

AHLI UNITED BANK
(SAE)

Consolidated Condensed Interim Financial Statements

As of 30 June 2021

Limited Review Report

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

As of 30 June 2021

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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 June 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 six 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 30 June 2021 and of its consolidated condensed financial performance and its consolidated condensed cash flows for the six 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: 29 July 2021



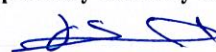
Amr Waheed Bayoumi

Egyptian Financial Supervisory Authority Register no.358

Auditors

Ahmed Abdel Hady

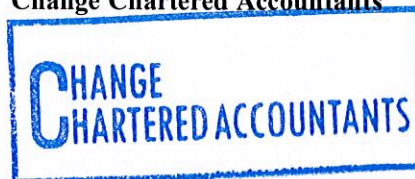
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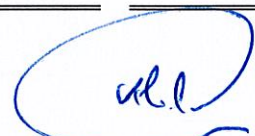
Change Chartered Accountants



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

As of 30 June 2021

	Notes	30 June 2021 EGP Thousands	31 December 2020 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	4,316,624	4,546,189
Due from banks	(14)	2,711,168	3,770,817
Treasury bills	(15)	4,863,683	7,134,231
Loans and advances to customers & banks (net)	(16)	32,619,727	29,698,946
Financial Investments			
- Financial assets at fair value through other comprehensive income	(18)	9,037,444	6,740,213
- Financial assets at Amortized cost	(18)	2,625,558	2,667,414
- Financial assets at Fair value through profit or loss	(18)	32,886	31,621
Investments properties (net)	(20)	35,076	35,058
Other assets	(21)	1,268,661	1,106,533
Property, plant and equipment (net)	(22)	643,538	631,396
TOTAL ASSETS		58,154,365	56,362,418
LIABILITIES AND EQUITY			
Due to banks	(23)	830,865	21,216
Derivative financial instruments	(17)	11,230	15,128
Borrowings under repurchase agreements	(15)	14,213	20,156
Customers' deposits	(24)	46,903,782	46,558,087
Other Loans	(25)	96,542	105,759
Other liabilities	(26)	1,547,897	1,272,477
Other provisions	(27)	163,047	163,157
TOTAL LIABILITIES		49,567,576	48,155,980
EQUITY			
Issued and paid-up-capital	(28)	3,000,000	3,000,000
Paid under Capital increase	(28)	2,000,000	-
Reserves	(29)	684,012	685,001
Retained earnings including net profit for the current period	(29)	2,902,777	4,521,437
TOTAL SHAREHOLDERS' EQUITY		8,586,789	8,206,438
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		58,154,365	56,362,418



Hala Hatem Sadek
CEO & Board Member

-The accompanying notes, (1) to (35) 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**CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT**

For the Period Ended 30 June 2021

	Note	<i>Last 6 Months</i> <i>30 June 2021</i> <i>EGP</i> <i>Thousands</i>	<i>Last 6 Months</i> <i>30 June 2020</i> <i>EGP</i> <i>Thousands</i>	<i>Last 3 Months</i> <i>30 June 2021</i> <i>EGP</i> <i>Thousands</i>	<i>Last 3 Months</i> <i>30 June 2020</i> <i>EGP</i> <i>Thousands</i>
Interest from loans and similar revenues	(5)	2,490,586	2,557,066	1,250,372	1,247,271
Interest on deposits and similar expenses	(5)	(1,479,093)	(1,509,999)	(731,916)	(726,136)
Net interest income		1,011,493	1,047,067	518,456	521,135
Fees and commission revenue	(6)	172,254	151,345	76,139	68,677
Fees and commission expense	(6)	(13,137)	(8,753)	(6,439)	(4,576)
Net fees and commission income		159,117	142,592	69,700	64,101
Dividend income	(7)	3,273	5,658	3,273	5,658
Net trading income	(8)	47,301	49,099	21,832	17,898
Gain on financial investments	(19)	37,102	67,025	23,125	27,450
Impairment charges for credit loss	(11)	(57,190)	(25,375)	(34,500)	(27,848)
Administrative expenses and depreciation	(9)	(392,495)	(353,628)	(198,610)	(181,347)
Other operating (expenses) income	(10)	(1,064)	26,667	(554)	80,637
Net profit before income tax		807,537	959,105	402,722	507,684
Income tax expense	(12)	(220,645)	(243,568)	(118,485)	(129,469)
Net profit for the period after tax		586,892	715,537	284,237	378,215
Attributable to:					
Bank's equity shareholders		586,892	715,537	284,237	378,215
Net profit of the period		586,892	715,537	284,237	378,215

