

Ahli United Bank B.S.C.
Pillar III Disclosures - Basel III
30 June 2023

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TABLE - 1 CAPITAL STRUCTURE

A. NET AVAILABLE CAPITAL	<i>US\$ '000</i>		
	<i>CET1</i>	<i>AT1</i>	<i>Tier2</i>
NET AVAILABLE CAPITAL	4,262,108	732,302	503,151
TOTAL ELIGIBLE CAPITAL BASE (CET1 + AT1 + Tier2)			5,497,561
RISK WEIGHTED EXPOSURES			
Credit Risk Weighted Exposures			29,551,163
Market Risk Weighted Exposures			518,087
Operational Risk Weighted Exposures			1,965,665
TOTAL RISK WEIGHTED EXPOSURES			32,034,915
CET1 and Capital Conservation Buffer (CCB)			13.3%
Tier 1 - Capital Adequacy Ratio (CET1, AT1 and CCB)			15.6%
Total - Capital Adequacy Ratio			17.2%

By virtue of CBB's circular OG/226/2020 dated 21 June 2020, for the purposes of capital adequacy computations and for prudential reporting to the CBB, the Group has added back the modification loss, net of the financial assistance from Government and aggregate ECL provision charge for the year ended 31 December 2020 relating to exposures classified as Stage 1 and Stage 2 to the Common Equity Tier (CET1) Capital. Refer to Appendix I for details. The bank is amortizing the modification loss in accordance with central bank regulations.

B. CAPITAL ADEQUACY RATIO

As at 30 June 2023, the capital adequacy ratio of banking subsidiaries under Basel III, unless mandated otherwise were:

	<i>Subsidiaries</i>			
	<i>Ahli United Bank K.S.C.P. (AUBK)</i>	<i>Ahli United Bank (U.K.) P.L.C. (AUB UK)</i>	<i>Ahli United Bank (Egypt) S.A.E. (AUBE)</i>	<i>Commercial Bank of Iraq P.S.C. (CBIQ)</i>
Tier 1 - Capital Adequacy Ratio	17.1%	17.8%	13.6%	96.0%
Total - Capital Adequacy Ratio	18.3%	17.8%	14.5%	96.1%

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TABLE - 2 GROSS CREDIT RISK EXPOSURES

	<i>US\$ '000</i>	
	<i>As at</i>	<i>Average</i>
	<i>30 June</i>	<i>monthly</i>
	<i>2023</i>	<i>balance</i>
Balances with central banks	1,346,215	1,468,260
Treasury bills and deposits with central banks	2,792,628	2,540,871
Deposits with banks	2,670,270	3,490,715
Loans and advances	21,404,179	20,723,626
Non-trading investments	9,349,066	9,447,525
Interest receivable, derivative and other assets	1,082,539	1,016,581
TOTAL FUNDED EXPOSURES	38,644,897	38,687,578
Contingent liabilities	3,714,008	3,649,345
Undrawn loan commitments	143,378	188,007
TOTAL UNFUNDED EXPOSURES	3,857,386	3,837,352
TOTAL GROSS CREDIT RISK EXPOSURE	42,502,283	42,524,930

The gross credit exposures reported above are as per the interim condensed consolidated balance sheet as reduced by exposures which do not carry credit risk.

TABLE 3 - RISK WEIGHTED EXPOSURES

	US\$ '000			
	<i>Gross exposure</i>	<i>Secured by eligible CRM</i>	<i>Risk weighted exposures after CRM</i>	<i>Capital requirement</i>
Claims on sovereigns	8,260,262	-	413,339	57,868
Claims on public sector entities	2,259,018	-	1,000,186	140,026
Claims on banks	5,566,340	-	2,529,504	354,131
Claims on corporates	21,719,110	1,275,358	20,277,045	2,838,786
Regulatory retail exposures	2,389,942	23,461	1,757,239	246,013
Residential mortgage exposures	1,412,528	-	538,969	75,456
Equity	490,387	-	1,081,553	151,418
Other exposures	1,616,289	-	1,953,328	273,466
TOTAL	43,713,876	1,298,819	29,551,163	4,137,164
TOTAL CREDIT RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)			29,551,163	4,137,164
TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)			518,087	72,532
TOTAL OPERATIONAL RISK CAPITAL REQUIREMENT (BASIC INDICATOR APPROACH) *			1,965,665	275,193
TOTAL			32,034,915	4,484,889

*Indicator for operational risk exposure is gross income, adjusted for exceptional items, as per BIA. This approach uses average of adjusted gross income for previous three financial years (US\$ 1,048,355 thousands) for operational risk computation.

