



مصرف الشارقة الإسلامية  
Sharjah Islamic Bank

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# *Management Report*

## *2012- 2<sup>nd</sup> Quarter Report*

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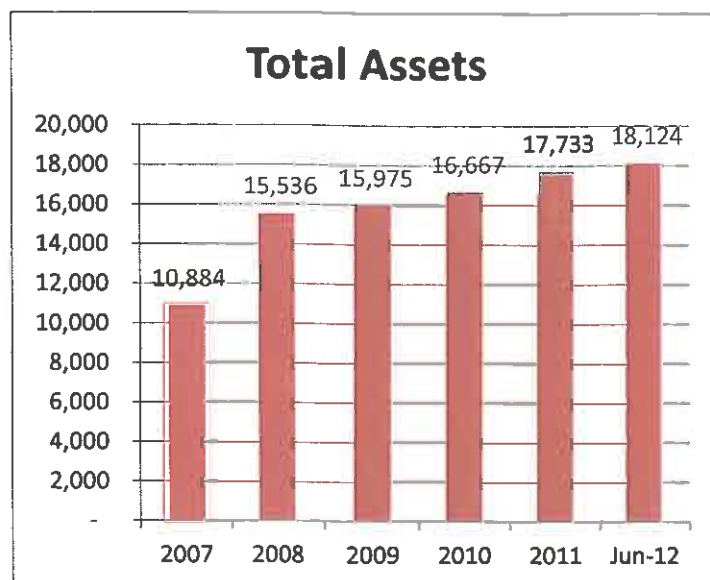
## Financial Review

Sharjah Islamic Bank achieved a net profit of AED 149.2 million and its total assets reached AED 18.1 billion by the end of June 2012; in line with the bank's budget and estimates. The bank's stable growth underlines the soundness of its financial position and the success of its strategy.

### Balance Sheet:

Total Balance Sheet of Sharjah Islamic Bank grew by 2.2 per cent to reach AED 18.1 billion at the end of June 2012 compared to AED 17.7 billion at the end of December 2011.

The following are the main changes and highlights that occurred on the asset-side of the balance sheet:



### **Liquid Assets:**

Liquid assets were stable at AED 4.1 billion or 23 per cent of the Balance Sheet at the end of June 2012 compared to a similar 4.1 billion or 23 per cent of the balance sheet at the end of 2011.

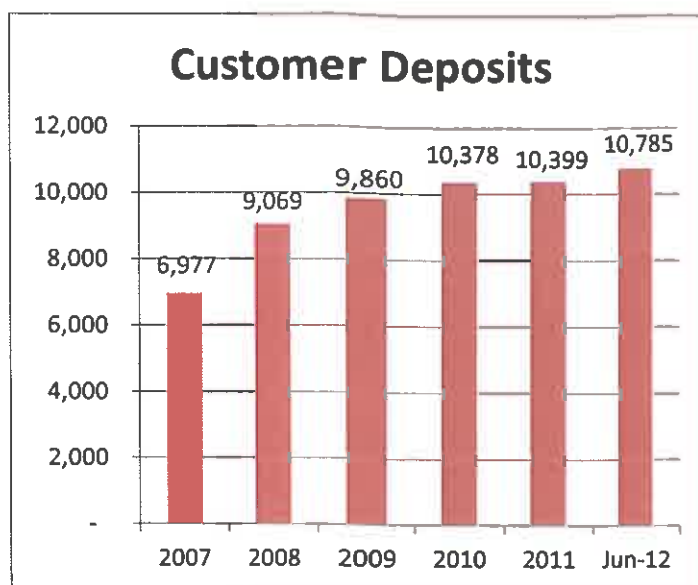
**Customer Receivables:** Net customer receivables of the bank amounted to AED 10.57 billion at the end of June 2012. An increase of 1.4 per cent or AED 142.8 million compared to the end of December 2011.

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

**Assets are funded by the following liabilities:**

### Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the first half of the year as customer deposits by the end of June 2012 reached AED 10.78 billion; growing by 385.8 million or 3.7 per cent compared to AED 10.39 billion at the end of 2011.



### Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.4 billion or 24 per cent of total balance sheet by the end of June 2012; similar to where it was in December 2011.

This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (35% by the end of June 2012) and to remain structurally strong.

## Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 149.2 million at the end of the first half of 2012, compared to AED 123.3 million in the same period of 2011, a growth rate of 21 per cent.

