بنك الإستثمار
Invest bank

No: 13965

Invest Bank PSC is Licensed and regulated by The Central Bank of The U A E
بنك الاستثمار ش م ع مرخص وخاضع للرقابة من قبل مصرف دولة الإمارات العربية المتحدة المركزي

نموذج الإفصاح عن التصنيف الائتماني

التاريخ:	15 تشرين الاول 2025
اسم الشركة المدرجة:	بنك الاستثمار ش.م.ع
اسم جهة التصنيف / وكالة التصنيف الائتماني:	وكالة كابيتال إنتليجنس للتصنيف الائتماني
فئات التصنيف الائتماني:	تصنيف العملات الأجنبية طويلة الأجل (LT FCR): BBB- تصنيف العملات الأجنبية قصيرة الأجل (ST FCR): A3 تصنيف الائتمان المستقل للبنك (BSR): bb تصنيف القوة المالية الأساسية (CFS): b+
شرح مبسط للتصنيف الائتماني ودلالاته:	الجودة الأئتمانية الجيدة. قدرة كافية على الوفاء بالالتزامات المالية في الوقت المناسب. خصائص ائتمانية مقبولة، مع بعض التأثر بالتغيرات السلبية في الظروف التجارية والاقتصادية والمالية. خصائص ائتمانية متوسطة، وتصنيفها ضمن أدنى فئة استثمارية.
الأثر المالي المتوقع للتصنيف الصادر على نتائج أعمال الشركة ومركزها المالي:	لا يوجد
التوقعات المستقبلية حول الشركة (حسب راي وكالة التصنيف الائتماني):	مستقر
ملخص التصريح الرسمي الصادر عن الشركة بشأن التصنيف الائتماني:	أعلنت شركة كابيتال إنتليجنس للتصنيف الائتماني (CI or CI Ratings) اليوم عن رفع تصنيف القوة المالية الأساسية (CFS) لبنك الاستثمار (IB or the bank) من b الى b+ وتصنيفه الائتماني المستقل (BSR) من bb- الى bb وفي الوقت نفسه، أكدت الوكالة تصنيف العملات الأجنبية طويلة الأجل (LT FCR) عند BBB- ، وتصنيف العملات الأجنبية قصيرة الأجل (ST FCR) عند A3, ومستوى الدعم الاستثنائي (ESL) عند مرتفع. وتظل النظرة المستقبلية مستقرة لكل من تصنيف العملات الأجنبية طويل الأجل وتصنيف BSR .
اسم المُوقّع المُصرَّح له	مريدول أشوك بابيروال
المسمى الوظيفي	المدير المالي
التوقيع والتاريخ	15/10/25
ختم الشركة	INVEST BANK GENERAL MANAGEMENT

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CAPITAL INTELLIGENCE

Credit Rating Announcement

Ref: AE01224CRA00-01

15 October 2025

Invest Bank's Bank Standalone Rating and Core Financial Strength Assessment Raised

Capital Intelligence Ratings (CI Ratings or CI) today announced that it has raised the Core Financial Strength (CFS) rating of Invest Bank (IB or the Bank) to 'b+' from 'b' and the Bank Standalone Rating (BSR) to 'bb' from 'bb-'. At the same time, CI Ratings has affirmed the Long-Term Foreign Currency Rating (LT FCR) of 'BBB-', Short-Term Foreign Currency Rating (ST FCR) of 'A3' and Extraordinary Support Level (ESL) of High. The Outlook for the LT FCR and BSR is Stable.