The gross exposure in the above table represents the on and off balance sheet credit exposures before Credit Risk Mitigations (CRM), determined in accordance with the CBB Pillar III guidelines. The off balance sheet exposures are computed using the relevant credit conversion factors.

Under the CBB Basel III Guidelines, banks may choose between two options when calculating credit risk mitigation capital relief. The simple approach which substitutes the risk weighting of the collateral for the risk weighting of the counterparty or the comprehensive approach whereby the exposure amount is adjusted by the actual value ascribed to the collateral. The Group has selected to use the comprehensive method where collateral is in the form of cash or bonds or equities. The Group uses a range of risk mitigation tools including collateral, guarantees, credit derivatives, netting agreements and financial covenants to reduce credit risk. The Group has an equity investment in an insurance subsidiary, Al Hilal Life B.S.C.(c), which is deducted from the regulatory capital as per the CBB rules.

TABLE - 4 GEOGRAPHIC DISTRIBUTION OF GROSS CREDIT EXPOSURES

	US\$ '000								Total
	Kingdom of Bahrain	State of Kuwait	Other GCC countries *	United Kingdom	Europe (excluding United Kingdom)	Arab Republic of Egypt	Asia (excluding GCC countries)	Rest of the World	
Balances with central banks	170,564	348,100	39	296,843	-	424,963	105,706	-	1,346,215
Treasury bills and deposits with central banks	1,280,182	1,211,346	-	-	-	260,419	40,681	-	2,792,628
Deposits with banks	315,735	299,138	204,520	312,808	594,994	42,954	312,603	587,518	2,670,270
Loans and advances	3,808,054	10,396,360	1,865,351	1,712,467	378,830	2,228,315	642,997	371,805	21,404,179
Non-trading investments	1,495,031	368,299	3,046,097	270,438	630,766	396,336	1,652,040	1,490,059	9,349,066
Interest receivable, derivative and other assets	107,254	90,786	69,311	434,417	254,556	69,479	29,247	27,489	1,082,539
Total funded exposures	7,176,820	12,714,029	5,185,318	3,026,973	1,859,146	3,422,466	2,783,274	2,476,871	38,644,897
Contingent liabilities	869,922	1,480,194	183,879	26,669	226,638	617,026	229,255	80,425	3,714,008
Undrawn loan commitments	1,454	-	51,708	80,138	6,510	3,568	-	-	143,378
Total unfunded exposures	871,376	1,480,194	235,587	106,807	233,148	620,594	229,255	80,425	3,857,386
TOTAL	8,048,196	14,194,223	5,420,905	3,133,780	2,092,294	4,043,060	3,012,529	2,557,296	42,502,283
	18.9%	33.4%	12.8%	7.4%	4.9%	9.5%	7.1%	6.0%	100.0%

* Other GCC countries are countries which are part of the Gulf Co-operation Council comprising Sultanate of Oman, State of Qatar, Kingdom of Saudi Arabia and United Arab Emirates apart from Kingdom of Bahrain and State of Kuwait which are disclosed separately.

