

**AHLI UNITED BANK B.S.C. (c)**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2025**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDER OF AHLI UNITED BANK B.S.C. (c)**

### **Introduction**


We have reviewed the accompanying interim condensed consolidated financial statements of Ahli United Bank B.S.C. (c) ["the Bank"] and its subsidiaries (together "the Group") as at 31 March 2025, comprising of the interim condensed consolidated balance sheet as at 31 March 2025, the related interim condensed consolidated statements of income, comprehensive income, cash flows, changes in owner equity, income and attribution related to quasi-equity and changes in off-balance sheet assets under management for the three-month period then ended and other explanatory information. The Board of Directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard 41 – Interim Financial Reporting (FAS 41). 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 FAS 41.



11 May 2025  
Manama, Kingdom of Bahrain

# AHLI UNITED BANK B.S.C. (c)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

Three months ended 31 March 2025 (Reviewed)

	<i>Note</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2025</i>	<i>2024</i>
		<i>US\$'000</i>	<i>US\$'000</i>
Financing and similar income		<b>446,741</b>	515,270
Finance and similar cost		<b>70,265</b>	227,516
Net distribution to quasi-equity		<b>198,748</b>	82,695
Net financing and similar income		<b>177,728</b>	205,059
Fees and commissions - net		<b>16,498</b>	19,869
Trading income		<b>6,879</b>	9,846
Investment and other income		<b>32,539</b>	130,276
Fees and other income		<b>55,916</b>	159,991
<b>OPERATING INCOME</b>		<b>233,644</b>	365,050
Reversal / (allowance) for impairment, credit losses and others	6c	<b>13,779</b>	(57,079)
<b>NET OPERATING INCOME</b>		<b>247,423</b>	307,971
Staff costs		<b>35,079</b>	37,587
Depreciation		<b>7,843</b>	6,765
Other operating expenses		<b>33,738</b>	33,067
<b>OPERATING EXPENSES</b>		<b>76,660</b>	77,419
<b>PROFIT BEFORE TAX</b>		<b>170,763</b>	230,552
Tax expense	14	<b>31,530</b>	9,208
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>139,233</b>	221,344
Profit after tax for the period from discontinued operations		-	10,891
<b>NET PROFIT FOR THE PERIOD</b>		<b>139,233</b>	232,235
Non-controlling interests		<b>1,289</b>	3,914
Non-controlling interests - discontinued operations		-	3,366
<b>NET PROFIT ATTRIBUTABLE TO THE OWNER OF THE BANK</b>		<b>137,944</b>	224,955
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNER OF THE BANK</b>			
Basic and diluted earnings per ordinary share (US cents)	3	<b>1.2</b>	2.0

**Hamad Abdulmohsen Almarzouq**  
Chairman

**Adel A. El-Labban**  
Deputy Chairman

**Shadi A. Zahran**  
Group Chief Executive Officer

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# AHLI UNITED BANK B.S.C. (c)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 31 March 2025 (Reviewed)

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Net profit for the period</b>	<b>139,233</b>	232,235
<b><i>Other Comprehensive Income (OCI)</i></b>		
<b>Items that may be reclassified subsequently to consolidated statement of income</b>		
Foreign currency translation adjustments	2,432	(81,923)
Net change in fair value of equity investments measured at fair value through OCI	107,255	(15,557)
Net change in fair value of debt-type instruments held as fair value through OCI	3,140	21,989
Transfers to consolidated statement of income arising on sale of debt-type instruments	(5,089)	294
<b>Other comprehensive income / (loss) for the period</b>	<b>107,738</b>	(75,197)
<b>Total comprehensive income for the period</b>	<b>246,971</b>	157,038
Total comprehensive income / (loss) attributable to non-controlling interests	1,675	(3,751)
Total comprehensive income attributable to non-controlling interests - discontinued operations	-	2,068
<b>Total comprehensive income attributable to the owner of the Bank</b>	<b>245,296</b>	158,721

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# AHLI UNITED BANK B.S.C. (c)

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

At 31 March 2025 (Reviewed)

