

**AHLI UNITED BANK**  
**(SAE)**

**Consolidated Condensed Interim Financial Statements**

**As of 31 March 2021**

**Limited Review Report**

**AHLI UNITED BANK EGYPT S.A.E**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
As of 31 March 2021

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<b>Page</b>	<b>Index</b>
	Limited Review Report on Condensed Consolidated Interim Financial
1	Statements
3	Condensed Consolidated Interim Balance Sheet
4	Condensed Consolidated Interim Income Statement
5	Condensed Consolidated Interim Statement of Comprehensive Income
6	Condensed Consolidated Interim Cash Flow Statement
7	Condensed Consolidated Interim Statement of Changes of Equity
8- 28	Notes to the Condensed Consolidated Interim Financial Statements

## **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 2021 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 consolidated condensed financial position of the Bank as of 31 March 2021 and of its consolidated condensed financial performance and its consolidated condensed 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.

**Cairo: 27 May 2021**

### **Auditors**

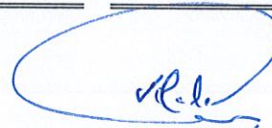
  
Amr Waheed Bayoumi  
Egyptian Financial Supervisory Authority Register no.358  
**Allied for Accounting & Auditing EY**

  
Ahmed Abdel Hady  
Egyptian Financial Supervisory Authority Register no.287  
**Change Chartered Accountants**

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

As of 31 March 2021

	Notes	31 March 2021 EGP Thousands	31 December 2020 EGP Thousands
<b>ASSETS</b>			
Cash and balances with Central Bank of Egypt	(12)	5,230,440	4,546,189
Due from banks	(13)	5,561,124	3,770,817
Treasury bills	(14)	3,922,850	7,134,231
Loans and advances to customers & banks (net)	(15)	30,897,124	29,698,946
Derivative financial instruments	(16)	13,670	11,397
<b>Financial Investments</b>			
- Financial assets at fair value through other comprehensive income	(17)	7,387,444	6,240,213
- Financial assets at Amortized cost	(17)	2,627,126	2,667,414
- Financial assets at Fair value through profit or loss	(17)	532,279	531,621
Investments properties (net)	(19)	34,850	35,058
Other assets	(20)	1,031,631	1,106,533
Property, plant and equipment (net)	(21)	652,590	631,396
<b>TOTAL ASSETS</b>		<b>57,891,128</b>	<b>56,373,815</b>
<b>LIABILITIES AND EQUITY</b>			
Due to banks	(22)	44,588	21,216
Derivative financial instruments	(16)	26,425	26,525
Borrowings under repurchase agreements	(14)	-	20,156
Customers' deposits	(23)	47,167,231	46,558,087
Other Loans	(24)	93,363	105,759
Other liabilities	(25)	2,081,743	1,272,477
Other provisions	(26)	165,453	163,157
<b>TOTAL LIABILITIES</b>		<b>49,578,803</b>	<b>48,167,377</b>
<b>EQUITY</b>			
Issued and paid-up-capital	(27)	3,000,000	3,000,000
Paid under Capital increase	(27)	2,000,000	-
Reserves	(28)	693,785	685,001
Retained earnings including net profit for the current period	(28)	2,618,540	4,521,437
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>8,312,325</b>	<b>8,206,438</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>57,891,128</b>	<b>56,373,815</b>

Hala Hatem Sadek  
CEO & Board Member

-The accompanying notes, (1) to (34) form an integral part of the condensed consolidated financial statements and to be read therewith.

-Limited review report attached



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

For the Period Ended 31 March 2021

	Note	<i>31 March 2021</i> <i>EGP Thousands</i>	<i>31 March 2020</i> <i>EGP Thousands</i>
Interest from loans and similar revenues	(5)	<b>1,240,214</b>	1,309,795
Interest on deposits and similar expenses	(5)	<b>(747,177)</b>	(783,863)
<b>Net interest income</b>		<b>493,037</b>	<b>525,932</b>
Fees and commission revenue	(6)	<b>96,115</b>	82,668
Fees and commission expense	(6)	<b>(6,698)</b>	(4,177)
<b>Net fees and commission income</b>		<b>89,417</b>	<b>78,491</b>
Net trading income	(7)	<b>25,469</b>	31,201
Gain on financial investments	(18)	<b>13,977</b>	39,575
Impairment (charges) / release for credit loss	(10)	<b>(22,690)</b>	2,473
Administrative expenses and depreciation	(8)	<b>(193,885)</b>	(172,281)
Other operating expenses	(9)	<b>(510)</b>	(53,970)
<b>Net profit before income tax</b>		<b>404,815</b>	451,421
Income tax expense	(11)	<b>(102,160)</b>	(114,099)
<b>Net profit for the period after tax</b>		<b>302,655</b>	<b>337,322</b>
Attributable to:			
Bank's equity shareholders		<b>302,655</b>	337,322
<b>Net profit of the period</b>		<b>302,655</b>	<b>337,322</b>

The accompanying notes, (1) to (34) form an integral part of the condensed consolidated financial statements and to be read therewith.

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

For the Period Ended 31 March 2021

	<b>31 March2021</b> <b>EGP Thousands</b>	31 March2020 EGP Thousands
<b>Net profit for the period</b>	<b>302,655</b>	337,322
<b>Items that will not be transferred to profit or loss</b>		
Net change in fair value of equity instruments measured at fair value through other comprehensive income	639	(2,323)
<b>Items that is or may be transferred to profit or loss</b>		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(54,111)	(199,416)
Fair value hedge – change in fair value of interest rate swaps	2,357	(9,103)
Expected credit loss of debt instruments measured at fair value through other comprehensive income	(1,104)	(7,545)
<b>Total comprehensive income for the period</b>	<b>250,436</b>	<b>118,935</b>

The accompanying notes, (1) to (34) form an integral part of the condensed consolidated financial statements and to be read therewith.