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

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

For the Period Ended 30 June 2021

	<i>Last 6 Months 30 June 2021 EGP Thousands</i>	<i>Last 6 Months 30 June 2020 EGP Thousands</i>	<i>Last 3 Months 30 June 2021 EGP Thousands</i>	<i>Last 3 Months 30 June 2020 EGP Thousands</i>
Net profit for the period	586,892	715,537	284,237	378,215
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	733	(1,124)	94	1,199
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	(65,576)	(40,892)	(11,465)	158,524
Fair value hedge – change in fair value of interest rate swaps	3,818	(5,834)	1,461	1,711
Expected credit loss of debt instruments measured at fair value through other comprehensive income	(967)	(9,613)	137	(510)
Total comprehensive income for the period	524,900	658,074	274,464	539,139

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

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

For the Period Ended 30 June 2021

	Notes	30 June 2021 EGP Thousands	30 June 2020 EGP Thousands
Cash Flows from Operating activities			
Profit before income tax		807,537	959,105
Adjustments:			
Depreciation	(9)	39,622	33,666
Net impairment Charges to Loans to Customers	(11)	58,077	28,456
Other provisions Charge during the period	(27)	51	9,931
Impairment Credit losses - Due From banks	(11)	(899)	1,113
Revaluation differences of other provisions in foreign currencies	(27)	(161)	279
Gain on sale of property, plant and equipment		(241)	-
Gain on sale of property, plant and equipment		21,285	-
Amortization of premium	(18)	(950)	(17,945)
Impairment credit loss release - Debt instruments at FVTOCI	(11)	4,154	(5,834)
Revaluation difference of Financial investments in foreign currencies	(18)	-	(1,220)
Utilization of other provision	(27)	-	(2,554)
Impairment charges - Treasury Bills	(11)	962	1,640
Revaluation of financial assets at fair value through profit or loss	(8)	(1,265)	(415)
Operating income before changes in operating assets and liabilities		928,172	1,006,222
Net Increase (decreased) in assets and liabilities			
Due from banks (deposits)	(14)	(610,550)	(757,581)
Treasury Bills (more than 3 months)	(15)	2,740,469	(721,442)
Financial investments-Fair value through profit or loss	(18)	(1,265)	(365)
Loans and advances to customers and banks	(16)	(2,978,858)	(2,265,612)
Other assets	(21)	(162,128)	(180,642)
Due to banks	(23)	809,649	618,897
Customers' deposits	(24)	345,695	1,186,553
Other liabilities	(26)	300,704	65,796
Borrowings under repurchase agreements	(15)	(5,943)	1,000,000
Financial derivatives		(3,898)	9,612
Income tax paid		(260,233)	(196,883)
Net cash flows Provided from (used in)operating activities		1,101,660	(235,445)
Cash flows used in investing activities			
Payments of other loans	(25)	(9,217)	(42,601)
Sale of investment -Fair value through other comprehensive income		690,051	2,005,061
Purchase of fixed assets	(18)	(51,780)	(44,331)
Redemption of Investments -Amortized cost	(18)	69,997	1,345,627
Proceeds from fixed assets		241	-
Purchase of investments	(18)	(3,096,000)	(2,588,150)
Net cash (used in) provided from investing activities		(2,396,708)	675,606
Cash flows used in Financing activities			
Dividends and employees profit paid		(131,487)	(578,261)
Net cash flows used in financing activities		(131,487)	(578,261)
Decrease in cash and cash equivalents during the period		(1,426,535)	(138,100)
Cash and cash equivalent at the beginning of the period		4,123,404	3,787,037
Cash and cash equivalents at the end of the period	(30)	2,696,869	3,648,937
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	4,316,624	4,716,535
Balances with banks	(14)	2,711,168	3,026,468
Treasury Bills	(15)	4,863,683	3,877,923
Balances with Central Bank of Egypt - Mandatory Reserve	(13)	(3,871,525)	(4,094,066)
Deposits with banks with maturities more than 3 months	(14)	(929,319)	-
Treasury Bills with maturities more than 3 months	(15)	(4,393,762)	(3,877,923)
Cash and cash equivalents at the end of the period		2,696,869	3,648,937

