



مصرف الشارقة الإسلامية
Sharjah Islamic Bank

Management Report

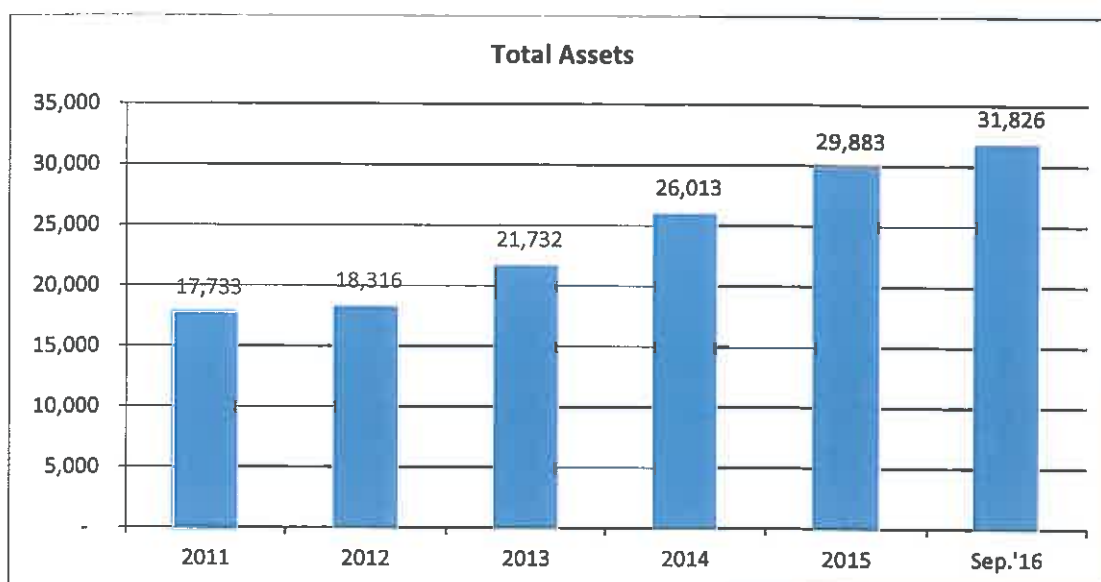
2016-3rd Quarter Report

Financial Review

Sharjah Islamic Bank achieved a net profit of AED 335.8 million for the nine month period ended 30 Sep 2016 and its total assets reached AED 31.8 billion by the end of the 3rd Quarter 2016. SIB has been successfully pursuing a strategy of stable growth in both profitability and financial position which is reflected in the figures below.

Balance Sheet:

Total assets of Sharjah Islamic Bank reached AED 31.8 billion at the end of the 3rd Quarter 2016 compared to AED 29.9 billion at the end of December 2015.



The following are the main changes and highlights that occurred on the balance sheet:

Liquid Assets:

Liquid assets reached AED 7.2 billion or 22.6% of the Balance Sheet at the end of the 3rd Quarter 2016 compared to AED 6.9 billion or 23.1% at the end of 2015.

Customer Receivables:

Net customer receivables of the bank amounted to AED 16.5 billion at the end of the 3rd Quarter 2016, an increase of 1.0% or AED 145.3 million compared to the year end 2015.

