

AHLI UNITED BANK
(SAE)

Consolidated Condensed Interim Financial Statements
For The Period Ended 31 March 2022
& Limited Review Report

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

As of 31 March 2022

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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 31 March 2022 and the related consolidated condensed statements of financial position, consolidated condensed statements of income, consolidated condensed Statement of comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our limited review.

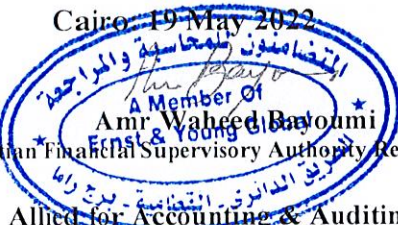
Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that accompanying consolidated condensed interim financial statements do not present fairly, in all material respects, the financial position of the Bank as of 31 March 2022 and of its financial performance and its cash flows for the three months then ended in accordance with the bases of recognition and measurement issued by central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations, relevant to the preparation of these interim condensed consolidated financial statements.

Cairo, 19 May 2022


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

Auditors

Ahmed Abdel Hady
Egyptian Financial Supervisory Authority Register no.287

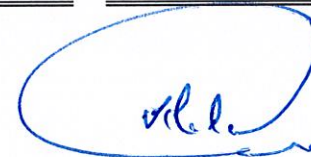
Change Chartered Accountants



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

As of 31 March 2022

	Notes	31 March 2022 EGP Thousands	31 December 2021 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(12)	4,665,779	5,500,878
Due from banks	(13)	6,253,775	4,769,468
Treasury bills	(14)	5,353,645	1,966,954
Loans and advances to customers & banks	(15)	40,629,484	36,716,271
Derivative financial instruments	(16)	610	-
Financial Investments			
- Financial assets at fair value through other comprehensive income	(17)	10,431,386	10,507,500
- Financial assets at amortized cost	(17)	2,503,731	2,504,245
- Financial assets at fair value through profit or loss	(17)	46,549	45,737
Investments properties (net)	(19)	20,242	34,659
Other assets	(20)	1,239,073	1,591,219
Property, plant and equipment (net)	(21)	893,523	825,755
TOTAL ASSETS		72,037,797	64,462,686
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(22)	5,047,914	325,444
Derivative financial instruments	(16)	1,816	6,674
Treasury bills sold under repurchase agreements	(14)	8,122	10,152
Customers' deposits	(23)	55,807,913	53,511,914
Other Loans	(24)	450,376	92,635
Other liabilities	(25)	1,261,819	1,184,138
Other provisions	(26)	176,720	157,676
TOTAL LIABILITIES		62,754,680	55,288,633
EQUITY			
Issued and paid-up-capital	(27)	5,000,000	3,000,000
Transferred under capital increase	(27)	2,000,000	2,000,000
Reserves	(28)	558,709	682,889
Retained earnings (including net profit for the current period)	(28)	1,724,408	3,491,164
TOTAL SHAREHOLDERS' EQUITY		9,283,117	9,174,053
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		72,037,797	64,462,686



Hala Hatem Sadek
CEO & Board Member

- The accompanying notes, (1) to (34) form an integral part of the standalone condensed interim 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 31 March 2022

	Notes	<i>Three months ended 31 March 2022 EGP Thousands</i>	<i>Three months ended 31 March 2021 EGP Thousands</i>
Interest from loans and similar revenues	(5)	1,483,135	1,240,214
Interest on deposits and similar expenses	(5)	(914,574)	(747,177)
Net interest income		568,561	493,037
Fees and commission revenues	(6)	103,229	96,115
Fees and commission expenses	(6)	(11,348)	(7,742)
Net fees and commission income		91,881	88,373
Net trading income	(7)	23,947	25,469
Gain on financial investments	(18)	6,908	13,977
Impairment charges for credit losses	(10)	(414,358)	(22,690)
Administrative expenses	(8)	(238,844)	(192,841)
Other operating income (expenses)	(9)	450,906	(510)
Net profit before income tax		489,001	404,815
Income tax expenses	(11)	(64,439)	(102,160)
Net profit for the period after tax		424,562	302,655
Attributable to:			
Bank's equity shareholders		424,562	302,655
Net profit of the period		424,562	302,655

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

AHLI UNITED BANK EGYPT S.A.E**CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**
For the Period Ended 31 March 2022

	<i>Three months ended 31 March 2022 EGP Thousands</i>	<i>Three months ended 31 March 2021 EGP Thousands</i>
Net profit for the period	424,562	302,655
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	11	639
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	(188,967)	(54,111)
Fair value hedge – change in fair value of interest rate swaps	5,468	2,357
Expected credit loss of debt instruments measured at fair value through other comprehensive income	704	(1,104)
Total comprehensive income for the period	241,778	250,436

