

AHLI UNITED BANK B.S.C.
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
30 SEPTEMBER 2020

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AHLI UNITED BANK B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ahli United Bank B.S.C. (the "Bank") and its subsidiaries (the "Group") as at 30 September 2020, comprising of the interim condensed consolidated balance sheet as at 30 September 2020 and the related interim condensed consolidated statements of income, comprehensive income for the three month period and nine month period then ended, and interim condensed consolidated statements of cash flows and changes in equity for the nine-month period then ended and explanatory notes. The Bank's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"), as modified by the Central Bank of Bahrain ("the CBB") referred to under note 2.1 of the accompanying interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as modified by the CBB.



11 November 2020
Manama, Kingdom of Bahrain

AHLI UNITED BANK B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

Nine months ended 30 September 2020 (Reviewed)

	<i>Note</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
Interest income		337,288	459,935	1,127,020	1,395,725
Interest expense		144,097	227,386	527,109	672,987
Net interest income		193,191	232,549	599,911	722,738
Fees and commissions		21,282	29,494	76,622	93,443
Trading income		9,227	11,236	33,678	35,347
Investment income and others		23,691	15,948	112,754	67,785
Fees and other income		54,200	56,678	223,054	196,575
OPERATING INCOME		247,391	289,227	822,965	919,313
Provision for credit losses and others	6c	35,204	4,892	117,586	39,226
NET OPERATING INCOME		212,187	284,335	705,379	880,087
Staff costs		40,750	48,554	135,945	146,929
Depreciation		7,609	7,270	24,363	24,500
Other operating expenses		29,880	22,417	75,384	73,685
OPERATING EXPENSES		78,239	78,241	235,692	245,114
PROFIT BEFORE TAX AND ZAKAT		133,948	206,094	469,687	634,973
Tax expense and zakat		9,558	10,342	30,934	30,588
NET PROFIT FOR THE PERIOD		124,390	195,752	438,753	604,385
Net profit attributable to non-controlling interests		8,499	14,848	29,423	45,965
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE BANK		115,891	180,904	409,330	558,420
EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR THE PERIOD					
Basic and diluted earnings per ordinary share (US cents)	3	1.2	1.9	4.1	5.6

Meshal AbdulAziz Alothman
Chairman

Mohammad J. Al-Marzooq
Deputy Chairman

Adel A. El-Labban
Group Chief Executive Officer
& Managing Director

AHLI UNITED BANK B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Nine months ended 30 September 2020 (Reviewed)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
Net profit for the period	124,390	195,752	438,753	604,385
<i>Other comprehensive income (OCI)</i>				
Items that will not be reclassified subsequently to consolidated statement of income				
Net change in fair value of equity investments measured at fair value through OCI	(1,749)	688	(2,597)	2,531
Net change in pension fund reserve	(2,757)	5,032	(5,145)	9,915
Items that may be reclassified subsequently to consolidated statement of income				
Foreign currency translation adjustments	18,783	3,977	(54,877)	26,702
Net movement in fair value of debt instruments held as fair value through OCI	(1,404)	480	(38,942)	13,858
Net change in fair value of cash flow hedges	3,717	(10,541)	(25,112)	(27,513)
Other comprehensive (loss) income for the period	16,590	(364)	(126,673)	25,493
Total comprehensive income for the period	140,980	195,388	312,080	629,878
Total comprehensive income attributable to non-controlling interests	11,272	15,568	25,026	52,090
Total comprehensive income attributable to owners of the Bank	129,708	179,820	287,054	577,788

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements

AHLI UNITED BANK B.S.C.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

30 September 2020 (Reviewed)

		<i>(Audited)</i>
		<i>30 September</i>
		<i>31 December</i>
		<i>2020</i>
		<i>2019</i>
	<i>Note</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>
ASSETS		
Cash and balances with central banks		1,548,152
Treasury bills and deposits with central banks		1,366,978
Deposits with banks		2,553,470
Loans and advances	6	2,022,340
Non-trading investments	7	3,926,819
Investment in associates		4,683,260
Investment properties		20,833,927
Interest receivable and other assets		9,646,385
Premises and equipment		301,396
Goodwill and other intangible assets		193,492
		229,803
		879,848
		297,058
		484,695
TOTAL ASSETS		40,665,242
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from banks		5,343,238
Borrowings under repurchase agreements		5,023,915
Customers' deposits		3,820,303
Interest payable and other liabilities		2,891,532
Subordinated liabilities		24,501,834
		1,919,562
		9,737
TOTAL LIABILITIES		35,594,674
EQUITY		
Ordinary share capital		2,412,972
Reserves		2,193,611
Equity attributable to the owners		1,574,752
Perpetual Tier 1 Capital Securities		2,071,916
Non-controlling interests		3,987,724
		4,265,527
		600,000
		482,844
TOTAL EQUITY		5,070,568
TOTAL LIABILITIES AND EQUITY		40,665,242

Meshal AbdulAziz Alothman
Chairman

Mohammad J. Al-Marzooq
Deputy Chairman

Adel A. El-Labban
Group Chief Executive Officer
& Managing Director

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Nine months ended 30 September 2020 (Reviewed)