The upward revision of IB's CFS rating and BSR is supported by better profitability in H1 25 and improved asset quality, particularly full provisioning for NPLs and low levels of Stage 2 loans, which seem sustainable; however, many financial indicators remain weak. The upgrade is also supported by the Bank's enhanced business model, stronger risk framework and governance standards, and growth-oriented strategies. The LT FCR, set two notches above the BSR, remains substantially underpinned by the high likelihood of assistance from the UAE government (sovereign ratings: 'AA-'/'A1+'/Stable) and the government of Sharjah (GoS). IB increased its capital through a rights issue in September 2023, raising the GoS shareholding to 88.11%, from 50.07%, thereby strengthening its capital ratios. Previously, the Bank received liquidity support from the GoS and the Central Bank of the United Arab Emirates in 2022; this is still available to the Bank but has not been utilised in recent periods given its good liquidity position.

The Bank's BSR is based on a CFS rating of 'b+' and an Operating Environment Risk Anchor (OPERA) of 'bbb'. The CFS reflects the solid business and capital support from the Bank's majority shareholder, along with strong capital and leverage ratios, sound liquidity, and the GoS guarantee against future losses from legacy assets. IB's credit challenges include weak operating profitability, low risk absorption capacity, very high NPLs (although fully provided), customer concentration in deposits and loans, and sector concentration in construction and real estate.

IB's future strategies rely on the adoption of state-of-the-art technology, which would bring the Bank in line with the market. The Bank has adequate capital to grow its business. Though small with a developing franchise, IB stands a good chance – with the help of government support – of carving out niche businesses in an expanding economy. Problematic legacy assets are covered by provisions and a guarantee from the GoS (originally valued at AED3bn) against which the Bank has successfully made claims over the last 18 months, generating liquidity for its business. Operating income has risen in recent periods, and growth prospects are sound.

The OPERA for the UAE indicates a modest risk profile, reflecting the economy's reliance on hydrocarbons, moderate institutional strength, and limited monetary policy flexibility. The UAE banking sector stayed robust in 2024 and H1 25, characterised by high capitalisation levels and relatively low NPLs. Banks in the country have seen strong credit growth over the past 18-24 months, with government expenditure serving as the main driver of loan demand. A global slowdown driven by US tariff policies threatens international trade, while prolonged regional conflicts could dampen the UAE's investment outlook. Currently, the UAE economy, especially the non-oil sectors, continues to perform well despite elevated regional geopolitical risks.

The improving trend in asset quality, driven by robust loan growth, sound underwriting standards and effective remedial action, is encouraging. NPLs are fully provisioned, and both Stage 2 loans and new NPLs are low. Although the NPL ratio remains high, a GoS guarantee shields the Bank from future losses on legacy bad loans and other assets. We anticipate that loans and advances will increase in the coming years, and with risk standards now strongly reinforced, the credit risk profile of new loans is expected to be good. The continuing decline in NPLs is dependent on recoveries, which could take time, and claims made under the guarantee. The Stage 2 loans to gross loans ratio is low (4% in H1 25). The Bank has AED2.4bn in suspended interest, which it may recover in upcoming years and favourably impact P&L. We expect asset quality metrics to improve gradually. The Bank has adequate capital to grow its business, while tighter risk standards are likely to keep impairments at acceptable levels and credit costs low.

The GoS guarantee (with a remaining value of AED1.8bn as at end-H1 25) is carried as a 'reimbursement asset' on the balance sheet. Government payouts are adjusted against this asset, which represented a sizeable 14% of total assets in H1 25 and is non-income generating. Additionally, the Bank also has repossessed assets (5% of total assets) on which it earns minimal income. The high level of non-income-earning assets has contributed to the Bank's low net interest margin (NIM).

The improvement in NIM, operating income and ROAA in the first half of 2025 is likely to continue into the second half, supported by strong loan growth and increasing fees and commissions. We also anticipate good recoveries and a low transfer rate to Stage 3, which will help keep the net impairment charge low. However, overall profitability remains weak, and it may take several years for the primary metrics to reach the sector median. For growth in net interest income and a better NIM, IB's income-generating assets need to increase as a proportion of total assets, and this will partly depend on the frequency of claims against the GoS guarantee and the extent to which the 'reimbursement asset' diminishes. Additionally, we expect operating costs to stay high over the coming years as IB implements new growth strategies, expands its operations, hires new staff and invests heavily in a major technology upgrade. As a result, medium-term operating profit is likely to remain low, though it is expected to improve. We also foresee impairment costs remaining low given the good quality of new loans and anticipated strong recoveries.

