Issued and paid-up capital	Transferred under capital increase	Legal & capital reserve	Reserves				Retained earnings	Total
	EGP Thousands	EGP Thousands	EGP Thousands	General risk reserve	General banking risk reserve	Fair value reserve	Total Reserves	EGP Thousands	EGP Thousands
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	2,000,000	(2,000,000)	-	-	-	-	-	-	-
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 30 September 2023	7,000,000	2,100,000	727,163	11,884	3,631	(630,181)	112,498	3,667,501	12,879,999
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
Net profit for the period	-	-	-	-	-	-	-	4,732,700	4,732,700
Other comprehensive income	-	-	-	-	-	(27,071)	(27,071)	-	(27,071)
Transferred under capital increase	-	900,000	-	-	-	-	-	(900,000)	-
Bonus shares	2,100,000	(2,100,000)	-	-	-	-	-	-	-
Bonus shares issuance fees	-	-	-	-	-	-	-	(534)	(534)
Gain on sale equity instruments at FVOCI	-	-	-	-	-	(8,602)	(8,602)	8,602	-
Employees profit share	-	-	-	-	-	-	-	(332,447)	(332,447)
Directors' remuneration	-	-	-	-	-	-	-	(5,326)	(5,326)
Transferred to legal and capital reserve	-	-	-	-	-	-	-	(168,389)	-
Transferred to banking sector support fund	-	-	168,389	-	-	-	168,389	(33,123)	(33,123)
Balance as at 30 September 2024	9,100,000	900,000	895,552	11,884	196	(720,444)	187,188	7,523,103	17,710,291

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 30 September 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 Egyptian Exchange.

The Extraordinary General Assembly held on 30 September 2024, decided to amend Article 2 of the bank's statute to change the name of the bank from "Ahli United Bank - Egypt" to "Kuwait Finance House Bank - Egypt". Legal actions are currently taking place to register the new name of the bank with the official authorities.

The Bank provides Corporate, Retail Banking and Investment Banking services within the Arab Republic of Egypt through its head office and 44 branches with 1331 employees as of 30 September 2024.

After complying with all the requirements and guidelines by the Central Bank of Egypt and Sharia Supervisory Board of the Bank, the Bank has converted its conventional based transactions to be complied with the Islamic Shariah principals. Effective from 1 September 2024, the bank's activities to be conducted in accordance with the Islamic Shari'a principles as approved by the Bank's Shari'a Supervisory Board. On conversion there has been no impact on the applied accounting policies and disclosure requirements. All income and expenses from Non Shari'a compliant activities are treated based on the guidelines by the Shari'a Supervisory Board.

These interim condensed consolidated financial statements were approved by the Board of Directors on 28 November 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 30 September 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:

30 September 2024

	<i>Stage (1)</i>	<i>Stage (2)</i>	<i>Stage (3)</i>	
	<i>12 months</i>	<i>Lifetime</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	14,386,438	9,069,670	-	23,456,108
Treasury bills	14,393,411	536,069	-	14,929,480
Financing receivables -- Retail	4,625,436	904,961	176,116	5,706,513
Financing receivables - Corporate & banks	49,916,430	27,387,677	1,277,995	78,582,102
Debt Instruments at Fair value through other comprehensive income	7,174,282	509,993	-	7,684,275
Debt Instruments at Amortized Cost	1,918,143	-	-	1,918,143
	<u>92,414,140</u>	<u>38,408,370</u>	<u>1,454,111</u>	<u>132,276,621</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
Financing receivables - Retail	3,838,979	761,294	133,223	4,733,496
Financing receivables - 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:

30 September 2024

	<i>Stage (1)</i>	<i>Stage (2)</i>	<i>Stage (3)</i>	
	<i>12 months</i>	<i>Lifetime</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	8,269	6,147	-	14,416
Treasury bills	-	2,914	-	2,914
Financing receivables - Retail	116,231	28,336	85,636	230,203
Financing receivables - Corporate & banks	915,579	4,080,622	993,920	5,990,121
Debt instruments at Fair value through other comprehensive income	427	381	-	808
Commitments on financing and collaterals	77,233	35,462	35,115	147,810
	<u>1,117,739</u>	<u>4,153,862</u>	<u>1,114,671</u>	<u>6,386,272</u>

31 December 2023

Due from banks	632	3,896	-	4,528
Treasury bills	-	606	-	606
Financing receivables - Retail	33,623	18,148	36,973	88,744
Financing receivables - 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 financing and collaterals	55,259	22,875	27,208	105,342
	<u>925,507</u>	<u>1,812,243</u>	<u>1,756,332</u>	<u>4,494,082</u>

