

AHLI UNITED BANK
(SAE)

Consolidated Condensed Interim Financial Statements

As of 30 September 2021

Limited Review Report

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

As of 30 September 2021

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

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 interim financial statements of Ahli United Bank Egypt (SAE) represented in consolidated condensed interim statement of financial position as of 30 September 2021, and the related consolidated condensed interim statement of income, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim cash flows statement for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our limited review.

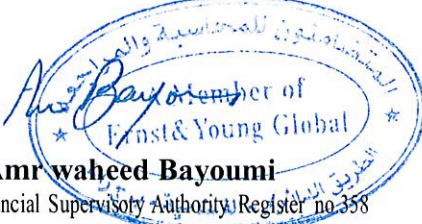
Scope of Limited Review

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

Conclusion

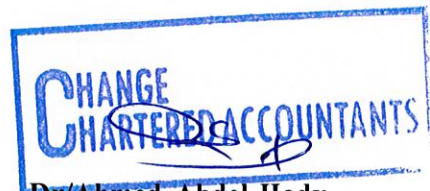
Based on our limited review, nothing has come to our attention that causes us to believe that accompanying consolidated condensed interim financial statements do not present fairly, in all material respects, the consolidated condensed financial position of the Bank as of 30 September 2021 and of its consolidated condensed financial performance and its consolidated condensed cash flows for the nine 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 laws and regulations.

Cairo: 8 November 2021


Amr waheed Bayoumi
EY Member of
Ernst & Young Global
Egyptian Financial Supervisory Authority Register no.358

Allied for Accounting & Auditing EY

Auditors

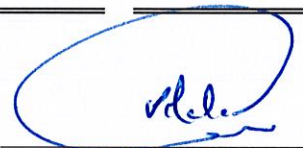

Dr/Ahmed Abdel Hady
Egyptian Financial Supervisory Authority Register no.287

Change chartered accountants

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

As of 30 September 2021

	Notes	30 September 2021 EGP Thousands	31 December 2020 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	4,366,859	4,546,189
Due from banks	(14)	4,344,243	3,770,817
Treasury bills	(15)	4,104,293	7,134,231
Loans and advances to customers & banks (net)	(16)	34,957,214	29,698,946
Financial Investments			
- Financial assets at fair value through other comprehensive income	(18)	10,007,597	6,740,213
- Financial assets at Amortized cost	(18)	2,504,774	2,667,414
- Financial assets at Fair value through profit or loss	(18)	44,612	31,621
Investments properties (net)	(20)	34,867	35,058
Other assets	(21)	1,321,257	1,106,533
Property, plant and equipment (net)	(22)	801,407	631,396
TOTAL ASSETS		62,487,123	56,362,418
LIABILITIES AND EQUITY			
Due to banks	(23)	1,762,641	21,216
Derivative financial instruments	(17)	9,738	15,128
Borrowings under repurchase agreements	(15)	12,183	20,156
Customers' deposits	(24)	50,114,541	46,558,087
Other Loans	(25)	104,522	105,759
Other liabilities	(26)	1,510,906	1,272,477
Other provisions	(27)	157,723	163,157
TOTAL LIABILITIES		53,672,254	48,155,980
EQUITY			
Issued and paid-up-capital	(28)	3,000,000	3,000,000
Transferred under capital increase	(28)	2,000,000	-
Reserves	(29)	684,816	685,001
Retained earnings including net profit for the current period	(29)	3,130,053	4,521,437
TOTAL SHAREHOLDERS' EQUITY		8,814,869	8,206,438
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		62,487,123	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 September 2021

