

Bank of Sharjah P.J.S.C

Bank of Sharjah ("the Bank") today announced its financial results of the period ended 31 March 2025. The following Management Discussion and Analysis provides an overview of the Bank's key financial performance.

Bank of Sharjah achieved a record performance in Q1 2025 with profit before tax reaching AED 130 million, resulting in a high return on equity of 11.7%.

Net profit reached AED 116 million, a marked improvement from a profit of AED 80 million for the period ended 31 March 2024. The growth was driven by significant increases in net interest income, strong credit risk management, and effective cost control measures.

Key Highlights (Q1 2025)

Profit before Tax

AED 130mn



AED 84mn

Net Profit

AED 116mn



AED 80mn

Operating Income

AED 201mn



AED 143mn

Cost to Income
Ratio

30.5%



40.9%

NIM

1.5%



1.0%

ROA

1.0%



0.8%

ROE

11.7%



9.1%

Total Assets

AED 44.8bn



AED 43.6bn

Net Loans & Advances

AED 25.9bn



AED 24.3bn

NPL Ratio
(Net of ECL & collateral)

4.0%



4.4%

Loans to Deposits
Ratio

85.0%



85.8%

CAR

13.8%



14.3%

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Public Shareholding Company Incorporated in Sharjah by Amiri Decree dated 22 Dec. 1973
Commercial Registration Number 1130 Sharjah - U.A.E.

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Management Discussion & Analysis Report
for the period ended 31 March 2025

Statement of Profit or Loss

- Profit before tax reported at AED 130 million for the period ended 31 March 2025 compared to a profit of AED 84 million for the period ended 31 March 2024. The strong balance sheet evolution, coupled with increased business and diversified revenue growth had drove the bank's financial performance.
- Net profit stood at AED 116 million reflecting a remarkable increase compared to a net profit of AED 80 million for the period ended 31 March 2024.
- Net interest income increased by 61.8% to AED 144 million for the period ended 31 March 2025 compared to AED 89 million for the period ended 31 March 2024 leading to a higher operating income of AED 201 million.
- Operating income for the period ended 31 March 2025 increased to AED 201 million, up by 40.6% compared to the period ended 31 March 2024, primarily driven by a higher net interest income.

Statement of Financial Position

- Total assets increased by 2.8% in the first quarter of 2025 and reached AED 44.8 billion. This increase was driven by financing growth and an expansion in the investment portfolio.
- Net loans and advances increased by 6.6% in the first quarter of 2025 and reached AED 25.9 billion, highlighting market share gains in key segments and significant landmark deals in wholesale banking.
- Net investment securities portfolio grew by AED 1.5 billion, as liquid resources were deployed efficiently to support growth.
- Customers' deposits grew by 2.7% in the first quarter of 2025 and reached AED 30.5 billion.
- Total equity stood at AED 4.0 billion, an increase of 5.3%, primarily led by the growth in profits.
- Capital ratios experienced a minor decrease compared to the same period last year, primarily attributable to business expansion and growth.

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Management Discussion & Analysis Report
for the period ended 31 March 2025

Financial Summary

Statement of Profit or Loss Highlights (AED Mn)	Q1'25	Q1'24	Variance
Net interest income	144	89	61.8%
Non-interest income	57	54	5.6%
Operating income	201	143	40.6%
Net impairment loss on financial assets	(10)	-	100.0%
Net operating income	191	143	33.6%
General and administrative expenses	(61)	(59)	3.4%
Profit before tax	130	84	54.8%
Income tax expense	(14)	(4)	250.0%
Net profit for the period	116	80	45.0%

Key Profitability Ratios (%)	Q1'25	Q1'24	Variance
Net Interest Margin	1.5%	1.0%	50.0%
Cost-to-income ratio	30.5%	40.9%	(25.4%)
Return on Equity	11.7%	9.1%	28.6%
Return on Assets	1.0%	0.8%	25.0%

Statement of Financial Position Highlights (AED Bn)	31 March 2025	31 December 2024	Variance
Total assets	44.8	43.6	2.8%
Loans and advances, net	25.9	24.3	6.6%
Investment securities, net	11.6	10.1	14.9%
Customers' deposits	30.5	29.7	2.7%
Total equity	4.0	3.8	5.3%
Commitments and contingent liabilities	2.8	2.6	7.7%

Key Financial Position Ratios (%)	Q1'25	Q1'24	Variance
Non-performing loans ratio (Net of ECL & collateral)	4.0%	4.4%	(9.1%)
Non-performing loans coverage ratio	86.0%	85.4%	0.7%
Loans and advances to customers' deposits ratio	85.0%	85.8%	(0.9%)
Capital adequacy ratio	13.8%	14.3%	(3.5%)
Tier 1 capital ratio	12.7%	13.1%	(3.1%)
Common equity tier 1 capital ratio	12.7%	13.1%	(3.1%)



Management Discussion & Analysis Report
for the period ended 31 March 2025

Sheikh Mohammed bin Saud Al Qasimi, Chairman of Bank of Sharjah

I am pleased to announce Bank of Sharjah's exceptional start to 2025, achieving a record profitability and further reinforcing our trajectory of sustainable growth. For the first quarter, our net profit surged to AED 116 million, reflecting the strength of our strategic initiatives and the resilience of our business model. The UAE's dynamic economy continues to create significant opportunities, and we remain well-positioned to leverage them. Our focus on operational excellence, business diversification, and customer-centric innovation has been instrumental in maintaining robust growth momentum.



As we move forward, our commitment to long-term value creation, sound governance, and stakeholder trust remains firm. I would like to express my sincere appreciation to the Board of Directors, the management team, and our dedicated employees for their relentless efforts and exceptional contributions. Together, we are driving Bank of Sharjah to new heights in 2025 and beyond.

Mr. Mohamed Khadiri, CEO of Bank of Sharjah

We have kicked off 2025 on a strong note, delivering an outstanding performance that highlights the successful execution of our transformation strategy. This achievement is driven by robust growth across all business lines, deeper client engagement, disciplined risk management, and the continued optimization of our operating model. We are making meaningful progress in diversifying our revenue streams, expanding our customer base, and strengthening client relationships – all of which are contributing to a well-balanced income mix and sustainable profitability.



At the same time, we have remained focused on meeting our customers' evolving needs while driving greater efficiency across the organization. As we look ahead, we are committed to building on this momentum. By leveraging our core strengths, we will continue to navigate market opportunities and challenges with agility. With a clear strategic vision and a culture anchored in resilience and innovation, Bank of Sharjah is well-positioned to sustain its upward trajectory and deliver consistent and long-term value for all stakeholders.

Mohamed Khadiri
Chief Executive Officer