



مصرف الشارقة الإسلامي
Sharjah Islamic Bank

Management Report

2018-1st Quarter Report

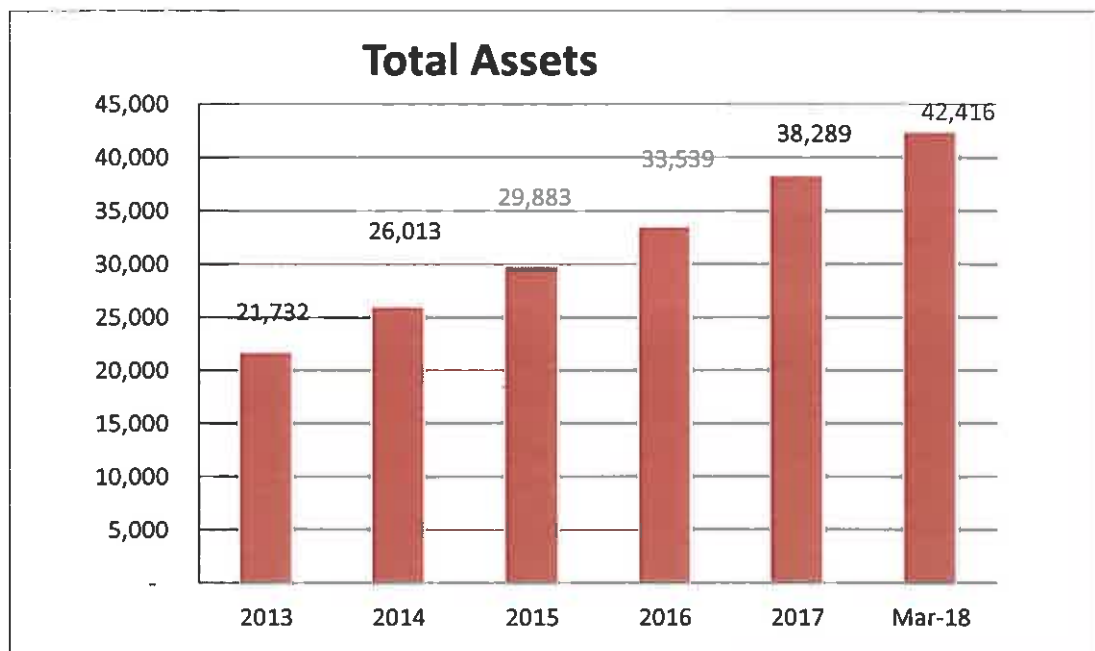


Financial Review

Sharjah Islamic Bank achieved a net profit of AED 143.1 million for the three month period ended 30 March 2018 and its total assets reached AED 42.4 billion by the end of the 1st 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 42.4 billion at the end of the 1st 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 23.6% of the Balance Sheet at the end of the 1st Quarter 2018 compared to AED 7.0 billion or 18.4% at the end of 2017.

Customer Receivables:

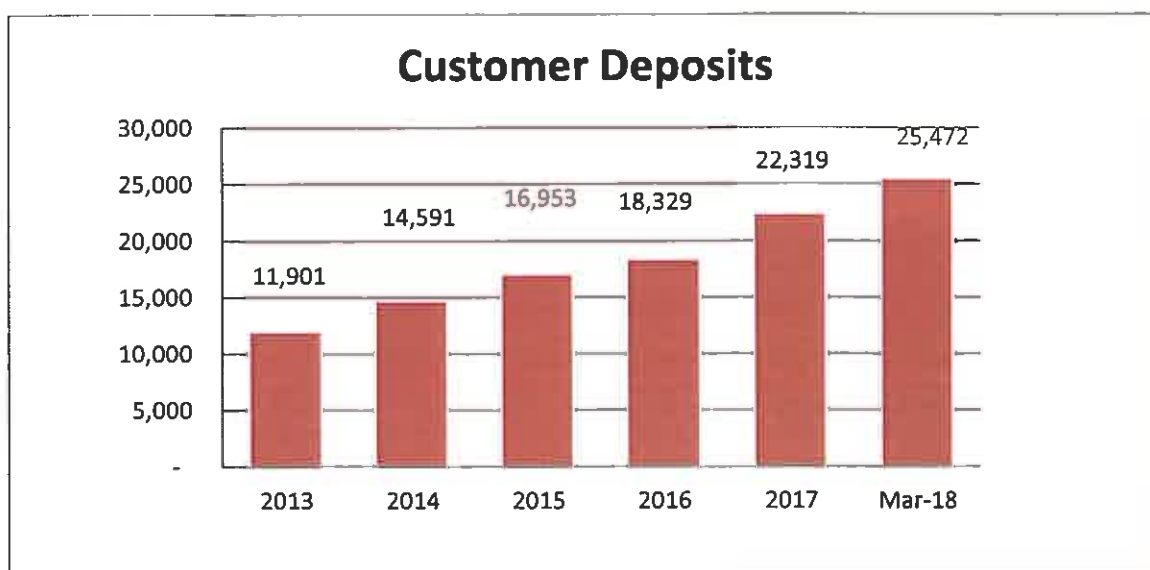
Net customer receivables of the bank amounted to AED 21.9 billion at the end of the 1st Quarter 2018, an increase of 1.1% or AED 243.5 million compared to the yearend 2017.

