



مصرف الشارقة الإسلامية
Sharjah Islamic Bank

Management Report

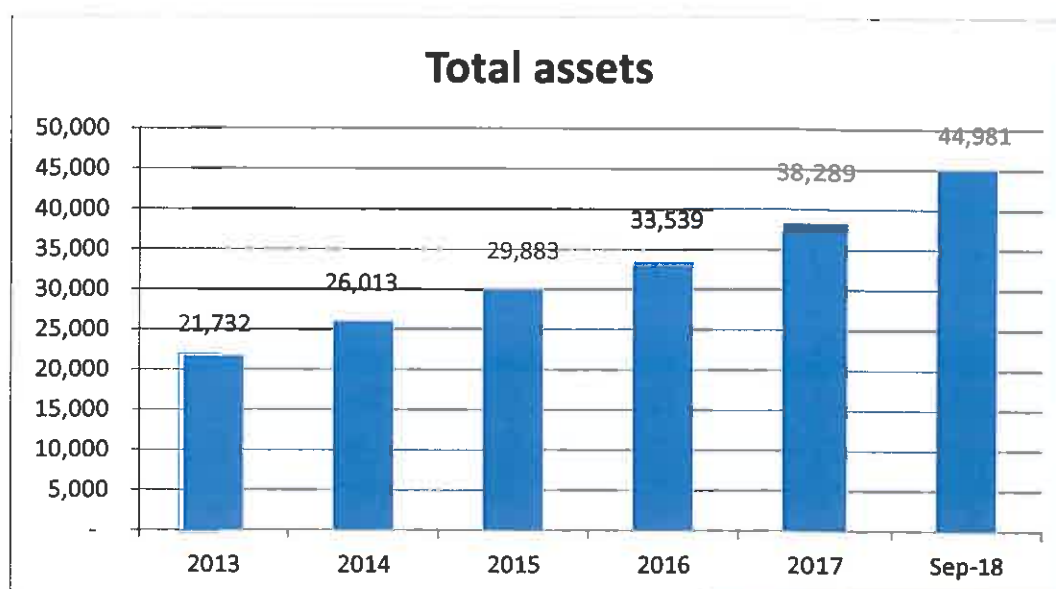
2018-3rd Quarter Report

Financial Review

Sharjah Islamic Bank achieved a net profit of AED 397.7 million for the nine month period ended 30 September of 2018 and its total assets reached AED 44.0 billion by the end of the 3rd 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 44.0 billion at the end of the 3rd 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 10.0 billion or 22.7% of the Balance Sheet at the end of the 3rd Quarter 2018 compared to AED 7.0 billion or 18.4% at the end of 2017.

Customer Receivables:

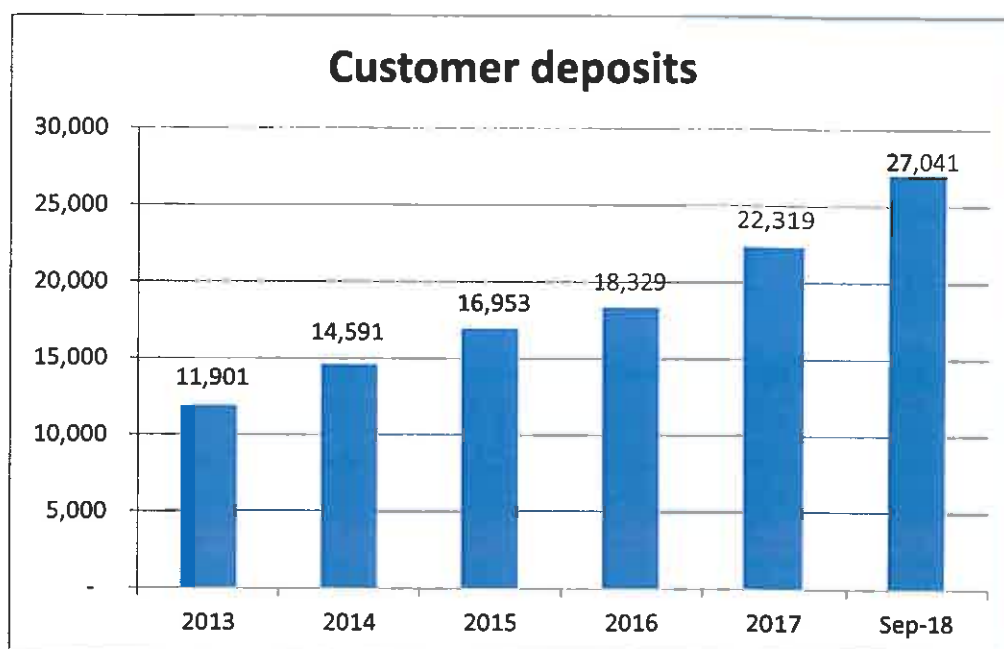
Net customer receivables of the bank amounted to AED 22.9 billion at the end of the 3rd Quarter 2018, an increase of 5.7% or AED 1.2 billion compared to the yearend 2017.

