

**Ahli United Bank B.S.C.**  
**Pillar III Disclosures - Basel III**  
**30 June 2021**

# Ahli United Bank B.S.C.

## Pillar III Disclosures - Basel III

30 June 2021 (Unaudited)

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**TABLE - 1 CAPITAL STRUCTURE**

A. NET AVAILABLE CAPITAL	US\$ '000		
	<u>CET1</u>	<u>AT1</u>	<u>Tier2</u>
NET AVAILABLE CAPITAL	<u>4,212,104</u>	<u>790,143</u>	<u>513,950</u>
<b>TOTAL ELIGIBLE CAPITAL BASE (CET1 + AT1 + Tier2)</b>			<b><u>5,516,197</u></b>
<b>RISK WEIGHTED EXPOSURES</b>			
Credit Risk Weighted Exposures			29,981,650
Market Risk Weighted Exposures			613,607
Operational Risk Weighted Exposures			2,010,283
<b>TOTAL RISK WEIGHTED EXPOSURES</b>			<b><u>32,605,540</u></b>
CET1 and Capital Conversion Buffer (CCB)			12.9%
Tier 1 - Capital Adequacy Ratio (CET1, AT1 & CCB)			15.3%
<b>Total - Capital Adequacy Ratio</b>			<b>16.9%</b>

By virtue of CBB's circular OG/226/2020 dated 21 June 2020, for the purposes of capital adequacy computations and for prudential reporting to the CBB, the Group has added back the modification loss, net of the financial assistance from Government and aggregate ECL provision charge for the year ended 31 December 2020 relating to exposures classified as Stage 1 and Stage 2 to the Common Equity Tier (CET1) capital. Refer to appendix I for details.

## B. CAPITAL ADEQUACY RATIO

As at 30 June 2021, the capital adequacy ratio of banking subsidiaries under Basel III, unless mandated otherwise were:

	<i>Subsidiaries</i>			
	<i>Ahli United Bank K.S.C.P. (AUBK)</i>	<i>Ahli United Bank (U.K.) P.L.C. (AUB UK)</i>	<i>Ahli United Bank (Egypt) S.A.E. (AUBE)</i>	<i>Commercial Bank of Iraq P.S.C. (CBIQ)*</i>
Tier 1 - Capital Adequacy Ratio	18.8%	21.2%	19.0%	73.3%
Total - Capital Adequacy Ratio	20.0%	21.3%	19.2%	73.3%

\* under Basel I

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TABLE - 2 GROSS CREDIT RISK EXPOSURES

	<i>US\$ '000</i>	
	<i>As at 30 June 2021</i>	<i>Average monthly balance</i>
Balances with central banks	1,461,776	1,501,423
Treasury bills and deposits with central banks	2,301,469	2,513,459
Deposits with banks	3,511,981	3,572,703
Loans and advances	21,384,807	21,036,381
Non-trading investments	9,397,372	9,250,251
Interest receivable, derivative and other assets	471,643	473,909
<b>TOTAL FUNDED EXPOSURES</b>	<b>38,529,048</b>	<b>38,348,126</b>
Contingent liabilities	3,606,234	3,520,219
Undrawn loan commitments	194,389	219,521
<b>TOTAL UNFUNDED EXPOSURES</b>	<b>3,800,623</b>	<b>3,739,740</b>
<b>TOTAL GROSS CREDIT RISK EXPOSURE</b>	<b>42,329,671</b>	<b>42,087,866</b>

The gross credit exposures reported above are as per the interim condensed consolidated balance sheet as reduced by exposures which do not carry credit risk.

