

AHLI UNITED BANK
(SAE)

Interim Condensed Standalone Financial Statements
For The Period Ended 30 June 2022
& Limited Review Report

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

As of 30 June 2022

Index	Page
Limited Review Report on Interim Condensed Standalone Financial Statements	1
Interim Condensed Standalone Balance Sheet	2
Interim Condensed Standalone Income Statement	3
Interim Condensed Standalone Statement of Comprehensive Income	4
Interim Condensed Standalone Cash Flow Statement	5
Interim Condensed Standalone Statement of Changes of Equity	6
Notes to the Interim Condensed Standalone Financial Statements	7- 26

Limited Review Report on Separate Condensed Interim Financial Statements

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

Introduction

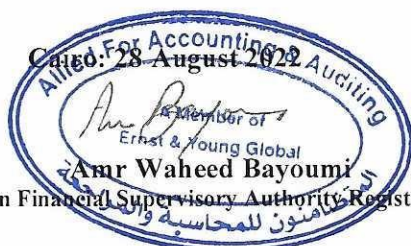
We have performed a limited review on the accompanying separate condensed financial statements of Ahli United Bank Egypt (SAE) as of 30 June 2022 and the related separate condensed statement of financial position, separate condensed statement of income, separate condensed Statement of Comprehensive Income, separate condensed changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these 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 30 June 2022 and of its separate condensed financial performance and its separate condensed cash flows for the six 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.



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**INTERIM CONDENSED STANDALONE BALANCE SHEET**

As at 30 June 2022

	Note	30 June 2022 EGP Thousands	31 December 2021 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	7,879,285	5,500,878
Due from banks	(14)	6,956,540	4,768,772
Treasury bills	(15)	3,645,643	1,966,954
Loans and advances to customers & banks	(16)	44,312,557	36,481,047
Derivative financial instruments	(17)	6,655	-
Financial Investments at:			
- Fair value through other comprehensive income	(18)	10,673,999	10,502,774
- Amortized cost	(18)	2,522,815	2,504,245
- Fair value through profit or loss	(18)	35,720	34,269
Financial Investments in subsidiaries	(20)	54,468	54,468
Investments properties (net)	(21)	20,121	34,659
Other assets	(22)	1,616,767	1,588,181
Property, plant and equipment (net)	(23)	879,350	824,618
TOTAL ASSETS		78,603,920	64,260,865
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(24)	5,894,595	325,444
Customers' deposits	(25)	61,055,622	53,537,115
Treasury bills sold under repurchase agreements	(15)	6,091	10,152
Derivative financial instruments	(17)	11	6,674
Other Loans	(26)	376,056	-
Other liabilities	(27)	1,471,834	1,152,456
Other provisions	(28)	179,157	156,456
TOTAL LIABILITIES		68,983,366	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		518,530	676,715
Retained earnings (including net profit for the current period /year)		2,102,024	3,395,853
TOTAL EQUITY		9,620,554	9,072,568
TOTAL LIABILITIES AND EQUITY		78,603,920	64,260,865



Hala Hatem Sadek
CEO & Board Member

- The attached notes from (1) to (35) form a part of these interim condensed standalone financial statements.
- Limited review report attached

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

For the six months ended 30 June 2022

	Note	<i>Six Months Ended 30 June 2022 EGP Thousands</i>	<i>Six Months Ended 30 June 2021 EGP Thousands</i>	<i>Three Months Ended 30 June 2022 EGP Thousands</i>	<i>Three Months Ended 30 June 2021 EGP Thousands</i>
Interest from loans and similar revenues	(5)	3,198,888	2,468,691	1,729,060	1,240,163
Interest on deposits and similar costs	(5)	(1,933,124)	(1,473,727)	(1,020,486)	(729,076)
Net interest income		1,265,764	994,964	708,574	511,087
Fees and commission revenues	(6)	235,662	171,438	135,799	75,944
Fees and commission expenses	(6)	(21,920)	(13,137)	(10,572)	(6,439)
Net fees and commission income		213,742	158,301	125,227	69,505
Dividends income		4,945	3,273	4,945	3,273
Net trading income	(7)	37,445	47,301	16,700	21,832
Gain on financial investments	(19)	17,685	37,102	10,777	23,125
Provision for credit losses	(10)	(480,486)	(56,784)	(67,979)	(34,769)
Administrative expenses	(8)	(491,232)	(388,874)	(255,197)	(196,655)
Other operating income (expenses)	(9)	554,317	76	102,840	(134)
Net profit before income tax		1,122,180	795,359	645,887	397,264
Income tax expenses	(11)	(223,966)	(217,905)	(161,726)	(117,257)
Net profit for the period		898,214	577,454	484,161	280,007
Earnings per share (EGP/Share)	(12)	1.80	1.15	0.96	0.56

- The attached notes from (1) to (35) form a part of these interim condensed standalone financial statements.