TABLE - 5 SECTORAL CLASSIFICATION OF GROSS CREDIT EXPOSURES

	US\$ '000			
	Funded	Unfunded	Total	%
Balances with central banks	4,160,915	-	4,160,915	9.8
Banks and other financial institutions	6,221,398	286,994	6,508,392	15.3
Consumer/personal	3,147,925	23,628	3,171,553	7.5
Residential mortgage	1,566,409	18,699	1,585,108	3.7
Trading and manufacturing	7,620,469	1,696,160	9,316,629	21.9
Real estate	5,594,798	97,503	5,692,301	13.4
Services	4,753,835	1,480,704	6,234,539	14.7
Government/public sector	5,304,400	100,289	5,404,689	12.7
Others	274,749	153,409	428,158	1.0
TOTAL	38,644,898	3,857,386	42,502,284	100.0
	90.9%	9.1%	100.0%	

TABLE - 6 RESIDUAL CONTRACTUAL MATURITY OF GROSS CREDIT EXPOSURES

	US\$ '000							
	<i>Up to one month</i>	<i>One month to three months</i>	<i>Over three months to one year</i>	<i>Over one year to five years</i>	<i>Over five to ten years</i>	<i>Over ten to twenty years</i>	<i>Over twenty years</i>	<i>Total</i>
Balances with central banks	1,346,215	-	-	-	-	-	-	1,346,215
Treasury bills and deposits with central banks	1,623,373	610,196	559,059	-	-	-	-	2,792,628
Deposits with banks	1,244,954	781,526	643,790	-	-	-	-	2,670,270
Loans and advances	4,513,723	5,069,023	3,540,281	5,824,339	1,795,860	535,742	125,211	21,404,179
Non-trading investments	49,858	383,602	644,940	4,336,439	3,482,092	310,266	141,869	9,349,066
Interest receivable, derivative and other assets	804,445	72,951	62,407	142,736	-	-	-	1,082,539
Total funded exposures	9,582,568	6,917,298	5,450,477	10,303,514	5,277,952	846,008	267,080	38,644,897
Contingent liabilities	485,555	810,804	1,713,203	689,809	14,559	78	-	3,714,008
Undrawn loan commitments	39,395	18,008	5,701	66,200	8,562	5,512	-	143,378
Total unfunded exposures	524,950	828,812	1,718,904	756,009	23,121	5,590	-	3,857,386
TOTAL	10,107,518	7,746,110	7,169,381	11,059,523	5,301,073	851,598	267,080	42,502,283

TABLE - 7 SECTORAL BREAKDOWN OF IMPAIRED LOANS AND IMPAIRMENT ALLOWANCES

	US\$ '000				
	<i>Impaired loans (Stage 3) as at 30 June 2023</i>	<i>ECL allowances (Stage 3) as at 30 June 2023</i>	<i>* Net specific charge for the period ended 30 June 2023</i>	<i>Write-offs during the period ended 30 June 2023</i>	<i>ECL allowances (Stage 1 & Stage 2) as at 30 June 2023</i>
Consumer/personal	84,744	68,199	13,873	10,436	79,295
Trading and manufacturing	27,279	19,096	2,638	32,240	136,212
Real estate	220,618	210,060	-	-	167,918
Residential mortgage	68,020	40,378	4,446	-	3,299
Banks and other financial institutions	2,110	2,017	-	-	6,125
Services	24,577	19,029	766	447	142,290
Government/public sector	-	-	-	-	356
Others	4,918	4,566	12,287	11,982	17,696
TOTAL	432,266	363,345	34,010	55,105	553,191

* Net specific charge (ECL allowance - Stage 3) for the period excludes recoveries from fully provided loans written-off in prior years.

TABLE - 8 GEOGRAPHICAL DISTRIBUTION OF IMPAIRMENT ALLOWANCES FOR LOANS AND ADVANCES

	<i>US\$ '000</i>								
	<i>Kingdom of Bahrain</i>	<i>State of Kuwait</i>	<i>Other GCC countries</i>	<i>United Kingdom</i>	<i>Europe (excluding United Kingdom)</i>	<i>Arab Republic of Egypt</i>	<i>Asia (excluding GCC countries)</i>	<i>Rest of the world</i>	<i>Total</i>
ECL allowances (Stage 1 & 2)	109,531	270,873	17,277	223	7,544	141,849	2,567	3,327	553,191
ECL allowances (Stage 3)	181,954	149,753	8,007	7,488	-	9,852	6,291	-	363,345
TOTAL	291,485	420,626	25,284	7,711	7,544	151,701	8,858	3,327	916,536

TABLE - 9 ECL ALLOWANCE MOVEMENTS FOR LOANS AND ADVANCES

Refer note 6b of the interim condensed consolidated financial statements of the Group for the period ended 30 June 2023 for ECL allowance movements for loans and advances.