	<i>Nine months ended 30 September</i>	
	<i>2020</i>	<i>2019</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
OPERATING ACTIVITIES		
Profit before tax and zakat	469,687	634,973
Adjustments for:		
Depreciation	24,363	24,500
Investment income and others	(105,650)	(57,667)
Provision for credit losses and others	117,586	39,226
Fair value of Employee Share Purchase Plan (ESPP) charge	-	1,057
Operating profit before changes in operating assets and liabilities	505,986	642,089
Changes in:		
Mandatory reserve deposits with central banks	(22,744)	43,006
Treasury bills and deposits with central banks	(405,774)	152,782
Deposits with banks	663,806	(621,939)
Loans and advances	(307,410)	(912,633)
Interest receivable and other assets	(73,985)	(109,448)
Deposits from banks	319,323	1,222,899
Borrowings under repurchase agreements	928,771	553,776
Customers' deposits	(1,016,289)	887,940
Interest payables and other liabilities	(58,098)	156,586
Cash from operations	533,586	2,015,058
Income tax and zakat paid	(37,337)	(31,646)
Net cash from operating activities	496,249	1,983,412
INVESTING ACTIVITIES		
Purchase of non-trading investments	(1,979,188)	(2,414,325)
Proceeds from sale or redemption of non-trading investments	1,950,247	1,525,247
Net decrease in investment properties	49,660	35,330
Net increase in premises and equipment	(16,732)	(30,993)
Dividends received from associates	14,283	13,603
Net cash from/ (used in) investing activities	18,270	(871,138)
FINANCING ACTIVITIES		
Distribution on Perpetual Tier 1 Capital Securities	(19,250)	(19,250)
Movement in subsidiary	143	181
Repayment of subordinated liabilities	(17,996)	(165,000)
Dividends and other appropriations paid	(432,477)	(389,523)
Dividends paid to non-controlling interest	(26,845)	(29,716)
Capital increase due to Mandatory Share Plan (MSP) and ESPP shares	-	4,200
Net cash used in financing activities	(496,425)	(599,108)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,094	513,166
Net foreign exchange difference	(6,942)	14,709
Cash and cash equivalents at 1 January	4,024,923	3,088,964
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	4,036,075	3,616,839
Cash and cash equivalents comprise:		
Cash and balances with central banks, excluding mandatory reserve deposits	1,128,442	1,073,571
Deposits with banks, central banks and treasury bills with an original maturity of three months or less	2,907,633	2,543,268
	4,036,075	3,616,839

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements

Ahli United Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended 30 September 2020 (Reviewed)

	<i>Attributable to the owners</i>											
	Reserves								<i>Equity attributable to the owners</i>	<i>Perpetual Tier 1 Capital Securities</i>	<i>Non- controlling interests</i>	<i>Total</i>
	<i>Ordinary share capital</i>	<i>Treasury shares</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Proposed appropriations</i>	<i>Other reserves (note 8)</i>	<i>Total reserves</i>				
Balance at 1 January 2020	2,193,611	-	766,230	659,531	611,207	439,722	(404,774)	2,071,916	4,265,527	600,000	496,002	5,361,529
Donations	-	-	-	-	-	(1,000)	-	(1,000)	(1,000)	-	-	(1,000)
Bonus shares issued	219,361	-	-	-	(219,361)	-	-	(219,361)	-	-	-	-
Transfer from OCI reserve	-	-	-	-	(1,431)	-	-	(1,431)	(1,431)	-	(12)	(1,443)
Distribution related to Perpetual Tier 1 Capital Securities	-	-	-	-	(13,750)	-	-	(13,750)	(13,750)	-	-	(13,750)
Distribution related to Perpetual Tier 1 Sukuk	-	-	-	-	(4,120)	-	-	(4,120)	(4,120)	-	(1,380)	(5,500)
Ordinary share dividend	-	-	-	-	-	(438,722)	-	(438,722)	(438,722)	-	-	(438,722)
Net loss on loan contract modification (note 2.5)	-	-	-	-	(98,449)	-	-	(98,449)	(98,449)	-	(9,405)	(107,854)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(26,845)	(26,845)
Movement in associates	-	-	-	-	(4,455)	-	-	(4,455)	(4,455)	-	-	(4,455)
Movement in subsidiaries	-	-	(21)	-	(2,909)	-	-	(2,930)	(2,930)	-	(542)	(3,472)
Total comprehensive (loss) income for the period	-	-	-	-	409,330	-	(122,276)	287,054	287,054	-	25,026	312,080
Balance at 30 September 2020	2,412,972	-	766,209	659,531	676,062	-	(527,050)	1,574,752	3,987,724	600,000	482,844	5,070,568

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements

Ahli United Bank B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended 30 September 2020 (Reviewed)

