



مصرف الشارقة الإسلامي
Sharjah Islamic Bank

Management Report

2018-2nd Quarter Report

Financial Review

Sharjah Islamic Bank achieved a net profit of AED 283.0 million for the six month period ended 30 June of 2018 and its total assets reached AED 42.8 billion by the end of the 2nd quarter 2018. 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 42.8 billion at the end of the 2nd Quarter 2018 compared to AED 38.3 billion at the end of December 2017.



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

Liquid Assets:

Liquid assets reached AED 9.5 billion or 22.2% of the Balance Sheet at the end of the 2nd Quarter 2018 compared to AED 7.0 billion or 18.4% at the end of 2017.

Customer Receivables:

Net customer receivables of the bank amounted to AED 22.6 billion at the end of the 2nd Quarter 2018, an increase of 4.1% or AED 879.5 million compared to the yearend 2017.

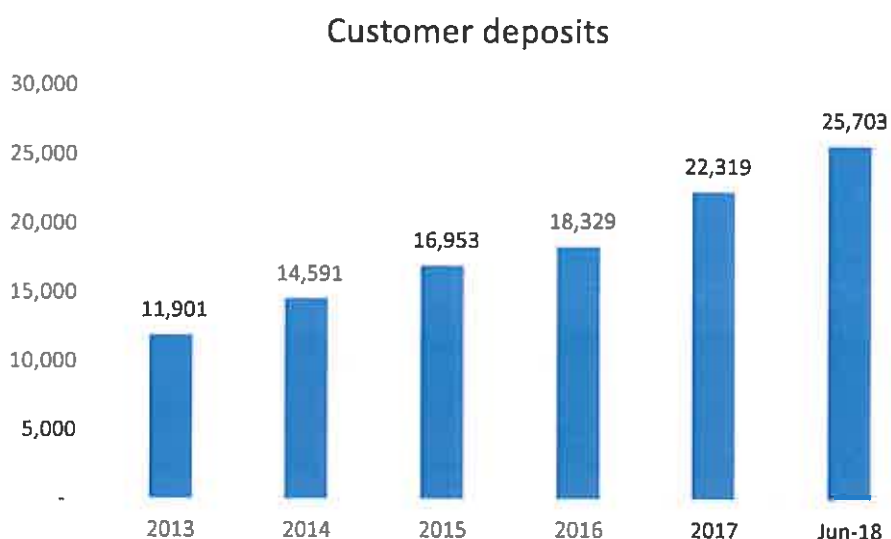


Investment Securities:

Investment securities increase by AED 993.6 million or 19.7% to reach AED 6.0 billion at the end of the 2nd Quarter 2018 compared to AED 5.0 billion at the end of December 2017.

Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 2nd quarter of the year as the total customer deposits reached AED 25.7 billion by the end of the 2nd Quarter 2018, growing by AED 3.4 billion or 15.2% compared to AED 22.3 billion at the year end of 2017.



Due to Banks:

Balance due to banks reached AED 5.4 billion by the end of the 2nd Quarter 2018 with an increase of AED 1.3 billion or 32.8 % compared to AED 4.1 billion at the end of December 2017.

Shareholders' Equity:

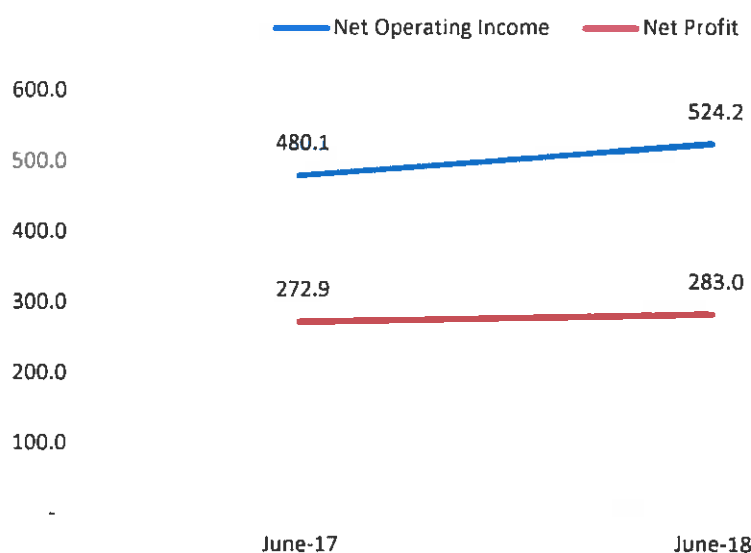
Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 5.5 billion or 12.9 % of total assets by the end of the 2nd Quarter 2018. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio of 18.26% as per Basel 3 by the end of the 2nd Quarter 2018 and to remain structurally strong.



Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 283.0 million for the six month of 2018, compared to AED 272.9 million in the same period of 2017, an increase of 3.7%.

Net Operating Income reached AED 524.2 million compared to AED 480.1 million in the same period 2017, an increase of 9.2%.



Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 605.2 million by the end of the 2nd Quarter 2018 compared to AED 557.1 million at the same period 2017, an increase of AED 48.1 million or 8.6%.

Profit paid on Sukuk reached AED 88.1 million by the end of the 2nd Quarter 2018 compared to AED 83.8 million at the same period 2017, an increase of AED 4.3 million or 5.2%.

Fees, Commission and Other Income reached AED 281.4 million by the end of the 2nd Quarter 2018 compared to AED 249.7 million in the same period 2017, an increase of AED 31.7 million or 12.7 %.

Income from subsidiary reached AED 15.7 million by end of the 2nd Quarter 2018 compared to AED 17.5 million in the same period 2017 a decrease of AED 1.8 million or 10.4%

On the expenses side, General and Administration Expenses reached AED 290.0 million by the end of the 2nd Quarter 2018 compared to AED 260.5 million in the same period 2017, an increase of AED 29.6 million or 11.4%.



Provision-net of recoveries reached AED 25.0 million by end of the 2nd Quarter 2018 compared to AED 65.6 million in the same period last year with a decrease of AED 40.5 million or 61.8%

Profits allocated and distributed to depositors reached AED 216.1 million by the end of the 2nd Quarter 2018 compared to AED 141.6 million in the same period 2017; an increase of 52.6%. 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 10.77% by the end of the 1st Quarter 2018 compared to 9.21% at the end of December 2017, while Return (annualized) on Average Assets (ROAA) was 1.42% by the end of the 1st Quarter 2018 compared to 1.33% at the end of December 2017.

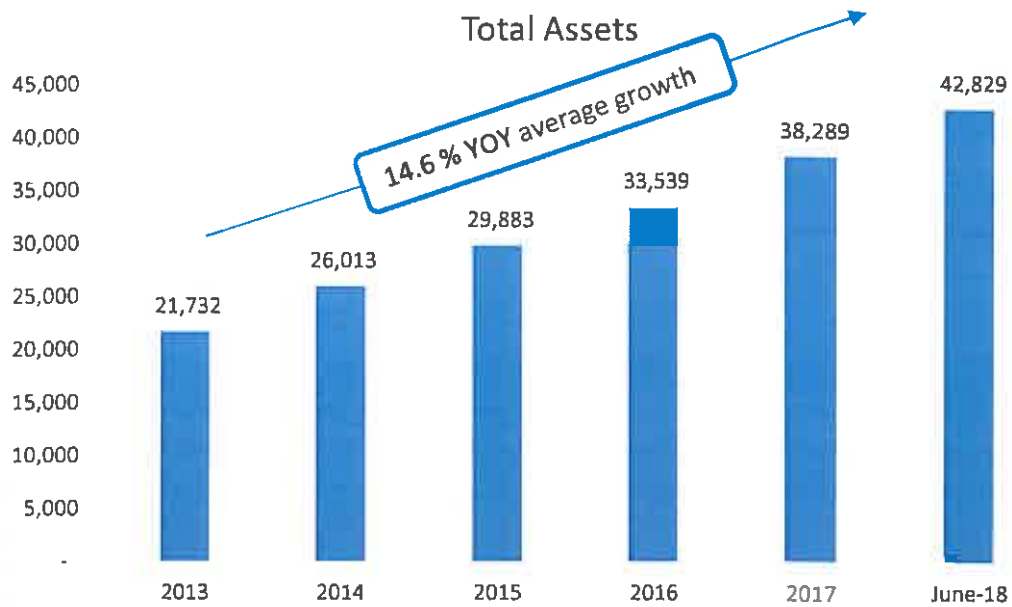
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2013	2014	2015	2016	2017	Q2-2018
Total Assets	21,732	26,013	29,883	33,539	38,289	42,829
Net Customer Receivables	12,519	14,475	16,349	17,091	21,707	22,587
Customer Deposits	11,901	14,591	16,953	18,329	22,319	25,703
Total Shareholders' Equity	4,536	4,588	4,704	4,856	5,519	5,218
Return on Average Assets	1.53%	1.58%	1.47%	1.46%	1.33%	1.40%
Return on Average Equity	6.84%	8.27%	8.82%	9.68%	9.21%	10.54%
Equity to Total Assets	20.87%	17.64%	15.70%	14.48%	14.41%	12.18%
Leverage of Total Capital (Times)	3.79	4.67	3.48	5.91	5.94	7.21

