

## Bank of Sharjah P.J.S.C

Bank of Sharjah P.J.S.C today announced the results of the period ended 30 September 2019. The following Management Discussion and Analysis includes financial results for Bank of Sharjah and its subsidiaries, together referred to as the "Group".

### Financial Highlights

- ✓ Total Assets at AED 31,232 million, up by 8% compared to 31 December 2018
- ✓ Net Loans and Advances at AED 18,301 million, up by 13% compared to 31 December 2018
- ✓ Total Customers' Deposits at AED 20,760 million, up by 3% compared to 31 December 2018
- ✓ Net Operating Income of AED 427 million, down by 21% compared to 30 September 2018
- ✓ Net Profit of AED 172 million, down by 43% compared to 30 September 2018 and up by 33% compared to 31 December 2018
- ✓ Total Comprehensive income of AED 99 million, down by 68% compared to 30 September 2018
- ✓ Return on Assets at 0.73% and Return on Equity at 5.94%
- ✓ Loans and Advances to Deposits Ratio at 88.16%
- ✓ Non-Performing Loans ratio at 8.37%, down by 28% compared to 31 December 2018

### 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 September 2019	30 September 2018	Variance %
Net Interest Income	331	348	
Non-Interest Income	115	172	
<b>Operating Income</b>	<b>446</b>	<b>520</b>	<b>(14%)</b>
Net Impairment loss on Financial Assets	(19)	18	
<b>Net Operating Income</b>	<b>427</b>	<b>538</b>	<b>(21%)</b>
<b>Net Profit for the period</b>	<b>172</b>	<b>301</b>	<b>(43%)</b>
<b>Total Comprehensive income for the period</b>	<b>99</b>	<b>306</b>	<b>(68%)</b>
Earnings per Share – fils	8.2	14.3	(43%)



***Management Discussion & Analysis Report  
for the period ended 30 September 2019***

**Balance Sheet Highlights**

<b>(AED Mn)</b>	<b>Sep'19</b>	<b>Dec'18</b>	<b>Variance %</b>
Total Assets	31,232	29,011	8%
Loans and Advances	18,301	16,214	13%
Customers' Deposits	20,760	20,119	3%
Total Equity	3,862	3,779	2%
Commitments and Contingent Liabilities	5,260	5,414	(3%)

**Key Ratios Highlights**

	<b>Sep'19</b>	<b>Dec'18</b>	<b>Variance %</b>
Return on Assets	0.73%	0.45%	62%
Return on Equity	5.94%	3.43%	73%
Net Interest margin	1.77%	2.22%	(20%)
Cost to Income	52.97%	44.81%	18%
Non-Performing loans Ratio	8.37%	11.60%	(28%)
Impaired Loan Coverage Ratio	112.41%	99.42%	13%
Loans and Advances to Deposits Ratio	88.16%	80.59%	9%

**Results Review**

**Income**

The net operating income reached AED 427 million for the period ended 30 September 2019 compared to AED 538 million for the same period of 2018, a decrease of 21%.

Net profit for the period ended 30 September 2019 reached AED 172 million, against AED 301 million for the same period of 2018, a decrease of 43%. Earnings per share for the period ended 30 September 2019 were decreased by 43% and reached 8.2 fils compared to 14.3 fils for the same period of 2018.

Total Comprehensive income for the period ended 30 September 2019 decreased by 68% and reached AED 99 million versus AED 306 million for the same period of 2018, mainly as a result of net changes in fair value of the issued bonds due to credit risk where the difference of AED 45 million should be eroded with time.

**Assets Growth**

Total Assets reached AED 31,232 million as at 30 September 2019, an increase of 8% over the corresponding 31 December 2018 figure of AED 29,011 million.

**Loans and Advances**

Loans and Advances reached AED 18,301 million as at 30 September 2019, 13% above the corresponding figure of AED 16,214 million as at 31 December 2018.



### **Customer Deposits**

Customers' Deposits as at 30 September 2019 reached AED 20,760 million, 3% above the corresponding 31 December 2018 balance of AED 20,119 million.

### **Equity**

Total Equity as at 30 September 2019 reached AED 3,862 million, 2% above the corresponding 31 December 2018 balance of AED 3,779 million.

Over the last quarter a number of challenging events in the region have increased the risk profile and depressed market valuation, however with the planned initiatives by UAE authorities to boost the economic environment we expect Q4 to register a substantial growth prospect and enhance our profitability.