



Bank of Sharjah achieved a record performance with Net Profit of AED 151 million, up 30% for the three-month period ended 31 March 2026

Bank of Sharjah (“the Bank”) today announced its financial results for the three-month period ended 31 March 2026. The following Management Discussion and Analysis provides an overview of the Bank’s key financial performance.

The Bank’s Net Profit increased by AED 35 million or 30% year-on-year.

Profit before tax reached AED 166 million, a marked improvement from AED 130 million. The growth was driven by significant increase in net interest income and strong credit risk management.

Key Highlights (Q1’26):

Net Profit

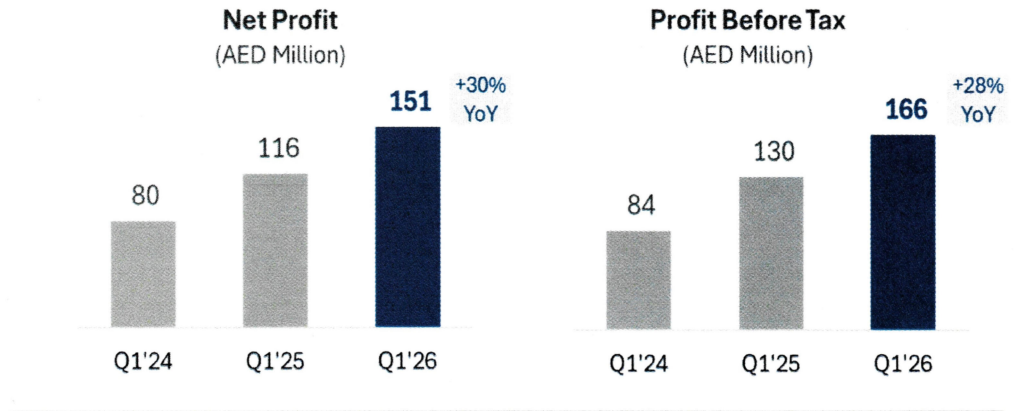
AED 151 mn
 ↑ 30% (vs Q1’25)

Operating Income

AED 244 mn
 ↑ 22% (vs Q1’25)

Total Assets

AED 54.7 bn
 ↑ 13% (vs FY25)



| | | | |
|---|---|---|---|
| <p>↑ 1.8% Q1'25: 1.5%</p> <p>Net Interest Margin</p> | <p>↑ 30.8% Q1'25: 30.5%</p> <p>Cost to Income</p> | <p>↑ 1.1% Q1'25: 1.0%</p> <p>Return on Assets</p> | <p>↑ 12.7% Q1'25: 11.7%</p> <p>Return on Equity</p> |
| <p>↓ 5.5% FY25: 5.9%</p> <p>NPL Ratio (net of ECL & Collateral)</p> | <p>↑ AED 34.7bn FY25: 30.4bn</p> <p>Net Loans & Advances</p> | <p>↓ 95.1% FY25: 96.6%</p> <p>Loans to Deposit Ratio</p> | <p>↑ 17.9% FY25: 16.9%</p> <p>Capital Adequacy Ratio</p> |



Overview of Financial Performance

- **Profit Before Tax** reported at AED 166 million compared to a profit of AED 130 million for the same period in 2025. The strong balance sheet growth, coupled with increased business activity and diversified revenue growth drove the Bank's financial performance.
- **Net Profit** stood at AED 151 million reflecting a significant increase compared to AED 116 million for the same period in 2025.
- **Profit Per Share** increased to AED 0.05 per share compared to AED 0.04 per share for the same period in 2025, supported by higher profitability during the period.
- **Net Interest Income** increased by 49.1% to AED 215 million compared to AED 144 million for the same period in 2025 as a result of robust growth in loans and fixed income investments coupled with a reduction in cost of funding.
- **Non-Interest Income** decreased by 47.7% to AED 30 million compared to AED 57 million for the same period in 2025. The decrease was primarily driven by temporary market volatility impacting investment performance.
- **Operating Income** increased to AED 244 million, up by 21.7%, compared to the same period in 2025, primarily driven by a higher net interest income.
- **Cost to Income Ratio** remained broadly stable at 30.8% compared to 30.5% for the same period in 2025, reflecting strong operating income growth alongside continued cost discipline.
- **Total Assets** increased by 13.1% and reached AED 54.7 billion. This increase was driven by financing growth.
- **Net Loans and Advances** increased by 14.1% and reached AED 34.7 billion, highlighting market share gains in key segments and successful closure of significant landmark deals in wholesale banking.
- **Customers' Deposits** grew by 15.8% and reached AED 36.5 billion.
- **Total Equity** stood at AED 4.7 billion, an increase of 2.4%, primarily led by the growth in profits.
- **Total Capital Ratio** increased by 100 bps and stood at 17.9% from 16.9% at year-end 2025.
- **Geopolitical developments** did not materially impact the Bank's operations or financial performance, demonstrating the strength of its risk management framework and diversified portfolio.