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

AHLI UNITED BANK EGYPT S.A.E

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

For The Period Ended 31 March 2022

	Notes	Three months ended 31 March 2022 EGP Thousands	Three months ended 31 March 2021 EGP Thousands
Operating activities			
Profit before income tax		489,001	404,815
Adjustments:			
Depreciation and amortization	(8)	24,705	19,339
Net impairment charges to loans to customers	(10)	412,580	22,823
Other provisions charge during the period	(26)	18,092	2,396
Impairment credit losses - due from banks	(10)	(246)	(518)
Revaluation differences of other provisions in foreign currencies	(26)	952	(100)
Gain on sale of property, plant and equipment	(9)	(1,436)	(241)
Amortization of premium	(17)	132,836	19,890
Impairment (release) charge- debt instruments at FVTOCI	(10)	353	(1,093)
Revaluation difference of Financial investments in foreign currencies	(17)	(71,195)	4,189
Impairment credit losses Foreign currency translation		192,637	-
Impairment charges - Treasury bills	(10)	1,671	1,478
Revaluation of financial assets at fair value through profit or loss	(7)	(706)	(658)
Operating income before changes in operating assets and liabilities		1,199,244	472,320
Net change in operating assets and liabilities			
Due from banks	(13)	-	(1,094,853)
Balances with Central Bank of Egypt - mandatory reserve	(12)	1,046,244	-
Treasury bills	(14)	(3,407,322)	3,211,381
Financial investments-at Fair value through profit or loss	(17)	(106)	(658)
Loans and advances to customers and banks	(15)	(4,517,012)	(1,221,001)
Other assets	(20)	352,146	74,902
Due to banks	(22)	4,722,470	23,372
Customers' deposits	(23)	2,295,999	609,144
Other liabilities	(25)	97,441	850,994
Treasury bills sold under repurchase agreements	(14)	(2,030)	(20,156)
Financial derivatives		-	(2,373)
Income tax paid		(100,897)	(145,137)
Net cash flows from operating activities		1,686,177	2,757,935
Investing activities			
Sale of investment -Fair value through other comprehensive income		95,152	286,652
Purchase of fixed assets	(21)	(78,059)	(40,282)
Redemption of Investments -Amortized cost	(17)	-	40,000
Proceeds from fixed assets		1,433	241
Purchase of investments	(17)	(250,898)	(1,519,373)
Net cash (used in) investing activities		(232,372)	(1,232,762)
Financing activities			
Proceeds from /(Payments) of other loans		357,741	(12,396)
Dividends and employees profit paid		(116,000)	(131,487)
Net cash flows from (used in) financing activities		241,741	(143,883)
Increase in cash and cash equivalents during the period		1,695,546	1,381,290
Cash and cash equivalent at the beginning of the period		5,239,321	4,123,404
Cash and cash equivalents at the end of the period	(29)	6,934,867	5,504,694
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(12)	4,665,779	5,230,440
Balances with banks	(13)	6,255,962	5,561,124
Treasury bills	(14)	5,355,841	3,922,850
Balances with Central Bank of Egypt - mandatory reserve	(12)	(3,986,874)	(4,847,015)
Deposits with banks with original maturities more than 3 months		-	(439,855)
Treasury bills with original maturities more than 3 months	(14)	(5,355,841)	(3,922,850)
Cash and cash equivalents at the end of the period		6,934,867	5,504,694

- The accompanying notes, (1) to (34) form an integral part of the consolidated condensed interim 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 31 March 2022

All Figures are in EGP Thousands

	Paid-up-capital	Transferred under capital increase	Legal reserve & 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 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)
Bonus shares	-	2,000,000	-	-	-	-	(2,000,000)	-
Transferred to legal and capital reserve	-	-	61,003	-	-	-	(61,003)	-
Directors' remuneration	-	-	-	-	-	-	(5,922)	(5,922)
Employees profit paid	-	-	-	-	-	-	(125,565)	(125,565)
Transferred to banking sector support fund	-	-	-	-	-	-	(11,855)	(11,855)
Net change in other comprehensive income	-	-	-	-	-	(52,219)	-	(52,219)
Net profit for the period	-	-	-	-	-	-	302,655	302,655
Balances as of 31 March 2021	3,000,000	2,000,000	564,759	11,884	6,380	110,762	2,618,540	8,312,325
Balances as of 1 January 2022	3,000,000	2,000,000	564,759	11,884	6,729	99,517	3,491,164	9,174,053
Prior year Adjustments	-	-	-	-	-	-	725	725
Transferred to Paid up capital	2,000,000	(2,000,000)	-	-	-	-	-	-
Bonus shares	-	2,000,000	-	-	-	-	(2,000,000)	-
Transferred to legal and capital reserve	-	-	58,604	-	-	-	(58,604)	-
Directors' remuneration	-	-	-	-	-	-	(5,922)	(5,922)
Employees profit paid	-	-	-	-	-	-	(116,000)	(116,000)
Transferred to banking sector support fund	-	-	-	-	-	-	(11,517)	(11,517)
Net change in other comprehensive income	-	-	-	-	-	(182,784)	-	(182,784)
Net profit for the period	-	-	-	-	-	-	424,562	424,562
Balances as of 31 March 2022	5,000,000	2,000,000	623,363	11,884	6,729	(83,267)	1,724,408	9,283,117

