

Ahli United Bank B.S.C.
Pillar III Disclosures - Basel III
30 June 2022

Ahli United Bank B.S.C.

Pillar III Disclosures - Basel III

30 June 2022 (Unaudited)

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TABLE - 1 CAPITAL STRUCTURE

A. NET AVAILABLE CAPITAL	<i>US\$ '000</i>		
	<i>CET1</i>	<i>AT1</i>	<i>Tier2</i>
NET AVAILABLE CAPITAL	4,340,461	766,160	530,197
TOTAL ELIGIBLE CAPITAL BASE (CET1 + AT1 + Tier2)			5,636,818
RISK WEIGHTED EXPOSURES			
Credit Risk Weighted Exposures			31,419,980
Market Risk Weighted Exposures			333,190
Operational Risk Weighted Exposures			1,951,129
TOTAL RISK WEIGHTED EXPOSURES			33,704,299
CET1 and Capital Conservation Buffer (CCB)			12.9%
Tier 1 - Capital Adequacy Ratio (CET1, AT1 and CCB)			15.2%
Total - Capital Adequacy Ratio			16.7%

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 2022, 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	15.9%	19.4%	16.4%	98.6%
Total - Capital Adequacy Ratio	17.1%	19.4%	17.3%	98.7%

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TABLE - 2 GROSS CREDIT RISK EXPOSURES

	<i>US\$ '000</i>	
	<i>As at 30 June 2022</i>	<i>Average monthly balance</i>
Balances with central banks	1,277,494	1,606,019
Treasury bills and deposits with central banks	2,267,761	1,748,267
Deposits with banks	5,907,454	5,179,443
Loans and advances	22,002,045	22,087,865
Non-trading investments	9,607,632	9,650,478
Interest receivable, derivative and other assets	901,903	761,770
TOTAL FUNDED EXPOSURES	41,964,289	41,033,842
Contingent liabilities	4,056,637	3,964,152
Undrawn loan commitments	187,850	197,794
TOTAL UNFUNDED EXPOSURES	4,244,487	4,161,946
TOTAL GROSS CREDIT RISK EXPOSURE	46,208,776	45,195,788

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.

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	7,803,578	-	489,597	61,200
Claims on public sector entities	2,334,990	-	1,150,265	143,783
Claims on banks	8,972,003	114,053	3,253,080	406,635
Claims on corporates	22,506,515	974,399	21,313,983	2,664,248
Regulatory retail exposures	2,355,157	28,720	1,724,279	215,535
Residential mortgage exposures	1,420,447	-	572,455	71,557
Equity	441,504	-	990,627	123,828
Other exposures	1,529,500	-	1,925,694	240,712
TOTAL	47,363,694	1,117,172	31,419,980	3,927,498
TOTAL CREDIT RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)			31,419,980	3,927,498
TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)			333,190	41,649
TOTAL OPERATIONAL RISK CAPITAL REQUIREMENT (BASIC INDICATOR APPROACH) *			1,951,129	243,891
TOTAL			33,704,299	4,213,038

*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\$ 1,040,602 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 credit 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								Total
	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	
Balances with central banks	91,307	221,244	-	488,163	-	444,173	32,607	-	1,277,494
Treasury bills and deposits with central banks	1,136,754	685,507	-	-	-	193,889	31,668	219,943	2,267,761
Deposits with banks	307,658	831,596	337,398	455,731	969,507	35,383	485,600	2,484,581	5,907,454
Loans and advances	3,799,437	10,999,379	2,302,289	1,648,934	206,271	2,680,754	66,984	297,997	22,002,045
Non-trading investments	1,744,778	372,064	2,901,369	148,848	882,478	663,924	1,700,640	1,193,531	9,607,632
Interest receivable, derivative and other assets	73,311	145,718	56,422	357,790	151,679	65,828	22,653	28,502	901,903
Total funded exposures	7,153,245	13,255,508	5,597,478	3,099,466	2,209,935	4,083,951	2,340,152	4,224,554	41,964,289
Contingent liabilities	941,261	1,481,167	214,973	14,163	174,342	741,000	299,866	189,865	4,056,637
Undrawn loan commitments	53,261	7,013	17,032	90,069	8,172	12,303	-	-	187,850
Total unfunded exposures	994,522	1,488,180	232,005	104,232	182,514	753,303	299,866	189,865	4,244,487
TOTAL	8,147,767	14,743,688	5,829,483	3,203,698	2,392,449	4,837,254	2,640,018	4,414,419	46,208,776
	17.6%	31.9%	12.6%	6.9%	5.2%	10.5%	5.7%	9.6%	100.0%