Investment Securities:

Investment securities increase by AED 948.8 million or 18.8% to reach AED 6.0 billion at the end of the 1st 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 25.5 billion by the end of the 1st Quarter 2018, growing by AED 3.2 billion or 14.1% 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 1st Quarter 2018 with an increase of AED 1.3 billion or 31.8 % compared to AED 4.1 billion at the end of December 2017.

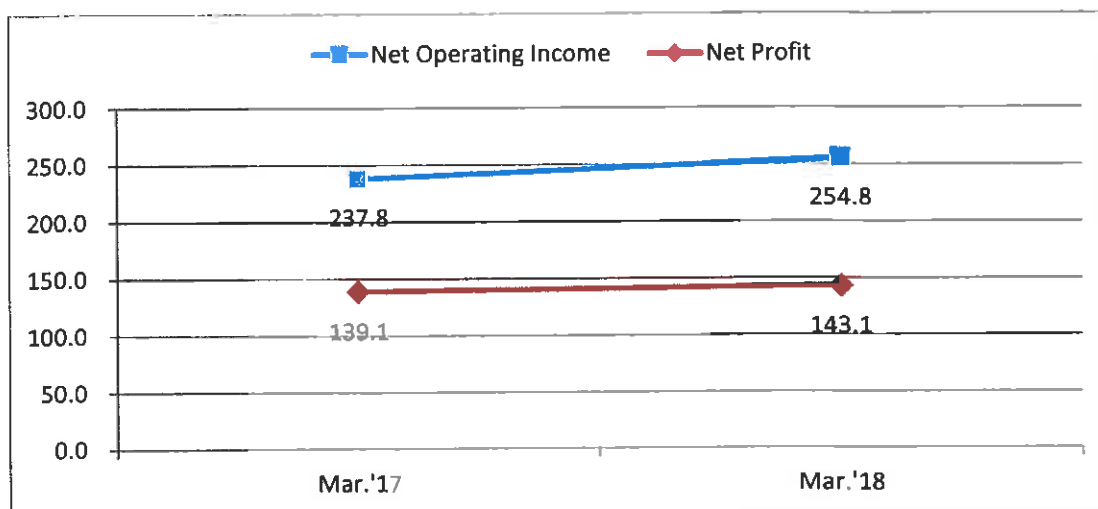
Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 5.1 billion or 12.0 % of total assets by the end of the 1st Quarter 2018. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio of 20.55% by the end of the 1st Quarter 2018 and to remain structurally strong.

Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 143.1 million for the three month of 2018, compared to AED 139.1 million in the same period of 2017, an increase of 2.9%.

Net Operating Income reached AED 254.8 million compared to AED 237.8 million in the same period 2017, an increase of 7.1%.



Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 291.5 million by the end of the 1st Quarter 2018 compared to AED 281.3 million at the same period 2017, an increase of AED 10.2 million or 3.6%.

Profit paid on Sukuk reached AED 41.9 million with the same level in the same period 2017.

Fees, Commission and Other Income reached AED 140.7 million by the end of the 1st Quarter 2018 compared to AED 115.9 million in the same period 2017, an increase of AED 24.8 million or 21.4 %.