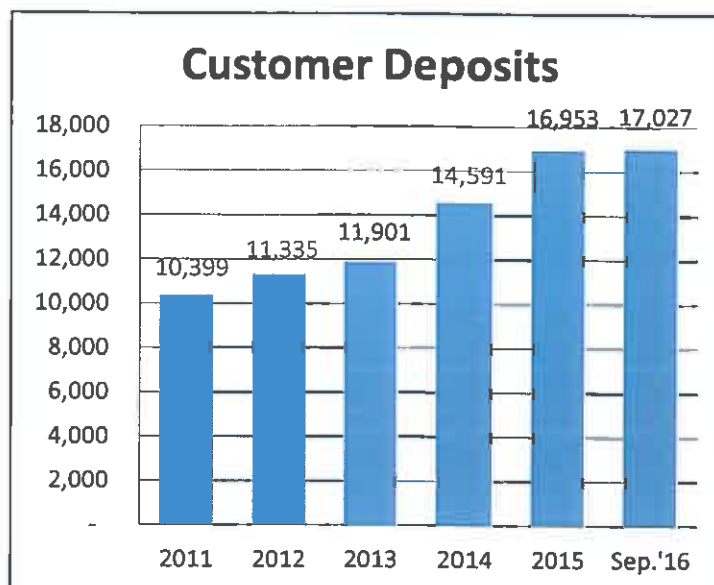


Investment Securities:

Investment securities increase by 66.4% to reach AED 3.9 billion at the end of the 3rd Quarter 2016 compared to AED 2.4 billion at the end of December 2015.

Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 3rd quarter of the year as the total customer deposits reached AED 17.0 billion by the end of the 3rd Quarter 2016, growing by 73.4 million or 0.4% compared to AED 17.0 billion at the year end of 2015.



Due to Banks:

Balance due to banks reached AED 3.6 billion by the end of the 3rd Quarter 2016 with an increase of AED 1.5 billion or 73.6% compared to AED 2.0 billion at the end of December 2015.

Sukuks:

During the 3rd quarter 2016 and as part of USD 1.5 billion medium term sukuk program, SIB successfully issue anew five years sukuk of USD 500 million.

While the 2nd quarter, bank has repaid a sukuk worth AED 1.47 billion (USD 400 million) through its own sources, evidencing excellent liquidity position.

Accordingly total sukuk reached AED 5.5 billion at the end of Sep 2016 compared to AED 5.1 billion at the end of December 2015.

Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.8 billion or 15.1% of total assets by the end of the 3rd Quarter 2016. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (21.5% by the end of the 3rd Quarter 2016) and to remain structurally strong.



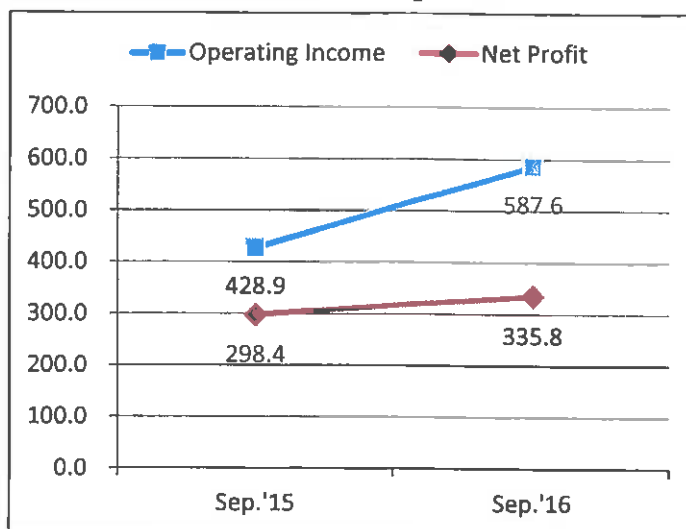
Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 335.8 million for the first nine months of 2016, compared to AED 298.4 million in the same period of 2015, an increase of 12.5%.

Net Operating Income reached AED 587.6 million compared to AED 428.9 million in the same period 2015, an increase of 37%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 617.9 million by the end of the 3rd Quarter 2016 compared to AED 615.1 million at the same period 2015, an increase of AED 2.8 million or 0.5%.



Profit paid on Sukuk reached AED 114.2 million compared to AED 123.7 in the same period 2015; AED 9.4 million lower by 7.6%.

Fees, Commission and Other Income reached AED 405.6 million by the end of the 3rd Quarter 2016 which include (AED 124.0 million profit on sale of properties held for sale) compared to AED 237.8 million in the same period 2015, an increase of AED 167.7 million or 70.5%.

