

AHLI UNITED BANK
(S.A.E)

Interim Condensed Standalone Financial Statements
For The Nine Months Ended 30 September 2022
& Limited Review Report

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

As of 30 September 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 September 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 nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these 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 September 2022 and of its separate condensed financial performance and its separate condensed cash flows for the nine months then ended in accordance with the bases of recognition and measurement issued by the central bank of Egypt's rules issued on December 16, 2008 as amended by the regulation issued on February 26, 2019 and the prevailing Egyptian laws and regulations, relevant to the preparation of these interim condensed separate financial statements.

Cairo: 17 November 2022

Auditors



 A Member of

 Ernst & Young Global

 Amr Waheed Bayoumi

 Egyptian Financial Supervisory Authority Register no.358

Allied for Accounting & Auditing EY

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 September 2022

	Note	30 September 2022 EGP Thousands	31 December 2021 EGP Thousands
ASSETS			
Cash and balances with Central Bank of Egypt	(13)	5,248,042	5,500,878
Due from banks	(14)	7,930,055	4,768,772
Treasury bills	(15)	3,834,964	1,966,954
Loans and advances to customers & banks	(16)	46,749,006	36,481,047
Derivative financial instruments	(17)	11,943	-
Financial Investments at:			
- Fair value through other comprehensive income	(18)	11,175,845	10,502,774
- Amortized cost	(18)	2,392,731	2,504,245
- Fair value through profit or loss	(18)	36,979	34,269
Investments in subsidiaries	(20)	54,468	54,468
Investments properties (net)	(21)	20,000	34,659
Other assets	(22)	1,715,518	1,588,181
Property, plant and equipment (net)	(23)	869,468	824,618
TOTAL ASSETS		80,039,019	64,260,865
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	(24)	1,569,153	325,444
Customers' deposits	(25)	66,643,111	53,537,115
Treasury bills sold under repurchase agreements	(15)	4,061	10,152
Derivative financial instruments	(17)	-	6,674
Other Loans	(26)	391,046	-
Other liabilities	(27)	1,380,274	1,152,456
Other provisions	(28)	193,538	156,456
TOTAL LIABILITIES		70,181,183	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		259,744	676,715
Retained earnings (including net profit for the current period /year)		2,598,092	3,395,853
TOTAL EQUITY		9,857,836	9,072,568
TOTAL LIABILITIES AND EQUITY		80,039,019	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 nine months ended 30 September 2022

	Note	<i>Nine Months Ended 30 September 2022 EGP Thousands</i>	<i>Nine Months Ended 30 September 2021 EGP Thousands</i>	<i>Three Months Ended 30 September 2022 EGP Thousands</i>	<i>Three Months Ended 30 September 2021 EGP Thousands</i>
Interest from loans and similar revenues	(5)	5,274,563	3,768,435	2,075,675	1,299,744
Interest on deposits and similar costs	(5)	(3,171,956)	(2,253,952)	(1,238,832)	(780,225)
Net interest income		2,102,607	1,514,483	836,843	519,519
Fees and commission revenues	(6)	365,275	260,921	129,613	89,483
Fees and commission expenses	(6)	(34,780)	(22,859)	(12,860)	(9,722)
Net fees and commission income		330,495	238,062	116,753	79,761
Dividends income		6,253	8,347	1,308	5,074
Net trading income	(7)	58,037	67,854	20,592	20,553
Gain on financial investments	(19)	21,621	47,392	3,936	10,290
Provision for credit losses	(10)	(644,886)	(219,840)	(164,400)	(163,056)
Administrative expenses	(8)	(762,812)	(597,288)	(271,580)	(208,414)
Other operating income	(9)	669,721	42,590	115,404	42,514
Net profit before income tax		1,781,036	1,101,600	658,856	306,241
Income tax expenses	(11)	(389,851)	(301,985)	(165,885)	(84,080)
Net profit for the period		1,391,185	799,615	492,971	222,161
Earnings per share (EGP/Share)	(12)	2.78	1.60	0.99	0.44

- 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 nine months ended 30 September 2022

