



Bank of Sharjah
Management Discussion & Analysis Report
for the year ended 31 December 2016

Financial Highlights:

AED (in millions)	31/12/2016	31/12/2015	Variance
Total Assets	27,097	27,587	(2%)
Customers' Deposits	19,737	19,492	1%
Loans and Advances	17,075	15,037	14%
Loans and Advances to Deposits Ratio	87%	77%	13%
Net Liquidity	5,542	7,463	(26%)
Total Equity	4,599	4,622	-
Commitments and Contingent Liabilities	5,099	5,860	(13%)
Net Interest Income	522	548	(5%)
Non-Interest Income	236	285	(17%)
Operating Income	758	833	(9%)
Net Impairment Loss on Financial Assets	(62)	(297)	(79%)
Net Operating Income	695	536	30%
Net Profit for the Year	402	250	61%
Total Comprehensive Income for the Year	213	309	(31%)
Earnings per Share – fils	18.7	11.7	60%
Capital Adequacy Ratio	22.43%	21.13%	6%

During the year, the Bank continued to grow its loans and deposits portfolio while maintaining high levels of liquidity and a low loan to deposit ratio.

Total Assets reached AED 27,097 million, a decrease of 2% over the corresponding 31 December 2015 figure of AED 27,587 million.

Customers' Deposits reached AED 19,737 million, a 1% increase over the corresponding 31 December 2015 balance of AED 19,492 million.

Loans and Advances reached AED 17,075 million, 14% above the corresponding figure of AED 15,037 million as at 31 December 2015.

Net Liquidity reached AED 5,542 million as at 31 December 2016, a decrease of 26% compared to 2015 year figure of AED 7,463 million.



Total Equity as at 31 December 2016 stood at AED 4,599 million after payment of 2015 dividends compared to AED 4,622 million for the corresponding year of 2015.

Net Interest Income decreased by 5% compared to the corresponding figure of the year 2015, Non-Interest Income decreased by 17% while net impairment loss on financial assets decreased by 79% which was reflected in a 30% increase in the net operating income to reach AED 695 million for the year 2016 compared to AED 536 million for the year 2015.

Net profit for the current year 2016 reached AED 402 million, against AED 250 million for 2015, up by 61%. Earnings per share for the year 2016 were up by 60% and reached 18.7 fils compared to 11.7 fils in 2015.

Total Comprehensive Income for the year decreased by 31% to AED 213 million versus AED 309 million for the year of 2015.

Capital Adequacy ratio kept its strong level and stood at a high of 22.43% in 2016 versus 21.13% in 2015.

The Board of Directors approved during their meeting dated 6 February 2017 to convey the General Assembly to be held on 25th March 2017, a proposal to distribute cash dividend to be disclosed once the Central Bank approval is obtained.

Commenting on the results Mr. Ahmed Al Noman, the Chairman of the Board, expressed the Board's extreme satisfaction with the Bank's 2016 results.

Sharjah, 22 February 2017