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

For the six months ended 30 June 2022

	<i>Six Months Ended 30 June 2022 EGP Thousands</i>	<i>Six Months Ended 30 June 2021 EGP Thousands</i>	<i>Three Months Ended 30 June 2022 EGP Thousands</i>	<i>Three Months Ended 30 June 2021 EGP Thousands</i>
Net profit for the period	898,214	577,454	484,161	280,007
Income items that will not be recycled to the Profit or Loss:				
Net change in fair value of equity instruments measured at fair value through other comprehensive income	1,006	733	996	94
Income items that is or may be recycled to the Profit or Loss:				
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(234,592)	(65,576)	(45,626)	(11,465)
Net change in fair value of interest rate swaps – Fair value hedge.	13,317	3,818	7,849	1,461
Expected credit losses of debt instruments measured at fair value through other comprehensive income	3,480	(967)	2,776	137
Total comprehensive income for the period	681,425	515,462	450,156	270,234

- The attached notes from (1) to (35) form a part of these interim condensed standalone financial statements.

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

For the six months ended 30 June 2022

	Note	30 June 2022 EGP Thousands	30 June 2021 EGP Thousands
<u>OPERATING ACTIVITIES</u>			
Net profit before income tax		1,122,180	795,359
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Dividends income		(4,945)	(3,273)
Depreciation and amortization	(8)	51,123	39,446
Provision for credit losses	(10)	480,486	56,784
Other provisions charged	(28)	21,316	51
Revaluation differences of other provisions in foreign currencies	(28)	1,455	(161)
Gain on disposals of property, plant and equipment	(9)	(295)	(241)
Amortization of premium	(18)	147,911	21,285
Revaluation difference in foreign currencies		152,892	4,154
Gain on sale of financial investments at fair value through other comprehensive income	(19)	(8,146)	(23,347)
Revaluation of financial assets at fair value through profit or loss	(7)	(1,345)	(1,265)
<i>Operating income before changes in operating assets and liabilities</i>		1,962,632	888,792
<i>Net changes in operating assets and liabilities</i>			
Balances with Central Bank of Egypt - mandatory reserve		(2,194,330)	-
Due from banks		(94,014)	(610,550)
Treasury bills		(1,680,287)	2,740,469
Loans and advances to customers and banks		(8,543,975)	(2,964,547)
Financial investments at fair value through profit or loss		(106)	(1,265)
Other assets		(28,596)	(162,318)
Due to banks		5,569,151	809,649
Customers' deposits		7,518,507	329,175
Treasury bills sold under repurchase agreements		(4,060)	(5,943)
Derivative financial instruments		-	(3,898)
Other liabilities		215,523	174,671
Other provision utilized		(70)	-
Income tax paid		(253,525)	(260,233)
Net cash flows generated from operating activities		2,466,850	934,002
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(23)	(92,299)	(51,780)
Proceeds from sale of property, plant and equipment		1,277	241
Proceeds from redemption of financial investments at amortized cost	(18)	95,697	69,997
Purchases of financial investments at amortized cost	(18)	(115,553)	-
Proceeds from redemption financial investments at FVOCI		1,686,618	713,398
Purchases of financial investments at FVOCI	(18)	(2,145,526)	(3,096,000)
Dividends income received		4,945	3,273
Net cash flows used in investing activities		(564,841)	(2,360,871)
<u>FINANCING ACTIVITIES</u>			
Proceeds from other loans		376,056	-
Net cash flows generated from financing activities		376,056	-
Net increase (decrease) in cash and cash equivalents during the period		2,278,065	(1,426,869)
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)	7,516,690	2,695,500
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	7,879,285	4,316,624
Due from banks	(14)	6,958,866	2,709,799
Treasury Bills	(15)	3,647,293	4,863,683
Balances with Central Bank of Egypt - mandatory reserve	(13)	(7,227,447)	(3,871,525)
Deposits with banks with original maturities more than 3 months		(94,014)	(929,319)
Treasury bills with original maturities more than 3 months		(3,647,293)	(4,393,762)
Cash and cash equivalents at the end of the period	(30)	7,516,690	2,695,500

- The attached notes from (1) to (35) form a part of these interim condensed standalone financial statements.

