

Invest bank P.S.C.

Condensed consolidated interim financial statements
for the nine-month period ended 30 September 2017

Registered office

Al Zahra Street
P O Box 1885 - Sharjah
United Arab Emirates

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for the nine-month period ended 30 September 2017

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Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders
Invest bank P.S.C

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Invest bank P.S.C ("the Bank") and its subsidiary (together referred to as "the Group"), consisting of:

- the condensed consolidated interim statement of financial position as at 30 September 2017;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month period ended 30 September 2017;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month period ended 30 September 2017;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2017;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2017; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2017 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited



Vijendra Nath Malhotra
Registration No: 48
Dubai, United Arab Emirates

Date: **02 NOV 2017**

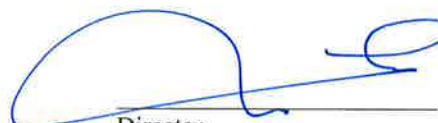
Invest bank P.S.C.
Condensed consolidated interim statement of financial position (Unaudited)
as at 30 September 2017

	Note	Unaudited 30 Sep 2017 AED*000	Audited 31 Dec 2016 AED*000
Assets			
Cash and deposits with central banks	6	1,745,278	1,863,727
Due from banks	7	1,096,590	562,197
Investment securities	8	663,145	705,651
Loans and advances to customers	9	12,890,961	11,953,525
Property and equipment		111,184	111,440
Other assets	10	1,001,128	928,767
Total assets		17,508,286	16,125,307
Liabilities			
Due to banks		1,291	329,002
Deposits from customers		13,684,173	12,176,685
Other liabilities	12	767,037	658,105
Total liabilities		14,452,501	13,163,792
Equity			
Share capital	13	1,588,125	1,588,125
Legal reserve		450,688	450,688
Special reserve		450,688	450,688
Fair value reserve		(85,067)	(84,470)
Retained earnings		651,351	556,484
Total equity		3,055,785	2,961,515
Total liabilities and equity		17,508,286	16,125,307

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf by:


General Manager


Director
02 NOV 2017

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1 and 2.

Invest bank P.S.C.
Condensed consolidated interim statement of profit or loss (Unaudited)
for the nine-month period ended 30 September 2017

	Note	Nine-month period ended		Three-month period ended	
		30 Sep 2017 AED'000	30 Sep 2016 AED'000	30 Sep 2017 AED'000	30 Sep 2016 AED'000
Operating income					
Interest income		622,288	575,943	223,310	190,541
Interest expense		(229,101)	(191,189)	(83,365)	(65,635)
Net interest income		<u>393,187</u>	<u>384,754</u>	<u>139,945</u>	<u>124,906</u>
Net fees and commission income		153,708	150,419	54,381	50,636
Net income from foreign currencies		14,654	14,605	4,706	3,707
Other income		22,514	13,770	11,013	3,404
Total operating income		<u>584,063</u>	<u>563,548</u>	<u>210,045</u>	<u>182,653</u>
Operating expenses					
General and administrative expenses		(139,853)	(135,538)	(46,678)	(45,704)
Depreciation and amortisation		(8,703)	(8,739)	(3,034)	(2,889)
Total operating expenses		<u>(148,556)</u>	<u>(144,277)</u>	<u>(49,712)</u>	<u>(48,593)</u>
Profit before impairment loss		<u>435,507</u>	<u>419,271</u>	<u>160,333</u>	<u>134,060</u>
Net impairment loss		(209,520)	(185,896)	(112,282)	(69,918)
Profit for the period		<u>225,987</u>	<u>233,375</u>	<u>48,051</u>	<u>64,142</u>
Basic and diluted earnings per share (UAE Dirhams)	15	<u>0.14</u>	<u>0.15</u>	<u>0.03</u>	<u>0.04</u>

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1 and 2.

Invest bank P.S.C.