		<i>(Reviewed)</i> <b>31 March</b> <b>2025</b>	<i>(Audited)</i> <b>31 December</b> <b>2024</b>
	<i>Note</i>	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>ASSETS</b>			
Cash and balances with central banks		<b>955,831</b>	1,169,512
Due from central banks and sukuk		<b>1,031,169</b>	819,819
Due from banks		<b>1,705,165</b>	1,868,208
Financing receivables and ijarah assets	6	<b>9,604,661</b>	10,005,547
Non-trading investments	7	<b>11,423,812</b>	11,314,146
Investment in associates	13	<b>38,152</b>	455,713
Investment properties		<b>108,184</b>	108,184
Profit receivable and other assets		<b>953,818</b>	1,096,841
Premises and equipments		<b>189,558</b>	188,443
Goodwill and other intangible assets		<b>107,547</b>	107,420
<b>TOTAL ASSETS</b>		<b>26,117,897</b>	27,133,833
<b>LIABILITIES, QUASI-EQUITY AND OWNER EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks		<b>610,654</b>	906,982
Term financing against sukuk		<b>3,920,008</b>	4,942,979
Customers' accounts		<b>2,133,641</b>	2,457,856
Sukuk payable and term financing		<b>806,145</b>	806,518
Profit payable and other liabilities	15	<b>1,471,372</b>	758,680
<b>TOTAL LIABILITIES</b>		<b>8,941,820</b>	9,873,015
<b>QUASI-EQUITY</b>			
Banks		<b>1,711,781</b>	1,449,554
Non-banks and individuals		<b>9,784,216</b>	9,797,602
Sukuk payable		<b>572,130</b>	565,417
<b>TOTAL QUASI-EQUITY</b>		<b>12,068,127</b>	11,812,573
<b>OWNER EQUITY</b>			
Ordinary share capital		<b>2,786,983</b>	2,786,983
Share premium and reserves		<b>1,865,866</b>	2,207,836
Equity attributable to the owner of the Bank		<b>4,652,849</b>	4,994,819
Perpetual Tier 1 Capital Securities	16	<b>400,000</b>	400,000
Non-controlling interests		<b>55,101</b>	53,426
<b>TOTAL OWNER EQUITY</b>		<b>5,107,950</b>	5,448,245
<b>TOTAL LIABILITIES, QUASI-EQUITY AND OWNER EQUITY</b>		<b>26,117,897</b>	27,133,833
<b>OFF-BALANCE SHEET</b>			
Assets under management		<b>1,599,076</b>	1,738,127
Contingencies and commitments	4	<b>2,089,401</b>	1,991,541

**Hamad Abdulmohsen Almarzouq**  
Chairman

**Adel A. El-Labban**  
Deputy Chairman

**Shadi A. Zahran**  
Group Chief Executive Officer

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# AHLI UNITED BANK B.S.C. (c)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2025 (Reviewed)

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Note</i>	<i>2025</i>	<i>2024</i>
		<i>US\$ '000</i>	<i>US\$ '000</i>
<b>OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		<b>170,763</b>	230,552
Profit before tax from discontinued operations		-	11,880
Adjustments for:			
Depreciation		<b>7,843</b>	6,765
Net gain on sale of investments		<b>(30,678)</b>	(35,894)
(Reversal) / allowance for impairment, credit losses and others	6c	<b>(13,779)</b>	57,079
Profit share from associates		<b>(2,075)</b>	(11,091)
Operating profit before changes in operating assets and liabilities		<b>132,074</b>	259,291
Changes in:			
Mandatory reserves with central banks		<b>(1,087)</b>	245,745
Due from central banks and sukuk		<b>(239,122)</b>	377,645
Due from banks		<b>(28,026)</b>	(482,819)
Financing receivables and ijarah assets		<b>416,588</b>	383,551
Profit receivable and other assets		<b>143,023</b>	(7,976)
Due to banks and quasi-equity		<b>(34,101)</b>	303,204
Term financing against sukuk		<b>(1,022,971)</b>	(521,885)
Customers' accounts and quasi-equity		<b>(337,601)</b>	(1,355,089)
Profit payable and other liabilities		<b>108,663</b>	(242,987)
Net cash flows used in operations		<b>(862,560)</b>	(1,041,320)
Tax paid		<b>(9,021)</b>	(7,453)
Net cash used in operating activities		<b>(871,581)</b>	(1,048,773)
<b>INVESTING ACTIVITIES</b>			
Purchase of non-trading investments		<b>(422,631)</b>	(341,101)
Proceeds from sale or redemption of non-trading investments		<b>448,452</b>	586,760
Proceeds from sale of investment in associates	13	<b>419,544</b>	7,987
Net movement in premises and equipments		<b>(8,958)</b>	7,218
Net cash flows generated from investing activities		<b>436,407</b>	260,864
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			
Net foreign exchange difference		<b>1,568</b>	(40,011)
Cash and cash equivalents at 1 January		<b>2,144,838</b>	2,345,190
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>			
<i>Cash and cash equivalents comprise:</i>			
Cash and balances with central banks, excluding mandatory reserves		<b>412,807</b>	365,607
Due from banks, central banks and sukuk with an original maturity of three months or less		<b>1,298,425</b>	1,151,663
		<b>1,711,232</b>	1,517,270
<b>Additional cash flow information:</b>			
Profit received		<b>416,361</b>	570,649
Profit paid		<b>223,854</b>	298,267

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

AHLI UNITED BANK B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER EQUITY

Three months ended 31 March 2025 (Reviewed)