TABLE - 10 IMPAIRED LOANS - AGE ANALYSIS

i) By Geographical region

	<i>US\$ '000</i>			
	<i>Three months to one year</i>	<i>Over One year to three years</i>	<i>Over three years</i>	<i>Total</i>
Kingdom of Bahrain	132,841	11,498	61,741	206,080
State of Kuwait	53,117	37,530	58,929	149,576
Other GCC Countries	8,617	-	-	8,617
United Kingdom	15,582	28,397	3,707	47,686
Arab Republic of Egypt	8,423	5,184	154	13,761
Asia (excluding GCC countries)	30	-	6,516	6,546
TOTAL	218,610	82,609	131,047	432,266
	50.6%	19.1%	30.3%	100.0%

ii) By Industry sector

	<i>US\$ '000</i>			
	<i>Three months to one year</i>	<i>Over One year to three years</i>	<i>Over three years</i>	<i>Total</i>
Consumer/personal	34,365	36,052	14,327	84,744
Trading and manufacturing	15,408	6,039	5,832	27,279
Real estate	134,737	5,829	80,052	220,618
Residential mortgage	17,976	29,238	20,806	68,020
Banks and other financial institutions	6	-	2,104	2,110
Services	15,901	5,451	3,225	24,577
Others	217	-	4,701	4,918
TOTAL	218,610	82,609	131,047	432,266
	50.6%	19.1%	30.3%	100.0%

TABLE - 11 RESTRUCTURED CREDIT FACILITIES

	<i>US\$ '000</i>
Balance of any restructured credit facilities as at period end	648,638
Loans restructured during the period	128,504

The above restructurings did not have any significant impact on the present or future earnings and were primarily extensions of the loan tenor.

TABLE - 12 COUNTERPARTY CREDIT RISK IN DERIVATIVE TRANSACTIONS

The Group uses the Current Exposure Method to calculate the exposure for counterparty credit risk for derivative instruments as per CBB Basel III guidelines. The table below represent net credit equivalent exposure after giving effect to master netting agreements.

i) Breakdown of the credit exposure

	<i>US\$ '000</i>	
	<i>Notional amount</i>	<i>Credit Equivalent Exposure</i>
a) Trading		
Foreign exchange related	8,085,599	67,985
Interest rate related	2,554,245	49,893
Others	12,000	1,248
	10,651,844	119,126
b) Hedging		
Foreign exchange related	29,543	23
Interest rate related	10,283,373	430,694
	10,312,916	430,717
	20,964,760	549,843

ii) Amounts of cash collateral	<i>US\$ '000</i>
	112,110

TABLE - 13 RELATED PARTY TRANSACTIONS

Refer note 10 to the interim condensed consolidated financial statements of the Group for the period ended 30 June 2023. Further, as of 30 June 2023, exposures in excess of limits prescribed by Credit Risk Management Module amounted to US\$ 14.1 million. This exposures are risk weighted at 800%.

TABLE - 14 CAPITAL REQUIREMENT FOR COMPONENTS OF MARKET RISK

	<i>US\$ '000</i>			
	<i>Risk-weighted exposures after CRM</i>	<i>Capital requirement</i>	<i>Maximum value</i>	<i>Minimum value</i>
Interest rate risk	95,458	13,364	21,964	13,364
Equity position risk	18,494	2,589	9,914	2,589
Foreign exchange risk	404,097	56,574	56,574	35,039
Options and others	38	5	67	5
TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)	518,087	72,532		

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TABLE - 15 INTEREST RATE RISK