	Note	<i>Last 9 Months 30 September 2021 EGP Thousands</i>	<i>Last 9 Months 30 September 2020 EGP Thousands</i>	<i>Last 3 Months 30 September 2021 EGP Thousands</i>	<i>Last 3 Months 30 September 2020 EGP Thousands</i>
Interest from loans and similar revenues	(5)	3,801,702	3,796,892	1,311,116	1,239,826
Interest on deposits and similar expenses	(5)	(2,262,110)	(2,237,232)	(783,017)	(727,233)
Net interest income		1,539,592	1,559,660	528,099	512,593
Fees and commission revenue	(6)	263,575	218,299	91,321	66,954
Fees and commission expense	(6)	(22,859)	(18,351)	(9,722)	(9,598)
Net fees and commission income		240,716	199,948	81,599	57,356
Dividend income	(7)	8,347	5,744	5,074	86
Net trading income	(8)	68,068	80,266	20,767	31,167
Gain on financial investments	(19)	47,392	73,012	10,290	5,987
Impairment charges for credit loss	(11)	(221,181)	(70,037)	(163,991)	(44,662)
Administrative expenses and depreciation	(9)	(603,434)	(538,894)	(210,939)	(185,266)
Other operating (expenses) income	(10)	40,879	(26,091)	41,943	(52,758)
Net profit before income tax		1,120,379	1,283,608	312,842	324,503
Income tax expense	(12)	(306,211)	(342,083)	(85,566)	(98,515)
Net profit for the period after tax		814,168	941,525	227,276	225,988
Attributable to:					
Bank's equity shareholders		814,168	941,525	227,276	225,988
Net profit of the period		814,168	941,525	227,276	225,988

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 September 2021

	<i>Last 9 Months 30 September 2021 EGP Thousands</i>	<i>Last 9 Months 30 September 2020 EGP Thousands</i>	<i>Last 3 Months 30 September 2021 EGP Thousands</i>	<i>Last 3 Months 30 September 2020 EGP Thousands</i>
Net profit for the period	814,168	941,525	227,276	225,988
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	(17,921)	(574)	(18,654)	550
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	(47,365)	(115,588)	18,211	(74,696)
Fair value hedge – change in fair value of interest rate swaps	5,310	(7,639)	1,492	(1,805)
Expected credit loss of debt instruments measured at fair value through other comprehensive income	(1,212)	(5,818)	(245)	3,795
Total comprehensive income for the period	752,980	811,906	228,080	153,832

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 September 2021

	Notes	30 September 2021 EGP Thousands	30 September 2020 EGP Thousands
Cash Flows from Operating activities			
Profit before income tax		1,120,379	1,283,608
Adjustments:			
Depreciation	(9)	60,327	49,439
Net impairment Charges to Loans to Customers	(11)	226,549	73,769
Other provisions Charge during the period	(27)	(5,330)	5,697
Impairment Credit losses - Due From banks	(11)	(885)	1,109
Revaluation differences of other provisions in foreign currencies	(27)	(104)	(774)
Gain on sale of property, plant and equipment		(990)	(343)
Gain on sale of property, plant and equipment		25,795	(20,658)
Amortization of premium	(18)	(4,917)	(5,818)
Impairment credit loss release - Debt instruments at FVTOCI	(11)	4,218	1,065
Revaluation difference of Financial investments in foreign currencies	(18)	-	(29,045)
Impairment charges - Treasury Bills	(11)	434	977
Revaluation of financial assets at fair value through profit or loss	(8)	(2,002)	(1,565)
Operating income before changes in operating assets and liabilities		1,423,474	1,357,461
Net Increase (decreased) in assets and liabilities			
Due from banks (deposits)	(14)	336,898	(841,529)
Treasury Bills (more than 3 months)	(15)	3,029,504	(5,119,584)
Financial investments-Fair value through profit or loss	(18)	(12,991)	(1,565)
Loans and advances to customers and banks	(16)	(5,484,817)	(3,171,774)
Other assets	(21)	(214,724)	96,552
Due to banks	(23)	1,741,425	190,578
Customers' deposits	(24)	3,556,454	6,894,455
Other liabilities	(26)	299,610	197,144
Borrowings under repurchase agreements	(15)	(7,973)	-
Financial derivatives		(5,390)	12
Income tax paid		(364,926)	(295,820)
Net cash flows Provided from (used in)operating activities		4,296,544	(694,070)
Cash flows used in investing activities			
Payments of other loans	(25)	(1,237)	(44,977)
Sale of investment -Fair value through other comprehensive income		1,021,689	2,296,783
Purchase of fixed assets	(18)	(229,966)	(62,847)
Redemption of Investments -Amortized cost	(18)	610,385	2,616,943
Proceeds from fixed assets		990	343
Purchase of investments	(18)	(4,837,695)	(3,900,867)
Net cash (used in) provided from investing activities		(3,435,834)	905,378
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		729,223	(366,953)
Cash and cash equivalent at the beginning of the period		4,123,404	3,787,380
Cash and cash equivalents at the end of the period	(30)	4,852,627	3,420,427
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	4,366,859	4,651,833
Balances with banks	(14)	4,344,243	2,946,612
Treasury Bills	(15)	4,104,293	8,277,706
Balances with Central Bank of Egypt - Mandatory Reserve	(13)	(3,857,592)	(4,178,018)
Treasury Bills with maturities more than 3 months	(15)	(4,105,176)	(8,277,706)
Cash and cash equivalents at the end of the period		4,852,627	3,420,427

