

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

Bank of Sharjah P.J.S.C today announced the results of the three-month period ended 31 March 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

- ✓ Net Profit for the quarter of AED 52 million, down by 38% compared to 31 March 2018
- ✓ Total Comprehensive income of AED 7 million, down by 95% compared to 31 March 2018
- ✓ Total Operating Income of AED 152 million, down by 4% compared to 31 March 2018
- ✓ Net Operating Income of AED 127 million, down by 23% compared to 31 March 2018
- ✓ Total Assets at AED 30,110 million, up by 4% compared to 31 December 2018
- ✓ Net Loans and Advances at AED 17,252 million, up by 6% compared to 31 December 2018
- ✓ Total Customers' Deposits at AED 20,215 million, up by less than 1% compared to 31 December 2018
- ✓ Return on Assets at 0.69% and Return on Equity at 5.46%
- ✓ Basel III Common Equity Tier 1 ratio at 12.33% compared to a minimum required ratio of 8.5%
- ✓ Loans and Advances to Deposits Ratio at 85.34%

### Financial year review

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

### Income Statement Highlights

(AED Mn)	Q1'19	Q1'18	Variance %
Net Interest Income	119	110	8%
Non-Interest Income	33	48	(31%)
<b>Operating Income</b>	<b>152</b>	<b>158</b>	<b>(4%)</b>
Net Impairment loss on Financial Assets	(25)	7	457%
<b>Net Operating Income</b>	<b>127</b>	<b>165</b>	<b>(23%)</b>
<b>Net Profit for the quarter</b>	<b>52</b>	<b>84</b>	<b>(38%)</b>
<b>Total Comprehensive income for the quarter</b>	<b>7</b>	<b>134</b>	<b>(95%)</b>
Earnings per Share – fils	2.5	4.0	(38%)

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### **Balance Sheet Highlights**

<b>(AED Mn)</b>	<b>Mar'19</b>	<b>Dec'18</b>	<b>Variance %</b>
Total Assets	30,110	29,011	4%
Loans and Advances	17,252	16,214	6%
Customers' Deposits	20,215	20,119	-
Total Equity	3,780	3,779	-
Net Liquidity	4,681	5,688	(18%)
Commitments and Contingent Liabilities	5,279	5,414	(2%)

### **Key Ratios Highlights**

	<b>Mar'19</b>	<b>Dec'18</b>	<b>Variance %</b>
Return on Assets	0.69%	0.45%	53%
Return on Equity	5.46%	3.43%	59%
Net Interest margin	1.99%	2.22%	(10%)
Cost to Income	45.21%	44.81%	1%
Impaired Loan Coverage Ratio	93.75%	99.42%	(6%)
Loans and Advances to Deposits Ratio	85.34%	80.59%	6%

### **Results Review**

#### **Income**

Net Interest Income for the period ended 31 March 2019 increased by 8% compared to the same period of 2018, Non-Interest Income decreased by 31% and operating income decreased by 4%. The net operating income reached AED 127 million for the period ended 31 March 2019 compared to AED 165 million for the same period of 2018, a decrease of 23%.

Net profit for the period ended 31 March 2019 reached AED 52 million, against AED 84 million for the same period of 2018, down by 38%. Earnings per share for the period ended 31 March 2019 were down by 38% and reached 2.5 fils compared to 4 fils for the same period of 2018.

Total Comprehensive income for the period ended 31 March 2019 decreased by 95% and reached AED 7 million versus AED 134 million for the same period of 2018.

#### **Assets Growth**

Total Assets reached AED 30,110 million as at 31 March 2019, an increase of 4% over the corresponding 31 December 2018 figure of AED 29,011 million.





### **Loans and Advances**

Loans and Advances reached AED 17,252 million as at 31 March 2019, 6% above the corresponding figure of AED 16,214 million as at 31 December 2018.

### **Customer Deposits**

Customers' Deposits reached AED 20,215 million as at 31 March 2019 compared to AED 20,119 million for the corresponding 31 December 2018 balance.

### **Capital and Liquidity**

Total Equity as at 31 March 2019 stood at AED 3,780 million compared to AED 3,779 million for the corresponding 31 December 2018 balance.

Net Liquidity reached AED 4,681 million as at 31 March 2019, a decrease of 18% compared to 2018 year figure of AED 5,688 million.