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

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As of 31 March 2022

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 42 branches with 1176 employees at 31 March 2022.

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 consolidated condensed interim financial statements on 17 May 2022.

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 periods presented, unless otherwise stated:

A- Basis of preparation of the financial statements

The consolidated condensed interim 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 .

The consolidated condensed financial statements have been prepared in accordance with applicable laws of Egypt. 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 year ended 31 December 2021.

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 year ended 31 December 2021.

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

As of 31 March 2022

All Figures are in EGP Thousands

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

The following figure illustrates the quality of financial assets as at:

31 March 2022	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Financial Assets:				
Due from banks	4,042,885	2,213,077	-	6,255,962
Treasury bills	5,298,218	202,734	-	5,500,952
Loans and advances to customers & banks	26,229,616	16,185,727	1,608,417	44,023,760
Debt instruments at fair value through other comprehensive income	9,766,546	561,810	-	10,328,356
Debt instruments at amortized Cost	2,503,731	-	-	2,503,731
	<u>47,840,996</u>	<u>19,163,348</u>	<u>1,608,417</u>	<u>68,612,761</u>
31 December 2021	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Financial Assets:				
Due from banks	2,992,143	1,779,418	-	4,771,561
Treasury bills	1,857,930	174,455	-	2,032,385
Loans and advances to customers & banks	23,447,536	14,611,975	1,415,736	39,475,247
Debt Instruments at Fair value through other comprehensive income	9,867,945	545,877	-	10,413,822
Debt Instruments at Amortized Cost	2,504,245	-	-	2,504,245
	<u>40,669,799</u>	<u>17,111,725</u>	<u>1,415,736</u>	<u>59,197,260</u>

The following figure illustrates the expected credit loss as at

31 March 2022	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Financial Assets:				
Due from banks	207	1,980	-	2,187
Treasury bills	-	2,196	-	2,196
Loans and advances to customers & banks	424,378	1,283,504	1,301,929	3,009,811
Debt instruments at fair value through other comprehensive income	768	3,097	-	3,865
Commitments on loans and collaterals	42,219	15,976	15,350	73,545
	<u>467,572</u>	<u>1,306,753</u>	<u>1,317,279</u>	<u>3,091,604</u>
31 December 2021	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Financial Assets:				
Due from banks	280	1,813	-	2,093
Treasury bills	-	452	-	452
Loans and advances to customers & banks	87,943	1,144,417	1,169,357	2,401,717
Debt instruments at fair value through other comprehensive income	1,056	2,105	-	3,161
Commitments on loans and collaterals	35,879	6,539	15,324	57,742
	<u>125,158</u>	<u>1,155,326</u>	<u>1,184,681</u>	<u>2,465,165</u>

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

As of 31 March 2022

All Figures are in EGP Thousands

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

	<i>31 March 2022</i>	<i>31 December 2021</i>
According to Basel II		
Total Tier 1 (basic and additional capital)	9,262,172	9,021,097
Total Tier 2 (subordinated capital)	479,034	143,112
Total Capital Base	9,741,206	9,164,209
Total weighted risk of contingent assets and liabilities	53,574,787	50,313,147
Capital Adequacy Ratio	18.18%	18.21%

C - Financial leverage risk management

	<i>31 March 2022</i>	<i>31 December 2021</i>
Tier 1 of the capital adequacy ratio	9,262,172	9,021,097
Total exposures in & off-Balance Sheet	78,065,683	69,659,832
Leverage ratio%	11.86%	12.95%

Capital adequacy ratio had been calculated in accordance with (Basel II) requirements and the Central Bank of Egypt instructions issued on December 24, 2012 and during May 2019, in addition to the instructions issued in January 2021 regarding the adoption of standardized approach for measuring operational risk starting from year 2022 to replace basic indicator approach.

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

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

According to banking processes the segment analysis includes the following:

Large, medium & small institutions

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

Investments:

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

Individuals:

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

Other activities:

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

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
As of 31 March 2022

All Figures are in EGP thousands

4 - Segment analysis – Activity (Cont....)

