

Ahli United Bank B.S.C (C)

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

30 September 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)

Cash-flow hedge reserve

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 III)**

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

<i>US\$ '000</i>		
<i>PRI as on</i>	<i>Reference</i>	
<i>30 September 2024</i>		
2,786,983	A1	
804,488	B1+B2+B3+B4	
1,221,582	C1+C2+C3+C4+ C5 +C6 +C7	
9,190	D	
4,822,243		
90,568	E	
73,710	F1+F2	
-	G1-G2	
(259)	C7	
1,603,505	K	
118,595	H1 + H2	
1,886,119		
2,936,124		
400,000	I	
1,969	J	
401,969		
-		
401,969		
3,338,093		
5,251	L	
175,456	M1+M2	
180,707		
-		
180,707		
3,518,800		
13,120,708		
22.4%		
25.4%		
26.8%		
10.5%		
2.5%		
NA		
1.5%		
10.5%		
12.0%		
14.0%		
186,675		
305,472		
324,580	N	
140,366	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:

	US\$ '000
Balance sheet as per published financial statements	27,132,406
ECL - Stages 1 and 2	324,580
Balance sheet as in Regulatory Return	27,456,986

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	1,161,559	1,161,559
Financial assets at fair value through Profit & Loss		8,105
Due from central banks and sukuk	1,050,465	1,050,465
Due from banks	2,193,557	2,194,036
Financing receivables and Ijarah assets	9,681,614	9,993,059
Non-trading investments	11,359,699	11,364,227
<i>of which significant investment exceeding regulatory threshold</i>		2,214
<i>of which reciprocal cross-holdings in common equity</i>		1,603,505
<i>of which investment NOT exceeding regulatory threshold</i>		9,758,508
Investment properties	108,184	108,184
Profit receivable and other assets	867,701	867,724
<i>of which deferred tax assets</i>		-
Investments in associates	416,155	416,155
<i>of which significant investment exceeding regulatory threshold</i>		116,381
<i>of which significant investment NOT exceeding regulatory threshold</i>		299,774
Goodwill and other intangible assets	108,750	108,750
<i>of which Goodwill</i>		90,568
<i>of which other intangibles (excluding MSRs)</i>		18,182
Premises and equipments	184,722	184,722
<i>of which software</i>		55,528
TOTAL ASSETS	27,132,406	27,456,986
Liabilities		
Due to banks	678,052	678,052
Customers' accounts	2,637,912	-
<i>of which Customer current accounts</i>	1,745,542	1,745,542
<i>of which Funding Liabilities (eg. reverse commodity murabaha, etc.)</i>	892,370	-
Funding Liabilities (eg. reverse commodity murabaha, etc.)	-	5,701,608
<i>of which other Customers' accounts</i>	-	892,370
<i>of which Term financing against sukuk</i>	4,210,145	4,210,145
<i>of which Sukuk payable and term financing</i>	599,093	599,093
Profit payable and other liabilities	982,118	982,118
<i>of which deferred tax liabilities</i>	-	2,144
TOTAL LIABILITIES	9,107,320	9,107,320
Quasi-Equity	12,800,108	12,800,108
TOTAL QUASI-EQUITY	12,800,108	12,800,108
Equity		
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	1,971,421	1,971,421
<i>of which form part of Common Equity Tier 1</i>		
Retained earnings/(losses) brought forward		714,749
Proposed Dividend Payable		-
Net profit for the current period		580,139
Share premium		752,540
Legal reserve		886,815
Others		(38,026)
FX translation adjustment		(918,446)
Cumulative fair value changes on FVOCI investments		(41,181)
Fair value changes of cash flow hedges		(259)
<i>of which form part of Tier 2</i>		
Fixed assets revaluation reserves		35,090
CBB modification loss (part of CET1)		29,337
Non - controlling interest	66,574	66,574
<i>of which amount eligible for Common Equity Tier 1</i>		9,190
<i>of which amount eligible for Additional Tier 1</i>		1,969
<i>of which amount eligible for Tier 2</i>		5,251
<i>of which amount ineligible</i>		50,164
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		324,580
<i>of which amount eligible for Tier 2 (maximum 1.25% of RWA)</i>		140,366
<i>of which amount included in CET1 as per CBB</i>		60,402
<i>of which amount ineligible</i>		123,812
TOTAL OWNER EQUITY	5,224,978	5,549,557
TOTAL LIABILITIES, QUASI-EQUITY AND OWNER EQUITY	27,132,406	27,456,986

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

30 September 2024

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]	3,338,093
Total Exposure [B]	28,249,770
Leverage Ratio ([A] / [B])	11.8%