



مصرف التارقة الإسلامية
Sharjah Islamic Bank

Management Report

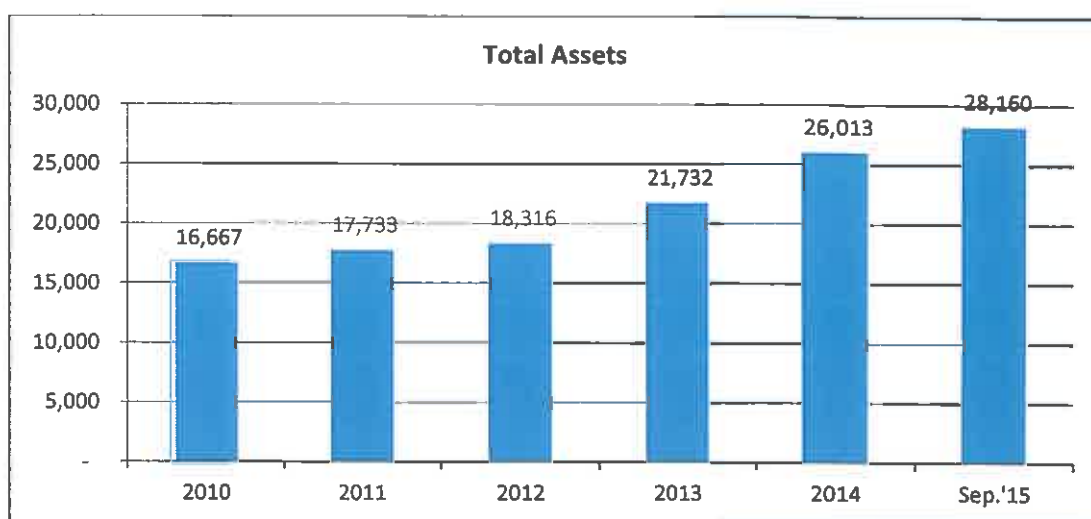
2015-3rd Quarter Report

Financial Review

Sharjah Islamic Bank achieved a net profit of AED 298.4 million for the 3rd Quarter 2015 and its total assets reached AED 28.2 billion by the end of the 3rd Quarter 2015. 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 8.3% to reach AED 28.2 billion at the end of the 3rd Quarter 2015 compared to AED 26.0 billion at the end of December 2014.



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

Liquid Assets:

Liquid assets reached AED 6.0 billion or 21.3% of the Balance Sheet at the end of the 3rd Quarter 2015 compared to AED 6.3 billion or 24.1% at the end of 2014.

Customer Receivables:

Net customer receivables of the bank amounted to AED 16.1 billion at the end of the 3rd Quarter 2015, an increase of 11.1% or AED 1.6 billion compared to the end of December 2014.

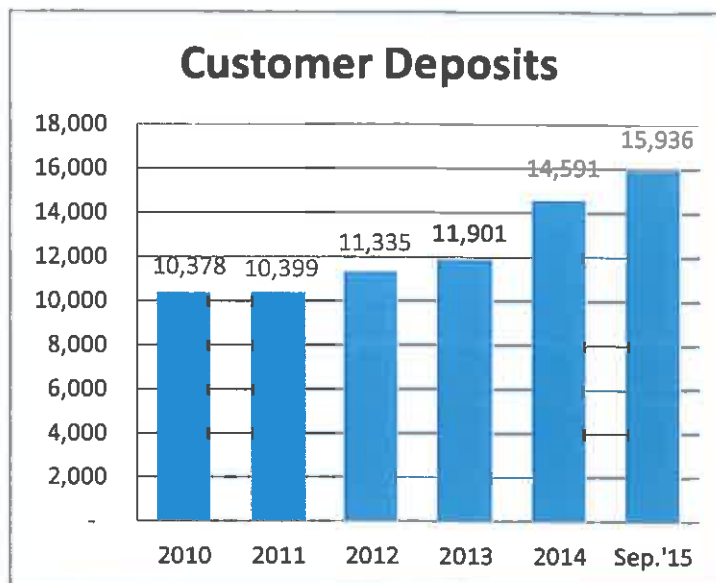
The increase in Customer Receivables reflects higher but cautious customer financing. It also reflects the changes made to the financing portfolio of the bank so as to make better use of available liquidity while being aware of the risks that are still prevalent.

