

AHLI UNITED BANK
(SAE)

Condensed Separate Interim Financial Statements

As of 31 March 2021

Limited Review Report

AHLI UNITED BANK EGYPT S.A.E
CONDENSED SEPARATE INTERIM BALANCE SHEET
As of 31 March 2021

Page	Index
	Limited Review Report on Condensed Separate Interim Financial
2	Statements
3	Condensed Separate Interim Balance Sheet
4	Condensed Separate Interim Income Statement
5	Condensed Separate Interim Statement of Comprehensive Income
6	Condensed Separate Interim Cash Flow Statement
7	Condensed Separate Interim Statement of Changes of Equity
8- 28	Notes to the Condensed Separate Interim Financial Statements

Limited Review Report on Separate Condensed Interim Financial Statements

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

Introduction

We have performed a limited review on the accompanying separate condensed financial statements of Ahli United Bank Egypt (SAE) as of 31 March 2021 and the related separate condensed statement of financial position, separate condensed statement of income, separate condensed Statement of Comprehensive Income, separate condensed changes in equity and cash flows for the 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 separate condensed interim financial statements in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations. Our responsibility is to express a conclusion on these separate condensed interim financial statements based on our limited review.

Scope of Limited Review


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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that accompanying separate condensed interim financial statements do not present fairly, in all material respects, the separate condensed financial position of the Bank as of 31 March 2021 and of its separate condensed financial performance and its separate condensed cash flows for the three months then ended in accordance with the bases of recognition and measurement issued by the central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations.

Cairo: 27 May 2021

Auditors

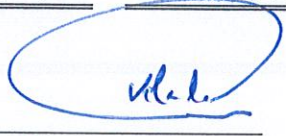

A Member of
Ernst & Young Global
Amr Waleed Bayoumi
Egyptian Financial Supervisory Authority Register no.358
Allied for Accounting & Auditing EY


CHANGE
CHARTERED ACCOUNTANTS
Ahmed Abdel Hady
Egyptian Financial Supervisory Authority Register no.287
Change Chartered Accountants

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

As of 31 March 2021

	Notes	31 March 2021 EGP Thousands	31 December 2020 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	5,230,440	4,546,189
Due from banks	(14)	5,560,800	3,769,782
Treasury bills	(15)	3,922,850	7,134,231
Loans and advances to customers & banks (net)	(16)	30,644,757	29,451,950
Derivative financial instruments	(17)	13,670	11,397
Financial Investments			
- Financial assets at fair value through other comprehensive income	(18)	7,382,718	6,235,487
- Financial assets at Amortized cost	(18)	2,627,126	2,667,414
- Financial assets at Fair value through profit or loss	(18)	532,279	531,621
Financial Investments in subsidiaries	(20)	54,468	54,468
Investments properties (net)	(21)	34,850	35,058
Other assets	(22)	1,030,675	1,104,891
Property, plant and equipment (net)	(23)	651,217	630,019
TOTAL ASSETS		57,685,850	56,172,507
LIABILITIES AND EQUITY			
Due to banks	(24)	44,588	21,216
Derivative financial instruments	(17)	26,425	26,525
Borrowings under repurchase agreements	(15)	-	20,156
Customers' deposits	(25)	47,177,411	46,578,918
Other liabilities	(26)	2,045,134	1,239,998
Other provisions	(27)	164,084	161,937
TOTAL LIABILITIES		49,457,642	48,048,750
EQUITY			
Issued and paid-up-capital	(28)	3,000,000	3,000,000
Paid under capital increase	(28)	2,000,000	-
Reserves	(29)	687,611	680,177
Retained earnings including net profit for the current period	(29)	2,540,597	4,443,580
TOTAL SHAREHOLDERS' EQUITY		8,228,208	8,123,757
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		57,685,850	56,172,507



Hala Hatem Sadek
CEO & Board Member

-The accompanying notes, (1) to (35) form an integral part of the condensed standalone financial statements and to be read therewith.

