



مصرف التارقة الإسلامية
Sharjah Islamic Bank

Management Report

2017-3rd Quarter Report

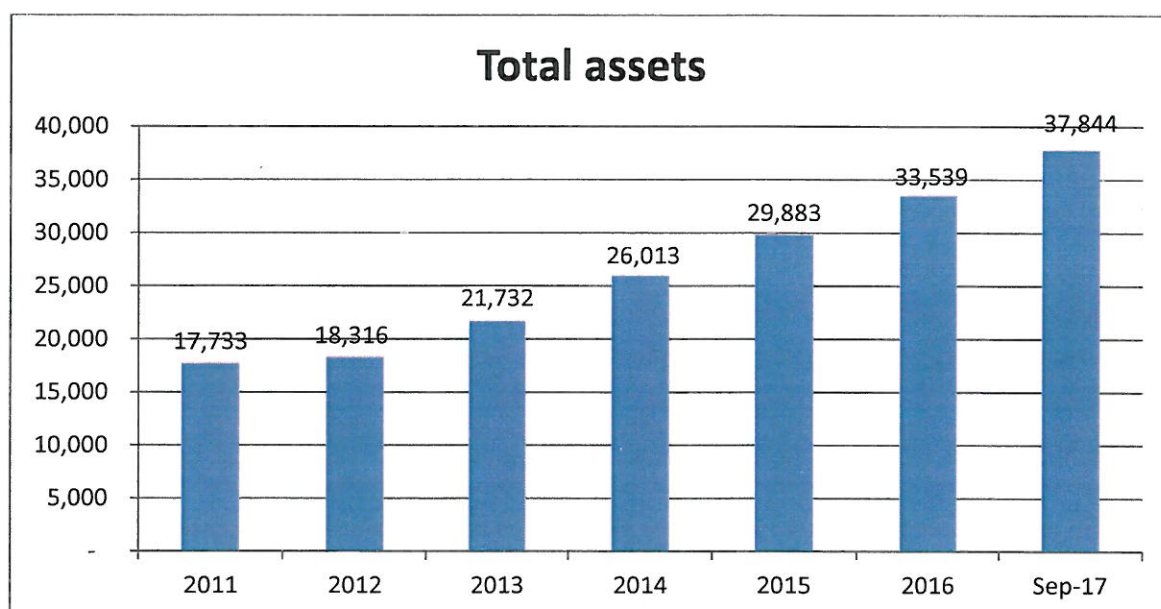


Financial Review

Sharjah Islamic Bank achieved a net profit of AED 360 million for the nine month period ended 30 Sep 2017 and its total assets reached AED 37.8 billion by the end of the 3rd Quarter 2017. 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 37.8 billion at the end of the 3rd Quarter 2017 compared to AED 33.5 billion at the end of December 2016.



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

Liquid Assets:

Liquid assets reached AED 8.2 billion or 21.5% of the Balance Sheet at the end of the 3rd Quarter 2017 compared to AED 7.8 billion or 23.4% at the end of 2016.

Customer Receivables:

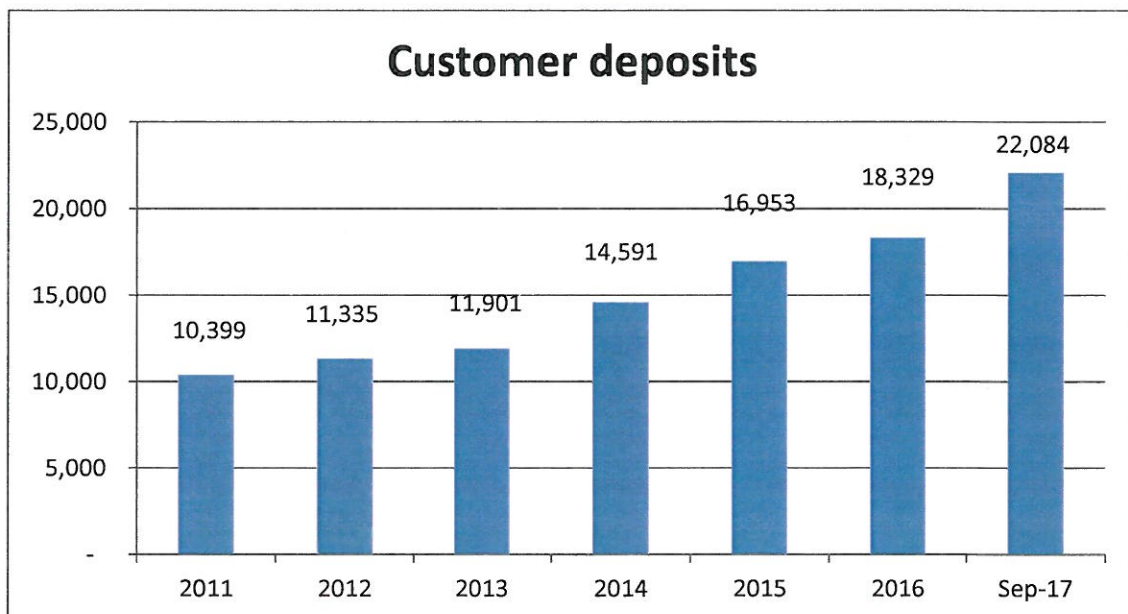
Net customer receivables of the bank amounted to AED 20.3 billion at the end of the 3rd Quarter 2017, an increase of 18.8% or AED 3.2 billion compared to the yearend 2016.

Investment Securities:

Investment securities increase by AED 811.7 million or 19.8% to reach AED 4.9 billion at the end of the 3rd Quarter 2017 compared to AED 4.1 billion at the end of December 2016.

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 22.1 billion by the end of the 3rd Quarter 2017, growing by AED 3.8 billion or 20.5% compared to AED 18.3 billion at the year end of 2016.



Due to Banks:

Balance due to banks reached AED 4.1 billion by the end of the 3rd Quarter 2017 with an increase of AED 267 million or 6.9 % compared to AED 3.9 billion at the end of December 2016.

Shareholders' Equity:

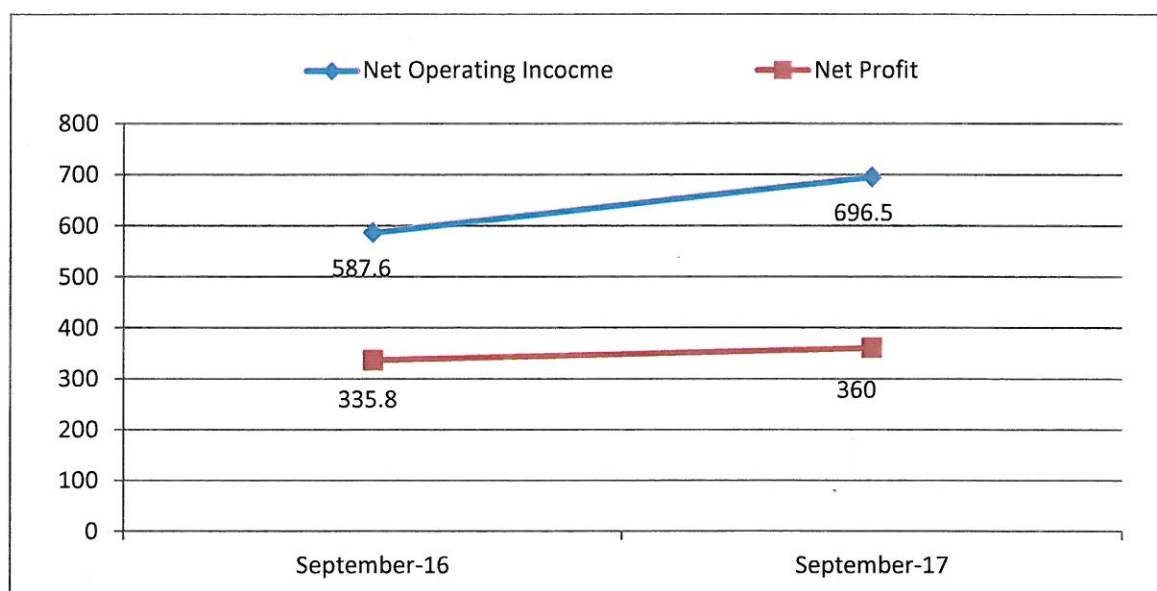
Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 5.2 billion or 13.8 % of total assets by the end of the 3rd Quarter 2017. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio of 20.60% by the end of the 3rd Quarter 2017 and to remain structurally strong.



Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 360 million for the nine month of 2017, compared to AED 335.8 million in the same period of 2016, an increase of 7.2%.

Net Operating Income reached AED 696.5 million compared to AED 587.6 million in the same period 2016, an increase of 18.5%.



Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 821.4 million by the end of the 3rd Quarter 2017 compared to AED 617.9 million at the same period 2016, an increase of AED 203.5 million or 32.9%.

Profit paid on Sukuk reached AED 125.6 million compared to AED 114.2 in the same period 2016; AED 11.4 million higher by 10%.

Fees, Commission and Other Income reached AED 370.1 million by the end of the 3rd Quarter 2017 compared to AED 405.6 million in the same period 2016, a decrease of AED 35.4 million or 8.7 %. Fees commission and other income includes profit on sale of property held for sale amounting AED 18.0 million for the period end 30 Sep 2017 compared to AED 124.0 million for the period ended 30 Sep 2016.

Income from subsidiary reached AED 21.1 million by end of the 3rd Quarter 2017 compared to AED 19.1 million in the same period 2016 an increase of AED 2 million or 10.5%

On the expenses side, General and Administration Expenses reached AED 390.5 million by the end of the 3rd Quarter 2017 compared to AED 340.7 million in the same period 2016, an increase of AED 49.7 million or 14.6%.

Provision-net of recoveries reached AED 113.1 million by end of the 3rd Quarter 2017 compared to AED 103.7 million in the same period last year with an increase of AED 9.3 million or 9.0%

Profits allocated and distributed to depositors reached AED 223.5 million by the end of the 3rd Quarter 2017 compared to AED 148.1 million in the same period 2016; an increase of 50.9%. 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.

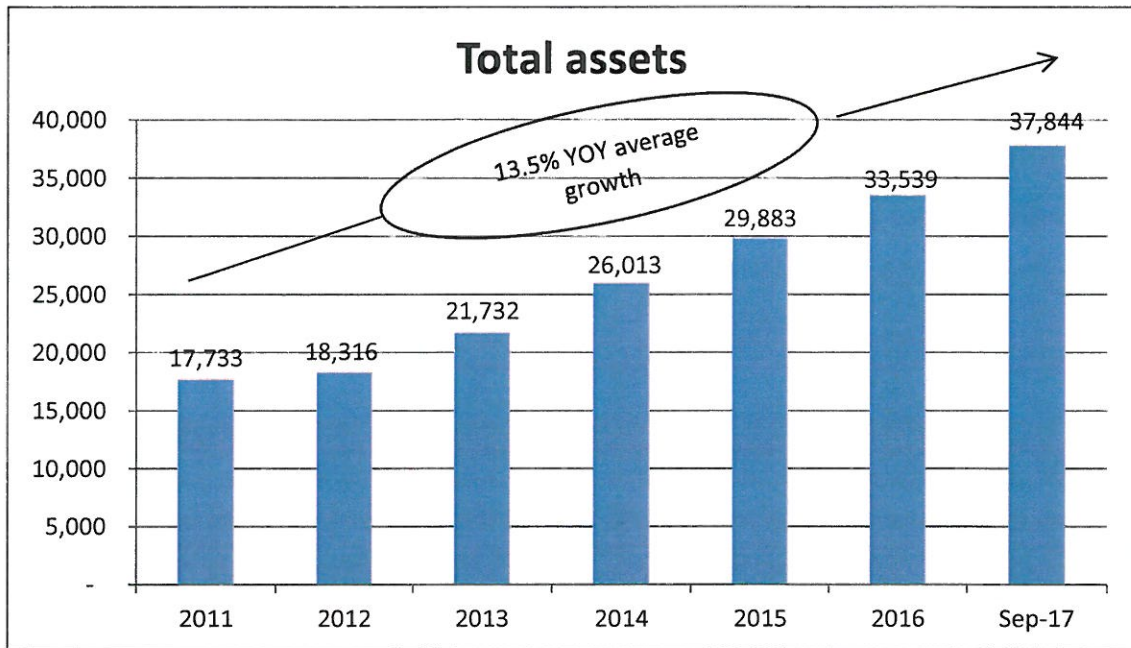
Return (annualized) on Average Shareholders' Equity (ROAE) reached 9.54% by the end of the 3rd Quarter 2017 compared to 9.68% at the end of December 2016, while Return (annualized) on Average Assets (ROAA) was 1.34% by the end of the 3rd Quarter 2017 compared to 1.46% at the end of December 2016.