31 March 2022	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	788,985	11,667	199,140	512,174	556,160	2,068,125
Segment activity expenses	(634,944)	(8,591)	(96,091)	(419,384)	(420,114)	(1,579,124)
Profit before tax	154,041	3,076	103,049	92,790	136,046	489,001
Income tax	(31,575)	(692)	(37,211)	(21,519)	26,558	(64,439)
Profit for the period	122,466	2,384	65,838	71,271	162,604	424,562
Assets & liabilities according to segment activities						
Segment activity assets	41,200,991	1,051,564	26,394,128	2,443,383	947,730	72,037,797
Total assets	41,200,991	1,051,564	26,394,128	2,443,383	947,730	72,037,797
Segment activity liabilities	29,027,135	259,407	5,422,696	26,578,906	1,466,536	62,754,680
Total liabilities	29,027,135	259,407	5,422,696	26,578,906	1,466,536	62,754,680
Other items for segment activity						
Depreciation	(7,551)	(687)	(2,747)	(11,877)	(1,843)	(24,705)
Net charges of ECL	(410,729)	-	(1,778)	(1,851)	-	(414,358)

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
As of 31 March 2022

All Figures are in EGP Thousands

4 - Segment analysis – Activity (Cont....)

31 March 2021	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	643,086	7,271	158,317	476,859	89,732	1,375,265
Segment activity expenses	(520,386)	(4,413)	(48,014)	(386,266)	(11,371)	(970,450)
Profit before tax	122,700	2,858	110,303	90,593	78,361	404,815
Income tax	(25,095)	(644)	(48,770)	(20,619)	(7,032)	(102,160)
Profit for the period	97,605	2,214	61,533	69,974	71,329	302,655
Assets & liabilities according to segment activities						
Segment activity assets	31,216,772	510,452	23,282,423	1,864,398	1,017,083	57,891,128
Total assets	31,216,772	510,452	23,282,423	1,864,398	1,017,083	57,891,128
Segment activity liabilities	21,064,072	114,752	4,258,303	21,883,983	2,257,693	49,578,803
Total liabilities	21,064,072	114,752	4,258,303	21,883,983	2,257,693	49,578,803
Other items for segment activity						
Depreciation	(6,899)	(330)	(3,004)	(8,156)	(950)	(19,339)
Net (charges) / release of ECL	(22,823)	-	133	-	-	(22,690)

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

As of 31 March 2022

All Figures are in EGP Thousands

5-Net interest income

	<i>31 March 2022</i>	<i>31 March 2021</i>
Interest from loans and similar revenues:		
Loans and advances to customers	905,412	697,331
Treasury bills and bonds	554,432	480,600
Deposits and current accounts	23,291	62,283
Total	1,483,135	1,240,214
Cost of deposits and similar expense:		
Deposits and current accounts:		
Banks	(63,807)	(891)
Customers	(847,697)	(743,592)
Other loans	(3,070)	(2,694)
Total	(914,574)	(747,177)
Net interest income	568,561	493,037

6- Net fees and commission income

	<i>31 March 2022</i>	<i>31 March 2021</i>
Fees and commission revenues:		
Credit Fees and commissions	79,972	78,992
Custody fees	8,746	8,603
Other fees	14,511	8,520
Total	103,229	96,115
Fees and commission expenses:		
Other fees	(11,348)	(7,742)
Total	(11,348)	(7,742)
Net fees and commission income	91,881	88,373

7-Net trading income

	<i>31 March 2022</i>	<i>31 March 2021</i>
Foreign exchange trading gains	23,241	24,811
Change in fair value of investment at FVTPL	706	658
Net trading income	23,947	25,469

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

As of 31 March 2022

All Figures are in EGP Thousands

8- Administrative expenses

	31 March 2022	31 March 2021
Staff cost:		
Salaries and wages	(85,488)	(62,514)
Social insurance	(5,722)	(4,549)
	<u>(91,210)</u>	<u>(67,063)</u>
Depreciation	(24,705)	(19,339)
Other administrative expenses	(122,929)	(106,439)
Total	<u>(238,844)</u>	<u>(192,841)</u>

9- Other operating income / (expenses)

	31 March 2022	31 March 2021
Gain (Losses) from non-trading assets and liabilities revaluation	460,248	(4,492)
Gain on sale of property and equipment	1,436	241
Legal provision charged	(100)	(200)
Claims provision charged	(2,304)	(2,023)
Contingent provision charged	(15,688)	(175)
Other income	7,314	6,139
Total	<u>450,906</u>	<u>(510)</u>

