

News Release

Ref No. 29 January 2025

National Bank of Fujairah PJSC (NBF) – 2024 Results

NBF posted its second consecutive year of record results; achieving its best ever operating and net profit performance generated through strong balance sheet growth

Net profit before tax grew 28.9% to reach AED 934.8 million; with net profit after tax of AED 850.1 million

29 January 2025: NBF is pleased to announce its results today for the year ended 31 December 2024 in accordance with the approval received from the Central Bank of the United Arab Emirates.

Highlights:

- NBF recorded year-on-year growth of 28.9% to close the year at a **net profit before tax** of AED 934.8 million compared to AED 725.1 million in 2023. Further, NBF posted a record **net profit after tax** of AED 850.1 million for the year with a corporate tax charge of AED 84.7 million. These results demonstrate the bank's continued focus on quality business growth and effective asset and liability management in a falling interest rate environment. Buoyant market conditions supported by UAE government initiatives, improvement in impairment provisions, and careful management of costs, in what continues to be an uncertain global environment exacerbated by geopolitical tensions, all contributed to this robust set of results.
- Helped by an improvement of AED 20 million in investments designated as fair value through other comprehensive income (FVOCI), NBF's total **comprehensive income for the year** was AED 870.1 million, up 10.1% compared to AED 790.4 million in 2023.
- Underpinned by higher revenue generation from balance sheet growth, NBF posted its highest ever **operating profit** of AED 1.62 billion, a rise of 2.6% compared to AED 1.58 billion in 2023.
- NBF recorded its best ever **operating income** of AED 2.4 billion, up 6.7% over 2023 reflecting enhanced focus on key business segment growth, proactive asset and liability management and the bank's long-standing customer centric approach that offset the impact from the reducing interest rates. Principal comments include:

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- **Net interest income and net income from Islamic financing and investment activities** grew 4.8% to AED 1.79 billion compared to AED 1.70 billion in 2023.
- **Net fees, commission and other income** rose 8.4% to AED 452.7 million compared to AED 417.8 million in 2023.
- **Foreign exchange and derivatives income** experienced a solid growth of 15% compared to 2023, reaching AED 189.1 million for the year ended 31 December 2024.
- **Operating expenses** increased by 15.9%, reflecting NBF's investments in its businesses, systems, infrastructure and people. These investments include a set of digitalization initiatives to further enhance our focus on exceptional customer service, innovation and competitiveness in line with the changing market demands. Further, NBF's cost-to-income ratio stood at 33.3% compared to 30.6% in 2023, remaining in the mid-industry range and reflecting investments made in line with the bank's future growth strategy.
- NBF maintained its policy of prudent and transparent recognition of problem accounts whilst taking into consideration the new credit risk standards introduced by the Central Bank of the UAE. NBF booked **net impairment provisions** of AED 690 million for the year ended 31 December 2024 compared to AED 859 million in 2023, a substantial reduction of 19.7%. The asset quality measured by the combined IFRS 9 stage 2 and 3 mix improved to 10.2% compared to 12.2% as at 31 December 2023. The NPL ratio stood at 5.1% compared to 4.9% as at 31 December 2023. The total provision coverage ratio stood at 119.4% compared to 120.2% as at 31 December 2023.
- **Total assets** rose by 17.7% to reach a record AED 60.9 billion compared to AED 51.7 billion at 2023 year-end.
- **Loans and advances and Islamic financing receivables** rose by 16.1% to reach AED 32.4 billion compared to AED 27.9 billion at 2023 year-end.
- **Investments and Islamic instruments** increased by 16.0% to reach AED 9.4 billion compared to AED 8.1 billion at 2023 year-end; optimizing a portion of liquidity towards a high-quality investment book to augment value and return.
- **Customer deposits and Islamic customer deposits** increased by 18.6% to reach AED 45.8 billion compared to AED 38.6 billion at 2023 year-end.

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Current and Saving Accounts (CASA) deposits improved to 43.2% (2023: 41.2%) of total customer deposits, balancing the impact of fixed-term deposit products.