Net Operating Income reached AED 242.3 million compared to AED 267.2 million in the same period last year, a decrease of 9%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 343.3 million by the end of June 2012

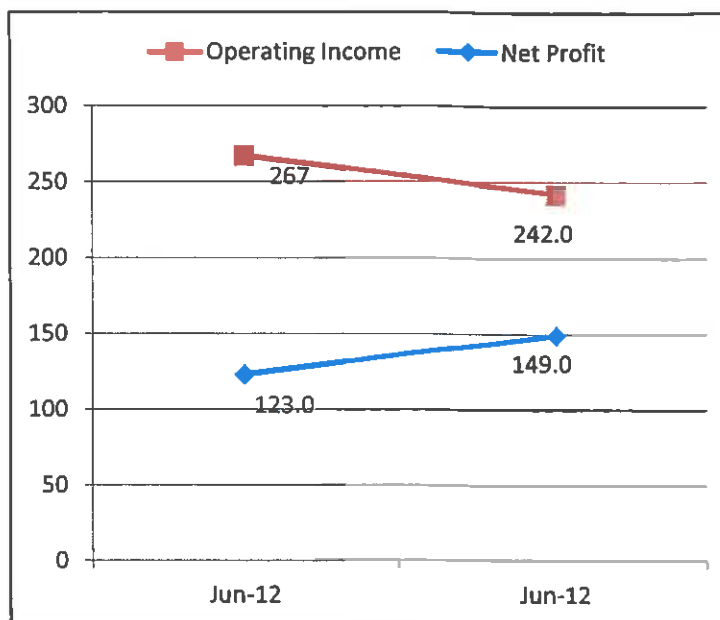
compared to AED 350.5 million at the same period last year; a decrease of AED 7.2 million or 2.1%

Profit paid on Sukuk reached AED 35.4 million compared to AED 11.4 million at the same period last year, AED 24 million higher which was mainly due to the issuance of new Sukuk of USD 400 million in May 2011.

Fees, Commission and Other Income reached AED 80.2 million by the end of June 2012 compared to 63.5 million in the same period last year, an increase of 16.7 million and a positive growth rate of 26 per cent.

On the expense side, General and Administration Expenses reached AED 158.4 million by the end of June 2012 compared to AED 148.1 million in the same period last year; an increase of AED 10.3 million or 7 per cent.

Profits allocated and distributed to depositors reached AED 81.4 million by the end of June 2012 compared to AED 121.3 million in the same period last year; a decrease of 32.9 per cent. 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 Shari'a Board.



Net Profit Margin (Net Profit to Total Income) reached 37% by the end of June 2012 compared to 30% in June 2011.

Return (*annualized*) on Average Shareholders' Equity (ROAE) reached 6.8% compared to 5.68 per cent in the same period last year while Return (*annualized*) on Average Assets (ROAA) was 1.7% by the end of June 2012 compared to 1.41 per cent in the same period last year.

