

Management Discussion & Analysis

Invest Bank Financial Highlights

For the Year ended 31 March 2021

Financial Statements – Summary							
Income Statement				Balance Sheet			
(AED million)	Q1 2021	Q1 2020	Var.	(AED million)	March 2021	Dec 2020	Var.
Net interest income	64	44	45%	Loans & advances	6,744	7,244	-7%
Net fees and commission	19	30	-37%	Customer Deposits	8,049	7,147	13%
Operating income	83	74	12%	Shareholders' Funds	890	910	-2%
Operating expenses	(43)	(54)	-20%	Total Assets	11,042	8,734	26%
Net operating profit	40	20	100%				
Net impairment	(60)	(120)	-50%				
Net loss	(20)	(100)	-80%				
Basic EPS (Fils)	(0.62)	(3.13)					



Key Ratios					
	March 2021	Dec 2020		March 2021	Dec 2020
Capital adequacy ratio	11.2%	10.2%	Liquid asset ratio	11.0%	1.3%
Tier 1 ratio	10.1%	9.1%	Loans to deposit ratio	83.8%	101.4%
Advances stable resources	86.0%	105.9%			

During the first quarter of 2021, the Bank managed to reduce net loss to AED 20 Million, mainly due to lower impairment charges and operating expenses. Operating income increased by 12%, mostly driven by a 45% increase in net interest income due to the successful restructuring of some exposures, with a reduction in cost of funds. Operating expenses dropped by 20%, driven by efficiencies from closing branches and streamlining operations. This trend is expected to continue throughout 2021.

Impairment losses booked under IFRS 9 for the period amounted to AED 60 Million.

Deposits increased by 13% to AED 8 Billion as a result of measures to enhance liquidity, which included a repurchase transaction; all this led to the significant improvement in liquidity position with an LAR (Liquid Asset Ratio) of 11% at the end of the quarter.

The Bank's total assets stood at AED 11 Billion, up by 26% compared to December 2020, mainly due to the increase in deposits and the repurchase transaction.

The Bank's CAR (Capital Adequacy Ratio) was 11.2% (31 December 2020: 10.2%), the improvement being due to continued deleveraging and 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-

About Invest Bank

Invest Bank is a Sharjah-based public shareholding company established in 1975. The Bank's shares are publicly traded on the Abu Dhabi Securities Market (ADX). The Bank has total assets of AED 11 Billion as at 31 March 2021.

In its 45 years of operations, Invest Bank has grown into a diversified full-service bank providing a wide range of corporate and retail banking services. This steady growth is rooted in Invest Bank's commitment to customer service and building lasting partnerships.

The Bank operates a network of 5 branches in the United Arab Emirates and an international branch in Lebanon.