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INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2022

(All Figures are in EGP Thousands)

				Reserves						
	Issued and paid-up capital	Transferred under capital increase	Legal Reserve & Capital Reserve	General Risk Reserve	General Risk Reserve	Fair Value Reserve	Total Reserves	Retained Earnings	Total	
as at 1 January 2021	3,000,000	-	500,659	11,884	6,378	161,256	680,177	4,443,580	8,123,757	
Profit for the period	-	-	-	-	-	-	-	577,454	577,454	
comprehensive income	-	-	-	-	-	(61,992)	(61,992)	-	(61,992)	
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(2,000,000)	-	
Profit share	-	-	-	-	-	-	-	(123,000)	(123,000)	
Directors' remuneration	-	-	-	-	-	-	-	(5,922)	(5,922)	
Transferred to legal and capital reserve	-	-	59,653	-	-	-	59,653	(59,653)	-	
Transferred to banking sector support fund	-	-	-	-	-	-	-	(11,855)	(11,855)	
as at 30 June 2021	3,000,000	2,000,000	560,312	11,884	6,378	99,264	677,838	2,820,604	8,498,442	
as at 1 January 2022	3,000,000	2,000,000	560,312	11,884	6,727	97,792	676,715	3,395,853	9,072,568	
Profit for the period	-	-	-	-	-	-	-	898,214	898,214	
comprehensive income	-	-	-	-	-	(216,789)	(216,789)	-	(216,789)	
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(2,000,000)	-	
Profit share	-	-	-	-	-	-	-	(116,000)	(116,000)	
Directors' remuneration	-	-	-	-	-	-	-	(5,922)	(5,922)	
Transferred to legal and capital reserve	-	-	58,604	-	-	-	58,604	(58,604)	-	
Transferred to banking sector support fund	-	-	-	-	-	-	-	(11,517)	(11,517)	
shares issued	2,000,000	(2,000,000)	-	-	-	-	-	-	-	
as at 30 June 2022	5,000,000	2,000,000	618,916	11,884	6,727	(118,997)	518,530	2,102,024	9,620,554	

The attached notes from (1) to (35) form a part of these interim condensed standalone financial statements.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. General information

The Bank and its subsidiary (together "the Bank") provide Institutional, Retail Banking and Investment Banking services within the Arab Republic of Egypt through its head office and 40 branches with 1197 employees at 30 June 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 25 August 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:

2.1 Basis of preparation of the financial statements

These interim condensed standalone 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 interim condensed standalone financial statements of the Bank should be read with its consolidated financial statements, for the period ended on June 30, 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 INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS**

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

3. Financial risks management**3.1 Quality of Financial Assets**

The following table provides information on the credit quality of the financial assets as at:

<i>30 June 2022</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Due from banks	4,254,178	2,704,688	-	6,958,866
Treasury bills	3,558,996	208,711	-	3,767,707
Loans and advances to customers & banks	29,344,678	16,829,108	1,712,173	47,885,959
Debt Instruments at Fair value through other comprehensive income	9,935,236	638,213	-	10,573,449
Debt instruments at amortized Cost	2,522,815	-	-	2,522,815
	<u>49,615,903</u>	<u>20,380,720</u>	<u>1,712,173</u>	<u>71,708,796</u>

<i>31 December 2021</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
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 table provides information on the expected credit losses balances as at:

<i>30 June 2022</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Due from banks	134	2,192	-	2,326
Treasury bills	-	1650	-	1,650
Loans and advances to customers & banks	428,698	1,292,725	1,378,896	3,100,319
Debt Instruments at Fair value through other comprehensive income	922	5,720	-	6,642
Commitments on loans and collaterals	43,330	11,483	20,140	74,953
	<u>473,084</u>	<u>1,313,770</u>	<u>1,399,036</u>	<u>3,185,890</u>

