



مصرف التارقة الإسلامية
Sharjah Islamic Bank

Management Report

2016-1st Quarter Report

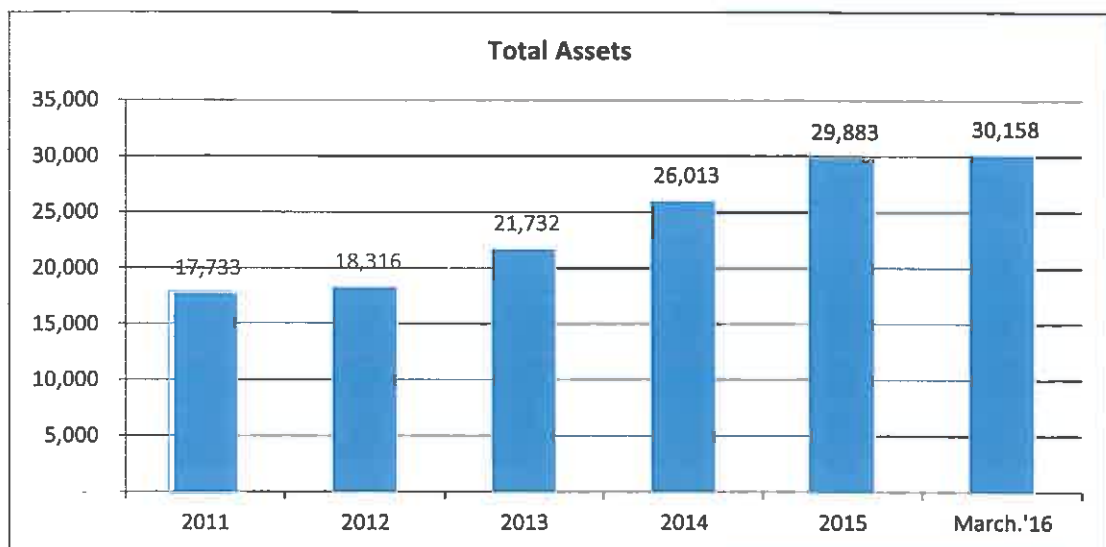


Financial Review

Sharjah Islamic Bank achieved a net profit of AED 131.4 million for the 1st Quarter 2016 and its total assets reached AED 30.2 billion by the end of the 1st 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 Balance Sheet of Sharjah Islamic Bank grew by 1.0% to reach AED 30.2 billion at the end of the 1st 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 6.7 billion or 22.3% of the Balance Sheet at the end of the 1st 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 16.6 billion at the end of the 1st Quarter 2016, an increase of 1.4% or AED 224.1 million compared to the end of December 2015.

The increase in Customer Receivables reflects higher but cautious customer financing. It also reflects the changes made to the financing portfolio of the bank so as to make better use of available liquidity while being aware of the risks that are still prevalent.

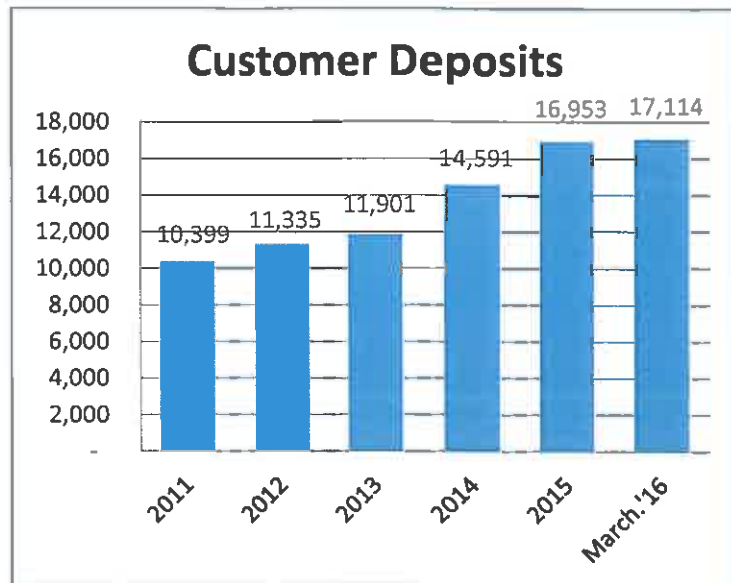


Investment Securities:

Investment securities increase by 18.9% to reach AED 2.8 billion at the end of the 1st 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 1st quarter of the year as customer deposits reached AED 17.1 billion by the end of the 1st Quarter 2016, growing by 161.0 million or 1.0% compared to AED 17.0 billion at the end of 2015.



