

AHLI UNITED BANK
(SAE)

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

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

As of 31 March 2022

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Limited Review Report on Separate Condensed Interim Financial Statements

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

Introduction

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

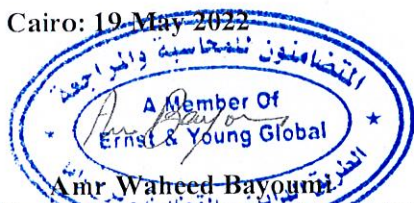
Scope of Limited Review

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

Conclusion

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

Cairo: 19 May 2022



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**STANDALONE CONDENSED INTERIM BALANCE SHEET**

As of 31 March 2022

	Note	31 March 2022 EGP Thousands	31 December 2021 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	4,665,779	5,500,878
Due from banks	(14)	6,252,845	4,768,772
Treasury bills	(15)	5,353,645	1,966,954
Loans and advances to customers & banks (net)	(16)	40,381,658	36,481,047
Derivative financial instruments	(17)	610	-
Financial Investments			
- Financial assets at fair value through other comprehensive income	(18)	10,427,393	10,502,774
- Financial assets at amortized cost	(18)	2,503,731	2,504,245
- Financial assets at fair value through profit or loss	(18)	34,816	34,269
Financial Investments in subsidiaries	(20)	54,468	54,468
Investments properties (net)	(21)	20,242	34,659
Other assets	(22)	1,236,004	1,588,181
Property, plant and equipment (net)	(23)	892,441	824,618
TOTAL ASSETS		71,823,632	64,260,865
LIABILITIES AND EQUITY			
Other Loan	(24)	365,286	-
Due to banks	(25)	5,047,914	325,444
Derivative financial instruments	(17)	1,816	6,674
Borrowings under repurchase agreements	(15)	8,122	10,152
Customers' deposits	(26)	55,824,695	53,537,115
Other liabilities	(27)	1,226,964	1,152,456
Other provisions	(28)	175,500	156,456
TOTAL LIABILITIES		62,650,297	55,188,297
EQUITY			
Issued and paid-up-capital	(29)	5,000,000	3,000,000
Transferred under capital increase	(29)	2,000,000	2,000,000
Reserves	(30)	552,535	676,715
Retained earnings (including net profit for the current period /year)	(30)	1,620,800	3,395,853
TOTAL SHAREHOLDERS' EQUITY		9,173,335	9,072,568
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		71,823,632	64,260,865



Hala Hatem Sadek
CEO & Board Member

- The accompanying notes, (1) to (36) 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**STANDALONE CONDENSED INTERIM INCOME STATEMENT**

For the Period Ended 31 March 2022

	Note	<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)	1,469,828	1,228,528
Interest on deposits and similar expenses	(5)	<u>(912,638)</u>	<u>(744,651)</u>
Net interest income		<u>557,190</u>	<u>483,877</u>
Fees and commission revenues	(6)	99,863	95,494
Fees and commission expenses	(6)	<u>(11,348)</u>	<u>(7,742)</u>
Net fees and commission income		<u>88,515</u>	<u>87,752</u>
Net trading income	(7)	23,682	25,469
Gain on financial investments	(19)	6,908	13,977
Impairment charges for credit loss	(10)	(412,507)	(22,015)
Administrative expenses and depreciation	(8)	(236,035)	(191,175)
Other operating income	(9)	<u>451,477</u>	<u>210</u>
Net profit before income tax		479,230	398,095
Income tax expense	(11)	<u>(62,240)</u>	<u>(100,648)</u>
Net profit for the period		<u>416,990</u>	<u>297,447</u>
Earnings per share (EGP/Share)	(12)	<u>0.83</u>	<u>0.59</u>

The accompanying notes, (1) to (36) form an integral part of the standalone condensed interim financial statements and to be read therewith.

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

For the Period Ended 31 March 2022

	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>EGP Thousands</i>	<i>EGP Thousands</i>
Net profit for the period	416,990	297,447
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	234,206	245,228

- The accompanying notes, (1) to (36) from an integral part of the standalone condensed interim financial statements and to be read therewith.