<i>31 December 2021</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
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 INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS**

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

3. Financial risks management (Cont....)**3.2 Capital risk management**

	<i>30 June 2022</i>	<i>31 December 2021</i>
According to Basel II		
Total Tier 1 (basic and additional capital)	9,724,304	9,021,097
Total Tier 2 (subordinated capital)	495,964	143,112
Total Capital Base	10,220,268	9,164,209
Total weighted risk of contingent assets and liabilities	59,166,649	50,313,147
Capital Adequacy Ratio	17.27%	18.21%

3.3 Financial leverage risk management

	<i>30 June 2022</i>	<i>31 December 2021</i>
Tier 1 of the capital adequacy ratio	9,724,304	9,021,097
Total exposures in & off-Balance Sheet	85,563,296	69,659,832
Leverage ratio%	11.37%	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 INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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

(All Figures are in EGP Thousands)

30 June 2022	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	1,693,466	26,473	499,349	1,090,904	755,134	4,065,326
Segment activity expenses	(1,296,601)	(51,532)	(260,713)	(893,421)	(440,876)	(2,943,143)
Net profit before income tax	396,865	(25,059)	238,636	197,483	314,258	1,122,183
Income tax expenses	(84,162)	4,043	(109,014)	(45,692)	10,859	(223,966)
Net profit for the period after tax	312,703	(21,016)	129,622	151,791	325,117	898,217
Assets & liabilities according to segment activities						
Segment activity assets	44,694,574	1,221,608	28,808,437	2,544,637	1,334,664	78,603,920
Total assets	44,694,574	1,221,608	28,808,437	2,544,637	1,334,664	78,603,920
Segment activity liabilities	29,592,284	326,084	6,672,687	30,680,439	1,711,872	68,983,366
Total liabilities	29,592,284	326,084	6,672,687	30,680,439	1,711,872	68,983,366
Other items for segment activity						
Depreciation	(10,527)	(1,078)	(5,306)	(24,451)	(9,761)	(51,123)
Net (charges) / release of ECL	(424,470)	(40,078)	(4,343)	(16,194)	4,599	(480,486)

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

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

30 June 2021	Large institutions	Small & medium institutions	Investments	Retail	Other activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	1,228,278	14,421	342,073	976,076	166,957	2,727,805
Segment activity expenses	(995,637)	(9,611)	(107,371)	(781,736)	(38,091)	(1,932,446)
Net profit before income tax	232,641	4,810	234,702	194,340	128,866	795,359
Income tax	(54,283)	(1,082)	(100,245)	(37,910)	(24,385)	(217,905)
Net profit for the period after tax	178,358	3,728	134,457	156,430	104,481	577,454
Assets & liabilities according to segment activities						
Segment activity assets	32,960,617	589,846	21,477,364	1,563,183	1,348,172	57,939,182
Total assets	32,960,617	589,846	21,477,364	1,563,183	1,348,172	57,939,182
Segment activity liabilities	8,230,812	124,130	848,771	38,530,229	1,706,798	49,440,740
Total liabilities	8,230,812	124,130	848,771	38,530,229	1,706,798	49,440,740
Other items for segment activity						
Depreciation	(13,480)	(767)	(5,781)	(17,426)	(1,992)	(39,446)
Net (charges) / release of ECL	(57,671)	-	887	-	-	(56,784)

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

5. Net interest income

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Interest and similar revenues from:				
Loans and advances to customers	2,062,019	1,418,872	1,169,914	733,227
Treasury bills and bonds	1,097,409	980,109	542,977	499,509
Deposits and current accounts	39,460	69,710	16,169	7,427
Total	3,198,888	2,468,691	1,729,060	1,240,163
Cost of deposits and similar expenses on:				
Deposits and current accounts:				
Banks	(195,863)	(36,545)	(132,056)	(35,654)
Customers	(1,733,534)	(1,437,182)	(885,837)	(693,422)
	(1,929,397)	(1,473,727)	(1,017,893)	(729,076)
Other loans	(3,727)	-	(2,593)	-
Total	(1,933,124)	(1,473,727)	(1,020,486)	(729,076)
Net interest income	1,265,764	994,964	708,574	511,087