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

For the Period Ended 31 March 2021

	Notes	31 March 2021 EGP Thousands	31 March 2020 EGP Thousands
<b>Cash Flows from Operating activities</b>			
Profit before income tax		404,815	451,421
<b>Adjustments:</b>			
Depreciation	(8)	19,339	16,427
Net impairment Charges to Loans to Customers	(10)	22,823	780
Other provisions Charge during the period	(26)	2,396	6,880
Impairment Credit losses - Due From banks	(10)	(518)	1,938
Revaluation differences of other provisions in foreign currencies	(26)	(100)	(858)
Gain on sale of property, plant and equipment		(241)	-
Amortization of premium	(17)	19,890	(8,197)
Impairment credit loss release - Debt instruments at FVTOCI	(10)	(1,093)	(7,523)
Revaluation difference of Financial investments in foreign currencies	(17)	4,189	11,841
Utilization of other provision	(26)	-	(1,509)
Impairment charges - Treasury Bills	(10)	1,478	2,332
Revaluation of financial assets at fair value through profit or loss	(7)	(658)	-
<b>Operating income before changes in operating assets and liabilities</b>		<b>472,320</b>	<b>473,532</b>
<b>Net (Decreased) increase in assets and liabilities</b>			
Due from banks (deposits)	(13)	(1,094,853)	(636,299)
Treasury Bills (more than 3 months)	(14)	3,211,381	(2,305,739)
Financial investments-Fair value through profit or loss	(17)	(658)	(54)
Loans and advances to customers and banks	(15)	(1,221,001)	(1,147,391)
Other assets	(20)	74,902	(167,708)
Due to banks	(22)	23,372	2,608,515
Customers' deposits	(23)	609,144	336,741
Other liabilities	(25)	850,995	192,942
Derivative financial instruments	(16)	(2,373)	9,094
Income tax paid		(145,137)	(87,707)
<b>Net cash flows Provided from operating activities</b>		<b>2,758,936</b>	<b>934,274</b>
<b>Cash flows used in investing activities</b>			
Payments of other loans	(24)	(12,396)	(46,944)
Sale of investment -Fair value through other comprehensive income		286,652	860,293
Purchase of fixed assets	(17)	(40,282)	(24,754)
Redemption of Investments -Amortized cost	(17)	40,000	200,000
Proceeds from sale of property, plant and equipment		241	-
Purchase of investments	(17)	(1,519,373)	(2,262,469)
<b>Net cash used in investing activities</b>		<b>(1,245,159)</b>	<b>(1,273,874)</b>
<b>Cash flows used in Financing activities</b>			
Dividends and employees profit paid		(131,487)	(122,339)
<b>Net cash flows used in financing activities</b>		<b>(131,487)</b>	<b>(122,339)</b>
<b>Increase (Decrease) in cash and cash equivalents during the period</b>		<b>1,381,290</b>	<b>(461,939)</b>
Cash and cash equivalent at the beginning of the period		4,123,404	3,787,037
<b>Cash and cash equivalents at the end of the period</b>	(29)	<b>5,504,694</b>	<b>3,325,098</b>
<b>Cash and cash equivalents are represented as follows:</b>			
Cash and balances with Central Bank of Egypt	(12)	5,230,440	4,462,488
Balances with banks	(13)	5,561,124	2,834,575
Treasury Bills	(14)	3,922,850	5,461,528
Balances with Central Bank of Egypt - Mandatory Reserve	(12)	(4,847,015)	(3,971,965)
Deposits with banks with maturities more than 3 months	(13)	(439,855)	-
Treasury Bills with maturities more than 3 months	(14)	(3,922,850)	(5,461,528)
<b>Cash and cash equivalents at the end of the period</b>		<b>5,504,694</b>	<b>3,325,098</b>

The accompanying notes, (1) to (34) form an integral part of the standalone financial statements and to be read therewith.

**1- General information**

The Bank and its subsidiary (together "the Group") provides Institutional, Retail Banking and Investment Banking services within the Arab Republic of Egypt through its head office and 43 branches with 1063 employees at 31 March 2021.

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, Governorate of Cairo. On 14 July 2010 the Bank's shares were voluntarily delisted from the Cairo and Alexandria stock exchanges.

The Board of Directors has approved the Bank's financial statements on **26 May 2021**

**2- Summary of the significant accounting policies**

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

**A- Basis of preparation of the financial statements**

The consolidated financial statements have been prepared in accordance with the Central Bank of Egypt instructions approved by Its Board of Directors on December 16, 2008 consistent with the principles referred to, also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019.

The bank issued condensed financial statements based on the Central Bank of Egypt instructions issued on May 5, 2020, which allow banks to issue condensed quarterly financial statements .

Reference is made to what was not contained in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards .

These condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the Bank's financial statements as at and for the period ended 31 December 2020.

In preparing these condensed consolidated interim financial statements, significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the period ended 31 December 2020.



