

Management Discussion & Analysis

Invest Bank Financial Highlights

For the year ended 31 December 2021

Financial Statements – Summary							
Income Statement				Balance Sheet			
(AED million)	YTD 2021	YTD 2020	Var.	(AED million)	Dec 2021	Dec 2020	Var.
Net interest income	121	115	5%	Cash and deposits with CB	1,446	519	179%
Net fees and commission	52	72	-28%	Investments	2,012	123	1542%
Operating income	173	187	-7%	Loans & advances	5,930	7,244	-18%
Operating expenses	(166)	(180)	-8%	Customer Deposits	8,471	7,147	19%
Operating profit before impairment charge	7	7	-	Shareholders' Funds	621	910	-32%
Net impairment charge	(295)	(363)	-19%	Total Assets	10,060	8,734	15%
Loss for the period	(288)	(356)	-19%				
Basic EPS (Fils)	(9.04)	(11.2)					

Key Ratios

Capital adequacy ratio	9.3%	10.2%
Tier 1 ratio	8.2%	9.1%
Advances stable resources	76.1%	105.9%
Liquid asset ratio	18.6%	1.3%
Loans to deposit ratio	70.0%	101.4%

In 2021, the Bank managed to maintain operating profit before impairment charge at the same level as 2020 and reduce net loss to AED 288M, down from AED 356M in 2020, primarily due to lower impairment charges. Net interest income was higher despite declining performing loan volumes, due to successful restructuring of some exposures and a reduction in cost of funds. Operating expenses dropped by 8%, driven by efficiencies and cost optimization initiatives.

Deposits grew by 19% to AED 8.5 Billion which led to the significant improvement in liquidity position with an LAR (Liquid Asset Ratio) of 19% compared to 1.3% at year-end 2020

The Bank's total assets stood at AED 10.1 Billion, up 15% compared to December 2020, mainly due to the increase in investments and proceeds from repo financing arrangements.

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.



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