Condensed consolidated interim statement of profit or loss and other comprehensive income (Unaudited)
for the nine-month period ended 30 September 2017

	Nine-month period ended		Three-month period ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	AED'000	AED'000	AED'000	AED'000
Profit for the period	225,987	233,375	48,051	64,142
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI)	<u>(597)</u>	<u>10,326</u>	<u>6,561</u>	<u>6,065</u>
Total items that will not be reclassified to profit or loss	<u>(597)</u>	<u>10,326</u>	<u>6,561</u>	<u>6,065</u>
Total items that are or may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other comprehensive (loss)/income for the period	<u>(597)</u>	<u>10,326</u>	<u>6,561</u>	<u>6,065</u>
Total comprehensive income for the period	<u><u>225,390</u></u>	<u><u>243,701</u></u>	<u><u>54,612</u></u>	<u><u>70,207</u></u>

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

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Invest bank P.S.C.

Condensed consolidated interim statement of cash flow (Unaudited)
for the nine-month period ended 30 September 2017

	30 Sep 2017 AED'000	30 Sep 2016 AED'000
Cash flows from operating activities		
Profit for the period	225,987	233,375
<i>Adjustments for:</i>		
Depreciation and amortisation	8,703	8,739
Amortisation of premium on bonds	435	2,480
Net gain on investment securities	(1,405)	(1,645)
Net impairment loss	209,520	185,896
<i>Operating cash flows before changes in operating assets and liabilities</i>	443,240	428,845
Change in deposits with Central bank maturing after three months	155,000	(360,000)
Change in time deposits with banks maturing after three months	(205,481)	1,998
Change in loans and advances to customers	(1,146,956)	(1,084,225)
Change in other assets	(72,361)	(120,632)
Change in deposits from customers	1,507,488	348,665
Change in other liabilities	108,932	24,153
Directors' remuneration	(2,800)	(1,050)
<i>Net cash generated from/(used in) operating activities</i>	787,062	(762,246)
Cash flows from investing activities		
Purchase of property and equipment	(8,447)	(3,349)
Purchase of investment securities	(4,576)	-
Proceeds from redemption/sale of investment securities	47,455	18,365
<i>Net cash generated from investing activities</i>	34,432	15,016
Cash flows from financing activities		
Cash dividend paid	(128,320)	(119,109)
<i>Net cash used in financing activities</i>	(128,320)	(119,109)
Net increase/(decrease) in cash and cash equivalents	693,174	(866,339)
Cash and cash equivalents at 1 January	1,582,740	1,828,239
Cash and cash equivalents at 30 September	2,275,914	961,900
<u>Cash and cash equivalents as at 30 September</u>		
Cash and deposits with central banks	1,486,096	733,234
Due from banks maturing within three months	791,109	304,454
Due to banks maturing within three months	(1,291)	(75,788)
	2,275,914	961,900

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1 and 2.

Invest bank P.S.C.

Condensed consolidated interim statement of changes in equity (Unaudited)

for the nine-month period ended 30 September 2017

	Share capital AED'000	Legal reserve AED'000	Special reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2017	1,588,125	450,688	450,688	(84,470)	556,484	2,961,515
Total comprehensive income for the period						
Profit for the period	-	-	-	-	225,987	225,987
<i>Other comprehensive income</i>						
Changes in fair value of financial assets measured at fair value through other comprehensive income	-	-	-	(597)	-	(597)
Total other comprehensive loss	-	-	-	(597)	-	(597)
Total comprehensive income for the period	-	-	-	(597)	225,987	225,390
Directors' remuneration	-	-	-	-	(2,800)	(2,800)
Transaction with owners of the Bank						
Dividend (note 13)	-	-	-	-	(128,320)	(128,320)
At 30 September 2017	1,588,125	450,688	450,688	(85,067)	651,351	3,055,785
At 1 January 2016	1,588,125	423,517	423,517	(70,344)	459,274	2,824,089
Total comprehensive income for the period						
Profit for the period	-	-	-	-	233,375	233,375
<i>Other comprehensive income</i>						
Changes in fair value of financial assets measured at fair value through other comprehensive income	-	-	-	10,326	-	10,326
Total other comprehensive income	-	-	-	10,326	-	10,326
Total comprehensive income for the period	-	-	-	10,326	233,375	243,701
Directors' remuneration	-	-	-	-	(1,050)	(1,050)
Transaction with owners of the Bank						
Dividend (note 13)	-	-	-	-	(119,109)	(119,109)
At 30 September 2016	1,588,125	423,517	423,517	(60,018)	572,490	2,947,631

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1 and 2.

