



مصرف الشارقة الإسلامية  
Sharjah Islamic Bank

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# *Management Report*

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## *2017-2<sup>nd</sup> Quarter Report*

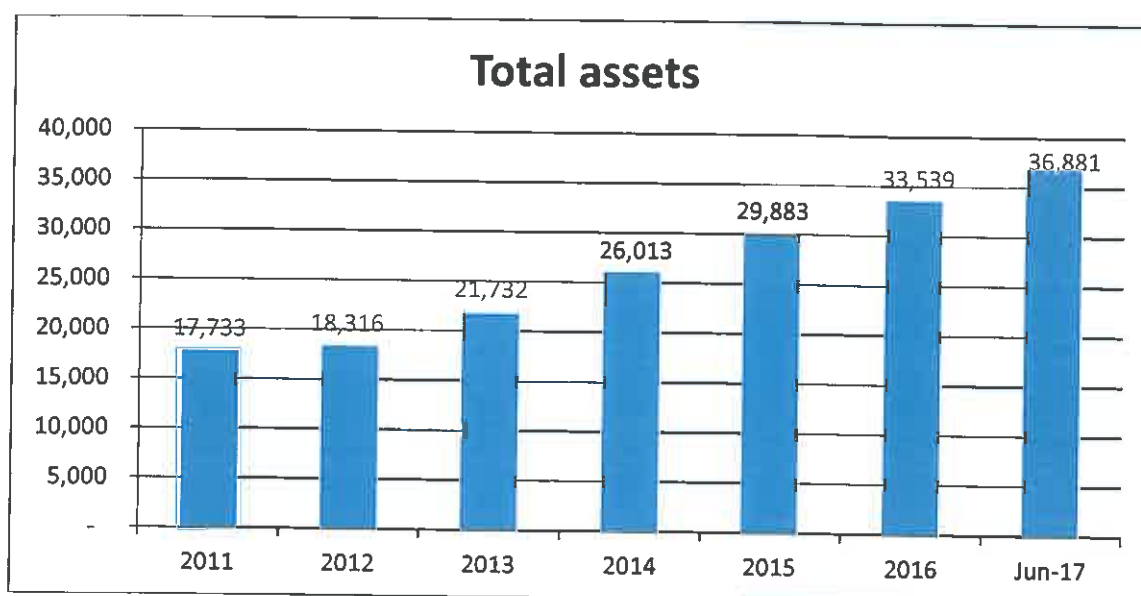
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## Financial Review

Sharjah Islamic Bank achieved a net profit of AED 272.9 million for the six month period ended 30 June 2017 and its total assets reached AED 36.9 billion by the end of the 2<sup>nd</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 36.9 billion at the end of the 2<sup>nd</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 8.4 billion or 22.8% of the Balance Sheet at the end of the 2<sup>nd</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 19.0 billion at the end of the 2<sup>nd</sup> Quarter 2017, an increase of 11.2% or AED 1.9 billion compared to the yearend 2016.

