



مصرف الشارقة الإسلامية
Sharjah Islamic Bank

Management Report

2014-1st Quarter Report

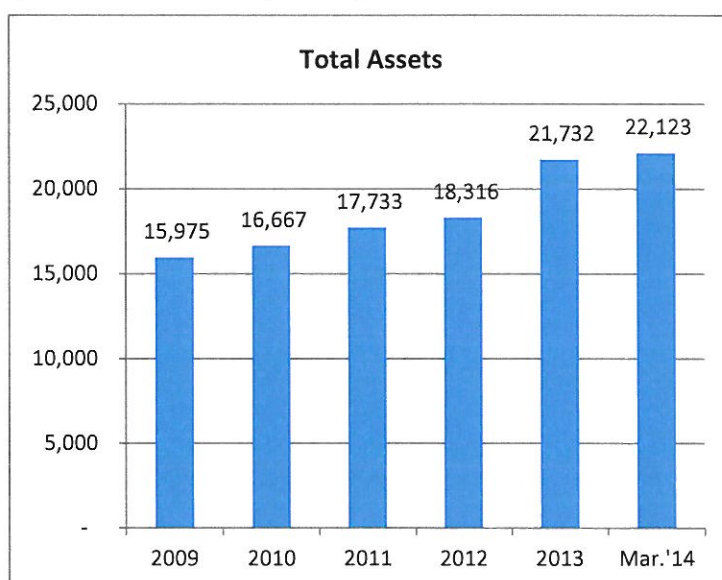


Financial Review

Sharjah Islamic Bank achieved a net profit of AED 110.0 million and its total assets reached AED 22.1 billion by the end of March 2014. 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 1.8% to reach AED 22.1 billion at the end of March 2014 compared to AED 21.7 billion at the end of December 2013.



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

Liquid Assets:

Liquid assets reached AED 4.6 billion or 20.7% of the Balance Sheet at the end of March 2014 compared to AED 5.1 billion or 23.6% at the end of 2013.

Customer Receivables:

Net customer receivables of the bank amounted to AED 13.3 billion at the end of March 2014; an increase of 6.4% or AED 803.3 million compared to the end of December 2013.

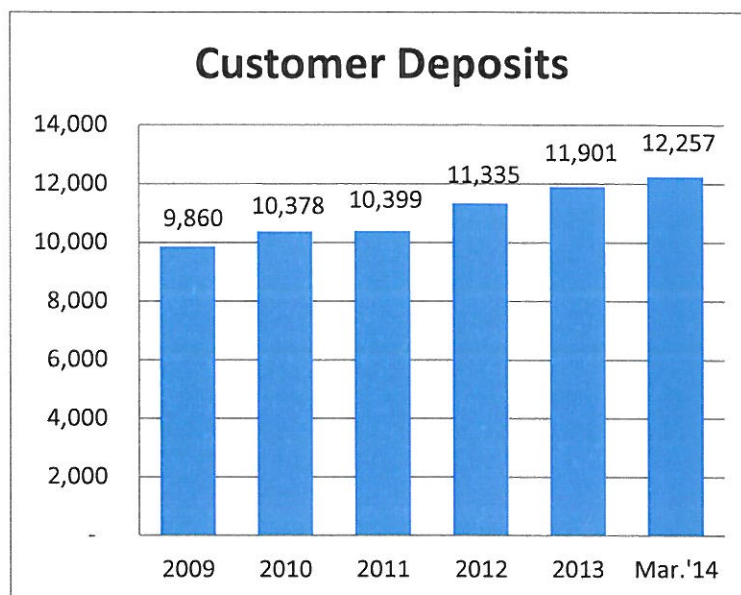
The increase in Customer Receivables reflects higher but cautious customer financing. It also reflects the changes made to the financing portfolio of the bank so as to make better use of available liquidity while being aware of the risks that are still prevalent.

Investment Securities:

Investment securities decrease by 11.7% to reach AED 1.1 billion at the end of March 2014 compared to AED 1.2 billion at the end of December 2013.

Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 1st quarter of the year as customer deposits reached AED 12.3 billion by the end of March 2014; growing by 355.8 million or 3.0% compared to AED 11.9 billion at the end of 2013.



Due to Banks:

Due to banks reached AED 1.2 billion by the end of March 2014 with a decrease of AED 127.3 million or 9.7% compared to AED 1.3 billion at the end of December 2013.

Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.4 billion or 19.9% of total balance sheet by the end of March 2014. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (30.02% by the end of March'14) and to remain structurally strong.