1 Legal status and activities

Invest bank P.S.C. ("Invest bank" or "the Bank") is a public shareholding company with limited liability which was incorporated in 1975 by an Emiri Decree issued by His Highness Dr. Sheikh Sultan Bin Mohammed Al Qassimi, Ruler of Sharjah. The registered address of the Bank is P.O.Box 1885, Sharjah, United Arab Emirates ("UAE").

Invest Bank is licensed by the Central Bank of the UAE (the "CB UAE") to carry out banking activities and is principally engaged in the business of corporate and retail banking through its network of branches located in the Emirate of Sharjah, Dubai, Abu Dhabi, Al Ain, Ras Al Khaimah and Fujairah. Invest Bank is also carrying out banking activities in Beirut, Lebanon, through a branch ("the Branch") licensed by Banque Du Liban (the "CB Lebanon"). The Bank's shares are listed on the Abu Dhabi Securities Exchange ("ADX").

The Bank has a fully owned subsidiary, ALFA Financial Services FZE with limited liability status in the Sharjah Airport International Free Zone to provide support services to the Bank.

The condensed consolidated interim financial statements as at and for the nine-month period ended 30 September 2017 comprise the Bank and its subsidiary (together referred to as the "Group").

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" and applicable laws of the UAE. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the applicable provisions of UAE Federal Law No. 2 of 2015.

These financial statements have been presented in United Arab Emirates Dirhams (AED) rounded to the nearest thousand, which is the Group's functional and presentation currency.

3 Significant accounting policies

3.1 The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's audited consolidated financial statements as at and for the year ended 31 December 2016.

3.2 Financial risk management

The Group financial risk management objectives, policies and procedures are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2016.

3 Significant accounting policies (continued)**3.3 Financial assets and liabilities**

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Group in these condensed consolidated interim financial statements are the same as those applied in its audited consolidated financial statements as at and for the year ended 31 December 2016. These are disclosed in detail under note 3(e), 3(f), 3(g) and 3(h) in audited consolidated financial statements of the Group as at and for the year ended 31 December 2016.

4 Use of estimates and judgments

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended 31 December 2016.

5 Classes and categories of financial instruments**Accounting classification**

The table below sets out the Group's classification of each class of financial assets and liabilities, and their carrying values.

	FVTPL AED '000	FVTOCI AED '000	Others at amortised cost AED '000	Total carrying amount AED '000
At 30 September 2017				
<u>Financial assets</u>				
Cash and deposits with central banks	-	-	1,745,278	1,745,278
Due from banks	-	-	1,096,590	1,096,590
Investment securities	9,872	254,193	399,080	663,145
Loans and advances to customers	-	-	12,890,961	12,890,961
Customers' indebtedness for acceptances	-	-	493,988	493,988
Other financial assets	23	-	85,474	85,497
	<u>9,895</u>	<u>254,193</u>	<u>16,711,371</u>	<u>16,975,459</u>

5 Classes and categories of financial instruments (continued)

	FVTPL	FVTOCI	Others at amortised cost	Total carrying amount
	AED '000	AED '000	AED '000	AED '000
At 30 September 2017 (continued)				
<u>Financial liabilities</u>				
Due to banks	-	-	1,291	1,291
Deposits from customers	-	-	13,684,173	13,684,173
Liabilities under acceptances	-	-	493,988	493,988
Other financial liabilities	-	-	212,672	212,672
	-----	-----	-----	-----
	-	-	14,392,124	14,392,124
	=====	=====	=====	=====
At 31 December 2016				
<u>Financial assets</u>				
Cash and deposits with central banks	-	-	1,863,727	1,863,727
Due from banks	-	-	562,197	562,197
Investment securities	4,610	254,489	446,552	705,651
Loans and advances to customers	-	-	11,953,525	11,953,525
Customers' indebtedness for acceptances	-	-	448,334	448,334
Other financial assets	48	-	77,447	77,495
	-----	-----	-----	-----
	4,658	254,489	15,351,782	15,610,929
	=====	=====	=====	=====
<u>Financial liabilities</u>				
Due to banks	-	-	329,002	329,002
Deposits from customers	-	-	12,176,685	12,176,685
Liabilities under acceptances	-	-	448,334	448,334
Other financial liabilities	-	-	168,219	168,219
	-----	-----	-----	-----
	-	-	13,122,240	13,122,240
	=====	=====	=====	=====