Investment Securities:

Investment securities increase by 47.9% to reach AED 2.3 billion at the end of the 3rd Quarter 2015 compared to AED 1.6 billion at the end of December 2014.

Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 3rd quarter of the year as customer deposits reached AED 15.9 billion by the end of the 3rd Quarter 2015, growing by 1.3 billion or 9.2% compared to AED 14.6 billion at the end of 2014.



Due to Banks:

Balance due to banks reached AED 1.3 billion by the end of the 3rd Quarter 2015 with a decrease of AED 1.2 billion or 47.9% compared to AED 2.5 billion at the end of December 2014.

Sukuk payable

During the course of 2015, and as part of USD 1.5 billion Medium Term Notes Sukuk Program, SIB successfully issued new five-year Sukuk of USD 500.0 million to reach AED 5.1 billion at the end of 3rd Quarter 2015 compared with AED 3.3 billion at the end of December 2014.

The proceeds of Sukuk are intended for supporting the bank's strategic growth plans.

Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.7 billion or 16.6% of total balance sheet by the end of the 3rd Quarter 2015. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (21.96% by the end of the 3rd Quarter 2015) and to remain structurally strong.



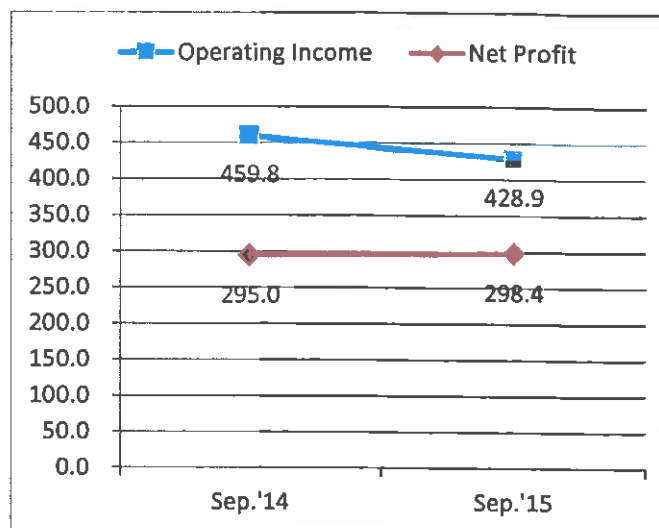
Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 298.4 million at the end of the 3rd Quarter of 2015, compared to AED 295.0 million in the same period of 2014, an increase of 1.2%.

Net Operating Income reached AED 428.9 million by the end of the 3rd Quarter 2015 compared to AED 459.8 million in the same period 2014, a decrease of 6.7%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 615.1 million by the end of the 3rd Quarter 2015 compared to AED 623.7 million at the same period 2014, a decrease of AED 8.6 million or 1.4%.



Profit paid on Sukuk reached AED 123.7 million compared to AED 95.0 in the same period 2014; AED 28.7 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 237.8 million by the end of the 3rd Quarter 2015 compared to AED 199.2 million in the same period 2014, an increase of AED 38.6 million or 19.4%.

Income from subsidiary reached AED 21.5 million by end of the 3rd Quarter 2015 compared to AED 33.7 million in the same period 2014 a decrease of AED 12.3 million or an 36.3%

On the expenses side, General and Administration Expenses reached AED 321.9 million by the end of the 3rd Quarter 2015 compared to AED 301.9 million in the same period 2014, an increase of AED 20.0 million or 6.7%.

