

**Ahli United Bank B.S.C. (c)**  
**Pillar III Disclosures - Basel III**  
**30 June 2024**

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TABLE - 1 CAPITAL STRUCTURE

	<i>US\$ '000</i>		
	<i>CET1</i>	<i>AT1</i>	<i>Tier2</i>
<b>A. NET AVAILABLE CAPITAL</b>			
<b>NET AVAILABLE CAPITAL</b>	<b>2,760,841</b>	<b>402,157</b>	<b>203,280</b>
<b>TOTAL ELIGIBLE CAPITAL BASE (CET1 + AT1 + Tier2)</b>			<b>3,366,278</b>
<b>RISK WEIGHTED EXPOSURES</b>			
Credit Risk Weighted Exposures			12,995,086
Market Risk Weighted Exposures			427,105
Operational Risk Weighted Exposures			1,578,398
<b>TOTAL RISK WEIGHTED EXPOSURES</b>			<b>15,000,589</b>
CET1 and Capital Conservation Buffer (CCB)			18.4%
Tier 1 - Capital Adequacy Ratio (CET1, AT1 and CCB)			21.1%
<b>Total - Capital Adequacy Ratio</b>			<b>22.4%</b>

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 2024, the capital adequacy ratio of banking subsidiaries under Basel III, unless mandated otherwise were:

	<i>Subsidiaries</i>		
	<i>Ahli United Bank (U.K.) PLC (AUB UK)</i>	<i>Ahli United Bank (Egypt) S.A.E. (AUBE)</i>	<i>Commercial Islamic Bank of Iraq P.S.C. (CIBIQ)</i>
Tier 1 - Capital Adequacy Ratio	18.3%	14.4%	110.3%
Total - Capital Adequacy Ratio	18.3%	15.3%	110.4%

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**TABLE - 2 GROSS CREDIT RISK EXPOSURES**

	<i>US\$ '000</i>		<i>US\$ '000</i>		<i>US\$ '000</i>	
	<b>Self Financed</b>		<b>Jointly Financed</b>		<b>Total</b>	
	<i>As at 30 June 2024</i>	<i>Average monthly balance</i>	<i>As at 30 June 2024</i>	<i>Average monthly balance</i>	<i>As at 30 June 2024</i>	<i>Average monthly balance</i>
Balances with central banks	1,168,370	907,312	98,367	82,268	1,266,737	989,580
Due from central banks and sukuk	838,990	660,498	-	-	838,990	660,498
Due from banks	2,070,304	2,384,996	-	-	2,070,304	2,384,996
Financing receivables and Ijarah assets	5,641,260	5,723,174	4,724,838	4,646,018	10,366,098	10,369,192
Non-trading investments	5,564,434	6,409,135	3,735,374	3,218,559	9,299,808	9,627,694
Profit receivable and other assets	811,158	874,982	-	-	811,158	874,982
<b>TOTAL FUNDED EXPOSURES</b>	<b>16,094,516</b>	<b>16,960,097</b>	<b>8,558,579</b>	<b>7,946,845</b>	<b>24,653,095</b>	<b>24,906,942</b>
Contingent liabilities	1,674,754	1,831,329	-	-	1,674,754	1,831,329
Undrawn financing commitments	245,078	263,292	-	-	245,078	263,292
<b>TOTAL UNFUNDED EXPOSURES</b>	<b>1,919,832</b>	<b>2,094,621</b>	<b>-</b>	<b>-</b>	<b>1,919,832</b>	<b>2,094,621</b>
<b>TOTAL GROSS CREDIT RISK EXPOSURE</b>	<b>18,014,348</b>	<b>19,054,718</b>	<b>8,558,579</b>	<b>7,946,845</b>	<b>26,572,927</b>	<b>27,001,563</b>

The gross credit exposures reported represents items from the interim condensed consolidated balance sheet carrying credit risk.

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**TABLE 3 - RISK WEIGHTED EXPOSURES AND CAPITAL REQUIREMENT**

**A) Overall - Risk Weighted Exposures And Capital Requirement**

	US\$ '000				US\$ '000				Gross Exposure (%)	
	Self Financed (A)		Capital requirement	Gross exposure	Jointly Financed (B)		Capital requirement	Gross exposure	Self Financed	Jointly Financed
	Gross exposure	Secured by eligible CRM	Risk weighted exposures after CRM		Gross exposure	Secured by eligible CRM	Risk weighted exposures after CRM			
Claims on sovereigns and MDBs	6,616,205	-	478,483	66,988	28,832	-	6,200	868	22.9%	0.1%
Claims on public sector entities	1,055,755	-	302,598	42,364	995,578	-	157,939	22,111	3.7%	3.4%
Claims on banks	3,795,542	-	1,453,092	203,433	649,291	-	124,351	17,409	13.1%	2.2%
Claims on corporates	5,696,279	306,475	5,529,238	774,093	6,027,214	435,410	1,614,671	226,054	19.8%	21.0%
Regulatory retail exposures	86,698	44,672	31,370	4,392	669,930	5,014	147,182	20,605	0.3%	2.3%
Residential mortgage exposures	1,080,651	-	400,308	56,043	289,530	-	65,144	9,120	3.7%	1.0%
Equity	328,257	-	773,203	108,248	-	-	-	-	1.1%	-
Investments in funds	41,510	-	61,289	8,580	-	-	-	-	0.1%	-
Other exposures	1,528,154	-	1,849,957	258,995	-	-	61	9	5.3%	-
<b>TOTAL</b>	<b>20,229,051</b>	<b>351,147</b>	<b>10,879,538</b>	<b>1,523,136</b>	<b>8,660,375</b>	<b>440,424</b>	<b>2,115,548</b>	<b>296,176</b>	<b>70.0%</b>	<b>30.0%</b>