10- Impairment charges of credit losses

	31 March 2022	31 March 2021
Loans and credit facilities to customers	(412,580)	(22,823)
Due from banks	246	518
Debt instruments at FVTOCI	(353)	1,093
Treasury bills	(1,671)	(1,478)
Total	<u>(414,358)</u>	<u>(22,690)</u>

11- Income tax expenses

	31 March 2022	31 March 2021
Current Tax	(66,666)	(113,106)
Deferred Tax	2,227	10,946
Net tax	<u>(64,439)</u>	<u>(102,160)</u>

	31 March 2022	31 March 2021
Net profit before tax	<u>489,001</u>	<u>404,815</u>
Income tax (22.5%)	(110,025)	(91,083)
Tax effect on:		
Income not subject to tax	3,539	2,866
Provision	(23,918)	(1,496)
Depreciation differences	(18)	23
Others	63,756	(23,416)
Income tax expenses	<u>(66,666)</u>	<u>(113,106)</u>

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12-Cash and balances with Central Bank of Egypt

	<i>31 March 2022</i>	<i>31 December 2021</i>
Cash	678,905	467,760
Balances with CBE (mandatory reserve)	3,986,874	5,033,118
Total	4,665,779	5,500,878
Interest free balances	4,665,779	5,500,878

13-Due from Banks

	<i>31 March 2022</i>	<i>31 December 2021</i>
Current accounts	504,257	415,198
Deposits	5,751,705	4,356,363
	6,255,962	4,771,561
Less: ECL Allowance	(2,187)	(2,093)
Total	6,253,775	4,769,468
Balances at CBE other than those under the mandatory reserve	955,708	2,067,666
Local banks	65,155	57,047
Foreign Banks	5,235,099	2,646,848
	6,255,962	4,771,561
Less: ECL Allowance	(2,187)	(2,093)
Total	6,253,775	4,769,468
Balances at floating interest rates	504,257	415,198
Balances at fixed interest rates	5,751,705	4,356,363
	6,255,962	4,771,561
Less: ECL Allowance	(2,187)	(2,093)
Total	6,253,775	4,769,468

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

	<i>31 March 2022</i>	<i>31 December 2021</i>
Treasury Bills at Amortized Cost		
365 Days maturity	202,733	174,455
Treasury Bills at Fair value through OCI		
273 Days maturity	2,784,415	705,021
365 Days maturity	2,513,804	1,152,909
	<u>5,500,952</u>	<u>2,032,385</u>
Less: Unearned interest	(145,111)	(64,979)
Less: ECL Allowance	(2,196)	(452)
Total	<u>5,353,645</u>	<u>1,966,954</u>

14.2 Treasury bills sold under repurchase agreements

Treasury bills sold under repurchase agreements	8,122	10,152
Total	<u>8,122</u>	<u>10,152</u>

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15- Loans and advances to customers & banks

	<i>31 March 2022</i>	<i>31 December 2021</i>
Individuals		
Overdrafts	511,769	470,953
Credit cards	33,689	33,072
Personal loans	1,494,808	1,126,015
Mortgage Loans	1,080,036	842,315
Other Loans	767,793	887,243
Total (1)	3,888,095	3,359,598
Corporate loans including small loans:		
Overdrafts	3,601,048	3,496,208
Direct loans	30,832,737	27,160,829
Syndication loans	5,595,545	5,104,265
Total (2)	40,029,330	35,761,302
Total loans and advances to customers (1+2)	43,917,425	39,120,900
Less :ECL Allowance	(3,008,107)	(2,400,251)
Less: interest in suspense	(121,841)	(120,673)
Less :Unearned discount	(262,412)	(234,661)
Net loans and advances to customers	40,525,065	36,365,315
 Loans and advances to banks	 106,335	 354,347
Less :ECL Allowance	(1,704)	(1,466)
Less :Unearned discount	(212)	(1,925)
Net loans and advances to customers & Banks	40,629,484	36,716,271

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

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period/year	2,401,717	2,005,172
ECL Allowance for the period /year (note 10)	416,150	462,378
Provisions no longer required (note 10)	(3,570)	(6,272)
Foreign exchange adjustments	191,944	(2,966)
Recoveries from written-off debts	3,570	6,272
Write-off during the period/year	-	(62,867)
Balance at the end of the period/year	3,009,811	2,401,717

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

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

	31 March 2022	31 December 2021
<u>Retail</u>		
Balance at the beginning of the period/year	33,763	43,630
ECL charged during the period/year (note 10)	15,484	(9,867)
Balance at end of the period/ year (1)	49,247	33,763
<u>Corporate</u>		
Balance at the beginning of the period/year	2,367,954	1,961,542
ECL charged during the period/year (note 10)	400,666	472,245
Provision no longer required (note 10)	(3,570)	(6,272)
Recoveries from written-off debts	3,570	6,272
Foreign exchange adjustments	191,944	(2,966)
Write-off during the period/year	-	(62,867)
Balance at end of the period/year (2)	2,960,564	2,367,954
Total (1) + (2)	3,009,811	2,401,717