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

As of 31 March 2021

All Figures are in EGP 000

**3 - Financial risks management****A - Quality of financial assets**

The following figure illustrates the quality of financial assets during the period:

<b>31 March 2021</b>	<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>
<b>Financial Assets:</b>				
Due from banks	2,081,712	3,480,997	-	5,562,709
Treasury bills	3,920,403	174,371	-	4,094,774
Loans and advances to customers & banks	18,377,878	13,629,307	1,362,574	33,369,759
Debt Instruments at Fair value through other comprehensive income	7,082,345	220,183	-	7,302,528
Debt Instruments at Amortized Cost	2,627,126	-	-	2,627,126
	<u>34,089,464</u>	<u>17,504,858</u>	<u>1,362,574</u>	<u>52,956,896</u>

<b>31 December 2020</b>	<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>
<b>Financial Assets:</b>				
Due from banks	2,673,903	1,099,020	-	3,772,923
Treasury bills	7,191,249	174,626	-	7,365,875
Loans and advances to customers & banks	18,400,269	12,578,743	1,193,846	32,172,858
Debt Instruments at Fair value through other comprehensive income	5,967,295	188,615	-	6,155,910
Debt Instruments at Amortized Cost	2,667,414	-	-	2,667,414
	<u>36,900,130</u>	<u>14,041,005</u>	<u>1,193,846</u>	<u>52,134,980</u>

The following figure illustrates the expected credit loss at 31 March 2021

<b>31 March 2021</b>	<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>
<b>Financial Assets:</b>				
Due from banks	123	1,462	-	1,585
Treasury bills	-	1,926	-	1,926
Loans and advances to customers & banks	83,726	772,089	1,173,685	2,029,500
Debt Instruments at Fair value through other comprehensive income	1,432	4,362	-	5,794
Commitments on loans and collaterals	13,697	3,057	15,255	32,009
	<u>100,536</u>	<u>782,896</u>	<u>1,187,382</u>	<u>2,070,814</u>

<b>31 December 2020</b>	<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>
<b>Financial Assets:</b>				
Due from banks	496	1,610	-	2,106
Treasury bills	-	449	-	449
Loans and advances to customers & banks	97,000	819,049	1,088,375	2,004,424
Debt Instruments at Fair value through other comprehensive income	1,432	4,362	-	5,794
Debt Instruments at Amortized Cost	13,694	6,895	11,291	31,880
	<u>112,622</u>	<u>832,365</u>	<u>1,099,666</u>	<u>2,044,653</u>

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

As of 31 March 2021

All Figures are in EGP 000

**3 - Financial risks management (Cont....)****B - Capital risk management**

	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>According to Basel II</b>		
Total Tier 1	<b>8,298,254</b>	8,047,819
Total Tier 2	<b>107,738</b>	118,016
Total Capital Base	<b>8,405,992</b>	8,165,835
Total weighted risk of contingent assets and liabilities	<b>42,273,456</b>	41,045,737
<b>Capital Adequacy Ratio</b>	<b>19.88%</b>	19.89%

**C - Financial leverage risk management**

	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Tier 1 of the capital adequacy ratio</b>	<b>8,298,254</b>	7,924,326
<b>Total exposures in &amp; off-Balance Sheet</b>	<b>61,547,546</b>	59,976,258
<b>Leverage ratio%</b>	<b>13.48%</b>	13.21%

**4 - Segment analysis****4.1 Activity segment analysis**

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

**According to banking processes the segment analysis includes the following:**

**Large, medium & small institutions**

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

**Investments:**

It includes activities of corporate merge, investment purchase, financing corporate restructuring & financial instruments.

**Individuals:**

It includes activities of current accounts, saving, deposits, credit cards, personal loans & real-estate loans.

**Other activities:**

It includes other banking activities such as fund management. Transactions are applied within segment activities according to the Bank's activity cycle which include assets and liabilities; operational assets and liabilities that are presented in the Bank's balance sheet.

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

As of 31 March 2021

**4 - Segment analysis - Activity**

All Figures are in EGP 000

**31 March 2021****Revenues & expenses according to segment activities**

	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Segment activity revenues	311,119	7,271	158,316	808,826	89,732	1,375,265
Segment activity expenses	(181,758)	(4,411)	(48,014)	(724,896)	(11,371)	(970,450)
Activities results by segment	<b>129,361</b>	<b>2,861</b>	<b>110,302</b>	<b>83,930</b>	<b>78,361</b>	<b>404,816</b>
Income tax	(26,594)	(644)	(48,770)	(19,121)	(7,032)	(102,160)
Profit for the period	<b>102,768</b>	<b>2,217</b>	<b>61,532</b>	<b>64,810</b>	<b>71,329</b>	<b>302,655</b>

**Assets & liabilities according to segment activities**

Segment activity assets	31,216,772	510,452	23,282,423	1,864,398	1,017,083	57,891,128
Total assets	<b>31,216,772</b>	<b>510,452</b>	<b>23,282,423</b>	<b>1,864,398</b>	<b>1,017,083</b>	<b>57,891,128</b>
Segment activity liabilities	7,386,273	114,752	4,258,303	35,561,783	2,257,692	49,578,803
Total liabilities	<b>7,386,273</b>	<b>114,752</b>	<b>4,258,303</b>	<b>35,561,783</b>	<b>2,257,692</b>	<b>49,578,803</b>

**Other items for segment activity**

Depreciation	(6,899)	(330)	(3,004)	(8,156)	(950)	(19,339)
Net (charges) / release of ECL	(22,823)	--	133	--	--	(22,690)

**AHLI UNITED BANK EGYPT S.A.E**
**NOTES TO THE CONDENSED SEPARATE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**4 - Segment analysis – Activity**
**31 March 2020**
**Revenues & expenses according to segment activities**