Income from subsidiary reached AED 19.1 million by end of the 3rd Quarter 2016 compared to AED 21.5 million in the same period 2015 a decrease of AED 2.4 million or 11.0%

On the expenses side, General and Administration Expenses reached AED 340.7 million by the end of the 3rd Quarter 2016 compared to AED 321.9 million in the same period 2015, an increase of AED 18.9 million or 5.9%.

Provision-net of recoveries reached AED 103.7 million by end of the 3rd Quarter 2016 compared to AED 34.8 million in the same period last year with an increase of AED 69.0 million or 198.4%



Profits allocated and distributed to depositors reached AED 148.1 million by the end of the 3rd Quarter 2016 compared to AED 95.7 million in the same period 2015; an increase of 54.8%. These profit allocations represent the depositors' share of the Bank's net operating profits based on the profit sharing mechanism between shareholders and depositors as approved by SIB's Shari'a Board.

Return (annualized) on Average Shareholders' Equity (ROAE) reached 11.29% by the end of the 3rd Quarter 2016 compared to 8.82% at the end of December 2015, while Return (annualized) on Average Assets (ROAA) was 1.75% by the end of the 3rd Quarter 2015 compared to 1.47% at the end of December 2015.

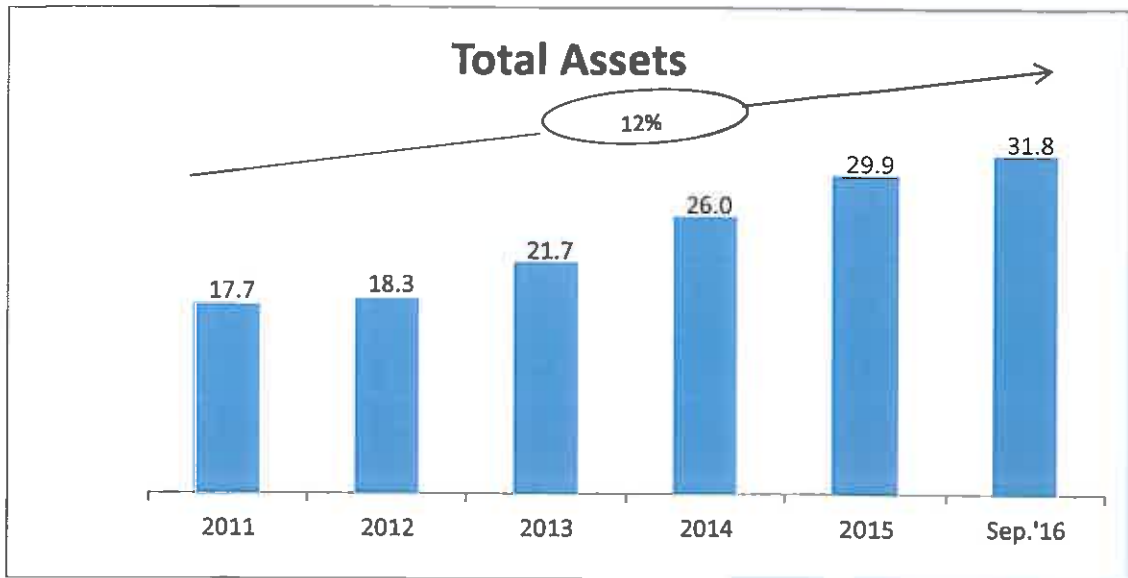
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2011	2012	2013	2014	2015	Q3-2016
Total Assets	17,733	18,316	21,732	26,013	29,883	31,826
Net Customer Receivables	10,427	10,749	12,519	14,475	16,349	16,494
Customer Deposits	10,398	11,335	11,901	14,591	16,953	17,027
Total Shareholders' Equity	4,406	4,444	4,536	4,588	4,704	4,802
Return on Average Assets	1.46%	1.51%	1.53%	1.58%	1.47%	1.45%
Return on Average Equity	5.74%	6.15%	6.84%	8.27%	8.82%	9.42%
Equity to Total Assets	24.85%	24.26%	20.87%	17.64%	15.7%	15.09%
Leverage of Total Capital (Times)	3.02	3.12	3.79	4.67	3.48	5.63