* 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	3,545,255	-	3,545,255	7.7
Banks and other financial institutions	9,459,430	302,398	9,761,828	21.1
Consumer/personal	3,071,801	118,408	3,190,209	6.9
Residential mortgage	1,634,030	78,460	1,712,490	3.7
Trading and manufacturing	7,341,875	1,943,311	9,285,186	20.1
Real estate	5,998,165	68,476	6,066,641	13.1
Services	4,980,040	1,555,169	6,535,209	14.1
Government/public sector	5,522,439	54,001	5,576,440	12.1
Others	411,254	124,264	535,518	1.2
TOTAL	41,964,289	4,244,487	46,208,776	100.0
	90.8%	9.2%	100.0%	

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	1,220,642	56,852	-	-	-	-	-	1,277,494
Treasury bills and deposits with central banks	1,204,672	462,100	600,989	-	-	-	-	2,267,761
Deposits with banks	5,516,464	278,766	112,224	-	-	-	-	5,907,454
Loans and advances	4,054,352	5,742,461	3,457,724	5,962,206	2,079,860	637,937	67,505	22,002,045
Non-trading investments	284,486	295,976	609,245	4,033,490	3,838,177	386,196	160,062	9,607,632
Interest receivable, derivative and other assets	538,581	121,847	57,792	183,683	-	-	-	901,903
Total funded exposures	12,819,197	6,958,002	4,837,974	10,179,379	5,918,037	1,024,133	227,567	41,964,289
Contingent liabilities	442,393	839,263	1,988,112	722,668	64,201	-	-	4,056,637
Undrawn loan commitments	5,472	38,786	101,467	26,083	16,042	-	-	187,850
Total unfunded exposures	447,865	878,049	2,089,579	748,751	80,243	-	-	4,244,487
TOTAL	13,267,062	7,836,051	6,927,553	10,928,130	5,998,280	1,024,133	227,567	46,208,776

TABLE - 7 SECTORAL BREAKDOWN OF IMPAIRED LOANS AND IMPAIRMENT ALLOWANCES

	US\$ '000				
	Impaired loans (Stage 3) as at 30 June 2022	ECL allowances (Stage 3) as at 30 June 2022	* Net specific charge for the period ended 30 June 2022	Write-offs during the period ended 30 June 2022	ECL allowances (Stage 1 & Stage 2) as at 30 June 2022
Consumer/personal	66,172	40,697	5,906	26	75,829
Trading and manufacturing	271,819	253,476	174	4,073	118,242
Real estate	147,336	111,795	-	-	197,701
Residential mortgage	59,064	37,508	1,163	-	2,751
Banks and other financial institutions	2,090	2,000	-	-	7,712
Services	21,085	16,431	-	-	111,327
Government/public sector	-	-	-	-	73
Others	3,843	1,734	-	-	23,843
TOTAL	571,409	463,641	7,243	4,099	537,478

* 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)	142,003	215,863	16,534	192	13,482	146,222	1,199	1,983	537,478
ECL allowances (Stage 3)	166,199	189,913	16,287	4,211	-	80,992	6,039	-	463,641
TOTAL	308,202	405,776	32,821	4,403	13,482	227,214	7,238	1,983	1,001,119

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 2022 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	10,376	9,384	182,881	202,641
State of Kuwait	14,781	124,875	73,561	213,217
Other GCC Countries	-	16,287	-	16,287
United Kingdom	18,855	19,226	-	38,081
Arab Republic of Egypt	7,634	16,084	71,253	94,971
Asia (excluding GCC countries)	409	-	5,803	6,212
TOTAL	52,055	185,856	333,498	571,409
	9.1%	32.5%	58.4%	100.0%