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 September 2021

	Paid-up-capital	Transferred 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	-	-	-	-	-	-	(122,340)	(122,340)
Dividend to shareholder	-	-	-	-	-	-	(450,000)	(450,000)
Net change in other comprehensive income	-	-	-	-	-	(129,619)	-	(129,619)
Net profit for the period	-	-	-	-	-	-	941,525	941,525
Balances as of 30 September 2020	3,000,000	-	503,756	11,884	6,029	127,870	4,246,049	7,895,589
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	-	-	-	-	-	(61,188)	-	(61,188)
Net profit for the period	-	-	-	-	-	-	814,168	814,168
Balances as of 30 September 2021	3,000,000	2,000,000	564,759	11,884	6,380	101,793	3,130,053	8,814,369

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 September 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 1110 employees at 30 September 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 **4 November 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 September 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 September 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	3,139,163	1,206,298	-	4,345,461
Treasury bills	4,047,468	174,084	-	4,221,552
Loans and advances to customers & banks	21,462,832	14,597,218	1,381,367	37,441,417
Debt Instruments at Fair value through other comprehensive income	8,932,915	307,378	-	9,240,293
Debt Instruments at Amortized Cost	2,504,774	-	-	2,504,774
	<u>40,087,152</u>	<u>16,284,978</u>	<u>1,381,367</u>	<u>57,753,497</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 September 2021

30 September 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	197	1,021	-	1,218
Treasury bills	-	883	-	883
Loans and advances to customers & banks	77,192	924,420	1,163,924	2,165,536
Debt Instruments at Fair value through other comprehensive income	963	3,619	-	4,582
Commitments on loans and collaterals	25,678	7,109	14,131	46,918
	<u>104,030</u>	<u>937,052</u>	<u>1,178,055</u>	<u>2,219,137</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 September 2021

All Figures are in EGP 000

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

	30 September 2021	31 December 2020
According to Basel II		
Total Tier 1	8,800,892	8,047,819
Total Tier 2	118,373	118,016
Total Capital Base	8,919,265	8,165,835
Total weighted risk of contingent assets and liabilities	47,499,061	41,045,737
Capital Adequacy Ratio	18.78%	19.89%

C - Financial leverage risk management

	30 September 2021	31 December 2020
Tier 1 of the capital adequacy ratio	8,800,892	8,047,819
Total exposures in & off-Balance Sheet	66,875,710	59,976,258
Leverage ratio%	13.16%	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 September 2021

All Figures are in EGP 000

4 - Segment analysis - Activity

30 September 2021	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	1,002,651	24,334	488,989	2,458,807	255,182	4,229,963
Segment activity expenses	(748,647)	(15,745)	(155,081)	(2,173,496)	(16,615)	(3,109,584)
Profit before tax	254,004	8,589	333,908	285,311	238,567	1,120,379
Income tax	(57,447)	(1,932)	(146,492)	(65,051)	(35,289)	(306,211)
Profit for the period	196,557	6,657	187,416	220,260	203,278	814,168
Assets & liabilities according to segment activities						
Segment activity assets	35,392,254	605,325	23,109,277	2,124,062	1,256,205	62,487,123
Total assets	35,392,254	605,325	23,109,277	2,124,062	1,256,205	62,487,123
Segment activity liabilities	9,423,841	228,854	1,778,786	40,576,995	1,663,778	53,672,254
Total liabilities	9,423,841	228,854	1,778,786	40,576,995	1,663,778	53,672,254
Other items for segment activity						
Depreciation	(19,855)	(1,228)	(8,796)	(27,464)	(2,984)	(60,327)
Net (charges) / release of ECL	(236,634)	-	5,368	10,085	-	(221,181)