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**TABLE 3 - RISK WEIGHTED EXPOSURES**

	<i>US\$ '000</i>			
	<i>Gross exposure</i>	<i>Secured by eligible CRM</i>	<i>Risk weighted exposures after CRM</i>	<i>Capital requirement</i>
Claims on sovereigns	7,730,419	-	698,613	87,327
Claims on public sector entities	2,559,817	-	1,117,392	139,674
Claims on banks	6,434,227	169,539	2,837,181	354,648
Claims on corporates	21,269,428	738,387	20,335,248	2,541,906
Regulatory retail exposures	2,224,861	36,672	1,618,176	202,272
Residential mortgage exposures	1,591,580	-	646,694	80,837
Equity	440,606	-	977,078	122,135
Other exposures	1,368,426	-	1,751,268	218,909
<b>TOTAL</b>	<b>43,619,364</b>	<b>944,598</b>	<b>29,981,650</b>	<b>3,747,708</b>
<b>TOTAL CREDIT RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)</b>			<b>29,981,650</b>	<b>3,747,708</b>
<b>TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)</b>			<b>613,607</b>	<b>76,701</b>
<b>TOTAL OPERATIONAL RISK CAPITAL REQUIREMENT (BASIC INDICATOR APPROACH) *</b>			<b>2,010,283</b>	<b>251,285</b>
<b>TOTAL</b>			<b>32,605,540</b>	<b>4,075,694</b>

\*Indicator for operational risk exposure is gross income, adjusted for exceptional items, as per BIA approach. This approach uses average of adjusted gross income for previous three financial years (US\$ 1,072,151 thousands) for operational risk computation.

The gross exposure in the above table represents the on and off balance sheet credit exposures before Credit Risks Mitigations (CRM), determined in accordance with CBB Pillar III guidelines. The off balance sheet exposures are computed using relevant conversion factors.

Under the CBB Basel III Guidelines, banks may choose between two options when calculating credit risk mitigation capital relief. The simple approach which substitutes the risk weighting of the collateral for the risk weighting of the counterparty or the comprehensive approach whereby, the exposure amount is adjusted by the actual value ascribed to the collateral. The Group has opted to use the comprehensive method where collateral is in the form of cash or bonds or equities. The Group uses a range of risk mitigation tools including collateral, guarantees, credit derivatives, netting agreements and financial covenants to reduce credit risk. The Group has an equity investment in an insurance subsidiary, Al Hilal Life B.S.C.(c), which is deducted from the regulatory capital as per the CBB rules.

TABLE - 4 GEOGRAPHIC DISTRIBUTION OF GROSS CREDIT EXPOSURES

	US\$ '000								
	Kingdom of Bahrain	State of Kuwait	Other GCC countries *	United Kingdom	Europe (excluding United Kingdom)	Arab Republic of Egypt	Asia (excluding GCC countries)	Rest of the World	Total
Balances with central banks	102,399	230,651	-	620,786	-	288,940	219,000	-	1,461,776
Treasury bills and deposits with central banks	754,331	921,148	-	-	-	625,990	-	-	2,301,469
Deposits with banks	180,306	922,022	22,589	843,727	199,298	21,931	11,772	1,310,336	3,511,981
Loans and advances	3,777,407	10,374,574	2,425,448	1,912,005	261,714	2,360,004	81,772	191,883	21,384,807
Non-trading investments	1,490,319	369,068	3,176,825	158,544	786,733	706,656	1,449,903	1,259,324	9,397,372
Interest receivable, derivative and other assets	141,444	85,058	52,885	65,061	22,086	50,918	35,512	18,679	471,643
<b>Total funded exposures</b>	<b>6,446,206</b>	<b>12,902,521</b>	<b>5,677,747</b>	<b>3,600,123</b>	<b>1,269,831</b>	<b>4,054,439</b>	<b>1,797,959</b>	<b>2,780,222</b>	<b>38,529,048</b>
Contingent liabilities	1,049,071	1,436,452	222,199	5,952	193,362	590,784	46,920	61,494	3,606,234
Undrawn loan commitments	80,605	100	39,398	53,375	12,202	8,709	-	-	194,389
<b>Total unfunded exposures</b>	<b>1,129,676</b>	<b>1,436,552</b>	<b>261,597</b>	<b>59,327</b>	<b>205,564</b>	<b>599,493</b>	<b>46,920</b>	<b>61,494</b>	<b>3,800,623</b>
<b>TOTAL</b>	<b>7,575,882</b>	<b>14,339,073</b>	<b>5,939,344</b>	<b>3,659,450</b>	<b>1,475,395</b>	<b>4,653,932</b>	<b>1,844,879</b>	<b>2,841,716</b>	<b>42,329,671</b>
	<b>17.9%</b>	<b>33.9%</b>	<b>14.0%</b>	<b>8.6%</b>	<b>3.5%</b>	<b>11.0%</b>	<b>4.4%</b>	<b>6.7%</b>	<b>100.0%</b>

