Management Discussion & Analysis

Bank of Sharjah achieved a record performance with Net Profit of AED 729 million, up 89% for the full year ended 2025

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

The Bank's Net Profit increased by AED 344 million or 89% for the year ended 31 December 2025, compared to the prior year.

Profit before tax reached AED 803 million, a marked improvement from AED 416 million. The growth was driven by significant increases in net interest income, income from properties and investments, fees & commissions and strong credit risk management.

Key Highlights

Net Profit

Đ 729 mn

⬆ +89% YoY

Operating Income

Đ 1,147 mn

⬆ 58% YoY

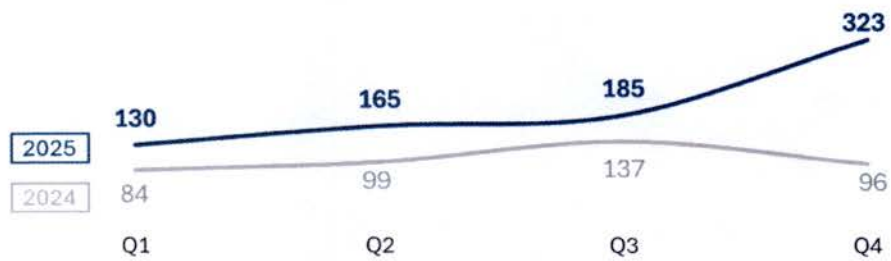
Total Assets

Đ 48.4 bn

⬆ 11% YoY

Profit / (loss) before tax (AED Million)





⬆ 1.6% FY24: 1.2% Net Interest Margin	⬇ 25.7% FY24: 36.6% Cost to Income	⬆ 1.5% FY24: 0.9% Return on Assets	⬆ 15.7% FY24: 10.1% Return on Equity
⬆ 5.9% FY24: 4.2% NPL Ratio (net of ECL & Collateral)	⬆ Đ 30.4bn FY24: 24.3bn Net Loans & Advances	⬆ 96.6% FY24: 81.8% Loans to Deposit Ratio	⬆ 16.9% FY24: 15.3% Capital Adequacy Ratio

Overview of Financial Performance

- **Profit Before Tax** reported at AED 803 million compared to a profit of AED 416 million in the previous year. The strong balance sheet growth, coupled with increased business activity and diversified revenue growth had drove the Bank's financial performance.
- **Net Profit** stood at AED 729 million reflecting a remarkable increase compared to AED 385 million in the previous year.
- **Profit Per Share** increased to AED 0.24 per share compared to AED 0.13 per share in the previous year, supported by higher profitability during the year.
- **Net Interest Income** increased by 58.1% to AED 678 million compared to AED 429 million in the previous year as a result of remarkable growth in loans and fixed income investments coupled with a reduction in cost of funding.
- **Non-Interest Income** increased by 57.4% to AED 469 million compared to AED 298 million in the previous year. The increase was primarily driven by higher net fee and commission income, greater return on properties and investments, and improved foreign exchange profits.
- **Operating Income** increased to AED 1,147 million, up by 57.8%, compared to the previous year, primarily driven by a higher net interest income.
- **Cost to Income Ratio** improved significantly to 25.7% compared to 36.6% in the previous year, reflecting strong operating income growth and continued cost discipline.
- **Total Assets** increased by 11.0% and reached AED 48.4 billion. This increase was driven by financing growth.
- **Net Loans and Advances** increased by 25.3% and reached AED 30.4 billion, highlighting market share gains in key segments and successful closure of significant landmark deals in wholesale banking.
- **Customers' Deposits** grew by 6.1% and reached AED 31.5 billion.
- **Total Equity** stood at AED 4.6 billion, an increase of 21.1%, primarily led by the growth in profits.
- **Total Capital Ratio** increased by 160 bps and stood at 16.9% from 15.3% last year.

