

AHLI UNITED BANK B.S.C. REPORTS A NET PROFIT OF US\$ 618.7 MILLION ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR 2017

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Ahli United Bank B.S.C. (AUB) reported a net profit attributable to its equity shareholders of US\$ 618.7 million for the year 2017, representing a growth of 8.4% as compared to a net profit of US\$ 570.6 million in 2016. The net profit in Q4/2017 was US\$ 150.0 million as compared to US\$ 128.5 million in Q4/2016.

Net operating income increased from US\$ 986.6 million to US\$ 1,030.4 million in 2017 (+ 4.4%), driven largely by a rise in net interest income (NII) of 5.8% to US\$ 876.5 million (2016: US\$ 828.2 million). The NII increase was achieved through higher spreads resulting from focused balance sheet management together with prudent growth in asset volumes within acceptable risk criteria. The disciplined cost culture within the AUB Group resulted in a cost income ratio of 28.8% (2016: 27.6%).

The Group's total assets grew by US\$ 1.9 billion (+6.1%) to reach US\$ 33.2 billion by 2017 year-end. This is attributable to a 4.8% growth in the loans and advances portfolio to US\$ 19.5 billion (31 December 2016: US\$ 18.6 billion) and a 7.8% growth in the investments portfolio to US\$ 6.0 billion (31 December 2016: US\$ 5.6 billion) to ensure a balanced funding profile.

Asset quality improved resulting from focused recovery initiatives during 2017. The non-performing loan ratio improved to 1.9% as at 31 December 2017 as compared to 2.3% as at 31 December 2016 while maintaining a very solid specific provision coverage ratio of 85.1% (31 December 2016: 84.9%). The total provision coverage ratio was 154.3% (2016: 155.6%), excluding available significant asset collaterals against these exposures.

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Overall Return on Average Equity (ROAE) increased to 16.5% (2016: 15.6%) while the Return on Average Assets (ROAA) increased to 2.1% (2016: 1.8%).

The resultant basic earnings per share were US cents 7.7 for the year ended 31 December 2017 (2016: US cents 7.2). The Board of Directors has recommended distribution comprising a cash dividend of US cents 4.5 per share (2016: US cents 4.5 per share) together with a bonus ordinary share issue of 5% (2016: 10%).

Mr. Hamad Al-Humaidhi, AUB Chairman, commented: “AUB continued its solid performance in 2017 against the backdrop of continuing global and regional business volatility. Sustaining AUB’s growth in net profit demonstrates its strong underlying fundamentals and the resilience of its diversified business and geographic model.

“While operating challenges remain, I am cautiously optimistic that AUB is well positioned and prepared to meet the challenges arising out of evolving market conditions both regionally and globally and to maintain its growth momentum into 2018” added Mr. Al-Humaidhi.

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