**Total (A) + (B)**

<b>TOTAL CREDIT RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)</b>	<b>12,995,086</b>	<b>1,819,312</b>
<b>TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)</b>	<b>427,105</b>	<b>59,795</b>
<b>TOTAL OPERATIONAL RISK CAPITAL REQUIREMENT (BASIC INDICATOR APPROACH) *</b>	<b>1,578,398</b>	<b>220,976</b>
<b>Total</b>	<b>15,000,589</b>	<b>2,100,083</b>

<b>Risk weighted exposures after CRM</b>	<b>Capital requirement</b>
<b>12,995,086</b>	<b>1,819,312</b>
<b>427,105</b>	<b>59,795</b>
<b>1,578,398</b>	<b>220,976</b>
<b>15,000,589</b>	<b>2,100,083</b>

\*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\$ 841,812 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.

TABLE 3 - RISK WEIGHTED EXPOSURES AND CAPITAL REQUIREMENT (Contd..)

## B) Capital Requirements By Type of Islamic Financing Contract

Type of Islamic Financing Contracts	US\$ '000	
	<i>Capital Requirement</i>	
	<i>Self Financed</i>	<i>Jointly Financed</i>
Murabaha and Tawarruq	293,273	142,049
Ijarah	7,476	16,220
Credit Cards	32	3,082
Others	307,847	-
Total	<b>608,628</b>	<b>161,351</b>

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**TABLE - 4 GEOGRAPHIC DISTRIBUTION OF GROSS CREDIT EXPOSURES**

	US\$ '000						
	Self Financed						
	GCC countries	United Kingdom	Europe (excluding United Kingdom)	Arab Republic of Egypt	Asia (excluding GCC countries)	Rest of the World	Total
Balances with central banks	70,415	689,158	-	312,660	96,137	-	1,168,370
Due from central banks and sukuk	558,440	-	-	280,550	-	-	838,990
Due from banks	345,960	94,491	560,063	44,185	162,882	862,723	2,070,304
Financing receivables and Ijarah assets	1,812,774	1,638,724	8,081	1,751,485	154,821	275,375	5,641,260
Non-trading investments	4,399,685	74,260	114,586	210,537	458,903	306,463	5,564,434
Profit receivable and other assets	175,019	460,451	82,252	58,178	14,840	20,418	811,158
<b>Total funded exposures</b>	<b>7,362,293</b>	<b>2,957,084</b>	<b>764,982</b>	<b>2,657,595</b>	<b>887,583</b>	<b>1,464,979</b>	<b>16,094,516</b>
Contingent liabilities	978,697	7,737	42,916	507,455	51,404	86,545	1,674,754
Undrawn financing commitments	101,822	87,444	9,746	46,066	-	-	245,078
<b>Total unfunded exposures</b>	<b>1,080,519</b>	<b>95,181</b>	<b>52,662</b>	<b>553,521</b>	<b>51,404</b>	<b>86,545</b>	<b>1,919,832</b>
<b>TOTAL - Self-Financed (A)</b>	<b>8,442,812</b>	<b>3,052,265</b>	<b>817,644</b>	<b>3,211,116</b>	<b>938,987</b>	<b>1,551,524</b>	<b>18,014,348</b>
	46.9%	16.9%	4.5%	17.8%	5.2%	8.7%	100.0%

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TABLE - 4 GEOGRAPHIC DISTRIBUTION OF GROSS CREDIT EXPOSURES (Contd..)