	<i>Attributable to the owner of the Bank</i>										
	<i>Share premium and reserves</i>										
	<i>Ordinary share capital US\$ '000</i>	<i>Share premium US\$ '000</i>	<i>Statutory reserve US\$ '000</i>	<i>Retained earnings US\$ '000</i>	<i>Proposed appropriations US\$ '000</i>	<i>Other reserves (note 9) US\$ '000</i>	<i>Total share premium and reserves US\$ '000</i>	<i>Total US\$ '000</i>	<i>Perpetual Tier 1 Capital Securities US\$ '000</i>	<i>Non- controlling interests US\$ '000</i>	<i>Total US\$ '000</i>
<b>Balance at 1 January 2025</b>	<b>2,786,983</b>	<b>758,170</b>	<b>958,630</b>	<b>759,859</b>	<b>587,266</b>	<b>(856,089)</b>	<b>2,207,836</b>	<b>4,994,819</b>	<b>400,000</b>	<b>53,426</b>	<b>5,448,245</b>
Ordinary share dividend	-	-	-	-	(585,266)	-	(585,266)	(585,266)	-	-	(585,266)
Donations	-	-	-	-	(2,000)	-	(2,000)	(2,000)	-	-	(2,000)
Total comprehensive income for the period	-	-	-	137,944	-	107,352	245,296	245,296	-	1,675	246,971
<b>Balance at 31 March 2025</b>	<b>2,786,983</b>	<b>758,170</b>	<b>958,630</b>	<b>897,803</b>	<b>-</b>	<b>(748,737)</b>	<b>1,865,866</b>	<b>4,652,849</b>	<b>400,000</b>	<b>55,101</b>	<b>5,107,950</b>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

AHLI UNITED BANK B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER EQUITY

Three months ended 31 March 2025 (Reviewed)

<i>Attributable to the owner of the Bank</i>											
<i>Share premium and reserves</i>											
	<i>Ordinary share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Proposed appropriations</i>	<i>Other reserves (note 9)</i>	<i>Total share premium and reserves</i>	<i>Total</i>	<i>Perpetual Tier 1 Capital Securities and sukuk</i>	<i>Non- controlling interests</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>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Balance at 1 January 2024	2,786,983	752,540	886,815	721,844	280,698	(841,372)	1,800,525	4,587,508	1,000,000	471,434	6,058,942
Ordinary share dividend	-	-	-	-	(278,698)	-	(278,698)	(278,698)	-	-	(278,698)
Donations	-	-	-	-	(2,000)	-	(2,000)	(2,000)	-	-	(2,000)
Movement in associates	-	-	-	(2,540)	-	-	(2,540)	(2,540)	-	-	(2,540)
Movement in subsidiaries	-	-	-	12,750	-	(12,750)	-	-	(600,000)	(408,902)	(1,008,902)
Total comprehensive income for the period	-	-	-	224,955	-	(66,234)	158,721	158,721	-	(1,683)	157,038
Balance at 31 March 2024	2,786,983	752,540	886,815	957,009	-	(920,356)	1,676,008	4,462,991	400,000	60,849	4,923,840

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements



AHLI UNITED BANK B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME AND  
ATTRIBUTION RELATED TO QUASI-EQUITY

Three months ended 31 March 2025 (Reviewed)

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Gross financing income</b>	<b>446,741</b>	515,270
Less: Income not attributable to quasi-equity	<b>(148,587)</b>	(335,432)
	<b>298,154</b>	179,838
Adjusted for:		
Expenses attributable to quasi-equity	<b>(23,338)</b>	(7,963)
Bank's share of income for its own / share of investments	<b>(55,109)</b>	(30,260)
Reversal of impairment and credit losses - attributable to quasi-equity	<b>14,202</b>	1,956
<b>Total income attributable for quasi-equity</b>	<b>233,909</b>	143,571
Net Wakala fees and Mudarib share of profit	<b>(35,161)</b>	(60,876)
<b>Net profit distributable to quasi-equity</b>	<b>198,748</b>	82,695

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

AHLI UNITED BANK B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

Three months ended 31 March 2025 (Reviewed)

	<i>Participatory investments US\$'000</i>	<i>Investments in real estate US\$'000</i>	<i>Investments in sukuk, shares and other securities US\$'000</i>	<i>Total US\$'000</i>
<b>Balance at 1 January 2025</b>	<b>295,479</b>	<b>533,675</b>	<b>908,973</b>	<b>1,738,127</b>
Additions	28,155	-	68,296	96,451
Disposals / maturities	(19,127)	(125,287)	(75,683)	(220,097)
Net increase / (decrease)	9,028	(125,287)	(7,387)	(123,646)
Market movements	(5,840)	(11,353)	1,788	(15,405)
<b>Balance at 31 March 2025</b>	<b>298,667</b>	<b>397,035</b>	<b>903,374</b>	<b>1,599,076</b>
 Balance at 1 January 2024	 455,157	 837,388	 665,009	 1,957,554
Additions	6,389	-	34,249	40,638
Disposals / maturities	(9,436)	(733)	(78,969)	(89,138)
Net decrease	(3,047)	(733)	(44,720)	(48,500)
Market movements	(20,533)	(18,605)	(18,995)	(58,133)
<b>Balance at 31 March 2024</b>	<b>431,577</b>	<b>818,050</b>	<b>601,294</b>	<b>1,850,921</b>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS

31 March 2025 (Reviewed)

**1 CORPORATE INFORMATION**

Ahli United Bank B.S.C. (c) ("AUB" or "the Bank") was incorporated in the Kingdom of Bahrain on 12 July 2000. The Bank and its subsidiaries (collectively referred to as "the Group") are engaged in banking business, global fund management and private banking services in the Kingdom of Bahrain, 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 associate in the State of Libya. The Bank operates under a Islamic retail banking license issued by the Central Bank of Bahrain ("CBB"). The Bank's registered office is located at Building 2495, Road 2832, Al Seef District 428, Kingdom of Bahrain.