-Limited review report attached

AHLI UNITED BANK EGYPT S.A.E**CONDENSED SEPARATE 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)	1,228,528	1,292,662
Interest on deposits and similar expenses	(5)	(744,651)	(777,694)
Net interest income		483,877	514,968
Fees and commission revenue	(6)	95,494	82,177
Fees and commission expense	(6)	(6,698)	(4,177)
Net fees and commission income		88,796	78,000
Net trading income	(7)	25,469	31,201
Gain on financial investments	(19)	13,977	39,575
Impairment (charges) / release for credit loss	(10)	(22,015)	2,473
Administrative expenses and depreciation	(8)	(192,219)	(170,585)
Other operating income / (expenses)	(9)	210	(53,250)
Net profit before income tax		398,095	442,382
Income tax expense	(11)	(100,648)	(112,018)
Net profit for the period		297,447	330,364
Earnings per share	(12)	0.99	1.10

The accompanying notes, (1) to (35) form an integral part of the condensed standalone financial statements and to be read therewith.

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

For the Period Ended 31 March 2021

	<i>31 March 2021</i> <i>EGP Thousands</i>	<i>31 March 2020</i> <i>EGP Thousands</i>
Net profit for the period	297,447	330,364
Income items that will not be transferred to profit or loss		
Net change in fair value of equity instruments measured at fair value through other comprehensive income	639	(2,323)
Items that is or may be transferred to profit or loss		
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	(7,545)
Expected credit loss of debt instruments measured at fair value through other comprehensive income	(1,104)	(9,103)
Total comprehensive income for the period	245,228	111,977

The accompanying notes, (1) to (35) form an integral part of the condensed standalone financial statements and to be read therewith.

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

For the Period Ended 31 March 2021

	Notes	31 March 2021 EGP Thousands	31 March 2020 EGP Thousands
Cash Flows from Operating activities			
Profit before income tax		398,095	442,382
Adjustments:			
Depreciation	(8)	19,293	16,422
Net impairment Charges to Loans to Customers	(10)	22,148	780
Other provisions Charge during the period	(27)	2,247	6,730
Impairment Credit losses - Due from banks	(10)	(518)	1,938
Revaluation differences of other provisions in foreign currencies	(28)	(100)	(858)
Gain on sale of property, plant and equipment		(241)	-
Amortization of premium	(18)	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	(18)	4,189	11,841
Utilization of other provision	(27)	-	(1,509)
Impairment charges - Treasury Bills	(10)	1,478	2,333
Revaluation of financial assets at fair value through profit or loss	(7)	(658)	-
Operating income before changes in operating assets and liabilities		464,730	464,339
Net (Decreased) increase in assets and liabilities			
Due from banks	(14)	(1,094,853)	(636,299)
Treasury Bills	(15)	3,211,381	(2,305,739)
Financial investments-Fair value through profit or loss	(18)	(658)	(54)
Loans and advances to customers and banks	(16)	(1,214,955)	(1,207,799)
Other assets	(22)	74,216	(167,319)
Due to banks	(24)	23,372	2,608,515
Customers' deposits	(25)	598,493	354,426
Other liabilities	(26)	846,234	201,921
Derivative financial instruments	(17)	(2,373)	9,094
Borrowings under repurchase agreements	(15)	(20,156)	1,658,348.00
Income tax paid		(141,746)	(95,745)
Net cash flows Provided from operating activities		2,743,685	883,688
Cash flows used in investing activities			
Payments to purchase of property, plant and equipment		(40,282)	(24,305)
Proceeds from sale of property, plant and equipment		241	-
Sale of investment -Fair value through other comprehensive income	(18)	286,652	860,293
Redemption of Investments -Amortized cost	(18)	40,000	200,000
Purchase of investment	(18)	(1,519,373)	(2,262,469)
Net cash flows Provided from (used in) investing activities		(1,233,763)	(1,226,481)
Cash flows used in Financing activities			
Dividends and employees profit paid		(128,922)	(120,000)
Net cash flows used in financing activities		(128,922)	(120,000)
Increase (Decrease) in cash and cash equivalents during the period		1,382,001	(462,793)
Cash and cash equivalent at the beginning of the period		4,122,369	3,787,037
Cash and cash equivalents at the end of the period	(30)	5,504,370	3,324,244
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	5,230,440	4,462,488
Balances with banks	(14)	5,560,800	2,833,721
Treasury Bills	(15)	3,922,850	5,461,528
Balances with Central Bank of Egypt - Mandatory Reserve	(13)	(4,847,015)	(3,971,965)
Deposits with banks with maturities more than 3 months	(14)	(439,855)	-
Treasury Bills with maturities more than 3 months	(15)	(3,922,850)	(5,461,528)
Cash and cash equivalents at the end of the period		5,504,370	3,324,244