\* Other GCC countries are countries which are part of the Gulf Co-operation Council comprising Sultanate of Oman, State of Qatar, Kingdom of Saudi Arabia and United Arab Emirates apart from Kingdom of Bahrain and State of Kuwait which are disclosed separately.

TABLE - 5 SECTORAL CLASSIFICATION OF GROSS CREDIT EXPOSURES

	US\$ '000			
	Funded	Unfunded	Total	%
Balances with central banks	3,763,245	-	3,763,245	8.9
Banks and other financial institutions	6,740,945	326,531	7,067,476	16.7
Consumer/personal	2,834,755	18,936	2,853,691	6.7
Residential mortgage	1,700,734	5,960	1,706,694	4.0
Trading and manufacturing	7,237,297	1,612,060	8,849,357	21.0
Real estate	6,030,288	56,544	6,086,832	14.4
Services	4,537,753	1,615,406	6,153,159	14.5
Government/public sector	5,343,927	61,726	5,405,653	12.8
Others	340,104	103,460	443,564	1.0
<b>TOTAL</b>	<b>38,529,048</b>	<b>3,800,623</b>	<b>42,329,671</b>	<b>100.0</b>
	<b>91.0%</b>	<b>9.0%</b>	<b>100.0%</b>	

TABLE - 6 RESIDUAL CONTRACTUAL MATURITY OF GROSS CREDIT EXPOSURES

	US\$ '000							Total
	Up to one month	One month to three months	Over three months to one year	Over one year to five years	Over five to ten years	Over ten to twenty years	Over twenty years	
Balances with central banks	1,422,516	39,260	-	-	-	-	-	1,461,776
Treasury bills and deposits with central banks	1,045,109	528,984	727,376	-	-	-	-	2,301,469
Deposits with banks	2,638,560	641,423	231,998	-	-	-	-	3,511,981
Loans and advances	4,007,790	4,740,629	3,530,645	6,060,876	2,313,249	656,383	75,235	21,384,807
Non-trading investments	27,418	135,606	337,652	3,459,834	5,332,925	39,128	64,809	9,397,372
Interest receivable, derivative and other assets	227,075	107,118	88,614	48,836	-	-	-	471,643
<b>Total funded exposures</b>	<b>9,368,468</b>	<b>6,193,020</b>	<b>4,916,285</b>	<b>9,569,546</b>	<b>7,646,174</b>	<b>695,511</b>	<b>140,044</b>	<b>38,529,048</b>
Contingent liabilities	672,118	912,641	1,317,058	614,634	89,783	-	-	3,606,234
Undrawn loan commitments	-	1,164	80,391	84,200	28,634	-	-	194,389
<b>Total unfunded exposures</b>	<b>672,118</b>	<b>913,805</b>	<b>1,397,449</b>	<b>698,834</b>	<b>118,417</b>	<b>-</b>	<b>-</b>	<b>3,800,623</b>
<b>TOTAL</b>	<b>10,040,586</b>	<b>7,106,825</b>	<b>6,313,734</b>	<b>10,268,380</b>	<b>7,764,591</b>	<b>695,511</b>	<b>140,044</b>	<b>42,329,671</b>

