

News Release

Ref No. 29 April 2025

National Bank of Fujairah PJSC (NBF) – Q1 2025 Results

NBF posted its best quarterly net profit in Q1 2025 of AED 306.8 million, up 22.2% compared to Q1 2024

29 April 2025: NBF is pleased to announce its results today for the three-month period ended 31 March 2025.

Highlights:

- NBF recorded year-on-year growth of 22.7% to close the three-month period at a **net profit before tax** of AED 337.2 million compared to AED 274.8 million in the corresponding period of 2024. Further, NBF posted its **best ever net profit after tax** for a quarter, amounting to AED 306.8 million, compared to AED 251.1 million in the corresponding period of 2024 with a corporate tax charge of AED 30.4 million. These results show the bank's focus on quality business growth and effective asset and liability management in an environment shaded with discussions of recession and inflation, arising out of the worldwide tariff impacts. Moreover, continued careful management of costs and cost of risk, also contributed to this robust set of results.
- Helped by an improvement of AED 25 million in investments designated as fair value through other comprehensive income (FVOCI), NBF's total **comprehensive income for the period** was AED 331.8 million, up 39% compared to AED 238.8 million in the corresponding period of 2024.
- Underpinned by higher revenue generation from balance sheet growth and the on-going cost discipline, NBF posted an **operating profit** of AED 502.5 million for the three-month period, a rise of 14.6% compared to AED 438.5 million in the corresponding period of 2024.
- **Operating income** reached AED 675.5 million, up 10% compared to AED 614 million in the corresponding period of 2024 reflecting enhanced focus on key business segment growth, proactive asset and liability management and the bank's long-standing customer centric approach. Principal comments include:
 - **Net interest income and net income from Islamic financing and investment activities** rose 1.4% compared to the corresponding period of 2024, reaching AED 454.6 million.

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- **Net fees, commission and other income** grew 31.6% compared to the corresponding period of 2024, reaching AED 157.5 million.
- **Foreign exchange and derivatives income** experienced a solid growth of 35.4% compared to the corresponding period of 2024, reaching AED 61 million for the three-month period ended 31 March 2025.
- **Operating expenses** reduced by 1.5%, reflecting NBF's strategic focus on efficiency and excellence and investments in digitalization. This is executed with a fine balance of investments in its businesses, systems, infrastructure and people to deliver exceptional customer service, enhance innovation and deal with competitiveness in line with the changing market demands. These measures improved NBF's cost-to-income ratio to 25.6% compared to 28.6% in the corresponding period of 2024, remaining in the mid-industry range.
- NBF maintained its policy of prudent and transparent recognition of problem accounts. NBF booked **net impairment provisions** of AED 165.3 million for the three-month period ended 31 March 2025 compared to AED 163.7 million in the corresponding period of 2024. The asset quality measured by the combined IFRS 9 stage 2 and 3 mix improved to 9.8% compared to 10.2% as at 31 December 2024. The NPL ratio improved to 4.9% compared to 5.1% as at 31 December 2024. The total provision coverage ratio improved to 122.7% compared to 119.4% as at 31 December 2024.
- **Total assets** rose by 5.9% to reach a record AED 64.5 billion compared to AED 60.9 billion at 2024 year-end, up by 21.6% from 31 March 2024.
- **Loans and advances and Islamic financing receivables** rose by 5.6% to reach AED 34.2 billion compared to AED 32.4 billion at 2024 year-end, up by 19.9% from 31 March 2024.
- **Investments and Islamic instruments** increased by 7.9% to reach AED 10.2 billion compared to AED 9.4 billion at 2024 year-end, up by 20.7% from 31 March 2024; optimizing a portion of liquidity towards a high-quality investment book to augment value and return.
- **Customer deposits and Islamic customer deposits** increased by 4.0% to reach AED 47.6 billion compared to AED 45.8 billion at 2024 year-end, up by 20.4% from 31 March 2024. Current and Saving Accounts (CASA) deposits stood at 41.1% of total customer deposits, balancing the impact of fixed-term deposit products.

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- Ample liquidity has been maintained with **lending to stable resources ratios** at 67.4% (2024: 67.3%) and **eligible liquid assets ratio (ELAR)** at 28.7% (2024: 29.9%), well ahead of Central Bank of the UAE's minimum requirements.
- The **capital adequacy ratio (CAR)** stood at 16.3% (Tier 1 ratio of 15.2% and CET 1 ratio of 15.2%) compared to 16.6% (Tier 1 ratio of 15.5% and CET 1 ratio of 15.5%) at 2024 year-end; exceeding regulatory requirements and ensuring a robust financial foundation.
- **Return on average assets** improved to 2.0%, up from 1.9% for the corresponding period in 2024.
- **Return on average equity** improved to 18.0%, up from 15.3% for the corresponding period in 2024.

Dr. Raja Easa Al Gurg, Deputy Chairperson said:

"Q1 2025 saw an outstanding start to the year with a solid performance that provides us with a robust financial foundation upon which to build a sustainable future, as we enable our renewed strategy and prioritise delivering on our four strategic pillars – people first, customer centricity, efficiency and excellence and governance and compliance.

Driven by the strong foundation, the nation's inexorable drive to foster a dynamic entrepreneurial ecosystem, the setting of a gold standard for SMEs, government's initiatives to building a more resilient financial system topped with Emiratisation as a strategic priority; embodying the vision of the wise leadership, robust liquidity buffers and strong trade relations, the UAE's economy is well poised to face the current uncertainties with confidence and is forecast to grow 4.7 per cent in 2025, up from 3.9 per cent in 2024.

The bank's solid performance has been facilitated by a healthy balance sheet, strong capital adequacy and liquidity, improvement in overall asset quality, deepening client relationships, good performance across key business segments and advancing a digitally enabled operating platform. We look to the future with confidence in delivering value and driving growth in alignment with the aspirations of the UAE.

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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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