

# Al Rayan UK posts record pre-tax profits

The Peninsula

**A**l Rayan Bank PLC, the UK's largest Islamic bank by assets and one of the fastest growing banks in the country, has reported a 32 per cent increase in its annual pre-tax profits, driven by the rapid growth in Bank's balance sheet which increased by 43 per cent to more than £1.44bn (about QR6.79bn).

Al Rayan Bank yesterday announced a record pre-tax profits of £8.2m (QR38.67m).

The results continue the upward profitability trajectory that was set in motion when Al Rayan Bank was acquired by Macraif Al Rayan QSC (MAR), one of Qatar's largest banks, in February 2014.

Some of the other highlights from the Bank's annual report suggest that its Home Purchase Plan (HPP) financing witnessed a remarkable increase of 41 per cent to £637m and Commercial Property Finance increased by 44 per cent to £393m. While the retail deposits with the Bank grew by 67 per cent to over



£1.2bn. The Bank's investments in Sukuks (Islamic bonds) increased by 38 per cent to £167m.

The year 2016 also saw the Bank attract new customers in record numbers and open more than 16,000 new accounts at an average of nearly 44 a day. This was achieved while the Bank strengthened the management team and continued to execute a transformational business strategy, designed to ensure that it maintains its steady growth, control over its costs and sustained profitability in the years ahead.

And, at a time when other

### New accounts

▶ Home Purchase Plan (HPP) financing witnessed a remarkable increase of 41 per cent to £637m.

▶ The bank attracted new customers in record numbers and opened 16,000 new accounts.

High Street Banks are closing branches, Al Rayan Bank is expanding its footprint in the UK, opening three new offices in Wembley, Bradford and Glasgow – the Bank's first physical presence in Scotland.

Robert Sharpe, Chairman, Al Rayan Bank, said: "Despite political uncertainty, market volatility and regulatory changes, 2016 was another year of progress for Al Rayan Bank, both in respect of financial performance and strategically. The Bank has again delivered a set of results which reflects

positively on the success of our strategy, our focus on customers' needs and our excellent people."

"Al Rayan Bank will continue to concentrate on its core franchise of retail and private banking and commercial real estate finance, executing a clear strategy to increase assets in its current product range and customer segments. Funding will continue to keep pace with the Bank's asset growth," added Robert.

To ensure its strong growth and profitability are sustained, Al Rayan Bank has a number of strategic priorities for the coming years.

Sultan Choudhury (pictured), CEO, Al Rayan Bank, said: "With a balance sheet of £1.44bn and retail liabilities of £1.2bn, 2016 has been another year of success for Al Rayan Bank. The Bank is strong and profitable, and continues to grow."

Al Rayan Bank was established in 2004 and has been a pioneer of British retail Islamic banking. The first wholly Sharia compliant retail bank in the UK.

# Opportunities rise in construction sector

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**T**he outlook for construction companies in the GCC will improve in 2017, according to the latest industry research report from Middle East business intelligence service MEED. The report said the region still offers significant opportunities for construction companies despite the slowdown in project spending.

However, the MEED research note warned that a fall in the volume of new opportunities coupled with increased uncertainty about project timelines will see the construction marketing further hardening in response to increased competition.

Outlook for GCC Construction 2017 says that the region's strongest markets over the past 12 months were Dubai, Kuwait and Bahrain, which saw its second-best year for awards since 2007, thanks to the financial support of its GCC partners through the Gulf Development Fund.

The approval of the main contract award on the expansion of Kuwait airport took that market to an all-time high of \$12.2bn of project contract awards in 2016, while the start of work towards Expo 2020 in Dubai enabled the UAE also to record an increase in awards in 2016.

Dubai recorded the lion's share of the project activity in the UAE in 2016, accounting for 72 per cent of all construction and transport deals in the country, while project spending fell sharply in Abu Dhabi.

Elsewhere in the region however, the fall in oil prices

since mid-2014 has had a profound impact on the construction market in the GCC.

With government revenues halved, ministries and other client bodies have had strict limitations imposed on capital spending. This has resulted in projects delays and payment areas, while construction and transport contract awards have dropped in the GCC for the past three years.

The worst performing countries were Saudi Arabia, which saw a 62 per cent drop in contract awards. Delays in payments from government clients were a huge problem in Saudi Arabia. Oman and the UAE, affecting the cash flow of contractors and forcing thousands of layoffs.

While the regional construction market will continue to be challenging in 2017 due to continued uncertainty surrounding government spending, the outlook is brightening.

The recovery in oil prices in 2016 has eased some of the pressure on government finances, while the increased pace in the roll out of economic reforms will see an improvement in confidence as well as an increase in new forms of project model, such as public private partnerships (PPP).

All GCC governments want to increase private sector investment to ease the burden of capital spending on the treasury and this will create new opportunities in the year ahead. Governments have been taking important steps to develop new revenue streams as well as tapping debt markets, which will help clear up payment arrears.

# S'hail Shipping acquires new vessel

The Peninsula

**S**'hail Shipping and Maritime Services has acquired its second vessel. The new vessel is 75,323 dwt at 14,167 metres draft. The company had acquired its first vessel "S'hail Al Ruwals" in March.

