



مصرف الشارقة الإسلامي  
Sharjah Islamic Bank

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*Management Report*  
*2012- 1<sup>st</sup> Quarter Report*

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## Financial Review

In the first quarter of 2012, Sharjah Islamic Bank (SIB) achieved a net profit of AED 82.7 million which is approx. 18% higher than the same quarter last year. At the same time, SIB's total assets remained relatively unchanged in the first Q. 2012 compared to the same period in 2011.

### Balance Sheet:

Total assets of Sharjah Islamic Bank at the end of Q1 2012 reached AED 17.64 billion or half a percent less than it was in the year end of 2011 when it was AED 17.73 billion.

The main changes that affected the asset-side of the balance sheet include the following:

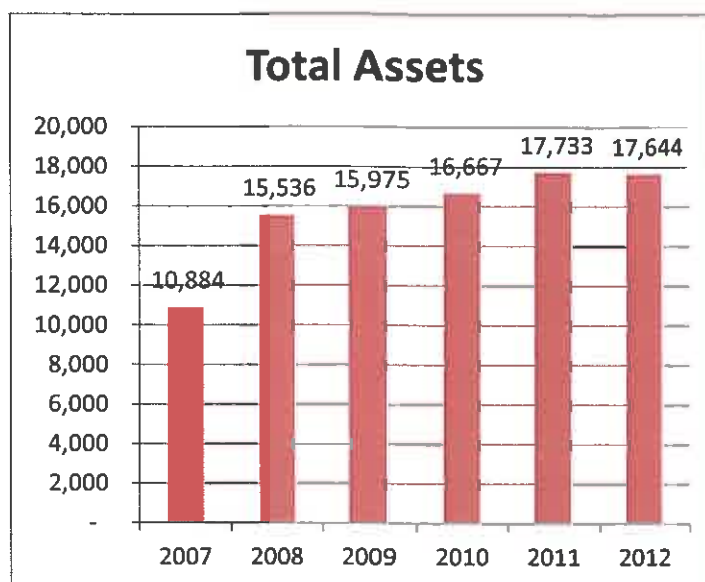
#### **Liquid Assets:**

Liquid assets stood at AED 3.98 billion at the end of March 2012 compared to AED 4.11 billion in the year end of 2011, a slight decrease of AED 124.3 million or 3% per cent.

#### **Customer Receivables:**

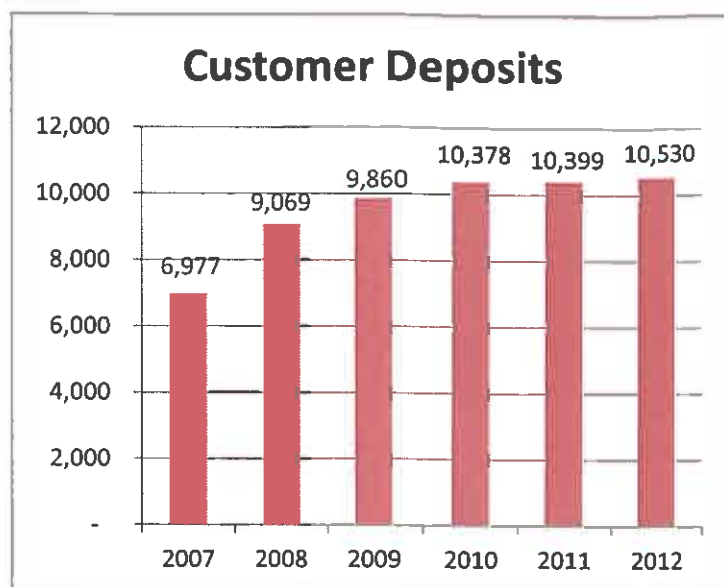
Net customer receivables of the bank amounted to AED 10.45 billion at the end of Q1 2012 compared to AED 10.42 billion in the year end of 2011, a slight increase of 23.4 million or 0.2 per cent.

Assets have been funded by the following liabilities on the funding side:



### Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the first three months of the current year as customer deposits reached AED 10.53 billion compared to AED 10.39 billion at the year end of 2011; an increase of 1.26 per cent.



### Sukuk

SIB successfully issued new Sukuk of USD 400.0 million in May 2011 in order to fund strategic growth opportunities. The outstanding amount remains fairly unchanged at an equivalent amount of AED 1.46 billion by the end of the first quarter 2012.