The accompanying notes, (1) to (35) form an integral part of the condensed standalone financial statements and to be read therewith.

AHLI UNITED BANK EGYPT S.A.E

CONDENSED SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY

For the Period Ended 31 March 2021

	Paid-up-capital	Paid Under Capital Increase	General Risk Reserve	Legal reserves & Capital reserve	Reserve of General Bank Risk	Fair value reserve	Retained earnings	Total
Balances as of 1 January 2020	3,000,000	-	11,884	436,164	6,027	255,764	3,898,090	7,607,929
Transferred to reserves	-	-	-	64,495	-	-	(64,495)	-
Directors' remuneration	-	-	-	-	-	-	(5,922)	(5,922)
Dividend to shareholder	-	-	-	-	-	-	(450,000)	(450,000)
Employees profit paid	-	-	-	-	-	-	(120,000)	(120,000)
Net change in other comprehensive income	-	-	-	-	-	(218,387)	-	(218,387)
Net profit for the period	-	-	-	-	-	-	330,364	330,364
Balances as of 31 March 2020	3,000,000	-	11,884	500,659	6,027	37,377	3,588,037	7,143,984
Balances as of 1 January 2021	3,000,000	-	11,884	500,659	6,378	161,256	4,443,580	8,123,757
Transfer to Bonus shares	-	2,000,000	-	-	-	-	(2,000,000)	-
Transferred to reserves	-	-	-	59,653	-	-	(59,653)	-
Directors' remuneration	-	-	-	-	-	-	(5,922)	(5,922)
Employees profit paid	-	-	-	-	-	-	(123,000)	(123,000)
Transferred to banking Sector support fund	-	-	-	-	-	-	(11,855)	(11,855)
Net change in other comprehensive income	-	-	-	-	-	(52,219)	-	(52,219)
Net profit for the period	-	-	-	-	-	-	297,447	297,447
Balances as of 31 March 2021	3,000,000	2,000,000	11,884	560,312	6,378	109,037	2,540,597	8,228,208

The accompanying notes, (1) to (35) form an integral part of the condensed standalone financial statements and to be read therewith.

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE CONDENSED SEPARATE INTERIM 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:

31 March 2021	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	2,081,388	3,480,997	-	5,562,385
Treasury bills	3,920,403	174,371	-	4,094,774
Loans and advances to customers & banks	18,030,562	13,629,307	1,362,574	33,022,443
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
	33,741,824	17,504,858	1,362,574	52,609,256

31 December 2020	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	2,672,868	1,099,020	-	3,771,888
Treasury bills	7,191,249	174,626	-	7,365,875
Loans and advances to customers & banks	17,904,401	12,759,310	1,183,711	31,847,422
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
	36,403,227	14,221,572	1,183,711	51,808,510

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

31 March 2021	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	123	1,462	-	1,585
Treasury bills	-	1,926	-	1,926
Loans and advances to customers & banks	73,687	772,089	1,167,955	2,013,731
Debt Instruments at Fair value through other comprehensive income	1,432	4,362	-	5,794
Commitments on loans and collaterals	15,255	3,057	13,697	32,009
	90,497	782,896	1,181,652	2,055,045

31 December 2020	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	496	1,610	-	2,106
Treasury bills	-	449	-	449
Loans and advances to customers & banks	86,094	820,769	1,086,014	1,992,877
Debt Instruments at Fair value through other comprehensive income	1,432	4,362	-	5,794
Commitments on loans and collaterals	13,694	6,895	11,291	31,880
	101,716	834,085	1,097,305	2,033,106