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

AHLI UNITED BANK EGYPT S.A.E

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Period Ended 30 June 2021

	Paid-up-capital	Paid Under Capital Increase	Legal reserves & Capital reserve	General Risk Reserve	Reserve of General Banking Risk	Fair value reserve for AFS investment	Retained earnings & Current period Profit	Total
Balances as of 1 January 2020	3,000,000	-	437,916	11,884	6,029	257,489	3,948,626	7,661,944
Transferred to reserves	-	-	65,840	-	-	-	(65,840)	-
Directors' remuneration	-	-	-	-	-	-	(5,922)	(5,922)
Employees profit paid	-	-	-	-	-	-	(122,339)	(122,339)
Dividend to shareholder	-	-	-	-	-	-	(450,000)	(450,000)
Net change in other comprehensive income	-	-	-	-	-	(57,463)	-	(57,463)
Net profit for the period	-	-	-	-	-	-	715,537	715,537
Balances as of 30 June 2020	3,000,000	-	503,756	11,884	6,029	200,026	4,020,062	7,741,757
Balances as of 1 January 2021	3,000,000	-	503,756	11,884	6,380	162,981	4,521,437	8,206,438
Prior year Adjustments	-	-	-	-	-	-	(1,207)	(1,207)
Transfer to Bonus shares	-	2,000,000	-	-	-	-	(2,000,000)	-
Transferred to reserves	-	-	61,003	-	-	-	(61,003)	-
Directors' remuneration	-	-	-	-	-	-	(5,922)	(5,922)
Employees profit paid	-	-	-	-	-	-	(125,565)	(125,565)
Transferred to Bank Support & Develop Fund	-	-	-	-	-	-	(11,855)	(11,855)
Net change in other comprehensive income	-	-	-	-	-	(61,992)	-	(61,992)
Net profit for the period	-	-	-	-	-	-	586,892	586,892
Balances as of 30 June 2021	3,000,000	2,000,000	564,759	11,884	6,380	100,989	2,902,777	8,586,789

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

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As of 30 June 2021

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 1076 employees at 30 June 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 it's 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 **29 July 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 CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

As of 30 June 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:

30 June 2021	<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>
Financial Assets:				
Due from banks	1,653,885	1,058,485	-	2,712,370
Treasury bills	4,827,067	174,068	-	5,001,135
Loans and advances to customers & banks	19,337,144	14,277,421	1,346,862	34,961,427
Debt Instruments at Fair value through other comprehensive income	8,143,201	309,227	-	8,452,428
Debt Instruments at Amortized Cost	2,625,558	-	-	2,625,558
	<u>36,586,855</u>	<u>15,819,201</u>	<u>1,346,862</u>	<u>53,752,918</u>

31 December 2020	<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>
Financial Assets:				
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>14,041,004</u>	<u>1,193,846</u>	<u>52,134,980</u>