6. Net fees and commission income

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Fees and commission income:				
Credit Fees and commissions	193,534	138,294	113,562	59,302
Custody fees	13,020	15,775	4,274	7,172
Other fees	29,108	17,369	17,963	9,470
Total	235,662	171,438	135,799	75,944
Fees and commissions expenses:				
Other fees expenses	(21,920)	(13,137)	(10,572)	(6,439)
Total	(21,920)	(13,137)	(10,572)	(6,439)
Net income from fees and commissions	213,742	158,301	125,227	69,505

7. Net trading income

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Foreign exchange trading gains	36,100	46,036	15,796	21,225
Change in fair value of investments at FVTPL	1,345	1,265	904	607
Total	37,445	47,301	16,700	21,832

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

8. Administrative expense

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Staff cost:				
Salaries and wages	(176,750)	(133,397)	(93,078)	(71,469)
Social insurance	(11,722)	(9,204)	(6,000)	(4,682)
	(188,472)	(142,601)	(99,078)	(76,151)
Depreciation and amortization	(51,123)	(39,446)	(26,473)	(20,153)
Other administrative expenses	(251,637)	(206,827)	(129,646)	(100,351)
Total	(491,232)	(388,874)	(255,197)	(196,655)

9. Other operating income (expenses)

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
FX revaluation gains (losses) from monetary assets and liabilities other than carried at fair value through profit or loss.	556,891	(9,560)	96,643	(5,068)
Gain (Loss) on disposals of property, plant and equipment	295	241	(1,141)	-
Legal provision (charged) released	(49)	(960)	51	(760)
Claims provision charged	(4,884)	(3,719)	(2,580)	(1,845)
Contingent provision (charged) released	(16,383)	4,628	(695)	4,801
Other income	18,447	9,446	10,562	2,738
Total	554,317	76	102,840	(134)

10. Provision of credit losses

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Due from Banks	(178)	899	(424)	381
Treasury Bills	(1,109)	(962)	562	516
Loans and advances to customers & banks	(476,144)	(57,671)	(65,414)	(35,523)
Debt instruments at FVTOCI	(3,055)	950	(2,703)	(143)
Total	(480,486)	(56,784)	(67,979)	(34,769)

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

11. Income tax expense

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Current Tax	(233,497)	(229,976)	(169,030)	(118,382)
Deferred Tax	9,531	12,071	7,304	1,125
Total	(223,966)	(217,905)	(161,726)	(117,257)

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Net profit before tax	1,122,180	795,359	642,950	397,264
Income tax (22.5%)	(252,491)	(178,956)	(144,664)	(89,384)
Tax effect on:				
Income not subject to tax	(8,497)	(6,035)	4,959	(3,169)
Provision	(37,828)	(2,552)	(13,910)	(1,056)
Depreciation differences	307	271	325	248
Others	48,018	(54,774)	(15,740)	(31,359)
Income Tax Expense	(233,497)	(229,976)	(169,030)	(118,382)

12. Earnings per share

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Net profit for the period available for distribution	898,214	577,454	481,224	280,007
Weighted average number of shares	500,000	500,000	500,000	500,000
Earnings per share (EGP/Share)	1.80	1.15	0.96	0.56

13. Cash and balances with Central Bank of Egypt

	<i>30 June 2022</i>	<i>31 December 2021</i>
Cash	651,838	467,760
Balances with CBE (mandatory reserve)	7,227,447	5,033,118
Total	7,879,285	5,500,878
Interest free balances	7,879,285	5,500,878

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

14. Due from Banks

	<i>30 June 2022</i>	<i>31 December 2021</i>
Current accounts	544,678	414,502
Deposits	6,414,188	4,356,363
	<u>6,958,866</u>	<u>4,770,865</u>
Less: ECL Allowance	(2,326)	(2,093)
Total	<u>6,956,540</u>	<u>4,768,772</u>
Balances at CBE other than those under the mandatory reserve	1,124,233	2,067,666
Local banks	91,785	56,351
Foreign Banks	5,742,848	2,646,848
	<u>6,958,866</u>	<u>4,770,865</u>
Less: ECL Allowance	(2,326)	(2,093)
Total	<u>6,956,540</u>	<u>4,768,772</u>
Balances at floating interest rates	544,678	414,502
Balances at fixed interest rates	6,414,188	4,356,363
	<u>6,958,866</u>	<u>4,770,865</u>
Less: ECL Allowance	(2,326)	(2,093)
Total	<u>6,956,540</u>	<u>4,768,772</u>