	<i>Attributable to the owners</i>											
	<i>Reserves</i>							<i>Total reserves</i>	<i>Equity attributable to the owners</i>	<i>Perpetual Tier 1 Capital Securities</i>	<i>Non-controlling interests</i>	<i>Total</i>
	<i>Ordinary share capital</i>	<i>Treasury shares</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Proposed appropriations</i>	<i>Other reserves (note 8)</i>					
Balance at 1 January 2019	1,992,541	(13,190)	763,660	586,481	634,672	399,838	(455,301)	1,929,350	3,908,701	600,000	463,307	4,972,008
Donations	-	-	-	-	-	(1,000)	-	(1,000)	(1,000)	-	-	(1,000)
Bonus shares issued	199,419	-	-	-	(199,419)	-	-	(199,419)	-	-	-	-
Additional shares issued	1,651	-	2,549	-	-	-	-	2,549	4,200	-	-	4,200
Transfer from OCI reserve	-	-	-	-	(970)	-	-	(970)	(970)	-	(186)	(1,156)
Distribution related to Perpetual Tier 1 Capital Securities	-	-	-	-	(13,750)	-	-	(13,750)	(13,750)	-	-	(13,750)
Distribution related to Perpetual Tier 1 Sukuk	-	-	-	-	(4,120)	-	-	(4,120)	(4,120)	-	(1,380)	(5,500)
Ordinary share dividend	-	-	-	-	1,082	(398,838)	-	(397,756)	(397,756)	-	-	(397,756)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(29,716)	(29,716)
Movement in associates	-	-	-	-	(3,545)	-	-	(3,545)	(3,545)	-	-	(3,545)
Movement in subsidiaries	-	-	21	-	-	-	-	21	21	-	160	181
Fair value amortisation of share based transactions	-	-	-	-	-	-	1,057	1,057	1,057	-	-	1,057
Total comprehensive income for the period	-	-	-	-	558,420	-	19,368	577,788	577,788	-	52,090	629,878
Balance at 30 September 2019	2,193,611	(13,190)	766,230	586,481	972,370	-	(434,876)	1,890,205	4,070,626	600,000	484,275	5,154,901

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements

1 CORPORATE INFORMATION

The parent company, Ahli United Bank B.S.C. ("AUB" or "the Bank") was incorporated in the Kingdom of Bahrain on 31 May 2000 originally as a closed company and changed on 12 July 2000 to a public shareholding company by Amiri Decree number 16/2000. The Bank and its subsidiaries (collectively known as "the Group") are engaged in retail, commercial, islamic and investment banking business, global fund management and private banking services through branches in the Kingdom of Bahrain, the State of Kuwait, the Arab Republic of Egypt, Republic of Iraq, the United Kingdom and an overseas branch in Dubai International Financial Centre (DIFC). It also operates through its associates in Libya and in the Sultanate of Oman. The Bank operates under a retail banking license issued by the Central Bank of Bahrain ("CBB"). The Bank also engages in life insurance business through its subsidiary, Al Hilal Life B.S.C. (c). The Bank's registered office is located at Building 2495, Road 2832, Al Seef District 428, Kingdom of Bahrain.

Subsequent to the reporting date the Group has increased its holding in Ahli United Bank (Egypt) S.A.E. by 10.2% to 95.7%.

The interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2020 were authorised for issue in accordance with a resolution of the Board of Directors dated 11 November 2020.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with applicable rules and regulations issued by the CBB including the recently issued CBB circulars on regulatory concessionary measures in response to COVID-19. These rules and regulations, in particular CBB circular OG/226/2020 dated 21 June 2020, require the adoption of all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), except for:

- (a) recognition of modification losses on financial assets arising from payment holidays provided to customers impacted by COVID-19 without charging additional interest, in equity instead of profit or loss as required by IFRS 9 Financial Instruments. Any other modification gain or loss on financial assets are recognised in accordance with the requirements of IFRS 9 Financial Instruments. Refer note 2.5 for further details; and
- (b) recognition of financial assistance received from the government and/ or regulators in response to its COVID-19 support measures that meets the government grant requirement, in equity, instead of profit or loss. This will only be to the extent of any modification loss recorded in equity as a result of (a) above, and the balance amount to be recognized in profit or loss. Any other financial assistance is recognised in accordance with the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Refer note 2.5 for further details.

The above framework forms the basis of preparation and presentation, of the interim condensed consolidated financial statements of the Group and is hereinafter referred to as 'IFRS as modified by CBB'.

The interim condensed consolidated financial statements of the Group have been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting', using the IFRS as modified by CBB framework. Hence, the framework used in the preparation of the condensed consolidated interim financial information of the Group is hereinafter referred to as 'IAS 34 as modified by CBB'.

The accounting policies used in the preparation of annual audited consolidated financial statements of the Group for the year ended 31 December 2019 were in accordance with IFRS as issued by IASB. However, except for the above-mentioned modifications to accounting policies, all other accounting policies remain the same and have been consistently applied in these interim condensed consolidated financial statements. The change in accounting policies, as explained above, did not result in any change to the financial information reported for the comparative period.

2 ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The interim condensed consolidated financial statements of the Group do not contain all information and disclosures required for the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2019. Further, results for the interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

2.2 New standards and amendments effective for the period

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2019, except for following new and amended IAS / IFRS as of 1 January 2020 and as mentioned in note 2.5 below. The adoption of the below new standards and amendments did not result in changes to previously reported net profit or equity of the Group.

- Definition of Material – Amendments to IAS 1 and IAS 8 effective from 1 January 2020.
- Definition of a Business – Amendments to IFRS 3 effective from 1 January 2020.
- Amendments to References to Conceptual Framework in IFRS Standards effective from 1 January 2020.
- Interest Rate Benchmark Reform (Amendments to IFRS 9 and IFRS 7) - effective for annual periods beginning on or after 1 January 2020.