	<i>US\$'000</i>			<i>Total</i>
	<i>Less than three months</i>	<i>Three months to one year</i>	<i>Over one year</i>	
ASSETS				
Cash and balances with central banks	271,700	-	271,700	543,400
Treasury bills and deposits with central banks	2,226,526	566,102	-	2,792,628
Deposits with banks	2,457,071	159,386	59	2,616,516
Loans and advances	16,716,249	3,057,788	1,630,142	21,404,179
Non-trading investments	464,090	613,642	8,271,334	9,349,066
	22,135,636	4,396,918	10,173,235	36,705,789
LIABILITIES				
Deposits from banks	2,355,078	1,030,906	-	3,385,984
Borrowings under repurchase agreements	2,252,516	1,303,265	119,485	3,675,266
Customers' deposits	14,614,725	7,884,677	2,398,330	24,897,732
Term borrowing	1,170,574	-	511,096	1,681,670
Subordinated liabilities	-	-	-	-
	20,392,893	10,218,848	3,028,911	33,640,652
On balance sheet gap	1,742,743	(5,821,930)	7,144,324	
Off balance sheet gap	4,476,271	1,274,815	(5,751,086)	
Total interest sensitivity gap	6,219,014	(4,547,115)	1,393,238	
Cumulative interest sensitivity gap	6,219,014	1,671,899	3,065,137	

TABLE - 16 GAIN (LOSS) ON EQUITY INSTRUMENTS

	<i>US\$ '000</i>
Net loss recognized in Tier1 Capital (CET1)	
- Net unrealized loss recognized in the balance sheet	(14,321)

TABLE - 17 SENSITIVITY ANALYSIS - INTEREST RATE RISK

ANNUALISED	<i>US\$ '000</i>
at 25 bps increase (+) /decrease (-)	9,853

The impact of a +/- 200bps interest rate shock on assets and liabilities which, are carried at fair value and the consequent impact on equity as of 30 June 2023 is as per the following table.

	<i>US\$ '000</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>Equity</i>
at 200 bps - increase (+)	(124,954)	124,614	(340)
at 200 bps - decrease (-)	124,954	(124,614)	340

APPENDIX I - REGULATORY CAPITAL DISCLOSURES**PD 1 : Capital Composition Disclosure Template***Basel III Common disclosure template***Common Equity Tier 1 capital: instruments and Reserves**

Directly issued qualifying common share capital plus related stock surplus

Retained earnings

Accumulated other comprehensive income (and other reserves)

Common share capital issued by subsidiaries and held by third parties

(amount allowed in group CET1)

Common Equity Tier 1 capital before regulatory adjustments

Common Equity Tier 1 capital: regulatory adjustments

Goodwill (net of related tax liability)

Other intangibles other than mortgage-servicing rights (net of related tax liability)

Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)

Cash-flow hedge reserve

Significant investments in the common stock of banking, financial and insurance

entities that are outside the scope of regulatory consolidation, net of eligible short

positions (amount above 10% threshold)

Total regulatory adjustments to Common equity Tier 1**Common Equity Tier 1 capital (CET1)****Additional Tier 1 capital: instruments**

Directly issued qualifying Additional Tier 1 instruments plus related stock surplus

Additional Tier 1 instruments (and CET1 instruments not included above) issued by subsidiaries and held by third parties (amount allowed in group AT1)

Additional Tier 1 capital before regulatory adjustments**Total regulatory adjustments to Additional Tier 1 capital****Additional Tier 1 capital (AT1)****Tier 1 capital (T1 = CET1 + AT1)****Tier 2 capital: instruments and provisions**

Directly issued qualifying Tier 2 instruments plus related stock surplus

Tier 2 instruments (and CET1 and AT1 instruments not included above) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)

Expected Credit Losses & Reserves

Tier 2 capital before regulatory adjustments**Total regulatory adjustments to Tier 2 capital****Tier 2 capital (T2)****Total capital (TC = T1 + T2)****Total risk weighted assets****Capital ratios**

Common Equity Tier 1 (as a percentage of risk weighted assets)

Tier 1 (as a percentage of risk weighted assets)

Total capital (as a percentage of risk weighted assets)

Institution specific buffer requirement (minimum CET1 requirement plus capital

conservation buffer plus countercyclical buffer requirements plus D-SIB buffer

requirement expressed as a percentage of risk weighted assets)