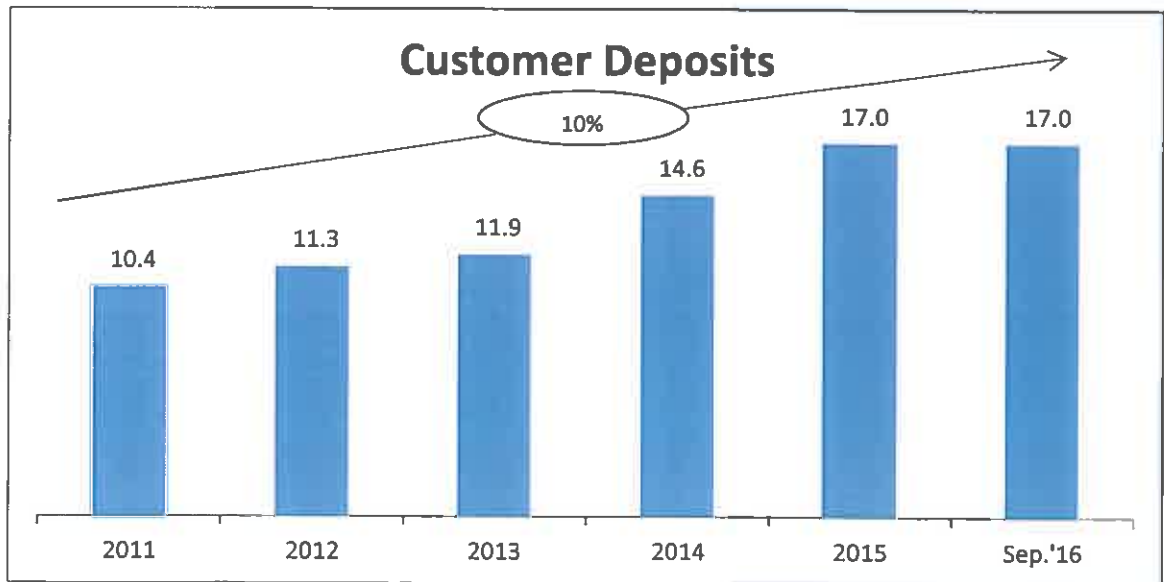
* Annualized.



Total Assets, AED billion

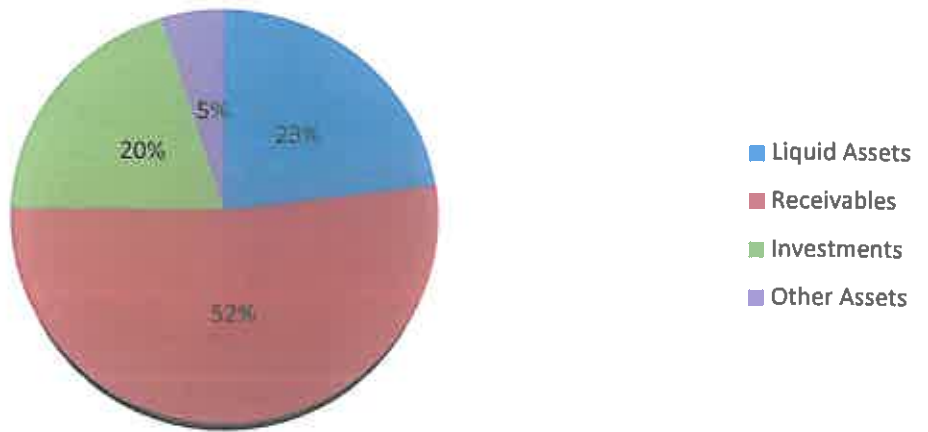


Customer Deposits, AED billion



Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