AUB is a 100% owned subsidiary of Kuwait Finance House K.S.C.P. ("KFH"). KFH is a public shareholding company incorporated in the State of Kuwait on 23 March 1977 and operates under an Islamic banking licence issued by the Central Bank of Kuwait and its ordinary shares are listed in the Boursa Kuwait and Bahrain Bourse.

In line with the Bank's plan to convert its operations in compliance with the Islamic Shari'a principles, after complying with all the requirements and guidelines by the respective central banks of Bahrain, UK, Egypt, Iraq and their respective Shari'a boards, the Group has converted its Bahrain, UK, Egypt and Iraq based conventional business according to the Islamic Shari'a principles and commenced its operations under the licence of an Islamic retail bank in Bahrain effective 10 December 2023 and in the UK, Egypt and Iraq from 22 August 2024, 1 September 2024 and 1 January 2025 respectively. From these dates, all activities in Bahrain, UK, Egypt and Iraq are conducted in accordance with the Islamic Shari'a principles.

All income and expenses from non-Shari'a compliant activities are treated based on the guidelines provided by the Shari'a Supervisory Board.

The interim condensed consolidated financial statements of the Group for the three month period ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors ("BOD") dated 11 May 2025.

**2 ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The interim condensed consolidated financial statements of the Group have been prepared in accordance with Financial Accounting Standard FAS 41, Interim Financial Reporting ("FAS 41") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI") and the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank in conformity with the Bahrain Commercial Companies Law and the Central Bank of Bahrain and Financial Institutions Law, the CBB Rule Book (Volume 2 and applicable provisions of Volume 6) and CBB directives and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. The interim consolidated net profit for the three-month period ended 31 March 2025 may not represent a proportionate share of the annual net profit or loss due to variability of income and operating expenses.

For matters not covered by FAS, the Group uses relevant IFRS Accounting Standards as issued by the International Accounting Standards Board. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in previous year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS

31 March 2025 (Reviewed)

**2 ACCOUNTING POLICIES (continued)**

**2.2 New and amended standards and interpretations issued but not yet effective**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below.

- **FAS 45 Quasi - Equity (Including Investment Accounts)**  
AAOIFI issued FAS 45 "Quasi - Equity (Including Investment Accounts)" in 2023. The objective of this standard is to establish the principles of financial reporting related to instruments classified as Quasi - Equity, such as investment accounts and similar instruments invested with Islamic Financial Institutions. Quasi - Equity is an element of financial statements of an institution in line with the "AAOIFI Conceptual Framework for Financial Reporting". This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted. The management is currently assessing the impact of the above accounting standard.
- **FAS 46 Off - Balance - Sheet Assets Under Management**  
AAOIFI issued FAS 46 "Off - Balance - Sheet Assets Under Management" in 2023. The objective of this standard is to establish the principles of financial reporting related off - balance - sheet assets under management in line with the "AAOIFI Conceptual Framework for Financial Reporting". This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted. The management is currently assessing the impact of the above accounting standard.
- **FAS 47 Transfer of Assets between Investment Pools**  
AAOIFI issued FAS 46 "Transfer of Assets between Investment Pools" in 2023. The objective of this standard is to establish the principles that apply in respect of transfer of assets between various investment pools of an Islamic Financial Institution. This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted. The management is currently assessing the impact of the above accounting standard.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**3 EARNINGS PER ORDINARY SHARE**

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
<b>For basic and diluted earnings per share computation</b>		
Net profit attributable to the owner of the Bank	<b>137,944</b>	224,955
Weighted average ordinary shares outstanding during the period (in millions)	<b>11,147.9</b>	11,147.9
Basic and diluted earnings per ordinary share (US cents)	<b>1.2</b>	2.0
Issued and fully paid ordinary shares of US\$ 0.25 each (in millions)	<b>11,147.9</b>	11,147.9

**4 CONTINGENCIES AND COMMITMENTS**

The Group had the following credit related contingent liabilities:

	<i>(Reviewed) 31 March 2025 US\$ '000</i>	<i>(Audited) 31 December 2024 US\$ '000</i>
Contingent liabilities:		
Guarantees	<b>1,692,379</b>	1,496,583
Letters of credit	<b>264,061</b>	336,388
	<b>1,956,440</b>	1,832,971
Irrevocable commitments:		
Undrawn financing commitments	<b>132,961</b>	158,570