	<i>Nine Months Ended 30 September 2022 EGP Thousands</i>	<i>Nine Months Ended 30 September 2021 EGP Thousands</i>	<i>Three Months Ended 30 September 2022 EGP Thousands</i>	<i>Three Months Ended 30 September 2021 EGP Thousands</i>
Net profit for the period	1,391,185	799,615	492,971	222,161
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	(1,489)	(17,921)	(2,495)	(18,654)
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	(491,060)	(47,365)	(256,468)	18,211
Net change in fair value of interest rate swaps – Fair value hedge.	18,615	5,310	5,298	1,492
Expected credit losses of debt instruments measured at fair value through other comprehensive income	1,456	(1,212)	(2,024)	(245)
Total comprehensive income for the period	918,707	738,427	237,282	222,965

- 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 nine months ended 30 September 2022

	Note	30 September 2022 EGP Thousands	30 September 2021 EGP Thousands
<u>OPERATING ACTIVITIES</u>			
Net profit before income tax		1,781,036	1,101,600
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>			
Dividends income		(6,253)	(8,347)
Depreciation and amortization	(8)	79,223	59,963
Provision for credit losses	(10)	644,886	219,840
Other provisions charged	(28)	35,863	(5,330)
Revaluation differences of other provisions in foreign currencies	(28)	1,316	(105)
Gain on disposals of property, plant and equipment	(9)	(56)	(990)
Amortization of premium	(18)	277,841	25,795
Revaluation difference in foreign currencies		209,437	(6,691)
Gain on sale of financial investments at fair value through other comprehensive income	(19)	(8,990)	(27,062)
Revaluation of financial assets at fair value through profit or loss	(7)	(2,604)	(1,788)
Operating income before changes in operating assets and liabilities		3,011,699	1,356,885
<i>Net changes in operating assets and liabilities</i>			
Balances with Central Bank of Egypt - mandatory reserve		330,503	-
Due from banks		(75,847)	336,898
Treasury bills		(1,875,509)	3,029,504
Loans and advances to customers and banks		(11,203,017)	(5,480,466)
Financial investments at fair value through profit or loss		(106)	(1,788)
Other assets		(126,029)	(214,956)
Due to banks		1,243,709	1,741,425
Customers' deposits		13,105,996	3,551,452
Treasury bills sold under repurchase agreements		(6,091)	(7,973)
Derivative financial instruments		-	(5,390)
Other liabilities		81,855	171,949
Other provision utilized		(97)	-
Income tax paid		(377,327)	(364,926)
Net cash flows generated from operating activities		4,109,739	4,112,614
<u>INVESTING ACTIVITIES</u>			
Purchases of property, plant and equipment	(23)	(111,300)	(229,926)
Proceeds from sale of property, plant and equipment		1,538	990
Proceeds from redemption of financial investments at amortized cost	(18)	280,607	610,385
Purchases of financial investments at amortized cost	(18)	(170,650)	(445,000)
Proceeds from redemption financial investments at FVOCI		1,691,165	1,052,969
Purchases of financial investments at FVOCI	(18)	(3,032,984)	(4,381,492)
Dividends income received		4,945	8,347
Net cash flows used in investing activities		(1,336,679)	(3,383,727)
<u>FINANCING ACTIVITIES</u>			
Net Change in other loans		391,046	-
Net cash flows generated from financing activities		391,046	-
Net increase in cash and cash equivalents during the period		3,164,106	728,887
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)	8,402,731	4,851,256
Cash and cash equivalents are represented as follows:			
Cash and balances with Central Bank of Egypt	(13)	5,248,042	4,366,859
Due from banks	(14)	7,933,151	4,342,872
Treasury Bills	(15)	3,836,065	4,104,293
Balances with Central Bank of Egypt - mandatory reserve	(13)	(4,702,615)	(3,857,592)
Deposits with banks with original maturities more than 3 months		(75,847)	-
Treasury bills with original maturities more than 3 months		(3,836,065)	(4,105,176)
Cash and cash equivalents at the end of the period	(30)	8,402,731	4,851,256