*of which: Capital Conservation Buffer requirement**of which: bank specific countercyclical buffer requirement (N/A)**of which: D-SIB buffer requirement***National minima (if different from Basel 3)**

CBB Common Equity Tier 1 minimum ratio (including buffers)

CBB Tier 1 minimum ratio (including buffers)

CBB total capital minimum ratio (including buffers)

Amounts below the thresholds for deduction (before risk weighting)

Non-significant investments in the capital of other financial entities

Significant investments in the common stock of financial entities

Applicable caps on the inclusion of Expected Credit Losses in Tier 2

Expected Credit Losses (Stages 1 and 2) eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)

Cap on inclusion of Expected Credit Losses in Tier 2 under standardized approach

<i>US\$ '000</i>	
<i>PIR as on</i>	<i>Reference</i>
<i>30 June 2023</i>	
2,786,983	A1
676,591	B1+B2+B3+B4
1,053,219	C1+C2+C3+C4+ C5 +C6 +C7
316,675	D
4,833,468	
472,232	E
84,808	F1+F2
-	G1-G2
(353)	C7
14,673	
571,360	
4,262,108	
400,000	I
332,302	J
732,302	
-	
732,302	
4,994,410	
-	K
95,042	L
408,109	M1+M2
503,151	
-	
503,151	
5,497,561	
32,034,915	
13.3%	
15.6%	
17.2%	
10.5%	
2.5%	
NA	
1.5%	
10.5%	
12.0%	
14.0%	
287,507	
359,654	
581,924	N
369,390	M2

PD 2 : Reconciliation Of Regulatory Capital**i) Step 1: Disclosure of Balance Sheet under Regulatory scope of Consolidation**

There are no differences between the regulatory and accounting consolidation, with both following the line by line consolidation approach as per the IFRS 10 Consolidated Financial Statements without excluding any entities. As mandated by the Central Bank of Bahrain ("CBB"), financial assets have been grossed up with impairment allowances for expected credit losses (ECL) - Stages 1 and 2, as presented below:

	<i>US\$ '000</i>
Balance sheet per published financial statements	40,631,874
ECL - Stages 1 and 2	581,924
Balance sheet as in Regulatory Return	41,213,798

ii) Step 2: Expansion of the Balance Sheet under Regulatory scope of Consolidation

	<i>US\$ '000</i>	
<i>Assets</i>	<i>Balance as per published financial statements</i>	<i>Consolidated PIR data</i>
Cash and balances with central banks	1,505,969	1,505,969
Financial assets at fair value through Profit & Loss		9,724
Treasury bills and deposits with central banks	2,792,628	2,792,628
Deposits with banks	2,670,270	2,672,200
Loans and advances	21,404,179	21,957,369
Non-trading investments	9,495,189	9,512,245
Investment properties	199,874	199,874
Interest receivable and other assets	1,383,664	1,383,688
<i>of which deferred tax assets</i>		87
Investments in associates	351,889	351,889
Goodwill and intangible assets	500,653	500,653
<i>of which Goodwill</i>		472,232
<i>of which other intangibles (excluding MSRs)</i>		28,421
Premises and equipment	327,559	327,559
<i>of which software</i>		56,387
TOTAL ASSETS	40,631,874	41,213,798
<i>Liabilities</i>		
Deposits from banks	3,385,984	3,385,984
Customers' deposits	24,897,732	24,897,732
Borrowings under repurchase agreements	3,675,266	3,675,266
Term Borrowings	1,681,670	1,170,574
Sukuk payable	-	511,096
Interest payable and other liabilities	1,177,236	1,177,236
<i>of which deferred tax liabilities</i>		8,303
Subordinated liabilities	-	-
<i>of which amount eligible for Tier 2</i>		-
<i>of which amount ineligible</i>		-
TOTAL LIABILITIES	34,817,888	34,817,888
<i>Equity</i>		
Paid-in share capital	2,786,983	2,786,983
<i>of which form part of Common Equity Tier 1</i>		2,786,983
Ordinary Share Capital		2,786,983
Treasury Shares		-
Perpetual Tier 1 Capital Securities - AUB Bahrain	400,000	400,000
Reserves	1,574,657	1,574,657
<i>of which form part of Common Equity Tier 1</i>		
Retained earnings/(losses) brought forward		482,718
Proposed Dividend Payable		
Net profit for the current period		382,509
Share premium		752,540
Legal reserve		820,089
Others		(36,930)
FX translation adjustment		(837,862)
Cumulative fair value changes on FVOCI investments		(26,773)
Fair value changes of cash flow hedges		(353)
<i>of which form part of Tier 2</i>		
Fixed assets revaluation reserves		38,719
CBB modification loss (part of CET1)		72,803
Perpetual Tier 1 Capital Securities - AUB Kuwait	600,000	1,052,346
Non - controlling interest	452,346	
<i>of which amount eligible for Common Equity Tier 1</i>		316,675
<i>of which amount eligible for Additional Tier 1</i>		332,302
<i>of which amount eligible for Tier 2</i>		95,042
<i>of which amount ineligible</i>		308,328
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		581,924
<i>of which amount eligible for Tier 2 (maximum 1.25% of RWA)</i>		369,390
<i>of which amount included in CET1 as per CBB</i>		121,070
<i>of which amount ineligible</i>		91,465
TOTAL EQUITY	5,813,986	6,395,910

