

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

Bank of Sharjah P.J.S.C today announced the results of the year ended 31 December 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 for the Year of AED 130 million, down by 51% compared to 2017**
- ✓ **Total Comprehensive income of AED 3 million, up by 102% compared to 2017**
- ✓ **Total Operating Income of AED 721 million, down by 7% compared to 2017**
- ✓ **Net Operating Income of AED 469 million, down by 17% compared to 2017**
- ✓ **Total Assets at AED 29,011 million, down by 5% compared to 2017**
- ✓ **Net Loans and Advances at AED 16,214 million, down by 7% compared to 2017**
- ✓ **Total Customers' Deposits at AED 20,119 million, down by 7% compared to 2017**
- ✓ **Return on Assets at 0.45% and Return on Equity at 3.43%**
- ✓ **Basel III Common Equity Tier 1 ratio at 13.12% compared to a minimum required ratio of 8.5%**
- ✓ **Loans and Advances to Deposits Ratio at 80.59%**

### **Financial year review**

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

### **Income Statement Highlights**

<b>(AED Mn)</b>	<b>FY'18</b>	<b>FY'17</b>	<b>Variance %</b>
Net Interest Income	513	466	10%
Non-Interest Income	208	314	(33%)
<b>Operating Income</b>	<b>721</b>	<b>780</b>	<b>(7%)</b>
Net Impairment Loss on Financial Assets	(252)	(211)	19%
<b>Net Operating Income</b>	<b>469</b>	<b>569</b>	<b>(17%)</b>
<b>Net Profit for the Year</b>	<b>130</b>	<b>265</b>	<b>(51%)</b>
<b>Total Comprehensive income / (loss) for the Year</b>	<b>3</b>	<b>(155)</b>	<b>102%</b>
Earnings per Share – fils	6	13	(54%)



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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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**شراكة نحو الافضل**



**Management Discussion & Analysis Report**  
**for the year ended 31 December 2018**

**Balance Sheet Highlights**

<b>(AED Mn)</b>	<b>Dec'18</b>	<b>Dec'17</b>	<b>Variance %</b>
Total Assets	29,011	30,511	(5%)
Loans and Advances	16,214	17,476	(7%)
Customers' Deposits	20,119	21,630	(7%)
Total Equity	3,779	4,068	(7%)
Net Liquidity	5,688	7,872	(28%)
Commitments and Contingent Liabilities	5,414	5,630	(4%)

**Key Ratios Highlights**

	<b>Dec'18</b>	<b>Dec'17</b>	<b>Variance %</b>
Return on Assets	0.45%	0.87%	(48%)
Return on Equity	3.43%	6.51%	(47%)
Net Interest margin	2.24%	1.78%	26%
Cost to Income	44.81%	37.96%	18%
Impaired Loan Coverage Ratio	99.42%	140.1%	(29%)
Loans and Advances to Deposits Ratio	80.59%	80.79%	-

**Results Review**

**Income**

Net Interest Income increased by 10% compared to the corresponding figure of the year 2017, Non-Interest Income decreased by 33% and operating income decreased by 7%. The net operating income reached AED 469 million for the year 2018 compared to AED 569 million for the year 2017, a decrease of 17%.

Net profit for the current year 2018 reached AED 130 million, against AED 265 million for 2017, down by 51%. Earnings per share for the year 2018 were down by 54% and reached 6 fils compared to 13 fils in 2017.

Total Comprehensive income for the year increased by 102% to total comprehensive income of AED 3 million versus a total comprehensive loss of AED 155 million for 2017. This was mainly due to a positive effect from change in fair value of issued bonds.

**Assets Growth**

Total Assets reached AED 29,011 million, a decrease of 5% over the corresponding 31 December 2017 figure of AED 30,511 million.



### **Loans and Advances**

Loans and Advances reached AED 16,214 million, 7% below the corresponding figure of AED 17,476 million as at 31 December 2017.

### **Customer Deposits**

Customers' Deposits reached AED 20,119 million, 7% below the corresponding 31 December 2017 balance of AED 21,630 million.

### **Capital and Liquidity**

Total Equity as at 31 December 2018 stood at AED 3,779 million, 7% below the corresponding 31 December 2017 balance of AED 4,068 million.

Net Liquidity reached AED 5,688 million as at 31 December 2018, a decrease of 28% compared to 2017 year figure of AED 7,872 million.