



Bank of Sharjah
Management Discussion & Analysis Report
for the period ended 31 March 2017

Financial Highlights:

AED (in millions)	31/03/2017	31/03/2016	Variance YOY	31/12/2016	Variance YTD
Total Assets	28,880	27,651	4%	27,097	7%
Customers' Deposits	18,839	19,303	(2%)	19,737	(4%)
Loans and Advances	16,561	15,402	8%	17,075	(3%)
Loans and Advances to Deposits Ratio	88%	80%	10%	87%	1%
Net Liquidity	6,722	6,797	(1%)	5,542	21%
Total Equity	4,640	4,694	(1%)	4,600	1%
Commitments and Contingent Liabilities	5,035	5,806	(13%)	5,099	(1%)
Capital Adequacy Ratio	21.54%	21.13%	2%	22.43%	(4%)

AED (in millions)	31/03/2017	31/03/2016	Variance
Net Interest Income	117	126	(7%)
Non-Interest Income	25	54	(54%)
Total income	142	180	(21%)
Net Impairment Loss on Financial Assets	(9)	(23)	(61%)
Net Operating income	132	157	(16%)
Net profit for the period	58	81	(28%)
Total Comprehensive Income for the Period	45	77	(42%)
Earnings per share – fils	2.6	3.7	(30%)

Total Assets reached AED 28,880 million, an increase of 4% over the corresponding 31 March 2016 figure of AED 27,651 million. When compared to the 31 December 2016 figure, Total Assets increased by 7% from AED 27,097 million.

Customers' Deposits reached AED 18,839 million, a decrease of 2% over the corresponding 31 March 2016 figure of AED 19,303 million. When compared to the 31 December 2016 figure, Customers' Deposits decreased by 4% from AED 19,737 million.



Loans and Advances reached AED 16,561 million, 8% above the corresponding 31 March 2016 figure of AED 15,402 million, and 3% less than the 31 December 2016 balance of AED 17,075 million.

Net Liquidity remains high compared to industry levels at AED 6,722 million as at 31 March 2017, 1% less than 31 March 2016 at AED 6,797 million and 21% more than 31 December 2016 balance of AED 5,542 million.

Total Equity at the end of the first quarter of 2017 stood at AED 4,640 million, 1% less than 31 March 2016 balance of AED 4,694 million and 1% more than 31 December 2016 balance of AED 4,600 million.

Capital Adequacy ratio kept its strong level and stood at a high of 21.54% in the first quarter of 2017.

Net Interest Income and Non-Interest Income decreased by 7% and 54% respectively compared to the corresponding period of 2016 which was reflected in a 16% decrease in the net operating income to reach AED 132 million in the first quarter of 2017 compared to AED 157 million in the same period of 2016.

Net profit for the first quarter of 2017 reached AED 58 million, against AED 81 million for the same period of 2016. As a result, earnings per share for the period were down by 30% and reached 2.6 fils compared to 3.7 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 an AED 21 million downturn in the market value of strategic investments which is expected to be recovered during 2017. While it is too early to predict year-end figures, we expect a sustained performance to meet the budget of 2017.

Sharjah, 29 April 2017