15. Treasury bills sold under repurchase agreements

	<i>30 June 2022</i>	<i>31 December 2021</i>
15.1 Treasury bills		
Treasury Bills at Amortized Cost		
365 Days maturity	208,711	174,455
Treasury Bills at Fair value through OCI		
273 Days maturity	-	705,021
365 Days maturity	3,558,996	1,152,909
	<u>3,767,707</u>	<u>2,032,385</u>
Less: Unearned interest	(120,414)	(64,979)
Less: ECL Allowance	(1,650)	(452)
Total	<u>3,645,643</u>	<u>1,966,954</u>
15.2 Treasury bills sold under repurchase agreements		
Treasury bills sold under repurchase agreements	6,091	10,152
Total	<u>6,091</u>	<u>10,152</u>

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

16. Loans and advances to customers & banks

	30 June 2022	31 December 2021
Individuals		
Overdrafts	572,206	470,953
Credit cards	34,097	33,072
Personal loans	1,688,607	1,126,015
Other Loans	675,426	887,243
Total (1)	2,970,336	2,517,283
Corporate:		
Overdrafts	3,895,952	3,496,208
Direct loans	35,485,880	27,630,512
Syndication loans	5,517,417	5,104,265
Total (2)	44,899,249	36,230,985
Banks		
Loans	16,374	354,347
Total (3)	16,374	354,347
Total loans and advances to customers & banks (1+2+3)	47,885,959	39,102,615
Less :ECL Allowance	(3,100,319)	(2,387,863)
Less: Interest in suspense	(123,284)	(120,673)
Less :Unearned discount	(349,799)	(113,032)
Net loans and advances to customers & banks	44,312,557	36,481,047

Analysis of expected credit losses of loans and facilities to customers and banks:

	30 June 2022	31 December 2021
Balance at the beginning of the period / year	2,387,863	1,992,877
ECL Allowance charge during the period / year (note 10)	476,144	454,547
Write-off during the period / year	-	(62,867)
Recoveries from written-off debts	210	6,272
Foreign currency translation	236,102	(2,966)
Balance at the end of the period / year	3,100,319	2,387,863

Analysis of expected credit losses of loans and facilities to customers and banks by type:

	30 June 2022	31 December 2021
Retail		
Balance at the beginning of the period / year	16,295	27,721
ECL Allowance for the period / year (note 10)	16,195	(11,426)
Balance at the end of the period / year (1)	32,490	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 10)	459,949	465,973
Write-off during the period / year	-	(62,867)
Recoveries from written-off debts	210	6,272
Foreign currency translation	236,102	(2,966)
Balance at the end of the period / year (2)	3,067,829	2,371,568
Total (1) + (2)	3,100,319	2,387,863

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

17. Derivative financial instruments

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

30 June 2022

	<i>Contractual value</i>	<i>Assets</i>	<i>Liabilities</i>
Cash flow hedge			
Interest rate swap	380,973	6,655	11
Total assets / liabilities	<u>380,973</u>	<u>6,655</u>	<u>11</u>

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	<u>306,874</u>	<u>-</u>	<u>6,674</u>

18. Financial investments**Financial investments at fair value through Other Comprehensive Income:****A) Debt instruments**

Treasury Bonds (Listed)	7,871,485	7,957,732
Non-government Bonds (Listed)	2,001,963	1,756,090
Sukuk (Listed)	700,000	700,000

B) Equity instruments

Listed	2,662	4,050
Unlisted	70,158	59,565

C) Money Market Funds

AUBE Mutual Fund THARWA	18,480	14,335
AUBE Mutual Fund ALPHA	9,251	11,002

Total financial investments at FVTOCI (1)*30 June 2022* *31 December 2021*

	<u>10,673,999</u>	<u>10,502,774</u>
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Financial investments at Amortized Cost:**A) Debt instruments**

Government Bonds	2,522,815	2,504,245
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Total financial investments at Amortized Cost (2)

	<u>2,522,815</u>	<u>2,504,245</u>
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Financial investments at fair value through profit or loss:**A) Equity instruments**

Listed	1,219	1,298
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B) Money Market Funds