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

For the period ended 30 September 2024

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

	<i>30 September 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Total Tier 1 (basic capital)	17,698,864	13,000,522
Total Tier 2 (subordinated capital)	1,137,056	940,377
Total Capital Base	18,835,920	13,940,899
Total weighted risk of contingent assets and liabilities	120,339,923	96,079,749
Capital Adequacy Ratio	15.65%	14.51%

3.3 Financial leverage risk management

	<i>30 September 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Tier 1 of the capital adequacy ratio	17,698,864	13,000,522
Total exposures in & off-Balance Sheet	150,443,359	122,005,467
Leverage ratio%	11.76%	10.66%

The Bank's management actively monitors capital adequacy and the deployment of regulatory capital, adhering to techniques based on Basel Committee guidelines. These guidelines, as adopted by the Central Bank of Egypt's banking supervision unit, are part of the regulatory framework for Basel III implementation. This approach ensures that the Bank consistently meets both regulatory requirements and internal capital adequacy assessments, supporting effective risk management and financial stability.

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, credit facilities, financing and 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 financing & real-estate financing

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 30 September 2024

4 Segment analysis (continued)

Activity segment analysis (continued)

30 September 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						
Segment activity revenues	8,887,573	135,461	1,481,479	6,258,173	4,569,203	21,331,889
Segment activity expenses	(6,670,510)	(139,807)	(1,098,421)	(5,405,654)	(2,210,678)	(15,525,070)
Net profit (loss) before income tax	2,217,063	(4,346)	383,058	852,519	2,358,525	5,806,819
Income tax	(484,690)	(2,282)	(86,188)	(194,637)	(306,322)	(1,074,119)
Net profit (loss) for the period after tax	1,732,373	(6,628)	296,870	657,882	2,052,203	4,732,700
Assets & liabilities according to activity segment						
Segment activity assets	72,176,392	2,010,621	58,625,613	5,473,504	4,109,128	142,395,258
Total assets	72,176,392	2,010,621	58,625,613	5,473,504	4,109,128	142,395,258
Segment activity liabilities	58,031,016	708,764	3,263,289	58,560,446	4,121,452	124,684,967
Total liabilities	58,031,016	708,764	3,263,289	58,560,446	4,121,452	124,684,967
Other items for segment activity						
Depreciation	(31,641)	(2,473)	(13,735)	(44,433)	(32,565)	(124,847)
ECL charges	(228,424)	(71,706)	(7,123)	(63,596)	(1,766,244)	(2,137,093)

AHLJ UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2024

4 Segment analysis (continued)

Activity segment analysis (continued)

30 September 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	5,856,980	98,141	1,620,372	2,983,223	1,545,949	12,104,665
Segment activity expenses	(4,406,117)	(104,204)	(778,282)	(2,448,701)	(775,717)	(8,513,021)
Net Profit before income tax	1,450,863	(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 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	58,524,410	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	(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 period ended 30 September 2024

5. Net financing income

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Financing income and similar revenues from:				
Financing receivables	12,670,513	7,189,972	4,721,288	2,678,490
Treasury bills, bonds and sukuk	3,638,455	2,294,146	1,322,974	845,915
Deposits and current accounts	837,069	513,771	281,906	190,650
Total	17,146,037	9,997,889	6,326,168	3,715,055
Cost of deposits and similar expenses on:				
Deposits and current accounts:				
Banks	(860,850)	(610,993)	(286,437)	(209,226)
Customers	(10,681,319)	(5,771,676)	(4,197,045)	(2,178,919)
	(11,542,169)	(6,382,669)	(4,483,482)	(2,388,145)
Term financing	(46,758)	(40,241)	(13,752)	(13,306)
Total	(11,588,927)	(6,422,910)	(4,497,234)	(2,401,451)
Net financing income	5,557,110	3,574,979	1,828,934	1,313,604

As a result of converting the bank's operations during the current year to be complied with Islamic Shari'a principles, financing income and cost of deposits include yield earned and costs incurred on conventional portfolio of financial instruments.

