



**Bank of Sharjah**  
**Management Discussion & Analysis Report**  
**for the period ended 30 September 2016**

**Financial Highlight:**

AED (in millions)	30/09/2016	30/09/2015	Variance YOY	31/12/2015	Variance YTD
Total Assets	26,128	26,560	-2%	27,587	-5%
Customers' Deposits	18,491	18,151	2%	19,492	-5%
Loans and Advances	16,016	15,760	2%	15,037	7%
Loans and Advances to Deposits Ratio	87%	87%	-	77%	13%
Net Liquidity	5,434	5,484	-1%	7,463	-27%
Total Equity	4,621	4,591	1%	4,622	-
Commitments and Contingent Liabilities	5,186	6,070	-15%	5,860	-12%
Capital Adequacy Ratio	22.28%	20.91%	7%	21.13%	5%

AED (in millions)	30/09/2016	30/09/2015	Variance
Net Interest Income	399	403	-1%
Non-Interest Income	139	248	-44%
<b>Total income</b>	<b>538</b>	<b>651</b>	<b>-17%</b>
Net Impairment Loss on Financial Assets	(48)	(132)	-64%
<b>Net Operating income</b>	<b>490</b>	<b>519</b>	<b>-6%</b>
<b>Net profit for the period</b>	<b>268</b>	<b>298</b>	<b>-10%</b>
<b>Total Comprehensive Income for the Period</b>	<b>234</b>	<b>278</b>	<b>-16%</b>
Earnings per share – fils	12.4	14.0	-11%

During the period, 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 26,128 million, a 2% decrease over the corresponding 30 September 2015 balance of AED 26,560 million. When compared to the 31 December 2015 balance, Total Assets decreased by 5%.

Customers' Deposits reached AED 18,491 million, a 2% increase over the corresponding 30 September 2015 balance of AED 18,151 million. When compared to the 31 December 2015 balance, Customers' Deposits decreased by 5% from AED 19,492 million.



Loans and Advances reached AED 16,016 million, 2% above the corresponding 30 September 2015 balance of AED 15,760 million, and 7% more than the 31 December 2015 balance of AED 15,037 million.

Net Liquidity remains high compared to industry levels at AED 5,434 million as at 30 September 2016, 1% less compared to the same period of 2015 at AED 5,484 million and 27% less than 31 December 2015 balance of AED 7,463 million.

Total Equity as at 30 September 2016 stood at AED 4,621 million, after the distribution of AED 220 million in the form of treasury shares, 1% more compared to the corresponding period of 2015 balance of AED 4,591 million and no major change compared to 31 December 2015 balance of AED 4,622 million.

Net Interest Income decreased by 1% compared to the corresponding period of 2015, Non-Interest Income decreased by 44% while net impairment loss on financial assets decreased by 64% which was reflected in a 6% decrease in the net operating income to reach AED 490 million for the period ended 30 September 2016 compared to AED 519 million during the same period of 2015.

Net profit for the nine months of 2016 reached AED 268 million, against AED 298 million during the same period of 2015. Earnings per share for the period were down by 11% and reached 12.4 fils compared to 14.0 fils in 2015. It should be noted that 2015 net profit was capped at AED 250 million during the fourth quarter of 2015.

Total Comprehensive Income for the period decreased by 16% to AED 234 million versus AED 278 million during the same period of 2015.

Capital Adequacy ratio kept its strong level and stood at a high of 22.28% in 30 September 2016.

During the period, the shareholders approved a 5.24% treasury shares distribution (110 million shares) amounting to AED 220 million which were acquired against settlement of loans. These shares were distributed to the existing shareholders as per their existing proportionate shareholding.

Commenting on the results Mr. Ahmed Al Noman, the Chairman of the Board, expressed the Board's satisfaction with the consistency of the Bank's interim results, stressing that 2016 result should exceed the budgeted figures.

Sharjah 23 October 2016