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	13,457	31,996	20,719	66,172
Trading and manufacturing	9,731	76,525	185,563	271,819
Real estate	1,845	49,028	96,463	147,336
Residential mortgage	16,500	21,841	20,723	59,064
Banks and other financial institutions	-	-	2,090	2,090
Services	7,992	6,466	6,627	21,085
Others	2,530	-	1,313	3,843
TOTAL	52,055	185,856	333,498	571,409
	9.1%	32.5%	58.4%	100.0%

TABLE - 11 RESTRUCTURED CREDIT FACILITIES

	<i>US\$ '000</i>
Balance of any restructured credit facilities as at period end	562,099
Loans restructured during the period	89,573

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>Credit Equivalent Exposure</i>
a) Trading		
Foreign exchange related	8,719,738	136,320
Interest rate related	2,800,287	129,206
Others	50,832	392
	11,570,857	265,918
b) Hedging		
Foreign exchange related	8,599	623
Interest rate related	9,601,097	350,794
	9,609,696	351,417
	21,180,553	617,335

	<i>US\$ '000</i>
ii) Amounts of cash collateral	103,144

TABLE - 13 RELATED PARTY TRANSACTIONS

Refer note 10 to the interim condensed consolidated financial statements of the Group for the period ended 30 June 2022.

TABLE - 14 CAPITAL REQUIREMENT FOR COMPONENTS OF MARKET RISK

	<i>US\$ '000</i>			
	<i>Risk- weighted exposures after CRM</i>	<i>Capital requirement</i>	<i>Maximum value</i>	<i>Minimum value</i>
Interest rate risk	177,024	22,128	27,398	22,128
Equity position risk	1,624	203	240	203
Foreign exchange risk	152,584	19,073	19,073	15,793
Options and others	1,958	245	1,159	245
TOTAL MARKET RISK CAPITAL REQUIREMENT (STANDARDISED APPROACH)	333,190	41,649		

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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>	
ASSETS				
Cash and balances with central banks	317,580	-	317,578	635,158
Treasury bills and deposits with central banks	1,659,168	608,593	-	2,267,761
Deposits with banks	3,190,792	112,305	2,604,357	5,907,454
Loans and advances	17,175,068	3,109,218	1,717,759	22,002,045
Non-trading investments	591,601	689,836	8,326,195	9,607,632
	22,934,209	4,519,952	12,965,889	40,420,050
LIABILITIES				
Deposits from banks	3,691,242	186,203	552,187	4,429,632
Borrowings under repurchase agreements	4,036,387	150,344	-	4,186,731
Customers' deposits	15,952,454	6,064,360	5,418,931	27,435,745
Term borrowing	525,000	-	524,534	1,049,534
Subordinated liabilities	-	9,496	-	9,496
	24,205,083	6,410,403	6,495,652	37,111,138
On balance sheet gap	(1,270,874)	(1,890,451)	6,470,237	
Off balance sheet gap	4,501,541	888,475	(5,390,016)	
Total interest sensitivity gap	3,230,667	(1,001,976)	1,080,221	
Cumulative interest sensitivity gap	3,230,667	2,228,691	3,308,912	

TABLE - 16 GAIN (LOSS) ON EQUITY INSTRUMENTS

	<i>US\$ '000</i>
Gains / (loss) recognized in Tier1 Capital (CET1)	
- Unrealized loss recognized in the balance sheet	(7,542)
- Realized (loss)/gains recognized in the equity	(109)

TABLE - 17 SENSITIVITY ANALYSIS - INTEREST RATE RISK

ANNUALISED	<i>US\$ '000</i>
at 25 bps increase (+) /decrease (-)	5,979

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 2022 is as per the following table.