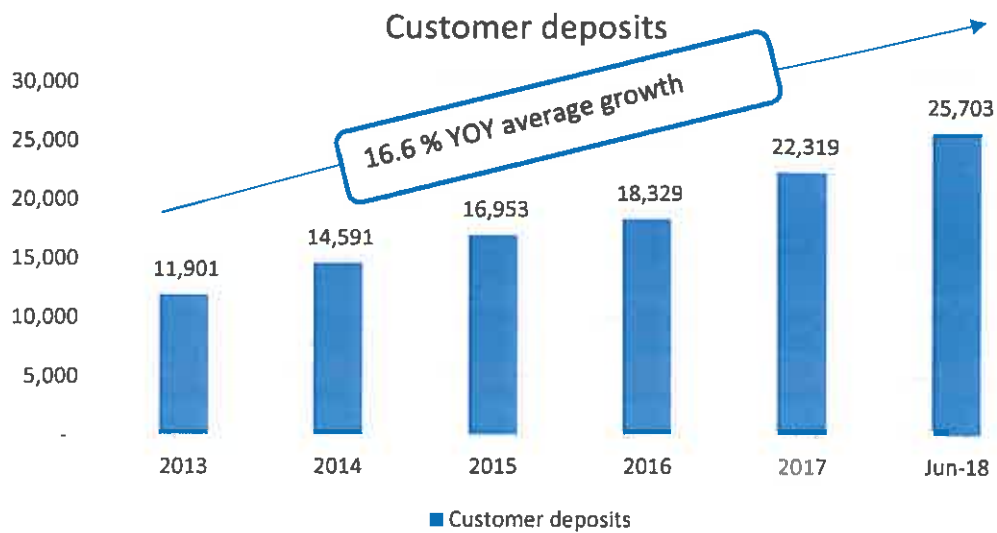
* Annualized.



Total Assets

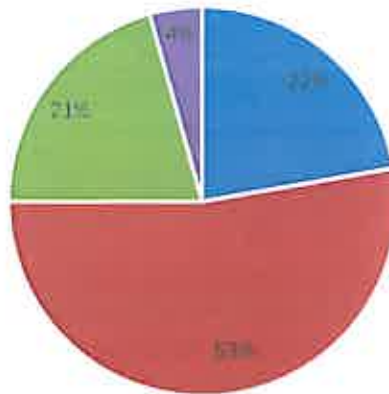


Customer Deposits



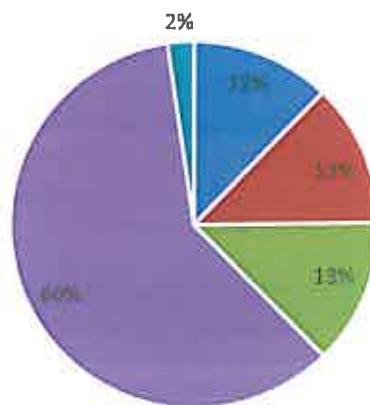
Assets and Liabilities Structure

SIB Asset Structure



■ Liquid assets ■ Receivables ■ Investments ■ Other assets

SIB Liabilities Structure



■ Shareholders' equity ■ Due to banks ■ Sukuk ■ Customers deposits ■ Other liabilities