AHLI UNITED BANK EGYPT S.A.E

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

All Figures are in EGP 000

4 - Segment analysis – Activity

30 September 2020	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	981,754	16,626	368,911	2,567,098	213,733	4,148,122
Segment activity expenses	(576,299)	(12,381)	(167,916)	(2,082,017)	(25,901)	(2,864,514)
Profit before tax	405,455	4,245	200,995	485,081	187,832	1,283,608
Income tax	(87,661)	(955)	(101,241)	(110,943)	(41,283)	(342,083)
Profit for the period	317,794	3,290	99,754	374,138	146,549	941,525
Assets & liabilities according to segment activities						
Segment activity assets	28,783,422	439,624	22,528,168	1,905,413	1,133,966	54,790,593
Total assets	28,783,422	439,624	22,528,168	1,905,413	1,133,966	54,790,593
Segment activity liabilities	7,686,047	125,915	1,032,158	36,401,846	1,649,039	46,895,005
Total liabilities	7,686,047	125,915	1,032,158	36,401,846	1,649,039	46,895,005
Other items for segment activity						
Depreciation	(17,310)	(622)	(5,882)	(23,318)	(2,307)	(49,439)
Net (charges) / release of ECL	(73,769)	-	3,732	-	-	(70,037)

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

As of 30 September 2021

All Figures are in EGP 000

5-Net interest income

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Interest from loans and similar income:				
Loans and advances to customers	2,226,512	2,262,051	785,745	732,371
Treasury bills and bonds	1,477,130	1,463,277	497,021	494,772
Deposits and current accounts	98,060	71,564	28,350	12,683
Total	3,801,702	3,796,892	1,311,116	1,239,826
Cost of deposits and similar expense:				
Deposits and current accounts:				
Banks	(49,510)	(104,185)	(12,965)	(12,596)
Customers	(2,212,600)	(2,133,047)	(770,052)	(714,637)
Total	(2,262,110)	(2,237,232)	(783,017)	(727,233)
Net interest income	1,539,592	1,559,660	528,099	512,593

6- Net fees and commission income

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Fees and commissions income:				
Credit Fees and commissions	215,409	171,633	77,115	53,051
Custody fees	20,650	18,813	4,875	4,310
Other fees	27,516	27,853	9,331	9,593
Total	263,575	218,299	91,321	66,954
Fees and commission expense:				
Other fees	(22,859)	(18,351)	(9,722)	(9,598)
Total	(22,859)	(18,351)	(9,722)	(9,598)
Net income from fees and commissions	240,716	199,948	81,599	57,356

7- Dividend income

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Financial investments fair value through other comprehensive income	8,347	5,744	5,074	86
Total	8,347	5,744	5,074	86

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

As of 30 September 2021

All Figures are in EGP 000

8-Net trading income

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Foreign exchange trading gains	66,066	78,701	20,030	30,017
Change in fair value of investment at FVTPL	2,002	1,565	737	1,150
Net trading income	68,068	80,266	20,767	31,167

9- Administrative expense and Depreciation

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Staff cost:				
Salaries and wages	(210,235)	(181,848)	(75,223)	(60,685)
Social insurance	(14,027)	(12,087)	(4,769)	(4,025)
	<u>(224,262)</u>	<u>(193,935)</u>	<u>(79,992)</u>	<u>(64,710)</u>
Depreciation and amortization	(60,327)	(49,439)	(20,705)	(15,773)
Other administrative expenses	(318,845)	(295,520)	(110,242)	(104,783)
Total	(603,434)	(538,894)	(210,939)	(185,266)

10- Other operating Income (expenses)

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
(Losses) gain from non-trading assets and liabilities revaluation	(4,147)	(51,806)	5,413	(66,520)
Gain on sale of Property and Equipment	990	139	749	139
Other provisions charge	5,329	(5,698)	5,381	4,234
Other income	38,707	31,274	30,400	9,389
Total	40,879	(26,091)	41,943	(52,758)

11- Impairment charges of credit loss

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Loans and credit facilities to customers	(226,549)	(73,769)	(168,472)	(45,313)
Due from Banks	885	(1,109)	(14)	4
Debt instruments at FVTOCI	4,917	5,818	3,967	(16)
Treasury Bills	(434)	(977)	528	663
Total	(221,181)	(70,037)	(163,991)	(44,662)