Provision-net of recoveries reached AED 34.8 million by end of the 3rd Quarter 2015 compared to AED 76.4 million in the same period last year with a decrease of AED 41.6 million or 54.5%



Profits allocated and distributed to depositors reached AED 95.7 million by the end of the 3rd Quarter 2015 compared to AED 88.4 million in the same period 2014; an increase of 8.2%. 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 8.59% by the end of the 3rd Quarter 2015 compared to 8.27% at the end of December 2014, while Return (annualized) on Average Assets (ROAA) was 1.47% by the end of the 3rd Quarter 2015 compared to 1.58% at the end of December 2014.

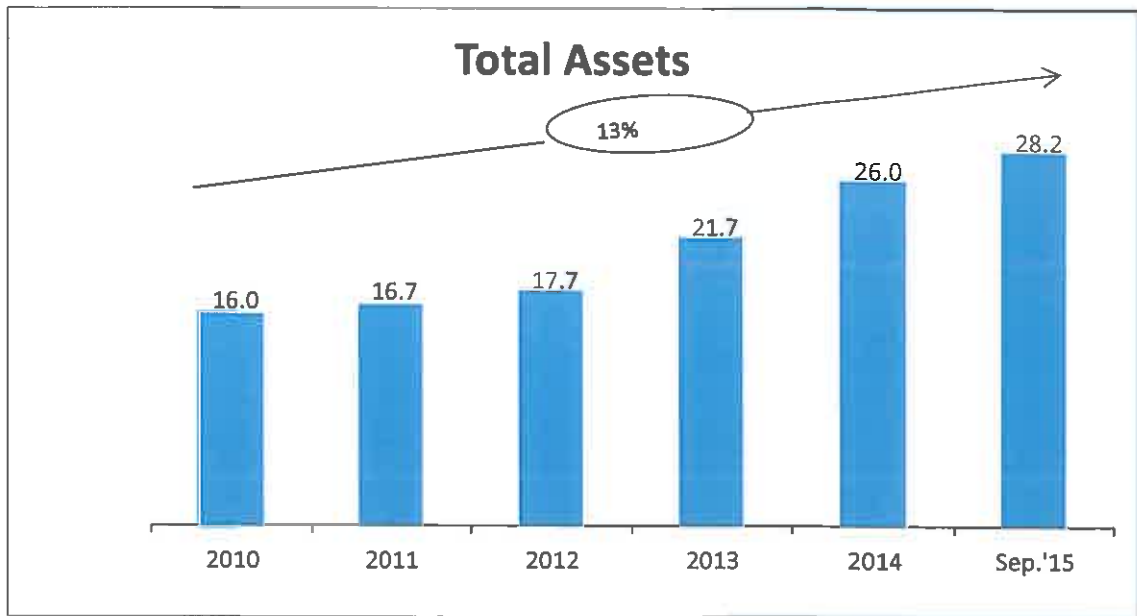
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2010	2011	2012	2013	2014	Q3-2015
Total Assets	16,667	17,733	18,316	21,732	26,013	28,161
Net Customer Receivables	9,654	10,427	10,749	12,519	14,475	16,077
Customer Deposits	10,378	10,398	11,335	11,901	14,591	15,936
Total Shareholders' Equity	4,348	4,406	4,444	4,536	4,588	4,671
Return on Average Assets	1.63%	1.46%	1.51%	1.53%	1.58%	1.47%
Return on Average Equity	6.19%	5.74%	6.15%	6.84%	8.27%	8.59%
Equity to Total Assets	26.09%	24.85%	24.26%	20.87%	17.64%	16.59%
Leverage of Total Capital (Times)	2.83	3.02	3.12	3.79	4.67	5.03