	Jointly Financed						Total
	GCC countries	United Kingdom	Europe (excluding United Kingdom)	Arab Republic of Egypt	Asia (excluding GCC countries)	Rest of the World	
Balances with central banks	98,367	-	-	-	-	-	98,367
Due from central banks and sukuk	-	-	-	-	-	-	-
Due from banks	-	-	-	-	-	-	-
Financing receivables and Ijarah assets	3,677,594	230,591	205,225	62,796	547,076	1,556	4,724,838
Non-trading investments	1,867,374	70,424	511,733	-	565,939	719,904	3,735,374
Profit receivable and other assets	-	-	-	-	-	-	-
<b>Total funded exposures</b>	<b>5,643,335</b>	<b>301,015</b>	<b>716,958</b>	<b>62,796</b>	<b>1,113,015</b>	<b>721,460</b>	<b>8,558,579</b>
<b>TOTAL - Jointly-Financed (B)</b>	<b>5,643,335</b>	<b>301,015</b>	<b>716,958</b>	<b>62,796</b>	<b>1,113,015</b>	<b>721,460</b>	<b>8,558,579</b>
	65.9%	3.5%	8.4%	0.7%	13.0%	8.5%	100.0%
<b>TOTAL (A)+(B)</b>	<b>14,086,147</b>	<b>3,353,280</b>	<b>1,534,602</b>	<b>3,273,912</b>	<b>2,052,002</b>	<b>2,272,984</b>	<b>26,572,927</b>
	53.0%	12.6%	5.8%	12.3%	7.7%	8.6%	100.0%



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TABLE - 5 SECTORAL CLASSIFICATION OF GROSS CREDIT EXPOSURES

	US\$ '000									
	Self Financed (A)				Jointly Financed (B)				Total (A)+(B)	
	Funded	Unfunded	Total	%	Funded	Unfunded	Total	%	Total	%
Balances with central banks	2,105,726	-	2,105,726	11.7%	-	-	-	0.0%	2,105,726	7.9%
Banks and other financial institutions	3,351,855	193,226	3,545,081	19.7%	717,808	-	717,808	8.4%	4,262,889	16.0%
Consumer/personal	137,683	10,537	148,220	0.8%	889,541	-	889,541	10.4%	1,037,761	3.9%
Residential mortgage	1,097,869	38,031	1,135,900	6.3%	224,402	-	224,402	2.6%	1,360,302	5.1%
Trading and manufacturing	2,126,935	664,681	2,791,616	15.5%	3,335,092	-	3,335,092	39.0%	6,126,708	23.1%
Real estate	650,301	33,392	683,693	3.8%	1,038,450	-	1,038,450	12.1%	1,722,143	6.5%
Services	1,338,512	740,810	2,079,322	11.5%	1,219,659	-	1,219,659	14.3%	3,298,981	12.4%
Government/public sector	5,068,270	4,477	5,072,747	28.2%	926,781	-	926,781	10.8%	5,999,528	22.6%
Others	217,365	234,678	452,043	2.5%	206,846	-	206,846	2.4%	658,889	2.5%
<b>TOTAL</b>	<b>16,094,516</b>	<b>1,919,832</b>	<b>18,014,348</b>	<b>100.0%</b>	<b>8,558,579</b>	<b>-</b>	<b>8,558,579</b>	<b>100.0%</b>	<b>26,572,927</b>	<b>100.0%</b>
	<b>89.3%</b>	<b>10.7%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>-</b>	<b>100.0%</b>			

TABLE - 6 RESIDUAL CONTRACTUAL MATURITY OF GROSS CREDIT EXPOSURES

	US\$ '000							Total
	Self financed							
	Up to one month	One month to three months	Over three months to one year	Over one year to five years	Over five to ten years	Over ten to twenty years	Over twenty years	
Balances with central banks	1,168,370	-	-	-	-	-	-	1,168,370
Due from central banks and sukuk	408,633	308,538	121,819	-	-	-	-	838,990
Due from banks	1,958,545	42,390	14,923	54,446	-	-	-	2,070,304
Financing receivables and Ijarah assets	141,704	517,903	1,332,284	2,629,637	683,744	269,919	66,069	5,641,260
Non-trading investments	35,956	82,463	211,770	2,401,244	1,537,720	383,569	911,712	5,564,434
Profit receivable and other assets	518,722	58,127	85,995	139,755	4,840	-	3,719	811,158
<b>Total funded exposures</b>	<b>4,231,930</b>	<b>1,009,421</b>	<b>1,766,791</b>	<b>5,225,082</b>	<b>2,226,304</b>	<b>653,488</b>	<b>981,500</b>	<b>16,094,516</b>
Contingent liabilities	532,665	426,198	573,278	139,447	3,166	-	-	1,674,754
Undrawn financing commitments	117,033	21,875	41,508	51,178	13,484	-	-	245,078
<b>Total unfunded exposures</b>	<b>649,698</b>	<b>448,073</b>	<b>614,786</b>	<b>190,625</b>	<b>16,650</b>	<b>-</b>	<b>-</b>	<b>1,919,832</b>
<b>TOTAL - Self-Financed (A)</b>	<b>4,881,628</b>	<b>1,457,494</b>	<b>2,381,577</b>	<b>5,415,707</b>	<b>2,242,954</b>	<b>653,488</b>	<b>981,500</b>	<b>18,014,348</b>