Investment Securities:

Investment securities increase by AED 1.4 billion or 27.1% to reach AED 6.4 billion at the end of the 3rd 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 3rd quarter of the year as the total customer deposits reached AED 27.0 billion by the end of the 3rd Quarter 2018, growing by AED 4.7 billion or 21.1% compared to AED 22.3 billion at the year end of 2017.



Due to Banks:

Balance due to banks reached AED 5.3 billion by the end of the 3rd Quarter 2018 with an increase of AED 1.3 billion or 30.9 % compared to AED 4.1 billion at the end of December 2017.

Shareholders' Equity:

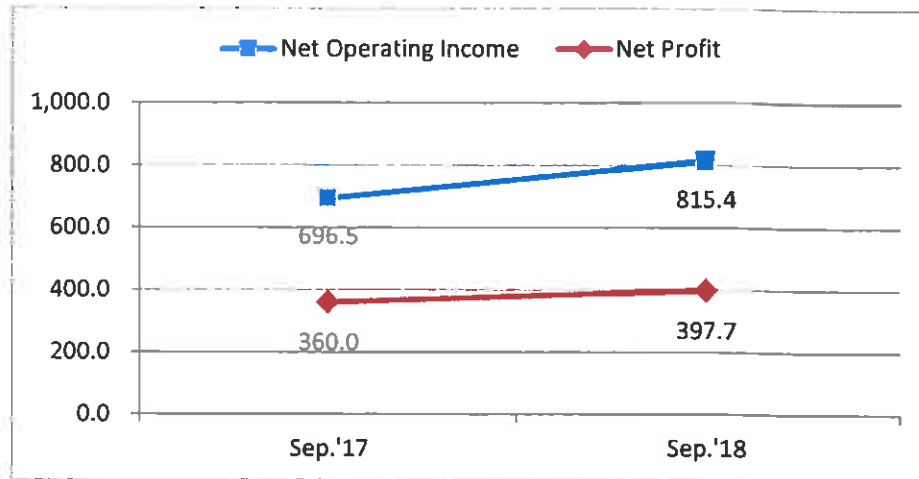
Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 5.3 billion or 12.1 % of total assets by the end of the 3rd Quarter 2018. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio of 18.29% as per Basel 3 by the end of the 3rd Quarter 2018 and to remain structurally strong.



Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 397.7 million for the nine month of 2018, compared to AED 360.0 million in the same period of 2017, an increase of 10.5%.

Net Operating Income reached AED 815.4 million compared to AED 696.5 million in the same period 2017, an increase of 17.1%.



Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 945.6 million by the end of the 3rd Quarter 2018 compared to AED 821.4 million at the same period 2017, an increase of AED 124.3 million or 15.1%.

Profit paid on Sukuk reached AED 135.9 million by the end of the 3rd Quarter 2018 compared to AED 125.69 million at the same period 2017, an increase of AED 10.3 million or 8.2%.

Fees, Commission and Other Income reached AED 427.0 million by the end of the 3rd Quarter 2018 compared to AED 370.1 million in the same period 2017, an increase of AED 56.9 million or 15.4 %.

Income from subsidiary reached AED 19.2 million by end of the 3rd Quarter 2018 compared to AED 21.1 million in the same period 2017 a decrease of AED 1.9 million or 8.9%

On the expenses side, General and Administration Expenses reached AED 440.6 million by the end of the 3rd Quarter 2018 compared to AED 390.5 million in the same period 2017, an increase of AED 50.1 million or 12.8%.



Provision-net of recoveries reached AED 50.7 million by end of the 3rd Quarter 2018 compared to AED 113.5 million in the same period last year with a decrease of AED 62.8 million or 55.3%

Profits allocated and distributed to depositors reached AED 367.3 million by the end of the 3rd Quarter 2018 compared to AED 223.5 million in the same period 2017; an increase of 64.4%. 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 9.76% by the end of the 3rd Quarter 2018 compared to 9.21% at the end of December 2017, while Return (annualized) on Average Assets (ROAA) was 1.29% by the end of the 3rd Quarter 2018 compared to 1.33% at the end of December 2017.