	<i>US\$ '000</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>Equity</i>
at 200 bps - increase (+)	(164,813)	164,377	(436)
at 200 bps - decrease (-)	164,813	(164,377)	436

APPENDIX I - REGULATORY CAPITAL DISCLOSURES**PD 1 : Capital Composition Disclosure Template***Basel III Common disclosure template***Common Equity Tier 1 capital: instruments and Reserves**Directly issued qualifying common share capital plus related stock surplus
Retained earnings

Accumulated other comprehensive income (and other reserves)

Common share capital issued by subsidiaries and held by third parties
(amount allowed in group CET1)

Common Equity Tier 1 capital before regulatory adjustments

Common Equity Tier 1 capital: regulatory adjustments

Goodwill (net of related tax liability)

Other intangibles other than mortgage-servicing rights (net of related tax liability)

Deferred tax assets that rely on future profitability excluding those arising from
temporary differences (net of related tax liability)

Cash-flow hedge reserve

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)**Total regulatory adjustments to Common equity Tier 1****Common Equity Tier 1 capital (CET1)****Additional Tier 1 capital: instruments**Directly issued qualifying Additional Tier 1 instruments plus related stock surplus
Additional Tier 1 instruments (and CET1 instruments not included above) issued by
subsidiaries and held by third parties (amount allowed in group AT1)**Additional Tier 1 capital before regulatory adjustments****Total regulatory adjustments to Additional Tier 1 capital****Additional Tier 1 capital (AT1)****Tier 1 capital (T1 = CET1 + AT1)****Tier 2 capital: instruments and provisions**Directly issued qualifying Tier 2 instruments plus related stock surplus
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)

Expected Credit Losses & Reserves

Tier 2 capital before regulatory adjustments**Total regulatory adjustments to Tier 2 capital****Tier 2 capital (T2)****Total capital (TC = T1 + T2)****Total risk weighted assets****Capital ratios**

Common Equity Tier 1 (as a percentage of risk weighted assets)

Tier 1 (as a percentage of risk weighted assets)

Total capital (as a percentage of risk weighted assets)

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)*of which: Capital Conservation Buffer requirement**of which: bank specific countercyclical buffer requirement (N/A)**of which: G-SIB buffer requirement (N/A)***National minima (if different from Basel 3)**

CBB Common Equity Tier 1 minimum ratio (including buffers)

CBB Tier 1 minimum ratio (including buffers)

CBB total capital minimum ratio (including buffers)

Amounts below the thresholds for deduction (before risk weighting)

Non-significant investments in the capital of other financial entities

Significant investments in the common stock of financial entities

Applicable caps on the inclusion of Expected Credit Losses in Tier 2Expected 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)

Cap on inclusion of Expected Credit Losses in Tier 2 under standardized approach

	<i>US\$ '000</i>	
	<i>PIR as on 30 Jun 2022</i>	<i>Reference</i>
	2,786,983	A1
	558,529	B1+B2+B3+B4
	1,172,257	C1+C2+C3+C4+ C5 +C6 +C7
	338,965	D
	4,856,734	
	422,067	E
	88,629	F1+F2
	-	G1-G2
	(9,096)	C7
	14,673	
	516,273	
	4,340,461	
	400,000	I
	366,160	J
	766,160	
	-	
	766,160	
	5,106,621	
	-	K
	100,893	L
	429,304	M1+M2
	530,197	
	-	
	530,197	
	5,636,818	
	33,704,299	
	12.9%	
	15.2%	
	16.7%	
	9.0%	
	2.5%	
	NA	
	NA	
	9.0 %	
	10.5%	
	12.5%	
	403,847	
	341,946	
	597,585	N
	392,750	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>
Balance sheet per published financial statements	43,872,691
ECL - Stages 1 and 2	597,585
Balance sheet as in Regulatory Return	44,470,276