	US\$ '000							Total
	Jointly Financed							
	Up to one month	One month to three months	Over three months to one year	Over one year to five years	Over five to ten years	Over ten to twenty years	Over twenty years	
Balances with central banks	98,367	-	-	-	-	-	-	98,367
Due from central banks and sukuk	-	-	-	-	-	-	-	-
Due from banks	-	-	-	-	-	-	-	-
Financing receivables and Ijarah assets	1,052,878	1,029,274	823,671	1,389,768	241,225	144,547	43,475	4,724,838
Non-trading investments	31,334	19,657	271,203	1,717,726	1,147,364	473,965	74,125	3,735,374
Profit receivable and other assets	-	-	-	-	-	-	-	-
<b>Total funded exposures</b>	<b>1,182,579</b>	<b>1,048,931</b>	<b>1,094,874</b>	<b>3,107,494</b>	<b>1,388,589</b>	<b>618,512</b>	<b>117,600</b>	<b>8,558,579</b>
<b>TOTAL - Jointly-Financed (B)</b>	<b>1,182,579</b>	<b>1,048,931</b>	<b>1,094,874</b>	<b>3,107,494</b>	<b>1,388,589</b>	<b>618,512</b>	<b>117,600</b>	<b>8,558,579</b>

<b>TOTAL - (A)+(B)</b>	<b>6,064,207</b>	<b>2,506,425</b>	<b>3,476,451</b>	<b>8,523,201</b>	<b>3,631,543</b>	<b>1,272,000</b>	<b>1,099,100</b>	<b>26,572,927</b>
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**TABLE - 7 SECTORAL BREAKDOWN OF IMPAIRED FINANCING RECEIVABLES AND IMPAIRMENT ALLOWANCES**

	<i>US\$ '000</i>				
	<i>Impaired financing receivables (Stage 3) as at 30 June 2024</i>	<i>ECL allowances (Stage 3) as at 30 June 2024</i>	<i>Net specific charge for the period ended 30 June 2024</i>	<i>Write-offs during the period ended 30 June 2024</i>	<i>ECL allowances (Stage 1 &amp; Stage 2) as at 30 June 2024</i>
Consumer/personal	41,281	30,488	12,709	18,006	28,771
Trading and manufacturing	43,075	37,764	16,706	21,366	124,650
Real estate	97,801	87,228	347	-	79,769
Residential mortgage	61,799	39,364	6,120	-	1,324
Banks and other financial institutions	-	-	-	-	3,325
Services	35,936	29,657	14,045	15,384	81,550
Government/public sector	-	-	-	-	1,323
Others	870	608	2,054	-	52,468
<b>TOTAL</b>	<b>280,762</b>	<b>225,109</b>	<b>51,981</b>	<b>54,756</b>	<b>373,180</b>

**TABLE - 8 GEOGRAPHICAL DISTRIBUTION OF IMPAIRMENT ALLOWANCES FOR FINANCING RECEIVABLES**

	<i>US\$ '000</i>						
	<i>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)	201,777	663	3,530	163,633	952	2,625	<b>373,180</b>
ECL allowances (Stage 3)	186,402	9,067	-	29,120	216	304	<b>225,109</b>
<b>TOTAL</b>	<b>388,179</b>	<b>9,730</b>	<b>3,530</b>	<b>192,753</b>	<b>1,168</b>	<b>2,929</b>	<b>598,289</b>

**TABLE - 9 ECL ALLOWANCE MOVEMENTS FOR FINANCING RECEIVABLES**

Refer note 6b of the interim condensed consolidated financial statements of the Group for the period ended 30 June 2024 for ECL allowance movements for financing receivables.

**TABLE - 10 IMPAIRED FINANCING RECEIVABLES - 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>
GCC countries	72,773	62,388	56,269	<b>191,430</b>
United Kingdom	17,779	18,252	22,713	<b>58,744</b>
Arab Republic of Egypt	17,551	10,451	1,767	<b>29,769</b>
Asia (excluding GCC countries)	385	-	-	<b>385</b>
Rest of the world	434	-	-	<b>434</b>
<b>TOTAL</b>	<b>108,922</b>	<b>91,091</b>	<b>80,749</b>	<b>280,762</b>
	<b>38.8%</b>	<b>32.4%</b>	<b>28.8%</b>	<b>100.0%</b>

**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	31,135	6,946	3,200	<b>41,281</b>
Trading and manufacturing	29,173	10,603	3,299	<b>43,075</b>
Real estate	434	47,195	50,173	<b>97,802</b>
Residential mortgage	18,256	19,927	23,616	<b>61,799</b>
Services	29,298	6,178	461	<b>35,937</b>
Others	626	242	-	<b>868</b>
<b>TOTAL</b>	<b>108,922</b>	<b>91,091</b>	<b>80,749</b>	<b>280,762</b>
	<b>38.8%</b>	<b>32.4%</b>	<b>28.8%</b>	<b>100.0%</b>

**TABLE - 11 RESTRUCTURED CREDIT FACILITIES***US\$ '000*

Balance of any restructured credit facilities as at period end	679,855
Financing receivables restructured during the period	88,835

The above restructurings did not have any significant impact on the present or future earnings and were primarily extensions of the financing 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>
<b>a) Trading</b>		
Foreign exchange related	5,319,061	34,709
Profit rate related	2,796,089	137,505
Others	19,814	1,248
	<b>8,134,964</b>	<b>173,462</b>
<b>b) Hedging</b>		
Profit rate related	9,521,413	496,494
	<b>9,521,413</b>	<b>496,494</b>
	<b>17,656,377</b>	<b>669,956</b>
<b>ii) Amounts of cash collateral</b>		<i>US\$ '000</i>
		<b>77,770</b>

**TABLE - 13 RELATED PARTY TRANSACTIONS**

Refer note 10 to the interim condensed consolidated financial statements of the Group for the period ended 30 June 2024.