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

All Figures are in EGP 000

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

	31 March 2021 EGP (000's)	31 December 2020 EGP (000's)
According to Basel II		
Total Tier 1	8,298,254	8,047,819
Total Tier 2	107,738	118,016
Total Capital Base	8,405,992	8,165,835
Total weighted risk of contingent assets and liabilities	42,273,456	41,045,737
Capital Adequacy Ratio	19.88%	19.89%

C - Financial leverage risk management

	31 March 2021 EGP (000's)	31 December 2020 EGP (000's)
Tier 1 of the capital adequacy ratio	8,298,254	8,047,819
Total exposures in & off-Balance Sheet	61,547,546	59,976,258
Leverage ratio%	13.48%	13.42%

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 INTERIM FINANCIAL STATEMENTS
As of 31 March 2021

4 - Segment analysis - Activity

All Figures are in EGP 000

31 March 2021	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	311,119	7,271	158,316	797,029	89,732	1,363,468
Segment activity expenses	(181,758)	(4,411)	(48,014)	(719,819)	(11,371)	(965,373)
Profit before tax	129,361	2,861	110,302	77,210	78,361	398,096
Income tax	(26,594)	(644)	(48,770)	(17,609)	(7,032)	(100,648)
Profit for the period	102,768	2,217	61,532	59,602	71,329	297,447
Assets & liabilities according to segment activities						
Segment activity assets	31,216,772	510,452	23,282,423	1,659,120	1,017,083	57,685,850
Total assets	31,216,772	510,452	23,282,423	1,659,120	1,017,083	57,685,850
Segment activity liabilities	7,386,273	114,752	4,258,303	35,440,622	2,257,692	49,457,642
Total liabilities	7,386,273	114,752	4,258,303	35,440,622	2,257,692	49,457,642
Other items for segment activity						
Depreciation	(6,899)	(330)	(3,004)	(8,110)	(950)	(19,293)
Net (charges) / release of ECL	(22,148)	--	133	--	--	(22,015)

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

As of 31 March 2021

All Figures are in EGP 000

5-Net interest income

	31 March 2021	31 March 2020
Interest from loans and similar income:		
Loans and advances to customers	685,645	789,047
Treasury bills and bonds	480,600	455,009
Deposits and current accounts	62,283	48,606
Total	1,228,528	1,292,662
Cost of deposits and similar expense:		
Deposits and current accounts:		
Banks	(891)	(17,398)
Customers	(743,760)	(760,296)
Total	(744,651)	(777,694)
Net interest income	483,877	514,968

6- Net fees and commission income

	31 March 2021	31 March 2020
Fees and commissions income:		
Credit Fees and commissions	78,992	62,909
Custody fees	8,603	10,354
Other fees	7,899	8,914
Total	95,494	82,177
Fees and commission expense:		
Other fees	(6,698)	(4,177)
Total	(6,698)	(4,177)
Net income from fees and commissions	88,796	78,000

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
Net trading income	25,469	31,201

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

As of 31 March 2021

All Figures are in EGP 000

8- Administrative expense and Depreciation

	31 March 2021	31 March 2020
Staff cost:		
Salaries and wages	(61,928)	(57,213)
Social insurance	(4,522)	(3,988)
	<u>(66,450)</u>	<u>(61,201)</u>
Depreciation and amortization	(19,293)	(16,422)
Other administrative expenses	(106,476)	(92,962)
Total	<u>(192,219)</u>	<u>(170,585)</u>

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)	(2,247)	(6,730)
Other income	6,708	7,799
Total	<u>210</u>	<u>(53,250)</u>

10- Impairment (charges) / release of credit loss

	31 March 2021	31 March 2020
Loans and credit facilities to customers	(22,148)	(780)
Due from Banks	518	(1,938)
Debt instruments at FVTOCI	1,093	7,523
Treasury Bills	(1,478)	(2,332)
Total	<u>(22,015)</u>	<u>2,473</u>