The current LIBOR linked interest rate benchmarks are expected to cease by the end of year 2021. In order to alleviate uncertainties that this change may have on the accounting of hedging relationships that are based on LIBOR benchmark rates, the IASB issued the Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7, that primarily includes a number of reliefs, which allows reporting entities to continue to account for hedging relationships on the basis of current LIBOR linked interest rate benchmarks.

2.3 New standard issued but not yet effective

IFRS 17 Insurance Contracts is effective from 1 January 2023. The Group is currently evaluating the impact of this new standard. The Group intends to adopt this new standard on the effective date.

2.4 Estimates and judgments

COVID-19 pandemic has severely impacted various economies globally, causing disruption to business and economic activities and resulting in significant uncertainties in the operating environment. Global financial markets have also experienced enhanced levels of volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Meanwhile, during the current period, oil prices have witnessed unprecedented volatility and the reduction in prices is expected to have medium to long term adverse consequences on these economies.

In preparing these interim condensed consolidated financial statements, significant judgments were made by the management in applying the Group's accounting policies. While the key performance metrics are subject to current economic volatility, these are considered to represent management's best assessment based on available or observable information.

The Group has performed an assessment of the relevant macro-economic information based on the available guidance of regulators and IFRS, which has resulted in changes to the expected credit loss methodology and valuation estimates and judgments as at and for the period ended 30 September 2020.

2 ACCOUNTING POLICIES (continued)

2.4 Estimates and judgments (continued)

Accordingly, the Group has updated inputs and assumptions used for the determination of expected credit losses (“ECLs”) in response to uncertainties caused by COVID 19 and oil prices volatility. Under IFRS 9, financial assets are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a significant increase in credit risk (SICR) since origination. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. The Group continues to assess borrowers for other indicators of unlikeliness to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary as a result of COVID-19 or longer term. ECLs were estimated based on a range of forecast economic conditions as at that date.

Considering that the situation is evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. This volatility has been reflected through adjustments in the established regression relationships. Management overlays may be applied to the model outputs if consistent with the objective of a significant increase in the credit risk. Furthermore, the Group continues to closely monitor the potential repayment risk impact of COVID-19 on affected industry sectors.

2.5 Accounting for modification loss and government grants

During the current period, based on a regulatory directive issued by the CBB (refer note 2.1) as concessionary measures to mitigate the impact of COVID-19, the one-off modification losses amounting to US\$ 104.9 million arising from the 6-month payment holidays provided to financing customers without charging additional interest has been recognized directly in equity. The modification loss has been calculated as the difference between the net present value of the modified cash flows relating to financing exposures amounting to US\$ 4.3 billion calculated using the original effective interest rate and the current carrying value of the financial assets on the date of modification.

Further, as per the regulatory directive financial assistance amounting to US\$ 6.5 million (representing specified reimbursement of a portion of staff costs and waiver of levies and utility charges) received from the government, in response to its COVID-19 support measures, has been recognized directly in equity under retained earnings.

The net impact of above two adjustments amounting to US\$ 98.4 million has been debited to retained earnings.

AHLI UNITED BANK B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020 (Reviewed)

3 EARNINGS PER ORDINARY SHARE

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net profit for the period attributable to Bank's ordinary equity shareholders for basic and diluted earnings per share computation	115,891	180,904	409,330	558,420
Perpetual Tier 1 Capital Securities distribution	-	-	(13,750)	(13,750)
Perpetual Tier 1 Sukuk distribution	-	-	(4,120)	(4,120)
Adjusted net profit for the period attributable to Bank's ordinary equity shareholders for basic and diluted earnings per share computation	115,891	180,904	391,460	540,550
Weighted average ordinary shares outstanding during the period adjusted for bonus shares (in millions)	9,652	9,626	9,652	9,624
Basic and diluted earnings per ordinary share (US cents)	1.2	1.9	4.1	5.6
Issued and fully paid ordinary shares of US\$ 0.25 each (in millions)			9,651.9	8,774.4
Number of treasury shares (in millions)			-	23.8

4 CONTINGENT LIABILITIES

The Group had the following credit related contingent liabilities:

	<i>(Audited)</i>	
	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Guarantees	2,625,920	2,671,283
Acceptances	119,982	177,977
Letters of credit	360,789	381,452
	3,106,691	3,230,712

5 SEGMENT INFORMATION

For management reporting purposes, the Group is organised into four major business segments:

- Retail banking
- Corporate banking
- Treasury and investments
- Private banking

Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a pool rate, which approximates the cost of funds.

AHLI UNITED BANK B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020 (Reviewed)

5 SEGMENT INFORMATION (continued)

Segmental information for the period was as follows:

	<i>Retail banking</i>	<i>Corporate banking</i>	<i>Treasury and investments</i>	<i>Private banking</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>Nine months ended 30 September 2020:</i>					
Net interest income	158,262	239,630	161,783	40,236	599,911
Fees and commissions	20,100	43,439	2,385	10,698	76,622
Trading, investment income and others	2,238	11,344	132,726	124	146,432
OPERATING INCOME	180,600	294,413	296,894	51,058	822,965
Provision for credit losses and others	16,915	90,404	6,326	3,941	117,586
NET OPERATING INCOME	163,685	204,009	290,568	47,117	705,379
Operating expenses	85,415	62,380	64,630	23,267	235,692
PROFIT BEFORE TAX AND ZAKAT	78,270	141,629	225,938	23,850	469,687
Tax expense and zakat					30,934
NET PROFIT FOR THE PERIOD					438,753
Less : Attributable to non-controlling interests					29,423
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE BANK					409,330
Inter segment interest included in net interest income above	175,897	(229,639)	30,669	23,073	-
	<i>Retail banking</i>	<i>Corporate banking</i>	<i>Treasury and investments</i>	<i>Private banking</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>Nine months ended 30 September 2019:</i>					
Net interest income	154,875	317,589	193,633	56,641	722,738
Fees and commissions	28,587	49,214	856	14,786	93,443
Trading, investment income and others	1,284	14,365	87,401	82	103,132
OPERATING INCOME	184,746	381,168	281,890	71,509	919,313
Provision for credit losses and others	4,556	36,147	(1,635)	158	39,226
NET OPERATING INCOME	180,190	345,021	283,525	71,351	880,087
Operating expenses	91,377	63,675	65,944	24,118	245,114
PROFIT BEFORE TAX AND ZAKAT	88,813	281,346	217,581	47,233	634,973
Tax expense and zakat					30,588
NET PROFIT FOR THE PERIOD					604,385
Less : Attributable to non-controlling interests					45,965
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE BANK					558,420
Inter segment interest included in net interest income above	214,298	(306,111)	53,168	38,645	-

30 September 2020 (Reviewed)

6 LOANS AND ADVANCES

a) Carrying amount of loans and advances

	<i>30 September 2020</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
High standard grade	12,588,160	840,939	-	13,429,099
Standard grade	5,705,443	2,036,351	-	7,741,794
Impaired	-	-	537,417	537,417
	18,293,603	2,877,290	537,417	21,708,310
Less: ECL allowances	(149,518)	(307,371)	(417,494)	(874,383)
	18,144,085	2,569,919	119,923	20,833,927
	<i>31 December 2019</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
High standard grade	12,785,732	551,664	-	13,337,396
Standard grade	5,553,570	2,206,367	-	7,759,937
Impaired	-	-	414,791	414,791
	18,339,302	2,758,031	414,791	21,512,124
Less: ECL allowances	(100,805)	(312,454)	(356,505)	(769,764)
	18,238,497	2,445,577	58,286	20,742,360

b) ECL allowance movements of loans and advances

	<i>2020</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
At 1 January 2020	100,805	312,454	356,505	769,764
Transfer from Stage 1	(3,569)	2,102	1,467	-
Transfer from Stage 2	4,008	(29,801)	25,793	-
Net remeasurement of ECL allowances for the period	48,189	23,863	39,986	112,038
Amounts written-off during the period	-	-	(5,520)	(5,520)
Exchange rate and other adjustments	85	(1,247)	(737)	(1,899)
At 30 September 2020	149,518	307,371	417,494	874,383

AHLI UNITED BANK B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020 (Reviewed)

6 LOANS AND ADVANCES (continued)

b) ECL allowance movements of loans and advances (continued)

	2019			
	Stage 1 US\$ '000	Stage 2 US\$ '000	Stage 3 US\$ '000	Total US\$ '000
At 1 January 2019	125,066	365,332	324,848	815,246
Transfer from Stage 1	(5,359)	3,580	1,779	-
Transfer from Stage 2	-	(80,149)	80,149	-
Net remeasurement of ECL allowances for the period	(1,498)	21,865	27,747	48,114
Amounts written-off during the period	-	-	(82,037)	(82,037)
Exchange rate and other adjustments	(343)	360	6,496	6,513
At 30 September 2019	117,866	310,988	358,982	787,836

c) Provision for credit losses and others

	Nine months ended 30 September	
	2020 US\$ '000	2019 US\$ '000
Net remeasurement of ECL on loans and advances (note 6 b)	112,038	48,114
Recoveries from loans and advances during the period (from fully provided loans written-off in previous years)	(10,503)	(17,396)
Net remeasurement of ECL for non-trading investments (note 7 b)	6,326	(1,635)
Net remeasurement of ECL on off-balance sheet exposures and others	9,725	10,143
	117,586	39,226

7 NON-TRADING INVESTMENTS

a) Credit quality of non-trading investments

	30 September 2020			
	Stage 1 US\$ '000	Stage 2 US\$ '000	Stage 3 US\$ '000	Total US\$ '000
High standard grade	6,533,341	-	-	6,533,341
Standard grade	2,491,426	521,280	-	3,012,706
	9,024,767	521,280	-	9,546,047
Less: ECL allowances	(15,356)	(2,194)	-	(17,550)
Equity instruments at fair value	-	-	-	117,888
	9,009,411	519,086	-	9,646,385

	31 December 2019			
	Stage 1 US\$ '000	Stage 2 US\$ '000	Stage 3 US\$ '000	Total US\$ '000
High standard grade	6,319,300	50,882	-	6,370,182
Standard grade	2,397,676	148,120	-	2,545,796
	8,716,976	199,002	-	8,915,978
Less: ECL allowances	(9,407)	(1,733)	-	(11,140)
Equity instruments at fair value	-	-	-	229,043
	8,707,569	197,269	-	9,133,881

Equity instruments held at fair value include investments amounting to US\$ 5.1 million (31 December 2019: US\$ 118.4 million) which are designated as FVTPL. Income from FVTPL investments for the period amounted to US\$ 29.1 million (30 September 2019: US\$ 16.1 million).

