



مصرف الشارقة الإسلامي
Sharjah Islamic Bank

Management Report

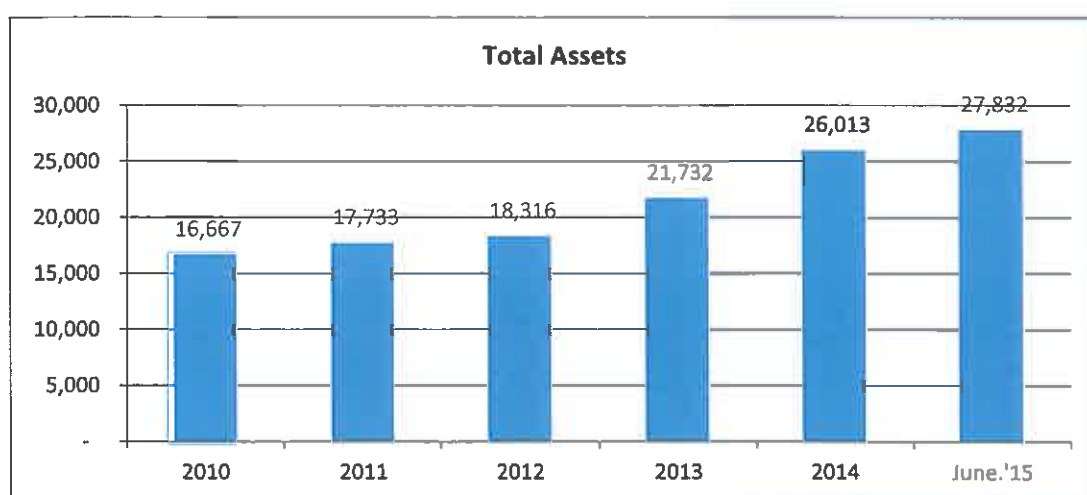
2015-2nd Quarter Report

Financial Review

Sharjah Islamic Bank achieved a net profit of AED 204.6 million for the 2nd Quarter 2015 and its total assets reached AED 27.8 billion by the end of the 2nd Quarter 2015. 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 Balance Sheet of Sharjah Islamic Bank grew by 7.0% to reach AED 27.8 billion at the end of the 2nd Quarter 2015 compared to AED 26.0 billion at the end of December 2014.



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

Liquid Assets:

Liquid assets reached AED 5.9 billion or 21.3% of the Balance Sheet at the end of the 2nd Quarter 2015 compared to AED 6.3 billion or 24.1% at the end of 2014.

Customer Receivables:

Net customer receivables of the bank amounted to AED 15.9 billion at the end of the 2nd Quarter 2015, an increase of 10.1% or AED 1.5 billion compared to the end of December 2014.

The increase in Customer Receivables reflects higher but cautious customer financing. It also reflects the changes made to the financing portfolio of the bank so as to make better use of available liquidity while being aware of the risks that are still prevalent.

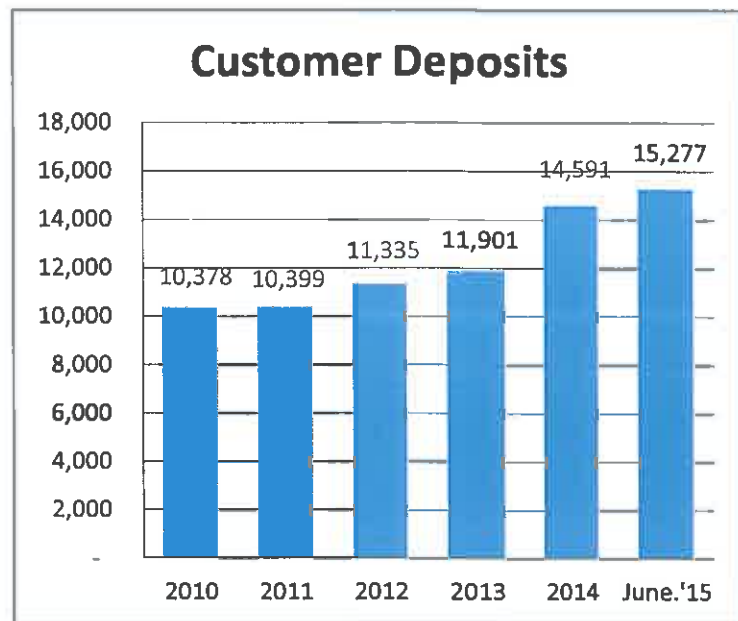


Investment Securities:

Investment securities increase by 42.0% to reach AED 2.2 billion at the end of the 2nd Quarter 2015 compared to AED 1.6 billion at the end of December 2014.

Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 2nd quarter of the year as customer deposits reached AED 15.3 billion by the end of the 2nd Quarter 2015, growing by 685.4 million or 4.7% compared to AED 14.6 billion at the end of 2014.



Due to Banks:

Balance due to banks reached AED 1.8 billion by the end of the 2nd Quarter 2015 with a decrease of AED 620 million or 25.2% compared to AED 2.5 billion at the end of December 2014.