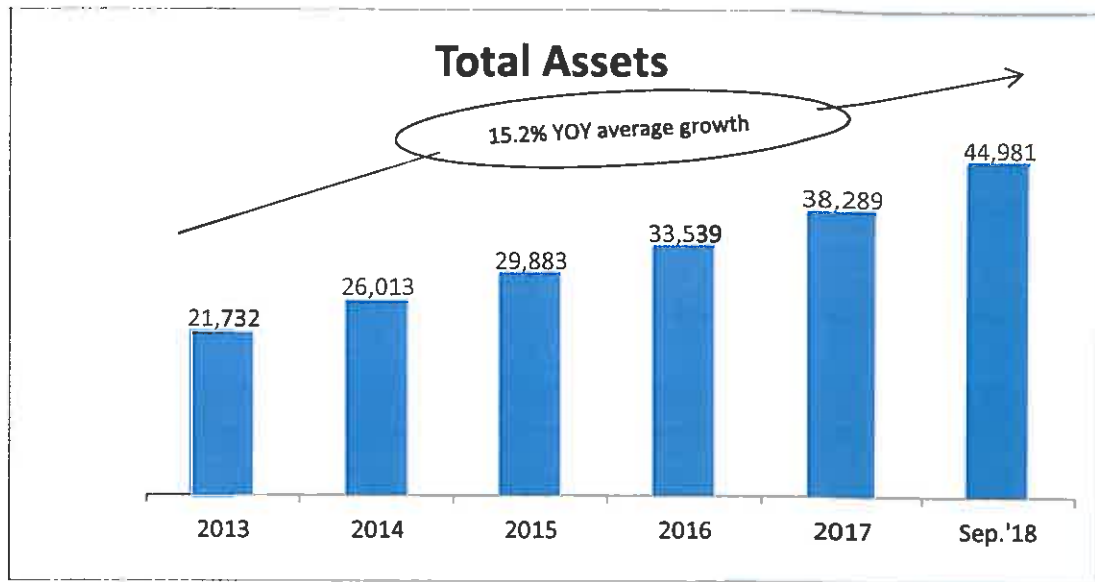
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2013	2014	2015	2016	2017	Q3-2018
Total Assets	21,732	26,013	29,883	33,539	38,289	43,981
Net Customer Receivables	12,519	14,475	16,349	17,091	21,707	22,935
Customer Deposits	11,901	14,591	16,953	18,329	22,319	27,041
Total Shareholders' Equity	4,536	4,588	4,704	4,856	5,519	5,338
Return on Average Assets	1.53%	1.58%	1.47%	1.46%	1.33%	1.29%
Return on Average Equity	6.84%	8.27%	8.82%	9.68%	9.21%	9.76%
Equity to Total Assets	20.87%	17.64%	15.70%	14.48%	14.41%	12.14%
Leverage of Total Capital (Times)	3.79	4.67	3.48	5.91	5.94	7.24

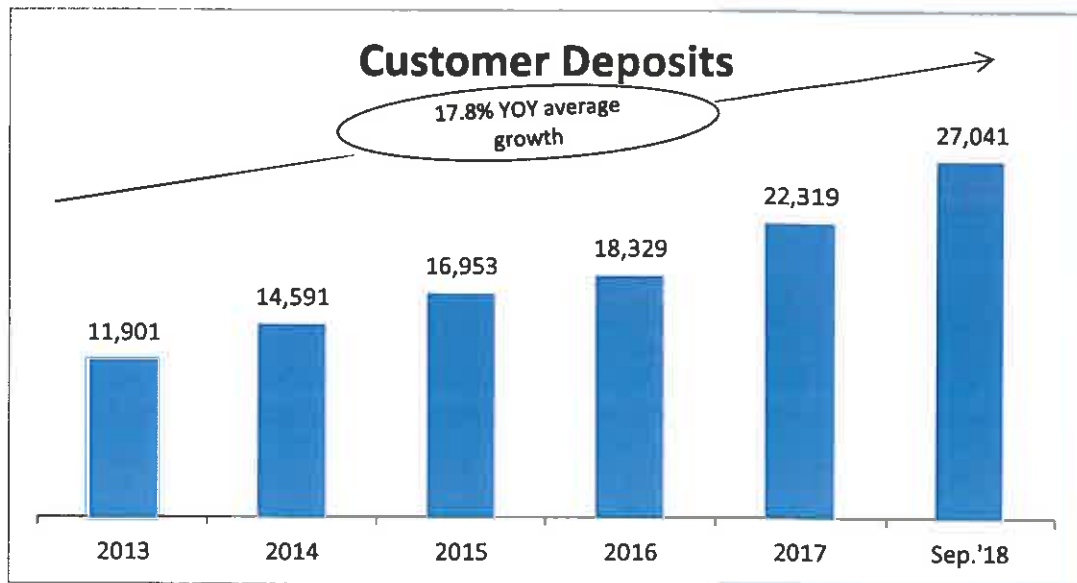
* Annualized.



Total Assets



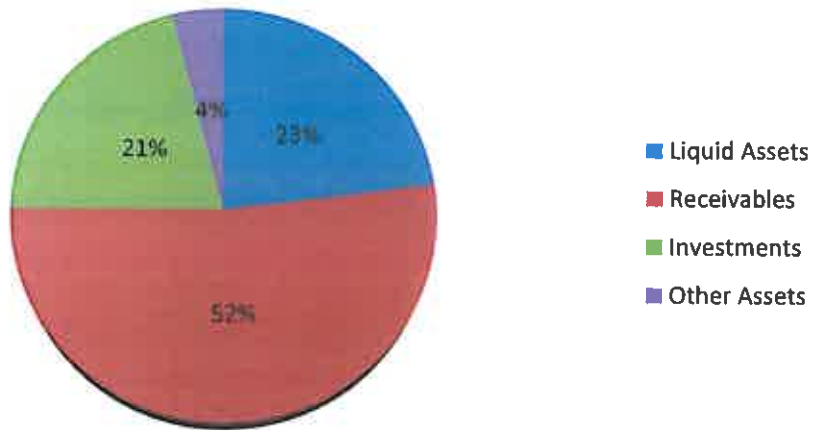
Customer Deposits



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Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