11- Income tax expense

	31 March 2021	31 March 2020
Current Tax	111,594	123,879
Defferd Tax	(10,946)	(11,861)
Net tax	<u>100,648</u>	<u>112,018</u>

	31 March 2021	31 March 2020
Net profit before tax	398,095	442,382
Income tax (22.5%)	89,571	99,536
Tax effect on:		
Income not subject to tax	(2,866)	(4,049)
Provision	1,496	904
Depreciation differences	(23)	(112)
Others	23,416	27,600
Income Tax Expense	<u>111,594</u>	<u>123,879</u>

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

As of 31 March 2021

All Figures are in EGP 000

15- Treasury bills & Borrowings under repurchase agreements**15.1 Treasury bills**

	31 March 2021	31 December 2020
Treasury Bills at Amortized Cost		
365 Days maturity	174,371	174,626
Treasury Bills at Fair value through OCI		
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>
Less: Unearned interest	(169,998)	(231,195)
Less: ECL Allowance	(1,926)	(449)
Total	<u>3,922,850</u>	<u>7,134,231</u>

15.2 Borrowings under repurchase agreements

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

16- Loans and advances to customers & banks

	31 March 2021	31 December 2020
Individuals		
Overdrafts	493,553	481,534
Credit cards	31,245	32,755
Personal loans	849,269	843,023
Other Loans	1,303,654	1,474,184
Total (1)	<u>2,677,721</u>	<u>2,831,496</u>
Corporate loans including small loans:		
Overdrafts	2,885,089	2,087,612
Direct loans	21,959,744	21,274,867
Syndication loans	5,138,115	5,310,459
Total (2)	<u>29,982,948</u>	<u>28,672,938</u>
Total loans and advances to customers (1+2)	32,660,669	31,504,434
Less :ECL Allowance	(2,012,029)	(1,991,630)
Less: interest in suspense	(168,444)	(163,126)
Less :Unearned discount	(192,792)	(237,065)
Net amount distributed as follows:	<u>30,287,404</u>	<u>29,112,613</u>
Net loans and advances to customers	30,287,404	29,112,613
Loans and advances to banks	361,774	342,988
Less :ECL Allowance	(1,702)	(1,247)
Less :Unearned discount	(2,719)	(2,404)
Net loans and advances to customers & Banks	<u>30,644,757</u>	<u>29,451,950</u>

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

As of 31 March 2021

All Figures are in EGP 000

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	1,992,877	1,845,128
ECL Allowance for the Period/Year (note 10)	23,660	168,680
Provisions no longer required (note 10)	(1,512)	(8,455)
Foreign currency translation	(2,806)	(20,898)
Recoveries from written-off debts	1,512	8,455
Balance at the end of the Period/Year	2,013,731	1,992,877

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

	31 March 2021	31 December 2020
Retail		
Balance at the beginning of the Period/Year	27,721	70,494
ECL Allowance for the Period/Year (note 10)	-	(42,773)
Balance at the end of the Period/Year (1)	27,721	27,721
Corporate and Banks		
Balance at the beginning of the Period/Year	1,965,156	1,774,634
ECL Allowance for the Period/Year (note 10)	23,660	211,453
Provisions no longer required (note 10)	(1,512)	(8,455)
Foreign currency translation	(2,806)	(20,898)
Recoveries from written-off debts	1,512	8,455
Writ-off during the period/year	-	(33)
Balance at the end of the Period/Year (2)	1,986,010	1,965,156
Total (1) + (2)	2,013,731	1,992,877

17-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
Cash flow hedge			
Interest rate swap	309,344	13,670	26,425
Total assets / liabilities	309,344	13,670	26,425