**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>
Profit rate risk	166,638	23,329	14,045	13,331
Equity position risk	16,818	2,354	2,354	1,345
Foreign exchange risk	243,649	34,111	38,303	19,492
<b>TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)</b>	<b>427,105</b>	<b>59,794</b>	<b>54,702</b>	<b>34,168</b>

**TABLE - 15 PROFIT 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>	
<b>ASSETS</b>				
Cash and balances with central banks	1,266,737	-	-	1,266,737
Due from central banks and sukuk	716,537	122,453	-	838,990
Due from banks	2,051,442	15,994	2,868	2,070,304
Financing receivables and Ijarah assets	8,867,491	993,039	505,568	10,366,098
Non-trading investments	203,276	448,736	8,647,796	9,299,808
	<b>13,105,483</b>	<b>1,580,222</b>	<b>9,156,232</b>	<b>23,841,937</b>
<b>LIABILITIES</b>				
Due to banks	944,757	-	-	944,757
Term financing against sukuk	3,149,311	904,203	-	4,053,514
Customers' accounts	3,647,401	2,623,701	749,541	7,020,643
Sukuk payable and term financing	1,097,784	-	-	1,097,784
<b>QUASI-EQUITY</b>				
Banks	685,766	1,088,349	-	1,774,115
Non-banks & individuals	4,244,056	1,501,742	488,173	6,233,971
Sukuk payable	-	-	550,493	550,493
	<b>13,769,075</b>	<b>6,117,995</b>	<b>1,788,207</b>	<b>21,675,277</b>
On balance sheet gap	(663,592)	(4,537,773)	7,368,025	
Off balance sheet gap	6,345,403	638,977	(6,984,380)	
Total profit sensitivity gap	5,681,811	(3,898,796)	383,645	
Cumulative profit sensitivity gap	<b>5,681,811</b>	<b>1,783,015</b>	<b>2,166,660</b>	

**TABLE - 16 GAIN (LOSS) ON EQUITY INSTRUMENTS**

	<i>US\$ '000</i>
Net loss recognised in Tier1 Capital (CET1)	
Net unrealized loss recognised in the balance sheet	(66,151)
Realized loss recognised in the equity	(644)

**TABLE - 17 SENSITIVITY ANALYSIS - PROFIT RATE RISK**

<b>ANNUALISED</b>	<i>US\$ '000</i>
at 25 bps increase (+) /decrease (-)	9,598

The impact of a +/- 200bps profit rate shock on assets and liabilities which, are carried at fair value and the consequent impact on equity as of 30 June 2024 is as per the following table.

	<i>US\$ '000</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>Equity</i>
at 200 bps - increase (+)	(152,282)	151,844	(438)
at 200 bps - decrease (-)	152,282	(151,844)	438

**TABLE - 18 QUANTITATIVE INDICATORS OF FINANCIAL PERFORMANCE AND POSITION**

The following table summarizes the basic quantitative indicators of financial performance for the period:

	<i>H1 2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Return on average equity	16.6%	15.3%	12.3%	14.7%	10.4%
Return on average assets	2.8%	1.8%	1.4%	1.6%	1.2%
Cost to Income Ratio	23.9%	26.0%	25.8%	29.5%	29.3%

**TABLE - 19 BREAKUP OF GROSS EXPOSURE COVERED BY COLLATERAL**

Portfolios	<i>US\$'000</i>	
	Total exposures covered by eligible collateral (after appropriate haircuts)	Guarantees
Murabaha and Tawarruq	416,439	-
Ijarah	378,702	-
Credit Cards	-	-
Others	306,300	8,389
<b>Total</b>	<b>1,101,441</b>	<b>8,389</b>

**TABLE - 20 SHARI'A AND LEGAL COMPLIANCE**

In line with the Bank's plan to convert its operations in compliance with Shari'a rule and principles, during 2023 after complying with all the requirements and guidelines by the Central Bank of Bahrain and the Shari'a Supervisory Board of the Bank, the Bank has converted its Bahrain based conventional operations according to Shari'a rules and principles and commenced its operations under the license of an Islamic retail bank in Bahrain effective 10 December 2023. From that date, all activities in Bahrain are conducted in accordance with Shari'a rules and principles, as approved by the Bank's Shari'a Supervisory Board. All income and expenses from non Shari'a compliant activities are treated based on the guidelines by the Shari'a Supervisory Board.