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

As of 30 September 2021

All Figures are in EGP 000

12- Income tax expense

	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Current Tax	317,030	353,562	84,314	113,981
Deferred Tax	(10,819)	(11,479)	1,252	(15,466)
Net tax	<u>306,211</u>	<u>342,083</u>	<u>85,566</u>	<u>98,515</u>
	<i>Last 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2021</i>	<i>Last 3 Months 30 September 2020</i>
Net profit before tax	1,120,379	1,283,608	312,842	324,503
Income tax (22.5%)	252,085	288,812	70,389	73,013
Tax effect on:				
Income not subject to tax	(9,475)	(10,357)	(3,440)	(2,344)
Provision	8,558	3,352	6,006	273
Depreciation differences	(1,598)	(3,656)	(1,327)	(2,097)
Others	67,460	75,411	12,686	45,136
Income Tax Expense	<u>317,030</u>	<u>353,562</u>	<u>84,314</u>	<u>113,981</u>

13- Cash and balances with Central Bank of Egypt

	30 September 2021	31 December 2020
Cash	509,267	352,587
Balances with CBE (mandatory reserve)	3,857,592	4,193,602
Total	<u>4,366,859</u>	<u>4,546,189</u>
Interest free balances	<u>4,366,859</u>	<u>4,546,189</u>

14-Due from Banks

	30 September 2021	31 December 2020
Current accounts	460,801	578,585
Deposits	3,884,660	3,194,338
	<u>4,345,461</u>	<u>3,772,923</u>
Less: ECL Allowance	(1,218)	(2,106)
Total	<u>4,344,243</u>	<u>3,770,817</u>
Balances at CBE other than those under the mandatory reserve	2,162,635	683,006
Local banks	40,688	983,973
Foreign Banks	2,142,138	2,105,944
	<u>4,345,461</u>	<u>3,772,923</u>
Less: ECL Allowance	(1,218)	(2,106)
Total	<u>4,344,243</u>	<u>3,770,817</u>

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

As of 30 September 2021

All Figures are in EGP 000

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

	30 September 2021	31 December 2020
Treasury Bills at Amortized Cost		
365 Days maturity	174,405	174,626
Treasury Bills at Fair value through OCI		
91 Days maturity	277,290	-
182 Days maturity	-	2,456,000
273 Days maturity	1,847,649	482,701
365 Days maturity	1,922,208	4,252,548
	<u>4,221,552</u>	<u>7,365,875</u>
Less: Unearned interest	<u>(116,376)</u>	<u>(231,195)</u>
Less: ECL Allowance	<u>(883)</u>	<u>(449)</u>
Total	<u>4,104,293</u>	<u>7,134,231</u>

15.2 Borrowings under repurchase agreements

Borrowings under repurchase agreements	12,183	20,156
Total	<u>12,183</u>	<u>20,156</u>

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

As of 30 September 2021

All Figures are in EGP 000

16- Loans and advances to customers & banks

	30 September 2021	31 December 2020
Individuals		
Overdrafts	484,530	481,534
Credit cards	32,212	32,755
Personal loans	1,051,046	843,023
Mortgage Loans	618,090	506,003
Other Loans	1,003,117	1,474,185
Total (1)	3,188,995	3,337,500
Corporate loans including small loans:		
Overdrafts	3,282,704	2,087,612
Direct loans	25,340,388	21,094,300
Syndication loans	5,238,268	5,310,458
Total (2)	33,861,360	28,492,370
Total loans and advances to customers (1+2)	37,050,355	31,829,870
Less :ECL Allowance	(2,166,870)	(2,003,176)
Less: interest in suspense	(119,933)	(163,126)
Less :Unearned discount	(195,816)	(303,958)
Net loans and advances to customers	34,567,736	29,359,610
 Loans and advances to banks	 393,862	 342,988
Less :ECL Allowance	(1,466)	(1,248)
Less :Unearned discount	(2,918)	(2,404)
Net loans and advances to customers & Banks	34,957,214	29,698,946

Analysis of expected credit loss of loans and facilities to customers and banks

	30 September 2021	31 December 2020
Balance at the beginning of the period/year	2,005,172	1,859,678
ECL Allowance for the period/year (note 11)	229,782	166,588
Provisions no longer required (note 11)	(3,233)	(8,455)
Foreign exchange adjustments	(6,691)	(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	2,165,536	2,005,172

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

As of 30 September 2021

All Figures are in EGP 000

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

Analysis of expected credit loss of loans and facilities by type:

	30 September 2021	31 December 2020
<u>Retail</u>		
Balance at beginning of the period/year	43,630	85,655
ECL Allowance for the period/year (note 11)	(10,085)	(42,025)
Balance at end of the period/year (1)	33,545	43,630
<u>Corporate</u>		
Balance at beginning of the period/year	1,961,542	1,774,023
ECL Allowance for the period/year (note 11)	239,867	208,613
Provision no longer required (note 11)	(3,232)	(8,455)
Recoveries from written-off debts	3,232	8,455
Foreign exchange adjustments	(6,691)	(21,061)
Write-off during the year	(62,727)	(33)
Balance at end of the period/year (2)	2,131,991	1,961,542
Total (1) + (2)	2,165,536	2,005,172

17-Derivative financial instruments

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

30 September 2021

	Contractual value	Assets	Liabilities
Cash flow hedge			
Interest rate swap	308,462	-	9,738
Total assets / liabilities	308,462	-	9,738

31 December 2020

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

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

As of 30 September 2021

All Figures are in EGP 000

18- Financial investments

	30 September 2021	31 December 2020
Fair value through Other Comprehensive Income		
Debt instruments		
Listed (Treasury Bonds)	7,779,119	4,519,106
Listed (Non-government Bonds)	1,461,174	1,636,804
Sukuk	700,000	500,000
Equity instruments		
Unlisted	43,633	61,778
Money Market Funds		
AUBE Mutual Fund THARWA	14,004	13,040
AUBE Mutual Fund ALPHA	9,667	9,485
Total financial investments at FVTOCI (1)	10,007,597	6,740,213
Financial investments at Amortized Cost		
Debt instruments		
Government Bonds	2,504,774	2,667,414
Total financial investments at Amortized Cost (2)	2,504,774	2,667,414
Fair value through profit or loss		
Equity instruments		
Listed	1,201	1,630
Money Market Funds		
AUBE Mutual Fund THARWA	43,411	29,991
Total financial investments at FVTPL (3)	44,612	31,621
Total financial investments (1+2+3)	12,556,983	9,439,248
Current balances	88,245	93,399
Non-current balances	12,468,738	9,345,849
Total	12,556,983	9,439,248
Equity instruments	44,834	63,408
Debt instruments	12,445,067	9,323,324
Mutual Funds	67,082	52,516
Total	12,556,983	9,439,248

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

As of 30 September 2021

All Figures are in EGP 000

18- Financial investments (Cont....)

30 September 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	4,381,492	445,000	4,826,492
Amortization of discount	(28,540)	2,745	(25,795)
Disposals / Maturities	(1,021,689)	(610,385)	(1,632,074)
Foreign Currency Revaluation	(4,218)	-	(4,218)
Net fair value adjustments	(59,661)	-	(59,661)
Balance at 30 September 2021	10,007,597	2,504,774	12,512,371

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 9 Months 30 September 2021</i>	<i>Last 9 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2020</i>	<i>Last 3 Months 30 September 2020</i>
Profit on sale of treasury bills	20,330	40,216	6,575	4,555
Profit on Financial investments fair value through other comprehensive income	27,062	32,796	3,715	1,432
Total	47,392	73,012	10,290	5,987

20- Investment properties (net)

	30 September 2021	31 December 2020
Cost at beginning of the period / year	41,646	41,646
Additions during the period / year	434	-
Accumulated depreciation at beginning of the period / year	(6,588)	(5,755)
Depreciation during the period/year	(625)	(833)
Net Book Value	34,867	35,058

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

As of 30 September 2021

All Figures are in EGP 000

21- Other assets

	30 September 2021	31 December 2020
Interest Receivable from Customers	585,649	497,745
Prepaid expenses	8,497	20,801
Advances for purchase of property, plant and equipment	77,383	168,944
Assets acquired as settlement of debts	294,080	146,013
Deposits held with other custody	19,217	7,734
Other assets	336,431	265,296
Total	1,321,257	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	143,240	39,935	9,763	36,594	229,532
Disposals	-	-	-	(847)	(847)
Depreciation charge	(6,291)	(14,279)	(6,994)	(31,957)	(59,521)
Depreciation related to Disposals	-	-	-	847	847
Net book value 30 September 2021	456,742	111,932	69,885	162,848	801,407
Balance at the end of current period represents in:					
Cost	526,674	242,352	121,676	381,379	1,272,081
Accumulated depreciation	(69,932)	(130,420)	(51,791)	(218,531)	(470,674)
Net book value 30 September 2021	456,742	111,932	69,885	162,848	801,407