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

For The Period Ended 31 March 2022

	Note	31 March 2022 EGP Thousands	31 March 2021 EGP Thousands
Operating activities			
Profit before income tax		479,230	398,095
Adjustments:			
Depreciation	(8)	24,650	19,293
Net impairment charges to loans to customers	(10)	410,730	22,148
Other provisions (released) during the year	(28)	18,092	2,247
Impairment Credit losses - Due from banks	(10)	(246)	(518)
Revaluation differences of other provisions in foreign currencies	(28)	952	(100)
Gain on sale of property, plant and equipment		(1,436)	(241)
Amortization of premium	(18)	132,836	19,890
Impairment credit loss release - Debt instruments at FVTOCI	(10)	352	(1,093)
Revaluation difference of Financial investments in foreign currencies	(18)	(71,195)	4,189
Revaluation differences of ECL provision in foreign currencies		193,220	-
Impairment charges - Treasury bills	(10)	1,671	1,478
Revaluation of financial assets at fair value through profit or loss	(7)	(441)	(658)
Operating income before changes in operating assets and liabilities		1,188,415	464,730
Net Increase in assets and liabilities			
Due from banks	(14)	-	(410,602)
Balances with Central Bank of Egypt - Mandatory Reserve	(13)	1,046,244	(684,251)
Treasury bills	(15)	(3,407,322)	3,211,381
Financial investments-Fair value through profit or loss	(18)	(106)	(658)
Loans and advances to customers and banks	(16)	(4,503,863)	(1,214,955)
Other assets	(22)	352,177	74,216
Due to banks	(24)	4,722,470	23,372
Customers' deposits	(25)	2,287,580	598,493
Other liabilities	(26)	95,730	846,234
Derivative financial instruments	(17)	-	(2,373)
Borrowings under repurchase agreements	(15)	(2,030)	(20,156)
Income tax paid		(100,897)	(141,746)
Net cash flows from operating activities		1,678,397	2,743,685
Investing activities			
Payments to purchase of property, plant and equipment	(23)	(78,059)	(40,282)
Proceeds from sale of property, plant and equipment		1,433	241
Sale of investment -Fair value through other comprehensive income	(18)	95,152	286,652
Redemption of Investments -Amortized cost	(18)	-	40,000
Purchase of investment	(18)	(250,898)	(1,519,373)
Net cash flows (used in) investing activities		(232,372)	(1,233,763)
Financing activities			
Proceeds from other loans		365,286	
Dividends and employees profit paid		(116,000)	(128,922)
Net cash flows used in financing activities		249,286	(128,922)
Increase in cash and cash equivalents during the period		1,695,312	1,382,001
Cash and cash equivalent at the beginning of the period		5,238,625	4,122,369
Cash and cash equivalents at the end of the period	(30)	6,933,937	5,504,370
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	4,665,779	5,230,440
Balances with banks	(14)	6,255,032	5,560,800
Treasury Bills	(15)	5,355,841	3,922,850
Balances with Central Bank of Egypt - Mandatory Reserve	(13)	(3,986,874)	(4,847,015)
Deposits with banks with maturities more than 3 months	(14)	-	(439,855)
Treasury Bills with maturities more than 3 months	(15)	(5,355,841)	(3,922,850)
Cash and cash equivalents at the end of the period		6,933,937	5,504,370

-The accompanying notes, (1) to (36) from an integral part of the standalone condensed interim financial statements and to be read therewith.

AHLI UNITED BANK EGYPT S.A.E

STANDALONE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Period Ended 31 March 2022