The following figure illustrates the expected credit loss at 30 June 2021

30 June 2021	<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>
Financial Assets:				
Due from banks	82	1,120	-	1,202
Treasury bills	-	1,409	-	1,409
Loans and advances to customers & banks	71,300	754,969	1,175,644	2,001,913
Debt Instruments at Fair value through other comprehensive income	834	3,991	-	4,825
Commitments on loans and collaterals	9,725	3,348	14,142	27,215
	<u>81,941</u>	<u>764,837</u>	<u>1,189,786</u>	<u>2,036,564</u>

31 December 2020	<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>
Financial Assets:				
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 CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

As of 30 June 2021

All Figures are in EGP 000

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

	30 June 2021	31 December 2020
According to Basel II		
Total Tier 1	8,572,754	8,047,819
Total Tier 2	91,992	118,016
Total Capital Base	8,664,745	8,165,835
Total weighted risk of contingent assets and liabilities	45,080,697	41,045,737
Capital Adequacy Ratio	19.22%	19.89%

C - Financial leverage risk management

	30 June 2021	31 December 2020
Tier 1 of the capital adequacy ratio	8,572,754	8,047,819
Total exposures in & off-Balance Sheet	62,292,507	59,976,258
Leverage ratio%	13.76%	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.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As of 30 June 2021

All Figures are in EGP 000

4 - Segment analysis - Activity

30 June 2021	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	638,865	14,421	342,073	1,587,136	166,957	2,749,452
Segment activity expenses	(378,254)	(9,611)	(107,371)	(1,408,589)	(38,090)	(1,941,915)
Profit before tax	260,611	4,810	234,702	178,547	128,867	807,537
Income tax	(54,283)	(1,082)	(100,245)	(40,650)	(24,385)	(220,645)
Profit for the period	206,328	3,728	134,457	137,897	104,482	586,892
Assets & liabilities according to segment activities						
Segment activity assets	32,960,617	589,846	21,477,364	1,778,366	1,348,172	58,154,365
Total assets	32,960,617	589,846	21,477,364	1,778,366	1,348,172	58,154,365
Segment activity liabilities	8,230,812	124,130	848,771	38,657,065	1,706,798	49,567,576
Total liabilities	8,230,812	124,130	848,771	38,657,065	1,706,798	49,567,576
Other items for segment activity						
Depreciation	(13,480)	(767)	(5,781)	(17,601)	(1,993)	(39,622)
Net (charges) / release of ECL	(58,077)	-	887	-	-	(57,190)

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
As of 30 June 2021

All Figures are in EGP 000

4 - Segment analysis – Activity

30 June 2020

	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	609,010	10,249	305,034	1,732,959	199,608	2,856,860
Segment activity expenses	(373,165)	(8,424)	(130,578)	(1,377,006)	(8,582)	(1,897,755)
Profit before tax	235,845	1,825	174,456	355,953	191,026	959,105
Income tax	(49,598)	(410)	(70,155)	(80,945)	(42,460)	(243,568)
Profit for the period	186,247	1,415	104,301	275,008	148,566	715,537
Assets & liabilities according to segment activities						
Segment activity assets	26,260,943	361,001	18,334,433	1,796,126	3,518,560	50,271,063
Total assets	26,260,943	361,001	18,334,433	1,796,126	3,518,560	50,271,063
Segment activity liabilities	7,173,331	139,951	2,464,720	31,191,204	1,560,100	42,529,306
Total liabilities	7,173,331	139,951	2,464,720	31,191,204	1,560,100	42,529,306
Other items for segment activity						
Depreciation	(12,692)	(418)	(4,252)	(14,967)	(1,337)	(33,666)
Net (charges) / release of ECL	(28,456)	-	3,081	-	-	(25,375)

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

As of 30 June 2021

All Figures are in EGP 000

5-Net interest income

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Interest from loans and similar income:				
Loans and advances to customers	1,440,767	1,529,680	743,436	723,500
Treasury bills and bonds	980,109	968,505	499,509	513,496
Deposits and current accounts	69,710	58,881	7,427	10,275
Total	2,490,586	2,557,066	1,250,372	1,247,271
Cost of deposits and similar expense:				
Deposits and current accounts:				
Banks	(36,545)	(91,589)	(35,654)	(74,191)
Customers	(1,442,548)	(1,418,410)	(696,262)	(651,945)
Total	(1,479,093)	(1,509,999)	(731,916)	(726,136)
Net interest income	1,011,493	1,047,067	518,456	521,135