	<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

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

As of 30 September 2021

All Figures are in EGP 000

23-Due to banks

	30 September 2021	31 December 2020
Current accounts	27,906	21,216
Deposits from Banks	1,734,735	-
Total	1,762,641	21,216
Local banks	1,734,735	-
Foreign banks	27,906	21,216
Total	1,762,641	21,216

24-Customers' deposits

	30 September 2021	31 December 2020
Demand deposits	16,320,183	15,400,543
Time deposits	23,480,876	22,186,609
Certificates of deposit	5,709,219	4,780,309
Savings deposits	3,965,165	3,851,444
Other deposits	639,098	339,182
Total	50,114,541	46,558,087

25-Other Loans

	Rates	30 September 2021	31 December 2020
Egyptian Mortgage Refinance company (EMRC)	1%	1,006	2,113
Egyptian Mortgage Refinance company (EMRC)	3%	16,000	16,079
Egyptian Mortgage Refinance company (EMRC)	Variable	62,535	58,421
Export Development Bank of Egypt	Variable	24,981	29,146
		104,522	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 September 2021	31 December 2020
Interest Payable	247,172	266,071
Clearing operations – CBE	235,466	122,223
Margin deposits	226,715	84,986
Accrued Taxes	298,603	358,989
Unearned revenue	20,969	21,409
Accrued expenses	63,565	68,492
Deferred tax liability	262,714	273,529
Dividends payable	11,855	-
Other credit balances	143,847	76,778
Total	1,510,906	1,272,477

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

As of 30 September 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	99,547	31,880	163,157
Charged (released) during the Period	960	(21,384)	15,094	(5,330)
Foreign currency translation	(2)	(46)	(56)	(104)
Balance at 30 September 2021	32,688	78,117	46,918	157,723

	<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/(released) during the year	430	(33,940)	1,507	(32,003)
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 September 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.

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

As of 30 September 2021

All Figures are in EGP 000

29-Reserves and Retained Earnings

	30 September 2021	31 December 2020
Reserves of General bank risk	6,380	6,380
General risk reserve	11,884	11,884
Legal reserve & Capital reserve	564,759	503,756
Fair value reserve	101,793	162,981
Total reserves at the end of the period/Year	684,816	685,001

29-1 Reserves General Bank Risks

	30 September 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 September 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 September 2021	31 December 2020
Balance at the beginning of the period / year	162,981	257,489
Net fair value movements during the period / year	(61,188)	(94,508)
Balance at the end of the period/Year	101,793	162,981

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

As of 30 September 2021

All Figures are in EGP 000

29-4 Retained Earnings

	30 September 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	814,168	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	3,130,053	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 September 2021	30 September 2020
Cash and due from Central Bank	4,366,859	4,716,535
Due from banks	4,344,243	3,025,810
Treasury bills	4,104,293	3,877,923
Balances with CBE - mandatory reserve	(3,857,592)	(4,094,066)
Treasury bills with maturities more than 3 months	(4,105,176)	(3,877,923)
Total	4,852,627	3,648,279

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

There are some existing cases filed against the bank on 30 September 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 September 2021	31 December 2020
Capital commitments of fixed assets	69,016	104,910
Commitments under operating lease contracts	77,050	85,122
Liabilities against letters of credit, documentary Credits and other Commitments	8,757,788	6,750,442
Total	8,903,854	6,940,474

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

As of 30 September 2021

All Figures are in EGP 000

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 September 2021 and 31 December 2020:

	30 September 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 September 2021 is EGP 2,839 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 2017/2019.
- The bank taken into consideration the status of the above assessment while estimating the tax provision.

Stamp Duty Tax

- All of the bank branches were inspected from operating date till 31 July 2006.
- From 1st August 2006 up to 31st December 2020 settled with the tax authority –inspection completed.

Salary Tax

- The bank calculates, deducts and pays the monthly salary tax on a regular basis
- From the bank inception date till 2002 was assessed and the tax due was paid. Some periods are pending in the courts.
- From 2003 till 2004 was inspected and the bank dispute was transferred to the 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 30 September, 2021, 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.