Bank of Sharjah achieved a record performance with Net Profit of AED 211 million, up 39% for Q2 2026

Bank of Sharjah ("the Bank") today announced its financial results for the six-month period ended 30 June 2026. The following Management Discussion and Analysis provides an overview of the Bank's key financial performance.

The Bank's H1 2026 Net Profit increased by AED 94 million or 35% year-on-year.

Profit before tax reached AED 394 million, a marked improvement from AED 295 million. The growth was driven by significant increase in net interest income and strong credit risk management.

Key Highlights (H1'26):

Net Profit

Ð 362 mn

↑ 35% (vs H1'25)

Operating Income

Ð 545 mn

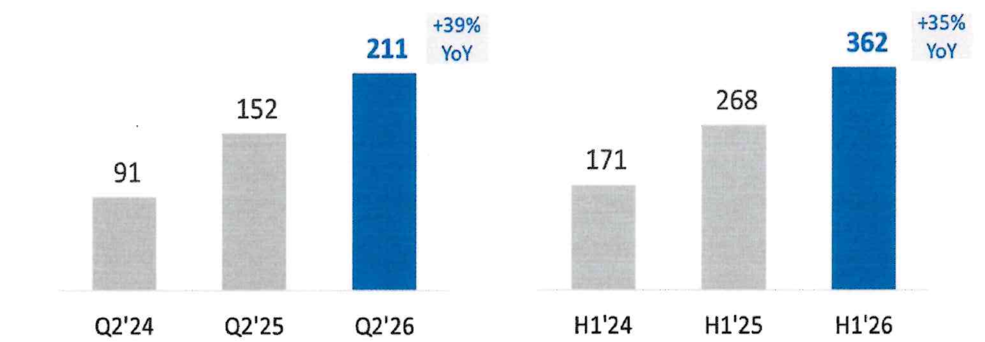
↑ 20% (vs H1'25)

Total Assets

Ð 53.2 bn

↑ 10% (vs FY25)

Net Profit (AED Million)



↑ 2.0%	↓ 29.2%	↑ 1.4%	↑ 15.1%
H1'25: 1.6%	H1'25 : 31.3%	H1'25 : 1.1%	H1'25 : 13.0%
Net Interest Margin	Cost to Income	Return on Assets	Return on Equity
↓ 5.2%	↑ Ð 36.5bn	↑ 17.5%	↑ 18.7%
FY25: 5.9%	FY25: 30.4bn	FY25: 15.7%	FY25: 16.9%
NPL Ratio (net of ECL & Collateral)	Net Loans & Advances	Common Equity Tier 1 capital ratio	Capital Adequacy Ratio

Overview of Financial Performance

- **Profit Before Tax** reported at AED 394 million compared to a profit of AED 295 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 362 million reflecting a significant increase compared to AED 268 million for the same period in 2025.
- **Profit Per Share** increased to AED 0.12 per share compared to AED 0.09 per share for the same period in 2025, supported by higher profitability during the period.
- **Net Interest Income** increased by 45.5% to AED 465 million compared to AED 319 million for the same period in 2025 as a result of robust growth in loans coupled with a reduction in cost of funding.
- **Non-Interest Income** decreased by 40.2% to AED 80 million compared to AED 134 million for the same period in 2025. The decrease was primarily driven by high market volatility impacting investment performance.
- **Operating Income** increased to AED 545 million, up by 20.2%, compared to the same period in 2025, primarily driven by a higher net interest and investment income.
- **Cost to Income Ratio** further improved to 29.2% compared to 31.3% for the same period in 2025, reflecting strong operating income growth alongside continued cost discipline.
- **Total Assets** increased by 10.0% and reached AED 53.2 billion driven by financing growth.
- **Net Loans and Advances** increased by 19.9% and reached AED 36.5 billion, highlighting market share gains in key segments and successful closure of landmark deals in wholesale banking.
- **Customers' Deposits** grew by 6.2% and reached AED 33.5 billion.
- **Total Equity** stood at AED 4.8 billion, an increase of 3.3%, primarily led by the growth in profits.
- **Total Capital Ratio** increased by 179 bps to reach 18.7% from 16.9% at year-end 2025.

