



Bank of Sharjah
Management Discussion & Analysis Report
for the period ended 30 June 2017

Financial Highlights:

AED (in millions)	30/06/2017	30/06/2016	Variance YOY	31/12/2016	Variance YTD
Total Assets	28,504	26,289	8%	27,097	5%
Customers' Deposits	19,313	18,200	6%	19,737	(2%)
Loans and Advances	15,999	15,554	3%	17,075	(6%)
Loans and Advances to Deposits Ratio	83%	85%		87%	
Net Liquidity	6,695	5,629	19%	5,542	21%
Total Equity	4,387	4,781	(8%)	4,600	(5%)
Commitments and Contingent Liabilities	5,073	5,521	(8%)	5,099	(1%)
Capital Adequacy Ratio	19.85%	23.23%		22.43%	

AED (in millions)	30/06/2017	30/06/2016	Variance
Net Interest Income	242	263	(8%)
Non-Interest Income	86	100	(14%)
Total income	328	363	(10%)
Net Impairment Loss on Financial Assets	(28)	(36)	(22%)
Net Operating income	300	327	(8%)
Net profit for the period	152	176	(14%)
Total Comprehensive Income for the Period	(44)	174	(125%)
Earnings per share – fils	7.0	8.1	(14%)

Total Assets reached AED 28,504 million, an increase of 8% over the corresponding 30 June 2016 figure of AED 26,289 million. When compared to the 31 December 2016 figure, Total Assets increased by 5% from AED 27,097 million.

Customers' Deposits reached AED 19,313 million, an increase of 6% over the corresponding 30 June 2016 figure of AED 18,200 million. When compared to the 31 December 2016 figure, Customers' Deposits decreased by 2% from AED 19,737 million.



Loans and Advances reached AED 15,999 million, 3% above the corresponding 30 June 2016 figure of AED 15,554 million, and 6% less than the 31 December 2016 balance of AED 17,075 million.

Net Liquidity remains high compared to industry levels at AED 6,695 million as at 30 June 2017, 19% more than 30 June 2016 at AED 5,629 million and 21% more than 31 December 2016 balance of AED 5,542 million.

Total Equity at the end of the first half of 2017 stood at AED 4,387 million, 8% less than 30 June 2016 balance of AED 4,781 million and 5% less than 31 December 2016 balance of AED 4,600 million.

Capital Adequacy ratio kept its strong level and stood at a high of 19.85% in the first half of 2017.

Net Interest Income and Non-Interest Income decreased by 8% and 14% respectively compared to the corresponding period of 2016 which was reflected in an 8% decrease in the net operating income to reach AED 300 million in the first half of 2017 compared to AED 327 million in the same period of 2016.

Net profit for the first half of 2017 reached AED 152 million, against AED 176 million for the same period of 2016. As a result, earnings per share for the period were down by 14% and reached 7.0 fils compared to 8.1 fils in the same period of 2016.

Commenting on the results Mr. Ahmed Al Noman, Chairman of the Board, stated that the net profit was affected mainly by a marginal increase in cost of funds, and equity was affected by the distribution of cash dividends and the downturn in the market value of strategic investments. While it is too early to predict year-end figures, we expect a sustained performance during the second half to meet comfortably the budget of 2017.

Sharjah, 26 July 2017