AHLI UNITED BANK B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020 (Reviewed)

7 NON-TRADING INVESTMENTS (continued)

b) Movement in ECL allowances

	2020			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
At 1 January 2020	9,407	1,733	-	11,140
Transfer from Stage 2	89	(89)	-	-
Net remeasurement of ECL				
allowances for the period (note 6 c)	5,845	481	-	6,326
Exchange rate and other adjustments	15	69	-	84
At 30 September 2020	15,356	2,194	-	17,550
	2019			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
At 1 January 2019	9,729	3,722	-	13,451
Transfer from Stage 1	(1,132)	1,132	-	-
Net remeasurement of ECL				
allowances for the period (note 6 c)	1,357	(2,992)	-	(1,635)
Exchange rate and other adjustments	(104)	-	-	(104)
At 30 September 2019	9,850	1,862	-	11,712

30 September 2020 (Reviewed)

8 MOVEMENT IN OTHER RESERVES

	<i>Capital reserve</i>	<i>Property revaluation reserve</i>	<i>Foreign exchange translation reserve</i>	<i>Cumulative changes in</i>			<i>Total other reserves</i>	
				<i>OCI reserve</i>	<i>Cash flow hedge reserve</i>	<i>ESPP reserve</i>		<i>Pension fund reserve</i>
Balance at 1 January 2020	17,240	35,395	(402,456)	21,331	(37,137)	-	(39,147)	(404,774)
Currency translation adjustments	-	(3)	(51,669)	-	-	-	-	(51,672)
Transfers to consolidated statement of income	-	-	-	(3,248)	(99)	-	-	(3,347)
Net fair value movements	-	-	-	(38,530)	(25,013)	-	-	(63,543)
Transfers to retained earnings	-	-	-	1,431	-	-	-	1,431
Fair value movements and others	-	-	-	-	-	-	(5,145)	(5,145)
Balance at 30 September 2020	17,240	35,392	(454,125)	(19,016)	(62,249)	-	(44,292)	(527,050)

	<i>Capital reserve</i>	<i>Property revaluation reserve</i>	<i>Foreign exchange translation reserve</i>	<i>Cumulative changes in</i>			<i>Total other reserves</i>	
				<i>OCI reserve</i>	<i>Cash flow hedge reserve</i>	<i>ESPP reserve</i>		<i>Pension fund reserve</i>
Balance at 1 January 2019	8,480	35,225	(435,370)	3,639	(17,021)	-	(50,254)	(455,301)
Currency translation adjustments	-	(1)	21,761	-	-	-	-	21,760
Transfers to consolidated statement of income	-	-	-	828	(668)	-	-	160
Net fair value movements	-	-	-	13,408	(26,845)	-	-	(13,437)
Transfers to retained earnings	-	-	-	970	-	-	-	970
Fair value movements and others	-	-	-	-	-	1,057	9,915	10,972
Balance at 30 September 2019	8,480	35,224	(413,609)	18,845	(44,534)	1,057	(40,339)	(434,876)

9 FAIR VALUE MEASUREMENT

The fair value of financial assets and financial liabilities, with the exception of non-trading investments that are carried at amortised cost, approximate their carrying values. The fair value of the non-trading investments held at amortised cost is US\$ 8,102.8 million as at 30 September 2020 (31 December 2019: US\$ 7,876.4 million). Carrying value of these non-trading investments is US\$ 8,418.8 million as at 30 September 2020 (31 December 2019: US\$ 7,711.3 million).

The Group's primary medium and long-term financial liabilities are the subordinated liabilities. The fair values of these financial liabilities are not materially different from their carrying values, since these liabilities are repriced at intervals of three or six months, depending on the terms and conditions of the instrument and the resultant applicable margins approximate the current spreads that would apply for borrowings with similar maturities.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 : Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	<i>30 September 2020</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Equity instruments at fair value	154	78,450	39,284	117,888
Debt instruments (FVTOCI)	1,046,426	63,240	-	1,109,666
Derivative assets	-	164,636	-	164,636
Derivative liabilities	-	1,032,271	-	1,032,271
	<i>31 December 2019</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Equity instruments at fair value	113,760	75,830	39,453	229,043
Debt instruments (FVTOCI)	1,124,761	68,747	-	1,193,508
Derivative assets	-	105,489	-	105,489
Derivative liabilities	-	497,950	-	497,950

During the nine month period ended 30 September 2020 and 2019, there have been no transfers between Level 1, 2 and 3.

30 September 2020 (Reviewed)

10 RELATED PARTY TRANSACTIONS

The Group enters into transactions with major shareholders, associates, directors, senior management and companies which are controlled, jointly controlled or significantly influenced by such parties in the ordinary course of business at arm's length. All the loans and advances to related parties are performing and are subject to ECL allowances.

