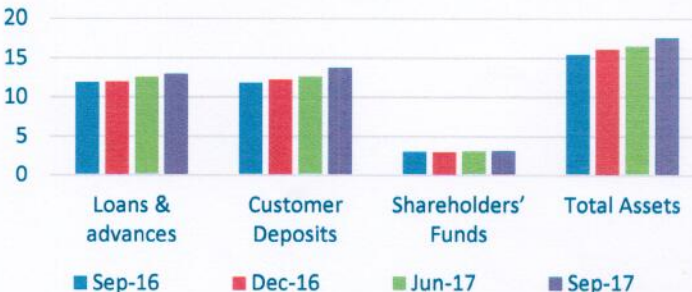


Management Discussion & Analysis

Invest Bank Financial Highlights

For the period ended 30 September 2017

Financial Statements – Summary									
Income Statement				Balance Sheet					
(AED million)	Q3 2017	Q3 2016	Var. YTD	(AED million)	Sep 2017	Dec 2016	Var. YTD	Sep 2016	Var. YOY
Net Interest Income	393	385	2%	Loans & advances	12,891	11,953	8%	11,799	9%
Non - Interest Income	191	179	7%	Customer Deposits	13,684	12,177	12%	11,680	17%
Total Operating Income	584	564	4%	Shareholders' Funds	3,056	2,961	3%	2,948	4%
Net Impairment	(209)	(186)	12%	Total Assets	17,508	16,125	9%	15,358	14%
Net Operating Income	375	378	-1%						
Operating Expenses	(149)	(145)	3%						
Net Profit	226	233	-3%						
Basic EPS (Fils)	14.2	14.7	-3%						

Key Ratios									
	Sep 2017	Dec 2016	Var. (bps)		Sep 2017	Dec 2016	Var. (bps)		
Capital adequacy ratio	18.5%	17.8%	70	Cost : Income ratio	25.0%	26.0%	(100)		
Tier 1 ratio	17.8%	17.2%	60	NPL's: Gross loans	7.2%	7.7%	(50)		
Loans to deposit ratio	94.2%	98.2%	(400)	Provision coverage	107.3%	101.4%	590		
Advances to stable resources	92.9%	94.6%	170	Return on average assets*	1.8%	1.8%	-		
Liquid assets ratio	13.4%	15.3%	(190)	Return on average equity*	10.0%	9.4%	60		

*Annualised

Invest Bank reported 14% growth in total assets as of September 30th, 2017 compared to the corresponding period of 2016, and 9% when compared to December 31, 2016. This growth in total assets was underpinned by the expansion of customer deposits which increased by 17% compared to corresponding period of September 30th, 2016, and 12% when compared to December 31, 2016. This led to the improvement in the loans-to-deposits ratio, which stood at 94.2% as of September 30th, 2017, with liquid assets ratio at 13.4% well above the 10% regulatory ratio.

Loans and advances have increased by 9% compared to last year comparative figure and 8% against December 31, 2016.

Operating income increased by 4% on the back of the increase in both net interest income and net fees and commissions. However, net profit slightly decreased by 3% as a result of the increase in net impairment charges which is in line with the market.