- 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 CHANGES IN EQUITY

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

			Reserves							
	Issued and paid-up capital	Transferred under capital increase	Legal Reserve & Capital Reserve	General Risk Reserve	Banking Risk Reserve	Fair Value Reserve	Total Reserves	Retained Earnings	Total	
Balances as at 1 January 2021	3,000,000	-	500,659	11,884	6,378	161,256	680,177	4,443,580	8,123,757	
Net profit for the period	-	-	-	-	-	-	-	799,615	799,615	
Other comprehensive income	-	-	-	-	-	(61,188)	(61,188)	-	(61,188)	
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(2,000,000)	-	
Employees 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)	
Balances as at 30 September 2021	3,000,000	2,000,000	560,312	11,884	6,378	100,068	678,642	3,042,765	8,721,407	
Balances 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	
Net profit for the period	-	-	-	-	-	-	-	1,391,185	1,391,185	
Other comprehensive income	-	-	-	-	-	(472,478)	(472,478)	-	(472,478)	
Transferred under capital increase	-	2,000,000	-	-	-	-	-	(2,000,000)	-	
Employees profit share	-	-	-	-	-	-	-	(116,000)	(116,000)	
Transferred to GBRR	-	-	-	-	(3,097)	-	(3,097)	3,097	-	
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)	
Bonus shares issued	2,000,000	(2,000,000)	-	-	-	-	-	-	-	
Balances as of 30 September 2022	5,000,000	2,000,000	618,916	11,884	3,630	(374,686)	259,744	2,598,092	9,857,836	

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

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 1227 employees on the statement of financial position date.

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 November 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 September 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 nine months ended 30 September 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 September 2022</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Due from banks	4,647,009	3,286,143	-	7,933,151
Treasury bills	3,693,671	217,030	-	3,910,703
Loans and advances to customers & banks	31,393,930	17,392,120	1,739,994	50,526,044
Debt Instruments at Fair value through other comprehensive income	10,410,683	629,877	-	11,040,560
Debt instruments at Amortized Cost	2,392,731	-	-	2,392,731
	<u>52,538,024</u>	<u>21,525,170</u>	<u>1,739,994</u>	<u>75,803,188</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 September 2022</i>	<i>Stage (1) 12 months</i>	<i>Stage (2) Lifetime</i>	<i>Stage (3) Lifetime</i>	<i>Total</i>
Due from banks	380	2,716	-	3,096
Treasury bills	14	1,087	-	1,101
Loans and advances to customers & banks	303,938	1,569,349	1,449,634	3,322,921
Debt Instruments at Fair value through other comprehensive income	892	3,725	-	4,617
Commitments on loans and collaterals	46,493	11,323	20,398	78,214
	<u>351,717</u>	<u>1,588,200</u>	<u>1,470,032</u>	<u>3,409,949</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>

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

	<i>30 September 2022</i>	<i>31 December 2021</i>
According to Basel II		
Total Tier 1 (basic and additional capital)	9,980,260	9,021,097
Total Tier 2 (subordinated capital)	367,280	143,112
Total Capital Base	10,347,540	9,164,209
Total weighted risk of contingent assets and liabilities	62,447,158	50,313,147
Capital Adequacy Ratio	16.57%	18.21%

3.3 Financial leverage risk management

	<i>30 September 2022</i>	<i>31 December 2021</i>
Tier 1 of the capital adequacy ratio	9,980,260	9,021,097
Total exposures in & off-Balance Sheet	86,702,206	69,659,832
Leverage ratio%	11.51%	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 nine months ended 30 September 2022

(All Figures are in EGP Thousands)

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

30 September 2022	Large Institutions	Small & Medium Institutions	Investments	Retail	Other Activities	Total
Revenues & expenses according to segment activities						
Segment activity revenues	2,742,139	45,269	840,545	1,803,201	964,316	6,395,470
Segment activity expenses	(2,239,645)	(82,774)	(478,585)	(1,475,843)	(337,587)	(4,614,434)
Net profit (losses) before income tax	502,494	(37,505)	361,960	327,358	626,729	1,781,036
Income tax expenses	(103,020)	5,861	(168,780)	(77,437)	(46,475)	(389,851)
Net profit (losses) for the period after tax	399,474	(31,644)	193,180	249,921	580,254	1,391,185
Assets & liabilities according to segment activities						
Segment activity assets	46,966,660	1,420,182	27,729,092	2,804,617	1,118,468	80,039,019
Total assets	46,966,660	1,420,182	27,729,092	2,804,617	1,118,468	80,039,019
Segment activity liabilities	33,389,113	467,373	1,983,554	32,725,398	1,615,745	70,181,183
Total liabilities	33,389,113	467,373	1,983,554	32,725,398	1,615,745	70,181,183
Other items for segment activity						
Depreciation	(13,605)	(1,527)	(7,907)	(40,493)	(15,691)	(79,223)
Net (charges) / release of ECL	(550,617)	(63,103)	(1,975)	(36,039)	6,848	(644,886)