	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Segment activity revenues	310,632	4,006	132,744	871,067	90,820	1,409,269
Segment activity expenses	(170,612)	(4,121)	(35,737)	(688,883)	(58,495)	(957,848)
Profit before tax	140,020	(115)	97,007	182,184	32,325	451,421
Income tax	(29,086)	26	(36,282)	(41,151)	(7,606)	(114,099)
Profit for the period	<b>110,934</b>	<b>(89)</b>	<b>60,725</b>	<b>141,033</b>	<b>24,719</b>	<b>337,322</b>

**Assets & liabilities according to segment activities**

Segment activity assets	25,941,372	279,961	21,257,964	5,886,847	3,007,670	56,373,815
Segment activity liabilities	25,941,372	279,961	21,257,964	5,886,847	3,007,670	56,373,815
Total liabilities	6,957,229	127,081	5,161,491	33,840,211	2,081,365	48,167,377
Segment activity liabilities	6,957,229	127,081	5,161,491	33,840,211	2,081,365	48,167,377

**Other items for segment activity**

Depreciation	(6,255)	(194)	(1,822)	(7,536)	(620)	(16,422)
Net (charges) / release of ECL	(780)	-	3,253	-	-	2,473

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

As of 31 March 2021

All Figures are in EGP 000

**5-Net interest income**

	31 March 2021	31 March 2020
<b>Interest from loans and similar income:</b>		
Loans and advances to customers	697,331	806,180
Treasury bills and bonds	480,600	455,009
Deposits and current accounts	62,283	48,606
<b>Total</b>	<b>1,240,214</b>	<b>1,309,795</b>
<b>Cost of deposits and similar expense:</b>		
Deposits and current accounts:		
Banks	(891)	(17,398)
Customers	(746,286)	(766,465)
<b>Total</b>	<b>(747,177)</b>	<b>(783,863)</b>
<b>Net interest income</b>	<b>493,037</b>	<b>525,932</b>

**6- Net fees and commission income**

	31 March 2021	31 March 2020
<b>Fees and commissions income:</b>		
Credit Fees and commissions	78,992	62,909
Custody fees	8,603	10,354
Other fees	8,520	9,405
<b>Total</b>	<b>96,115</b>	<b>82,177</b>
<b>Fees and commission expense:</b>		
Other fees	(6,698)	(4,177)
<b>Total</b>	<b>(6,698)</b>	<b>(4,177)</b>
<b>Net income from fees and commissions</b>	<b>89,417</b>	<b>78,491</b>

**7- Net trading income**

	31 March 2021	31 March 2020
Foreign exchange trading gains	24,811	31,147
Change in fair value of investment at FVTPL	658	54
<b>Net trading income</b>	<b>25,469</b>	<b>31,201</b>

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

As of 31 March 2021

All Figures are in EGP 000

**8- Administrative expense and Depreciation**

	31 March 2021	31 March 2020
<b>Staff cost:</b>		
Salaries and wages	(62,514)	(57,213)
Social insurance	(4,549)	(5,217)
	(67,063)	(62,430)
Depreciation and amortization	(19,339)	(16,427)
Other administrative expenses	(107,483)	(93,424)
<b>Total</b>	<b>(193,885)</b>	<b>(172,281)</b>

**9- Other operating expenses**

	31 March 2021	31 March 2020
Losses from non-trading assets and liabilities revaluation	(4,492)	(54,319)
Gain on sale of Property and Equipment	241	-
Other provisions (net of reversed amounts)	(2,398)	(6,881)
Other income	6,139	7,230
<b>Total</b>	<b>(510)</b>	<b>(53,970)</b>

**10- Impairment (charges) / release of credit loss**

	31 March 2021	31 March 2020
Loans and credit facilities to customers	(22,823)	(780)
Due from Banks	518	(1,938)
Debt instruments at FVTOCI	1,093	7,523
Treasury Bills	(1,478)	(2,332)
<b>Total</b>	<b>(22,690)</b>	<b>2,473</b>

**11- Income tax expense**

	31 March 2021	31 March 2020
Current Tax	113,106	125,960
Deferred Tax	(10,946)	(11,861)
<b>Net tax</b>	<b>102,160</b>	<b>114,099</b>

	31 March 2021	31 March 2020
Net profit before tax	404,815	451,421
Income tax (22.5%)	91,083	101,570
<b>Tax effect on:</b>		
Income not subject to tax	(2,866)	(4,049)
Provision	1,496	904
Depreciation differences	(23)	(112)
Others	23,416	27,647
<b>Income Tax Expense</b>	<b>113,106</b>	<b>125,960</b>

**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**12- Cash and balances with Central Bank of Egypt**

	31 March 2021	31 December 2020
Cash	383,425	352,587
Balances with CBE (mandatory reserve)	4,847,015	4,193,602
<b>Total</b>	<b>5,230,440</b>	<b>4,546,189</b>
Interest free balances	5,230,440	4,546,189

**13-Due from Banks**

	31 March 2021	31 December 2020
Current accounts	439,656	578,585
Deposits	5,123,053	3,194,338
	5,562,709	3,772,923
Less: ECL Allowance	(1,585)	(2,106)
<b>Total</b>	<b>5,561,124</b>	<b>3,770,817</b>
Balances at CBE other than those under the mandatory reserve	2,081,397	683,006
Local banks	1,105,627	983,973
Foreign Banks	2,375,685	2,105,944
	5,562,709	3,772,923
Less: ECL Allowance	(1,585)	(2,106)
<b>Total</b>	<b>5,561,124</b>	<b>3,770,817</b>