Details of transactions and the period end balances in respect of related parties were as follows:

	2020					
	<i>Major shareholders</i>	<i>Associates</i>	<i>Non Executive Directors</i>	<i>Senior management</i>		<i>Total</i>
				<i>Management Directors</i>	<i>Others</i>	
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>For the nine months ended</i>						
<i>30 September 2020</i>						
Interest income	-	126	4,834	59	3	5,022
Interest expense	82,462	356	77	85	6	82,986
Fees and commissions	723	1,041	514	11	2	2,291
Short term employee benefits	-	-	-	9,263	1,996	11,259
End of service benefits	-	-	-	1,603	129	1,732
Directors' fees and related expenses	-	-	1,385	-	-	1,385
<i>As of 30 September 2020</i>						
Deposits with banks	-	6,165	-	-	-	6,165
Loans and advances	-	-	152,937	656	25	153,618
Derivative assets	-	9,754	-	-	-	9,754
Deposits from banks	-	18,998	-	-	-	18,998
Customers' deposits	4,682,508	-	30,946	8,729	431	4,722,614
Subordinated liabilities	9,737	-	-	-	-	9,737
Commitments and contingent liabilities	-	13,488	87,273	-	-	100,761
2019						
	<i>Major shareholders</i>	<i>Associates</i>	<i>Non Executive Directors</i>	<i>Senior management</i>		<i>Total</i>
				<i>Management Directors</i>	<i>Others</i>	
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>For the nine months ended</i>						
<i>30 September 2019</i>						
Interest income	-	2,769	5,746	125	18	8,658
Interest expense	136,359	1,112	826	50	15	138,362
Fees and commissions	-	2,159	334	6	4	2,503
Short term employee benefits	-	-	-	8,367	2,411	10,778
End of service benefits	-	-	-	1,349	142	1,491
Directors' fees and related expenses	-	-	1,702	-	-	1,702
<i>As of 31 December 2019</i>						
Deposits with banks	-	13,432	-	-	-	13,432
Loans and advances	-	-	184,307	3,111	581	187,999
Deposits from banks	-	93,363	-	-	-	93,363
Customers' deposits	6,769,750	-	21,934	7,196	1,815	6,800,695
Subordinated liabilities	9,866	-	-	-	-	9,866
Commitments and contingent liabilities	-	29,936	153,666	-	-	183,602

11 NET STABLE FUNDING RATIO (NSFR)

The NSFR ratio is calculated in accordance with the Liquidity Risk Management Module guidelines, issued by the Central Bank of Bahrain. The minimum NSFR ratio limit as per CBB is 100%. However, as per CBB circular OG/106/2020 dated 17 March 2020 and OG/296/2020 dated 26 August 2020, the limit is reduced to 80% until 31 December 2020, to contain the financial repercussions of COVID-19. The Group's consolidated NSFR ratio as of 30 September 2020 is 111.1% (31 December 2019: 117.0%).

	<i>(Audited)</i>
	<i>30 September</i>
	<i>31 December</i>
	<i>2020</i>
	<i>2019</i>
	<i>US\$ '000</i>
	<i>US\$ '000</i>
<u>Available Stable Funding :</u>	
Regulatory capital	5,492,672
Stable deposits	5,579,449
Wholesale funding	6,192,925
Others	5,745,209
	11,866,093
	13,085,627
	484,787
	515,344
Total Available Stable Funding (A)	24,036,477
	24,925,629
<u>Required Stable Funding :</u>	
High-quality liquid assets (HQLA)	1,758,791
Performing loans	1,768,970
Securities (other than HQLA)	13,780,462
Derivative contracts	14,247,078
Others	2,771,297
Off-Balance sheet items	2,421,235
	600,130
	309,961
	2,358,904
	2,237,933
	368,776
	326,416
Total Required Stable Funding (B)	21,638,360
	21,311,593
NSFR (%) (A/B)	111.1%
	117.0%

12 TRANSACTION WITH KUWAIT FINANCE HOUSE K.S.C.P. (KFH)

The shareholders of Kuwait Finance House K.S.C.P (KFH) in its AGM/EGM held on 20 January 2020 approved the pursuit of the acquisition of Ahli United Bank B.S.C. ("AUB"/"Bank") through a firm voluntary conditional offer to acquire 100% of the issued and paid up shares of the Bank by way of a share swap at the exchange ratio of 2.325581 AUB shares for each KFH share following approval by the Bank's Board of Directors on 12 September 2019. The KFH approval was conditional on securing a minimum 85% acceptance rate for its tender offer and the proposed acquisition remains subject to conditions precedent and all relevant regulatory and shareholder approvals.

Given the prevailing unprecedented circumstances relating to the COVID-19 pandemic, the AUB Board of Directors, in consultation with KFH, and after KFH having obtained the Central Bank of Bahrain's approval of the postponement of the acquisition procedures until December 2020, has approved the suspension of the acquisition procedures in both the State of Kuwait and the Kingdom of Bahrain until December 2020.

**(The attached financial information do not form part of the
interim condensed consolidated financial statements)**

Ahli United Bank B.S.C.

**Supplementary Public Disclosure- Financial Impact of COVID-19 For Period Ended
30 September 2020**

As part of the objective to maintain enhanced transparency amidst the current implications of Coronavirus (COVID-19) and pursuant to the Central Bank of Bahrain instructions under circular: OG/259/2020 dated 14 July 2020, the AUB Group herein provides additional supplementary information pertaining to the financial impact of COVID-19 on its interim condensed consolidated financial statements for the period ended 30 September 2020.

As noted in our H1/2020 supplementary disclosures, the COVID-19 pandemic has severely impacted the global economy, causing wide spread disruption to business and economic activities resulting in significant uncertainties in the operating environment. Global financial markets have also experienced very high levels of volatility. Various governments and central banks have responded with monetary and fiscal interventions to stabilize economic and market conditions. The impact on regional economies was further exacerbated by the collapse in oil and gas prices in 2020.