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Financial Summary

Statement of Profit or Loss Highlights

| AED (millions) | Q1 26 | Q1 25 | Change |
|---|------------|------------|--------------|
| Net interest income | 215 | 144 | 49.1% |
| Non-interest income | 30 | 57 | (47.7%) |
| Operating income | 244 | 201 | 21.7% |
| Net Impairment loss on Financial Assets | (3) | (10) | (67.1%) |
| Net operating income | 241 | 191 | 26.2% |
| General and administrative expenses | (75) | (61) | 22.6% |
| Profit before tax | 166 | 130 | 27.9% |
| Income tax expense | (15) | (14) | 9.1% |
| Net Profit for the period | 151 | 116 | 30.1% |

| Key Profitability Ratios | Q1 26 | Q1 25 | Change |
|--------------------------|-------|-------|---------|
| Net Interest margin | 1.8% | 1.5% | 30 bps |
| Cost to Income | 30.8% | 30.5% | 30 bps |
| Return on equity | 12.7% | 11.7% | 100 bps |
| Return on assets | 1.1% | 1.0% | 10 bps |

| Financial Position Highlights | 31 March | 31 December | Change |
|--|----------|-------------|--------|
| AED (billions) | 2026 | 2025 | |
| Total assets | 54.7 | 48.4 | 13.1% |
| Loans and advances, net | 34.7 | 30.4 | 14.1% |
| Investment securities, net | 11.4 | 10.9 | 4.8% |
| Customers' deposits | 36.5 | 31.5 | 15.8% |
| Total equity | 4.7 | 4.6 | 2.4% |
| Commitments and contingent liabilities | 3.8 | 3.1 | 20.2% |

| Key Financial Position Ratios | 31 March | 31 December | Change |
|--|----------|-------------|-----------|
| | 2026 | 2025 | |
| Non-performing loans ratio (Net of ECL & collateral) | 5.5% | 5.9% | (40 bps) |
| Non-performing loans coverage ratio | 64.8% | 64.9% | (10 bps) |
| Loans and advances to customers' deposits ratio | 95.1% | 96.6% | (150 bps) |
| Capital adequacy ratio | 17.9% | 16.9% | 100 bps |
| Tier 1 capital ratio | 16.8% | 15.7% | 110 bps |
| Common equity tier 1 capital ratio | 16.8% | 15.7% | 110 bps |



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

“Despite the ongoing geopolitical uncertainty, Bank of Sharjah has delivered a standout financial performance in Q1 2026, reflecting strong business momentum, continued balance sheet expansion, and disciplined execution of our strategy .

This performance highlights the effectiveness of our strategic direction, robust governance framework, and well-established operating model. We have continued to build on the progress achieved in recent years, supported by sustainable growth, enhanced profitability, and a solid capital position.

While regional developments continue to present challenges, the Bank’s operations have not been materially impacted, demonstrating the quality and diversification of our franchise, as well as the strength of our underlying fundamentals.

Looking ahead, we recognize that certain customers and sectors may face short-term pressures. However, we remain confident in the UAE’s economic outlook. We are committed to supporting our customers through current challenges while enabling their long-term ambitions, and continuing to play an active role in the sustainable growth and development of the UAE economy.”

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Mr. Mohamed Khadiri, CEO of Bank of Sharjah, said:

“We have started 2026 on a strong footing, building on the solid momentum achieved over the past two years, with the Bank delivering robust growth in profitability, continued balance sheet expansion, and tangible improvements across key performance indicators.

Net profit increased by 30% year-on-year, driven by solid growth in net interest income, disciplined cost management, and a continued focus on core business segments. At the same time, we maintained a strong capital position and further deepened our client relationships.

Despite heightened market volatility driven by regional geopolitical developments, the Bank’s operations and financial performance have remained stable. This reflects the effectiveness of our proactive risk management framework and the strength of our well-diversified portfolio, which continue to underpin consistent and sustainable results.

As we move forward, we remain focused on delivering sustainable growth, enhancing operational efficiency, and creating long-term value for our shareholders and stakeholders, while continuing to support our clients across all market conditions.”

A handwritten signature in blue ink, appearing to read 'Mohamed Khadiri'.

Mohamed Khadiri
Chief Executive Officer