**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**14- Treasury bills & Borrowings under repurchase agreements****14.1 Treasury bills**

	31 March 2021	31 December 2020
<b>Treasury Bills at Amortized Cost</b>		
365 Days maturity	174,371	174,626
<b>Treasury Bills at Fair value through OCI</b>		
91 Days maturity	486,961	-
182 Days maturity	398,472	2,456,000
273 Days maturity	343,909	482,701
365 Days maturity	2,691,061	4,252,548
	<u>4,094,774</u>	<u>7,365,875</u>
<b>Less: Unearned interest</b>	<b>(169,998)</b>	<b>(231,195)</b>
Less: ECL Allowance	(1,926)	(449)
<b>Total</b>	<b><u>3,922,850</u></b>	<b><u>7,134,231</u></b>

**14.2 Borrowings under repurchase agreements**

Borrowings under repurchase agreements	-	20,156
<b>Total</b>	<b><u>-</u></b>	<b><u>20,156</u></b>

**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**15- Loans and advances to customers & banks**

	31 March 2021	31 December 2020
<b>Individuals</b>		
Overdrafts	493,553	481,534
Credit cards	31,245	32,755
Personal loans	849,269	843,023
Mortgage Loans	602,246	506,003
Other Loans	1,303,654	1,474,184
<b>Total (1)</b>	<b>3,279,967</b>	<b>3,337,500</b>
<b>Corporate loans including small loans:</b>		
Overdrafts	2,885,089	2,087,612
Direct loans	21,704,814	21,094,300
Syndication loans	5,138,115	5,310,458
<b>Total (2)</b>	<b>29,728,018</b>	<b>28,492,370</b>
<b>Total loans and advances to customers (1+2)</b>	<b>33,007,985</b>	<b>31,829,870</b>
Less :ECL Allowance	(2,027,798)	(2,003,176)
Less: interest in suspense	(168,444)	(163,126)
Less :Unearned discount	(271,972)	(303,958)
<b>Net amount distributed as follows:</b>	<b>30,539,771</b>	<b>29,309,610</b>
<b>Net loans and advances to customers</b>		
Loans and advances to banks	361,774	342,988
Less :ECL Allowance	(1,702)	(1,248)
Less :Unearned discount	(2,719)	(2,404)
<b>Net loans and advances to customers &amp; Banks</b>	<b>30,897,124</b>	<b>29,698,946</b>

## Analysis of provision for impairment loss of loans and facilities to customers

	31 March 2021	31 December 2020
Balance at the beginning of the period/year	2,004,424	1,859,678
ECL Allowance for the period/year (note 10)	24,335	165,840
Provisions no longer required (note 10)	(1,512)	(8,455)
Foreign exchange adjustments	741	(21,061)
Recoveries from written-off debts	1,512	8,455
Balance at the end of the period/year	<b>2,029,500</b>	<b>2,004,424</b>

**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

Analysis of provision for impairment loss of loans and facilities by type:

	31 March 2021	31 December 2020
<b>Retail</b>		
Balance at beginning of the period/year	42,882	85,655
ECL Allowance for the period/year (note 10)	-	(42,773)
<b>Balance at end of the period/year (1)</b>	<b>42,882</b>	<b>42,882</b>
<b>Corporate</b>		
Balance at beginning of the period/year	1,961,542	1,774,023
ECL Allowance for the period/year (note 10)	24,335	208,613
Provision no longer required (note 10)	(1,512)	(8,455)
Recoveries from written-off debts	1,512	8,455
Foreign exchange adjustments	741	(21,061)
<b>Balance at end of the period/year (2)</b>	<b>1,986,618</b>	<b>1,961,542</b>
<b>Total (1) + (2)</b>	<b>2,029,500</b>	<b>2,004,424</b>

**16-Financial Derivatives**

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

**31 March 2021**

	Contractual value	Assets	Liabilities
<b>Cash flow hedge</b>			
Interest rate swap	309,344	13,670	26,425
<b>Total assets / liabilities</b>	<b>309,344</b>	<b>13,670</b>	<b>26,425</b>

**31 December 2020**

	Contractual value	Assets	Liabilities
<b>Cash flow hedge</b>			
Interest rate swap	313,157	11,397	26,525
<b>Total assets / liabilities</b>	<b>313,157</b>	<b>11,397</b>	<b>26,525</b>

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

As of 31 March 2021

All Figures are in EGP 000

**17- Financial investments**

	31 March 2021	31 December 2020
<b>Fair value through Other Comprehensive Income</b>		
<b>A) Debt instruments – fair value</b>		
Listed (Treasury Bonds)	5,791,000	4,519,106
Listed (Non-government Bonds)	1,511,528	1,636,804
<b>B) Equity instruments - fair value</b>		
Unlisted	61,753	61,778
<b>C) Money Market Funds</b>		
AUBE Mutual Fund THARWA	13,351	13,040
AUBE Mutual Fund ALPHA	9,812	9,485
<b>Total financial investments at FVTOCI (1)</b>	<b>7,387,444</b>	<b>6,240,213</b>
<b>Financial investments at Amortized Cost</b>		
<b>A) Debt instruments – amortized cost</b>		
Government Bonds	2,627,126	2,667,414
<b>Total financial investments at Amortized Cost (2)</b>	<b>2,627,126</b>	<b>2,667,414</b>
<b>Fair value through profit or loss</b>		
<b>A) Debt instruments – fair value</b>		
Listed (Non-government Sukuk)	500,000	500,000
<b>B) Equity instruments</b>		
Listed	1,572	1,630
<b>C) Money Market Funds</b>		
AUBE Mutual Fund THARWA	30,707	29,991
<b>Total financial investments at FVTPL (3)</b>	<b>532,279</b>	<b>531,621</b>
<b>Total financial investments (1+2+3)</b>	<b>10,546,849</b>	<b>9,439,248</b>
 Current balances	 563,325	 63,408
Non-current balances	9,983,524	9,375,840
<b>Total</b>	<b>10,546,849</b>	<b>9,439,248</b>
 Equity instruments	 563,325	 63,408
Debt instruments	9,929,654	9,323,324
Mutual Funds	53,870	52,516
<b>Total</b>	<b>10,546,849</b>	<b>9,439,248</b>