External and internal Shari'a Audit are conducting Shari'a audits and violations if any, will be reported at the end of the financial year.

Late Payment Donations recovered from customers are credited to Charity Account as approved by the Shari'a Supervisory Board.

Legal cases resulting from normal course of business are handled by the Bank's in-house legal team and external legal consultants are also consulted on such matters, as and when required.

**TABLE - 21 EQUITY POSITION RISK IN BANKING BOOK**

The following table summarizes the amount of total and average gross exposure of equity investments and funds as of 30 June 2024:

	US\$'000					
	Total Gross exposures	Average Gross exposure <sup>(1)</sup>	Listed	Unlisted	Risk weighted assets	Capital requirements
Equity instruments*	328,258	322,536	304,559	23,699	773,203	108,248
Funds	44,802	50,269	1,953	42,849	67,872	9,502
	373,060	372,805	306,512	66,548	841,075	117,750

\*The above equity investments excludes shares in parent and other investments that are deducted from regulatory capital.

<sup>(1)</sup> Average balances are computed based on quarter end balances.

**TABLE - 22 QUASI-EQUITY ACCOUNT HOLDERS BY TYPE**

The following table summarizes the breakdown of quasi-equity account holders accounts as of 30 June 2024:

	Amount	US\$'000 Profit Distributed
Banks	2,324,608	50,640
Individuals and non-banks	6,233,971	132,795
<b>Total</b>	<b>8,558,579</b>	<b>183,435</b>

Bank's jointly financed assets to total quasi-equity investment account holders for the period as of 30 June 2024 is 57%

**TABLE - 23 RETURN ON AVERAGE QUASI- EQUITY ASSETS**

	US\$'000	%
Average profit paid on average quasi-equity holders	183,435	4.7%
Average profit earned on average quasi-equity assets	377,971	9.6%

The ratio of average profit distributed to average profit earned for quasi-equity account holders is 49%.

**TABLE - 24 PERCENTAGE OF ISLAMIC FINANCING CONTRACTS FINANCED BY QUASI-EQUITY**

	US\$'000			
<u>Gross Financing Assets</u>	Self financed (A)	Jointly financed (B)	Total (A)+(B)	% of Jointly financed to total
<b><u>A) Murabaha and Tawarruq</u></b>				
Corporate	2,425,096	3,354,908	5,780,005	58%
Retail	83,591	691,757	775,347	89%
<b>Tawarruq (A)</b>	<b>2,508,687</b>	<b>4,046,665</b>	<b>6,555,352</b>	<b>62%</b>
<b><u>B) Ijarah Muntahia Bittamleek</u></b>				
Corporate	384,224	483,797	868,021	56%
Retail	115,325	295,425	410,750	72%
<b>Total - Ijarah Muntahia Bittamleek (B)</b>	<b>499,549</b>	<b>779,222</b>	<b>1,278,771</b>	<b>61%</b>
<b><u>(C) Others</u></b>				
Corporate	2,010,824	26,737	2,037,561	1%
Retail	1,022,140	70,563	1,092,703	6%
<b>Total - Others (C)</b>	<b>3,032,964</b>	<b>97,300</b>	<b>3,130,264</b>	<b>3%</b>
<b>Gross Total (A)+(B)+(C)</b>	<b>6,041,200</b>	<b>4,923,187</b>	<b>10,964,387</b>	<b>45%</b>

As of 30 June 2024, debt type instruments includes Sukuk of US\$ 4,456 million (Dec 2023 US\$ 5,217 million) pledged for term financing against sukuk of US\$ 4,054 million (Dec 2023 US\$ 4,620 million).



**TABLE - 25 PROFIT PAID TO QUASI-EQUITY HOLDERS**

Account type	US\$'000				
	Gross return on equity of Quasi-Equity Holders	Transfer to profit equalization reserve	Mudarib / Wakala fees	Release from IRR	Profit paid to Quasi-Equity Holders
	A	B	C	D	(A-B-C+D)
Mudaraba	8,652	-	8,399	-	253
Wakala	283,559	-	100,377	-	183,182
	<b>292,211</b>	<b>-</b>	<b>108,776</b>		<b>183,435</b>

Profits earned from the pool of assets funded by the equity of quasi-equity account holders, after administrative expenses of US\$ 21.7 million incurred in connection with the management of the funds, are allocated between the owners' equity and equity of investment account holders.

The average mudarib and wakala fees charged by bank during the H1 2024 was 37% .

The bank has nil balances of Profit Equalization Reserve (PER) and Investment Risk Reserve (IRR) as of 30 June 2024.

