Kuwait Finance House B.S.C. (c)
[Formerly Known as Ahli United Bank B.S.C. (c)]

Regulatory Capital & Leverage Ratio Disclosures - Basel III

30 September 2025

APPENDIX I - REGULATORY CAPITAL DISCLOSURES

PD 1 : Capital Composition Disclosure Template

Basel III Common disclosure template	***US$ '000*** ***PIRI as on 30 Sep 2025***	***Reference***
Common Equity Tier 1 capital: instruments and Reserves		
Directly issued qualifying common share capital plus related stock surplus	2,786,983	A1
Retained earnings	765,629	B1+B2+B3+B4
Accumulated other comprehensive income (and other reserves)	1,597,231	C1+C2+C3+C4+ C5 +C6 +C7
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	10,284	D
Common Equity Tier 1 capital before regulatory adjustments	**5,160,127**	
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments		
Goodwill (net of related tax liability)	90,646	E
Other intangibles other than mortgage-servicing rights (net of related tax liability)	86,983	F1+F2
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	G1-G2
Cash-flow hedge reserve	(115)	C7
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	1,921,142	K
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)	-	H1 + H2
Total regulatory adjustments to Common equity Tier 1	**2,098,656**	
Common Equity Tier 1 capital (CET1)	**3,061,471**	
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	400,000	I
Additional Tier 1 instruments (and CET1 instruments not included above) issued by subsidiaries and held by third parties (amount allowed in group AT1)	2,204	J
Additional Tier 1 capital before regulatory adjustments	**402,204**	
Total regulatory adjustments to Additional Tier 1 capital	**-**	
Additional Tier 1 capital (AT1)	**402,204**	
Tier 1 capital (T1 = CET1 + AT1)	**3,463,675**	
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)	5,877	L
Expected Credit Losses & Reserves	177,842	M1+M2
Tier 2 capital before regulatory adjustments	**183,719**	
Total regulatory adjustments to Tier 2 capital	**-**	
Tier 2 capital (T2)	**183,719**	
Total capital (TC = T1 + T2)	**3,647,394**	
Total risk weighted assets	**13,372,538**	

Capital ratios		
Common Equity Tier 1 (as a percentage of risk weighted assets)	22.9%	
Tier 1 (as a percentage of risk weighted assets)	25.9%	
Total capital (as a percentage of risk weighted assets)	**27.3%**	
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)	10.5%	
of which: Capital Conservation Buffer requirement	2.5%	
of which: bank specific countercyclical buffer requirement (N/A)	NA	
of which: D-SIB buffer requirement	1.5%	
National minima (if different from Basel III)		
CBB Common Equity Tier 1 minimum ratio (including buffers)	10.5%	
CBB Tier 1 minimum ratio (including buffers)	12.0%	
CBB total capital minimum ratio (including buffers)	14.0%	
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financial entities	39,896	
Significant investments in the common stock of financial entities	43,699	
Applicable caps on the inclusion of Expected Credit Losses in Tier 2		
Expected Credit Losses (Stages 1 and 2) eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	294,318	N
Cap on inclusion of Expected Credit Losses in Tier 2 under standardized approach	142,752	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	**28,030,158**
ECL - Stages 1 and 2	294,318
Balance sheet as in Regulatory Return	**28,324,476**

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	1,001,142	1,001,142	
Financial assets at fair value through Profit & Loss		9,344	
Due from central banks and sukuk	1,093,488	1,093,488	
Due from banks	1,783,760	1,783,887	
Financing receivables and Ijarah assets	10,864,805	11,143,361	
Non-trading investments	12,015,061	12,021,228	
of which significant investment exceeding regulatory threshold		-	H1
of which reciprocal cross-holdings in common equity		1,921,142	K
of which investment NOT exceeding regulatory threshold		10,100,086	
Investment properties	108,184	108,184	
Profit receivable and other assets	829,597	829,721	
of which deferred tax assets		-	G1
Investments in associates	35,783	35,783	
of which significant investment exceeding regulatory threshold		-	H2
of which significant investment NOT exceeding regulatory threshold		35,783	
Goodwill and other intangible assets	108,984	108,984	
of which Goodwill		90,646	E
of which other intangibles (excluding MSRs)		18,338	F1
Premises and equipments	189,354	189,354	
of which software		68,645	F2
TOTAL ASSETS	**28,030,158**	**28,324,476**	
Liabilities			
Due to banks	573,194	573,194	
Customers' accounts	1,942,385	-	
of which Customer current accounts	1,637,177	1,637,177	
of which Funding Liabilities (eg. reverse commodity murabaha, etc.)	305,208	-	
Funding Liabilities (eg. reverse commodity murabaha, etc.)	-	6,192,682	
of which other Customers' accounts	-	305,208	
of which Term financing against sukuk	4,678,987	4,678,987	
of which Sukuk payable and term financing	1,208,487	1,208,487	
Profit payable and other liabilities	874,192	874,192	
of which deferred tax liabilities	-	575	G2
TOTAL LIABILITIES	**9,277,245**	**9,277,245**	
Quasi-Equity	13,125,695	13,125,695	
TOTAL QUASI-EQUITY	**13,125,695**	**13,125,695**	