**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 approximate market rates on an arm's length basis. Profit is charged/credited to business segments based on a pool rates, which approximates the cost of funds.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (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>
<b>Three months ended 31 March 2025:</b>					
Net financing and similar income	33,327	48,777	83,539	12,085	177,728
Fees and commissions - net	4,265	7,099	4,337	797	16,498
Other operating income	36	19	38,977	386	39,418
<b>OPERATING INCOME</b>	<b>37,628</b>	<b>55,895</b>	<b>126,853</b>	<b>13,268</b>	<b>233,644</b>
(Allowance) / reversal for impairment, credit losses and others	(3,962)	12,949	4,814	(22)	13,779
<b>NET OPERATING INCOME</b>	<b>33,666</b>	<b>68,844</b>	<b>131,667</b>	<b>13,246</b>	<b>247,423</b>
Operating expenses	18,616	19,827	28,402	9,815	76,660
<b>PROFIT BEFORE TAX</b>	<b>15,050</b>	<b>49,017</b>	<b>103,265</b>	<b>3,431</b>	<b>170,763</b>
Tax expense					31,530
<b>NET PROFIT FOR THE PERIOD</b>					<b>139,233</b>
Attributable to non-controlling interests					1,289
<b>NET PROFIT ATTRIBUTABLE TO THE OWNER OF THE BANK</b>					<b>137,944</b>
Inter segment financing income (cost) included in net financing income above	52,057	(60,332)	(65,733)	74,008	-
	<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>
<b>Three months ended 31 March 2024:</b>					
Net financing and similar income	34,812	62,094	96,590	11,563	205,059
Fees and commissions - net	4,930	10,483	3,067	1,389	19,869
Other operating income	515	-	139,534	73	140,122
<b>OPERATING INCOME</b>	<b>40,257</b>	<b>72,577</b>	<b>239,191</b>	<b>13,025</b>	<b>365,050</b>
Allowance for impairment, credit losses and others	(6,029)	(11,196)	(39,854)	-	(57,079)
<b>NET OPERATING INCOME</b>	<b>34,228</b>	<b>61,381</b>	<b>199,337</b>	<b>13,025</b>	<b>307,971</b>
Operating expenses	16,552	16,413	35,554	8,900	77,419
<b>PROFIT BEFORE TAX</b>	<b>17,676</b>	<b>44,968</b>	<b>163,783</b>	<b>4,125</b>	<b>230,552</b>
Tax expense					9,208
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>					<b>221,344</b>
Profit after tax expense for the period from discontinued operations					10,891
Attributable to non-controlling interests					7,280
<b>NET PROFIT ATTRIBUTABLE TO THE OWNER OF THE BANK</b>					<b>224,955</b>
Inter segment financing income (cost) included in net financing income above	49,399	(73,983)	(2,207)	26,791	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**6 FINANCING RECEIVABLES AND IJARAH ASSETS**

**a) Credit quality of financing receivables and ijarah assets**

<i>31 March 2025 (Reviewed)</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	5,818,205	185,264	-	6,003,469
Standard grade	2,498,004	1,362,540	-	3,860,544
Credit impaired	-	-	259,819	259,819
	<b>8,316,209</b>	<b>1,547,804</b>	<b>259,819</b>	<b>10,123,832</b>
ECL allowances	(72,372)	(243,626)	(203,173)	(519,171)
	<b>8,243,837</b>	<b>1,304,178</b>	<b>56,646</b>	<b>9,604,661</b>
<i>31 December 2024 (Audited)</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	5,925,621	203,779	-	6,129,400
Standard grade	2,868,239	1,286,874	-	4,155,113
Credit impaired	-	-	254,591	254,591
	<b>8,793,860</b>	<b>1,490,653</b>	<b>254,591</b>	<b>10,539,104</b>
ECL allowances	(79,474)	(249,640)	(204,443)	(533,557)
	<b>8,714,386</b>	<b>1,241,013</b>	<b>50,148</b>	<b>10,005,547</b>

**b) Reconciliation of ECL allowances**

<i>2025 (Reviewed)</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>
<b>At 1 January 2025</b>	<b>79,474</b>	<b>249,640</b>	<b>204,443</b>	<b>533,557</b>
Transfer from Stage 1	(1,188)	922	266	-
Transfer from Stage 2	2,666	(4,458)	1,792	-
Transfer from Stage 3	-	4,869	(4,869)	-
Net remeasurement of ECL allowances	(9,009)	(7,716)	6,879	(9,846)
Amounts written-off	-	-	(5,210)	(5,210)
Exchange rate and other adjustments	429	369	(128)	670
<b>At 31 March 2025</b>	<b>72,372</b>	<b>243,626</b>	<b>203,173</b>	<b>519,171</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**6 FINANCING RECEIVABLES AND IJARAH ASSETS (continued)**

**b) Reconciliation of ECL allowances (continued)**

	<i>2024 (Reviewed)</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 2024	82,490	274,664	225,939	583,093
Transfer from Stage 1	(829)	491	338	-
Transfer from Stage 2	199	(5,840)	5,641	-
Transfer from Stage 3	-	25	(25)	-
Net remeasurement of ECL allowances	2,911	34,057	13,342	50,310
Amounts written-off	-	-	(34,274)	(34,274)
Exchange rate and other adjustments	(6,162)	(18,732)	(10,273)	(35,167)
At 31 March 2024	78,609	284,665	200,688	563,962

**c) Reversal / (allowance) for impairment, credit losses and others**

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Net remeasurement of ECL on financing receivables and ijarah assets (note 6 b)	9,846	(50,310)
Recoveries from financing receivables and ijarah assets during the period (from fully provided financing receivables and ijarah assets written-off in previous years)	5,859	1,346
Net remeasurement of ECL for non-trading investments (note 7 b)	(497)	3,570
Net remeasurement of ECL on off-balance sheet exposures and others	(1,194)	(2,899)
Net other provision charges	(235)	(8,786)
	13,779	(57,079)