AUBE Mutual Fund THARWA	34,501	32,971
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Total financial investments at FVTPL (3)

	<u>35,720</u>	<u>34,269</u>
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Total financial investments (1+2+3)

	<u>13,232,534</u>	<u>13,041,288</u>
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Current Balances

	74,039	93,834
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Non-current Balances

	13,158,495	12,947,454
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Total financial investments

	<u>13,232,534</u>	<u>13,041,288</u>
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Equity Instruments

	74,039	64,913
--	--------	--------

Debt Instruments

	13,096,263	12,918,067
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Mutual Funds

	62,232	58,308
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Total financial investments

	<u>13,232,534</u>	<u>13,041,288</u>
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AHLI UNITED BANK EGYPT S.A.E
NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

18. Financial investments (Cont....)

<i>30 June 2022</i>	Financial assets at Fair Value through OCI	Financial assets at Amortized Cost	Financial assets Fair Value through P&L	Total
Balance at the beginning of the period	10,502,774	2,504,245	34,269	13,041,288
Additions	2,145,526	115,553.00	106	2,261,185
Disposals / Maturities	(1,678,471)	(95,697)	-	(1,774,168)
Amortization of premium	(146,625)	(1,286)	-	(147,911)
Change in fair value of investment	(233,183)	-	1,345	(231,838)
Foreign currency revaluation	83,978	-	-	83,978
Balance at the end of the period	10,673,999	2,522,815	35,720	13,232,534

<i>31 December 2021</i>	Financial assets at Fair Value through OCI	Financial assets at Amortized Cost	Financial assets Fair Value through P&L	Total
Balance at the beginning of the year	6,735,487	2,667,414	31,621	9,434,522
Additions	5,147,608	445,000	-	5,592,608
Disposals / Maturities	(1,284,295)	(610,385)	-	(1,894,680)
Amortization of (premium)/discount	(27,863)	2,216	-	(25,647)
Change in fair value of investment	(62,538)	-	2,639	(59,899)
Foreign currency revaluation	(5,625)	-	-	(5,625)
Balance at the end of the year	10,502,774	2,504,245	34,269	13,041,288

19. Gain on Financial Investments

	<i>Six Months Ended 30 June 2022</i>	<i>Six Months Ended 30 June 2021</i>	<i>Three Months Ended 30 June 2022</i>	<i>Three Months Ended 30 June 2021</i>
Gain on sale of treasury bills	9,539	13,755	3,363	6,244
Gain on sale of financial investment – FVTOCI	8,146	23,347	7,414	16,881
Total	17,685	37,102	10,777	23,125

20. Financial investment in subsidiaries

	<i>30 June 2022</i>	<i>31 December 2021</i>
Ahli United Finance Company (Unlisted) - Owned 99.99%	54,468	54,468

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

21. Investment properties (net)

	<i>30 June 2022</i>	<i>31 December 2021</i>
<u>Cost:</u>		
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
<u>Accumulated depreciation</u>		
Accumulated depreciation at the beginning of the period/year	(7,421)	(6,588)
Depreciation charged during the period/year	(299)	(833)
Accumulated depreciation balances transferred to property, plant and equipment	3,185	-
Accumulated depreciation at the ending of the period/year	(4,535)	(7,421)
Net book value at the ending of the period/year	20,121	34,659

22. Other assets

	<i>30 June 2022</i>	<i>31 December 2021</i>
Interest Receivable from Customers and banks	1,129,549	894,527
Prepaid expenses	27,119	27,824
Advances for purchase of property, plant and equipment	96,268	92,191
Assets acquired as settlement of debts (net of impairment)	310,440	294,080
Deposits held with other custody	8,560	7,219
Deferred tax assets	903	-
Other assets	43,928	272,340
Total	1,616,767	1,588,181

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

24. Due to banks

	<i>30 June 2021</i>	<i>31 December 2021</i>
Current accounts	44,595	55,444
Deposits from Banks	5,850,000	270,000
Total	5,894,595	325,444
Local banks	5,850,000	270,000
Foreign banks	44,595	55,444
Total	5,894,595	325,444