- Ample liquidity has been maintained with **lending to stable resources ratios** at 67.4% (2023: 67.4%) and **eligible liquid assets ratio (ELAR)** at 29.9% (2023: 28.3%), well ahead of Central Bank of the UAE's minimum requirements.
- The **capital adequacy ratio (CAR)** stood at 16.6% (Tier 1 ratio of 15.5% and CET 1 ratio of 15.5%) compared to 19.0% (Tier 1 ratio of 17.8% and CET 1 ratio of 14.2%) at 2023 year-end; exceeding regulatory requirements and ensuring a robust financial foundation. This augmented CET1 capital is on account of the **successful conversion of the Additional Tier 1 capital securities ("AT1 capital"), amounting to USD (\$)** 275 million (AED 1.01 billion) at a ratio of AED 2.85:1, on 31 December 2024 into ordinary paid-up share capital as part of strengthening of NBF's capital structure enabling its business and operational strategy.
- **Return on average assets** improved to 1.51% compared to 1.46% in 2023.
- **Return on average equity** improved to 12.7%, up from 11.7% in 2023.
- Taking into account the 2024 performance, the Board of Directors proposed a distribution of profits of 15% (2023: 15%) of share capital in the form of cash dividends of 15% (2023: cash dividend of 10% and bonus shares of 5%).
- NBF's rating was re-affirmed at BBB+ / A-2 by Standard & Poor's, with a stable outlook, highlighting the bank's underlying strength, prudent risk management and resilience.

His Highness Sheikh Saleh Bin Mohamed Bin Hamad AlSharqi, Chairman said:

"We are delighted to achieve a consecutive record year of performance that underscores the bank's resilience and effectiveness of the business and operational strategies in place contributing towards sustainable improvement. This solid set of results are particularly a source of pride as we improved our previous year's record operating and net profit performance successfully navigating uncertainties surrounding the global economy and the region featured by heightened geopolitical conditions and conflicts as well as economic headwinds caused by interest rate changes, supply chain and tariff changes and evolving regulations. Throughout 2024, we were also honoured with a number of prestigious industry awards and endorsements, further underscoring NBF's well embedded culture of exceptional financial service and client partnership.

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Driven by its diversification efforts, strong trade relations, thriving tourism sector and continued economic expansion, the UAE's economy is forecast to achieve 6.7 per cent growth in 2025, a substantial increase from 3.8 per cent in 2024. Benefitting from this market momentum, NBF is committed to building on its strong platform for future growth while preserving the Group's capital strength. Thanks to the Board's support in the ongoing investment in the NBF brand, we continue to make progress in uplifting the franchise for long-term sustainability and true value creation.

I would like to thank NBF's Board of Directors, members of the Management Committee, and our people for their tremendous dedication. Without their hard work, and without the trust and support of our customers and investors, 2024 would not have been the success it was. We look forward to a fulfilling year ahead as we leverage on the positive domestic operating environment in line with the UAE vision and government initiatives."

Dr. Raja Easa Al Gurg, Deputy Chairperson said:

"We are pleased with these robust set of results delivered by NBF in 2024. This is an outstanding achievement that clearly illustrates the underlying strength of the Group's core activities, solid revenue growth, good performance across key business segments and the quality of the work undertaken to maintain the upward trajectory.

Supported by a well-diversified balance sheet, robust capital adequacy, sound improvement in overall asset quality and enhanced integration of advanced technology into NBF's services, the Group was able to achieve these results; whilst working towards the highest standards of risk management practices.

In the year ahead and beyond, NBF will continue to strengthen its operating platform, target to increase market share in areas where it has competitive advantage, deliver best-in-class services with faster decision-making and support the overall development of the UAE economy."

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About National Bank of Fujairah PJSC:

Incorporated in 1982, National Bank of Fujairah PJSC (NBF) is a full services corporate bank with strong corporate and commercial banking, treasury and trade finance expertise as well as an expanding suite of personal banking options and Shari'ah compliant services. Leveraging its deep banking experience and market insight within Fujairah and the UAE, NBF is well-positioned to build lasting relationships with its clients and help them achieve their business goals.

NBF's key shareholders include the Government of Fujairah, Easa Saleh Al Gurg LLC and Investment Corporation of Dubai. Rated Baa1 / Prime-2 for deposits and A3 for counterparty risk assessment by Moody's and BBB+ / A-2 by Standard & Poor's, both with a stable outlook, the bank is listed on the Abu Dhabi Securities Exchange under the symbol "NBF". It has a branch network of 14 across the UAE.

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