31 December 2020

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

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

As of 31 March 2021

All Figures are in EGP 000

18- Financial investments

	31 March 2021	31 December 2020
Fair value through Other Comprehensive Income		
Debt instruments – fair value		
Listed (Treasury Bonds)	5,791,000	4,519,106
Listed (Non-government Bonds)	1,511,528	1,636,804
Equity instruments - fair value		
Unlisted	57,027	57,052
Money Market Funds		
AUBE Mutual Fund THARWA	13,351	13,040
AUBE Mutual Fund ALPHA	9,812	9,485
Total financial investments at FVTOCI (1)	7,382,718	6,235,487
Financial investments at Amortized Cost		
Debt instruments – amortized cost		
Government Bonds	2,627,126	2,667,414
Total financial investments at Amortized Cost (2)	2,627,126	2,667,414
Fair value through profit or loss		
Debt instruments – fair value		
Listed (Non-government Sukuk)	500,000	500,000
Equity instruments		
Listed	1,572	1,630
Money Market Funds		
AUBE Mutual Fund THARWA	30,707	29,991
Total financial investments at FVTPL (3)	532,279	531,621
Total financial investments (1+2+3)	10,542,123	9,434,522
Current Balances	58,599	58,682
Non- current Balances	10,483,524	9,375,840
Total	10,542,123	9,434,522
Equity Instruments	58,599	58,682
Debt Instruments	10,429,654	9,323,324
Mutual Funds	53,879	52,516
Total	10,542,123	9,434,522

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

As of 31 March 2021

All Figures are in EGP 000

31 March 2021	Financial assets at Fair value through OCI	Financial assets at Amortized Cost	Total
Balance at 1 January 2021	6,235,487	2,667,414	8,902,901
Additions	1,501,000	0	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)
Balance at 31 March 2021	7,382,718	2,627,126	10,009,844

31 December 2020	Financial assets at Fair value through OCI	Financial assets at Amortized Cost	Total
Balance at 1 January 2020	4,334,342	4,730,434	9,064,776
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)
Balance at 31 December 2020	6,235,487	2,667,414	8,902,901

19-Gain on Financial Investments

	31 March 2021	31 March 2020
Gain on sale of treasury bills	7,511	19,428
Gain on sale of financial investment – FVTOCI	6,466	20,147
Total	13,977	39,575

20-Financial investment in subsidiaries

	31 March 2021	31 December 2020
Ahli United Finance Company (Unlisted) - Owned 100%	54,468	54,468

21- Investment properties (net)

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

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

As of 31 March 2021

All Figures are in EGP 000

22- Other assets

	31 March 2021	31 December 2020
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	186,822	263,654
Total	1,030,675	1,104,891

23 – 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	156,834	630,019
Additions	250	25,665	2,268	12,099	40,282
Disposals	-	-	-	(212)	(212)
Depreciation charge	(2,097)	(4,379)	(2,269)	(10,340)	(19,085)
Depreciation related to Disposals	-	-	-	212	212
Net book value 31 March 2021	317,946	107,562	67,115	158,594	651,217

Balance at the end of current period represents in:

Cost	383,685	228,082	114,328	398,304	1,124,399
Accumulated depreciation	(65,739)	(120,519)	(47,213)	(239,711)	(473,182)
Net book value 31 March 2021	317,946	107,563	67,115	158,593	651,217

	<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	119,645	513,393
Additions	92,331	13,700	5,220	72,145	183,396
Disposals	-	-	634.00	(541)	(1,175)
Depreciation charge	(6,536)	(16,345)	(8,728)	(34,956)	(66,565)
Depreciation related to Disposals	-	-	429.00	541	970
Net book value 31 December 2020	319,793	86,276	67,116	156,834	630,019

Balance at the end of current period represents in:

Cost	383,435	202,417	112,059	386,417	1,084,328
Accumulated depreciation	(63,642)	(116,141)	(44,944)	(229,582)	(454,309)
Net book value 31 December 2020	319,793	86,276	67,116	156,835	630,019

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

As of 31 March 2021

All Figures are in EGP 000

24-Due to banks

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

25-Customers' deposits

	31 March 2021	31 December 2020
Demand deposits	15,430,150	15,421,374
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
Total	47,177,411	46,578,918

26- 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	321,313	351,465
Unearned revenue	19,099	21,409
Accrued expenses	55,018	68,356
Deferred tax liability	262,570	273,516
Dividends Payable	140,777	-
Other credit balances	50,389	51,972
Total	2,045,134	1,239,998