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

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

30 September 2021	Large Institutions	Small & Medium Institutions	Investments	Retail	Other Activities	Total
<i>Revenues & expenses according to segment activities</i>						
Segment activity revenues	1,958,552	24,334	488,989	1,470,065	255,182	4,197,122
Segment activity expenses	(1,701,567)	(15,745)	(155,081)	(1,206,514)	(16,615)	(3,095,522)
Net profit before income tax	256,985	8,589	333,908	263,551	238,567	1,101,600
Income tax	(67,346)	(1,932)	(146,492)	(50,926)	(35,289)	(301,985)
Net profit for the period after tax	189,639	6,657	187,416	212,625	203,278	799,615
<i>Assets & liabilities according to segment activities</i>						
Segment activity assets	35,392,254	605,325	23,109,277	1,910,331	1,261,145	62,278,332
Total assets	35,392,254	605,325	23,109,277	1,910,331	1,261,145	62,278,332
Segment activity liabilities	9,423,841	228,854	1,778,786	40,456,634	1,668,810	53,556,925
Total liabilities	9,423,841	228,854	1,778,786	40,456,634	1,668,810	53,556,925
<i>Other items for segment activity</i>						
Depreciation	(19,855)	(1,228)	(8,796)	(27,100)	(2,984)	(59,963)
Net (charges) / release of ECL	(236,635)	-	5,369	11,426	-	(219,840)

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

5. Net interest income

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Interest and similar revenues from:				
Loans and advances to customers	3,485,170	2,193,245	1,423,151	774,373
Treasury bills and bonds	1,698,428	1,477,130	601,019	497,021
Deposits and current accounts	90,965	98,060	51,505	28,350
Total	5,274,563	3,768,435	2,075,675	1,299,744
Cost of deposits and similar expenses on:				
Deposits and current accounts:				
Banks	(374,609)	(49,510)	(178,746)	(12,965)
Customers	(2,789,792)	(2,204,442)	(1,056,258)	(767,260)
	(3,164,401)	(2,253,952)	(1,235,004)	(780,225)
Other loans	(7,555)	-	(3,828)	-
Total	(3,171,956)	(2,253,952)	(1,238,832)	(780,225)
Net interest income	2,102,607	1,514,483	836,843	519,519

6. Net fees and commission income

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Fees and commission income:				
Credit Fees and commissions	304,627	215,409	111,093	77,115
Custody fees	17,114	20,650	4,094	4,875
Other fees	43,534	24,862	14,426	7,493
Total	365,275	260,921	129,613	89,483
Fees and commissions expenses:				
Other fees expenses	(34,780)	(22,859)	(12,860)	(9,722)
Total	(34,780)	(22,859)	(12,860)	(9,722)
Net income from fees and commissions	330,495	238,062	116,753	79,761

7. Net trading income

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Foreign exchange trading gains	55,433	66,066	19,333	20,030
Change in fair value of investments at FVTPL	2,604	1,788	1,259	523
Total	58,037	67,854	20,592	20,553

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

8. Administrative expense

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Staff cost:				
Salaries and wages	(273,207)	(206,053)	(96,457)	(72,656)
Social insurance	(17,741)	(13,947)	(6,019)	(4,743)
	<u>(290,948)</u>	<u>(220,000)</u>	<u>(102,476)</u>	<u>(77,399)</u>
Depreciation and amortization	(79,223)	(59,963)	(28,100)	(20,517)
Other administrative expenses	(392,641)	(317,325)	(141,004)	(110,498)
Total	<u>(762,812)</u>	<u>(597,288)</u>	<u>(271,580)</u>	<u>(208,414)</u>

9. Other operating income (expenses)

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
FX revaluation gains (losses) from monetary assets and liabilities other than carried at fair value through profit or loss.	687,192	(4,147)	130,301	5,413
Gain (Loss) on disposals of property, plant and equipment	56	990	(239)	749
Legal provision charged	(235)	(960)	(186)	-
Claims provision (charged) / realized	(16,119)	21,384	(11,235)	25,103
Contingent provision charged	(19,509)	(15,094)	(3,126)	(19,722)
Other income (expenses)	18,336	40,417	(111)	30,971
Total	<u>669,721</u>	<u>42,590</u>	<u>115,404</u>	<u>42,514</u>