Sukuk payable

During the course of 2015, and as part of USD 1.5 billion Medium Term Notes Sukuk Program, SIB successfully issued new five-year Sukuk of USD 500.0 million to reach AED 5.1 billion at the end of 2nd Quarter 2015 compared with AED 3.3 billion at the end of December 2014.

The proceeds of Sukuk are intended for supporting the bank's strategic growth plans.

Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.6 billion or 16.4% of total balance sheet by the end of the 2nd Quarter 2015. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (21.62% by the end of the 2nd Quarter 2015) and to remain structurally strong.



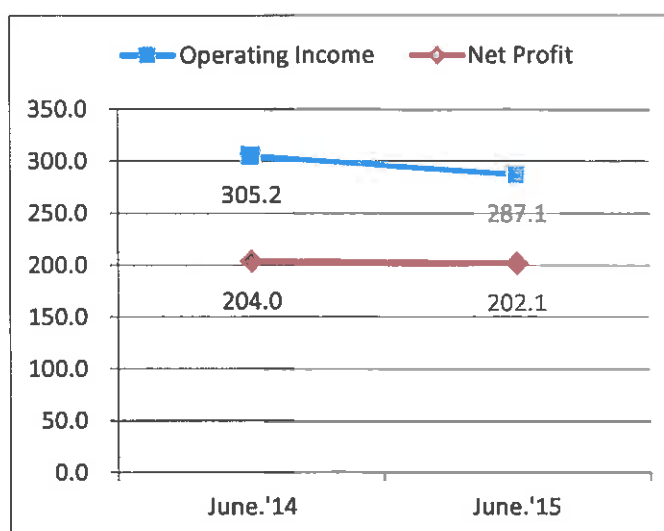
Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 204.6 million at the end of the 2nd Quarter of 2015, compared to AED 202.1 million in the same period of 2014, an increase of 1.2%.

Net Operating Income reached AED 287.1 million by the end of the 2nd Quarter 2015 compared to AED 305.2 million in the same period 2014, a decrease of 6.0%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 405 million by the end of the 2nd Quarter 2015 compared to AED 413.2 million at the same period 2014, a decrease of AED 8.2 million or 2.0%.



Profit paid on Sukuk reached AED 78.7 million compared to AED 63.3 in the same period 2014; AED 15.4 million higher which was mainly due to the issuance of new Sukuk of USD 500 million in March 2015.

Fees, Commission and Other Income reached AED 159.3 million by the end of the 2nd Quarter 2015 compared to AED 131.2 million in the same period 2014, an increase of AED 28.2 million or 21.5%.

Income from subsidiary reached AED 16.1 million by end of the 2nd Quarter 2015 compared to AED 25.0 million in the same period 2014 a decrease of AED 8.9 million or an 35.7%

On the expenses side, General and Administration Expenses reached AED 214.7 million by the end of the 2nd Quarter 2015 compared to AED 200.8 million in the same period 2014, an increase of AED 13.9 million or 6.9%.

Provision-net of recoveries reached AED 19.6 million by end of the 2nd Quarter 2015 compared to AED 45.9 million in the same period last year with a decrease of AED 26.4 million or 57.4%



Profits allocated and distributed to depositors reached AED 62.9 million by the end of the 2nd Quarter 2015 compared to AED 57.2 million in the same period 2014; an increase of 10.0%. 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 8.93% by the end of the 2nd Quarter 2015 compared to 8.27% at the end of December 2014, while Return (annualized) on Average Assets (ROAA) was 1.52% by the end of the 2nd Quarter 2015 compared to 1.58% at the end of December 2014.

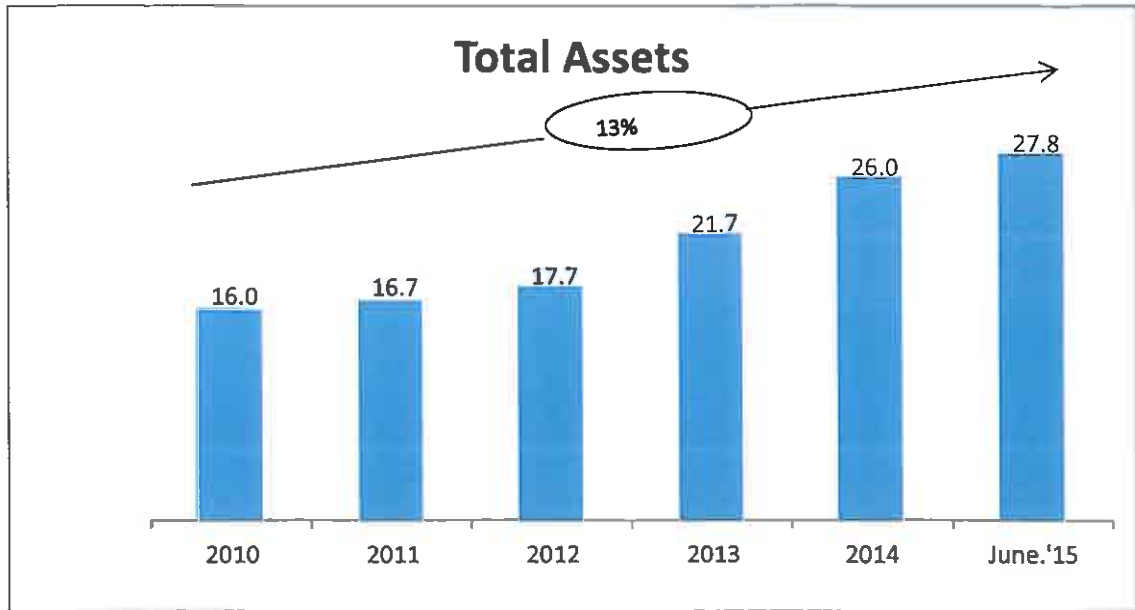
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2010	2011	2012	2013	2014	Q2-2015
Total Assets	16,667	17,733	18,316	21,732	26,013	27,832
Net Customer Receivables	9,654	10,427	10,749	12,519	14,475	15,936
Customer Deposits	10,378	10,398	11,335	11,901	14,591	15,277
Total Shareholders' Equity	4,348	4,406	4,444	4,536	4,588	4,576
Return on Average Assets	1.63%	1.46%	1.51%	1.53%	1.58%	1.52%
Return on Average Equity	6.19%	5.74%	6.15%	6.84%	8.27%	8.93%
Equity to Total Assets	26.09%	24.85%	24.26%	20.87%	17.64%	16.40%
Leverage of Total Capital (Times)	2.83	3.02	3.12	3.79	4.67	5.08