	Paid-Up-Capital	Paid Under Capital Increase	General Risk Reserve	Legal Reserve & Capital Reserve	Reserve of General Bank Risk	Fair Value Reserve	Retained Earnings	Total
Balances as of 1 January 2021	3,000,000	-	11,884	500,659	6,378	161,256	4,443,580	8,123,757
Transferred to legal and capital reserve	-	2,000,000	-	-	-	-	(2,000,000)	-
Directors' remuneration	-	-	-	59,653	-	-	(59,653)	-
Dividend to shareholder	-	-	-	-	-	-	(5,922)	(5,922)
Employees profit paid	-	-	-	-	-	-	(123,000)	(123,000)
Transferred to GBRR	-	-	-	-	-	-	(11,855)	(11,855)
Net change in other comprehensive income	-	-	-	-	-	(52,219)	-	(52,219)
Net profit for the period	-	-	-	-	-	-	297,447	297,447
Balances as of 31 March 2021	3,000,000	2,000,000	11,884	560,312	6,378	109,037	2,540,597	8,228,208
Balances as of 1 January 2022	3,000,000	2,000,000	11,884	560,312	6,727	97,792	3,395,853	9,072,568
Transfer to bonus shares	-	2,000,000	-	-	-	-	(2,000,000)	-
Capital Increased	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)	-	(187,784)
Net profit for the period	-	-	-	-	-	-	416,990	416,990
Balances as of 31 March 2022	5,000,000	2,000,000	11,884	618,916	6,727	(84,992)	1,620,800	9,173,335

- The accompanying notes, (1) to (36) form an integral part of the standalone condensed interim financial statements and to be read therewith.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS

As of 31 March 2022

1- General information

The Bank and its subsidiary (together "the Bank") 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 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 Egyptian exchanges.

The Board of Director has approved the Bank's standalone 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

These standalone condensed interim financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

The standalone and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The condensed standalone financial statements of the Bank should be read with its consolidated financial statements, for the period ended on March 31, 2022 to get complete information on the Bank's financial position, income statements, cash flows and change in shareholders equity.

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE STANDALONE 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:

<i>31 March 2022</i>	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	4,041,956	2,213,077		6,255,033
Treasury bills	5,298,218	202,734		5,500,952
Loans and advances to customers & banks	25,796,617	16,188,527	1,599,601	43,584,745
Debt Instruments at Fair value through other comprehensive income	9,766,545	561,810	-	10,328,355
Debt Instruments at Amortized Cost	2,503,731		-	2,503,731
	<u>47,407,067</u>	<u>19,166,148</u>	<u>1,599,601</u>	<u>68,172,816</u>
<i>31 December 2021</i>	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	2,991,447	1,779,418	-	4,770,865
Treasury bills	1,857,930	174,455	-	2,032,385
Loans and advances to customers & banks	23,080,920	14,614,775	1,406,920	39,102,615
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>40,302,487</u>	<u>17,114,525</u>	<u>1,406,920</u>	<u>58,823,932</u>

The following figure illustrates the expected credit loss as at:

<i>31 March 2022</i>	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	207	1,981	-	2,188
Treasury bills	-	2,196	-	2,196
Loans and advances to customers & banks	416,044	1,286,304	1,292,337	2,994,685
Debt Instruments at Fair value through other comprehensive income	768	3,097	-	3,865
Commitments on loans and collaterals	42,218	15,976	15,350	73,544
	<u>459,237</u>	<u>1,309,554</u>	<u>1,307,687</u>	<u>3,076,478</u>
<i>31 December 2021</i>	Stage (1) 12 months	Stage (2) Lifetime	Stage (3) Lifetime	Total
Financial Assets:				
Due from banks	280	1,813	-	2,093
Treasury bills	-	452	-	452
Loans and advances to customers & banks	80,881	1,147,217	1,159,765	2,387,863
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>118,096</u>	<u>1,158,126</u>	<u>1,175,089</u>	<u>2,451,311</u>

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE STANDALONE 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	9,262,172	9,021,097
Total Tier 2	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 Standard had been prepared based on (Basel II) requirements, which Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, and had been issued on December 24, 2012, and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019, And CBE 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 STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS

As of 31 March 2022

All Figures are in EGP Thousands

4 - Segment analysis - Activity

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	511,494	556,160	2,067,446
Segment activity expenses	(634,944)	(8,591)	(96,091)	(428,476)	(420,114)	(1,588,216)
Profit before tax	154,041	3,076	103,049	83,018	136,046	479,230
Income tax	(31,575)	(692)	(37,211)	(19,320)	26,558	(62,240)
Profit for the year	122,464	2,384	65,838	63,698	162,604	416,990
Assets & liabilities according to segment activities						
Segment activity assets	41,200,991	1,051,564	26,394,128	2,229,218	947,730	71,823,631
Total assets	41,200,991	1,051,564	26,394,128	2,229,218	947,730	71,823,632
Segment activity liabilities	29,027,135	259,407	5,422,696	26,474,523	1,466,536	62,650,297
Total liabilities	29,027,135	259,407	5,422,696	26,474,523	1,466,536	62,650,297
Other items for segment activity						
Depreciation	(7,551)	(687)	(2,747)	(11,822)	(1,843)	(24,650)
Net charges of ECL	(410,730)	-	(1,776)	(1)	-	(412,507)