The Bank's liquidity ratios are solid, and its liquid asset buffers are sufficient. Continued support from the GoS and the Bank's liquidity management strategies ensure a stable outlook over the medium term. Customer deposits and capital are the primary funding sources, with no wholesale borrowings currently. Deposits increased significantly in H1 25, led by private sector and individual deposits. Although the deposit base shrank in 2024, this was mainly due to a one-off payment of a AED1bn GoS deposit against a maturing GoS sukuk of AED2bn with a net AED500mn cash settlement that enhanced the Bank's liquidity. Excluding this deposit, customer funds grew modestly in 2024. The Bank possesses sufficient funding to support strong loan growth in the coming years. Customer deposit concentrations are likely to remain high due to the small retail base, though diversification may gradually improve the funding structure.

IB's capital ratios rose following the September 2023 rights issue, exceeding regulatory minima and sector medians, although key ratios have decreased recently due to the growth in risk-weighted assets. Future losses from legacy assets are covered by the GoS guarantee, and current NPLs have a high loan-loss reserve coverage. The Bank plans to strengthen its capital through retained earnings. We believe the GoS can be relied upon to provide further support if necessary.

Rating Outlook

The Stable Outlook for the LT FCR and BSR reflects CI's expectation that there will be no change in the ratings over the next 12 months. However, we note that IB's prospects have improved with the substantial increase in capital, as well as changes in management, business model and strategies.

Rating Dynamics: Upside Scenario

An upgrade of the LT FCR and BSR or a revision of the Outlook to Positive would require sustainable improvements in the Bank's profitability and asset quality, a stronger customer franchise, and a larger balance sheet.

Rating Dynamics: Downside Scenario

The LT FCR and BSR could be downgraded, or the Outlook changed to Negative, if the Bank's financial metrics deteriorate. Any change in our ESL assessment could also negatively impact the ratings.

Ratings

Foreign Currency		Outlook	BSR	Outlook	CFS	ESL	OPERA
LT	ST	LT FC		BSR			
BBB-	A3	Stable	bb	Stable	b+	High	bbb

Contact

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Secondary Analyst: Darren Stubing, Senior Credit Analyst
Committee Chairperson: Morris Helal, Senior Credit Analyst

About the Ratings

The credit ratings have been issued by Capital Intelligence Ratings Ltd, P.O. Box 53585, Limassol 3303, Cyprus.

The following information sources were used to prepare the credit ratings: public information and information provided by the rated entity. Financial data and metrics have been derived by CI from the rated entity's financial statements for FY2021-24 and H1 25. CI may also have relied upon non-public financial information provided by the rated entity and may also have used financial information from credible, independent third-party data providers.

CI considers the quality of information available on the rated entity to be satisfactory for the purposes of assigning and maintaining credit ratings. CI does not audit or independently verify information received during the rating process.

The principal methodology used to determine the ratings is the Bank Rating Methodology, dated 3 April 2019. For the methodology and our definition of default see https://ciratings.com/policies-procedures/methodologies-criteria/current-criteria-guidance. Information on rating scales and definitions and the time horizon of rating outlooks can be found at https://ciratings.com/policies-procedures/rating-scales-definitions. Historical performance data, including default rates, are available from a central repository established by ESMA (CEREP) at https://registers.esma.europa.eu/cerep-publication

This rating action follows a scheduled periodic (annual) review of the rated entity. Ratings on the entity were first released in August 1994. The ratings were last updated in November 2024. The ratings and/or rating outlook were amended following their disclosure to the rated entity prior to publication. The ratings have been assigned or maintained at the request of the rated entity or a related third party.