

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015 (Audited)

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2015

| | 2015 | 2014 |
|--|------------------|------------------|
| | US\$ '000 | US\$ '000 |
| Interest income | 1,191,294 | 1,159,489 |
| Interest expense | 376,578 | 396,233 |
| Net interest income | 814,716 | 763,256 |
| Fees and commissions | 153,335 | 147,227 |
| Trading income | 31,745 | 35,204 |
| Net gains on investments | 39,356 | 37,724 |
| Share of profit from associates and joint venture | 29,047 | 24,362 |
| Other operating income | 23,748 | 33,495 |
| Fees and other income | 277,231 | 278,012 |
| OPERATING INCOME | 1,091,947 | 1,041,268 |
| Net provision for loan losses and others | 164,001 | 137,298 |
| Provision for investments | 9,384 | 18,430 |
| Total Provision | 173,385 | 155,728 |
| NET OPERATING INCOME | 918,562 | 885,540 |
| Staff costs | 188,401 | 171,643 |
| Depreciation | 20,379 | 23,555 |
| Other operating expenses | 100,503 | 108,854 |
| OPERATING EXPENSES | 309,283 | 304,052 |
| PROFIT BEFORE TAX | 609,279 | 581,488 |
| Tax expense | 42,669 | 50,234 |
| NET PROFIT FOR THE YEAR | 566,610 | 531,254 |
| Net profit attributable to non-controlling interest | 29,362 | 48,725 |
| NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE BANK | 537,248 | 482,529 |
| EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR THE YEAR: | | |
| Basic & diluted earnings per ordinary share (US cents) | 8.1 | 7.6 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

| | 2015 | 2014 |
|--|----------------|----------------|
| | US\$ '000 | US\$ '000 |
| Net profit for the year | 566,610 | 531,254 |
| Other comprehensive income (OCI) | | |
| Net fair value movement during the year | (5,981) | (69,510) |
| Net change in property revaluation reserve | (876) | 640 |
| Foreign currency translation adjustments | (89,838) | (62,527) |
| Total comprehensive income for the year | 469,915 | 399,857 |
| Total comprehensive income attributable to non-controlling interest | 11,003 | 31,692 |
| Total comprehensive income attributable to owners of the Bank | 458,912 | 368,165 |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

| | 2015 | 2014 |
|--|------------------|------------------|
| | US\$ '000 | US\$ '000 |
| Net cash from operating activities | 17,101 | 152,406 |
| Net cash from (used in) investing activities | 602,812 | (339,756) |
| Net cash used in financing activities | (46,273) | (501,454) |
| Effect of exchange rate fluctuation on cash and cash equivalents | (56,375) | (62,527) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 517,265 | (751,331) |
| Cash and cash equivalents at 1 January | 3,423,375 | 4,174,706 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 3,940,640 | 3,423,375 |

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

| | 2015 | 2014 |
|---|-------------------|-------------------|
| | US\$ '000 | US\$ '000 |
| ASSETS | | |
| Cash and balances with central banks | 1,052,918 | 649,212 |
| Treasury bills and deposits with central banks | 2,117,945 | 2,611,085 |
| Deposits with banks | 4,214,899 | 3,823,517 |
| Loans and advances | 19,353,181 | 18,464,536 |
| Non-trading investments | 5,328,110 | 5,771,902 |
| Investment in associates and joint venture | 314,828 | 288,315 |
| Investment properties | 183,166 | 254,490 |
| Premises and equipment | 238,843 | 267,002 |
| Interest receivable and other assets | 590,829 | 672,890 |
| Goodwill and other intangible assets | 570,598 | 641,939 |
| TOTAL ASSETS | 33,965,317 | 33,444,888 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Deposits from banks | 4,241,191 | 4,499,672 |
| Borrowings under repurchase agreements | 800,998 | 901,590 |
| Customers' deposits | 23,495,227 | 23,006,768 |
| Interest payable and other liabilities | 806,093 | 854,993 |
| Subordinated liabilities | 261,594 | 351,646 |
| TOTAL LIABILITIES | 29,605,103 | 29,614,669 |
| EQUITY | | |
| Ordinary share capital | 1,623,030 | 1,530,471 |
| Treasury shares | (7,309) | (3,997) |
| Perpetual Tier 1 Capital Securities | 400,000 | - |
| Reserves | 1,902,016 | 1,864,400 |
| Equity attributable to the owners and capital securities issued | 3,917,737 | 3,390,874 |
| Non - controlling interest | 442,477 | 439,345 |
| TOTAL EQUITY | 4,360,214 | 3,830,219 |
| TOTAL LIABILITIES AND EQUITY | 33,965,317 | 33,444,888 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

| | 2015 | 2014 |
|--|------------------|------------------|
| | US\$ '000 | US\$ '000 |
| BALANCE AT 1 JANUARY ATTRIBUTABLE TO THE OWNERS OF THE BANK | 3,390,874 | 3,148,824 |
| Total comprehensive income for the year | 458,912 | 368,165 |
| Mandatory Convertible Preference shares dividend paid | - | (3,217) |
| Donations paid | (1,000) | (1,000) |
| Ordinary share dividend paid | (270,269) | (251,496) |
| Distribution on Perpetual Tier 1 Capital Securities | (13,750) | - |
| Additional shares issued | 35,841 | - |
| Perpetual Tier 1 Capital Securities issued | 400,000 | - |
| Expenses related to Perpetual Tier 1 Capital Securities issued | (2,271) | - |
| Transfer from OCI reserve | (87,925) | - |
| Conversion of convertible subordinated debt | - | 100,000 |
| Transfer of property revaluation reserve on sale of property | 1,818 | - |
| Fair value amortisation of share based transactions | 8,325 | 4,262 |
| Movement in subsidiaries | 494 | 2,245 |
| (Purchase) sale of treasury shares | (3,312) | 23,091 |
| BALANCE AT 31 DECEMBER ATTRIBUTABLE TO THE OWNERS AND CAPITAL SECURITIES ISSUED | 3,917,737 | 3,390,874 |
| NON-CONTROLLING INTEREST | 442,477 | 439,345 |
| TOTAL EQUITY AT 31 DECEMBER | 4,360,214 | 3,830,219 |

Hamad M. Al-Humaidhi
Chairman

Rashed Al-Meer
Deputy Chairman

Adel A. El-Labban
Group Chief Executive Officer
& Managing Director

The above Consolidated Balance Sheet and the Consolidated Statements of Income, Comprehensive Income, Cash Flows and Statement of Changes in Equity have been extracted from the Consolidated Financial Statements of Ahli United Bank B.S.C. for the year ended 31 December 2015, which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain on 23 February 2016. For further information please visit www.ahliunited.com.