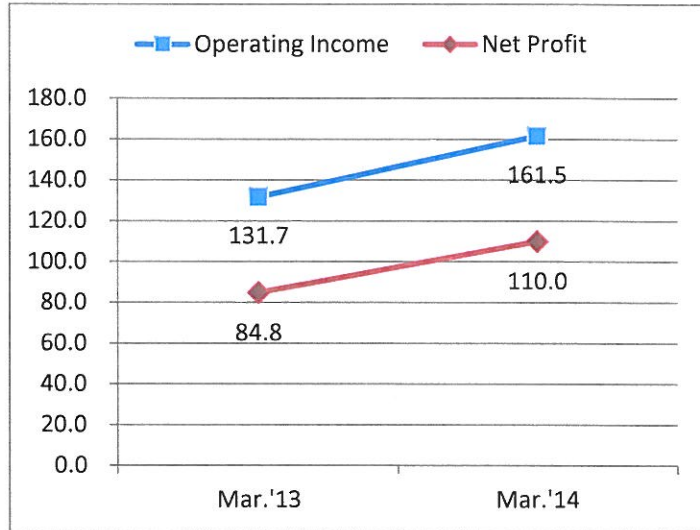
Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 110.0 million at the end of the 1st Quarter of 2014, compared to AED 84.8 million in the same period of 2013, an increase of 29.7%.

Net Operating Income reached AED 161.5 million by the end of March 2014 compared to AED 131.7 million in the same period 2013, an increase of 22.7%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 211.9 million by the end of March 2014 compared to AED 176.4 million at the same period 2013; an increase of AED 35.5 million or 20.1%.



Profit paid on Sukuk reached AED 31.6 million compared to AED 17.7 in the same period 2013; AED 14.0 million higher which was mainly due to the issuance of new Sukuk of USD 500 million in April 2013.

Fees, Commission and Other Income reached AED 68.0 million by the end of March 2014 compared to AED 48.6 million in the same period 2013, an increase of AED 19.4 million or 39.9%.

Income from subsidiary reach AED 13.7 million by end of March 2014 compared to AED 7.6 million in the same period 2013 an increase of AED 6.10 million or an 80%

On the expenses side, General and Administration Expenses reached AED 100.5 million by the end of March 2014 compared to AED 83.3 million in the same period 2013; an increase of AED 17.2 million or 20.6%.

Profits allocated and distributed to depositors reached AED 29.5 million by the end of March 2014 compared to AED 36.9 million in the same period 2013; a decrease of 20.1%. 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 9.86% by the end of the 1st Quarter 2014 compared to 6.84% at the end of December 2013, while Return (*annualized*) on Average Assets (ROAA) was 2.01% by the end of March 2014 compared to 1.53% at the end of December 2013.

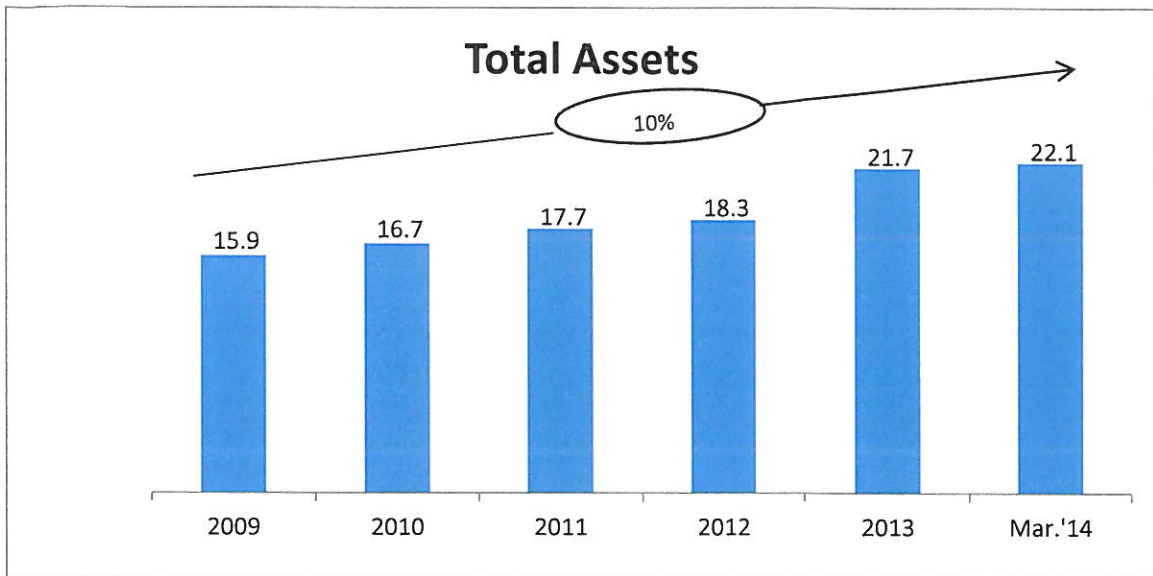
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>						Q1-2014
	2009	2010	2011	2012	2013	
Total Assets	15,975	16,667	17,733	18,316	21,732	22,123
Net Customer Receivables	10,021	9,654	10,427	10,749	12,519	13,323
Customer Deposits	9,860	10,378	10,398	11,335	11,901	12,257
Total Shareholders' Equity	4,264	4,348	4,406	4,444	4,536	4,395
Return on Average Assets	1.65%	1.63%	1.46%	1.51%	1.53%	2.01
Return on Average Equity	6.17%	6.19%	5.74%	6.15%	6.84%	9.86
Equity to Total Assets	26.69%	26.09%	24.85%	24.26%	20.87%	19.87%
Leverage of Total Capital (Times)	2.75	2.83	3.02	3.12	3.79	4.03

