



Bank of Sharjah P.J.S.C

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

- ✓ Total Assets at AED 29,932 million, down by 2% compared to 31 December 2017
- ✓ Net Loans and Advances at AED 16,659 million, down by 5% compared to 31 December 2017
- ✓ Total Customers’ Deposits at AED 21,037 million, down by 3% compared to 31 December 2017
- ✓ Total Operating Income of AED 158 million, up by 11% compared to 31 March 2017
- ✓ Net Operating Income of AED 165 million, up by 25% compared to 31 March 2017
- ✓ Net Profit for the quarter of AED 84 million, up by 45% compared to 31 March 2017
- ✓ Total Comprehensive income for the quarter of AED 134 million, up by 198% compared to 31 March 2017
- ✓ Return on Assets at 1.12% and Return on Equity at 8.56%
- ✓ Basel III Common Equity Tier 1 ratio at 15.57% compared to a minimum required ratio of 8.5%
- ✓ Loans and Advances to Deposits Ratio at 79%

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)	Q1’18	Q1’17	Variance %
Net Interest Income	110	117	(9%)
Non-Interest Income	48	25	92%
Operating Income	158	142	11%
Net Impairment Loss on Financial Assets	7	(9)	(178%)
Net Operating Income	165	132	25%
Net Profit for the Period	84	58	45%
Total Comprehensive income for the Period	134	45	198%
Earnings per Share – fils	3.99	2.64	51%



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for the period ended 31 March 2018

Balance Sheet Highlights

(AED Mn)	Mar'18	Dec'17	Variance %
Total Assets	29,932	30,511	(2%)
Customers' Deposits	21,037	21,630	(3%)
Loans and Advances	16,659	17,476	(5%)
Total Equity	3,917	4,068	(4%)
Net Liquidity	7,382	7,872	(6%)
Commitments and Contingent Liabilities	5,280	5,630	(6%)

Key Ratios Highlights

	Mar'18	Dec'17	Variance %
Return on Assets	1.12%	0.87%	29%
Return on Equity	8.56%	6.51%	32%
Net Interest margin	1.77%	1.78%	(1%)
Cost to Income	48.40%	37.96%	28%
Loans and Advances to Deposits Ratio	79%	81%	(2%)

Results Review

Income

Net Interest Income decreased by 9% compared to the corresponding figure for the same period of 2017, Non-Interest Income increased by 92% due to better market performance and operating income increased by 11%. The net operating income reached AED 165 million for the period ended 31 March 2018 compared to AED 132 million for the same period of 2017, an increase of 25%.

Net profit for the period ended 31 March 2018 reached AED 84 million, against AED 58 million for the same period of 2017, up by 45%. Earnings per share for the period ended 31 March 2018 were up by 51% and reached 3.99 fils compared to 2.64 fils in 2017.

Total Comprehensive income for the period ended 31 March 2018 increased by 198% to total comprehensive income of AED 134 million versus a total comprehensive income of AED 45 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 29,932 million, a decrease of 2% over the corresponding 31 December 2017 figure of AED 30,511 million. Loans and Advances reached AED 16,659 million, 5% below the corresponding figure of AED 17,476 million as at 31 December 2017.

Customer Deposits

Customers' Deposits reached AED 21,037 million, a 3% decrease over the corresponding 31 December 2017 balance of AED 21,630 million.



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Capital and Liquidity

Total Equity as at 31 March 2018 stood at AED 3,917 million, a decrease of 4% compared to AED 4,068 million for the corresponding year of 2017. This was mainly due to the adoption of IFRS 9 “Expected credit losses” impact on retained earnings.

Net Liquidity reached AED 7,382 million as at 31 March 2018, a decrease of 6% compared to 2017 year figure of AED 7,872 million.