**7 NON-TRADING INVESTMENTS**

**a) Credit quality of non-trading investments**

	<i>31 March 2025 (Reviewed)</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	5,794,743	9,982	-	5,804,725
Standard grade	3,712,505	39,482	-	3,751,987
	9,507,248	49,464	-	9,556,712
ECL allowances	(10,628)	(1,436)	-	(12,064)
	9,496,620	48,028	-	9,544,648
Equity instruments at fair value				1,879,164
				11,423,812



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**7 NON-TRADING INVESTMENTS (continued)**

**a) Credit quality of non-trading investments (continued)**

<i>31 December 2024 (Audited)</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	5,604,807	-	-	5,604,807
Standard grade	3,740,622	209,998	-	3,950,620
	9,345,429	209,998	-	9,555,427
Less: ECL allowances	(10,094)	(1,402)	-	(11,496)
	9,335,335	208,596	-	9,543,931
Equity instruments at fair value				1,770,215
				11,314,146

Equity instruments held at fair value include investments amounting to US\$ 9.2 million (31 December 2024: US\$ 9.2 million) which are designated as FVTIS. Income from FVTIS equity investments for the period amounted to US\$ 0.1 million (31 March 2024: US\$ 0.1 million).

**b) Reconciliation of ECL allowances**

<i>2025 (Reviewed)</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>
<b>At 1 January 2025</b>	<b>10,094</b>	<b>1,402</b>	<b>-</b>	<b>11,496</b>
Net remeasurement of ECL allowances	476	21	-	497
Exchange rate and other adjustments	58	13	-	71
<b>At 31 March 2025</b>	<b>10,628</b>	<b>1,436</b>	<b>-</b>	<b>12,064</b>

<i>2024 (Reviewed)</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 2024	25,661	2,572	-	28,233
Net remeasurement of ECL allowances	(3,134)	(436)	-	(3,570)
Exchange rate and other adjustments	(71)	(55)	-	(126)
At 31 March 2024	22,456	2,081	-	24,537

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

8 QUASI-EQUITY

Quasi-equity balances

Type of quasi-equity	31 March 2025 US\$ '000	31 December 2024 US\$ '000
Mudaraba-based accounts	812,093	764,400
Wakala-based accounts	11,256,034	11,048,173
	<b>12,068,127</b>	<b>11,812,573</b>

Assets in which Quasi Equity Account Holders' (QEH) funds were invested jointly with the Group's own funds are as follows:

	31 March 2025 (Reviewed) US\$ '000		
	Self financed assets	Jointly financed assets	Total
Cash and balances with central banks	756,919	198,912	955,831
Due from central banks and sukuk	-	1,031,169	1,031,169
Due from banks	1,322,874	382,291	1,705,165
Financing receivables and ijarah assets	140,261	9,464,400	9,604,661
Non-trading investments	10,432,457	991,355	11,423,812
Investment in associates	38,152	-	38,152
Investment properties	108,184	-	108,184
Profit receivable and other assets	953,818	-	953,818
Premises and equipments	189,558	-	189,558
Goodwill and other intangible assets	107,547	-	107,547
	<b>14,049,770</b>	<b>12,068,127</b>	<b>26,117,897</b>
	31 December 2024 (Audited) US\$ '000		
	Self financed assets	Jointly financed assets	Total
Cash and balances with central banks	849,919	319,593	1,169,512
Due from central banks and sukuk	579,953	239,866	819,819
Due from banks	1,576,760	291,448	1,868,208
Financing receivables and ijarah assets	2,478,097	7,527,450	10,005,547
Non-trading investments	7,879,930	3,434,216	11,314,146
Investment in associates	455,713	-	455,713
Investment properties	108,184	-	108,184
Profit receivable and other assets	1,096,841	-	1,096,841
Premises and equipments	188,443	-	188,443
Goodwill and other intangible assets	107,420	-	107,420
	<b>15,321,260</b>	<b>11,812,573</b>	<b>27,133,833</b>

9 MOVEMENT IN OTHER RESERVES

	Other comprehensive income						
			Foreign	Cumulative changes in			
	Capital	Property	exchange		Cash flow	Pension	Total
	reserve	revaluation	translation	OCI	hedge	fund	other
	reserve	reserve	reserve	reserve	reserve	reserve	reserves
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance at 1 January 2025	17,240	35,090	(939,077)	85,803	-	(55,145)	(856,089)
Currency translation adjustments	-	-	2,544	-	-	(190)	2,354
Transfers to interim condensed consolidated statement of income	-	-	-	(5,059)	-	-	(5,059)
Net fair value movements	-	-	-	110,057	-	-	110,057
Balance at 31 March 2025	17,240	35,090	(936,533)	190,801	-	(55,335)	(748,737)

