

Management Discussion & Analysis

Invest Bank Financial Highlights

For the period ended 30 September 2021

Financial Statements – Summary							
Income Statement				Balance Sheet			
	YTD	YTD			Sep	Dec	
(AED million)	Q3	Q3	Var.	(AED million)	2021	2020	
	2021	2020					
Net interest income	103	82	25%	Cash and deposits with CB	1,692	519	226%
Net fees and commission	41	70	-41%	Loans & advances	6,382	7,244	-12%
Operating income	144	152	-5%	Customer Deposits	8,591	7,147	20%
Operating expenses	(109)	(131)	-17%	Shareholders' Funds	726	910	-20%
Operating profit before impairment loss	35	21	67%	Total Assets	10,804	8,734	24%
Net impairment loss	(218)	(366)	-40%				
Loss for the period	(183)	(345)	-47%				
Basic EPS (Fils)	(5.76)	(10.86)					

Key Ratios

Capital adequacy ratio	10.1%	10.2%
Tier 1 ratio	8.9%	9.1%
Advances stable resources	80.6%	105.9%
Liquid asset ratio	18.5%	1.3%
Loans to deposit ratio	74.3%	101.4%

During the period ended 30 September 2021, the Bank managed to reduce net loss to AED 183M, down from AED 345M in the comparable period, mainly due to lower IFRS 9 based impairment charges. Net interest income was higher compared to Q3'20 level despite declining loan volumes, due to successful restructuring of some exposures and a reduction in cost of funds. Operating expenses dropped by 17%, driven by efficiencies and cost optimization initiatives.

Deposits grew by 20% to AED 8.6 Billion which led to the significant improvement in liquidity position with an LAR (Liquid Asset Ratio) of 18% at the end of Q3'2021 compared to 1.3% at year-end 2020

The Bank's total assets stood at AED 10.8 Billion, up by 24% compared to December 2020, mainly due to the increase in investments and proceeds from repo financing arrangements.

The Bank's CAR (Capital Adequacy Ratio) was 10.1% (31 December 2020: 10.2%), attributable to efficient deployment of capital.

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.

-Ends-