### Shareholders' Equity:

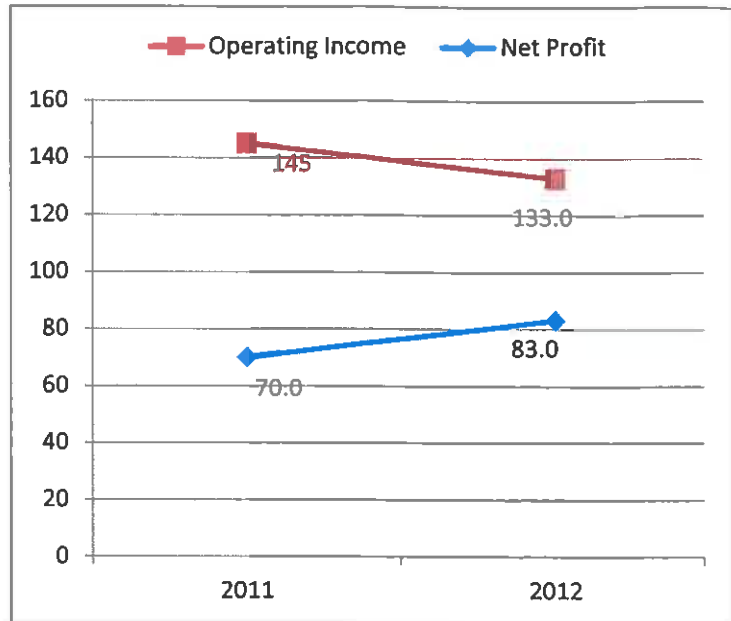
Sharjah Islamic Bank continues to enjoy a very strong capital base and maintains a high capital adequacy ratio. At the end of the first quarter 2012, total SIB shareholders' equity stood at AED 4.31 billion or 24.5 per cent of the bank's total balance sheet. Total shareholders' equity declined by 2% at the end of Q1 2012 compared to Q1 2011.

## Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 82.7 million for the first three months of 2012, compared to AED 69.9 million in the same period of 2011, a growth rate of 18.2 per cent.

**Net Operating Income** in the first quarter of 2012 reached AED 132.7 million compared to 144.6 million in the same period last year, a decrease of AED 11.9 million or 8.2 per cent.

This decrease was mainly due to the following:



**Profit paid on Sukuk** by the end of March 2012 was AED 17.7 million compared to AED 2.1 million during the same period last year. This is an increase of AED 15.5 million which is attributed mainly to the issuance of the new Sukuk.

Also, **Income from Murabaha and leasing** reached AED 181.2 million by the end of March 2012 Compared to AED 182.4 million the same period last year.

**Fees, Commission and Other Income** reached AED 40.1 million by the end of Q1 2012 compared to AED 32.4 million in the same period last year, a positive growth rate of 24 per cent.

**General and Administration Expenses** were AED 78.7 million by the end of March 2012 compared to AED 76.2 million in the same period last year. This is an increase of AED 2.5 million or 3.3 per cent.

**Profits allocated and distributed to depositors** reached AED 40.9 million by the end of March 2012 compared to AED 64.8 million in the same period last year, a decrease of 36.8 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 39.1% by the end of March 2012 compared to 31.7% in the same period last year.

**(Annualized) Return on Average Shareholders' Equity (ROAE)** was 7.59 per cent while **(annualized) Return on Average Assets (ROAA)** was 1.87 per cent by the end of March 2012.