Income from subsidiary reached AED 10.2 million by end of the 1st Quarter 2018 compared to AED 10.9 million in the same period 2017 a decrease of AED 0.7 million or 6%

On the expenses side, General and Administration Expenses reached AED 145.8 million by the end of the 1st Quarter 2018 compared to AED 128.4 million in the same period 2017, an increase of AED 17.4 million or 13.6%.



Provision-net of recoveries reached AED 14.4 million by end of the 1st Quarter 2018 compared to AED 30.4 million in the same period last year with a decrease of AED 16.0 million or 52.8%

Profits allocated and distributed to depositors reached AED 97.3 million by the end of the 1st Quarter 2018 compared to AED 68.3 million in the same period 2017; an increase of 42.5%. 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.

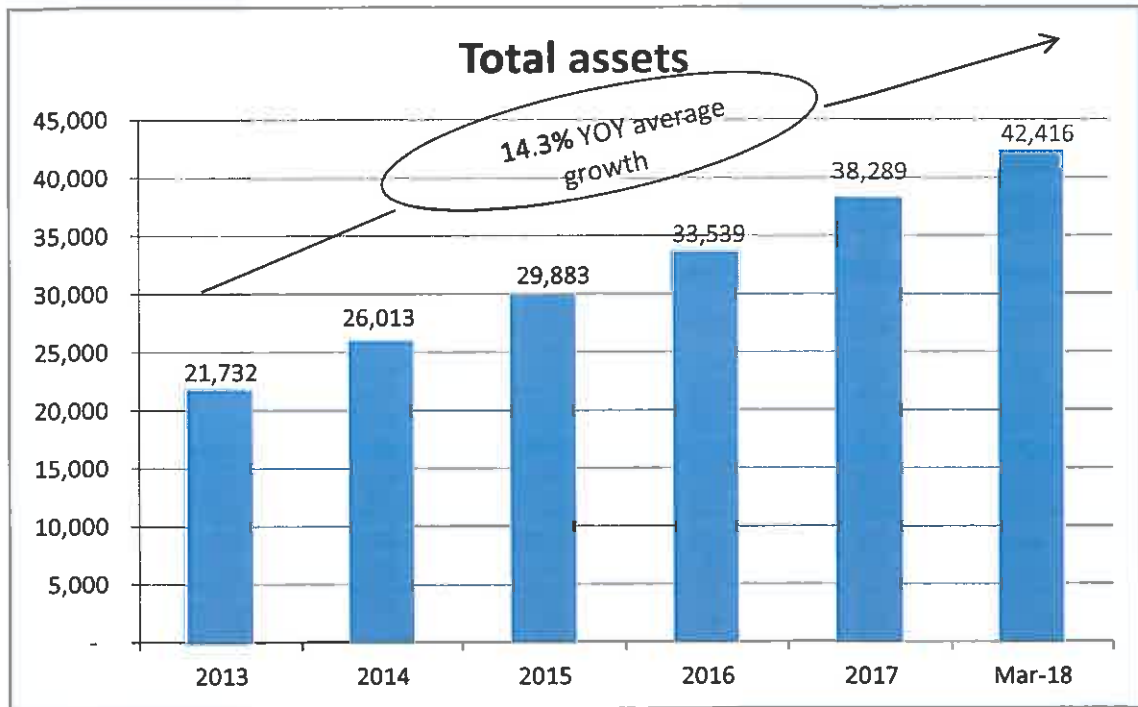
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2013	2014	2015	2016	2017	Q1-2018
Total Assets	21,732	26,013	29,883	33,539	38,289	42,416
Net Customer Receivables	12,519	14,475	16,349	17,091	21,707	21,951
Customer Deposits	11,901	14,591	16,953	18,329	22,319	25,471
Total Shareholders' Equity	4,536	4,588	4,704	4,856	5,519	5,110
Return on Average Assets	1.53%	1.58%	1.47%	1.46%	1.33%	1.42%
Return on Average Equity	6.84%	8.27%	8.82%	9.68%	9.21%	10.77%
Equity to Total Assets	20.87%	17.64%	15.70%	14.48%	14.41%	12.05%
Leverage of Total Capital (Times)	3.79	4.67	3.48	5.91	5.94	7.30