10. Provision of credit losses

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Loans and advances to customers & banks	(642,912)	(225,208)	(166,768)	(167,537)
Due from banks	(507)	885	(329)	(14)
Debt instruments at FVTOCI	(928)	4,917	2,127	3,967
Treasury bills	(539)	(434)	570	528
Total	<u>(644,886)</u>	<u>(219,840)</u>	<u>(164,400)</u>	<u>(163,056)</u>

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

11. Income tax expense

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Current Tax	(398,364)	(312,804)	(164,867)	(82,828)
Deferred Tax	8,513	10,819	(1,018)	(1,252)
Total	(389,851)	(301,985)	(165,885)	(84,080)
	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Net profit before tax	1,781,036	1,101,600	658,856	306,241
Income tax (22.5%)	(400,733)	(247,860)	(148,242)	(68,904)
Tax effect on:				
Income not subject to tax	13,769	9,475	5,272	3,440
Provision	(50,579)	(8,558)	(12,751)	(6,006)
Depreciation differences	667	1,671	360	1,400
Others	38,512	(67,532)	(9,506)	(12,758)
Income tax expense	(398,364)	(312,804)	(164,867)	(82,828)

12. Earnings per share

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Net profit for the period available for distribution	1,391,185	799,615	492,971	222,161
Weighted average number of shares	500,000	500,000	500,000	500,000
Earnings per share (EGP/Share)	2.78	1.60	0.99	0.44

13. Cash and balances with Central Bank of Egypt

	<i>30 September 2022</i>	<i>31 December 2021</i>
Cash	545,427	467,760
Balances with CBE (mandatory reserve)	4,702,615	5,033,118
Total	5,248,042	5,500,878
Interest free balances	5,248,042	5,500,878

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

14. Due from Banks

	<i>30 September 2022</i>	<i>31 December 2021</i>
Current accounts	498,223	414,502
Deposits	7,434,928	4,356,363
	7,933,151	4,770,865
Less: ECL Allowance	(3,096)	(2,093)
Total	7,930,055	4,768,772
Balances at CBE other than those under the mandatory reserve	1,187,145	2,067,666
Local banks	72,460	56,351
Foreign Banks	6,673,546	2,646,848
	7,933,151	4,770,865
Less: ECL Allowance	(3,096)	(2,093)
Total	7,930,055	4,768,772
Non-interest-bearing balances	498,223	414,502
Fixed interest-bearing balances	7,434,928	4,356,363
	7,933,151	4,770,865
Less: ECL Allowance	(3,096)	(2,093)
Total	7,930,055	4,768,772

15. Treasury bills sold under repurchase agreements

	<i>30 September 2022</i>	<i>31 December 2021</i>
15.1 Treasury bills		
Treasury Bills at Amortized Cost		
365 Days maturity	217,031	174,455
Treasury Bills at Fair value through OCI		
182 Days maturity	782,092	-
273 Days maturity	-	705,021
365 Days maturity	2,911,579	1,152,909
	3,910,702	2,032,385
Less: Unearned interest	(74,637)	(64,979)
Less: ECL Allowance	(1,101)	(452)
Total	3,834,964	1,966,954
15.2 Treasury bills sold under repurchase agreements		
Treasury bills sold under repurchase agreements	4,061	10,152
Total	4,061	10,152

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

16. Loans and advances to customers & banks

	<i>30 September 2022</i>	<i>31 December 2021</i>
Individuals		
Overdrafts	460,394	470,953
Credit cards	38,173	33,072
Personal loans	1,913,891	1,126,015
Other Loans	600,381	887,243
Total (1)	3,012,839	2,517,283
Corporate:		
Overdrafts	4,525,767	3,496,208
Direct loans	37,389,154	27,630,512
Syndication loans	5,597,945	5,104,265
Total (2)	47,512,866	36,230,985
Banks		
Loans	339	354,347
Total (3)	339	354,347
Total loans and advances to customers & banks (1+2+3)	50,526,044	39,102,615
Less :ECL Allowance	(3,322,921)	(2,387,863)
Less: Interest in suspense	(125,325)	(120,673)
Less :Unearned discount	(328,792)	(113,032)
Net loans and advances to customers & banks	46,749,006	36,481,047

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

	<i>30 September 2022</i>	<i>31 December 2021</i>
Balance at the beginning of the period / year	2,387,863	1,992,877
ECL Allowance charge during the period / year (note 10)	642,912	454,547
Write-off during the period / year	-	(62,867)
Recoveries from written-off debts	210	6,272
Foreign currency translation	291,936	(2,966)
Balance at the end of the period / year	3,322,921	2,387,863