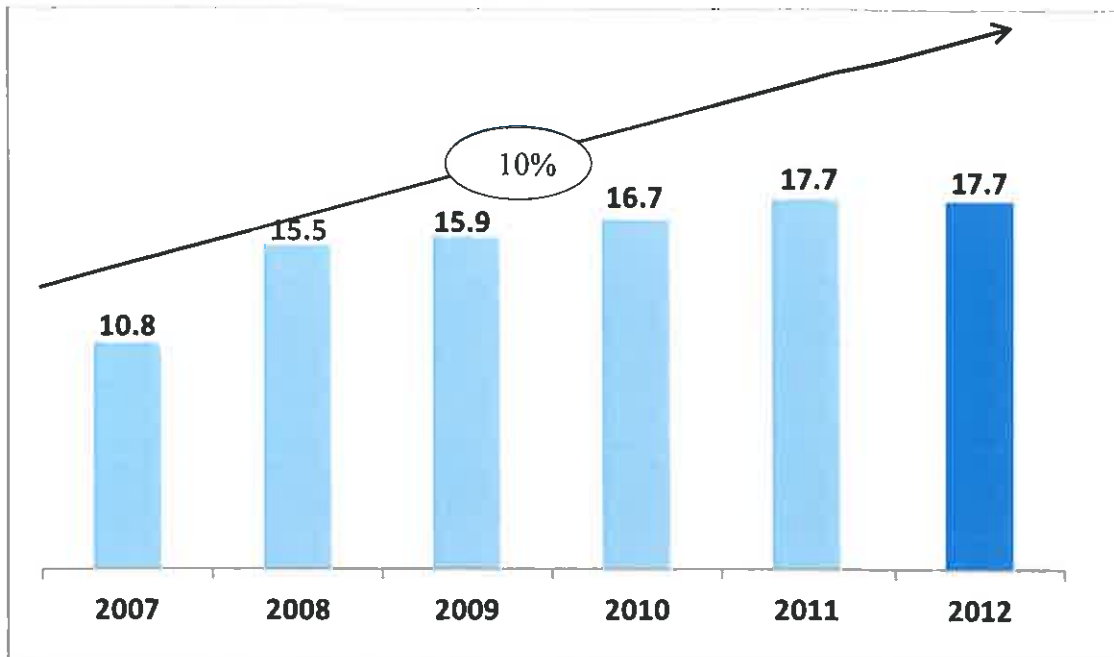


## Summary of key figures and performance ratios

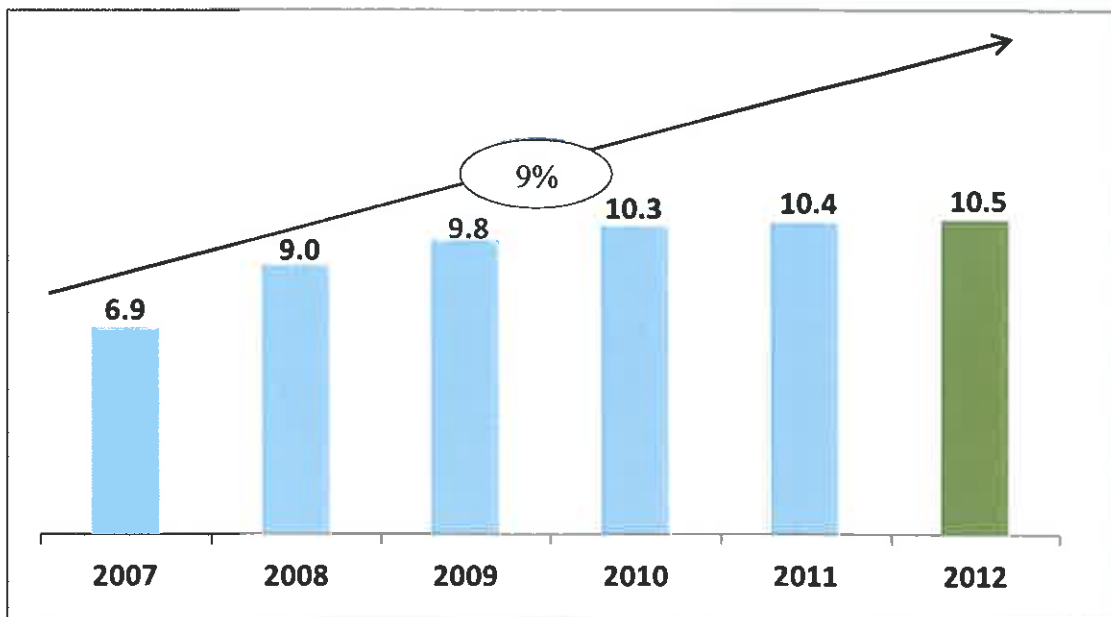
<i>(Figures in AED Millions)</i>	2007	2008	2009	2010	2011	Q1-2012
<b>Total Assets</b>	10,884	15,535	15,975	16,667	17,733	17,665
<b>Net Customer Receivables</b>	6,503	10,204	10,021	9,654	10,427	10,451
<b>Customer Deposits</b>	6,977	9,069	9,860	10,378	10,398	10,530
<b>Total Shareholders' Equity</b>	2,226	4,159	4,264	4,348	4,406	4,315
<b>Return on Average Assets</b>	3.26%	1.75%	1.65%	1.63%	1.46%	1.87%
<b>Return on Average Equity</b>	13.92%	7.25%	6.17%	6.19%	5.74%	7.59%
<b>Equity to Total Assets</b>	20.46%	26.77%	26.69%	26.09%	24.85%	24.46%
<b>Leverage of Total Capital (Times)</b>	3.89	2.74	2.75	2.83	3.02	3.09

\* Annualised.