	Other comprehensive income						
		Property	Foreign	Cumulative changes in			
	Capital	revaluation	exchange		Cash flow	Pension	Total
	reserve	reserve	translation	OCI	hedge	fund	other
	reserve	reserve	reserve	reserve	reserve	reserve	reserves
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance at 1 January 2024	17,240	39,840	(837,247)	(6,161)	-	(55,044)	(841,372)
Currency translation adjustments	-	(54)	(177,235)	-	-	39	(177,250)
Transfers to interim condensed consolidated statement of income	-	-	-	294	-	-	294
Net fair value movements	-	-	-	6,722	-	-	6,722
Transfers to retained earnings on sale of subsidiary	-	(4,696)	-	(8,054)	-	-	(12,750)
Transfers to interim condensed consolidated statement of income on sale of subsidiary	-	-	104,000	-	-	-	104,000
Balance at 31 March 2024	17,240	35,090	(910,482)	(7,199)	-	(55,005)	(920,356)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**10 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 was US\$ 6,546.0 million as at 31 March 2025 (31 December 2024: US\$ 6,526.5 million). Carrying value of these non-trading investments was US\$ 6,479.6 million as at 31 March 2025 (31 December 2024: US\$ 6,421.0 million).

The Group's primary medium and long-term financial liabilities are sukuk payable and term financing. 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>31 March 2025 (Reviewed)</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	<b>1,762,782</b>	<b>58,959</b>	<b>57,423</b>	<b>1,879,164</b>
Debt instruments (FVTOCI)	<b>3,046,003</b>	<b>22,877</b>	-	<b>3,068,880</b>
Financing receivables and ijarah assets	-	-	<b>7,518</b>	<b>7,518</b>
Islamic derivative financial assets	-	<b>382,483</b>	-	<b>382,483</b>
Islamic derivative financial liabilities	-	<b>186,601</b>	-	<b>186,601</b>
	<i>31 December 2024 (Audited)</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	1,655,233	57,559	57,423	1,770,215
Debt instruments (FVTOCI)	3,098,970	27,586	-	3,126,556
Financing receivables and ijarah assets	-	-	7,518	7,518
Islamic derivative financial assets	-	533,329	-	533,329
Islamic derivative financial liabilities	-	161,930	-	161,930

During the three months ended 31 March 2025 and 2024, there have been no transfers between Level 1, 2, 3 and no significant movements were noted in Level 3 instruments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**11 RELATED PARTY TRANSACTIONS**

The Group enters into transactions with major shareholder, associates, directors, senior management and companies which are controlled, jointly controlled or significantly influenced by such parties in the ordinary course of business. All the financing receivables and ijarah assets to related parties are performing and are subject to ECL assessment.

The income, expense and the period end balances in respect of related parties included in the interim condensed consolidated financial statements were as follows:

	<b>2025</b>				
	<i>Major shareholders</i>	<i>Associates</i>	<i>Board of Directors</i>	<i>Senior Management</i>	<i>Other related parties</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<b><i>For the three months ended</i></b>					
<b><i>31 March 2025</i></b>					
Financing and similar income	<b>28</b>	-	<b>27</b>	-	-
Finance and similar cost	<b>4,161</b>	<b>90</b>	<b>41</b>	<b>53</b>	-
Fees and commissions - net	<b>2</b>	<b>541</b>	<b>1</b>	<b>3</b>	-
Short term employee benefits	-	-	-	<b>1,785</b>	-
End of service benefits	-	-	-	<b>181</b>	-
Directors' fees and related expenses	-	-	<b>592</b>	-	-
<b><i>As of 31 March 2025</i></b>					
Due from banks	<b>38,672</b>	<b>187</b>	-	-	-
Financing receivables and ijarah assets	-	-	<b>1,441</b>	<b>195</b>	-
Non-trading investments	<b>1,762,299</b>	-	-	-	-
Profit receivable and other assets	<b>984</b>	-	<b>92</b>	-	-
Due to banks	<b>110,004</b>	<b>26,605</b>	-	-	<b>17</b>
Customers' accounts and quasi-equity	<b>105,127</b>	-	<b>3,963</b>	<b>6,539</b>	-
Sukuk payable and term financing	<b>75,000</b>	-	-	-	-
Profit payable and other liabilities (Note 15)	<b>591,173</b>	-	<b>8</b>	-	-
Commitments and contingent liabilities	<b>2,376</b>	<b>27,053</b>	-	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**11 RELATED PARTY TRANSACTIONS (continued)**

	2024				
	<i>Major shareholders</i>	<i>Associates</i>	<i>Board of Directors</i>	<i>Senior Management</i>	<i>Other related parties</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<i>For the three months ended</i>					
<i>31 March 2024</i>					
Financing and similar income	21	-	43	-	-
Finance and similar cost	4,976	64	115	88	18
Fees and commissions - net	-	264	-	1	-
Short term employee benefits	-	-	-	2,596	-
End of service benefits	-	-	-	239	-
Directors' fees and related expenses	-	-	555	-	-
Net operating income (loss) from discontinued operations	(10,436)	17	(78)	-	(849)
<i>As of 31 December 2024</i>					
Due from banks	34,410	2,038	-	-	-
Financing receivables and ijarah assets	-	-	1,581	93	-
Non-trading investments	1,654,753	-	-	-	-
Profit receivable and other assets	797	-	92	-	-
Due to banks	135,867	49,194	-	-	17
Customers' accounts and quasi-equity	308,202	-	3,639	5,102	-
Sukuk payable and term financing	75,000	-	-	-	-
Profit payable and other liabilities	5,407	989	9	-	-
Commitments and contingent liabilities	2,319	46,597	-	-	-