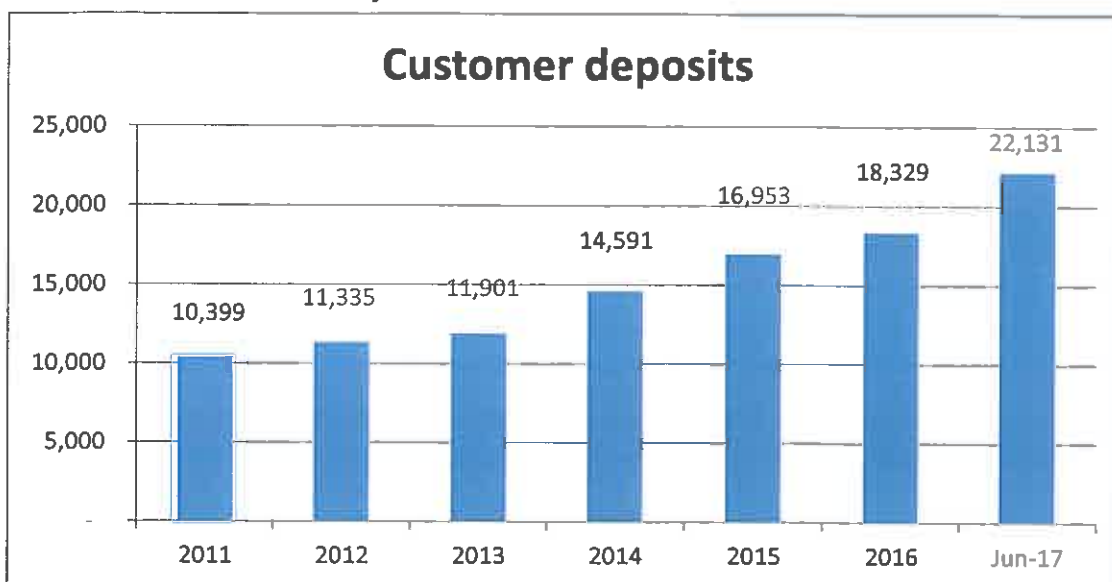


### Investment Securities:

Investment securities increase by AED 825.2 million or 20.1% to reach AED 4.9 billion at the end of the 2<sup>nd</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 2<sup>nd</sup> quarter of the year as the total customer deposits reached AED 22.1 billion by the end of the 2<sup>nd</sup> Quarter 2017, growing by AED 3.8 billion or 20.7% compared to AED 18.3 billion at the year end of 2016.



### Due to Banks:

Balance due to banks reached AED 3.3 billion by the end of the 2<sup>nd</sup> Quarter 2017 with a decrease of AED 586.0 million or 15.2% compared to AED 3.9 billion at the end of December 2016.

### Shareholders' Equity:

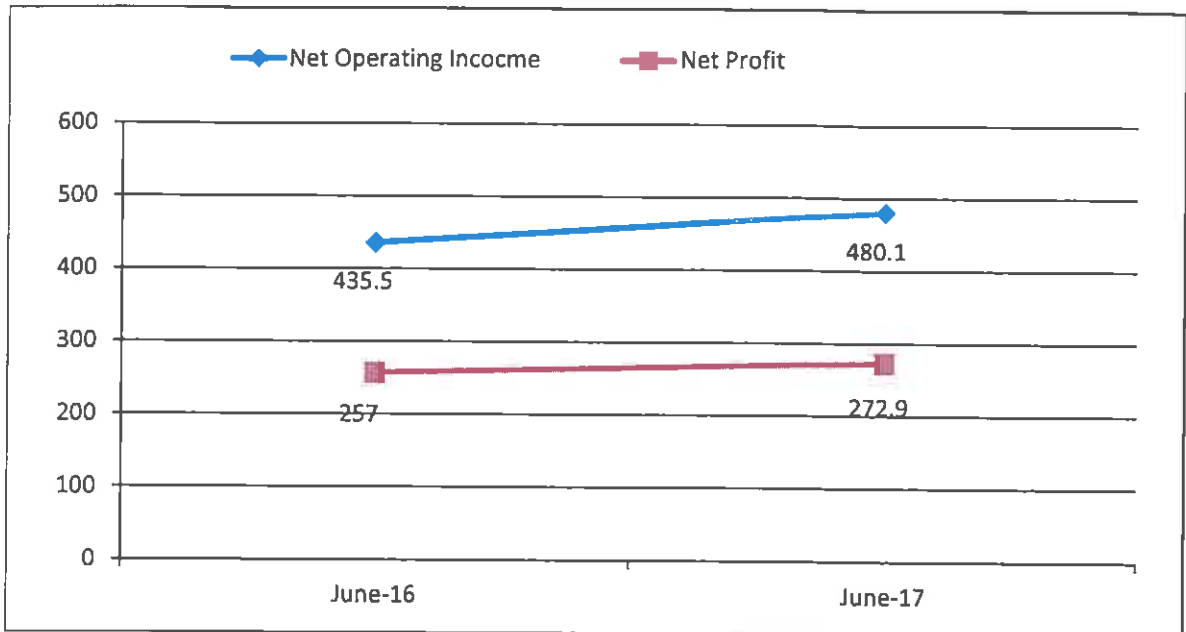
Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 5.1 billion or 13.9% of total assets by the end of the 2<sup>nd</sup> Quarter 2017. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio of 20.61% by the end of the 2<sup>nd</sup> Quarter 2017 and to remain structurally strong.



## Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 272.9 million for the first half of 2017, compared to AED 257.0 million in the same period of 2016, an increase of 6.2%.

Net Operating Income reached AED 480.1 million compared to AED 435.5 million in the same period 2016, an increase of 10.2%.



Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 557.1 million by the end of the 2<sup>nd</sup> Quarter 2017 compared to AED 417.3 million at the same period 2016, an increase of AED 139.9 million or 33.5%.

Profit paid on Sukuk reached AED 83.8 million compared to AED 83.1 in the same period 2016; AED 0.7 million lower by 0.8%.

Fees, Commission and Other Income reached AED 247.5 million by the end of the 2<sup>nd</sup> Quarter 2017 compared to AED 314.1 million in the same period 2016, a decrease of AED 66.7 million or 21.2%. Fees commission and other income includes profit on sale of property held for sale amounting AED 16.8 million for the period end 30 June 2017 compared to AED 124.4 million for the period ended 30 June 2016.

Income from subsidiary reached AED 17.5 million by end of the 2<sup>nd</sup> Quarter 2017 compared to AED 14.3 million in the same period 2016 an increase of AED 3.2 million or 22.1%



On the expenses side, General and Administration Expenses reached AED 258.3 million by the end of the 2<sup>nd</sup> Quarter 2017 compared to AED 227.1 million in the same period 2016, an increase of AED 31.2 million or 13.7%.

Provision-net of recoveries reached AED 65.6 million by end of the 2<sup>nd</sup> Quarter 2017 compared to AED 84.4 million in the same period last year with a decrease of AED 18.8 million or 22.3%

Profits allocated and distributed to depositors reached AED 141.6 million by the end of the 2<sup>nd</sup> Quarter 2017 compared to AED 94.1 million in the same period 2016; an increase of 50.5%. 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.

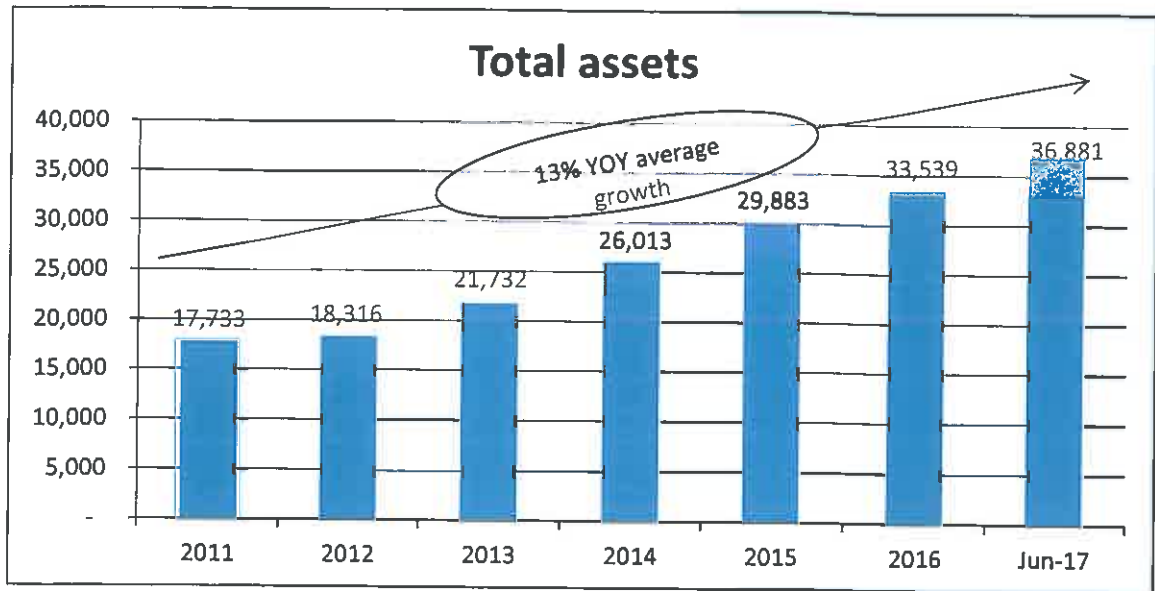
Return (annualized) on Average Shareholders' Equity (ROAE) reached 10.94% by the end of the 2<sup>nd</sup> Quarter 2017 compared to 9.68% at the end of December 2016, while Return (annualized) on Average Assets (ROAA) was 1.55% by the end of the 2<sup>nd</sup> Quarter 2017 compared to 1.46% at the end of December 2016.