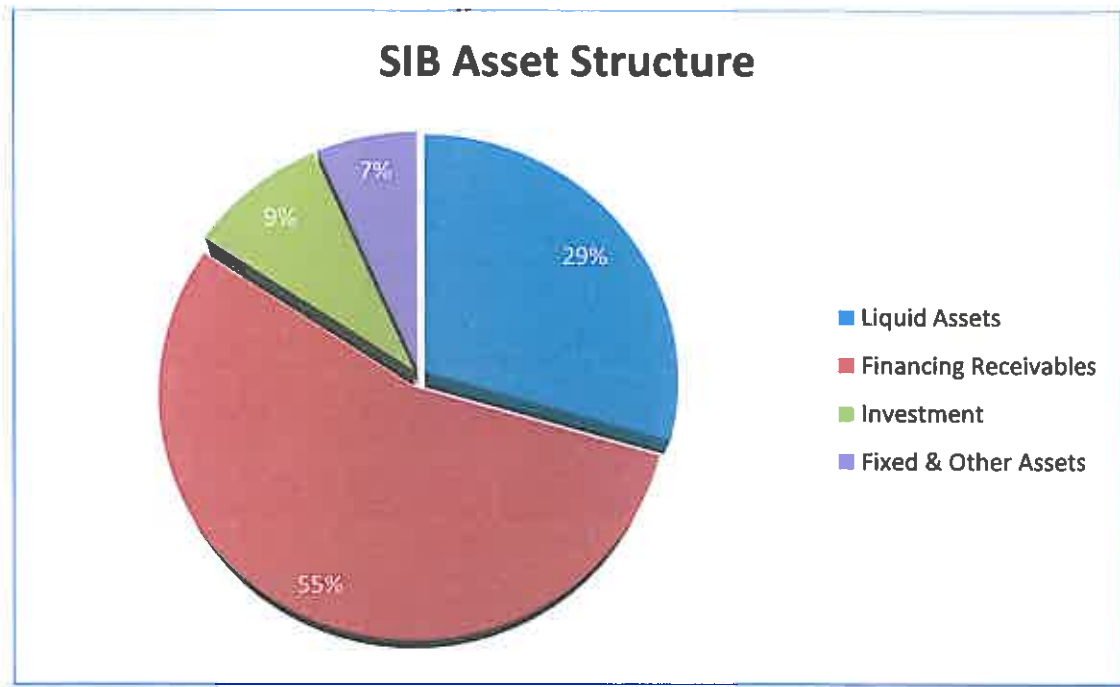
**Total Assets, AED billion**



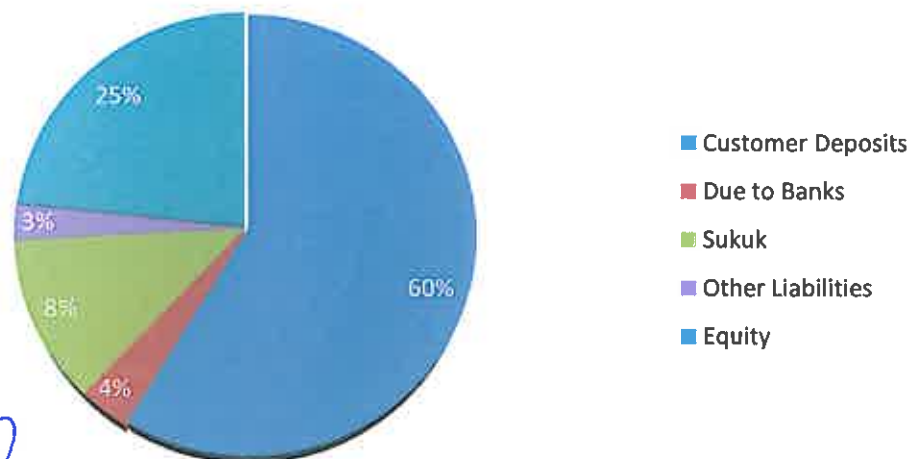
**Customer Deposits, AED billion**



## Assets and Liabilities Structure



### SIB Liabilities Structure



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Financial Review – First Quarter 2012 Report