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS

As of 31 March 2022

All Figures are in EGP Thousands

4 - Segment analysis – Activity

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	465,062	89,732	1,363,468
Segment activity expenses	(520,386)	(4,413)	(48,014)	(381,189)	(11,371)	(965,373)
Profit before tax	122,700	2,858	110,303	83,873	78,361	398,095
Income tax	(25,095)	(644)	(48,770)	(19,108)	(7,031)	(100,648)
Profit for the year	97,605	2,214	61,533	64,765	71,330	297,447
Assets & liabilities according to segment activities						
Segment activity assets	31,216,772	510,452	23,282,423	1,659,120	1,017,083	57,685,850
Total assets	31,216,772	510,452	23,282,423	1,659,120	1,017,083	57,685,850
Segment activity liabilities	21,064,072	114,752	4,258,303	21,762,823	2,257,692	49,457,642
Total liabilities	21,064,072	114,752	4,258,303	21,762,823	2,257,692	49,457,642
Other items for segment activity						
Depreciation	(6,899)	(330)	(3,004)	(8,110)	(950)	(19,293)
Net (charges) / release of ECL	(22,148)	-	133	-	-	(22,015)

AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE STANDALONE 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	892,105	685,645
Treasury bills and bonds	554,431	480,600
Deposits and current accounts	23,292	62,283
Total	1,469,828	1,228,528
Cost of deposits and similar expenses:		
Deposits and current accounts:		
Banks	(63,807)	(891)
Customers	(847,697)	(743,760)
Loan	(1,134)	-
Total	(912,638)	(744,651)
Net interest income	557,190	483,877

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	11,145	7,899
Total	99,863	95,494
Fees and commission expenses:		
Other fees	(11,348)	(7,742)
Total	(11,348)	(7,742)
Net income from fees and commissions	88,515	87,752

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	441	658
Net trading income	23,682	25,469

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

As of 31 March 2022

All Figures are in EGP Thousands

8- Administrative expense

	31 March 2022	31 March 2021
Staff cost:		
Salaries and wages	(83,672)	(61,928)
Social insurance	(5,720)	(4,522)
	<u>(89,392)</u>	<u>(66,450)</u>
Depreciation and amortization	(24,650)	(19,293)
Other administrative expenses	(121,993)	(105,432)
Total	<u>(236,035)</u>	<u>(191,175)</u>

9- Other operating income

	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)	(1,874)
Contingent provision charged	(15,688)	(173)
Other income	7,885	6,708
Total	<u>451,477</u>	<u>210</u>

10- Impairment charges of credit loss

	31 March 2022	31 March 2021
Due from Banks	246	518
Loans and credit facilities to customers	(410,730)	(22,148)
Treasury bills	(1,671)	(1,478)
Debt instruments at FVTOCI	(352)	1,093
Total	<u>(412,507)</u>	<u>(22,015)</u>

11- Income tax expense

	31 March 2022	31 March 2021
Current Tax	(64,467)	(111,594)
Deferred Tax	2,227	10,946
Net tax	<u>(62,240)</u>	<u>(100,648)</u>

	31 March 2022	31 March 2021
Net profit before tax	479,230	398,095
Income tax (22.5%)	(107,826)	(89,571)
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 Expense	<u>(64,467)</u>	<u>(111,594)</u>

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

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12- Earnings per share

	<i>31 March 2022</i>	<i>31 March 2021</i>
Net profit for the period available for distribution	416,990	297,447
Weighted average number of shares	500,000	500,000
Earnings per share (EGP/Share)	0.83	0.59