6- Net fees and commission income

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Fees and commissions income:				
Credit Fees and commissions	138,294	118,582	59,302	55,673
Custody fees	15,775	14,503	7,172	4,149
Other fees	18,185	18,260	9,665	8,855
Total	172,254	151,345	76,139	68,677
Fees and commission expense:				
Other fees	(13,137)	(8,753)	(6,439)	(4,576)
Total	(13,137)	(8,753)	(6,439)	(4,576)
Net income from fees and commissions	159,117	142,592	69,700	64,101

7- Dividend income

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Financial investments fair value through other comprehensive income	3,273	5,658	3,273	5,658
Total	3,273	5,658	3,273	5,658

8-Net trading income

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Foreign exchange trading gains	46,036	48,684	21,225	17,537
Change in fair value of investment at FVTPL	1,265	415	607	361
Net trading income	47,301	49,099	21,832	17,898

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9- Administrative expense and Depreciation

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Staff cost:				
Salaries and wages	(135,012)	(121,163)	(72,498)	(63,950)
Social insurance	(9,258)	(8,062)	(4,709)	(2,845)
	<u>(144,270)</u>	<u>(129,225)</u>	<u>(77,207)</u>	<u>(66,795)</u>
Depreciation and amortization	(39,622)	(33,666)	(20,283)	(17,239)
Other administrative expenses	(208,603)	(190,737)	(101,120)	(97,313)
Total	<u>(392,495)</u>	<u>(353,628)</u>	<u>(198,610)</u>	<u>(181,347)</u>

10- Other operating (expenses) Income

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
(Losses) gain from non-trading assets and liabilities revaluation	(9,560)	14,714	(5,068)	69,033
Gain on sale of Property and Equipment	241	-	-	-
Other provisions charge	(52)	(9,932)	2,346	(3,051)
Other income	8,307	21,885	2,168	14,655
Total	<u>(1,064)</u>	<u>26,667</u>	<u>(554)</u>	<u>80,637</u>

11- Impairment charges of credit loss

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Loans and credit facilities to customers	(58,077)	(28,456)	(35,254)	(27,676)
Due from Banks	899	(1,113)	381	825
Debt instruments at FVTOCI	950	5,834	(143)	(1,689)
Treasury Bills	(962)	(1,640)	516	692
Total	<u>(57,190)</u>	<u>(25,375)</u>	<u>(34,500)</u>	<u>(27,848)</u>

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12- Income tax expense

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Current Tax	232,716	239,581	119,610	113,621
Deferred Tax	(12,071)	3,987	(1,125)	15,848
Net tax	220,645	243,568	118,485	129,469
	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2021</i>	<i>Last 3 Months 30 June 2020</i>
Net profit before tax	807,537	959,105	402,722	507,684
Income tax (22.5%)	181,696	215,799	90,613	114,229
Tax effect on:				
Income not subject to tax	(6,035)	(8,013)	(3,169)	(3,964)
Provision	2,552	3,079	1,056	2,175
Depreciation differences	(271)	(1,559)	(248)	(1,447)
Others	54,774	30,275	31,358	2,628
Income Tax Expense	232,716	239,581	119,610	113,621

13- Cash and balances with Central Bank of Egypt

	30 June 2021	31 December 2020
Cash	445,099	352,587
Balances with CBE (mandatory reserve)	3,871,525	4,193,602
Total	4,316,624	4,546,189
Interest free balances	4,316,624	4,546,189