**TABLE - 26 QUASI-EQUITY PERCENTAGE RETURN TO PROFIT RATE OF RETURN**

The following table summarises the average distributed rate of return or profit rate on mudaraba investment accounts for the year ended 30 June 2024:

Quasi-Equity (Mudaraba based) Accounts	Up to 3-month	3-6 month	6-12 month	12-36 month
Average profit distributed	2.51%	3.00%	3.21%	3.30%

**TABLE - 27 EQUITY OF INVESTMENT ACCOUNT HOLDERS TYPE OF ASSETS**

The following table summarises the types of assets in which the funds are invested and the actual allocation among various types of assets for the period ended 30 June 2024:

	US\$'000		
	As of 1 Jan 2024	Movement	As of 30 June 2024
Cash and balances with banks and Central Bank	49,973	48,394	98,367
Financing contracts*	3,995,885	728,953	4,724,838
Investment securities	2,988,227	747,148	3,735,375
<b>Total</b>	<b>7,034,085</b>	<b>1,524,495</b>	<b>8,558,580</b>

There are no limits imposed on the amount that can be invested by quasi-equity funds in any one asset. However, the Bank monitors its quasi-equity deployment classifications so that to ensure that quasi-equity funds are not invested in the Bank's long term Investment Portfolio (including Private Equity and Real Estate). The Bank also does not allocate quasi-equity funds to the equity investments in the trading book.

**TABLE - 28 LIQUIDITY RISK EXPOSURE INDICATORS**

The management of the Group's liquidity and funding is the responsibility of the Group Asset and Liability Committee (GALCO) under the chairmanship of the Group Chief Executive Officer supported by the Group Treasurer, and is responsible for ensuring that all foreseeable funding commitments, including deposit withdrawals, can be met when due, and that wholesale market access is coordinated and controlled.

The Group maintains a stable funding base comprising core retail and corporate customer deposits and institutional balances, augmented by wholesale funding and portfolios of highly liquid assets, which are diversified by currency and maturity, in order to enable the Group to respond quickly to any unforeseen liquidity requirements.

The liquidity coverage ratio as of 30 June 2024 was 330.2%.

**TABLE - 29 DISPLACED COMMERCIAL RISK (DCR)**

DCR refers to the market pressure to pay returns to Quasi-Equity Account Holders (QEAHs) that exceeds the rate that has been earned on the assets financed by the QEAHs, when the return on assets is under performing as compared with competitor's rates.

The Bank manages DCR through the quasi-equity account policy approved by the Board according to which the Bank can forego its mudarib share to manage DCR for Mudaraba based. The Bank compares its rates with the rates offered by peer Islamic banks in the market along with performing analysis of its profitability and studies of other market indicators. The Group does not use a fixed market benchmark rate for comparison to the returns paid to QEAHs.

**Ahli United Bank B.S.C (c )**

**Regulatory Capital & Leverage Ratio  
Disclosures - Basel III**

**30 June 2024**

*Basel III Common disclosure template*

1

**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>
<b>Balance sheet as per published financial statements</b>	<b>27,481,898</b>
ECL - Stages 1 and 2	394,821
<b>Balance sheet as in Regulatory Return</b>	<b>27,876,719</b>

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

ii) Step 2: Expansion of the Balance Sheet under Regulatory scope of Consolidation		US\$ '000	
Assets	Balance as per published financial statements	Consolidated PIRI data	Reference
Cash and balances with central banks	1,353,943	1,353,943	
Financial assets at fair value through Profit & Loss		9,376	
Deposits with central banks	838,990	838,990	
Deposits with banks	2,070,304	2,070,753	
Financing receivables	10,366,098	10,739,279	
Non-trading investments	10,963,388	10,975,191	
of which significant investment exceeding regulatory threshold		2,411	H1
of which Reciprocal cross-holdings in common equity		1,571,336	K
of which investment NOT exceeding regulatory threshold		9,401,444	
Investment properties	108,184	108,184	
Profit receivable and other assets	1,079,603	1,079,614	
Investments in associates	407,248	407,248	
of which significant investment exceeding regulatory threshold		124,022	H2
of which significant investment NOT exceeding regulatory threshold		283,226	
Goodwill and intangible assets	108,897	108,897	
of which Goodwill		90,614	E
of which other intangibles (excluding MSRs)		18,282	F1
Premises and equipments	185,243	185,243	
of which software		55,464	F2
<b>TOTAL ASSETS</b>	<b>27,481,898</b>	<b>27,876,718</b>	
<b>Liabilities</b>			
Due to banks	944,757	944,757	
Customer accounts	7,020,643	-	
of which Customer current accounts	3,533,264	3,533,264	
of which Funding Liabilities (eg. reverse commodity murabaha, etc.)	3,487,379	-	
Funding Liabilities (eg. reverse commodity murabaha, etc.)	-	8,638,677	
of which other Customer accounts	-	3,487,379	
of which Term financing against sukuk	4,053,514	4,053,514	
of which Sukuk payable and term financing	1,097,784	1,097,784	
Profit payable and other liabilities	802,717	800,519	
of which deferred tax liabilities	-	2,198	G2
Quasi Equity	8,558,579	8,558,579	
<b>TOTAL LIABILITIES</b>	<b>22,477,994</b>	<b>22,477,994</b>	
<b>Equity</b>			
Paid-in share capital	2,786,983	2,786,983	
of which form part of Common Equity Tier 1		2,786,983	
Ordinary Share Capital		2,786,983	A1
Perpetual Tier 1 Capital Securities - AUB Bahrain	400,000	400,000	I
Reserves	1,753,202	1,753,202	
of which form part of Common Equity Tier 1			
Retained earnings/(losses) brought forward		717,192	B1
Proposed Dividend Payable		-	B2
Net profit for the current period		385,156	C1
Share premium		752,540	C2
Legal reserve		886,815	C3
Others		(37,759)	C4
FX translation adjustment		(917,092)	C5
Cumulative fair value changes on FVOCI investments		(68,775)	C6
Fair value changes of cash flow hedges		35	C7
of which form part of Tier 2			
Fixed assets revaluation reserves		35,090	M1
CBB modification loss (part of CET1)		35,255	B3
Non - controlling interest	63,719	63,719	
of which amount eligible for Common Equity Tier 1		10,064	D
of which amount eligible for Additional Tier 1		2,157	J
of which amount eligible for Tier 2		5,751	L
of which amount ineligible		45,747	
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		394,821	N
of which amount eligible for Tier 2 (maximum 1.25% of RWA)		162,439	M2
of which amount included in CET1 as per CBB		72,589	B4
of which amount ineligible		159,793	
<b>TOTAL EQUITY</b>	<b>5,003,904</b>	<b>5,398,724</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>27,481,898</b>	<b>27,876,718</b>	

