

## Management Discussion & Analysis

### Invest Bank Financial Highlights

#### For the period ended 31 March 2022

Financial Statements – Summary							
Income Statement				Balance Sheet			
(AED million)	Q1 2022	Q1 2021	Var.	(AED million)	Mar 2022	Dec 2021	Var.
Net interest income	37	64	-42%	Cash and deposits with CB	1,183	1,446	-18%
Net fees and commission	23	19	21%	Investments	2,012	2,012	-
<b>Operating income</b>	<b>60</b>	<b>83</b>	<b>-28%</b>	Loans & advances	5,621	5,930	-5%
Operating expenses	(48)	(43)	12%	Customer Deposits	8,202	8,471	-3%
<b>Operating profit before impairment charge</b>	<b>12</b>	<b>40</b>	<b>-70%</b>	Shareholders' Funds	589	621	-5%
Net impairment charge	(44)	(60)	-27%	Total Assets	9,505	10,060	-6%
<b>Loss for the period</b>	<b>(32)</b>	<b>(20)</b>	<b>60%</b>				
<b>Basic EPS (Fills)</b>	<b>(1.01)</b>	<b>(0.63)</b>					

  

Key Ratios		
Capital adequacy ratio	9.3%	9.3%
Tier 1 ratio	8.1%	8.2%
Advances stable resources	71.7%	76.1%
Liquid asset ratio	17.2%	18.6%
Loans to deposit ratio	68.5%	70.0%

The Bank achieved net operating profit before impairment charge of AED 12M due to lower revenue by 28% and reported a net loss of AED 32M for Q1 2022 compared to a loss AED 20M in corresponding period last year. Further, net interest income was lower due to lower performing loan volumes.

The Bank's total assets stood at AED 9.5 Billion, down by 6% against December 2021, mainly due to decrease in loans and decrease in cash & deposit with Central Bank by 18% as financing under repo arrangement was reduced.

LAR (Liquid Asset Ratio) remained strong at 17% despite the reduction in cash and deposits with CB and drop in customer deposits by 3%.

The Bank's majority shareholder, the Government of Sharjah, in close coordination with the Central Bank of UAE, is diligently working to strengthen the Bank's capital base through a capital solution that is expected to be finalized by mid-2022.

-Ends-