14-Due from Banks

	30 June 2021	31 December 2020
Current accounts	438,318	578,585
Deposits	2,274,052	3,194,338
	2,712,370	3,772,923
Less: ECL Allowance	(1,202)	(2,106)
Total	2,711,168	3,770,817
Balances at CBE other than those under the mandatory reserve	659,570	683,006
Local banks	78,109	983,973
Foreign Banks	1,974,691	2,105,944
	2,712,370	3,772,923
Less: ECL Allowance	(1,202)	(2,106)
Total	2,711,168	3,770,817

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

	30 June 2021	31 December 2020
Treasury Bills at Amortized Cost		
365 Days maturity	174,068	174,626
Treasury Bills at Fair value through OCI		
91 Days maturity	469,921	-
182 Days maturity	-	2,456,000
273 Days maturity	852,901	482,701
365 Days maturity	3,504,245	4,252,548
	<u>5,001,135</u>	<u>7,365,875</u>
Less: Unearned interest	(136,043)	(231,195)
Less: ECL Allowance	(1,409)	(449)
Total	<u>4,863,683</u>	<u>7,134,231</u>

15.2 Borrowings under repurchase agreements

Borrowings under repurchase agreements	14,213	20,156
Total	<u>14,213</u>	<u>20,156</u>

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16- Loans and advances to customers & banks

	30 June 2021	31 December 2020
Individuals		
Overdrafts	455,823	481,534
Credit cards	30,260	32,755
Personal loans	863,433	843,023
Mortgage Loans	575,697	506,003
Other Loans	1,148,404	1,474,185
Total (1)	3,073,617	3,337,500
Corporate loans including small loans:		
Overdrafts	3,065,689	2,087,612
Direct loans	23,874,918	21,094,300
Syndication loans	4,526,867	5,310,458
Total (2)	31,467,474	28,492,370
Total loans and advances to customers (1+2)	34,541,091	31,829,870
Less :ECL Allowance	(2,000,450)	(2,003,176)
Less: interest in suspense	(119,197)	(163,126)
Less :Unearned discount	(217,848)	(303,958)
Net loans and advances to customers	32,203,596	29,359,610
 Loans and advances to banks	 420,336	 342,988
Less :ECL Allowance	(1,463)	(1,248)
Less :Unearned discount	(2,742)	(2,404)
Net loans and advances to customers & Banks	32,619,727	29,698,946

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

	30 June 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 11)	61,310	165,840
Provisions no longer required (note 11)	(3,233)	(8,455)
Foreign exchange adjustments	(1,094)	(21,061)
Recoveries from written-off debts	3,233	8,455
Write-off during the year	(62,727)	(33)
Balance at the end of the period/year	2,001,913	2,004,424

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16- Loans and advances to customers & banks (Cont....)

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

	30 June 2021	31 December 2020
<u>Retail</u>		
Balance at beginning of the period/year	42,882	85,655
ECL Allowance for the period/year (note 11)	-	(42,773)
Balance at end of the period/year (1)	42,882	42,882
<u>Corporate</u>		
Balance at beginning of the period/year	1,961,542	1,774,023
ECL Allowance for the period/year (note 11)	61,310	208,613
Provision no longer required (note 11)	(3,232)	(8,455)
Recoveries from written-off debts	3,232	8,455
Foreign exchange adjustments	(1,094)	(21,061)
Write-off during the year	(62,727)	(33)
Balance at end of the period/year (2)	1,959,031	1,961,542
Total (1) + (2)	2,001,913	2,004,424

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.

30 June 2021

	Contractual value	Assets	Liabilities
Cash flow hedge			
Interest rate swap	309,734	-	11,230
Total assets / liabilities	309,734	-	11,230

31 December 2020

	Contractual value	Assets	Liabilities
Cash flow hedge			
Interest rate swap	313,157	-	15,128
Total assets / liabilities	313,157	-	15,128