16-Derivative financial instruments

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

31 March 2022

	Contractual value	Assets	Liabilities
Cash flow hedge			
Interest rate swap	273,300	610	1,816
Total	273,300	610	1,816

31 December 2021

	Contractual value	Assets	Liabilities
Cash flow hedge			
Interest rate swap	306,874	-	6,674
Total	306,874	-	6,674

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17- Financial investments**Fair value through Other Comprehensive Income :****A)Debt instruments**

Listed (Treasury Bonds)

7,786,526

7,957,732

Listed (Non-government Bonds)

1,841,830

1,756,090

Listed Sukuk (Non-government Bonds)

700,000

700,000

B)Equity instruments

Listed

3,542

4,050

Unlisted

73,634

64,291

C)Money Market Funds

AUBE Mutual Fund THARWA

14,666

14,335

AUBE Mutual Fund ALPHA

11,188

11,002

Total financial investments at FVTOCI (1)

10,431,386

10,507,500

Financial investments at Amortized Cost :**A)Debt instruments**

Government Bonds

2,503,731

2,504,245

Total financial investments at Amortized Cost (2)

2,503,731

2,504,245

Fair value through profit or loss**A)Equity instruments**

Listed

1,082

1,298

B)Money Market Funds

AUBE Mutual Fund THARWA

45,467

44,439

Total financial investments at FVTPL (3)

46,549

45,737

Total financial investments (1+2+3)

12,981,666

13,057,482

Current balances

78,258

69,639

Non-current balances

12,903,408

12,987,843

Total financial investments

12,981,666

13,057,482

Equity instruments

78,258

69,639

Debt instruments

12,832,087

12,918,067

Mutual Funds

71,321

69,776

Total financial investments

12,981,666

13,057,482

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As of 31 March 2022

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17- Financial investments (Cont....)**31 March 2022**

	Financial assets at Fair value through OCI	Financial assets at Amortized Cost	Total
Balance at 1 January 2022	10,507,500	2,504,245	13,011,745
Additions	250,898	-	250,898
Amortization of premium	(132,322)	(514)	(132,836)
Disposals / Maturities	(95,152)	-	(95,152)
Foreign currency revaluation	71,195	-	71,195
Net fair value adjustments	(170,733)	-	(170,733)
Balance at 31 March 2022	10,431,386	2,503,731	12,935,117

31 December 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	5,147,608	445,000	5,592,608
Amortization of (premium)/discount	(27,863)	2,216	(25,647)
Disposals / Maturities	(1,284,295)	(610,385)	(1,894,680)
Foreign currency revaluation	(5,625)	-	(5,625)
Net fair value adjustments	(62,538)	-	(62,538)
Balance at 31 December 2021	10,507,500	2,504,245	13,011,745

18-Gain on Financial investments

	31 March 2022	31 March 2021
Gain on sale of treasury bills	6,176	7,511
Gain on sale of financial investment – FVTOCI	732	6,466
Total	6,908	13,977

19- Investment properties (net)

	31 March 2022	31 December 2021
Cost at the beginning of the period/year	42,080	41,646
Additions during the period/year	-	434
Transferred to property, plant and equipment	(17,424)	-
Cost at the ending of the period/year	24,656	42,080
Accumulated depreciation at the beginning of the period/year	(7,421)	(6,588)
Depreciation charged during the period/year	(178)	(833)
Accumulated depreciation transferred to property, plant and equipment	3,185	-
Accumulated depreciation at the ending of the period/year	(4,414)	(7,421)
Net Book Value	20,242	34,659

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As of 31 March 2022

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20- Other assets

	<i>31 March 2022</i>	<i>31 December 2021</i>
Interest receivable from customers	663,540	894,527
Prepaid expenses	27,834	27,824
Advances for purchase of property, plant and equipment	63,594	92,191
Assets acquired as settlement of debts	297,440	294,080
Deposits held with other custody	8,724	7,219
Other assets	177,941	275,378
Total	1,239,073	1,591,219

21 – Property, plant and equipment (net)

	<i>Lands and buildings</i>	<i>Leased assets improvements</i>	<i>Equipment and machinery</i>	<i>Others</i>	<i>Total</i>
Net book value as of 1 January 2022	454,359	118,905	74,210	178,281	825,755
Additions	-	40,889	7,315	29,855	78,059
Disposals	-	-	-	(910)	(910)
Transferred from Investment properties	14,239	-	-	-	14,239
Depreciation charge	(2,854)	(5,547)	(2,730)	(13,396)	(24,527)
Accumulated Depreciation related to disposals	-	-	-	907	907
Net book value as of 31 March 2022	465,744	154,247	78,795	194,737	893,523