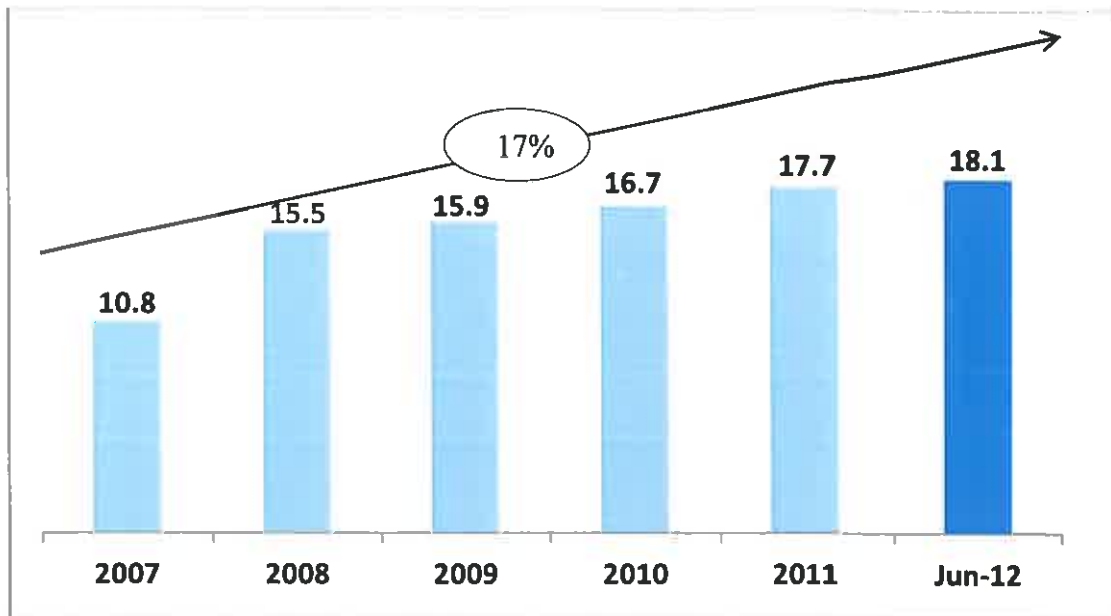


## Summary of key figures and performance ratios

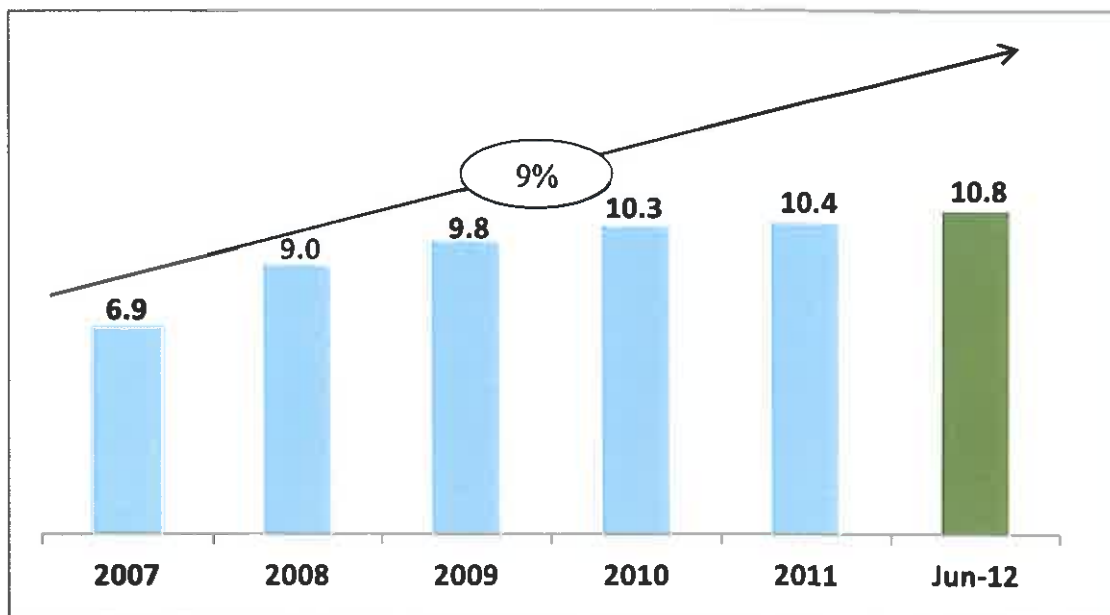
<i>(Figures in AED Millions)</i>	2007	2008	2009	2010	2011	Q2-2012
<b>Total Assets</b>	10,884	15,535	15,975	16,667	17,733	18,124
<b>Net Customer Receivables</b>	6,503	10,204	10,021	9,654	10,427	10,570
<b>Customer Deposits</b>	6,977	9,069	9,860	10,378	10,398	10,785
<b>Total Shareholders' Equity</b>	2,226	4,159	4,264	4,348	4,406	3,381
<b>Return on Average Assets</b>	3.26%	1.75%	1.65%	1.63%	1.46%	1.66%
<b>Return on Average Equity</b>	13.92%	7.25%	6.17%	6.19%	5.74%	6.79%
<b>Equity to Total Assets</b>	20.46%	26.77%	26.69%	26.09%	24.85%	24.17%
<b>Leverage of Total Capital (Times)</b>	3.89	2.74	2.75	2.83	3.02	3.14

\* Annualised.

### Total Assets, AED billion

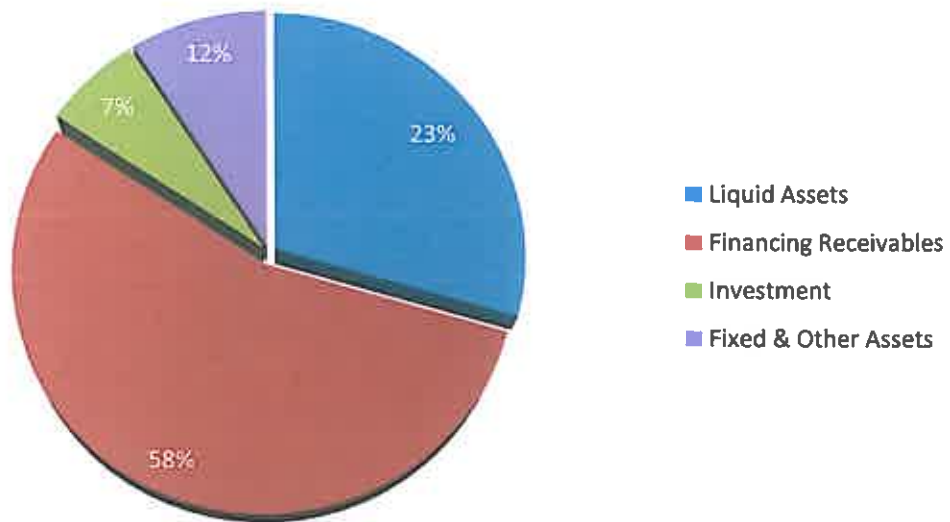


### Customer Deposits, AED billion



Assets and Liabilities Structure

**SIB Asset Structure**



**SIB Liabilities Structure**

