

١٧ نوفمبر 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 الى الخبر الصحفي الوارد في الموقع الإلكتروني لوكالة "رويترز" العالمية بتاريخ ١٥ نوفمبر ٢٠١٦ م بشأن الخبر المتعلق بتثبيت تصنيف البنك الأهلي المتحد ش.م.ب (البحرين) من قبل وكالة التصنيف الائتماني العالمية "فيتش" عند مستوى BBB+، فإننا نؤكد لكم صحة الخبر المذكور.

وتفضلوا بقبول جزيل الشكر والامتنان

  
01 أندريه روس  
أمين سر مجلس الإدارة  
البنك الأهلي المتحد  
Corporate Secretary  
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Ahli United Bank B.S.C.

المرفقات :

- صورة من نموذج الإفصاح عن التصنيف الائتماني.
- صورة من الخبر المنشور على موقع الإلكتروني لوكالة "رويترز" العالمية بتاريخ ١٥ نوفمبر 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	١٧ نوفمبر ٢٠١٦ م
اسم الشركة المدرجة	البنك الأهلي المتحد ش.م.ب (البحرين)
الجهة المصدرة للتصنيف	وكالة التصنيف الائتماني العالمية "فيتش"
فئة التصنيف	BBB+
مدلولات التصنيف	وضع البنك مستقر
انعكاس التصنيف على أوضاع الشركة	إيجابي
النظرة المستقبلية	مستقر
ترجمة التصريح الصحفي أو الملخص التنفيذي	أكدت وكالة التصنيف الائتماني العالمية "فيتش" تصنيف البنك الأهلي المتحد ش.م.ب (البحرين) عند مستوى (BBB+).



## Fitch Affirms 5 Bahraini Banks

(The following statement was released by the rating agency) LONDON, November 15 (Fitch) Fitch Ratings has affirmed National Bank of Bahrain's (NBB) and BBK B.S.C.'s (BBK) Long-Term Issuer Default Ratings (IDRs) at 'BB+'. Fitch has also affirmed the Long-Term IDRs of Arab Banking Corporation's (ABC) at 'BBB-', Ahli United Bank B.S.C. (AUB) at 'BBB+' and Gulf International Bank (GIB) at 'A-'. The Outlooks on the banks' Long-Term IDRs are Stable except GIB's which is Negative. A full list of rating actions is available at the end of this rating action commentary. KEY RATING DRIVERS IDRS, SUPPORT RATINGS AND SUPPORT RATING FLOORS The Long-Term IDRs of NBB and BBK are driven by their standalone strength, as reflected in their Viability Ratings (VRs). Their Support Ratings (SRs) and Support Rating Floors (SRFs) reflect Fitch's expectation of a moderate probability of support from the Bahraini authorities, if required. Our view of support is based on the banks' systemic importance as major retail and corporate banks in Bahrain, and the Bahraini authorities' high propensity to support domestic commercial banks, albeit with a weakening ability to do so. The Bahraini government holds significant stakes in both banks - 32% at BBK and via Bahrain Mumtalakat Holding Co (the investment arm of the Government of Bahrain) 44.2% in NBB - which is also a factor in Fitch's view on sovereign support. Although the Central Bank of Bahrain (CBB) regulates all licenced banks in Bahrain, Fitch does not factor any Bahraini sovereign support in the ratings of the wholesale banks, GIB and ABC. GIB's IDRs and SR are driven by Fitch's expectation of an extremely high probability of support from the bank's longstanding majority shareholder, the Public Investment Fund of Saudi Arabia (AA-/Negative; 97.2% stake), despite the bank being licenced and headquartered in Bahrain. Our view of support is driven by the bank's ownership and a demonstrated strong record of support from the shareholder, and is the main reason GIB's Long-Term IDR is currently in line with that of the smaller Saudi-domiciled banks. The ratings of GIB are not constrained by the Bahrain Country Ceiling of 'BBB+', reflecting the bank's wholesale banking licence, its primarily US dollar-based balance sheet and offshore banking business with minimal exposure to Bahrain (both assets and liabilities), and our view that it would therefore not be subject to Bahraini convertibility risks. ABC's Long-Term IDR is driven by the bank's standalone strength, as reflected by the VR. Its SR is driven by potential institutional support from one of its founding shareholders, the Kuwait Investment Authority (KIA). Although the other founding shareholder, the Central Bank of Libya (CBL), has historically been supportive of ABC, its ability to provide support and timeliness of support cannot be relied upon. AUB's IDR and SR reflect the high probability of institutional support from the bank's core shareholder, the Public Institute for Social Security (PIFSS), an arm of the State of Kuwait (AA/Stable), which holds an 18.7% stake. The strong links between PIFSS and AUB include PIFSS's strong interest as shareholder in both AUB and its Kuwaiti subsidiary (13% stake). However, support from PIFSS is constrained by Bahrain's Country Ceiling and the Stable Outlook reflects that on the Bahraini sovereign rating. VR The loan books of each of the Fitch-rated Bahraini banks have different geographic risk profiles as a result of their disparate business models and strategies. As wholesale banks, ABC and GIB have limited exposure to