Balance at the end of current period represents in:

Cost	541,343	295,428	135,806	437,141	1,409,718
Accumulated depreciation	(75,599)	(141,181)	(57,011)	(242,404)	(516,195)
Net book value as of 31 March 2022	465,744	154,247	78,795	194,737	893,523

	<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	143,670	52,122	16,578	63,559	275,929
Disposals	-	-	-	(847)	(847)
Depreciation charge	(9,104)	(19,493)	(9,484)	(43,489)	(81,570)
Accumulated Depreciation related to disposals	-	-	-	847	847
Net book value 31 December 2021	454,359	118,905	74,210	178,281	825,755

Balance at the end of current year represents in:

Cost	527,104	254,539	128,491	408,344	1,318,478
Accumulated depreciation	(72,745)	(135,634)	(54,281)	(230,063)	(492,723)
Net book value 31 December 2021	454,359	118,905	74,210	178,281	825,755

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22-Due to banks*31 March 2022 31 December 2021*

Current accounts	27,914	55,444
Deposits	5,020,000	270,000
Total	5,047,914	325,444
Local banks	5,020,000	270,000
Foreign banks	27,914	55,444
Total	5,047,914	325,444

23-Customers' deposits*31 March 2022 31 December 2021*

Demand deposits	18,427,068	17,560,450
Time deposits	26,418,526	25,374,327
Certificates of deposit	5,887,686	5,834,945
Savings deposits	4,064,920	4,008,050
Other deposits	1,009,713	734,142
Total	55,807,913	53,511,914
Corporate deposits	42,564,240	40,441,187
Individual deposits	13,243,673	13,070,727
Total	55,807,913	53,511,914
Non-interest bearing balances	5,590,600	4,340,517
Floating-interest bearing balances	17,911,101	17,962,125
Fixed interest bearing balances	32,306,212	31,209,272
Total	55,807,913	53,511,914
Current balances	23,501,701	22,302,642
Non-current balances	32,306,212	31,209,272
Total	55,807,913	53,511,914

24-Other Loans*Rates 31 March 2022 31 December 2021*

Egyptian Mortgage Refinance company (EMRC)	1%	965	973
Egyptian Mortgage Refinance company (EMRC)	3%	15,670	15,972
Egyptian Mortgage Refinance company (EMRC)	Variable	45,924	51,916
Export Development Bank of Egypt	Variable	22,531	23,774
European Bank For Reconstruction and Development (EBRD)	Variable	365,286	-
Total		450,376	92,635

- Under CBE financing initiatives (5% and 7%); AUFC acquired financing from the Egyptian Mortgage Refinance Company (EMRC) guaranteed by the company's mortgage portfolio, and another credit facility with a limit of EGP 250 million from Export Development Bank of Egypt on 21 September 2019.
- The Bank signed five years facility agreement with the European Bank for Reconstruction and Development (EBRD) to support SMEs and green financing.

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25- Other liabilities

	<i>31 March 2022</i>	<i>31 December 2021</i>
Interest Payable	237,275	268,718
Clearing operations – CBE	151,198	112,592
Margin deposits	187,948	262,116
Accrued Taxes	290,884	324,963
Unearned revenue	28,891	21,809
Accrued expenses	131,332	82,511
Deferred tax liability	5,603	7,880
Dividends payable	28,769	11,855
Other credit balances	199,919	91,694
Total	1,261,819	1,184,138

26- Other provisions

	<i>Provision for legal claims</i>	<i>Claims provision</i>	<i>Contingent liabilities</i>	<i>Total</i>
Balance at 1 January 2022	29,559	70,375	57,742	157,676
Charged during the period	100	2,304	15,688	18,092
Foreign currency translation	254	583	115	952
Balance at 31 March 2022	29,913	73,262	73,545	176,720

	<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 year	(36)	(29,171)	25,938	(3,269)
Utilized during the year	(2,133)	-	-	(2,133)
Foreign currency translation	(2)	(1)	(76)	(79)
Balance at 31 December 2021	29,559	70,375	57,742	157,676

27-Capital**27.1 Authorized Capital**

Authorized capital amounts to EGP 10 Billion (31 December 2021: EGP 4 Billion).

27.2 Issued and paid up Capital

Issued and paid in capital amounts to EGP 5 Billion at 31 March 2022 (31 December 2021: EGP 3 Billion) represented by 500 Million Share (31 December 2021: EGP 300 Million Share) with par value 10 EGP for each.