Summary of key figures and performance ratios

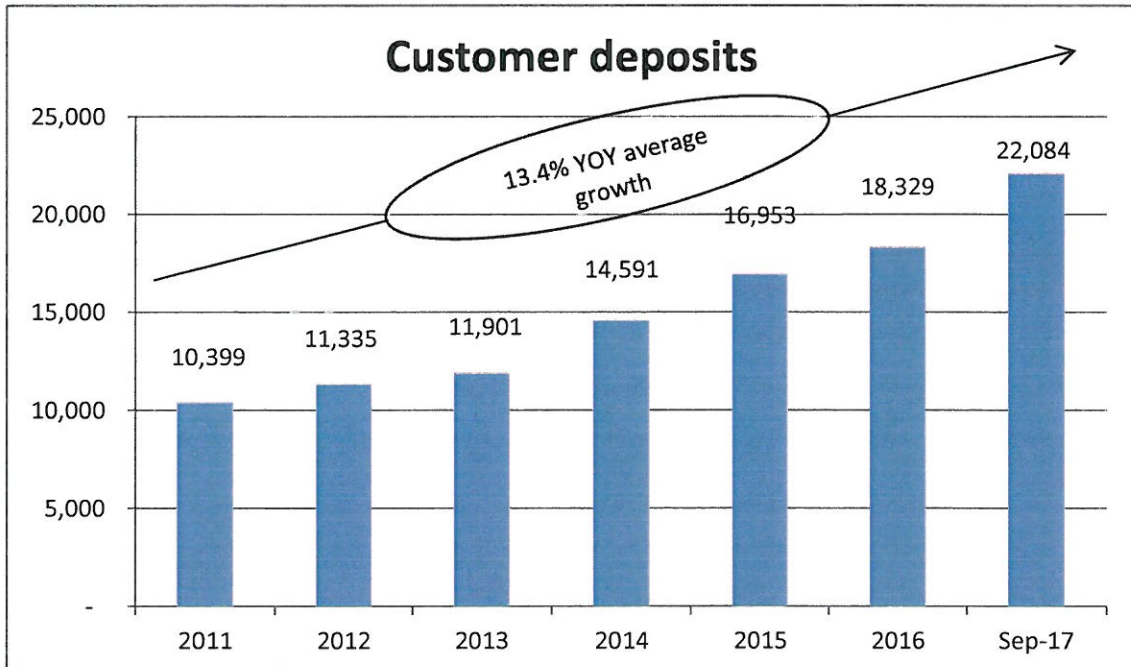
<i>(Figures in AED Millions)</i>	2012	2013	2014	2015	2016	Q3-2017
Total Assets	18,316	21,732	26,013	29,883	33,539	37,844
Net Customer Receivables	10,749	12,519	14,475	16,349	17,091	20,307
Customer Deposits	11,335	11,901	14,591	16,953	18,329	22,084
Total Shareholders' Equity	4,444	4,536	4,588	4,704	4,856	5,208
Return on Average Assets	1.51%	1.53%	1.58%	1.47%	1.46%	1.34%
Return on Average Equity	6.15%	6.84%	8.27%	8.82%	9.68%	9.54%
Equity to Total Assets	24.26%	20.87%	17.64%	15.70%	14.48%	13.76%
Leverage of Total Capital (Times)	3.12	3.79	4.67	3.48	5.91	6.27

* Annualized.

Total Assets



Customer Deposits



Assets and Liabilities Structure