The Central Bank of Bahrain (CBB) and Central Banks of Kuwait (CBK) announced certain relief measures to combat the effects of COVID-19: These measures included the following:

- Payment holiday for 6 months to eligible customers by CBB and CBK; Further, the modification loss, calculated as the difference between the net present value of the modified cash flows using the original effective interest/profit rate and the current carrying value of the financial assets, on the date of modification, is to be debited to retained earnings;
- Concessionary repo facility to eligible banks at zero percent rate by the CBB;
- Reduction of the cash reserve ratio from 5% to 3% by the CBB;
- Reduction of liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) from 100% to 80% up to 31 December 2020 by the CBB;

- Aggregate of the modification loss and incremental expected credit losses (ECL) provision for stage 1 and stage 2 from March to December 2020 is to be added back to Tier 1 capital for the two years ending 31 December 2020 and 31 December 2021 and to deduct this amount proportionately from Tier 1 capital on an annual basis over the three-year period from 1 January 2022 to 31 December 2024 by CBB;
- Further on 21 September 2020, CBB directed banks to offer customers additional four months' installments deferment options (up to 31 December 2020) with interest charge.

The table below summarizes the overall financial impact of the above for YTD Q3/2020:

Overall Impact on Interim Condensed Consolidated Financial Statements

	Net Impact (In US\$ millions)		
	Consolidated Statement of Income	Consolidated Balance Sheet (Assets)	Group's Equity attributable to Owners
Modification Loss	-	(104.9)	(104.9)
Bahrain Government Grants	-	-	6.5
Reduction in Cash Reserve with CBB	-	63.5	-
CBB Concessionary Repo Facility	Not availed	Not availed	Not availed

Other COVID-19 Impacts:

Pursuant to the COVID-19 pandemic outbreak, whilst funding conditions remained under pressure both regionally and globally, AUB effectively managed its liquidity requirements and maintained healthy liquidity contingency buffers through tapping diversified and multiple sources of funds including utilization of repo lines, albeit at a higher cost. Furthermore, with the downward trend in benchmark interest rates in

AUB's key operating markets in response to the rate cuts by the US Federal Reserve in H2/2019 followed by the COVID -19 induced further steep rate cuts in Q1/2020 together with a weak business environment resulted in a lower Net Interest Income by US\$ 122.8 million (-17.0%), reducing the overall AUB Group NPAT for YTD Q3/2020.

An increase in investment income & others by US\$ 45.0 million (+66.3%) compensated the drop in Fees and Commissions by US\$ 16.8 million (-18.0%) consequent to the overall subdued economic activity levels.

Incremental Stage 1 and Stage 2 ECL gross provision charges of US\$ 78.4 million were taken on performing risk assets as a precautionary measure in accordance with IFRS 9 during YTD Q3/2020 taking into consideration the direction of macro-economic variables and assessed management overlays to cover any inherent Significant Increase in Credit Risk (SICR) in specific sectors and in the overall portfolio given the uncertain and evolving impact of the COVID-19 pandemic.

As a result, AUB Group reported a net profit attributable to its equity shareholders of US\$ 409.3 million for the nine months ended 30 September 2020, representing a decrease of 26.7%, as compared to US\$ 558.4 million achieved in YTD Q3/2019.

Other Comprehensive Loss for YTD Q3/2020 was US\$ 126.7 million as compared to Other Comprehensive income of US\$ 25.5 million in YTD Q3/2019 mainly due to:

- Foreign currency translation loss movement relating to strategic investments of (-) US\$ 54.9 million;
- Reduction in market value of hedges due to fluctuations in interest rate by (-) US\$ 25.1 million;
- Reduction in market value of Debt and Equity investments classified as Fair Value through Other Comprehensive Income FVOCI by (-) US\$ 41.5 million.

The above movements are temporary and variable in nature and unrealized.

The AUB Group also made total donations amounting to US\$ 4.7 million in the region to support humanitarian and relief efforts in the wake of COVID-19 pandemic.

In order to ensure the health and safety of the AUB customers and staff during the COVID-19 pandemic period, major changes to infrastructure in all group-wide offices and branches were made to facilitate implementation of social distancing norms, precautionary equipment and materials as well as health support / advices were provided to customers and staff, periodic disinfection of office and branch premises continue to be undertaken in compliance with respective governmental guidelines and regulations. Additional expenditure incurred for the nine months ended 30 September 2020 for these exceptional measures was US\$ 1.6 million.

The Group has also invested in its operational and technical capabilities to provide easy continuous access to its clients to securely conduct their business needs on a remote basis as well as to enhance the ability and training of its staff to handle their responsibilities from remote locations in a controlled manner as required by pandemic conditions.

The above supplementary information should not be considered as an indication of the results of the entire year 2020 or relied upon for any other purposes. Since the COVID-19 situation is uncertain and its consequences are still evolving, its impact on the financial results of the bank is presented as assessed on the date of preparation of this information. Circumstances may change which may result in this information becoming out of date or requiring appropriate modification. It is also important to note that this information has not been subject to a review by the external auditors and does not form part of the reviewed interim condensed consolidated financial statements for YTD Q3/2020.