6. Net fees and commission income

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</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	692,788	630,170	214,216	217,687
Custody fees	52,883	30,108	14,672	11,609
Other fees	134,267	125,383	38,063	37,636
Total	879,938	785,661	266,951	266,932
Fees and commission expense				
Other fees	(154,582)	(67,449)	(32,782)	(16,378)
Total	(154,582)	(67,449)	(32,782)	(16,378)
Net fees and commission income	725,356	718,212	234,169	250,554

7. Net trading income

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Foreign exchange trading gains	227,074	135,637	36,274	48,202
Change in fair value of investment at FVTPL	6,725	5,155	2,653	1,343
Total	233,799	140,792	38,927	49,545

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For the period ended 30 September 2024

8. Expected credit losses

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Financing receivables	(2,128,192)	(917,872)	(220,640)	(316,238)
Due from Banks	(8,635)	3,256	(7,390)	4,823
Debt instruments at FVTOCI	1,757	3,083	525	3,688
Treasury Bills	(2,023)	(1,573)	2,364	1,484
Total	(2,137,093)	(913,106)	(225,141)	(306,243)

9. Administrative expenses

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Staff cost:				
Salaries and wages	(513,718)	(365,660)	(166,699)	(144,796)
Social insurance	(20,573)	(20,928)	(7,023)	(7,131)
	(534,291)	(386,588)	(173,722)	(151,927)
Depreciation and amortization	(124,847)	(90,584)	(42,844)	(32,694)
Other administrative expenses	(944,452)	(632,383)	(349,110)	(222,268)
Total	(1,603,590)	(1,109,555)	(565,676)	(406,889)

10. Other operating income (expense)

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
FX revaluation for monetary assets and liabilities other than carried at fair value through profit or loss	3,074,937	1,123,572	40,268	352
Gain from sale of property, plant and equipment	242	2,204	228	1,486
Legal provision released / (charged)	225	(10,280)	(619)	(1,775)
Claims provision charged	(39,579)	(22,632)	(15,635)	(6,109)
Contingent provision (charged) / released	(40,878)	57,849	23,715	5,403
Other income (expenses)	2,057	(8,758)	320	(43,293)
Total	2,997,004	1,141,955	48,277	(43,936)

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

For the period ended 30 September 2024

11. Income tax expenses

	<i>Nine months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2024</i>	<i>Three months ended 30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Current Tax	(1,077,711)	(797,785)	(430,241)	(272,754)
Deferred Tax	3,592	(19,835)	(17,621)	(7,751)
Total	(1,074,119)	(817,620)	(447,862)	(280,505)
Net profit before tax	5,806,819	3,591,644	1,375,538	862,289
Income tax (22.5%)	(1,306,534)	(808,120)	(309,496)	(194,015)
Tax effect on:				
Income not subject to tax	18,335	16,364	5,846	4,793
Provision	(164,337)	(62,942)	(8,253)	(13,226)
Depreciation differences	12,442	9,618	11,235	4,513
Others	362,383	47,295	(129,573)	(74,819)
Income tax expenses	(1,077,711)	(797,785)	(430,241)	(272,754)
Effective income tax rate	18.6%	22.2%	31.3%	31.6%

12. Cash and balances with the Central Bank of Egypt

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cash	766,221	616,752
Balances with CBE (mandatory reserve)	12,773,997	14,448,465
Total	13,540,218	15,065,217
Non-profit bearing balances	13,540,218	15,065,217

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

For the period ended 30 September 2024

13. Due from Banks

	<i>30 September 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Current accounts	3,845,478	962,886
Deposits	19,610,630	10,507,448
	<u>23,456,108</u>	<u>11,470,334</u>
Less: ECL allowance	(14,416)	(4,528)
Total	<u>23,441,692</u>	<u>11,465,806</u>
Balances at CBE other than those under the mandatory reserve	3,141,162	2,191,794
Local banks	81,508	71,362
Foreign Banks	20,233,438	9,207,178
	<u>23,456,108</u>	<u>11,470,334</u>
Less: ECL allowance	(14,416)	(4,528)
Total	<u>23,441,692</u>	<u>11,465,806</u>
Non-profit bearing balances	1,515,277	525,481
Profit bearing balances	21,940,831	10,944,853
	<u>23,456,108</u>	<u>11,470,334</u>
Less: ECL allowance	(14,416)	(4,528)
Total	<u>23,441,692</u>	<u>11,465,806</u>

14. Treasury bills

	<i>30 September 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Treasury Bills at Amortized Cost		
365 Days maturity	536,070	342,914
Less: Unearned profit	(10,364)	(2,271)
Less: ECL allowance	(2,914)	(606)
Total (1)	<u>522,792</u>	<u>340,037</u>
Treasury Bills at Fair value through OCI		
365 Days maturity	14,428,700	9,308,150
Change in fair value	(35,290)	1,062
Less: Unearned profit	(653,726)	(709,168)
Total (2)	<u>13,739,684</u>	<u>8,600,044</u>
Total (1+2)	<u>14,262,476</u>	<u>8,940,081</u>
Egyptian government T-Bills	14,964,770	9,651,064
Change in fair value	(35,290)	1,062
Less: Unearned profit	(664,090)	(711,439)
Less: ECL allowance	(2,914)	(606)
Total	<u>14,262,476</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.