13- 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

14-Due from Banks

	<i>31 March 2022</i>	<i>31 December 2021</i>
Current accounts	503,327	414,502
Deposits	5,751,705	4,356,363
	6,255,032	4,770,865
Less: ECL Allowance	(2,187)	(2,093)
Total	6,252,845	4,768,772
Balances at CBE other than those under the mandatory reserve	955,708	2,067,666
Local banks	64,225	56,351
Foreign Banks	5,235,099	2,646,848
	6,255,032	4,770,865
Less: ECL Allowance	(2,187)	(2,093)
Total	6,252,845	4,768,772
Balances at floating interest rates	503,327	414,502
Balances at fixed interest rates	5,751,705	4,356,363
	6,255,032	4,770,865
Less: ECL Allowance	(2,187)	(2,093)
Total	6,252,845	4,768,772

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15- Treasury bills & Borrowings under repurchase agreements

	<i>31 March 2022</i>	<i>31 December 2021</i>
15.1 Treasury bills		
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
	5,500,952	2,032,385
Less: Unearned interest	(145,111)	(64,979)
Less: ECL Allowance	(2,196)	(452)
Total	<u>5,353,645</u>	<u>1,966,954</u>
15.2 Borrowings under repurchase agreements		
Borrowings under repurchase agreements	8,122	10,152
Total	<u>8,122</u>	<u>10,152</u>

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16- 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	1,494,258	1,126,015
Other Loans	768,342	887,243
Total (1)	2,808,058	2,517,283
Corporate loans including small loans:		
Overdrafts	3,601,048	3,496,208
Direct loans	31,473,971	27,630,512
Syndication loans	5,595,545	5,104,265
Total (2)	40,670,564	36,230,985
Total loans and advances to customers (1+2)	43,478,622	38,748,268
Less :ECL Allowance	(2,992,981)	(2,386,397)
Less: Interest in suspense	(121,841)	(120,673)
Less :Unearned discount	(86,561)	(111,107)
Net loans and advances to customers	40,277,239	36,130,091
Loans and advances to banks	106,335	354,347
Less :ECL Allowance	(1,704)	(1,466)
Less :Unearned discount	(210)	(1,925)
Net loans and advances to customers & Banks	40,381,658	36,481,047

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	2,387,863	1,992,877
ECL Allowance for the Period / Year (note 12)	414,300	460,819
Provisions no longer required (note 12)	(3,570)	(6,272)
Foreign currency translation	192,522	(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	2,994,685	2,387,863

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

	<i>31 March 2022</i>	<i>31 December 2021</i>
Retail		
Balance at the beginning of the period / year	16,295	27,721
ECL Allowance for the period / year (note 12)	13,634	(11,426)
Balance at the end of the Period / Year (1)	29,929	16,295
Corporate and Banks		
Balance at the beginning of the period / year	2,371,568	1,965,156
ECL Allowance for the period / year (note 12)	400,666	472,245
Provisions no longer required (note 12)	(3,570)	(6,272)
Foreign currency translation	192,522	(2,966)
Recoveries from written-off debts	3,570	6,272
Writ-off during the period / year	-	(62,867)
Balance at the end of the period / year (2)	2,964,756	2,371,568
Total (1) + (2)	2,994,685	2,387,863

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

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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.

31 March 2022

	<i>Contractual value</i>	<i>Assets</i>	<i>Liabilities</i>
Cash flow hedge			
Interest rate swap	273,300	610	1,816
Total assets / liabilities	273,300	610	1,816

31 December 2021

	<i>Contractual value</i>	<i>Assets</i>	<i>Liabilities</i>
Cash flow hedge			
Interest rate swap	306,874	-	6,674
Total assets / liabilities	306,874	-	6,674

18- Financial investments

31 March 2022 31 December 2021

Financial investments at 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
Sukuk	700,000	700,000

B) Equity instruments

Listed	3,542	4,050
Unlisted	69,641	59,565

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)

10,427,393	10,502,774
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Financial investments at Amortized Cost:**A) Debt instruments**

Government Bonds	2,503,731	2,504,245
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Total financial investments at Amortized Cost (2)

2,503,731	2,504,245
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Financial investments at fair value through profit or loss:**A) Equity instruments**

Listed	1,082	1,298
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B) Money Market Funds

AUBE Mutual Fund THARWA	33,734	32,971
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Total financial investments at FVTPL (3)

34,816	34,269
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Total financial investments (1+2+3)

12,965,943	13,041,288
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Current Balances

104,457	93,834
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Non- current Balances

12,861,483	12,947,454
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Total

12,965,940	13,041,288
------------	------------

Equity Instruments

74,265	64,913
--------	--------

Debt Instruments

12,832,087	12,918,067
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Mutual Funds

59,588	58,308
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Total

12,965,940	13,041,288
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AHLI UNITED BANK EGYPT S.A.E**NOTES TO THE STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS**

As of 31 March 2022

18- Financial investments (cont....)

