



HH Dr. Sheikh Sultan Bin Mohammed Al Qasimi, Ruler of Sharjah, at an Invest Bank pavilion

# TRANSPARENT ENTERPRISE IS KEY TO BURGEONING UAE BANK

*Invest Bank is one of the leading banks in the emirate of Sharjah, and is continuing to pursue its local philosophy on banking*

■ Since its launch in 1975, Invest Bank, in the United Arab Emirate of Sharjah, continues to make steady progress on all fronts. Starting with financial resources of less than \$3m, capital has increased to almost \$350m, with shareholders' funds exceeding half a billion dollars. The bank's asset base has equally witnessed impressive growth. Invest Bank has grown from a small financial institution

to a diversified full-service bank, providing a wide range of corporate and commercial banking services.

Initially established as 'Investment Bank for Trade and Finance', a change in the bank's name to Invest Bank has not altered its focal activities; that is, project and trade finance. Nor has it changed the bank's commitment to customer service and lasting partnerships with

its customers and international partners.

Sami Rached Farhat, Invest Bank's General Manager, proudly notes that the bank's operational strategy, which has been developed over many years with a dedication to personalised customer service, has contributed to its recognition as the fourth-best performing bank in the entire GCC region, in a survey of 70 commercial banks conducted by Darien

Middle East, a financial consultancy based in London.

#### LOCAL MARKET KNOWLEDGE

Invest Bank has branches in every major business centre in the UAE, as well as an array of correspondent banking relationships with major local and international banks and financial institutions. Farhat points out that a key to Invest Bank's continuing growth is its local expertise and knowledge of the UAE market.

A major strength of Invest Bank is its highly personalised client services, which cater to business people, investors and VIPs, among others. Farhat explains: "We strongly believe that our future rests on the fact that we are more of a 'boutique bank'. We listen and offer quality products and services in order to build a long-term relationship with our clients. Our motto is to 'build value for our customers, shareholders and employees', and offer tailor-made solutions to make Invest Bank their bank of choice. We want to be their lead bank, but not necessarily the sole banker."

Another cornerstone of the bank's success is to recruit what Farhat describes as "the cream of the crop" in the local financial sector. Invest Bank is proud to provide exceptional training opportunities to its employees, both UAE nationals and expatriates.

He adds that Invest Bank has managed the economic downturn reasonably well, despite the fact that, in late 2008, ratings agencies downgraded the credit ratings of a number of banks in the country because of their own problems. Invest Bank's ratings remained unchanged through this period, and it showed a good deal of resilience to global, regional and local developments.

In terms of financial performance, Farhat notes that the bank has continued to maintain a high level of capital; indeed, its capital adequacy ratios are some of the best in the UAE banking sector, averaging 24.68 percent in the last four years, with an average tier-1 ratio of 20.61 percent. On the liquidity front, Invest Bank has been a lender in the market for over two decades, with an average liquid assets ratio throughout the global liquidity crunch (beginning 2008) of over 23 percent, while in the same period its average loan-to-deposit ratio has been 97 percent. With an average income-to-revenue ratio of 20.45 percent and average return on assets of 2.25 percent, Invest Bank has delivered value to its shareholders. Average return on capital stands at 19.73 percent, while return on total equity is at 11.43 percent.

#### TRANSPARENCY AND ENTERPRISE

Invest Bank also experienced fewer asset quality problems than many of its peers, who saw significantly increased delinquencies in the banking sector while Invest Bank's asset quality ratios actually strengthened. Farhat says: "Over the years, we have made conscious efforts with additional provisions and better risk management to enhance coverage ratio." Key profitability ratios remained strong; the

bank's return on average assets (ROAA) has been consistently above its peer group average for several years.

Farhat also says that policies adopted by the UAE Central Bank have allowed the banking sector to continue making sound progress, withstanding regional and international turbulences at the same time. His quest for driving 'Emiratization' through 'Kiyada' (a leadership programme for UAE Nationals), as well as the organisation's determination to exist as a sustainable enterprise, are being rewarded with recognition in the financial industry, including *World Finance's* award for Best Commercial Bank in the UAE (2012).



Sami Rached Farhat, General Manager of Invest Bank

Farhat receives strong support from the board and its management team in pursuit of the bank's philosophy of ethical banking, which gives the bank credibility while it

AVERAGE RETURN ON CAPITAL:

19.73%

expands its credit assets. He takes a holistic perspective of all markets in an attempt to understand regional impacts, and to allow instantaneous re-alignment of strategies. Farhat has a strong belief in values and complements Invest Bank's team with a positive attitude to change and a pro-active approach in achieving the company's goals.

Farhat considers Invest Bank's transparency in its dealings with customers, regulators and

auditors, as well as in its fiscal management, to be one of the company's core strengths. For some years, Invest Bank has been the first to finalise and submit its quarterly and annual financial statements to the Emirates Securities and Commodities Authority. For this achievement, Invest Bank has been formally recognised by the Abu Dhabi Securities Exchange on its Diamond List. Invest Bank has been the first bank in the last five years to distribute dividends to its shareholders.

#### COMMUNITY PARTNER

Invest Bank's solid track record in the UAE – thanks to its customised solutions and dedication to customer service – makes the bank an ideal partner for businesses. The bank strongly believes in partnerships with its key stakeholders, creating strong shareholder value, and promotes trust and comfort with all of its regulators, while at the same time remaining loyal to its nation's heritage and contributing to the overall development of Sharjah and the UAE.

Invest Bank is responsive to local, regional and international developments, but remains steadfast in principles and commitments. In recognition of its contribution to economic development, Invest Bank has been honoured at the Sharjah Chamber of Commerce's Economic Excellence Awards on more than one occasion.

Farhat adds that "Invest Bank is a responsible community partner and maintains active involvement in social, sports, cultural and charitable activities. The bank is a regular financial supporter of various charitable and social welfare organisations and community development projects and has been a recipient of awards in recognition of its involvement. Sharjah Civil Defense, Sharjah Police, Sharjah Expo Centre and Sharjah Equestrian and Racing Club are some of the organisations that have formally recognised the bank's contribution and efforts. Sharjah City for Humanitarian Services celebrated the silver jubilee of the bank's charitable activities, and HH Dr. Sheikh Sultan Bin Mohammed Al Qasim, the Ruler of Sharjah, acknowledged the bank's long-lasting financial support to such a great humanitarian cause. Recently, it has endorsed Médecins Sans Frontières (MSF) initiatives and is proud to be associated with the 10th anniversary event of Vertical Marathon."

Invest Bank is also a regular participant in the careers fairs organised by the Emirates Institute for Banking and Financial Studies to promote career opportunities for UAE nationals in the banking sector. As a key sponsor, Invest Bank has proudly supported events such as the Hawala Conference, which is organised by the Central Bank with participation from International Monetary Fund (IMF), worldwide financial regulators and police agencies, as well as international banking conferences, to foster better understanding and promote dialogue between local and regional banks. ◇