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

For the period ended 30 September 2024

15. Financing receivables

	<i>30 September 2024</i> <i>EGP Thousands</i>	<i>31 December 2023</i> <i>EGP Thousands</i>
Individuals:		
Overdrafts	212,203	302,843
Credit cards	158,654	99,760
Personal financing	3,990,829	2,961,988
Mortgage financing	1,045,327	1,020,279
Other Financing	299,500	348,626
Total (1)	5,706,513	4,733,496
Corporate and banks		
Overdrafts	13,450,925	5,086,004
Direct financing	52,564,533	48,464,135
Syndication financing	12,566,644	9,174,977
Total (2)	78,582,102	62,725,116
Total Financing receivables (1+2)	84,288,615	67,458,612
Less :ECL allowance	(6,220,324)	(4,381,076)
Less: Profit in suspense	(147,978)	(137,226)
Less :Unearned discount	(378,139)	(547,407)
Net financing receivables	77,542,174	62,392,903

Financing receivables include balances under the conversion process to be complied with Islamic Shari'a principles, Overdraft balances represent facilities provided to the customer on Murabaha basis.

Analysis of expected credit losses of financing receivables:

	<i>30 September 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
Net ECL allowance charged during the period / year (note 8)	2,128,192	1,249,453
Write-off during the period / year	(1,129,607)	(1,793,273)
Recoveries from written-off financing	72,953	61,084
Foreign currency translation	767,710	191,893
Balance at the end of the period / year	6,220,324	4,381,076

Analysis of expected credit losses of financing receivable by type:

	<i>30 September 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
Net ECL allowance charged for the period / year	146,617	31,585
Write-off during the period / year	(5,158)	-
Balance at the end of the period / year (1)	230,203	88,744
Corporate and banks		
Balance at the beginning of the period / year	4,292,332	4,614,760
Net ECL allowance charged for the period / year	1,981,575	1,217,868
Write-off during the period / year	(1,124,449)	(1,793,273)
Recoveries from written-off financing	72,953	61,084
Foreign currency translation	767,710	191,893
Balance at the end of the period / year (2)	5,990,121	4,292,332
Total (1) + (2)	6,220,324	4,381,076

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For the period ended 30 September 2024

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 2024

	<i>Contractual value EGP Thousands</i>	<i>Assets EGP Thousands</i>	<i>Liabilities EGP Thousands</i>
Profit rate swap	-	-	-
Total	-	-	-

31 December 2023

Profit rate swap	324,965	9,844	-
Total	324,965	9,844	-

17. Financial Investments

	<i>30 September 2024 EGP Thousands</i>	<i>31 December 2023 EGP Thousands</i>
<i>Financial investments at fair value through Other Comprehensive Income:</i>		
A) Debt instruments		
Treasury Bonds	5,923,035	8,637,718
Non-government Bonds	1,354,402	2,108,233
Sukuk	406,838	486,637
B) Equity instruments		
Listed	-	3,500
Unlisted	379,586	295,885
C) Money Market Funds		
AUBE Mutual Fund THARWA	21,538	18,484
AUBE Mutual Fund ALPHA	31,650	24,555
Total financial investments at FVTOCI (1)	8,117,049	11,575,012
<i>Financial investments at Amortized Cost:</i>		
A) Debt instruments		
Treasury Bonds	1,918,143	1,015,527
Total financial investments at Amortized Cost (2)	1,918,143	1,015,527
<i>Financial investments at fair value through profit or loss:</i>		
A) Equity instruments		
Listed	-	2,510
B) Money Market Funds		
AUBE Mutual Fund THARWA	49,536	42,512
Total financial investments at FVTPL (3)	49,536	45,022
Total financial investments (1+2+3)	10,084,728	12,635,561
 Current balances	 1,467,967	 4,273,866
Non-current balances	8,616,761	8,361,695
Total financial investments	10,084,728	12,635,561
 Debt instruments	 9,602,418	 12,248,115
Equity instruments	379,586	301,895
Mutual Funds	102,724	85,551
Total financial investments	10,084,728	12,635,561

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.

