

Management Discussion & Analysis

Invest Bank P.S.C. today reported its financial results for the first quarter of 2025 (Q1-2025).

Selected financial matrix for Q1-2025

Net Loans and Advances

AED 4.8 Bn

↑ **+7.2% vs. Dec'24**

Total Deposits

AED 9.3 Bn

↑ **+6.1% vs. Dec'24**

Loans/Deposit Ratio

52.0%

↑ **Dec 2024: 51.5%**

Eligible Liquid Asset Ratio

19.5%

↑ **Dec 2024: 15.6%**

Net Non- Interest Income

AED 30 Mn

↑ **+35.3% vs. Q1'24**

Profit After Tax

AED 11.1 Mn

↑ **+AED 312M vs. Q4'24**

During the First Quarter of 2025, Invest Bank continued its focus on digitizing our offerings and diversifying our client base. During this period the gross loans and advances reached AED 12.6 billion compared to 12.01 billion as at 31 March 2024, reflecting a year-on-year growth of 4.9%. During the first three months of 2025, gross loans increase by AED 239 million showing a growth of 1.9% compared to the previous year end 31 December 2024.

Deposits increased by AED 450 million reaching AED 9.25 billion as on 31 March 2025 compared to AED 8.8 billion as on 31 March 2024 showing year-on-year growth 5.1%. We are introducing attractive deposit products and fostering our efforts to provide digital banking solutions to cater to our customers banking needs, and towards this end are in the process of launching a new mobile banking application. The investment in technology is expected to enhance our customer experience, provide scalable solutions and help diversify our customer base.

During the quarter, the Bank received AED 155 million from the Government of Sharjah (GoS) towards the guarantee provided by GoS. The total amount received till 31 March 2025 amounts to AED 686 million.

Net Interest Income decreased from AED 45.7 million during Q1-2024 to AED 32.3 million during Q1-2025 mainly due to a net decrease in investment securities amounting to approximately AED 1.5 billion compared to Q1-2024. This was partly offset by a corresponding decrease in the deposits.

Non-Interest Income: shown a growth of 35.3% compared to corresponding quarter during 2024 reaching to AED 29.8 million compared to AED 22.0 million during Q1-2024. This is mainly due to an increase in net fee and commission income by AED 7.8 million compared to the corresponding quarter during 2024.

Operating expenses: due to better management, operating expenses reduced by AED 2.3 million, reaching AED 61.6 million, showing a reduction of 3.6% compared to the corresponding quarter last year. The Bank continued to invest in talent and technology as we shape to grow in the years ahead.

Net impairment charges: Our robust recovery strategies are showing positive signs as we recovered / released expected credit losses to the tune of AED 15.2 Mn. This was partly offset by an additional impairment charge amounting to AED 4.4 million on investments and other financial assets showing a net release of AED 10.9 million. However, the stated net release is lower when compared against the corresponding quarter last year which amounted to AED 86.8 million. We are ensuring channelized efforts into recovering on our customer and expect higher recoveries during the forthcoming quarters.

Profit before tax: During Q1-2025 profit before tax reduced to AED 11.4 million compared to AED 90.5 million profit during the corresponding quarter last year. Decrease in profit before tax was mainly attributable to lower reversal / recovery from impaired loans and advances as against the first three months of 2024.

Capital Adequacy ratio (CAR): Bank is maintaining a healthy capital adequacy ratio of 26.11% which provides an opportunity to its balance sheet particularly loan portfolio.

Strong liquidity position: Eligible Liquid Asset Ratio at 31 March 2025 was 19.56% vis-à-vis 15.58% at 31 December 2024 and advances to stable resources ratio at 31 March 2025 was 65.52% as compared to 68.80% at 31 December 2024.

Q1-2025 Financial Highlights

Income Statement Highlights (AED'000)

	Q1-2025	Q1-2024	YoY %	Q4-2024	QoQ %
Net interest income	32,282	45,655	(29.3%)	12,590	156.4%
Non-interest income	29,770	22,004	35.3%	(9,132)	(426.0%)
Total operating income	62,052	67,659	(8.3%)	3,458	1694.4%
Operating expenses	(61,619)	(63,900)	(3.6%)	(83,880)	(26.5%)
Operating Profit	433	3,759	(88.5%)	(80,422)	(100.5%)
Net reversal of Impairments	10,935	86,761	(87.4%)	(231,587)	(104.7%)
Profit before taxation	11,368	90,520	(87.4%)	(312,009)	(103.6%)
Income tax expense	(240)	(8,147)	(97.1%)	11,044	(102.2%)
Net profit / (loss) for the period	11,128	82,373	(86.5%)	(300,965)	(103.7%)

Balance Sheet Highlights (AED Mn.)

	31-Mar-25	31-Mar-24	YoY %	31-Dec-24	QoQ %
Total Assets	11,363	10,992	3.4%	10,783	5.4%
Net loans & advances	4,816	4,324	11.4%	4,491	7.2%
Deposits from customers	9,252	8,802	5.1%	8,722	6.1%
Total equity	1,491	1,752	(14.9%)	1,479	0.8%

About Invest Bank

Invest Bank was established in 1975 as a public shareholding company, in the Emirate of Sharjah and its shares are publicly traded on the Abu Dhabi Securities Exchange (ADX).

Since inception, the Bank has made significant advances and has contributed to the economic development of Sharjah and the wider UAE. The Bank has built a solid reputation and strong relationships with its loyal corporate and retail clients and continues to be their trusted bank of choice. Invest Bank offers a wide range of banking services, adopting a customer driven, time and effort saving policy under the supervision of a highly qualified and specialized bank team.