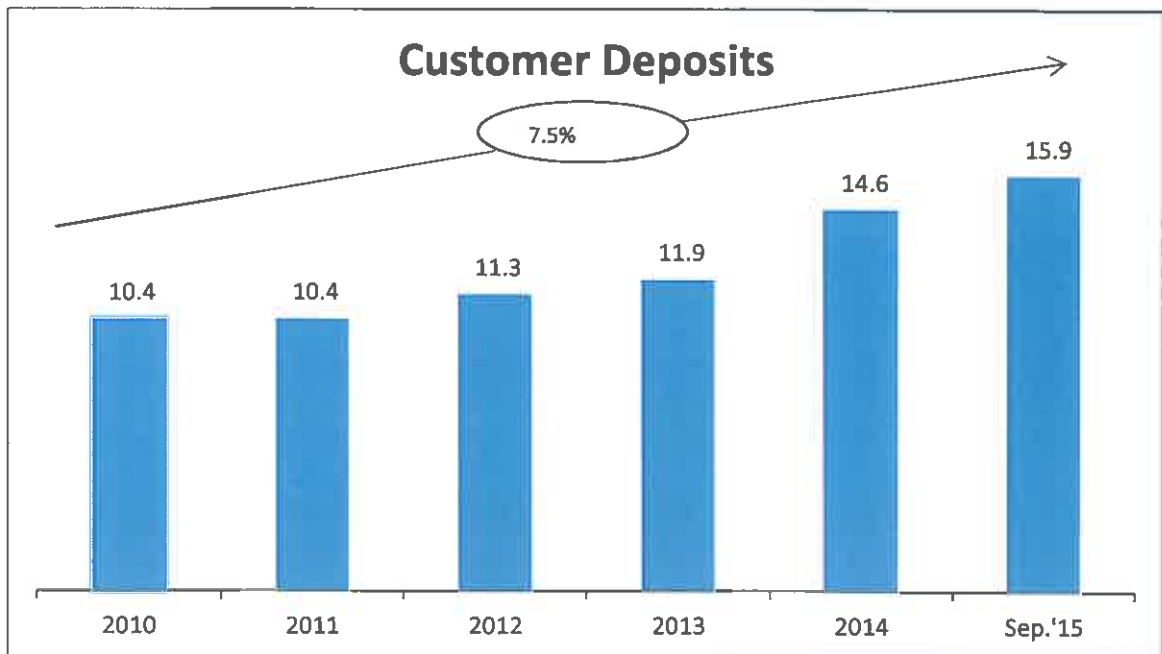
* Annualized.



Total Assets, AED billion

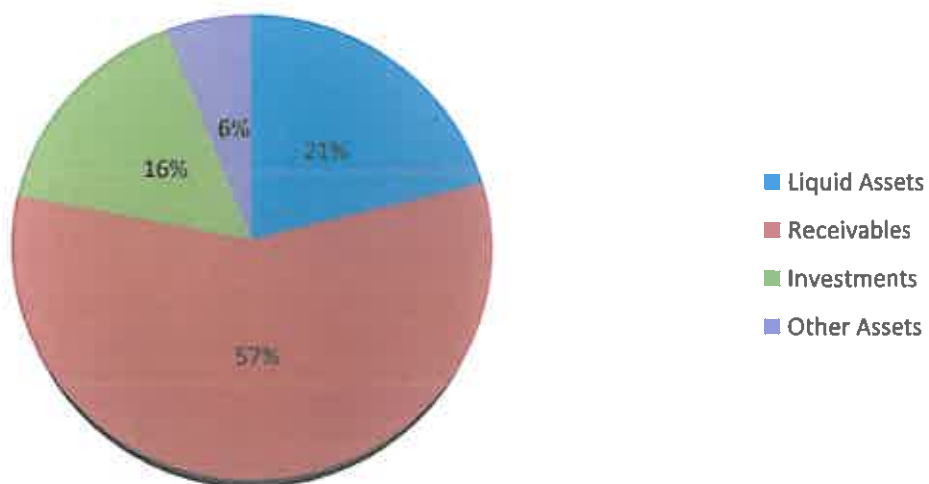


Customer Deposits, AED billion



Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