All Figures are in EGP Thousands

31 March 2022	<i>Financial investment at Fair value through OCI</i>	<i>Financial investment at Amortized Cost</i>	<i>Total</i>
Balance at 1 January 2022	10,502,774	2,504,245	13,007,019
Additions	250,898	-	250,898
Amortization of discount	(132,322)	(514)	(132,836)
Disposals / Maturities	(95,152)	-	(95,152)
Foreign Currency Revaluation	71,195	-	71,195
Net fair value adjustments	(169,997)	-	(169,997)
Balance at 31 March 2022	10,427,396	2,503,731	12,931,127

31 December 2021	<i>Financial investment at Fair value through OCI</i>	<i>Financial investment at Amortized Cost</i>	<i>Total</i>
Balance at 1 January 2021	6,735,487	2,667,414	9,402,901
Additions	5,147,608	445,000	5,592,608
Amortization of 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	10,502,774	2,504,245	13,007,019

19 -Gain on Financial Investments

	<i>31 March 2022</i>	<i>31 March 2021</i>
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

20-Financial investment in subsidiaries

	<i>31 March 2022</i>	<i>31 December 2021</i>
Ahli United Finance Company (Unlisted) - Owned 99.99%	54,468	54,468

21- Investment properties (net)

	<i>31 March 2022</i>	<i>31 December 2021</i>
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

All Figures are in EGP Thousands

22- 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	174,872	272,340
Total	1,236,004	1,588,181

23 – Property, plant and equipment (net)

	<i>Lands and buildings</i>	<i>Leased assets improvements</i>	<i>Equipment and machinery</i>	<i>Others</i>	<i>Total</i>
Net book value as of 1 January 2022	454,359	118,905	74,210	177,144	824,618
Additions	-	40,889	7,315	29,855	78,059
Disposals	-	-	-	(910)	(910)
Transfer from Investment property	14,239	-	-	-	14,239
Depreciation charge	(2,854)	(5,547)	(2,730)	(13,341)	(24,472)
Depreciation related to Disposals	-	-	-	907	907
Net book value 31 March 2022	465,744	154,247	78,795	193,655	892,441

Balance at the end of current period represents in:

Cost	541,344	295,428	135,952	478,034	1,450,758
Accumulated depreciation	(75,600)	(141,181)	(57,157)	(284,379)	(558,317)
Net book value 31 March 2022	465,744	154,247	78,795	193,655	892,441

	<i>Lands and buildings</i>	<i>Leased assets improvements</i>	<i>Equipment and machinery</i>	<i>Others</i>	<i>Total</i>
Net book value as of 1 January 2021	319,793	86,276	67,116	156,834	630,019
Additions	143,670	52,122	16,578	63,519	275,889
Disposals	-	-	-	(847)	(847)
Depreciation charge	(9,104)	(19,493)	(9,484)	(43,209)	(81,290)
Depreciation related to Disposals	-	-	-	847	847
Net book value 31 December 2021	454,359	118,905	74,210	177,144	824,618

Balance at the end of current year represents in:

Cost	527,105	254,539	128,637	449,089	1,359,370
Accumulated depreciation	(72,746)	(135,634)	(54,427)	(271,945)	(534,752)
Net book value 31 December 2021	454,359	118,905	74,210	177,144	824,618

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24-Other Loans

	Rates	31 March 2022	31 December 2021
European Bank For Reconstruction and Development (EBRD)	Variable	365,286	-
		<u>365,286</u>	<u>-</u>
- The Bank signed five years facility agreement with the European Bank for Reconstruction and Development (EBRD) to support SMEs and green financing.			