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

	<i>30 September 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 10)	36,040	(11,426)
Balance at the end of the period / year (1)	52,335	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)	606,872	465,973
Write-off during the period / year	-	(62,867)
Recoveries from written-off debts	210	6,272
Foreign currency translation	291,936	(2,966)
Balance at the end of the period / year (2)	3,270,586	2,371,568
Total (1) + (2)	3,322,921	2,387,863

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

For the nine months ended 30 September 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 September 2022

	<i>Contractual value</i>	<i>Assets</i>	<i>Liabilities</i>
Cash flow hedge			
Interest rate swap	388,094	11,943	-
Total	388,094	11,943	-

31 December 2021

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

18. Financial Investments

30 September 2022 31 December 2021

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

Treasury Bonds (Listed)	8,263,819	7,957,732
Non-government Bonds (Unlisted)	1,905,741	1,756,090
Sukuk (Unlisted)	871,000	700,000

B) Equity instruments

Listed	2,738	4,050
Unlisted	107,387	59,565

C) Money Market Funds

AUBE Mutual Fund THARWA	15,359	14,335
AUBE Mutual Fund ALPHA	9,801	11,002

Total financial investments at FVTOCI (1)

11,175,845 10,502,774

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

Government Bonds	2,392,731	2,504,245
------------------	-----------	-----------

Total financial investments at Amortized Cost (2)

2,392,731 2,504,245

Financial investments at fair value through profit or loss:**A) Equity instruments**

Listed	1,654	1,298
--------	-------	-------

B) Money Market Funds

AUBE Mutual Fund THARWA	35,325	32,971
-------------------------	--------	--------

Total financial investments at FVTPL (3)

36,979 34,269

Total financial investments (1+2+3)

13,605,555 13,041,288

Current Balances

111,779 93,834

Non- current Balances

13,493,776 12,947,454

Total financial investments

13,605,555 13,041,288

Equity Instruments

111,779 64,913

Debt Instruments

13,433,291 12,918,067

Mutual Funds

60,485 58,308

Total financial investments

13,605,555 13,041,288

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

18. Financial investments (Cont....)

<i>30 September 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	34,260	13,041,279
Additions	3,032,984	170,650	116	3,203,750
Disposals / Maturities	(1,682,175)	(280,607)	-	(1,962,782)
Amortization of premium	(276,284)	(1,557)	-	(277,841)
Change in fair value of investment	(484,711)	-	2,604	(482,107)
Foreign currency revaluation	83,256	-	-	83,256
Balance at the end of the period	11,175,844	2,392,731	36,980	13,605,555
<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	34,260	13,041,279

19. Gain on Financial Investments

	<i>Nine months ended 30 September 2022</i>	<i>Nine months ended 30 September 2021</i>	<i>Three months ended 30 September 2022</i>	<i>Three months ended 30 September 2021</i>
Gain on sale of treasury bills	12,632	20,330	3,092	6,575
Gain on sale of financial investment – FVTOCI	8,989	27,062	844	3,715
Total	21,621	47,392	3,936	10,290

20. Investment in subsidiaries

	<i>30 September 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 nine months ended 30 September 2022

(All Figures are in EGP Thousands)

21. Investment properties (net)

	<i>30 September 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	(420)	(833)
Accumulated depreciation balances transferred to property, plant and equipment	3,185	-
Accumulated depreciation at the ending of the period/year	(4,656)	(7,421)
Net book value at the ending of the period/year	20,000	34,659

22. Other assets

	<i>30 September 2022</i>	<i>31 December 2021</i>
Interest Receivable from Customers and banks	1,091,344	894,527
Prepaid expenses	26,689	27,824
Advances for purchase of property, plant and equipment	184,566	92,191
Assets acquired as settlement of debts (net of impairment)	309,985	294,080
Deposits held with other custody	8,745	7,219
Deferred tax assets	649	-
Other assets	93,540	272,340
Total	1,715,518	1,588,181