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

As of 31 March 2021

All Figures are in EGP 000

27- 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	98,327	31,880	161,937
Charged during the Period	200	1,874	173	2,247
Foreign currency translation	(2)	(54)	(44)	(100)
Balance at 31 March 2021	31,928	100,147	32,009	164,084
Balance at 1 January 2020	32,872	162,154	30,434	225,460
Charged (release) during the year	430	-	1,507	1,937
No longer required	-	(34,540)	-	(34,540)
Used during the year	(1,541)	(28,560)	-	(30,101)
Foreign currency translation	(31)	(727)	(61)	(819)
Balance at 31 December 2020	31,730	98,327	31,880	161,937

28-Capital**28.1 Authorized Capital**

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

28.2 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 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

29-Reserves and Retained Earnings

	<i>31 March 2021</i>	<i>31 December 2020</i>
General banking risk reserve	6,378	6,378
Legal & Capital reserve	560,312	500,659
Fair value reserve	109,037	161,256
General Risk reserve	11,884	11,884.00
Total reserves at the end of the period/Year	687,611	680,177

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

As of 31 March 2021

All Figures are in EGP 000

29-1 General Banking Risks Reserve

	<i>31 March 2021</i>	<i>31 December 2020</i>
Balance at the beginning of the period/Year	6,378	6,027
Charge related to Assets reverted to the bank	-	351
IFRS 9 implementation adjustments	-	-
Balance at the end of the period/Year	6,378	6,378

* As per CBE Regulations, the Bank is required to create a general banking risk reserve for impact arising from any unexpected risks. The Bank will not make any distribution from this reserve without obtaining prior approval of the Central Bank, of Egypt.

29-2 Legal and Capital Reserve

	<i>31 March 2021</i>	<i>31 December 2020</i>
Balance at the beginning of the Period/Year	500,659	436,164
Transfer from profit of previous year to Legal reserve	59,653	64,659
Balance at the end of the period/Year	560,312	500,659

* 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.

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

As of 31 March 2021

All Figures are in EGP 000

29-3 Fair value reserve

	<i>31 March 2021</i>	<i>31 March 2020</i>
Balance at the beginning of the Period/Year	161,256	255,764
Fair value movements during Period/year	(51,115)	(91,486)
Expected credit loss of debt instruments measured at fair value through Other comprehensive income	(1,104)	(3,022)
Balance at the end of the period/Year	109,037	161,256

29-4 Retained Earnings

	<i>31 March 2021</i>	<i>31 December 2020</i>
Balance at the beginning of the period/year	4,443,580	3,898,090
Transfer to legal reserve	(59,653)	(64,495)
Bonus shares	(2,000,000)	-
Cash dividends	-	(450,000)
Employees' profit share	(123,000)	(120,000)
Directors' remuneration	(5,922)	(5,922)
Transferred to GBRR	-	(351)
Net profit for the year	297,447	1,186,258
Transferred to Banking sector support fund	(11,855)	-
Balance at the end of period/year	2,540,597	4,443,580

30-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>	<i>31 December 2020</i>
Cash and due from Central Bank	5,230,440	4,462,488
Due from banks	5,560,800	2,833,721
Treasury bills	3,922,850	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)
Total	5,504,370	3,324,244

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

As of 31 March 2021

All Figures are in EGP 000

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

There is a number of 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	174,340	95,853
Commitments under operating lease contracts	72,744	92,308
Liabilities against letters of credit, documentary Credits and other Commitments	7,590,828	6,750,442
Total	7,837,912	6,938,603

32-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:

	<i>31 March 2021</i>	31 December 2020
Due from banks	613,861	418,297
Due to banks	30,411	5,837
Customer deposits	10,180	20,831
Loans and advances to customers	254,930	177,767

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.

33- Tax position

Income Tax

- The Bank calculates and pays the income tax liability in due date based on the bank's tax declaration report.
- Income Tax prior to 2016 has been assessed and settled with the tax authority.
- 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.

34-Comparative Figures

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

35- 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.

35- Important Events (Cont....)

These events did not affect the financial statements of the company as of December 31, 2020, but they may affect the financial statements of future financial periods.

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.