PD 3 : Main features of regulatory capital instruments

1	Issuer	Ahli United Bank B.S.C.	Ahli United Bank B.S.C.	Ahli United Bank K.S.C.P.
2	Unique identifier	AUBB.BH - Bahrain Bourses AUB/818 - Kuwait Stock Exchange	ISIN: XS1133289832 / Perpetual Tier 1 Capital Securities	ISIN: XS2342243875 / Perpetual Tier 1 Capital Securities
3	Governing law(s) of the instrument	Laws of Bahrain	English Law, except for the provisions of subordination which will be governed by the Laws of Bahrain	English Law, except for the provisions of subordination which will be governed by the Laws of Kuwait
4	Transitional CBB rules	Not applicable	Not applicable	Not applicable
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/group & solo	Solo and Group	Solo and Group	Group
7	Instrument type	Common Equity Shares	Capital Securities	Capital Securities
8	Amount recognized in regulatory capital	\$2787.0 mn	\$400.0 mn	\$302.0 mn
9	Par value of instrument (USD)	\$0.25	\$1000 subject to minimum of \$200,000	\$1000 subject to minimum of \$200,000
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	31-May-2000	29-Apr-2015	17-Jun-2021
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	Call Option : On every Distribution Payment Date at Par/100%; Tax event at Par/100%; Regulatory Capital Event at 101% (Full or partial)	First Call Option : 17-Jun-2026 at Par/100%; Tax event at Par/100%; Regulatory Capital Event at 100% (Full or partial)
16	Subsequent call dates, if applicable	NA	Every Distribution Payment Date	Any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date (17-Dec-2026) or on any profit payment date thereafter
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed
18	Coupon rate and any related index	NA	5.839%	3.875%
19	Existence of a dividend stopper	NA	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	NA	Noncumulative	Noncumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	NA	Yes	Yes
31	If write-down, write-down trigger(s)	NA	Notification by regulator of Non viability without (a) write-down ; or (b) a public sector injection of capital (or equivalent support)	Notification by regulator of Non viability without (a) write-down ; or (b) a public sector injection of capital (or equivalent support)
32	If write-down, full or partial	NA	Fully / Partially	Fully / Partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1 Capital Bonds	Subordinated Debts	Subordinated Debts
36	Non-compliant transitioned features	NA	No	No
37	If yes, specify non-compliant features	NA	NA	NA

Leverage Ratio

The leverage ratio serves as a supplementary measure to the risk-based capital requirements. The leverage ratio is computed on a consolidated basis and Bahraini conventional bank licensees designated as DSIB must meet a 3.75% leverage ratio minimum requirement at all times.

Leverage Ratio components

	<i>US\$ '000</i>
Tier1 Capital [A]	4,994,410
Total Exposure [B]	43,624,376
Leverage Ratio ([A] / [B])	<div><div>11.4%</div></div>