Bahrain, despite being headquartered there. The domestic retail banks, BBK and NBB, are more constrained by the local operating environment. AUB is geographically diversified, with significant operations in Kuwait and elsewhere in the Middle East and the UK, with Bahrain onshore operations contributing only around 13% of AUB's profit. NBB's VR reflects the bank's solid capitalisation, although we view the high capital ratios as appropriate in the context of a weakening operating environment, lower risk-weighted assets due to high government exposure and a concentrated balance sheet. The rating also reflects the bank's strong domestic franchise, consistent and solid profitability, generally adequate asset quality despite a fairly high headline impaired loan ratio, and sound liquidity. It also factors in NBB's reliance on a small and competitive domestic environment and concentrations in both loans and deposits, which although comparing well with GCC peers, still give rise to event risk. BBK's VR is supported by the bank's satisfactory and resilient financial performance, despite the weakening operating environment in Bahrain. It has maintained solid margins and consistent profitability through its well-established franchise. Funding and liquidity indicators remain satisfactory and are important rating drivers. Asset quality metrics are sound. However, the VR also reflects the bank's loan book concentration, which while well below the levels of peers still gives rise to event risk. We also take into account the bank's dependence on the undiversified Bahraini market. In light of the weakening operating environment, Fitch views capital as only adequate, despite capital-raising in 2Q16. AUB's VR reflects the bank's diversified franchise, with operations across the GCC, specifically in Kuwait, sound asset quality despite exposure to the higher-risk Middle East/North Africa (MENA) markets, such as Egypt, and solid operating profitability. Risk appetite is conservative compared with many peers in the region and asset quality metrics are consistently sound and compare well with peers. The VR also takes into account loan book concentrations, which however is somewhat mitigated at group level by geographic and sector diversification. The rating also reflects capitalisation ratios that although adequate for the bank's operations, are low compared with domestic and regional peers. The VR of ABC factors in its geographic diversification; in particular, its Brazilian subsidiary, Banco ABC Brasil S.A. (BABC: BB+/Negative/bb), which remains a significant contributor to the group's overall profitability despite a weaker operating environment in Brazil. The Brazilian operation provides the bank with diversified earnings but could also expose it to increasing risks outside of its home market. The rating also takes into account ABC's strong capitalisation, while also considering concentrations on both sides of the balance sheet (with lending concentrations significantly lower than those of peers; but high funding concentration) and exposure to volatile markets in the MENA region. Liquidity is sound, but should be viewed in light of the bank's concentrated funding profile. GIB's VR reflects the bank's sound asset quality, comfortable liquidity and solid capitalisation and a somewhat more conservative risk appetite than domestic peers, in Fitch's view. It also factors in GIB's low operating profitability and the execution risks of expanding into retail banking in Saudi Arabia, although Fitch expects GIB will maintain a conservative risk appetite. SENIOR DEBT Senior debt ratings are aligned with the respective banks' IDRs. SUBORDINATED DEBT BBK's and ABC's subordinated debt is rated one notch below the respective banks' Long-Term IDRs, reflecting below-average recoveries. RATING SENSITIVITIES IDRs, SRs AND SRFs NBB's and BBK's Long-Term IDRs would only be downgraded if both their VR and SRF are downgraded. Downside risk to their SRs and SRFs could arise from reduced sovereign propensity or ability to support the largest Bahraini banks. AUB's IDR and SR are sensitive to a change in Fitch's view of PIFSS's ability or propensity to provide support or to changes in Bahrain's Country Ceiling. The IDRs would be downgraded if