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

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	-	53,696	12,065	45,539	111,300
Disposals	-	(2,156)	(22,090)	(105,124)	(129,370)
Transfer	14,238	-	3,009	(3,414)	13,833
Depreciation charge	(9,263)	(17,204)	(8,826)	(43,508)	(78,801)
Accumulated depreciation related to disposals	-	865	21,990	105,033	127,888
Net book value as of 30 September 2022	459,334	154,106	80,358	175,670	869,468
Balance at the end of current period represents in:					
Cost	544,529	306,077	126,147	381,302	1,358,055
Accumulated depreciation	(85,195)	(151,971)	(45,789)	(205,632)	(488,587)
Net book value as of 30 September 2022	459,334	154,106	80,358	175,670	869,468
	<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)
Accumulated 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

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

For the nine months ended 30 September 2022

(All Figures are in EGP Thousands)

24. Due to banks

	<i>30 September 2022</i>	<i>31 December 2021</i>
Current accounts	39,153	55,444
Deposits from Banks	1,530,000	270,000
Total	1,569,153	325,444
Local banks	1,530,000	270,000
Foreign banks	39,153	55,444
Total	1,569,153	325,444

25. Customers' deposits

	<i>30 September 2022</i>	<i>31 December 2021</i>
Demand deposits	29,283,415	17,585,651
Time deposits	26,910,757	25,374,327
Certificates of deposit	5,723,249	5,834,945
Savings deposits	3,986,186	4,008,050
Other deposits	739,504	734,142
Total	66,643,111	53,537,115
Corporate deposits	52,980,290	40,466,388
Individual deposits	13,662,821	13,070,727
	66,643,111	53,537,115
Non-interest-bearing balances	8,410,434	4,340,517
Floating-interest bearing balances	25,598,671	17,987,326
Fixed interest-bearing balances	32,634,006	31,209,272
	66,643,111	53,537,115
Current balances	34,009,105	22,327,843
Non-current balances	32,634,006	31,209,272
	66,643,111	53,537,115

26. Other Loans

	Rates	<i>30 September 2022</i>	<i>31 December 2021</i>
European Bank for Reconstruction and Development (EBRD)	Variable	391,046	-
		391,046	-

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 nine months ended 30 September 2022

(All Figures are in EGP Thousands)

27. Other liabilities

	<i>30 September 2022</i>	<i>31 December 2021</i>
Interest Payable	306,835	268,718
Clearing operations – CBE	109,453	112,592
Margin deposits	323,069	262,116
Accrued Taxes	348,830	324,963
Unearned revenue	26,162	21,809
Accrued expenses	105,921	82,511
Deferred tax liability	-	7,863
Dividends Payable	23,372	11,855
Other credit balances	136,632	60,029
Total	1,380,274	1,152,456

28. Other provisions

<i>30 September 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	387	(34)	963	1,316
Charged during the period	235	16,119	19,509	35,863
Utilized during the period	(97)	-	-	(97)
Ending balance	30,084	85,240	78,214	193,538

<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 nine months ended 30 September 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 September 2022 (31 December 2021: EGP 3 Billion) 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 issued and paid up capital by EGP 2 billion to reach EGP 7 billion, by issuing of 200 million bonus shares out of retained earnings. 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 September 2022</i>	<i>30 September 2021</i>
Cash	545,427	445,099
Due from banks with original maturities less than 3 months	7,857,304	1,780,480
Total	8,402,731	2,695,500

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

For the nine months ended 30 September 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 September 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 September 2022</i>	<i>31 December 2021</i>
Capital commitments of fixed assets	41,730	62,955
Commitments under operating lease contracts	455,743	56,196
Contingent liabilities against letters of credit, documentary credits and other Commitments	10,863,488	9,337,787
Total	11,360,961	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:

	<i>30 September 2022</i>	<i>31 December 2021</i>
Due from banks	1,670,418	793,331
Due to banks	33,975	42,510
Customer deposits	34,081	25,201
Loans and advances to customers	708,462	466,883

The average monthly salaries inclusive of all other allowances, incentive or Profit Share for top 20 staff as at 30 September 2022 is EGP 3,207 thousand.

33. Tax position

Income Tax

- The Bank calculates and pays the income tax liability in due date based on the bank's tax declaration report.
- Income Tax prior 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 the interim condensed standalone financial statements for the current period.

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.

It is worth noting that, the Central Bank of Egypt decided at its meeting held on October 27, 2022 to raise the overnight deposit and lending rates by 200 basis points to reach 13.25% and 14.25%, respectively, and this is expected to affect the bank's pricing policies. In addition to raising the interest rate, the Central Bank of Egypt also decided to implement a durably flexible exchange rate regime, leaving the forces supply and demand to determine the value of the EGP against other foreign currencies.