TABLE - 7 SECTORAL BREAKDOWN OF IMPAIRED LOANS AND IMPAIRMENT ALLOWANCES

	US\$ '000				
	Impaired loans (Stage 3) as at 30 June 2021	ECL allowances (Stage 3) as at 30 June 2021	* Net specific charge for the period ended 30 June 2021	Write-offs during the period ended 30 June 2021	ECL allowances (Stage 1 & Stage 2) as at 30 June 2021
Consumer/personal	60,893	43,015	1,367	11,649	79,065
Trading and manufacturing	274,798	274,768	37,222	21,623	101,399
Real estate	140,709	115,153	(6,265)	-	210,784
Residential mortgage	54,024	8,078	(725)	-	2,633
Banks and other financial institutions	2,128	2,000	-	-	7,752
Services	26,417	25,607	3,359	12,974	133,989
Government/public sector	-	-	-	-	88
Others	1,823	1,660	-	-	4,697
<b>TOTAL</b>	<b>560,792</b>	<b>470,281</b>	<b>34,958</b>	<b>46,246</b>	<b>540,407</b>

\* Net specific charge (ECL allowance - Stage 3) for the period excludes recoveries from fully provided loans written-off in prior years.

**TABLE - 8 GEOGRAPHICAL DISTRIBUTION OF IMPAIRMENT ALLOWANCES FOR LOANS AND ADVANCES**

	<i>US\$ '000</i>								
	<i>Kingdom of Bahrain</i>	<i>State of Kuwait</i>	<i>Other GCC countries</i>	<i>United Kingdom</i>	<i>Europe (excluding United Kingdom)</i>	<i>Arab Republic of Egypt</i>	<i>Asia (excluding GCC countries)</i>	<i>Rest of the world</i>	<i>Total</i>
ECL allowances (Stage 1 & 2)	134,468	262,427	20,511	147	14,182	107,665	630	377	<b>540,407</b>
ECL allowances (Stage 3)	164,535	197,459	14,658	4,511	-	82,469	6,649	-	<b>470,281</b>
<b>TOTAL</b>	<b>299,003</b>	<b>459,886</b>	<b>35,169</b>	<b>4,658</b>	<b>14,182</b>	<b>190,134</b>	<b>7,279</b>	<b>377</b>	<b>1,010,688</b>

**TABLE - 9 ECL ALLOWANCE MOVEMENTS FOR LOANS AND ADVANCES**

Refer note 6b of the interim condensed consolidated financial statements of the Group for the period ended 30 June 2021 for ECL allowance movements for loans and advances.



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**TABLE - 10 IMPAIRED LOANS - AGE ANALYSIS**

**i) By Geographical region**

	<i>US\$ '000</i>			<i>Total</i>
	<i>Three months to one year</i>	<i>Over One year to three years</i>	<i>Over three years</i>	
Kingdom of Bahrain	1,621	119,143	73,116	<b>193,880</b>
State of Kuwait	54,264	92,155	74,592	<b>221,011</b>
Other GCC Countries	14,708	1,578	-	<b>16,286</b>
United Kingdom	18,384	11,486	-	<b>29,870</b>
Arab Republic of Egypt	9,356	70,308	13,220	<b>92,884</b>
Asia (excluding GCC countries)	-	-	6,861	<b>6,861</b>
<b>TOTAL</b>	<b>98,333</b>	<b>294,670</b>	<b>167,789</b>	<b>560,792</b>
	<b>17.5%</b>	<b>52.5%</b>	<b>30.0%</b>	<b>100.0%</b>