Financial Summary

Income Statement Highlights (AED Million)	H1'26	H1'25	%chg vs H1'25	Q2'26	Q1'26	%chg vs Q1'26	Q2'25	%chg vs Q2'25
Net interest income	**465**	319	45.5%	**250**	215	16.5%	176	42.4%
Non-interest income	**80**	134	(40.2%)	**50**	30	68.7%	77	(34.7%)
Operating income	**545**	453	20.2%	**300**	244	22.8%	252	19.0%
Net Impairment reversal/(loss) on Financial Assets	**8**	(16)	-	**11**	(3)	-	(6)	-
Net operating income	**553**	437	26.4%	**312**	241	29.2%	246	26.6%
General and administrative expenses	**(159)**	(142)	12.0%	**(84)**	(75)	11.3%	(81)	3.9%
Profit before tax	**394**	295	33.4%	**228**	166	37.3%	165	37.7%
Income tax expense	**(32)**	(27)	18.8%	**(17)**	(15)	14.9%	(13)	28.7%
Net Profit for the period	**362**	268	34.9%	**211**	151	39.5%	152	38.5%

Key Profitability Ratios (%)	H1'26	H1'25	chg vs H1'25	Q2'26	Q1'26	chg vs Q1'26	Q2'25	chg vs Q2'25
Net Interest margin	**2.0%**	1.6%	40 bps	**2.0%**	1.8%	20 bps	1.7%	30 bps
Cost to Income	**29.2%**	31.3%	(210 bps)	**27.9%**	30.8%	(290 bps)	31.9%	(400 bps)
Return on equity	**15.1%**	13.0%	210 bps	**17.6%**	12.7%	490 bps	14.8%	280 bps
Return on assets	**1.4%**	1.1%	30 bps	**1.6%**	1.1%	50 bps	1.3%	30 bps

Balance Sheet Highlights (AED Billion)	Jun-26	Jun-25	%chg vs Jun'25	Mar-26	%chg vs Mar'26	Dec-25	%chg vs Dec'25
Total assets	**53.2**	47.1	13.0%	54.7	(2.7%)	48.4	10.0%
Loans and advances, net	**36.5**	30.1	21.3%	34.7	5.1%	30.4	19.9%
Investment securities, net	**10.8**	9.7	11.4%	11.4	(5.3%)	10.9	(0.7%)
Customers' deposits	**33.5**	32.3	3.6%	36.5	(8.3%)	31.5	6.2%
Total equity	**4.8**	4.1	16.1%	4.7	0.9%	4.6	3.3%
Commitments and contingent liabilities	**3.8**	3.3	14.5%	3.8	0.7%	3.1	21.0%

Key Financial Position Ratios (%)	Jun-26	Jun-25	chg vs Jun'25	Mar-26	chg vs Mar'26	Dec-25	chg vs Dec'25
Non-performing loans ratio (Net of ECL & collateral)	**5.2%**	3.8%	140 bps	5.5%	(30 bps)	5.9%	(70 bps)
Capital adequacy ratio	**18.7%**	14.0%	463 bps	17.9%	74 bps	16.9%	179 bps
Tier 1 capital ratio	**17.5%**	12.9%	466 bps	16.8%	74 bps	15.7%	181 bps
Common equity tier 1 capital ratio	**17.5%**	12.9%	466 bps	16.8%	74 bps	15.7%	181 bps

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

"The first half of 2026 unfolded against a complex and evolving global backdrop, shaped by geopolitical developments, shifting interest rate expectations, and continued volatility across international financial markets. Despite these external headwinds, the UAE economy once again demonstrated exceptional resilience, supported by its diversified economic foundations, prudent fiscal and monetary policies, and the strength of its financial system.

Against these challenges, Bank of Sharjah delivered another strong set of financial results, reflecting the resilience of our business model, the successful execution of our strategic priorities, and the strength of our governance, risk management and capital framework. Our performance underscores the Bank's ability to navigate changing market conditions while continuing to create sustainable value for our shareholders.

As we enter the second half of the year, we remain confident in the long-term prospects of both the UAE economy and Bank of Sharjah. We will continue to execute our strategy with discipline, enhance our customer proposition, invest in our people and capabilities, support the communities we serve, and deliver sustainable long-term value for our shareholders and all stakeholders ."

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

"We delivered yet another quarter of record financial performance, achieving a 39% year-on-year increase in net profit while continuing to strengthen our key financial and operating metrics. These results reinforce the strong momentum we have built over the past three years and reflect the consistent execution of our transformation strategy.

Our performance during the first half of 2026 was driven by continued expansion of our lending portfolio, disciplined balance sheet management, prudent risk practices, healthy non-funded income generation, and a relentless focus on operational efficiency. At the same time, we further strengthened our capital position, maintained adequate liquidity, preserved strong asset quality, and delivered improved returns to our shareholders.

Beyond our financial performance, we continued to make meaningful progress on a number of strategic initiatives aimed at further strengthening the Bank's operating model, enhancing customer experience, investing in digital capabilities, and building a more agile and scalable franchise capable of supporting sustainable long-term growth.

While global markets are expected to remain subject to uncertainty and volatility, we are entering the second half of the year from a position of strength. Supported by a healthy balance sheet, strong capital and liquidity buffers, and a clear strategic roadmap, we remain focused on delivering disciplined and profitable growth while preserving the high standards of risk management and financial resilience that continue to underpin the Bank's success."

Mohamed Khadiri
Chief Executive Officer