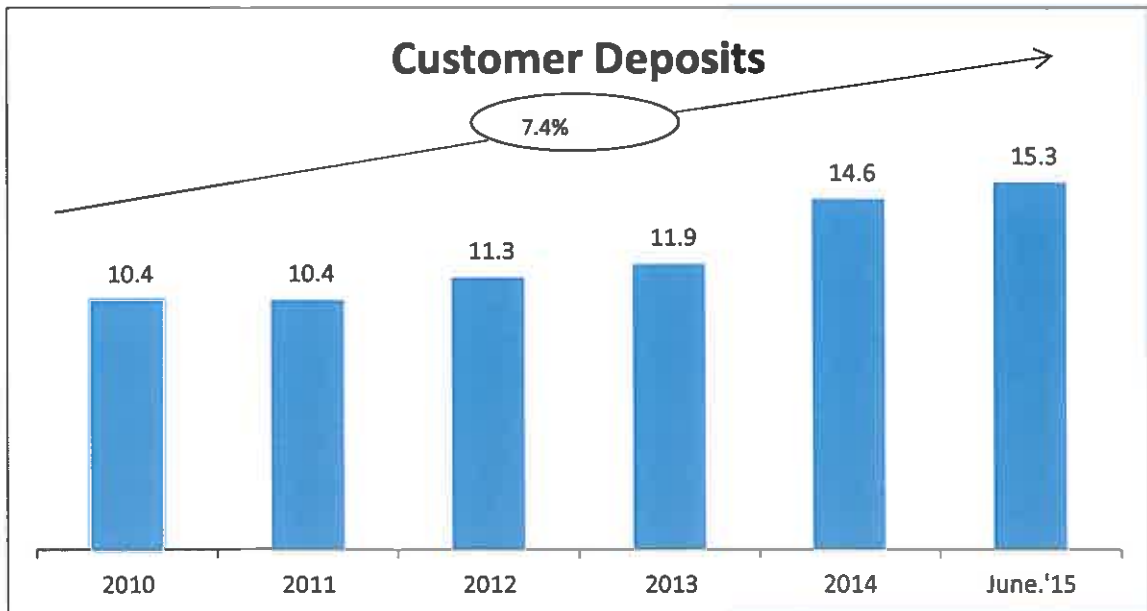
* Annualized.



Total Assets, AED billion

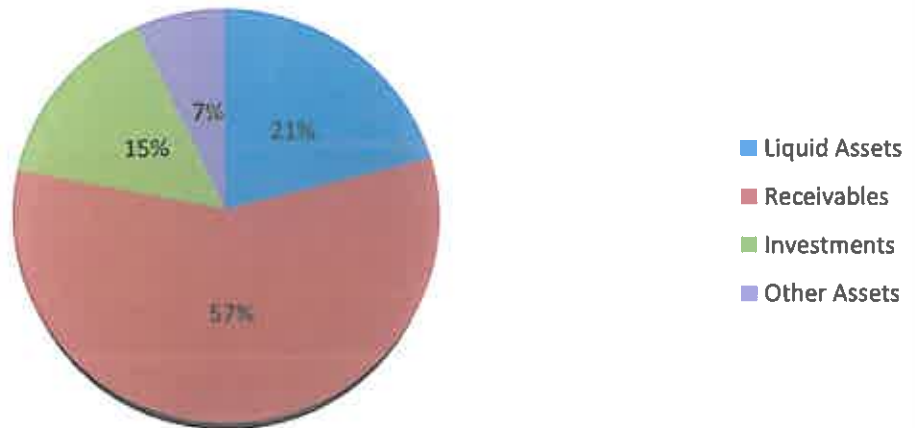


Customer Deposits, AED billion



Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