25. Customers' deposits

	<i>30 June 2022</i>	<i>31 December 2021</i>
Demand deposits	24,504,370	17,585,651
Time deposits	26,125,486	25,374,327
Certificates of deposit	5,700,973	5,834,945
Savings deposits	3,926,335	4,008,050
Other deposits	798,458	734,142
Total	61,055,622	53,537,115
Corporate deposits	47,805,151	40,466,388
Individual deposits	13,250,471	13,070,727
	61,055,622	53,537,115
Non-interest-bearing balances	6,289,774	4,340,517
Floating-interest bearing balances	22,939,389	17,987,326
Fixed interest-bearing balances	31,826,459	31,209,272
	61,055,622	53,537,115
Current balances	29,229,163	22,327,843
Non-current balances	31,826,459	31,209,272
	61,055,622	53,537,115

26. Other Loans

	Rates	<i>30 June 2022</i>	<i>31 December 2021</i>
European Bank for Reconstruction and Development (EBRD)	Variable	376,056	-
		376,056	-

The Bank signed five years facility agreement with the European Bank for Reconstruction and Development (EBRD) to support SMEs and green financing.

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

27. Other liabilities

	<i>30 June 2022</i>	<i>31 December 2021</i>
Interest Payable	258,040	268,718
Clearing operations – CBE	130,928	112,592
Margin deposits	482,017	262,116
Accrued Taxes	302,056	324,963
Unearned revenue	28,135	21,809
Accrued expenses	90,273	82,511
Deferred tax liability	-	7,863
Dividends Payable	23,372	11,855
Other credit balances	157,013	60,029
Total	1,471,834	1,152,456

28. Other provisions

<i>30 June 2022</i>	<i>Provision for legal claims</i>	<i>Claims provision</i>	<i>Contingent liabilities</i>	<i>Total</i>
Beginning balance	29,559	69,155	57,742	156,456
Foreign currency revaluation	309	318	828	1,455
Charged during the period	49	4,884	16,383	21,316
Utilized during the period	(70)	-	-	(70)
Ending balance	29,847	74,357	74,953	179,157

<i>31 December 2021</i>	<i>Provision for legal claims</i>	<i>Claims provision</i>	<i>Contingent liabilities</i>	<i>Total</i>
Beginning balance	31,730	98,327	31,880	161,937
Foreign currency revaluation	(2)	(1)	(76)	(79)
(Charged) Released during the year	(36)	(29,171)	25,938	(3,269)
Utilized during the year	(2,133)	-	-	(2,133)
Ending balance	29,559	69,155	57,742	156,456

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

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 30 June 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 the bank authorized capital up to EGP 7 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.

30. Cash and cash equivalents

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

	<i>30 June 2022</i>	<i>30 June 2021</i>
Cash	651,838	445,099
Due from banks with original maturities less than 3 months	6,864,853	1,780,480
Treasury bills with original maturities less than 3 months	-	469,921
Total	7,516,691	2,695,500

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

For the six months ended 30 June 2022

(All Figures are in EGP Thousands)

31. Contingent liabilities and commitments**31.2 Legal claims**

There is a number of existing cases filed against the bank as at 30 June 2022 without provision as the bank does not expect to incur losses from it.

31.2 Capital commitments, contingent liabilities against letter of credit, documentary credits and other commitments.

	<i>30 June 2022</i>	<i>31 December 2021</i>
Capital commitments of fixed assets	47,613	62,955
Commitments under operating lease contracts	77,152	56,196
Contingent liabilities against letters of credit, documentary credits and other Commitments	10,805,426	9,337,787
Total	10,930,191	9,456,938

32. Related party transactions

The Bank is a subsidiary of Ahli United Bank - Bahrain B.S.C (The Parent) which owns 95.68 % of the ordinary shares and the remaining stake of 4.32 % owned by other shareholders. In addition, Bank owns 100% of the subsidiary company, AUFC. Following are related party transactions and balances during the financial period / year ended 30 June 2022 and 31 December 2021:

	<i>30 June 2022</i>	<i>31 December 2021</i>
Due from banks	1,162,919	793,331
Due to banks	32,885	42,510
Customer deposits	31,629	25,201
Loans and advances to customers	658,495	466,883

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 30 June 2022 is EGP 3,113 thousand.

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2022

33. Tax position

Income Tax

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

34. Comparative Figures

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

AHLI UNITED BANK EGYPT S.A.E

NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

For the six months ended 30 June 2022

35. 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.