**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

<b>31 March 2021</b>	<b>Financial assets at Fair value through OCI</b>	<b>Financial assets at Amortized Cost</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>	6,240,213	2,667,414	8,907,627
Additions	1,501,000	-	1,501,000
Amortization of discount	(19,602)	(288)	(19,890)
Disposals / Maturities	(286,652)	(40,000)	(326,652)
Foreign Currency Revaluation	(4,189)	-	(4,189)
Net fair value adjustments	(43,326)	-	(43,326)
<b>Balance at 31 March 2021</b>	<b>7,387,444</b>	<b>2,627,126</b>	<b>10,014,570</b>

<b>31 December 2020</b>	<b>Financial assets at Fair value through OCI</b>	<b>Financial assets at Amortized Cost</b>	<b>Total</b>
<b>Balance at 1 January 2020</b>	4,339,068	4,730,434	9,069,502
Additions	4,622,360	719,910	5,342,270
Amortization of discount	1,944	21,513	23,457
Disposals / Maturities	(2,640,308)	(2,804,443)	(5,444,751)
Foreign Currency Revaluation	6,581	-	6,581
Net fair value adjustments	(89,432)	-	(89,432)
<b>Balance at 31 December 2020</b>	<b>6,240,213</b>	<b>2,667,414</b>	<b>8,907,627</b>

**18-Gain on Financial investments**

	<b>31 March 2021</b>	<b>31 March 2020</b>
Profit on sale of treasury bills	7,511	19,428
Profit on Financial investments fair value through other comprehensive income	6,466	20,147
<b>Total</b>	<b>13,977</b>	<b>39,575</b>

**19- Investment properties (net)**

	<b>31 March 2021</b>	<b>31 December 2020</b>
Cost	41,646	41,646
Accumulated depreciation	(6,588)	(5,755)
Depreciation during the period/year	(208)	(833)
<b>Net Book Value</b>	<b>34,850</b>	<b>35,058</b>

**20- Other assets**

	<b>31 March 2021</b>	<b>31 December 2020</b>
Interest Receivable from Customers	491,096	497,745
Prepaid expenses	24,490	20,801
Advances for purchase of property, plant and equipment	173,276	168,944
Assets acquired as settlement of debts	146,865	146,013
Deposits held with other custody	8,126	7,734
Other assets	187,778	265,296
<b>Total</b>	<b>1,031,631</b>	<b>1,106,533</b>

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

As of 31 March 2021

**21 – Property, plant and equipment (net)**

	<i>Lands and buildings</i>	<i>Leased assets improvements</i>	<i>Equipment and machinery</i>	<i>Others</i>	<i>Total</i>
Net book value as of 1 January 2021	319,793	86,276	67,116	158,211	<b>631,396</b>
Additions	250	25,665	2,268	12,099	<b>40,282</b>
Disposals	-	-	-	(212)	<b>(212)</b>
Depreciation charge	(2,097)	(4,379)	(2,269)	(10,340)	<b>(19,089)</b>
Depreciation related to Disposals	-	-	-	212	<b>212</b>
<b>Net book value 31 March 2021</b>	<b>317,946</b>	<b>107,562</b>	<b>67,115</b>	<b>159,967</b>	<b>652,590</b>

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

Cost	383,684	228,082	114,181	357,520	<b>1,083,467</b>
Accumulated depreciation	(65,738)	(120,520)	(47,066)	(197,553)	<b>(430,877)</b>
<b>Net book value 31 March 2021</b>	<b>317,946</b>	<b>107,562</b>	<b>67,115</b>	<b>159,967</b>	<b>652,590</b>

	<i>Lands and buildings</i>	<i>Leased assets improvements</i>	<i>Equipment and machinery</i>	<i>Others</i>	<i>Total</i>
Net book value as of 1 January 2020	233,998	88,921	70,829	119,833	513,581
Additions	92,331	13,700	5,220	73,378	184,629
Disposals	-	-	(634)	(541)	(1,175)
Depreciation charge	(6,536)	(16,345)	(8,728)	(35,000)	(66,609)
Depreciation related to Disposals	-	-	429	541	970
<b>Net book value 31 December 2020</b>	<b>319,793</b>	<b>86,276</b>	<b>67,116</b>	<b>158,211</b>	<b>631,396</b>

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

Cost	383,434	202,417	111,913	345,632	1,043,396
Accumulated depreciation	(63,641)	(116,141)	(44,797)	(187,421)	(412,000)
<b>Net book value 31 December 2020</b>	<b>319,793</b>	<b>86,276</b>	<b>67,116</b>	<b>158,211</b>	<b>631,396</b>