Financial Summary

Statement of Profit or Loss Highlights

AED (millions)	FY25	FY24	Change
Net interest income	**678**	429	58.1%
Non-interest income	**469**	298	57.4%
Operating income	**1,147**	**727**	**57.8%**
Net Impairment loss on Financial Assets	**(50)**	(44)	11.9%
Net operating income	**1,097**	**682**	**60.8%**
General and administrative expenses	**(294)**	(266)	10.7%
Profit before tax	**803**	**416**	**92.8%**
Income tax expense	**(74)**	(32)	133.7%
Net Profit for the year	**729**	**385**	**89.4%**

Key Profitability Ratios	FY25	FY24	Change
Net Interest margin	**1.6%**	1.2%	40 bps
Cost to Income	**25.7%**	36.6%	(1,090 bps)
Return on equity	**15.7%**	10.1%	560 bps
Return on assets	**1.5%**	0.9%	60 bps

Financial Position Highlights	31 December	31 December	
AED (billions)	2025	2024	Change
Total assets	**48.4**	43.6	11.0%
Loans and advances, net	**30.4**	24.3	25.3%
Investment securities, net	**10.9**	10.1	8.0%
Customers' deposits	**31.5**	29.7	6.1%
Total equity	**4.6**	3.8	21.1%
Commitments and contingent liabilities	**3.1**	2.6	20.9%

Key Financial Position Ratios	31 December	31 December	
	2025	2024	Change
Non-performing loans ratio (Net of ECL & collateral)	**5.9%**	4.2%	170 bps
Non-performing loans coverage ratio	**64.9%**	84.9%	(2,000 bps)
Loans and advances to customers' deposits ratio	**96.6%**	81.8%	1,480 bps
Capital adequacy ratio	**16.9%**	15.3%	160 bps
Tier 1 capital ratio	**15.7%**	14.1%	160 bps
Common equity tier 1 capital ratio	**15.7%**	14.1%	160 bps



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

"Bank of Sharjah delivered an exceptional financial performance for the year ended 31 December 2025, with significant improvements across all key financial and operating metrics. These results reflect the strength of the Bank's strategic direction, disciplined governance framework, and resilient operating model.

The year represents another important milestone in the Bank's ongoing transformation journey. Building on the successful turnaround achieved in 2024, we sustained strong momentum throughout 2025, driven by robust growth in operating income, continued balance sheet expansion, improved profitability ratios, and a solid capital position.

Importantly, our performance reflects the success of our efforts to diversify income streams while maintaining a prudent and disciplined approach to risk management. The strengthening of the Bank's equity base further enhances our financial resilience and provides a strong platform to support future growth.

As we look ahead, we remain firmly committed to maintaining balanced and sustainable growth, reinforcing sound governance practices, and supporting the continued economic development of the UAE. We remain confident in the Bank's strategic trajectory and in its ability to consistently deliver long-term value."



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

"2025 marks a transformational year for Bank of Sharjah. With net profit reaching AED 729 million and return on equity increasing to 15.7%, the Bank has delivered the strongest financial performance in its history.

This performance was supported by strong revenue growth across the business, with net interest income increasing by 58% and non-interest income rising by 57%. Combined with disciplined cost management, this resulted in a cost-to-income ratio of 25.7%, one of the most competitive levels in the market. At the same time, the Bank achieved robust loan growth of 25.3%, reflecting the continued expansion of our core lending activities.

Delivering nearly double the previous year's profit confirms that the Bank's strategic repositioning is translating into tangible and sustainable financial outcomes. Over the past year, we have focused on strengthening the Bank's fundamentals, enhancing operational efficiency, and building a scalable platform capable of supporting long-term growth.

As we move into 2026, our priorities remain focused on accelerating growth across our lending and capital markets activities, further enhancing the customer experience, and continuing to deliver sustainable long-term value for our shareholders and stakeholders."

Mohamed Khadiri
Chief Executive Officer