**ii) By Industry sector**

	<i>US\$ '000</i>			<i>Total</i>
	<i>Three months to one year</i>	<i>Over One year to three years</i>	<i>Over three years</i>	
Consumer/personal	7,369	37,323	16,201	<b>60,893</b>
Trading and manufacturing	71,856	177,537	25,405	<b>274,798</b>
Real estate	-	56,674	84,035	<b>140,709</b>
Residential mortgage	18,730	15,211	20,083	<b>54,024</b>
Banks and other financial institutions	-	-	2,128	<b>2,128</b>
Services	378	7,925	18,114	<b>26,417</b>
Others	-	-	1,823	<b>1,823</b>
<b>TOTAL</b>	<b>98,333</b>	<b>294,670</b>	<b>167,789</b>	<b>560,792</b>
	<b>17.5%</b>	<b>52.5%</b>	<b>30.0%</b>	<b>100.0%</b>

**TABLE - 11 RESTRUCTURED CREDIT FACILITIES**

	<i>US\$ '000</i>
Balance of any restructured credit facilities as at period end	398,962
Loans restructured during the period	18,033

The above restructurings did not have any significant impact on the present or future earnings and were primarily extensions of the loan tenor.

**TABLE - 12 COUNTERPARTY CREDIT RISK IN DERIVATIVE TRANSACTIONS**

The Group uses the Current Exposure Method to calculate the exposure for counterparty credit risk for derivative instruments as per CBB Basel III guidelines. The table below represent net credit equivalent exposure after giving effect to master netting agreements.

**i) Breakdown of the credit exposure**

	<i>US\$ '000</i>	
	<i>Notional amount</i>	<i>Net Credit Equivalent Exposure</i>
<b>a) Trading</b>		
Foreign exchange related	6,897,044	50,888
Interest rate related	3,004,399	88,432
Others	67,890	322
	<b>9,969,333</b>	<b>139,642</b>
<b>b) Hedging</b>		
Foreign exchange related	22,616	706
Interest rate related	7,702,787	62,020
	<b>7,725,403</b>	<b>62,726</b>
	<b>17,694,736</b>	<b>202,368</b>

**ii) Amounts of cash collateral**

<i>US\$ '000</i>
<b>2,310</b>

**TABLE - 13 RELATED PARTY TRANSACTIONS**

Refer note 10 to the interim condensed consolidated financial statements of the Group for the period ended 30 June 2021.

**TABLE - 14 CAPITAL REQUIREMENT FOR COMPONENTS OF MARKET RISK**

	<i>US\$ '000</i>			
	<i>Risk-weighted exposures</i>	<i>Capital requirement</i>	<i>Maximum value</i>	<i>Minimum value</i>
Interest rate risk	145,656	18,207	18,207	17,968
Equity position risk	1,016	127	127	115
Foreign exchange risk	464,488	58,061	58,061	50,229
Options and others	2,447	306	1,068	306
<b>TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)</b>	<b>613,607</b>	<b>76,701</b>		

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**TABLE - 15 INTEREST RATE RISK**

	<i>US\$'000</i>			<i>Total</i>
	<i>Less than three months</i>	<i>Three months to one year</i>	<i>Over one year</i>	
<b>ASSETS</b>				
Treasury bills and deposits with central banks	1,568,080	733,389	-	2,301,469
Deposits with banks	3,225,714	286,090	177	3,511,981
Loans and advances	17,035,428	2,785,244	1,564,135	21,384,807
Non-trading investments	234,299	364,489	8,798,584	9,397,372
	<b>22,063,521</b>	<b>4,169,212</b>	<b>10,362,896</b>	<b>36,595,629</b>
<b>LIABILITIES</b>				
Deposits from banks	4,233,798	284,317	-	4,518,115
Borrowings under repurchase agreements	2,478,693	1,201,360	-	3,680,053
Customers' deposits	14,902,637	6,866,056	2,674,855	24,443,548
Term debts	525,000	-	-	525,000
Subordinated liabilities	-	10,095	-	10,095
	<b>22,140,128</b>	<b>8,361,828</b>	<b>2,674,855</b>	<b>33,176,811</b>
On balance sheet gap	(76,607)	(4,192,616)	7,688,041	
Off balance sheet gap	5,043,090	666,236	(5,709,326)	
Total interest sensitivity gap	4,966,483	(3,526,380)	1,978,715	
Cumulative interest sensitivity gap	<b>4,966,483</b>	<b>1,440,103</b>	<b>3,418,818</b>	