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

For the period ended 30 September 2024

17. Financial investments (continued)*30 September 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	647,103	1,421,083	-	2,068,186
Disposals / maturities	(4,102,067)	(536,818)	(2,210)	(4,641,095)
Amortization of (premium) / discount	(323,818)	18,351	-	(305,467)
Change in fair value of investments	12,245	-	6,724	18,969
Foreign currency revaluation	308,574	-	-	308,574
Balance at the ending of the period	8,117,049	1,918,143	49,536	10,084,728

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 / matured	(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>Nine months ended 30 September 2024 EGP Thousands</i>	<i>Nine months ended 30 September 2023 EGP Thousands</i>	<i>Three months ended 30 September 2024 EGP Thousands</i>	<i>Three months ended 30 September 2023 EGP Thousands</i>
Gain on sale of treasury bills	26,173	25,874	4,075	5,654
Gain on sale of financial investment –FVTOCI	(6,108)	-	(448)	-
Total	20,065	25,874	3,627	5,654

18. Investment properties

	<i>30 September 2024 EGP Thousands</i>	<i>31 December 2023 EGP Thousands</i>
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 30 September 2024

19. Other assets

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Accrued revenues	1,147,921	1,028,457
Prepaid expenses	69,947	43,387
Advances for purchase of property, plant and equipment	327,639	143,149
Assets acquired as settlement of debts (net of impairment)	314,398	313,699
Deposits held with other custody	14,526	11,343
Other assets	448,378	224,545
Total	2,322,809	1,764,580

20. Property, plant and equipment

<i>30 September 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	144,933	105,836	400,428	1,100,663
Additions	-	29,501	22,229	157,062	208,792
Transferred from investment properties	16,517	-	-	-	16,517
Depreciation charge	(8,194)	(18,295)	(12,296)	(86,026)	(124,811)
Net book value at the end of the period	457,789	156,139	115,769	471,464	1,201,161
Balance at the end of current period represents in:					
Cost	569,186	354,725	191,433	853,629	1,968,973
Accumulated depreciation	(111,397)	(198,586)	(75,664)	(382,165)	(767,812)
Net book value	457,789	156,139	115,769	471,464	1,201,161
 <i>31 December 2023</i>					
Net book value at the beginning of the year	458,220	151,786	106,800	233,126	949,932
Additions	-	15,580	13,639	245,373	274,592
Disposals	-	(183)	-	-	(183)
Transferred from investment properties	1,851	-	-	-	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	144,933	105,836	400,428	1,100,663
 Balance at the end of the year represents in:					
Cost	548,087	325,224	169,204	696,567	1,739,082
Accumulated depreciation	(98,621)	(180,291)	(63,368)	(296,139)	(638,419)
Net book value	449,466	144,933	105,836	400,428	1,100,663

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21. Due to banks

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Current accounts	120,842	22,834
Deposits	2,450,000	3,700,000
Total	2,570,842	3,722,834
Local banks	2,450,000	3,700,000
Foreign banks	120,842	22,834
Total	2,570,842	3,722,834

22. Customers' deposits

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Demand deposits	46,644,268	37,038,571
Time deposits	52,707,661	39,657,713
Certificates of deposit	9,239,801	8,425,868
Savings deposits	7,572,723	4,087,561
Other deposits	774,952	820,026
Total	116,939,405	90,029,739
Corporate deposits	92,753,967	71,618,334
Individual deposits	24,185,438	18,411,405
Total	116,939,405	90,029,739
Non-profit bearing balances	9,051,373	7,133,833
Floating profit bearing balances	98,252,555	73,448,032
Fixed profit bearing balances	9,635,477	9,447,874
Total	116,939,405	90,029,739
Current balances	107,174,139	77,403,729
Non-current balances	9,765,266	12,626,010
Total	116,939,405	90,029,739

23. Term financing

	<i>Rates</i>	<i>30 September 2024</i>	<i>31 December 2023</i>
		<i>EGP Thousands</i>	<i>EGP Thousands</i>
Egyptian Mortgage Refinance company (EMRC)	1%	280	360
Egyptian Mortgage Refinance company (EMRC)	3%	6,800	7,500
Egyptian Mortgage Refinance company (EMRC)	Variable	8,800	23,925
Export Development Bank of Egypt	Variable	-	13,163
European Bank for Reconstruction and Development (EBRD)	Variable	689,921	529,596
Total		705,801	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.