On March 24, 2022 the ordinary general assembly approved to increase of the bank issued and paid up capital 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 7 billion, commercial register update is in progress.

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28-Reserves and Retained Earnings

	<i>31 March 2022</i>	<i>31 December 2021</i>
Reserves of general bank risk	6,729	6,729
General risk reserve	11,884	11,884
Legal reserve & capital reserve	623,363	564,759
Fair value reserve	(83,267)	99,517
Total reserves at the end of the period/year	558,709	682,889

28-1 Reserves General Bank Risks

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period/year	6,729	6,380
Charge related to assets reverted to the bank	-	349
Balance at the end of the period/year	6,729	6,729

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

28-2 Legal and Capital Reserve

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period/year	564,759	503,756
Transfer from profit of previous years to legal reserve	58,604	61,003
Balance at the end of the period/year	623,363	564,759

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

28-3 Fair Value Reserve

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period/year	99,517	162,981
Net fair value movements during the period	(182,784)	(63,464)
Balance at the end of the period/year	(83,267)	99,517

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28-4 Retained Earnings

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period/year	3,491,164	4,521,437
Adjustments	725	(1,207)
Net profit for the period/year	424,562	1,175,628
Bonus shares (note 27)	(2,000,000)	(2,000,000)
Employees' profit share	(116,000)	(125,565)
Directors' remuneration	(5,922)	(5,922)
Transfer to general banking risk reserves	-	(349)
Transfer to banking sector support fund	(11,517)	(11,855)
Transfer to legal reserve	(58,604)	(61,003)
Balance at the end of period/year	1,724,408	3,491,164

29-Cash and cash equivalents

For the purpose of cash-flow presentation; cash and cash equivalents include the following balances that have original maturities not exceeding three months.

	<i>31 March 2022</i>	<i>31 March 2021</i>
Cash and due from CBE	4,665,779	5,230,440
Due from banks	6,255,962	5,561,124
Treasury bills	5,355,481	3,922,850
Balances with CBE - mandatory reserve	(3,986,874)	(4,847,015)
Deposits with banks with original maturities more than 3 months	-	(439,855)
Treasury bills with original maturities more than 3 months	(5,355,481)	(3,922,850)
Total	6,934,867	5,504,694

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

There are some existing cases filed against the bank on 31 March 2022 without provision as the bank does not expect to incur losses from it.

B - Capital commitments, liabilities against letters of credit, documentary credits and other commitments

	<i>31 March 2022</i>	<i>31 December 2021</i>
Capital commitments of fixed assets	47,511	62,955
Commitments under operating lease contracts	75,791	56,196
Liabilities against letters of credit, documentary credits and other commitments	11,851,703	9,644,662
Total	<u>11,975,005</u>	<u>9,763,813</u>

31-Related party transactions

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

Following are related party transactions and balances during the financial period ended 31 March 2022 and 31 December 2021:

	<i>31 March 2022</i>	<i>31 December 2021</i>
Due from banks	1,168,737	793,331
Due to banks	14,890	42,510

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 31 March 2022 is EGP 2,925 thousand.

AHLI UNITED BANK EGYPT S.A.E

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32- Tax position

Income Tax

- The Bank calculates and pays the income tax liability in due date based on the bank's tax declaration report.
- Income tax prior till 2016 has been assessed and settled with the tax authority.
- The tax examination for the years 2017/2019 is going on.
- 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 /settled 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

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

33-Comparative Figures

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

34- Important Events

The coronavirus ("COVID-19") pandemic is continuing across the various geographies globally, causing disruption to business and economic activities. Albeit to a lesser degree, by strengthening vaccinations and succeeding to vaccinate citizens in many countries, including Egypt. However, the continued spread of the Corona virus COVID-19 and the emergence of mutated strains, led to the continuing uncertainty in the global economic environment. AUBE is closely monitoring the situation through the business continuity planning and other risk management practices to manage the business disruption caused by COVID-19 outbreak on its operations and financial performance.

Based on the uncertainties caused by COVID-19 and following the actions taken by the state regarding the co-existence procedures, AUBE is closely following up 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 done for the whole portfolio with its different economic sectors.

Accordingly, AUBE is constantly following and applying its internal protective action started since Q1 2020 by monitoring and reviewing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the COVID-19 impact on the loan portfolio. Further precautionary actions might be taken progressively in the light of the pandemic is not over yet.

Reference to Russia and Ukraine crisis the bank is also following up the crisis repercussions on the Egyptian economy and the impact on our clients' credit worthiness. Accordingly, Further in the light of the pandemic as well as the war are not over yet, the bank is constantly following and applying its internal protective actions by monitoring and reviewing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the impact on the loan portfolio.