

Press Release

AHLI UNITED BANK B.S.C. REPORTS A NET PROFIT OF US\$ 174.7 MILLION ATTRIBUTABLE TO OWNERS OF THE BANK FOR Q1/2018

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Ahli United Bank B.S.C. (AUB) reported a net profit attributable to its equity shareholders of US\$ 174.7 million for the quarter ended 31 March 2018. The net profit reflected an increase of 9.6% in Q1/2018 as compared to the net profit of US\$ 159.4 million achieved in Q1/2017. The Q1/2018 net profit also represents a 16.5% improvement over the Q4/2017 trailing quarter reported profit of US\$ 150.0 million. The Basic Earnings per Share in Q1/2018 were US 2.2 cents, compared to US 2.0 cents in Q1/2017.

Net interest income improved by 12.4% to US\$ 229.3 million during the quarter driven by loan and investments growth besides improved margins. Operating income grew by 7.5% which together with consistent application of operational efficiencies resulted in the Bank's cost to income ratio of 25.9% (Q1/2017: 27.0%).

Solid asset quality levels were sustained with a non-performing loans ratio of 1.9% (31 December 2017: 1.9%) while specific provision coverage ratio increased to 87.1% (31 December 2017: 85.1%). The total provision coverage ratio inclusive of expected credit loss provisioning under IFRS 9 but excluding available significant asset collaterals, improved to 219.2% as at 31 March 2018 (31 December 2017: 154.3%).

The Group's Return on Average Equity (ROAE) for Q1/2018, increased to 18.2%, compared to 17.0% achieved in the first quarter of 2017. Return on Average Assets also increased to 2.3% for Q1/2018 (Q1/2017: 2.2%).

Mr. Hamad Al-Humaidhi, AUB Chairman, commented: "Our results demonstrate AUB's resilience and ability to deliver sustainable core earnings on a consistent basis under its diversified well managed business model and through its strategic investments across multiple markets, assisted by robust risk management, effective cost control measures and ongoing focus on the sourcing of cross border business flows."

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