Bahrain's Country Ceiling is revised downwards or if Fitch believes that PIFSS's ability or willingness to support has diminished. GIB's IDRs and SR are sensitive to a reduced willingness or ability of the Saudi authorities to provide support to the bank, although we view the willingness of the Saudi sovereign to provide support to GIB is unlikely to change. The Negative Outlook on GIB's Long-Term IDR mirrors that on the Saudi sovereign. GIB's IDR and SR will be downgraded to 'BBB+' and '2', respectively, in the event of a downgrade by one notch of the Saudi sovereign, reflecting a reduced ability to provide support. As GIB's Long-Term IDR is not constrained by the Bahraini Country Ceiling, it is not sensitive to negative rating action on the Bahraini sovereign. ABC's Long-Term IDR will move in line with the bank's VR. Its SR is sensitive to a change in Fitch's view of the ability or willingness of KIA to provide institutional support, if needed. VR Further downside pressure on NBB's and BBK's VRs could arise from a further material worsening of the Bahraini operating environment that is reflected in a downgrade of the sovereign rating. Downside risk to NBB's VR may also arise from further deterioration in asset quality. Downside risk to BBK's VR could also arise if asset quality or capitalisation considerably weakens from current levels. AUB's VR is sensitive to asset quality or liquidity deterioration or if the bank's Fitch core capital (FCC) ratio is severely eroded. Upside is currently limited given concentration in the loan book as well as the uncertain operating environment in Bahrain and elsewhere in the Middle East, notably Egypt. ABC's VR is sensitive to the risk of an escalation of political and social unrest in the bank's markets (Bahrain, Brazil, and MENA generally). A material deterioration in the profitability and asset quality of ABC's Brazilian subsidiary could also have a negative impact on the rating, in light of the subsidiary's significance to group profitability. Downside risk to GIB's VR could arise from a prolonged delay in the bank's new retail strategy becoming profitable and negative developments eroding the bank's healthy capital buffer. These could come, for example, from uncontrolled loan growth, a spike in non-performing loans or rapid expansion into new international investments, none of which are in Fitch's base case assumptions. An upgrade would likely result from improved profitability metrics and tangible evidence that the new expansion strategy is successfully gaining traction.

**SENIOR AND SUBORDINATED DEBT** The senior and subordinated debt ratings are sensitive to the same considerations that might affect each of the bank's Long-Term IDRs. The rating actions are as follows: AUB: Long-Term IDR affirmed at 'BBB+'; Stable Outlook Short-Term IDR affirmed at 'F2' Viability Rating affirmed at 'bbb' Support Rating affirmed at '2' Senior unsecured debt affirmed at 'BBB+/'F2' ABC: Long-Term IDR affirmed at 'BBB-'; Stable Outlook Short-Term IDR affirmed at 'F3' Viability Rating affirmed at 'bbb-' Support Rating affirmed at '3' Senior unsecured debt affirmed at 'BBB-' Subordinated debt affirmed at 'BB+' BBK: Long-Term IDR affirmed at 'BB+'; Stable Outlook Short-Term IDR affirmed at 'B' Viability Rating affirmed at 'bb+' Support Rating affirmed at '3' Support Rating Floor affirmed at 'BB+' Senior unsecured debt affirmed at 'BB+' Subordinated debt affirmed at 'BB' GIB: Long-Term IDR affirmed at 'A-'; Negative Outlook Short-Term IDR affirmed at 'F2' Viability Rating affirmed at 'bbb-' Support Rating affirmed at '1' Senior unsecured debt affirmed at 'A-' NBB: Long-Term IDR affirmed at 'BB+'; Stable Outlook Short-Term IDR affirmed at 'B' Viability Rating affirmed at 'bb+' Support Rating affirmed at '3' Support Rating Floor affirmed at 'BB+' Contact: Primary Analyst Laila Sadek Director +44 20 3530 1308 Fitch Ratings Limited 30 North Colonnade London E14 5GN Secondary Analysts Gilbert Hobeika (NBB, BBK, GIB, ABC) Associate Director +44 20 3530 1004 Redmond Ramsdale (AUB) Senior Director Committee Chairperson Eric Dupont Senior Director +33 1 4429 91 31 Media Relations: Elaine Bailey, London, Tel: +44 203 530 1153, Email: elaine.bailey@fitchratings.com. Additional

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