Equity			
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	2,379,992	2,379,992	
of which form part of Common Equity Tier 1			
Retained earnings/(losses) (excluding profit for the year)		747,671	B1
Proposed Dividend Payable		-	B2
Net profit for the current period		475,889	C1
Share premium		758,170	C2
Legal reserve		958,630	C3
Others		(38,197)	C4
FX translation adjustment		(952,496)	C5
Cumulative fair value changes on FVOCI investments		395,350	C6
Fair value changes of cash flow hedges		(115)	C7
of which form part of Tier 2			
Fixed assets revaluation reserves		35,090	M1
CBB modification loss (part of CET1)		5,871	B3
Non - controlling interest	60,243	60,243	
of which amount eligible for Common Equity Tier 1		10,284	D
of which amount eligible for Additional Tier 1		2,204	J
of which amount eligible for Tier 2		5,877	L
of which amount ineligible		41,878	
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		294,318	N
of which amount eligible for Tier 2 (maximum 1.25% of RWA)		142,752	M2
of which amount included in CET1 as per CBB		12,087	B4
of which amount ineligible		139,479	
TOTAL OWNER EQUITY	**5,627,218**	**5,921,536**	
TOTAL LIABILITIES, QUASI-EQUITY AND OWNER EQUITY	**28,030,158**	**28,324,476**	

PD 3 : Main features of regulatory capital instruments

1	**Issuer**	Kuwait Finance House B.S.C. (c) [Formerly Known as Ahli United Bank B.S.C. (c)]	Kuwait Finance House B.S.C. (c) [formerly, Ahli United Bank B.S.C. (c)]
2	**Unique identifier**	N/A	ISIN: XS3046587898 / Additional Tier 1 Capital Certificates
3	**Governing law(s) of the instrument**	Laws of Bahrain	English Law and will remain subject at all times to the rules and regulations of the Central Bank 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 Certificates structured on the basis of a Sukuk-al-Mudaraba
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	22-Apr-2025
12	**Perpetual or dated**	Perpetual	Perpetual
13	**Original maturity date**	No Maturity	The Certificates are perpetual securities and accordingly do not have a fixed or final redemption date.
14	**Issuer call subject to prior supervisory approval**	NA	Yes
15	**Optional call date, contingent call dates and redemption amount**	NA	Call Option : on the First Call Date and on any date thereafter up to and including the First Reset Date, or any Periodic Distribution Date thereafter, by giving not less than 10 nor more than 15 days' prior notice to the Trustee and the Delegate Date (Redemption at Par) Upon the occurrence of a Tax Event or a Capital Event, whole, but not in part, of the Certificates may be redeemed (Redemption at Par)
16	**Subsequent call dates, if applicable**	NA	On the First Call Date and on any date thereafter up to and including the First Reset Date, or any Periodic Distribution Date thereafter
17	**Fixed or floating dividend/coupon**	NA	Fixed
18	**Coupon rate and any related index**	NA	6.709%
19	**Existence of a dividend stopper**	NA	Yes
20	**Fully discretionary, partially discretionary or mandatory**	Fully discretionary	Fully discretionary
21	**Existence of step up or other incentive to redeem**	No	No
22	**Noncumulative or cumulative**	NA	Noncumulative
23	**Convertible or non-convertible**	NA	Non-convertible
24	**If convertible, conversion trigger (s)**	NA	NA
25	**If convertible, fully or partially**	NA	NA
26	**If convertible, conversion rate**	NA	NA
27	**If convertible, mandatory or optional conversion**	NA	NA
28	**If convertible, specify instrument type convertible into**	NA	NA
29	**If convertible, specify issuer of instrument it converts into**	NA	NA
30	**Write-down feature**	NA	Yes
31	**If write-down, write-down trigger(s)**	NA	Notification by regulator of Non viability without (a) write-down ; or (b) a public sector injection of capital (or equivalent support)
32	**If write-down, full or partial**	NA	Fully / Partially
33	**If write-down, permanent or temporary**	NA	Permanent
34	**If temporary write-down, description of write-up mechanism**	NA	NA
35	**Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)**	Additional Tier 1 Capital Bonds	All depositors and creditors
36	**Non-compliant transitioned features**	NA	No
37	**If yes, specify non-compliant features**	NA	NA

Leverage Ratio

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

Leverage Ratio components

	US$ '000
Tier1 Capital [A]	3,463,675
Total Exposure [B]	29,321,442
Leverage Ratio ([A] / [B])	**11.8%**