#### Summary of key figures and performance ratios

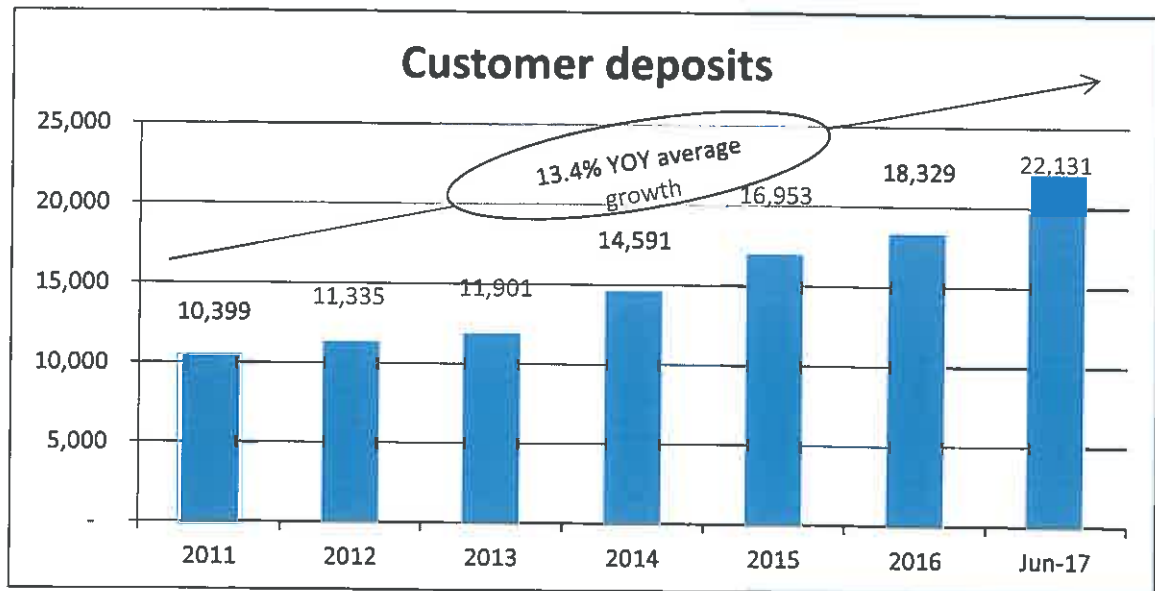
<i>(Figures in AED Millions)</i>	2012	2013	2014	2015	2016	Q2-2017
<b>Total Assets</b>	18,316	21,732	26,013	29,883	33,539	36,881
<b>Net Customer Receivables</b>	10,749	12,519	14,475	16,349	17,091	18,999
<b>Customer Deposits</b>	11,335	11,901	14,591	16,953	18,329	22,131
<b>Total Shareholders' Equity</b>	4,444	4,536	4,588	4,704	4,856	5,118
<b>Return on Average Assets</b>	1.51%	1.53%	1.58%	1.47%	1.46%	1.55%
<b>Return on Average Equity</b>	6.15%	6.84%	8.27%	8.82%	9.68%	10.94%
<b>Equity to Total Assets</b>	24.26%	20.87%	17.64%	15.7%	14.48%	13.88%
<b>Leverage of Total Capital (Times)</b>	3.12	3.79	4.67	3.48	5.91	6.21

\* Annualized.

## Total Assets



## Customer Deposits



## Assets and Liabilities Structure