25-Due to banks

	31 March 2022	31 December 2021
Current accounts	27,914	55,444
Deposits from Banks	5,020,000	270,000
Total	<u>5,047,914</u>	<u>325,444</u>
Local banks	5,020,000	270,000
Foreign banks	27,914	55,444
Total	<u>5,047,914</u>	<u>325,444</u>

26-Customers' deposits

	31 March 2022	31 December 2021
Demand deposits	18,443,850	17,585,651
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	<u>55,824,695</u>	<u>53,537,115</u>
Corporate deposits	42,581,022	40,466,388
Individual deposits	13,243,673	13,070,727
	<u>55,824,695</u>	<u>53,537,115</u>
Non-interest bearing balances	5,590,600	4,340,517
Floating-interest bearing balances	17,927,883	17,987,326
Fixed interest bearing balances	32,306,212	31,209,272
	<u>55,824,695</u>	<u>53,511,914</u>
Current balances	23,518,483	22,327,843
Non-current balances	32,306,212	31,209,272
	<u>55,824,695</u>	<u>53,511,914</u>

27- Other liabilities

	31 March 2022	31 December 2021
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	5,586	7,863
Dividends Payable	28,769	11,855
Other credit balances	165,081	60,029
Total	<u>1,226,964</u>	<u>1,152,456</u>

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28- 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	69,155	57,742	156,456
(Released) 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	72,042	73,545	175,500
Balance at 1 January 2021	31,730	98,327	31,880	161,937
(Released) charged during the year	(36)	(29,171)	25,938	(3,269)
Used during the year	(2,133)	-	-	(2,133)
Foreign currency translation	(2)	(1)	(76)	(79)
Balance at 31 December 2021	29,559	69,155	57,742	156,456

29-Capital**29.1 Authorized Capital**

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

29.2 Issued and paid up Capital

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

On March 24, 2022 the ordinary general assembly approved to increase of the bank authorized capital up to EGP 10 billion, issued and paid up capital to EGP 2 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 7 billion, commercial register update is in progress.

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

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30-Reserves and Retained Earnings

	<i>31 March 2022</i>	<i>31 December 2021</i>
Reserves of General bank risk	6,727	6,727
Legal & Capital reserve	618,916	560,312
Fair value reserve	(84,992)	97,792
General Risk reserve	11,884	11,884
Total reserves at the end of the period / year	552,535	676,715

30-1 Reserves of General Bank Risks

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period / year	6,727	6,727
Balance at the end of the period / year	6,727	6,727

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

30-2 Legal and Capital Reserve

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period / year	560,312	500,659
Transfer from profit of previous year to Legal reserve	58,604	59,653
Balance at the end of the period / year	618,916	560,312

*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.

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30-3 Fair Value Reserve

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period / year	97,792	161,256
Fair value movements during period / year	(183,488)	(60,831)
Expected credit loss of debt instruments measured at fair value through Other comprehensive income	704	(2,633)
Balance at the end of the period / year	(84,992)	97,792

30-4 Retained Earnings

	<i>31 March 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period / year	3,395,853	4,443,580
Transfer to legal reserve	(58,604)	(59,653)
Bonus shares	(2,000,000)	(2,000,000)
Employees' profit share	(116,000)	(123,000)
Directors' remuneration	(5,922)	(5,922)
Transferred to GBRR	-	(349)
Net profit for the period / year	416,990	1,153,052
Transferred to Banking sector support fund	(11,517)	(11,855)
Balance at the end of period / year	1,620,800	3,395,853

31-Cash and cash equivalents

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

	<i>31 March 2022</i>	<i>31 March 2021</i>
Cash and due from Central Bank	4,665,779	5,230,440
Due from banks	6,255,032	5,560,800
Treasury bills	5,355,841	3,922,850
Balances with CBE - mandatory reserve	(3,986,874)	(4,847,015)
Treasury bills with maturities more than 3 months	(5,355,841)	(3,922,850)
Deposits with banks with maturities more than 3 months	-	(439,855)
Total	6,933,937	5,504,370

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

There is a number of 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 letter 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	11,975,005	9,763,813

33-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 / year 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
Customer deposits	16,782	25,201
Loans and advances to customers	641,234	466,883

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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

As of 31 March 2022

34-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.

35-Comparative Figures

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

36- 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 client's 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.