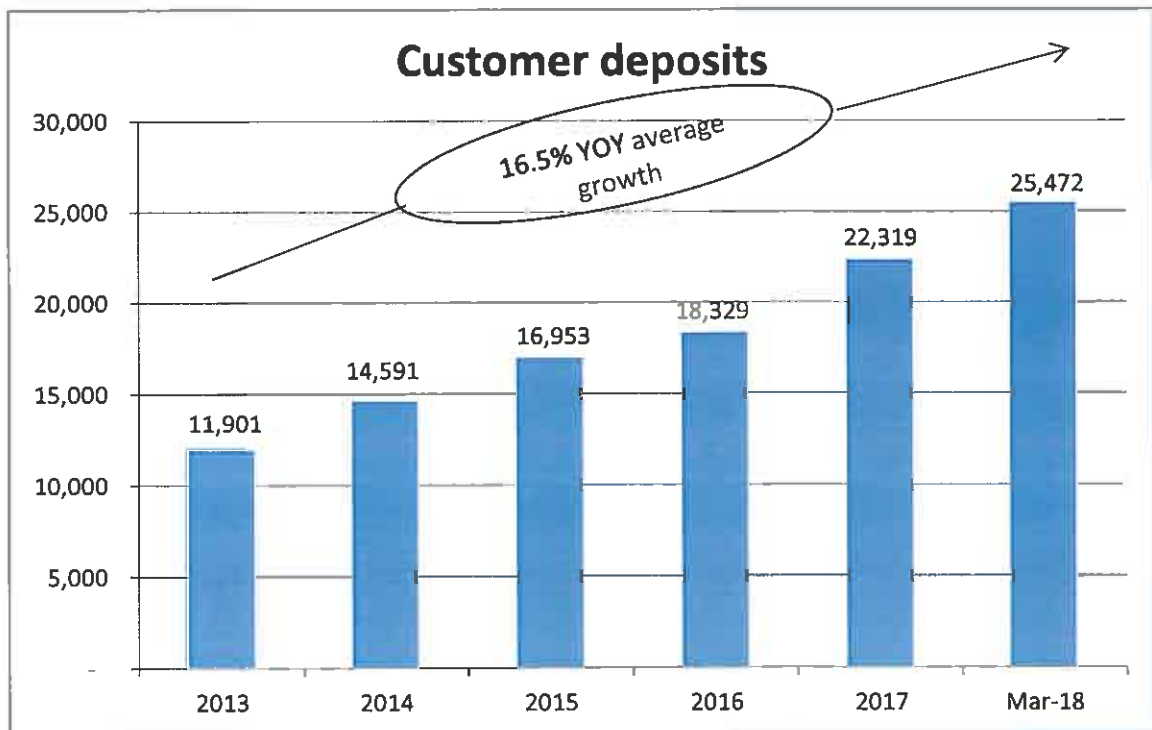
* Annualized.



Total Assets

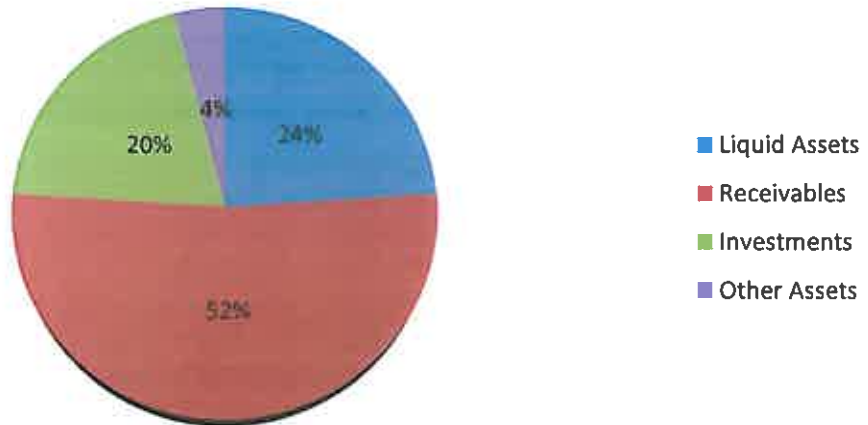


Customer Deposits



Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