31 March 2025 (Reviewed)

## 12 CAPITAL ADEQUACY AND NET STABLE FUNDING RATIO (NSFR)

The total capital ratio is calculated in accordance with the capital adequacy guidelines, under Basel III, issued by the CBB. The minimum capital adequacy ratio as per CBB is 12.5%, including mandatory Capital Conservation Buffer (CCB) of 2.5%. AUB had been designated as a Domestic Systemically Important Banks (DSIB) by the CBB. CBB has mandated in its rule book (DS-1.2.1) that DSIBs must hold additional Common Equity Tier 1 (CET 1) capital buffer of 1.5% of total RWA as calculated for the purpose of capital adequacy. Consequently, AUB is required to maintain minimum total capital adequacy ratio of 14.0%. The Group's total capital ratio is 26.0% as of 31 March 2025 (31 December 2024: 27.6%).

The NSFR ratio is calculated in accordance with the Liquidity Risk Management Module guidelines, issued by the CBB. The minimum NSFR ratio limit as per CBB is 100%. The Group's consolidated NSFR ratio as of 31 March 2025 is 122.2% (31 December 2024: 116.3%).

	<i>(Reviewed)</i> <b>31 March</b> <b>2025</b> <i>US\$ '000</i>	<i>(Audited)</i> <b>31 December</b> <b>2024</b> <i>US\$ '000</i>
<u>Available Stable Funding:</u>		
Regulatory capital	<b>5,269,361</b>	5,614,995
Stable accounts	<b>4,111,454</b>	4,283,133
Wholesale funding	<b>6,765,580</b>	6,175,570
Others	<b>199,005</b>	445,330
<b>Total Available Stable Funding (A)</b>	<b>16,345,400</b>	16,519,028
<u>Required Stable Funding :</u>		
High-Quality Liquid Assets (HQLA)	<b>1,930,461</b>	1,819,632
Performing financing receivables and ijarah assets	<b>6,813,710</b>	7,047,966
Securities (other than HQLA)	<b>3,069,896</b>	3,257,556
Islamic derivative financial instruments	<b>506,533</b>	618,422
Others	<b>845,563</b>	1,250,201
Off-balance sheet items	<b>206,656</b>	205,671
<b>Total Required Stable Funding (B)</b>	<b>13,372,819</b>	14,199,448
<b>NSFR (%) (A/B)</b>	<b>122.2%</b>	116.3%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

**13 DISPOSAL OF INVESTMENT IN ASSOCIATE**

During the period, the Group sold its entire 35% equity stake in Ahli Bank S.A.O.G. to a group of investors in the Sultanate of Oman for a purchase consideration of US\$ 419.5 million. The resultant gain on sale of associate has been recognised in "investment and other income" line in the interim condensed consolidated statement of income.

**14 TAXATION**

The tax expense for the period was as follows:

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Domestic minimum top-up tax (DMTT)	<b>19,339</b>	-
Taxation related to subsidiaries	<b>12,191</b>	9,208
	<b>31,530</b>	9,208

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) Pillar 2 model rules, under which multinational entities (MNE Group) whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate. Most of the jurisdictions in which the Group operates have enacted the Pillar 2 legislation, of which Bahrain is the most impactful for the Group, since there was no tax in the Kingdom of Bahrain.

The Kingdom of Bahrain issued Decree-Law no (11) of 2024 (the "Law") on 1 September 2024 introducing DMTT effective from the year 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. This was followed by Executive regulations issued on 15 December 2024 under decision no (172) of 2024. Similar DMTT laws were announced in State of the Kuwait of which AUB Group is part of. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group operating within the Kingdom of Bahrain. The Group has performed an assessment and estimated the top-up tax charge in line with the regulations and based on OECD guidance. As the regulatory framework continues to evolve and implementation guidance is further clarified, the Group continues to monitor developments and assess the impact of evolving Pillar 2 tax regulations on its future financial performance and resultant tax obligations.

**15 PROFIT PAYABLE AND OTHER LIABILITIES**

Profit payable and other liabilities includes cash dividend payable to the shareholder amounting to US\$ 585.3 million approved at the shareholder's Annual General Meeting for the year 2024 held on 24 March 2025.

**16 SUBSEQUENT EVENTS**

On 29 April 2025, the Bank recalled its existing Basel III compliant Additional Tier I Perpetual Capital Securities amounting to US\$ 400 million.

On 22 April 2025, the Bank through a Shari'a compliant sukuk arrangement issued Perpetual Tier 1 Sukuk amounting to US\$ 400 million. The Tier 1 Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the underlying Mudaraba Agreement. The Perpetual Tier 1 Sukuk is callable by the Bank after five year period ending April 2030 (the "First Call Date") or any profit payment date thereafter subject to certain redemption conditions. Perpetual Tier 1 Sukuk bears an expected profit rate of 6.709% per annum to be paid semi-annually in accordance with the terms of the issue.