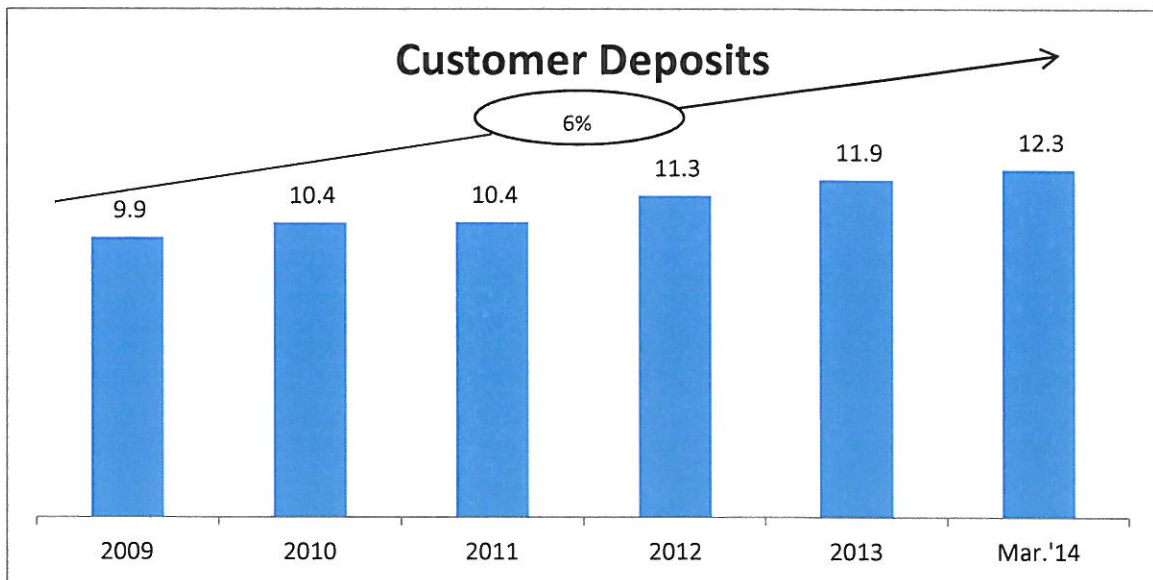
* *Annualized.*



Total Assets, AED billion



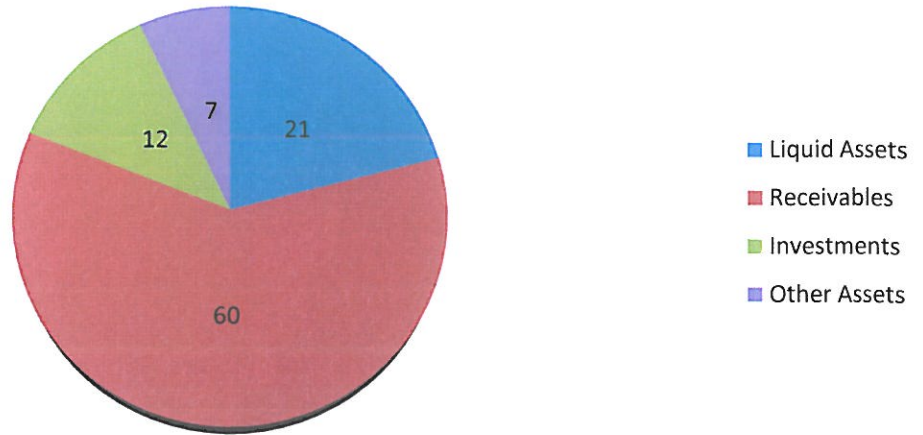
Customer Deposits, AED billion



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Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

