

٢٥ أكتوبر ٢٠١٦ م

السيد الفاضل / مدير بورصة الكويت المحترم  
بورصة الكويت  
دولة الكويت

تحية طيبة وبعد ،

الموضوع: الخبر الصحفي بخصوص تثبيت تصنيف  
البنك الأهلي المتحد ش.م.ب (البحرين)

بالإشارة إلى الخبر الصحفي المتعلق بتثبيت تصنيف "البنك الأهلي المتحد ش.م.ب (البحرين) من قبل وكالة التصنيف الائتماني العالمية "كابيتال أنتليجنس " عند مستوى A- الصادر بتاريخ ٢٤ أكتوبر ٢٠١٦ م، فإننا نؤكد لكم صحة الخبر المذكور.

وتفضلوا بقبول جزيل الشكر والامتنان

  
أندريه روس  
أمين سر مجلس الإدارة



المرفقات :

- صورة من نموذج الإفصاح عن التصنيف الائتماني.
- صورة من الخبر المنشور على موقع الألكتروني لوكالة سي بي ايه فايننشيل بتاريخ ٢٤ أكتوبر ٢٠١٦ م.

- نسخة من الخطاب الى السيد/ عمرو عبدالعزيز محارب – هيئة أسواق المال

كتاب الإفصاح والشفافية

ملحق رقم (٩)

نموذج الإفصاح عن التصنيف الائتماني

التاريخ	٢٥ أكتوبر ٢٠١٦ م
اسم الشركة المدرجة	البنك الأهلي المتحد ش.م.ب (البحرين)
الجهة المصدرة للتصنيف	كابيتال أنتليجنس
فئة التصنيف	A-
مدلولات التصنيف	وضع البنك مستقر
انعكاس التصنيف على أوضاع الشركة	إيجابي
النظرة المستقبلية	مستقر
ترجمة التصريح الصحفي أو الملخص التنفيذي	أكدت وكالة كابيتال أنتليجنس تصنيف المدى البعيد للبنك الأهلي المتحد ش.م.ب (البحرين) عند مستوى (A-) مع نظرة مستقبلية مستقرة.





Monday 24. October 2016 by Matthew Amlôt

## CI: Ahli United Bank's ratings affirmed with a 'stable' outlook

Capital Intelligence Ratings (CI Ratings or CI) today announced that it has affirmed Bahrain-based Ahli United Bank's (AUB) Financial Strength Rating (FSR) of 'A'. The rating is supported by good asset quality, a geographically diversified balance sheet and revenue streams, comfortable liquidity, sound capital adequacy ratio (CAR) and internal capital generation.

Also supporting the FSR is the Bank's improving gross income generation capability and operating profitability. The factors constraining the FSR are customer deposit concentrations, rather high real estate credit exposure, and the increased level of credit risk in the broader region, exacerbated by the fall in oil prices. CI Ratings also affirms the Bank's Long- and Short-Term Foreign Currency Ratings (FCRs) at 'A-' and 'A2', respectively. These ratings are set above Bahrain's Sovereign Long- and Short-Term FCRs of 'BB+' and 'B' respectively, on the basis of AUB's limited asset exposure to Bahrain (16 per cent of total assets), diversified balance sheet and revenue streams derived from large subsidiary operations in Kuwait (through Ahli United Bank, AUBK, Long-Term FCR 'A' and Short-Term FCR 'A2'), in other GCC countries and in the UK. The 'Stable' Outlook for all ratings is maintained. The Support Rating remains at '3', denoting the high likelihood of support from the core shareholders and official sources. In the case of the largest subsidiary AUBK, there remains in force an explicit government guarantee of customer deposits placed in Kuwait and held with Kuwaiti banks.

AUB is headed by a well regarded management team that is following a clear and well executed business strategy. This has earned the Bank successful and significant business franchises in three of the six GCC markets. The subsidiary operations in Kuwait (AUBK) and UK (AUBUK) significantly diversify the Bank's risk assets and revenue streams away from Bahrain, where in any case exposure is limited. That said, the Bank's asset base, sources of funding and revenue streams remain predominantly GCC based, reflecting the Bank's chosen business model and strategy.

The operating environment within the GCC region remains rather challenging and credit risks – particularly in the corporate sector – remain comparatively high. The sharp fall in oil prices has elevated credit risk in the region and, at the same time, produced tighter liquidity conditions for most businesses. While this environment may produce a higher non-performing loan (NPL) accretion rate for AUB over the near to medium-term, albeit from a comparatively low level, effective risk management and high loan-loss reserve (LLR) cover are important mitigating factors in this regard. Management's prudent stance has culminated in the NPL ratio remaining at a low level, despite a marginal increase in H1 2016, with LLRs providing more than full cover.

The Bank's sources of funding are reasonably diversified, supported by a deep customer deposit base and demonstrated ready access to term finance. While there remains some concentration within the deposit base, these funds mainly relate to government and quasi-government entities and balances are viewed as being relatively stable. Over time, the growing contribution of customer deposits, particularly current and savings accounts to total funding is expected to further improve the Bank's funding profile. Relatively expensive time deposits, however, continue to dominate the customer deposit base, a feature seen across many, but not all, GCC banks.

AUB's liquidity remains good, despite some tightening in key metrics, underpinned by customer deposit funding. Bank placements remained the largest single component under liquid asset holdings, followed by central bank balances. Deposits with other banks are held with mostly investment grade GCC and non-GCC (USA and Europe) institutions. AUB also has an important liquidity reserve in its sizeable portfolio of unencumbered quoted investment grade bonds (classified as 'non-trading investments'). These securities may be readily sold for cash or used as acceptable collateral for repurchase agreements in response to changing liquidity requirements.

The balance sheet remains well capitalized with a high Tier one component. AUB successfully completed an \$400 million Basel III compliant AT1 Perpetual Capital Securities issue in 2015. A progressive dividend policy has contributed to moderate internal capital generation over the years, despite the increase in 2015. The core shareholders have repeatedly subscribed to AUB's rights issues in the past.

The Bank's already good profitability continued to improve at both operating and net levels, reflecting multiple sources of revenue derived from a reasonably diversified geographical base and product mix. Also, gross income generation capability improved. Operating profitability grew further on the back of sustained expansion in gross income together with effective cost control. The improved operating profitability has strengthened AUB's risk absorption capacity. Although the cost of funds increased in H1 2016, following successive falls in each of the preceding four years, AUB maintained its net interest margin (NIM) at a good level. This, in turn, benefited the Bank's performance at the net interest income level despite moderate loan expansion.

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