



مصرف الشارقة الإسلامية  
Sharjah Islamic Bank

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# *Management Report*

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## *2017-1<sup>st</sup> Quarter Report*

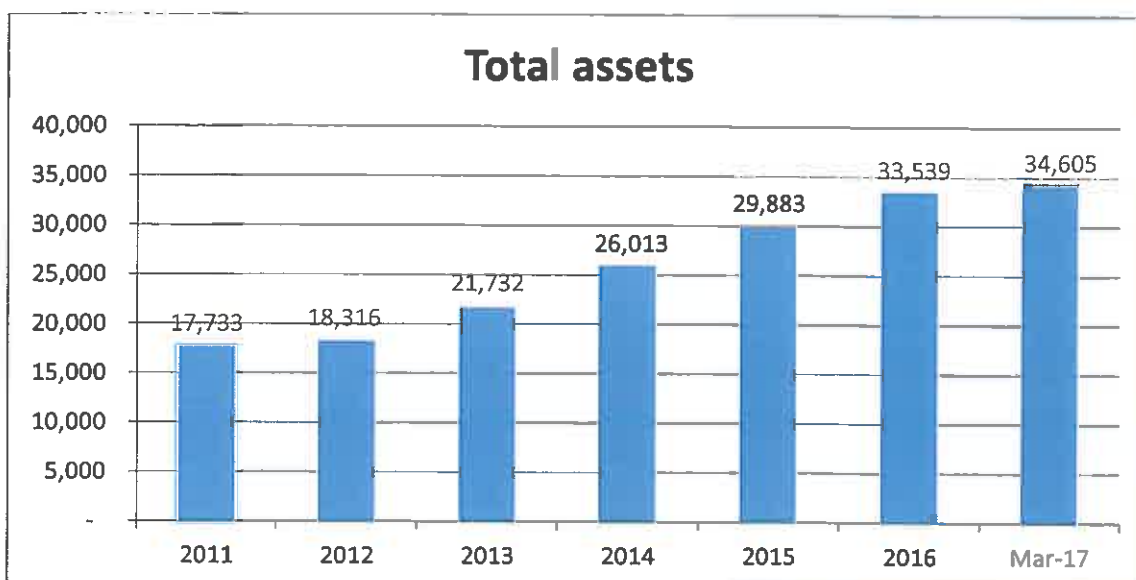
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## Financial Review

Sharjah Islamic Bank achieved a net profit of AED 139.1 million for the three month period ended 31 March 2017 and its total assets reached AED 34.6 billion by the end of the 1<sup>st</sup> Quarter 2017. 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 34.6 billion at the end of the 1<sup>st</sup> Quarter 2017 compared to AED 33.5 billion at the end of December 2016.



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

#### **Liquid Assets:**

Liquid assets reached AED 8.1 billion or 23.5% of the Balance Sheet at the end of the 1<sup>st</sup> Quarter 2017 compared to AED 7.8 billion or 23.4% at the end of 2016.

#### **Customer Receivables:**

Net customer receivables of the bank amounted to AED 17.6 billion at the end of the 1<sup>st</sup> Quarter 2017, an increase of 2.9% or AED 490.8 million compared to the yearend 2016.