**22-Due to banks**

	<b>31 March 2021</b>	<b>31 December 2020</b>
Current accounts	44,588	21,216
Deposits from Banks	-	-
<b>Total</b>	<b>44,588</b>	<b>21,216</b>
Local banks	-	-
Foreign banks	44,588	21,216
<b>Total</b>	<b>44,588</b>	<b>21,216</b>

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

As of 31 March 2021

All Figures are in EGP 000

**23-Customers' deposits**

	31 March 2021	31 December 2020
Demand deposits	15,419,970	15,400,543
Time deposits	22,438,498	22,186,609
Certificates of deposit	4,943,785	4,780,309
Savings deposits	3,825,233	3,851,444
Other deposits	539,745	339,182
<b>Total</b>	<b>47,167,231</b>	<b>46,558,087</b>

**24-Other Loans**

		31 March 2021	31 December 2020
Egyptian Mortgage Refinance company (EMRC)	1%	1,509	2,113
Egyptian Mortgage Refinance company (EMRC)	3%	17,255	16,079
Egyptian Mortgage Refinance company (EMRC)	Variable	46,991	58,421
Export Development Bank of Egypt	Variable	27,608	29,146
		<b>93,363</b>	<b>105,759</b>

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

**25- Other liabilities**

	31 March 2021	31 December 2020
Interest Payable	229,278	266,071
Clearing operations – CBE	110,613	122,223
Margin deposits	856,077	84,986
Accrued Taxes	326,956	358,989
Unearned revenue	19,099	21,409
Accrued expenses	56,421	68,492
Deferred tax liability	262,585	273,529
Dividends payable	140,777	-
Other credit balances	79,937	76,778
<b>Total</b>	<b>2,081,743</b>	<b>1,272,477</b>



**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**26- Other provisions**

	<i>Provision for legal claims</i>	<i>Claims provision</i>	<i>Contingent liabilities</i>	<i>Total</i>
Balance at 1 January 2021	31,730	99,547	31,880	163,157
Charged during the Period	200	2,023	173	2,396
Foreign currency translation	(2)	(54)	(44)	(100)
<b>Balance at 31 March 2021</b>	<b>31,928</b>	<b>101,516</b>	<b>32,009</b>	<b>165,453</b>

	<i>Provision for legal claims</i>	<i>Claims provision</i>	<i>Contingent liabilities</i>	<i>Total</i>
Balance at 1 January 2020	32,872	162,774	30,434	226,080
Charged during the year	430	600	1,507	2,537
No longer required	-	(34,540)	-	(34,540)
Utilized during the year	(1,541)	(28,560)	-	(30,101)
Foreign currency translation	(31)	(727)	(61)	(819)
<b>Balance at 31 December 2020</b>	<b>31,730</b>	<b>99,547</b>	<b>31,880</b>	<b>163,157</b>

**27-Capital****27.1 Authorized Capital**

Authorized capital amounts to EGP 4 Billion (31 December 2020: EGP 4 Billion).

**27.2 Issued and paid up Capital**

Issued and paid in capital amounts to EGP 3 Billion at 31 March 2021 represented by 300 Million Share with par value 10 EGP for each.

On March 29, 2021 the ordinary general assembly approved to increase of the bank's authorized capital up to EGP 10 billion and approved issuance of 200 million bonus shares out of retained earnings resulting in an increase in paid up capital by EGP 2 Billion to reach EGP 5 billion.

Commercial register update is in progress.

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

As of 31 March 2021

All Figures are in EGP 000

**28-Reserves and Retained Earnings**

	<i>31 March 2021</i>	31 December 2020
General banking risk reserve	<b>6,380</b>	6,380
General risk reserve	<b>11,884</b>	11,884
Legal reserve & Capital reserve	<b>564,759</b>	503,756
Fair value reserve	<b>110,762</b>	162,981
<b>Total reserves at the end of the period/Year</b>	<b>693,785</b>	<b>685,001</b>

**28-1 General Banking Risks Reserve**

	<i>31 March 2021</i>	31 December 2020
Balance at the beginning of the period/Year	<b>6,380</b>	6,029
Charge related to Assets reverted to the bank	-	351
<b>Balance at the end of the period/Year</b>	<b>6,380</b>	<b>6,380</b>

As per CBE Regulations, the Bank is required to create a general banking risk reserve for impact arising from any unexpected risks. And it is approved by the general assembly of the bank when it convenes to approve the annual separate financial statements The Bank will not make any distribution from this reserve without obtaining prior approval of the Central Bank, of Egypt.

**28-2 Legal and Capital Reserve**

	<i>31 March 2021</i>	31 December 2020
Balance at the beginning of the Year	<b>503,756</b>	437,916
Transfer from profit of previous years to legal reserve	<b>61,003</b>	65,840
<b>Balance at the end of the period/Year</b>	<b>564,759</b>	<b>503,756</b>

According to the Bank's Articles of Association 5% of the year's net profits are transferred to the legal reserve. The transfer to legal reserve shall be suspended when the balance thereof equivalent to 50% of the total issued capital.