Due to Banks:

Balance due to banks reached AED 2.2 billion by the end of the 1st Quarter 2016 with an increase of AED 198.8 million or 9.7% compared to AED 2.0 billion at the end of December 2015.

Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.6 billion or 15.3% of total balance sheet by the end of the 1st Quarter 2016. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (20.6% by the end of the 1st Quarter 2016) and to remain structurally strong.



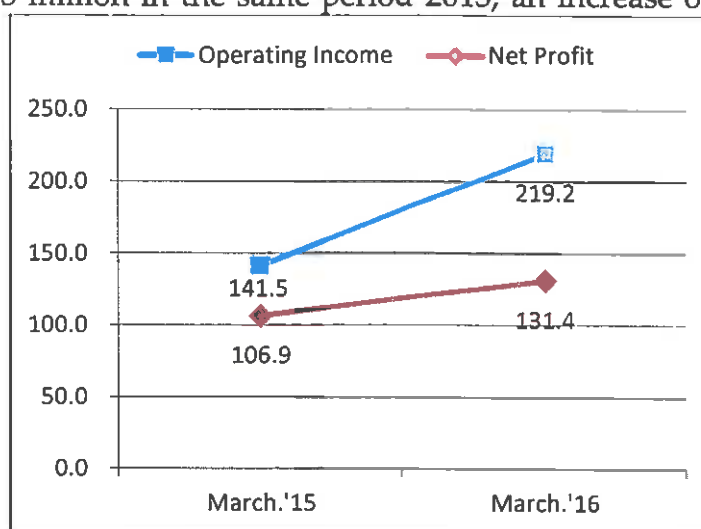
Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 131.4 million at the end of the 1st Quarter of 2016, compared to AED 106.9 million in the same period of 2015, an increase of 22.9%.

Net Operating Income reached AED 219.2 million by the end of the 1st Quarter 2016 compared to AED 141.5 million in the same period 2015, an increase of 55.0%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 212.7 million by the end of the 1st Quarter 2016 compared to AED 196.8 million at the same period 2015, an increase of AED 15.9 million or 8.1%.



Profit paid on Sukuk reached AED 45.0 million compared to AED 33.7 in the same period 2015; AED 11.3 million higher which was mainly due to the issuance of new Sukuk of USD 500 million in March 2015.

Fees, Commission and Other Income reached AED 154.7 million by the end of the 1st Quarter 2016 which include AED 72 million profit on sale of properties available for sale compared to AED 76.4 million in the same period 2015, an increase of AED 78.4 million or 102.6%.

Income from subsidiary reached AED 9.5 million by end of the 1st Quarter 2016 compared to AED 9.3 million in the same period 2015 an increase of AED 200 thousand or 2.1%

On the expenses side, General and Administration Expenses reached AED 112.8 million by the end of the 1st Quarter 2016 compared to AED 107.4 million in the same period 2015, an increase of AED 5.5 million or 5.1%.

Provision-net of recoveries reached AED 43.8 million by end of the 1st Quarter 2016 compared to AED 4.2 million in the same period last year with an increase of AED 39.6 million or 938.1%



Profits allocated and distributed to depositors reached AED 44.0 million by the end of the 1st Quarter 2016 compared to AED 30.4 million in the same period 2015; an increase of 45.0%. 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 1st 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 1st Quarter 2015 compared to 1.47% at the end of December 2015.