**TABLE - 16 NET LOSS ON EQUITY INSTRUMENTS**

	<i>US\$ '000</i>
Gains / (loss) recognized in Tier1 Capital (CET1)	
- Net unrealized loss recognized in the balance sheet	(13,531)
- Net realized gains recognized in the equity	1,355

**TABLE - 17 SENSITIVITY ANALYSIS - INTEREST RATE RISK**

<b>ANNUALISED</b>	<i>US\$ '000</i>
at 25 bps increase (+)/decrease (-)	9,609

The impact of a +/- 200bps interest rate shock on assets and liabilities which, are carried at fair value and the consequent impact on equity as of 30 June 2021 is as per the following table.

	<i>US\$ '000</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>Equity</i>
at 200 bps - increase (+)	(193,389)	192,163	(1,226)
at 200 bps - decrease (-)	193,389	(192,163)	1,226

**APPENDIX I - REGULATORY CAPITAL DISCLOSURES****PD 1 : Capital Composition Disclosure Template***Basel III Common disclosure template***Common Equity Tier 1 capital: instruments and Reserves**

	<i>US\$ '000</i>	
	<i>PIR as on 30 June 2021</i>	<i>Reference</i>
Directly issued qualifying common share capital plus related stock surplus	2,533,595	A1-A2-A3
Retained earnings	630,309	B1+B2+B3
Accumulated other comprehensive income (and other reserves)	1,236,621	C1+C2+C3+C4+ C5 +C6 +C7
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	309,736	D
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>4,710,261</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
Goodwill (net of related tax liability)	432,619	E
Other intangibles other than mortgage-servicing rights (net of related tax liability)	94,340	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	(43,475)	C7
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)	14,673	
<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>498,157</b>	
<b>Common Equity Tier 1 capital (CET1)</b>	<b>4,212,104</b>	

**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)	390,143	J
<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>790,143</b>	
<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>-</b>	
<b>Additional Tier 1 capital (AT1)</b>	<b>790,143</b>	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>5,002,247</b>	

**Tier 2 capital: instruments and provisions**

Directly issued qualifying Tier 2 instruments plus related stock surplus	1,010	K
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)	101,852	L
Expected Credit Losses & Reserves	411,088	M1+M2
<b>Tier 2 capital before regulatory adjustments</b>	<b>513,950</b>	
<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
<b>Tier 2 capital (T2)</b>	<b>513,950</b>	
<b>Total capital (TC = T1 + T2)</b>	<b>5,516,197</b>	
<b>Total risk weighted assets</b>	<b>32,605,540</b>	

**Capital ratios**

Common Equity Tier 1 (as a percentage of risk weighted assets)	12.9%	
Tier 1 (as a percentage of risk weighted assets)	15.3%	
Total capital (as a percentage of risk weighted assets)	<b>16.9%</b>	
Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk weighted assets)	9.0%	
<i>of which: Capital Conservation Buffer requirement</i>	2.5%	
<i>of which: bank specific countercyclical buffer requirement (N/A)</i>	NA	
<i>of which: G-SIB buffer requirement (N/A)</i>	NA	
<b>National minima (if different from Basel 3)</b>		
CBB Common Equity Tier 1 minimum ratio (including buffers)	9.0 %	
CBB Tier 1 minimum ratio (including buffers)	10.5%	
CBB total capital minimum ratio (including buffers)	12.5%	

**Amounts below the thresholds for deduction (before risk weighting)**

Non-significant investments in the capital of other financial entities	243,314	
Significant investments in the common stock of financial entities	330,740	
<b>Applicable caps on the inclusion of Expected Credit Losses in Tier 2</b>		
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)	565,771	N
Cap on inclusion of Expected Credit Losses in Tier 2 under standardized approach	374,771	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 line by line consolidation approach as per the IFRS 10 Consolidated Financial Statements 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:

	<u>US\$ '000</u>
<b>Balance sheet per published financial statements</b>	<b>40,475,115</b>
ECL - Stages 1 and 2	565,771
<b>Balance sheet as in Regulatory Return</b>	<b>41,040,886</b>

**ii) Step 2: Expansion of the Balance Sheet under Regulatory scope of Consolidation**

<i>Assets</i>	<i>Balance as per published financial statements</i>	<i>Consolidated PIR data</i>	<i>Reference</i>
Cash and balances with central banks	1,602,745	1,602,745	
Financial assets at fair value through Profit & Loss		4,773	
Treasury bills and deposits with central banks	2,301,469	2,301,469	
Deposits with banks	3,511,981	3,514,782	
Loans and advances	21,384,807	21,925,214	
<i>of which employee stock incentive program</i>		26	A2
Non-trading investments	9,519,461	9,537,104	
Investment properties	174,072	174,072	
Interest receivable and other assets	861,221	861,368	
<i>of which deferred tax assets</i>		33	G1
<i>of which MSP</i>		-	A3
Investments in associates	330,506	330,506	
Goodwill and intangible assets	488,615	488,615	
<i>of which Goodwill</i>		432,619	E
<i>of which other intangibles (excluding MSRs)</i>		55,996	F1
Premises and equipment	300,238	300,238	
<i>of which software</i>		38,344	F2
<b>TOTAL ASSETS</b>	<b>40,475,115</b>	<b>41,040,886</b>	
<b><i>Liabilities</i></b>			
Deposits from banks	4,518,115	4,518,115	
Customers' deposits	24,443,548	24,443,548	
Borrowings under repurchase agreements	3,680,053	3,680,053	
Term Borrowings	525,000	525,000	
Interest payable and other liabilities	1,502,968	1,502,968	
<i>of which deferred tax liabilities</i>		7,763	G2
Subordinated liabilities	10,095	10,095	
<i>of which amount eligible for Tier 2</i>		1,010	K
<i>of which amount ineligible</i>		9,085	
<b>TOTAL LIABILITIES</b>	<b>34,679,779</b>	<b>34,679,779</b>	
<b><i>Equity</i></b>			
Paid-in share capital	2,533,621	2,533,621	
<i>of which form part of Common Equity Tier 1</i>		2,533,621	
Ordinary Share Capital		2,533,621	A1
Treasury Shares		-	
Perpetual Tier 1 Capital Securities - AUB Bahrain	400,000	400,000	I
Reserves	1,659,753	1,659,753	
<i>of which form part of Common Equity Tier 1</i>			
Retained earnings/(losses) brought forward		386,815	B1
Net profit for the current period		298,557	C1
Share premium		752,519	C2
Legal reserve		704,755	C3
Others		(16,584)	C4
FX translation adjustment		(465,063)	C5
Cumulative fair value changes on FVOCI investments		5,912	C6
Fair value changes of cash flow hedges		(43,475)	C7
<i>of which form part of Tier 2</i>			
Fixed assets revaluation reserves		36,317	M1
CBB modification loss (part of CET1)		98,449	B2
Perpetual Tier 1 Capital Securities - AUB Kuwait	760,815	1,201,962	
Non - controlling interest	441,147		
<i>of which amount eligible for Common Equity Tier 1</i>		309,736	D
<i>of which amount eligible for Additional Tier 1</i>		390,143	J
<i>of which amount eligible for Tier 2</i>		101,852	L
<i>of which amount ineligible</i>		400,231	
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		565,771	N
<i>of which amount eligible for Tier 2 (maximum 1.25% of RWA)</i>		374,771	M2
<i>of which amount included in CET1 as per CBB</i>		145,045	B3
<i>of which amount ineligible</i>		45,956	
<b>TOTAL EQUITY</b>	<b>2</b>	<b>5,795,336</b>	<b>6,361,107</b>

