

Ahli United Bank B.S.C (c)

Regulatory Capital & Leverage Ratio
Disclosures - Basel III

31 March 2024

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

Prudential valuation 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)

Shortfall of provisions to expected losses

Securitization gain on sale (as set out in paragraph 562 of Basel II framework)

Not applicable

Defined-benefit pension fund net assets

Investments in own shares (if not already netted off paid-in capital on reported balance
sheet)

Reciprocal cross-holdings in common equity

Investments in the capital of banking, financial and insurance entities that are outside
the scope of regulatory consolidation, net of eligible short positions, where the bank
does not own more than 10% of the issued share capital (amount above 10% threshold)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**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 2Expected 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

	US\$ '000	
	PRI as on 31 Mar 2024	Reference
	2,786,983	A1
	857,806	B1+B2+B3+B4
	908,864	C1+C2+C3+C4+ C5 +C6
	8,711	D
	4,562,365	
	90,760	E
	73,393	F1+F2
	-	G1-G2
	1,623,092	K
	140,461	H1 + H2
	1,927,706	
	2,634,659	
	400,000	I
	1,867	J
	401,867	
	-	
	401,867	
	3,036,526	
	4,978	L
	204,519	M1+M2
	209,497	
	-	
	209,497	
	3,246,023	
	15,523,495	
	17.0%	
	19.6%	
	20.9%	
	10.5%	
	2.5%	
	NA	
	1.5%	
	10.5%	
	12.0%	
	14.0%	
	199,075	
	277,512	
	388,366	N
	169,429	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 consolidation approach as per the IFRS 10 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	26,969,072
ECL - Stages 1 and 2	388,366
Balance sheet as in Regulatory Return	27,357,438

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 PIRI data</i>
Cash and balances with central banks	866,481	866,481
Financial assets at fair value through Profit & Loss		67,358
Deposits with central banks	635,527	635,527
Deposits with banks	1,577,815	1,578,350
Financing receivables	10,374,704	10,737,978
Non-trading investments	11,601,616	11,558,795
<i>of which significant investment exceeding regulatory threshold</i>		2,660
<i>of which Reciprocal cross-holdings in common equity</i>		1,623,092
<i>of which investment NOT exceeding regulatory threshold</i>		9,933,043
Investment properties	105,037	105,037
Profit receivable and other assets	1,098,580	1,098,600
Investments in associates	410,062	410,062
<i>of which significant investment exceeding regulatory threshold</i>		137,801
<i>of which significant investment NOT exceeding regulatory threshold</i>		272,261
Goodwill and intangible assets	109,357	109,357
<i>of which Goodwill</i>		90,760
<i>of which other intangibles (excluding MSRs)</i>		18,597
Premises and equipment	189,893	189,893
<i>of which software</i>		54,796
TOTAL ASSETS	26,969,072	27,357,438
<i>Liabilities</i>		
Due to banks	1,082,320	1,082,320
Customer accounts	7,404,886	-
<i>of which Customer current accounts</i>	3,367,107	3,367,107
<i>of which Funding Liabilities (eg. reverse commodity murabaha, etc.)</i>	4,037,779	-
Funding Liabilities (eg. reverse commodity murabaha, etc.)	-	9,779,260
<i>of which other Customer accounts</i>	-	4,037,779
<i>of which Term financing against sukuk</i>	4,097,759	4,097,759
<i>of which Sukuk payable and term financing</i>	1,643,722	1,643,722
Profit payable and other liabilities	1,199,174	1,196,838
<i>of which deferred tax liabilities</i>	-	2,336
Quasi Equity	6,617,371	6,617,371
TOTAL LIABILITIES	22,045,232	22,045,232
<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
Perpetual Tier 1 Capital Securities - AUB Bahrain	400,000	400,000
Reserves	1,676,008	1,676,008
<i>of which form part of Common Equity Tier 1</i>		
Retained earnings/(losses) brought forward		732,054
Proposed Dividend Payable		-
Net profit for the current period		224,955
Share premium		752,540
Legal reserve		886,815
Others		(37,765)
FX translation adjustment		(910,482)
Cumulative fair value changes on FVOCI investments		(7,199)
<i>of which form part of Tier 2</i>		
Fixed assets revaluation reserves		35,090
CBB modification loss (part of CET1)		41,110
Non - controlling interest	60,849	60,849
<i>of which amount eligible for Common Equity Tier 1</i>		8,711
<i>of which amount eligible for Additional Tier 1</i>		1,867
<i>of which amount eligible for Tier 2</i>		4,978
<i>of which amount ineligible</i>		45,293
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		388,366
<i>of which amount eligible for Tier 2 (maximum 1.25% of RWA)</i>		169,429
<i>of which amount included in CET1 as per CBB</i>		84,643
<i>of which amount ineligible</i>		134,294
TOTAL EQUITY	4,923,840	5,312,206
TOTAL LIABILITIES AND EQUITY	26,969,072	27,357,438

PD 3 : Main features of regulatory capital instruments

1	Issuer	Ahli United Bank B.S.C (c)	Ahli United Bank B.S.C (c)
2	Unique identifier	N/A	ISIN: XS1133289832 / 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
4	Transitional CBB rules	Not applicable	Not applicable
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo/group/group & solo	Solo and Group	Solo and Group
7	Instrument type	Common Equity Shares	Capital Securities
8	Amount recognized in regulatory capital	\$2787.0 mn	\$400.0 mn
9	Par value of instrument (USD)	\$0.25	\$1000 subject to minimum of \$200,000
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	31-May-2000	29-Apr-2015
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	NA	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)
16	Subsequent call dates, if applicable	NA	Every Distribution Payment Date
17	Fixed or floating dividend/coupon	NA	Fixed
18	Coupon rate and any related index	NA	5.839%
19	Existence of a dividend stopper	NA	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	NA	Noncumulative
23	Convertible or non-convertible	NA	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	NA	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)
32	If write-down, full or partial	NA	Fully / Partially
33	If write-down, permanent or temporary	NA	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1 Capital Bonds	All depositors and creditors
36	Non-compliant transitioned features	NA	No
37	If yes, specify non-compliant features	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 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]	3,036,526
Total Exposure [B]	28,083,482
Leverage Ratio ([A] / [B])	<u>10.8%</u>