



Bank of Sharjah P.J.S.C

Bank of Sharjah P.J.S.C today announced the results of the period ended 30 June 2018. The following Management Discussion and Analysis includes financial results for Bank of Sharjah and its subsidiaries, together referred to as the “Group”.

Financial Highlights

- ✓ Net Profit of AED 200 million, up by 31% compared to 30 June 2017
- ✓ Total Comprehensive income of AED 279 million, up by 728% compared to 30 June 2017
- ✓ Total Operating Income of AED 348 million, up by 6% compared to 30 June 2017
- ✓ Net Operating Income of AED 355 million, up by 18% compared to 30 June 2017
- ✓ Total Assets at AED 29,607 million, down by 3% compared to 31 December 2017
- ✓ Net Loans and Advances at AED 16,079 million, down by 8% compared to 31 December 2017
- ✓ Total Customers’ Deposits at AED 20,272 million, down by 6% compared to 31 December 2017
- ✓ Return on Assets at 1.35% and Return on Equity at 9.85%
- ✓ Basel III Common Equity Tier 1 ratio at 15.34% compared to a minimum required ratio of 8.5%
- ✓ Loans and Advances to Deposits Ratio at 79%

Financial year review

During the period, the Bank continued to maintain high levels of liquidity and a low loan to deposit ratio.

Income Statement Highlights

(AED Mn)	30 June 2018	30 June 2017	Variance %
Net Interest Income	234	242	(3%)
Non-Interest Income	114	87	+32%
Operating Income	348	328	+6%
Net Impairment Loss on Financial Assets	7	(28)	(124%)
Net Operating Income	355	300	+18%
Net Profit for the Period	200	152	+31%
Total Comprehensive income for the Period	279	(44)	+728%
Earnings per Share – fils	9.5	7.0	+36%



Balance Sheet Highlights

(AED Mn)	Jun' 18	Dec'17	Variance %
Total Assets	29,607	30,511	(3%)
Customers' Deposits	20,272	21,630	(6%)
Loans and Advances	16,079	17,476	(8%)
Total Equity	4,063	4,068	-
Net Liquidity	6,530	7,871	(17%)
Commitments and Contingent Liabilities	5,282	5,630	(6%)

Key Ratios Highlights

	Jun' 18	Dec'17	Variance %
Return on Assets	1.35%	0.87%	+55%
Return on Equity	9.85%	6.51%	+51%
Net Interest margin	2.00%	1.78%	+12%
Cost to Income	41.91%	37.96%	+10%
Loans and Advances to Deposits Ratio	79%	81%	(2%)

Results Review

Income

Net Interest Income decreased by 3% compared to the corresponding figure for the same period of 2017, Non-Interest Income increased by 32% due to better market performance and Operating income increased by 6%. The net operating income reached AED 355 million for the period ended 30 June 2018 compared to AED 300 million for the same period of 2017, an increase of 18%.

Net profit for the period ended 30 June 2018 reached AED 200 million, against AED 152 million for the same period of 2017, up by 31%. Earnings per share for the period ended 30 June 2018 were up by 36% and reached 9.5 fils compared to 7.0 fils in 2017.

Total Comprehensive income for the period ended 30 June 2018 increased by 728% to total comprehensive income of AED 279 million versus a total comprehensive loss of AED 44 million for the same period of 2017. This was due to an upturn in the market value of strategic investments and a positive effect from change in fair value of issued bonds.

Assets Growth

Total Assets reached AED 29,607 million, a decrease of 3% over the corresponding 31 December 2017 figure of AED 30,511 million.



Loans and Advances

In parallel, Loans and Advances reached AED 16,079 million, an 8% decrease compared to the corresponding figure of AED 17,476 million as at 31 December 2017.

Customer Deposits

Customers' Deposits reached AED 20,272 million, a 6% decrease over the corresponding 31 December 2017 balance of AED 21,630 million.

Capital and Liquidity

Total Equity as at 30 June 2018 stood at AED 4,063 million, compared to AED 4,068 million for the corresponding year of 2017.

Net Liquidity remained very high at AED 6,530 million as at 30 June 2018 despite a decrease of 17% compared to 2017 year figure of AED 7,871 million.