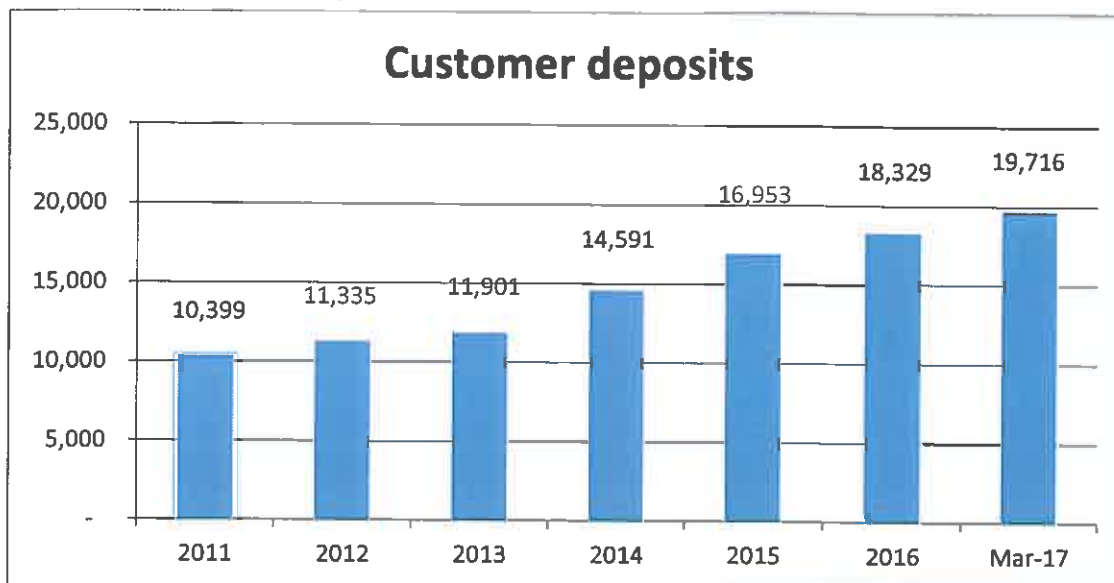


### Investment Securities:

Investment securities increase by 8.5% to reach AED 4.5 billion at the end of the 1<sup>st</sup> Quarter 2017 compared to AED 4.1 billion at the end of December 2016.

### Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 1<sup>st</sup> quarter of the year as the total customer deposits reached AED 19.7 billion by the end of the 1<sup>st</sup> Quarter 2017, growing by 1.4 billion or 7.6% compared to AED 18.3 billion at the year end of 2016.



### Due to Banks:

Balance due to banks reached AED 3.5 billion by the end of the 1<sup>st</sup> Quarter 2017 with a decrease of AED 364.4 million or 9.5% compared to AED 3.8 billion at the end of December 2016.

### Shareholders' Equity:

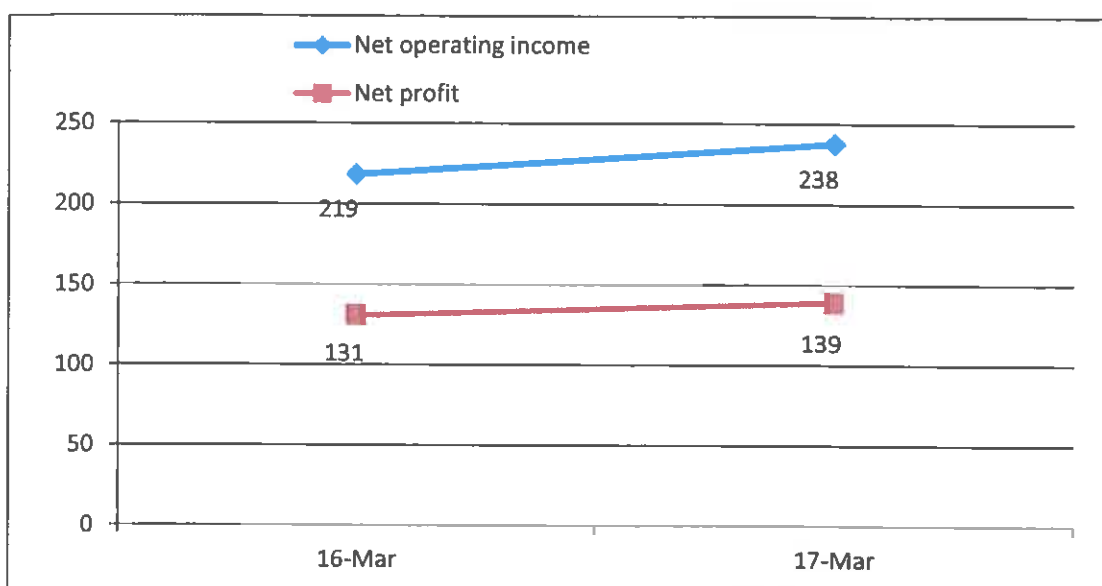
Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 5.0 billion or 14.5% of total assets by the end of the 1<sup>st</sup> Quarter 2017. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio of 21.04% by the end of the 1<sup>st</sup> Quarter 2017) and to remain structurally strong.



## Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 139.1 million for the first three months of 2017, compared to AED 131.4 million in the same period of 2016, an increase of 5.9%.

Net Operating Income reached AED 237.8 million compared to AED 219.2 million in the same period 2016, an increase of 8.5%.



Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 281.3 million by the end of the 1<sup>st</sup> Quarter 2017 compared to AED 212.7 million at the same period 2016, an increase of AED 68.5 million or 32.2%.

Profit paid on Sukuk reached AED 41.9 million compared to AED 44.9 in the same period 2016; AED 3.0 million lower by 6.8%.

Fees, Commission and Other Income reached AED 115.9 million by the end of the 1<sup>st</sup> Quarter 2017 compared to AED 154.7 million in the same period 2016, a decrease of AED 38.8 million or 25.1%.

Income from subsidiary reached AED 10.9 million by end of the 1<sup>st</sup> Quarter 2017 compared to AED 9.5 million in the same period 2016 an increase of AED 1.3 million or 14.1%

On the expenses side, General and Administration Expenses reached AED 128.4 million by the end of the 1<sup>st</sup> Quarter 2017 compared to AED 112.8 million in the same period 2016, an increase of AED 15.5 million or 13.8%.



Provision-net of recoveries reached AED 30.4 million by end of the 1<sup>st</sup> Quarter 2017 compared to AED 43.8 million in the same period last year with a decrease of AED 13.4 million or 30.6%

Profits allocated and distributed to depositors reached AED 68.3 million by the end of the 1<sup>st</sup> Quarter 2017 compared to AED 44.0 million in the same period 2016; an increase of 55.1%. 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 11.28% by the end of the 1<sup>st</sup> Quarter 2017 compared to 9.68% at the end of December 2016, while Return (annualized) on Average Assets (ROAA) was 1.63% by the end of the 1<sup>st</sup> Quarter 2017 compared to 1.46% at the end of December 2016.