**28-3 Fair value reserve**

	<i>31 March 2021</i>	31 December 2020
Balance at the beginning of the period / year	<b>162,981</b>	257,489
Net fair value movements during the period / year	<b>(52,219)</b>	(94,508)
<b>Balance at the end of the period/Year</b>	<b>110,762</b>	<b>162,981</b>

**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**28-4 Retained Earnings**

	<i>31 March 2021</i>	31 December 2020
Balance at the beginning of the period / year	<b>4,521,437</b>	3,948,626
Adjustments	(1,207)	-
Net profit for the period / year	<b>302,655</b>	1,217,264
Bonus shares	(2,000,000)	-
Cash dividends	-	(450,000)
Employees' profit share	(125,565)	(122,340)
Directors' remuneration	(5,922)	(5,922)
Transfer to general banking risk reserves	-	(351)
Transfer to Banking sector support fund	(11,855)	-
Transfer to legal reserve	(61,003)	(65,840)
<b>Balance at the end of year</b>	<b>2,618,540</b>	<b>4,521,437</b>

**29-Cash and cash equivalents**

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

	<i>31 March 2021</i>	31 December 2020
Cash and due from Central Bank	<b>5,230,440</b>	4,462,488
Due from banks	<b>5,561,124</b>	2,834,575
Treasury bills	<b>3,922,850</b>	5,461,528
Balances with CBE - mandatory reserve	(4,847,015)	(3,971,965)
Deposits with Banks	(439,855)	-
Treasury bills with maturities more than 3 months	(3,922,850)	(5,461,528)
<b>Total</b>	<b>5,504,694</b>	<b>3,325,098</b>

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

There are some existing cases filed against the bank on 31 March 2021 without provision as the bank does not expect to incur losses from it.

**B - Capital commitments. Liabilities against letters of credit, documentary credits and other commitments**

	<i>31 March 2021</i>	31 December 2020
Capital commitments of fixed assets	<b>174,340</b>	156,808
Commitments under operating lease contracts	<b>72,744</b>	85,122
Liabilities against letters of credit, documentary Credits and other Commitments	<b>7,590,828</b>	6,750,442
<b>Total</b>	<b>7,837,912</b>	<b>6,992,372</b>

**AHLI UNITED BANK EGYPT S.A.E****NOTES TO THE STANDALONE CONSOLIDATED FINANCIAL STATEMENTS**  
As of 31 March 2021

All Figures are in EGP 000

**31-Related party transactions**

The Bank is a subsidiary of Ahli United Bank - Bahrain B.S.C (The Parent) which owns 95.68 % of the ordinary shares and the remaining stake of 4.32 % owned by other shareholders. In addition, Bank owns 99.99% of the subsidiary company, AUFC

Following are related party transactions and balances during the financial period ended 31 March 2021 and 31 December 2020:

	31 March 2021	31 December 2020
Due from banks	613,861	418,297
Due to banks	30,411	5,837

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 31 March 2021 is EGP 2,682 thousand.

**32- Tax position****Income Tax**

- The Bank calculates and pays the income tax liability in due date based on the bank's tax declaration report.
- Income Tax assessment up to 2016 have been completed and settled.
- The tax examination data is being prepared for the years 2017/2018.
- 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 2016 settled with the tax authority-inspection completed.
- Period from 2017 till 2019 under inspections.
- The bank taken into consideration the status of the above assessment while estimating the tax provision.

**Salary Tax**

- The bank calculates, deducts and pays the monthly salary tax on a regular basis
- From the bank inception date till 1996 was assessed and the tax due was paid. Some periods are pending in the courts.
- From 1997 till 2002 is referred to the administrative court.
- From 2003 till 2004 was inspected and the bank dispute was transferred to the Interior Committee.
- The period from 2005 till 2019 settled with tax authority- inspection completed.
- The Bank has taken into consideration the status of the above assessments while estimating the tax provision.

**Real Estate Tax**

- The Bank has paid the real estate tax except for claims for overstatement and the bank objected.

**33-Comparative Figures**

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

**34 Important Events**

Some global major events have occurred, which included the Arab Republic of Egypt, where the outbreak of the Coronavirus occurred soon before the end of 2019.

The World Health Organization has announced that the outbreak can be described as a global pandemic, and the government has introduced various measures to combat the outbreak,

Including travel restrictions, quarantine, business closures and other places, and these government responses and their corresponding effects are still developing, which is expected to affect the economic climate, which in turn could expose the company to various risks, including a substantial decrease in revenues, assessment of impairment of assets and other risks.

AUB is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance. Based on the uncertainties caused by COVID-19 and in anticipation of the expected economic slowdown, AUB is closely monitoring the loan portfolio considering the relevant impact of COVID-19 on the qualitative and quantitative factors where determining the significant increase in Credit Risk is specifically for the exposures of the mostly affected sectors.

Accordingly, AUB is continuing its internal protective action started in Q1 2020 by enhancing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the COVID-19 impact on the loan portfolio as of end of December 2020. Further precautionary actions might be taken.

**34 Important Events (Cont....)**

Although it is difficult to determine the amount of this effect at present, this effect may appear in future financial statements.

The size of the impact varies according to the expected extent and the period of time over which these events are expected to end and their impact

On 15 September 2020, CBE issued law no. 194 for 2020 "Central Bank and Banking Sector law" replacing law no. 88 for 2003.

The law addresses the Central Bank of Egypt in addition to the Egyptian banking sector who are mandated to comply with this law provisions within a maximum period of 1 year from the issuance of the law i.e. by 14 September 2021 including raising the Egyptian Banks minimum capital requirements from EGP 500 million to EGP 5 billion. CBE's BOD may extend the grace period for regularization up to maximum of two years. The law executive regulations will be issued by CBE.

In addition, the law requires all banks to prepare interim financial statements in accordance to Egyptian accounting standards. These financial statements are to be published in 1 newspaper and on the bank's, website attached to them a summary of the auditor's report and BOD report.