**PD 3 : Main features of regulatory capital instruments**

1	<b>Issuer</b>	Ahli United Bank B.S.C (c )	Ahli United Bank B.S.C (c )
2	<b>Unique identifier</b>	N/A	ISIN: XS1133289832 / Perpetual Tier 1 Capital Securities
3	<b>Governing law(s) of the instrument</b>	Laws of Bahrain	English Law, except for the provisions of subordination which will be governed by the Laws of Bahrain
4	<b>Transitional CBB rules</b>	Not applicable	Not applicable
5	<b>Post-transitional CBB rules</b>	Common Equity Tier 1	Additional Tier 1
6	<b>Eligible at solo/group/group &amp; solo</b>	Solo and Group	Solo and Group
7	<b>Instrument type</b>	Common Equity Shares	Capital Securities
8	<b>Amount recognized in regulatory capital</b>	\$2787.0 mn	\$400.0 mn
9	<b>Par value of instrument (USD)</b>	\$0.25	\$1000 subject to minimum of \$200,000
10	<b>Accounting classification</b>	Shareholders' equity	Shareholders' equity
11	<b>Original date of issuance</b>	31-May-2000	29-Apr-2015
12	<b>Perpetual or dated</b>	Perpetual	Perpetual
13	<b>Original maturity date</b>	No Maturity	No Maturity
14	<b>Issuer call subject to prior supervisory approval</b>	NA	Yes
15	<b>Optional call date, contingent call dates and redemption amount</b>	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	<b>Subsequent call dates, if applicable</b>	NA	Every Distribution Payment Date
17	<b>Fixed or floating dividend/coupon</b>	NA	Fixed
18	<b>Coupon rate and any related index</b>	NA	5.839%
19	<b>Existence of a dividend stopper</b>	NA	Yes
20	<b>Fully discretionary, partially discretionary or mandatory</b>	Fully discretionary	Fully discretionary
21	<b>Existence of step up or other incentive to redeem</b>	No	No
22	<b>Noncumulative or cumulative</b>	NA	Noncumulative
23	<b>Convertible or non-convertible</b>	NA	Non-convertible
24	<b>If convertible, conversion trigger (s)</b>	NA	NA
25	<b>If convertible, fully or partially</b>	NA	NA
26	<b>If convertible, conversion rate</b>	NA	NA
27	<b>If convertible, mandatory or optional conversion</b>	NA	NA
28	<b>If convertible, specify instrument type convertible into</b>	NA	NA
29	<b>If convertible, specify issuer of instrument it converts into</b>	NA	NA
30	<b>Write-down feature</b>	NA	Yes
31	<b>If write-down, write-down trigger(s)</b>	NA	Notification by regulator of Non viability without (a) write-down ; or (b) a public sector injection of capital (or equivalent support)
32	<b>If write-down, full or partial</b>	NA	Fully / Partially
33	<b>If write-down, permanent or temporary</b>	NA	Permanent
34	<b>If temporary write-down, description of write-up mechanism</b>	NA	NA
35	<b>Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)</b>	Additional Tier 1 Capital Bonds	All depositors and creditors
36	<b>Non-compliant transitioned features</b>	NA	No
37	<b>If yes, specify non-compliant features</b>	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><b>US\$ '000</b></i>
Tier1 Capital [A]	3,162,997
Total Exposure [B]	28,677,485
Leverage Ratio ([A] / [B])	<b>11.0%</b>