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

	<u>US\$ '000</u>		
<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	1,406,108	1,406,108	
Financial assets at fair value through Profit & Loss		3,350	
Treasury bills and deposits with central banks	2,267,761	2,267,761	
Deposits with banks	5,907,454	5,907,992	
Loans and advances	22,002,045	22,539,523	
Non-trading investments	9,718,533	9,774,727	
Investment properties	187,661	187,661	
Interest receivable and other assets	1,254,898	1,254,923	
<i>of which deferred tax assets</i>		-	G1
Investments in associates	341,712	341,712	
Goodwill and intangible assets	468,768	468,768	
<i>of which Goodwill</i>		422,067	E
<i>of which other intangibles (excluding MSRs)</i>		46,702	F1
Premises and equipment	317,751	317,751	
<i>of which software</i>		41,927	F2
TOTAL ASSETS	43,872,691	44,470,276	
<i>Liabilities</i>			
Deposits from banks	4,429,632	4,429,632	
Customers' deposits	27,435,745	27,435,745	
Borrowings under repurchase agreements	4,186,731	4,186,731	
Term Borrowings	1,049,534	525,000	
Sukuk payable	-	524,534	
Interest payable and other liabilities	998,824	998,824	
<i>of which deferred tax liabilities</i>		13,427	G2
Subordinated liabilities	9,496	9,496	
<i>of which amount eligible for Tier 2</i>		-	K
<i>of which amount ineligible</i>		9,496	
TOTAL LIABILITIES	38,109,962	38,109,962	
<i>Equity</i>			
Paid-in share capital	2,786,983	2,786,983	
<i>of which form part of Common Equity Tier 1</i>		2,786,983	
Ordinary Share Capital		2,786,983	A1
Treasury Shares		-	
Perpetual Tier 1 Capital Securities - AUB Bahrain	400,000	400,000	I
Reserves	1,530,846	1,530,846	
<i>of which form part of Common Equity Tier 1</i>			
Retained earnings/(losses) brought forward		322,035	B1
Proposed Dividend Payable		-	B2
Net profit for the current period		340,904	C1
Share premium		752,550	C2
Legal reserve		765,479	C3
Others		(5,711)	C4
FX translation adjustment		(612,200)	C5
Cumulative fair value changes on FVOCI investments		(59,669)	C6
Fair value changes of cash flow hedges		(9,096)	C7
<i>of which form part of Tier 2</i>			
Fixed assets revaluation reserves		36,554	M1
CBB modification loss (part of CET1)		91,449	B3
Perpetual Tier 1 Capital Securities - AUB Kuwait	600,000		
Non - controlling interest	444,900	1,044,900	
<i>of which amount eligible for Common Equity Tier 1</i>		338,965	D
<i>of which amount eligible for Additional Tier 1</i>		366,160	J
<i>of which amount eligible for Tier 2</i>		100,893	L
<i>of which amount ineligible</i>		238,882	
Impairment Allowance for Expected Credit Losses - Stages 1 and 2		597,585	N
<i>of which amount eligible for Tier 2 (maximum 1.25% of RWA)</i>		392,750	M2
<i>of which amount included in CET1 as per CBB</i>		145,045	B4
<i>of which amount ineligible</i>		59,790	
TOTAL EQUITY	5,762,729	6,360,314	

PD 3 : Main features of regulatory capital instruments

1	Issuer	Ahli United Bank B.S.C.	Ahli United Bank B.S.C.	Ahli United Bank K.S.C.P.
2	Unique identifier	AUBB.BH - Bahrain Bourses AUB/818 - Kuwait Stock Exchange	ISIN: XS1133289832 / Perpetual Tier 1 Capital Securities	ISIN: XS2342243875 / Perpetual Tier 1 Capital Securities
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
4	Transitional CBB rules	Not applicable	Not applicable	Not applicable
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/group & solo	Solo and Group	Solo and Group	Group
7	Instrument type	Common Equity Shares	Capital Securities	Capital Securities
8	Amount recognized in regulatory capital	\$2787.0 mn	\$400.0 mn	\$348.6 mn
9	Par value of instrument (USD)	\$0.25	\$1000 subject to minimum of \$200,000	\$1000 subject to minimum of \$200,000
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	31-May-2000	29-Apr-2015	17-Jun-2021
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	NA	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)	First Call Option : 17-Jun-2026 at Par/100%; Tax event at Par/100%; Regulatory Capital Event at 100% (Full or partial)
16	Subsequent call dates, if applicable	NA	Every Distribution Payment Date	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
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed
18	Coupon rate and any related index	NA	5.839%	3.875%
19	Existence of a dividend stopper	NA	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	NA	Noncumulative	Noncumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	NA	Yes	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)	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	Fully / Partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	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
36	Non-compliant transitioned features	NA	No	No
37	If yes, specify non-compliant features	NA	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 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]	5,106,621
Total Exposure [B]	47,064,853
Leverage Ratio ([A] / [B])	<u>10.9%</u>