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

For the period ended 30 September 2024

24. Other liabilities

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Accrued cost of deposit	969,388	579,668
Clearing operations – CBE	275,701	297,484
Margin deposits	547,889	2,514,122
Accrued Taxes	967,570	872,353
Unearned revenue	28,103	27,633
Accrued expenses	615,372	319,962
Other credit balances	623,543	711,995
Total	4,027,566	5,323,217

25. Other provisions

<i>30 September 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	-	-	1,590	1,590
Utilized during the period	(597)	(1,104)	-	(1,701)
(Released) / charged during the period	(225)	39,579	40,878	80,232
Ending balance	40,264	229,921	147,810	417,995

<i>31 December 2023</i>				
Beginning balance	29,586	90,033	146,733	266,352
Foreign currency revaluation	-	-	2,049	2,049
Utilized during the year	(230)	(234)	(400)	(864)
Charged / (released) during the year	11,730	101,647	(43,040)	70,337
Ending balance	41,086	191,446	105,342	337,874

26. Capital**26.1 Authorized Capital**

Authorized capital amounts to EGP 20 billion as of September 2024 against (31 December 2023: EGP 10 billion).

On March 24, 2024, the Extraordinary General Assembly was held and approved increasing the authorized capital to reach 20 billion Egyptian pounds, an increase of 10 billion Egyptian pounds, and it was registered in the commercial register on August 1, 2024.

26.2 Issued and paid-up Capital

Issued and paid in capital amounts to EGP 9.1 billion at 30 September 2024 (31 December 2023: EGP 7 Billion) represented by 910 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 of the issued and paid up capital to reach 9.1 billion Egyptian pounds, an increase of 2.1 billion Egyptian pounds, to be distributed in the form of bonus shares of retained earnings based on the percentage of each shareholder's contribution and the same nominal value of the share at a value of 10 Egyptian pounds per share, and it was registered in the commercial register on August 1, 2024.

On March 24, 2024, the Ordinary General Assembly approved to increase of the issued and paid up capital to reach 10 billion Egyptian pounds, an increase of 900 million Egyptian pounds, to be distributed in the form of bonus shares of retained earnings based on the percentage of each shareholder's contribution and the same nominal value of the share at a value of 10 Egyptian pounds per share, and work is underway to mark it in the commercial register.

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

For the period ended 30 September 2024

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 2024</i>	<i>30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Cash	766,221	624,262
Due from banks with original maturities less than 3 months	22,007,273	10,154,466
Total	22,773,494	10,778,728

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

There are some existing cases filed against the bank on 30 September 2024 without provision as the bank does not expect to incur losses from it.

B- Fixed Assets and Branches Construction

The capital commitments as of 30 September 2024 amounted to EGP 38,557 thousand (31 December 2023: EGP 45,470 thousand), which represents purchasing of fixed assets. Management has full confidence towards the availability of funds to cover such commitments.

C- Commitments under operating lease contracts

The total minimum rental payment for irrevocable operating lease as at 30 September 2024 is EGP 229,952 thousand (31 December 2023 of EGP 247,232 thousand)

D- Contingent liabilities against letters of credit, documentary credits and other commitments

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Acceptances	258,275	96,929
Letters of guarantee	12,099,492	11,928,784
Letters of credit	475,290	164,667
Others	965	484,826
Total	12,834,022	12,675,206

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

For the period ended 30 September 2024

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>30 September 2024</i>	<i>31 December 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Due from banks	4,831,135	1,890,521
Due to banks	109,811	15,679

Interim Condensed Consolidated Income Statement

	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Financing income and similar revenues	125,140	104,200
Cost of deposits and similar expenses	-	(61)
Fees and Commission income	113	93

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 30 September 2024 is EGP 5,616 thousand.

30. Tax position**30.1 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 inspection was completed and an objection was made to the internal committee of tax authority.
- 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 and the bank dispute was transferred to the internal Committee of the tax authority.
- The period from 2005 till 2020 was inspected and completely settled.
- The period from 2021 to 2022 was inspected and completely settled.
- The bank taken into consideration the status of the above assessment while estimating the tax provision.

Real Estate Tax

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

30. Tax position (continued)**30.2 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 period from 2017 to 2023 has not been examined.

Stamp Duty Tax

- The company was inspected from the beginning of activity until 2012, and the tax was paid.
- The period from 2013 to 2019 was examined randomly, and work is underway to actually examine the period.
- The period from 2020 to 2023 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 2023 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.

31. Comparative Figures

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

32. Important Events

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%.

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 be considered that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual outcome may significantly be 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.