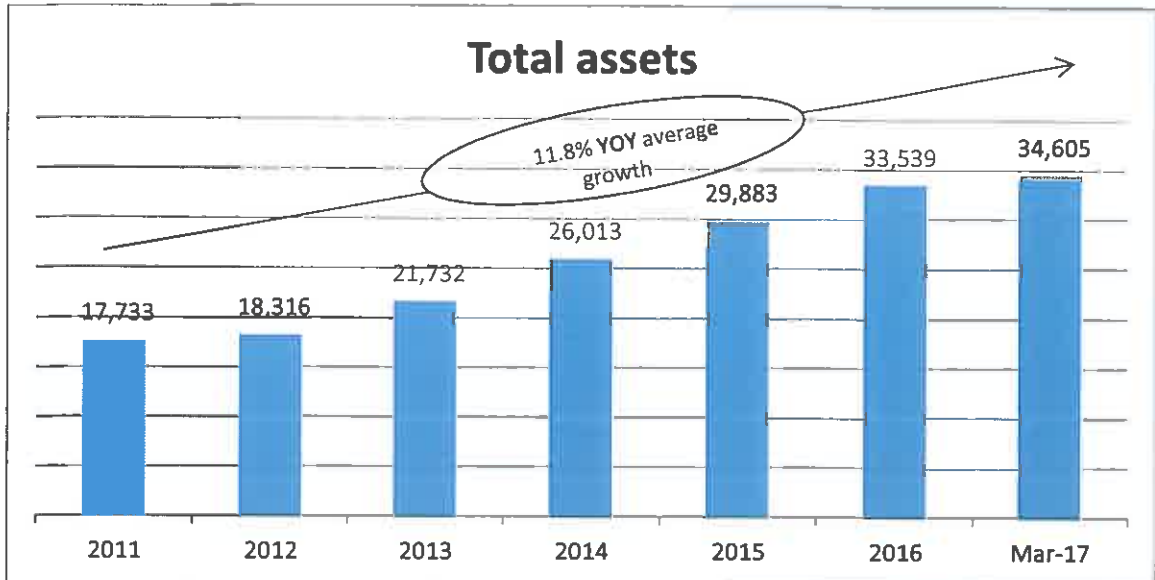
#### Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2012	2013	2014	2015	2016	Q1-2017
<b>Total Assets</b>	18,316	21,732	26,013	29,883	33,539	34,605
<b>Net Customer Receivables</b>	10,749	12,519	14,475	16,349	17,091	17,582
<b>Customer Deposits</b>	11,335	11,901	14,591	16,953	18,329	19,716
<b>Total Shareholders' Equity</b>	4,444	4,536	4,588	4,704	4,856	5,007
<b>Return on Average Assets</b>	1.51%	1.53%	1.58%	1.47%	1.46%	1.63%
<b>Return on Average Equity</b>	6.15%	6.84%	8.27%	8.82%	9.68%	11.28%
<b>Equity to Total Assets</b>	24.26%	20.87%	17.64%	15.7%	14.48%	14.47%
<b>Leverage of Total Capital (Times)</b>	3.12	3.79	4.67	3.48	5.91	5.91

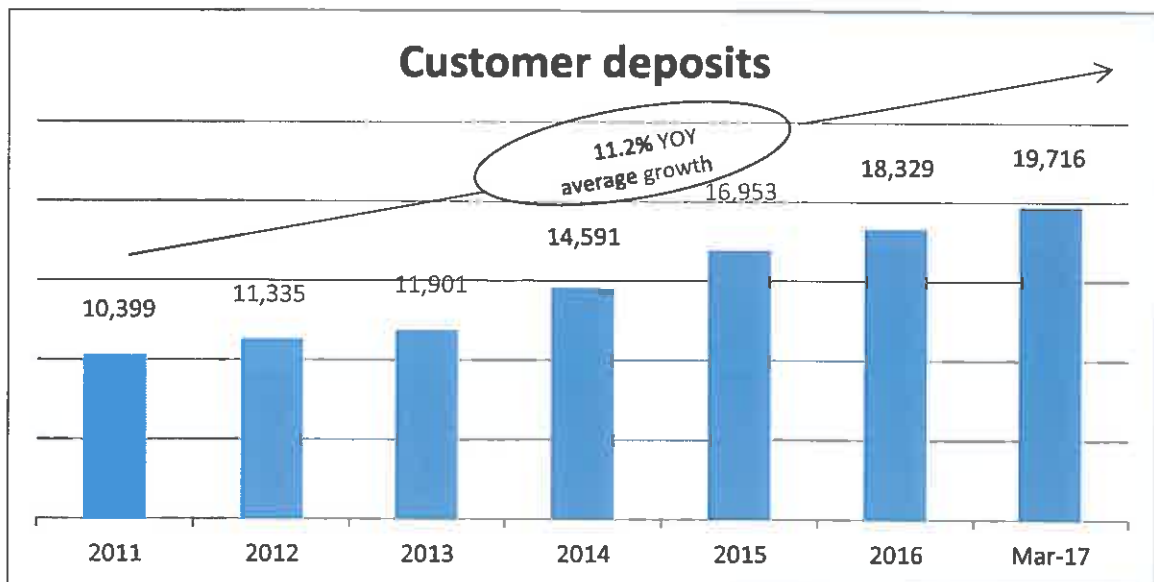
\* Annualized.



## Total Assets



## Customer Deposits



## Assets and Liabilities Structure