Mohamed Khalifa Al-Sada, Chairman and Managing Director of the company, said: "This vessel can carry heavy cargoes

and is capable for carrying more than 62,000 mt of gabbro from UAE to Qatar but because of draft restriction of 12.5 mtrs in Mesaieed."

"Such gearless panamax vessels with higher cargo carrying capacity will be to the benefit to our local customers who can now carry more gabbro in each shipment." The vessel is currently booked for next 2 to 3 months by the local companies

to carry gabbro. The board of directors has already approved the acquisition of its third vessel. It is expected to join the company's fleet in mid-May.

After its incorporation in December 2016, the company has been steadily building-up its tonnage with good quality ships appropriate for catering to not only the local aggregate trade but also the international trading.



QATAR ISLAMIC INSURANCE COMPANY		
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<b>Condensed Statement of Financial Position As at 31.3.2017</b>		
	2017/03/31	2016/12/31
<b>Policyholders, Assets</b>	381,902,731	448,889
Cash and Banks	54,704,781	59,561,527
Receivable from Policyholders	63,652,335	59,190,476
Prepaid Expenses & Other Assets	25,876,860	15,444,797
Due from Reinsurers	24,798,358	17,589,194
Due from Shareholders	2,084,306	2,084,306
Reinsurance Contract Asset	79,290,436	86,402,297
Available for Sale Investment	52,854,576	55,404,184
Properties & Equipment	9,162,006	9,534,143
Investment Properties	125,491,649	126,077,305
<b>Total Policyholders, Assets</b>	<b>437,475,239</b>	<b>429,285,101</b>
<b>Shareholders, Assets</b>		
Cash and Banks	307,412,245	30,427,075
Credit share dividend	1,643,200	3,305,400
Available for Sale Investment	16,494,576	16,294,965
Investment Properties	137,781,480	138,490,398
Investment in Associate Companies	152,584,843	149,804,843
<b>Total Shareholders, Assets</b>	<b>415,966,445</b>	<b>398,483,621</b>
<b>Total Assets</b>	<b>853,381,684</b>	<b>827,768,722</b>
<b>Liabilities &amp; Surplus of Policyholders</b>		
Due to Reinsurers	30,503,930	27,549,021
Reinsurance Contract Liability	246,557,476	237,766,358
Payables, Accruals & Other Liabilities	28,981,681	27,828,576
Distributable Surplus	0	87,920,205
Fair Value Reserve	(1,406,955)	(8,406,955)
Unclaimed Surplus	46,223,649	31,588,839
Retained Surplus	86,595,477	81,463,117
<b>Total Policyholders, Liabilities and Surplus</b>	<b>437,475,239</b>	<b>429,285,101</b>
<b>Liabilities of Shareholders</b>		
Unpaid Dividend	86,482,673	34,767,152
Provision	12,700,043	12,663,032
Due to Policyholders	2,084,306	2,084,306
<b>Total Liabilities of Shareholders</b>	<b>101,267,022</b>	<b>49,514,490</b>
<b>Shareholders' Equity</b>		
Share Capital	150,000,000	150,000,000
Statutory Reserve	99,775,229	99,775,229
General Reserve	1,540,888	1,540,888
Fair Value Reserve	(45,000)	(85,000)
Provision for Contingencies	63,598,306	93,297,776
<b>Total Shareholders' Equity</b>	<b>314,779,423</b>	<b>344,568,893</b>
<b>Total Shareholders, Liabilities and Equity</b>	<b>415,966,445</b>	<b>398,483,621</b>
<b>Total Liabilities, Surplus and Shareholders' Equity</b>	<b>853,381,684</b>	<b>827,768,722</b>
Sheikh Abdullah Bin Thani Al-Thani Chairman   Mr. Ali Ibrahim Al-Abdulghani Chief Executive Officer		

  

Interim Statement of Income and Expenses of Policyholder for the period ended 31.3.2017		
	2017/03/31	2016/03/31
	(Un-reviewed)	(Un-reviewed)
Gross Premium	87,041,775	86,919,358
Shareholders' Waiver (Agency) Fee	(21,751,397)	(21,699,094)
Reinsuring Expenses	(62,988,893)	(60,039,747)
<b>Net Underwriting Surplus</b>	<b>2,301,485</b>	<b>5,171,526</b>
Net Investment Income	784,877	818,130
<b>Surplus for the Period</b>	<b>3,086,361</b>	<b>6,009,657</b>

  

Interim Statement of Income of Shareholders for the period ended 31.3.2017		
	3 months ended 2017/03/31	3 months ended 2016/03/31
	(Un-reviewed)	(Un-reviewed)
<b>Income</b>		
Net Investment Income	581,352	377,002
Interest from Investment in Associates	2,700,000	2,359,000
Waiver (Agency) Fee	21,751,397	21,699,094
Net Reinsuring Income	2,289,700	2,288,000
Shareholders' Share in Policyholder Investment Income	3,139,506	3,352,520
Other Income	575,799	697,325
<b>Gross Income</b>	<b>31,017,754</b>	<b>32,679,738</b>
General & Administrative Expenses	(8,397,646)	(8,418,552)
<b>Total Expenses</b>	<b>(8,397,646)</b>	<b>(8,418,552)</b>
<b>Net Profit for the Period</b>	<b>22,710,108</b>	<b>24,261,186</b>
Adjusted Basic Earnings Per Share	1.51	1.48
Number of Issued Shares	15,050,000	15,050,000