6 Cash and deposits with Central Banks

	30 Sep 2017	31 Dec 2016
	AED'000	AED'000
Cash in hand	75,537	82,509
Other balances with central banks	1,196,258	1,351,610
Reserve requirement with the CB UAE	436,750	388,222
Reserve requirement with the CB Lebanon (Note 6.1)	36,733	41,386
	-----	-----
	1,745,278	1,863,727
	=====	=====

Invest bank P.S.C.

Notes to the condensed consolidated interim financial statements (Unaudited)

6 Cash and deposits with Central Banks (continued)

Statutory reserve deposits are required to be maintained as per regulations of CB UAE and CB Lebanon.

- 6.1 Includes AED 9.18 million (31 Dec 2016: AED 9.18 million) cash reserve amounting to 25% of the capital of the Lebanon Branch with CB Lebanon. This reserve is not available for the day to day activities of the branch.

7 Due from banks

	30 Sep 2017 AED'000	31 Dec 2016 AED'000
Money market placements	972,386	419,866
Balances with other banks	124,204	142,331
	<u>1,096,590</u>	<u>562,197</u>
The geographical concentration is as follows:		
Within the UAE	939,482	378,831
Outside the UAE	157,108	183,366
	<u>1,096,590</u>	<u>562,197</u>

8 Investment securities

The details of investments are as follows:

	Domestic AED '000	Other GCC countries AED '000	Others AED '000	Total AED '000
At 30 September 2017				
Financial assets at fair value through profit or loss (FVTPL):				
Investments in quoted equity securities	3,480	-	-	3,480
Investments in money market fund	-	-	6,392	6,392
Financial assets measured at fair value through other comprehensive income (FVTOCI):				
Investments in quoted equity securities	142,031	680	-	142,711
Investments in un-quoted equity securities	111,482	-	-	111,482
Financial assets at amortised cost:				
Investments in debt securities	399,080	-	-	399,080
	<u>656,073</u>	<u>680</u>	<u>6,392</u>	<u>663,145</u>

8 Investment securities (continued)

	Domestic AED '000	Other GCC countries AED '000	Others AED '000	Total AED '000
At 31 December 2016				
Financial assets at fair value through profit or loss (FVTPL):				
Investments in quoted equity securities	2,656	-	-	2,656
Investments in money market fund	-	-	1,954	1,954
Financial assets measured at fair value through other comprehensive income (FVTOCI):				
Investments in quoted equity securities	142,108	899	-	143,007
Investments in un-quoted equity securities	111,482	-	-	111,482
Financial assets at amortised cost:				
Investments in debt securities	446,552	-	-	446,552
	<u>702,798</u>	<u>899</u>	<u>1,954</u>	<u>705,651</u>

Fair value hierarchy

The table below analyses assets, measured at fair value at the end of the reporting period, by level into fair value hierarchy into which the fair value measurement is categorised. As at the end of reporting period, liabilities measured at fair value are nil (31 Dec 2016: nil).