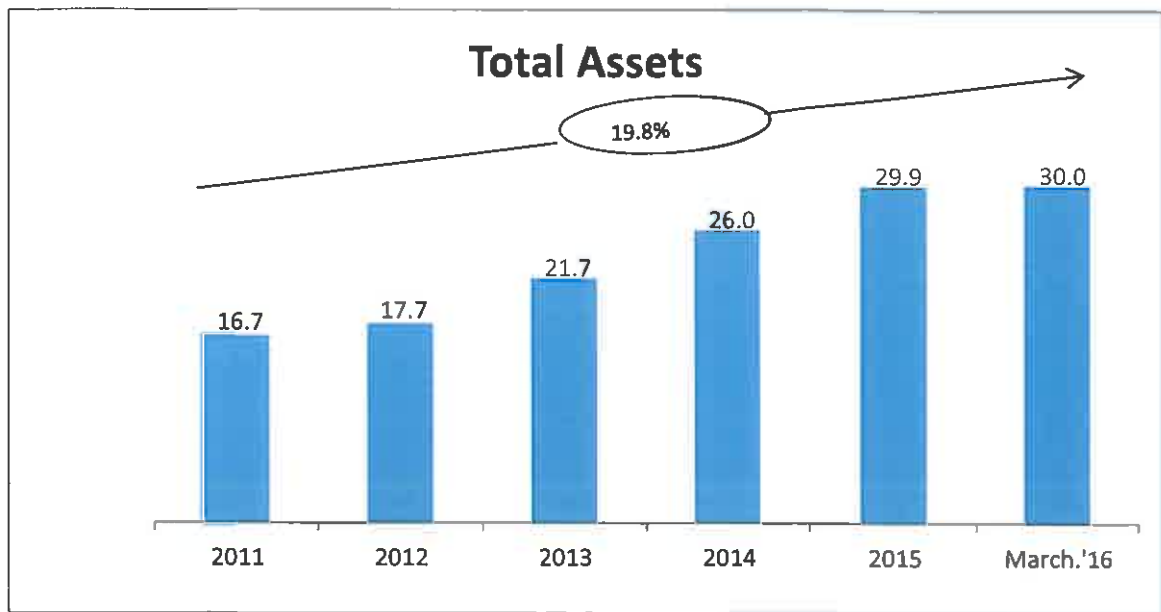
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2011	2012	2013	2014	2015	Q1-2016
Total Assets	17,733	18,316	21,732	26,013	29,883	30,158
Net Customer Receivables	10,427	10,749	12,519	14,475	16,349	16,578
Customer Deposits	10,398	11,335	11,901	14,591	16,953	17,114
Total Shareholders' Equity	4,406	4,444	4,536	4,588	4,704	4,608
Return on Average Assets	1.46%	1.51%	1.53%	1.58%	1.47%	1.75%
Return on Average Equity	5.74%	6.15%	6.84%	8.27%	8.82%	11.29%
Equity to Total Assets	24.85%	24.26%	20.87%	17.64%	15.7%	15.28%
Leverage of Total Capital (Times)	3.02	3.12	3.79	4.67	3.48	5.54

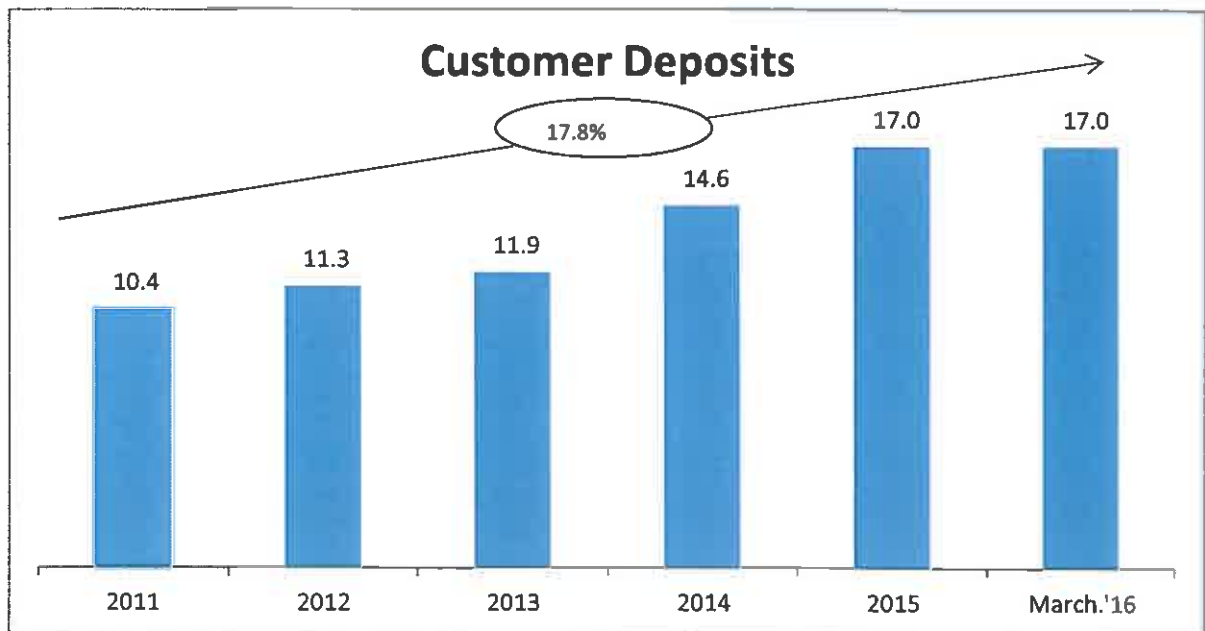
* Annualized.



Total Assets, AED billion



Customer Deposits, AED billion



Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