PD 3 : Main features of regulatory capital instruments

New

1	Issuer	Ahli United Bank B.S.C.	Ahli United Bank B.S.C.	Ahli United Bank K.S.C.P.	Ahli United Bank K.S.C.P.	Ahli United Bank (U.K.) PLC	Ahli United Bank (U.K.) PLC
2	Unique identifier	AUBB.BH - Bahrain Bourses AUB/818 - Kuwait Stock Exchange	ISIN: XS1133289832 / Perpetual Tier 1 Capital Securities	ISIN: XS1508651665 / Perpetual Tier 1 Capital Securities	ISIN: XS2342243875 / Perpetual Tier 1 Capital Securities	Private Placement	Private Placement
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	English Law, except for the provisions of subordination which will be governed by the Laws of Kuwait	English Law, except for the provisions of subordination which will be governed by the Laws of Kuwait	English Law	English Law
4	Transitional CBB rules	Not applicable	Not applicable	Not applicable	Not applicable	Tier 2	Tier 2
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	NA	NA
6	Eligible at solo/group/group & solo	Solo and Group	Solo and Group	Group	Group	Group	Group
7	Instrument type	Common Equity Shares	Capital Securities	Capital Securities	Capital Securities	Subordinated Debt	Subordinated Debt
8	Amount recognized in regulatory capital	\$2533.6 mn	\$400.0 mn	\$81.5 mn	\$304.0 mn	\$0.5 mn	\$0.5 mn
9	Par value of instrument (USD)	\$0.25	\$1000 subject to minimum of \$200,000	\$1000 subject to minimum of \$200,000	\$1000 subject to minimum of \$200,000	\$5.0 mn	\$5.1 mn
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	31-May-2000	29-Apr-2015	25-Oct-2016	17-Jun-2021	01-Jul-1996	31-Jan-1985, 30-Apr-1985
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity	No Maturity	No Maturity	24-Jul-2025	24-Jul-2025
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes	Yes	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)	Call Option : 25-Oct-2021 at Par/100%; Tax event at Par/100%; Regulatory Capital Event at 100% (Full or partial)	First Call Option : 17-Jun-2026 at Par/100%; Tax event at Par/100%; Regulatory Capital Event at 100% (Full or partial)	NA	NA
16	Subsequent call dates, if applicable	NA	Every Distribution Payment Date	Every Periodic Distribution Date after 26 Oct 2021	Any day falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date (17-Dec-2026) or on any profit payment date thereafter	NA	NA
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed	Fixed	Floating	Floating
18	Coupon rate and any related index	NA	5.839%	5.500%	3.875%	6m USD LIBOR + 75 bps	6m USD LIBOR + 75 bps
19	Existence of a dividend stopper	NA	Yes	Yes	Yes	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	NA	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA
30	Write-down feature	NA	Yes	Yes	Yes	No	No
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)	Notification by regulator of Non viability without (a) write-down ; or (b) a public sector injection of capital (or equivalent support)	Notification by regulator of Non viability without (a) write-down ; or (b) a public sector injection of capital (or equivalent support)	NA	NA
32	If write-down, full or partial	NA	Fully / Partially	Fully / Partially	Fully / Partially	NA	NA
33	If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1 Capital Bonds	Subordinated Debts	Subordinated Debts	Subordinated Debts	All depositors and creditors	All depositors and creditors
36	Non-compliant transitioned features	NA	No	No	No	Yes	Yes
37	If yes, specify non-compliant features	NA	NA	NA	NA	Non Viability Loss Absorption	Non Viability Loss Absorption

**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 conventional bank licensees must meet a 3% leverage ratio minimum requirement at all times.

**Leverage Ratio components**

	<i>US\$ '000</i>
Tier1 Capital [A]	5,002,247
Total Exposure [B]	43,329,943
Leverage Ratio ([A] / [B])	<u>11.5%</u>