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
At 30 September 2017				
<u>Financial assets</u>				
FVTPL - equity securities	3,480	-	-	3,480
FVTPL - money market fund	6,392	-	-	6,392
FVTOCI - equity securities	142,711	-	111,482	254,193
<u>Non-financial assets</u>				
Investment properties (note 10)	-	-	409,845	409,845
	<u>152,583</u>	<u>-</u>	<u>521,327</u>	<u>673,910</u>
At 31 December 2016				
<u>Financial assets</u>				
FVTPL - equity securities	2,656	-	-	2,656
FVTPL - money market fund	1,954	-	-	1,954
FVTOCI - equity securities	143,007	-	111,482	254,489
<u>Non-financial assets</u>				
Investment properties (note 10)	-	-	400,427	400,427
	<u>147,617</u>	<u>-</u>	<u>511,909</u>	<u>659,526</u>

8 Investment securities (continued)**Fair value hierarchy (continued)**

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	30 Sep 2017		31 Dec 2016	
	FVTOCI AED'000	Investment properties	FVTOCI AED'000	Investment properties
Balance as at 1 January	111,482	400,427	121,482	329,115
Fair value changes:				
in profit or loss	-	-	-	(24,000)
in OCI	-	-	(10,000)	-
Additions	-	12,492	-	95,312
Disposals	-	(3,074)	-	-
Balance as at 30 September / 31 December	<u>111,482</u>	<u>409,845</u>	<u>111,482</u>	<u>400,427</u>

9 Loans and advances to customers

	30 Sep 2017 AED'000	31 Dec 2016 AED'000
Overdrafts	5,540,009	4,801,582
Bills discounted	454,647	597,997
Trust receipts	710,345	599,081
Term loans	7,312,439	7,016,484
	<u>14,017,440</u>	<u>13,015,144</u>
Allowances for impairment (<i>refer note 9.1 and 9.2</i>)	<u>(1,126,479)</u>	<u>(1,061,619)</u>
Net loans and advances to customers	<u>12,890,961</u>	<u>11,953,525</u>

9.1 The movement during the nine month period ended in the impairment provision is as follows:

	30 Sep 2017 AED'000	31 Dec 2016 AED'000
At 1 January	1,061,619	961,580
Charge for the period/year	230,105	422,637
Recoveries during the period/year	(10,933)	(80,090)
Interest not recognised in the profit or loss	20,447	31,856
Amounts written off during the period/year	<u>(174,759)</u>	<u>(274,364)</u>
	<u>1,126,479</u>	<u>1,061,619</u>

During the period, amounts of AED 9.6 million (30 September 2016: AED 47.5 million) have been recovered from balances previously written off.

9.2 The composition of allowances for impairment is as follows:

	30 Sep 2017 AED'000	31 Dec 2016 AED'000
Specific allowance for impairment	883,753	837,120
Collective allowance for impairment	242,726	224,499
	<u>1,126,479</u>	<u>1,061,619</u>

10 Other assets

	30 Sep 2017	31 Dec 2016
	AED'000	AED'000
Interest receivable	77,668	67,357
Investment properties	409,845	400,427
Prepayments and other assets	19,627	12,649
Customers' indebtedness for acceptances	493,988	448,334
	<u>1,001,128</u>	<u>928,767</u>

11 Related party transactions

In the normal course of business, the Group enters into various transactions with related parties including key management personnel and their related companies. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. The related party transactions are executed at the terms agreed between the parties. The volume of related party transactions, outstanding balances at 30 September 2017, and related income and expenses for the nine-month period ended are as follows:

	30 Sep 2017		31 Dec 2016	
	Key Management personnel AED'000	Associated companies AED'000	Key Management personnel AED'000	Associated companies AED'000
Loans				
Loans outstanding	<u>38,405</u>	<u>589,449</u>	<u>37,992</u>	<u>543,377</u>
Deposits				
Deposits	<u>263,756</u>	<u>591,348</u>	<u>272,242</u>	<u>564,629</u>
Commitments and contingent liabilities				
Outstanding letters of credit and guarantees	<u>5,375</u>	<u>14,847</u>	<u>5,428</u>	<u>13,787</u>

None of the loans granted to related parties are impaired or past due as at 30 September 2017 (31 December 2016: Nil).

The loans extended to directors during the year are repayable over 1 year and bear interest at the rates ranging between 4% to 10% (2016: 4% to 10%). As at 30 September 2017 outstanding loans and advances due from related parties are secured by deposits under lien amounting to AED 518 million (31 December 2016: AED 512.4 million).