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18- Financial investments

	30 June 2021	31 December 2020
Fair value through Other Comprehensive Income		
A) Debt instruments – fair value		
Listed (Treasury Bonds)	6,882,208	4,519,106
Listed (Non-government Bonds)	1,570,220	1,636,804
Sukuk	500,000	500,000
B) Equity instruments - fair value		
Unlisted	61,759	61,778
C) Money Market Funds		
AUBE Mutual Fund THARWA	13,672	13,040
AUBE Mutual Fund ALPHA	9,585	9,485
Total financial investments at FVTOCI (1)	9,037,444	6,740,213
Financial investments at Amortized Cost		
A) Debt instruments – amortized cost		
Government Bonds	2,625,558	2,667,414
Total financial investments at Amortized Cost (2)	2,625,558	2,667,414
Fair value through profit or loss		
Equity instruments		
Listed	1,440	1,630
C) Money Market Funds		
AUBE Mutual Fund THARWA	31,446	29,991
Total financial investments at FVTPL (3)	32,886	31,621
Total financial investments (1+2+3)	11,695,888	9,439,248
Current balances	94,645	93,399
Non-current balances	11,601,243	9,345,849
Total	11,695,888	9,439,248
Equity instruments	63,199	63,408
Debt instruments	11,577,986	9,323,324
Mutual Funds	54,703	52,516
Total	11,695,888	9,439,248

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18- Financial investments (Cont....)

30 June 2021	Financial assets at Fair value through OCI	Financial assets at Amortized Cost	Total
Balance at 1 January 2021	6,740,213	2,667,414	9,407,627
Additions	3,071,000	25,000	3,096,000
Amortization of discount	(24,426)	3,141	(21,285)
Disposals / Maturities	(690,051)	(69,997)	(760,048)
Foreign Currency Revaluation	(4,154)	-	(4,154)
Net fair value adjustments	(55,138)	-	(55,138)
Balance at 30 June 2021	9,037,444	2,625,558	11,663,002

31 December 2020	Financial assets at Fair value through OCI	Financial assets at Amortized Cost	Total
Balance at 1 January 2020	4,339,068	4,730,434	9,069,502
Additions	5,122,360	719,910	5,842,270
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	6,740,213	2,667,414	9,407,627

19- Gain on Financial investments

	<i>Last 6 Months 30 June 2021</i>	<i>Last 6 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2020</i>	<i>Last 3 Months 30 June 2020</i>
Profit on sale of treasury bills	13,755	35,661	6,244	16,233
Profit on Financial investments fair value through other comprehensive income	23,347	31,364	16,881	11,217
Total	37,102	67,025	23,125	27,450

20- Investment properties (net)

	30 June 2021	31 December 2020
Cost	41,646	41,646
Additions	434	-
Accumulated depreciation	(6,588)	(5,755)
Depreciation during the period/year	(416)	(833)
Net Book Value	35,076	35,058

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21- Other assets

	30 June 2021	31 December 2020
Interest Receivable from Customers	621,245	497,745
Prepaid expenses	7,638	20,801
Advances for purchase of property, plant and equipment	192,997	168,944
Assets acquired as settlement of debts	293,546	146,013
Deposits held with other custody	21,738	7,734
Other assets	131,497	265,296
Total	1,268,661	1,106,533

22 – 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	631,396
Additions	250	29,437	5,116	16,545	51,348
Disposals	-	-	-	(212)	(212)
Depreciation charge	(4,194)	(9,288)	(4,607)	(21,117)	(39,206)
Depreciation related to Disposals	-	-	-	212	212
Net book value 30 June 2021	315,849	106,425	67,625	153,639	643,538

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

Cost	383,684	231,854	117,029	361,963	1,094,530
Accumulated depreciation	(67,835)	(125,429)	(49,404)	(208,324)	(450,992)
Net book value 30 June 2021	315,849	106,425	67,625	153,639	643,538

	<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
Net book value 31 December 2020	319,793	86,276	67,116	158,211	631,396

**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)
Net book value 31 December 2020	319,793	86,276	67,116	158,211	631,396

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23-Due to banks

	30 June 2021	31 December 2020
Current accounts	30,865	21,216
Deposits from Banks	800,000	-
Total	830,865	21,216
Local banks	800,000	-
Foreign banks	30,865	21,216
Total	830,865	21,216

24-Customers' deposits

	30 June 2021	31 December 2020
Demand deposits	15,827,810	15,400,543
Time deposits	21,015,958	22,186,609
Certificates of deposit	5,285,995	4,780,309
Savings deposits	3,878,593	3,851,444
Other deposits	895,426	339,182
Total	46,903,782	46,558,087

25-Other Loans

		30 June 2021	31 December 2020
Egyptian Mortgage Refinance company (EMRC)	1%	1,009	2,113
Egyptian Mortgage Refinance company (EMRC)	3%	16,875	16,079
Egyptian Mortgage Refinance company (EMRC)	Variable	52,181	58,421
Export Development Bank of Egypt	Variable	26,477	29,146
		96,542	105,759

- 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.

26- Other liabilities

	30 June 2021	31 December 2020
Interest Payable	237,333	266,071
Clearing operations – CBE	246,513	122,223
Margin deposits	244,540	84,986
Accrued Taxes	322,333	358,989
Unearned revenue	18,531	21,409
Accrued expenses	59,982	68,492
Deferred tax liability	261,462	273,529
Dividends payable	11,855	-
Other credit balances	145,348	76,778
Total	1,547,897	1,272,477

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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	99,547	31,880	163,157
Charged during the Period	960	3,719	(4,628)	51
Foreign currency translation	(5)	(119)	(37)	(161)
Balance at 30 June 2021	32,685	103,147	27,215	163,047

	<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)
Balance at 31 December 2020	31,730	99,547	31,880	163,157

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 30 June 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, issued and paid up capital to EGP 5 billion by issuing 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.

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29-Reserves and Retained Earnings

	30 June 2021	31 December 2020
General banking risk reserve	6,380	6,380
General risk reserve	11,884	11,884
Legal reserve & Capital reserve	564,759	503,756
Fair value reserve	100,989	162,981
Total reserves at the end of the period/Year	684,012	685,001

29-1 General Banking Risks Reserve

	30 June 2021	31 December 2020
Balance at the beginning of the period/Year	6,380	6,029
Charge related to Assets reverted to the bank	-	351
Balance at the end of the period/Year	6,380	6,380

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.

29-2 Legal and Capital Reserve

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

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.

29-3 Fair value reserve

	30 June 2021	31 December 2020
Balance at the beginning of the period / year	162,981	257,489
Net fair value movements during the period / year	(61,992)	(94,508)
Balance at the end of the period/Year	100,989	162,981

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29-4 Retained Earnings

	30 June 2021	31 December 2020
Balance at the beginning of the period / year	4,521,437	3,948,626
Adjustments	(1,207)	-
Net profit for the period / year	586,892	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)
Balance at the end of year	2,902,777	4,521,437

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.

	30 June 2021	30 June 2020
Cash and due from Central Bank	4,316,624	4,716,535
Due from banks	2,711,168	3,025,810
Treasury bills	4,863,683	3,877,923
Balances with CBE - mandatory reserve	(3,871,525)	(4,094,066)
Deposits with Banks	(929,319)	-
Treasury bills with maturities more than 3 months	(4,393,762)	(3,877,923)
Total	2,696,869	3,648,279

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

There are some existing cases filed against the bank on 30 June 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

	30 June 2021	31 December 2020
Capital commitments of fixed assets	170,009	104,910
Commitments under operating lease contracts	85,747	85,122
Liabilities against letters of credit, documentary Credits and other Commitments	8,291,779	6,750,442
Total	8,547,535	6,940,474

AHLI UNITED BANK EGYPT S.A.E

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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 30 June 2021 and 31 December 2020:

	30 June 2021	31 December 2020
Due from banks	318,401	418,297
Due to banks	17,453	5,837

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 30 June 2021 is EGP 2,759 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 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 2018 settled with the tax authority –inspection completed.
- Period from 2019 till 2020 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 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 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....)

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.