11 Related party transactions (continued)

	30 Sep 2017		30 Sep 2016	
	Key Management personnel AED'000	Associated companies AED'000	Key Management personnel AED'000	Associated companies AED'000
Interest income earned for nine-month period ended	<u>1,729</u>	<u>29,468</u>	<u>1,118</u>	<u>30,276</u>
Interest expense for nine-month period ended	<u>(7,824)</u>	<u>(17,246)</u>	<u>(8,073)</u>	<u>(20,086)</u>

Key management compensation

	30 Sep 2017 AED'000	30 Sep 2016 AED'000
Board remuneration	3,225	1,925
Salaries and other short term benefits	7,770	5,100
End of service benefits	<u>223</u>	<u>222</u>
	<u>11,218</u>	<u>7,247</u>

12 Other liabilities

	30 Sep 2017 AED'000	31 Dec 2016 AED'000
Interest payable	156,735	101,406
Unearned commission income	48,488	31,191
Accrued expenses	19,711	20,749
Liabilities under acceptances	493,988	448,334
Others	48,115	56,425
	<u>767,037</u>	<u>658,105</u>

13 Share capital*Share Capital*

As at 30 September 2017, the Bank's authorised, issued and fully paid share capital was AED 1,588.13 million comprising 1,588.13 million shares of AED 1 each (31 December 2016: AED 1,588.13 million comprising 1,588.13 million shares of AED 1 each).

Dividend

At the annual general meeting of the Bank held on 26 March 2017, a cash dividend of AED 128.3 million was approved by the shareholders and subsequently paid for the year ended 31 December 2016 (31 December 2015: AED 119.1 million).

Capital Management

The Bank has complied with the regulatory capital requirement stipulated by Central Bank of the UAE.

Invest bank P.S.C.

Notes to the condensed consolidated interim financial statements (Unaudited)

14 Segmental analysis

The Group operates in the United Arab Emirates and Lebanon, and its results arise largely from commercial banking, treasury and investment activities. Information with respect to business segments for the nine month period ended is as follows:

	30 Sep 2017			30 Sep 2016		
	Commercial banking	Treasury and investments	Total	Commercial banking	Treasury and investments	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Net interest and other income	537,767	46,296	584,063	522,806	40,742	563,548
Net impairment losses	(208,251)	(1,269)	(209,520)	(185,081)	(815)	(185,896)
Profit for the period	183,737	42,250	225,987	196,068	37,307	233,375
Segment capital expenditure	8,447	-	8,447	3,349	-	3,349
Segment depreciation	8,703	-	8,703	8,739	-	8,739

	30 Sep 2017			31 Dec 2016		
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment total assets	14,151,252	3,357,034	17,508,286	13,080,048	2,278,192	15,358,240
Segment total liabilities	11,348,980	3,103,521	14,452,501	11,956,734	453,875	12,410,609

15 Basic and diluted earnings per share

Basic earnings per share is based on the profit attributable to ordinary shareholders of the Bank and weighted average number of ordinary shares.

	30 Sep 2017 AED'000	30 Sep 2016 AED'000
Profit attributable to ordinary share holders	225,987	233,375
Number of shares	1,588,125	1,588,125
Earnings per share (UAE Dirhams)	0.14	0.15

As at reporting dates the Group does not have any instrument resulting in dilution of basic earnings per share.

Invest bank P.S.C.

Notes to the condensed consolidated interim financial statements (Unaudited)

16 Commitments and contingent liabilities

	30 Sep 2017	31 Dec 2016
	AED'000	AED'000
Letters of credit	1,060,141	988,655
Letters of guarantee	7,564,566	6,997,355
Irrevocable commitments to extend credit	753,553	634,581
Foreign exchange and forward commitments	323,538	234,003
	<u>9,701,798</u>	<u>8,854,594</u>

17 Comparative figures

Certain comparative figures have been reclassified where necessary to conform to current period presentation.