

CONSOLIDATED STATEMENT OF CASH FLOWS  
At 31 December 2013

	2013 USD	2012 USD
<b>OPERATING ACTIVITIES</b>		
Net profit / (loss) for the year	22,575	(12,370,247)
Adjustments for:		
Depreciation and amortisation	141,995	1,268,853
Fair value loss on investment at fair value through statement of income	1,616,314	-
Impairment and provision	2,194,795	6,621,795
Share of results from associates	(262,357)	-
Gain on disposal of development properties	(1,479,400)	-
Gain on disposal of equity-type instruments at fair value through equity	(1,018,858)	(1,119,611)
Gain on disposal of debt-type instruments at amortised cost	(634,351)	(2,522,533)
Net amortisation of premium (discount)	683,143	(594,762)
Gain on disposal of investment in real estate	(857,143)	-
Gain on disposal of fixed assets	(18,223)	(17,560)
Fixes assets write off	-	765,320
Gain on amalgamation	-	(32,524)
Operating profit / (loss) before changes in operating assets and liabilities	388,490	(8,001,269)
Changes in operating assets and liabilities:		
Financing receivables	1,466,008	1,946,072
Musharaka financing	894,123	(75,951)
Investment in ijarah asset	170,254	-
Ijarah muntahia bittamleek	623,288	(1,905,822)
Other assets	812,576	(462,267)
Due to financial institutions	(16,252,090)	9,484,438
Due to non financial institutions	(270,832)	-
Other liabilities	(7,476,749)	7,212,176
Equity of investment accountholders	(766,098)	-
Net cash (used in) / from operating activities	(20,411,030)	8,197,377
<b>INVESTMENT ACTIVITIES</b>		
Purchase of investment securities	(43,104,557)	(91,788,574)
Proceeds from disposal of investment securities	42,444,033	94,190,008
Proceeds from disposal of development properties	14,727,851	-
Proceeds from disposal investment in real estate	857,143	-
Purchase of investment in real estate	(1,541,752)	-
Purchase of fixed assets	(435,318)	(88,091)
Purchase of associate	(5,898,308)	-
Proceed from disposal of fixed assets	18,223	17,560
Net cash from investing activities	7,067,315	2,330,903
<b>FINANCING ACTIVITY</b>		
Changes in non-controlling interest	(2,895,879)	-
Net cash used in financing activity	(2,895,879)	-
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(16,239,594)</b>	<b>10,528,280</b>
Cash and cash equivalents at 1 January	43,534,072	16,560,985
Cash and cash equivalents received on amalgamation	-	16,444,807
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>27,294,478</b>	<b>43,534,072</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and balances with banks	16,239,464	12,986,997
Due from financial institutions with original maturity of 90 days or less	11,055,014	30,547,075
	27,294,478	43,534,072

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At 31 December 2013

	2013 USD	2012 USD
<b>ASSETS</b>		
Cash and balances with banks	16,239,464	12,986,997
Due from financial institutions	15,591,327	35,083,388
Financing receivables	12,232,440	13,699,448
Musharaka financing	786,630	1,902,720
Receivable from ijarah investors	14,800,849	14,800,849
Investment in ijarah asset	4,791,720	4,961,974
Ijarah muntahia bittamleek	1,282,534	1,905,822
Investment securities	228,867,112	232,067,260
Investment in associates	11,372,412	5,046,963
Investment in real estate	44,079,522	38,441,871
Development properties	6,164,051	16,173,111
Non-current asset held for sale	-	1,326,260
Fixed assets	726,393	433,070
Other assets	3,125,990	3,938,566
<b>TOTAL ASSETS</b>	<b>360,060,444</b>	<b>382,767,299</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY</b>		
<b>Liabilities</b>		
Due to financial institutions	22,784,833	39,036,923
Due to non financial institutions	164,576	435,408
Other liabilities	8,456,159	15,641,883
<b>Total liabilities</b>	<b>31,405,568</b>	<b>55,114,214</b>
<b>EQUITY OF INVESTMENT ACCOUNT HOLDERS</b>	<b>497,535</b>	<b>1,263,633</b>
<b>OWNERS' EQUITY</b>		
Share capital	300,000,000	300,000,000
Share premium	16,385,368	16,385,368
Statutory reserve	676,313	676,313
Accumulated loss	(1,099,841)	-
Investments fair value reserve	5,437,274	796,081
General reserve	4,618,036	4,618,036
<b>Equity attributable to parent's shareholders</b>	<b>326,017,150</b>	<b>322,475,798</b>
Non-controlling interest	2,140,191	3,913,654
<b>Total owners' equity</b>	<b>328,157,341</b>	<b>326,389,452</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY</b>	<b>360,060,444</b>	<b>382,767,299</b>
<b>OFF BALANCE SHEET:</b>		
<b>EQUITY OF INVESTMENT ACCOUNT HOLDERS</b>	<b>112,413,997</b>	<b>110,731,271</b>
<b>COMMITMENTS</b>	<b>9,417,503</b>	<b>14,277,462</b>

The above has been extracted from 31 December 2013 consolidated financial statements audited by EY, who issued an unqualified audit opinion on the financials. The financials have been approved by the Board of Directors on 19 February 2014. The audited consolidated financial statements are available on Ibdar Bank website at [www.ibdarbank.com](http://www.ibdarbank.com).

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY  
At 31 December 2013

	Share capital USD	Share premium USD	Statutory reserve USD	Accumulated loss USD	Investments fair value reserve USD	Investments fair value reserve real estate USD	General reserve USD	Total non-owners' equity USD	Non-owners' equity USD	Total owners' equity USD
Balance at 1 January 2013	300,000,000	16,385,368	676,313	-	796,081	-	4,618,036	322,475,798	3,913,654	326,389,452
Net (loss) / profit for the year	-	-	-	(1,099,841)	-	-	-	(1,099,841)	1,122,416	22,575
Cumulative changes in fair values	-	-	-	2,551,781	2,089,412	-	-	4,641,193	-	4,641,193
Changes in non-controlling interest	-	-	-	-	-	-	-	-	(2,895,879)	(2,895,879)
<b>Balance at 31 December 2013</b>	<b>300,000,000</b>	<b>16,385,368</b>	<b>676,313</b>	<b>(1,099,841)</b>	<b>3,347,862</b>	<b>2,089,412</b>	<b>4,618,036</b>	<b>326,017,150</b>	<b>2,140,191</b>	<b>328,157,341</b>
Balance at 1 January 2012	200,000,000	-	676,313	(45,011,717)	(896,197)	-	-	154,768,399	-	154,768,399
Reduction of share capital	(62,000,000)	-	-	45,011,717	-	-	16,988,283	-	-	-
Issue of shares	162,000,000	16,385,368	-	-	-	-	-	178,385,368	-	178,385,368
Net loss for the year	-	-	-	(12,370,247)	-	-	-	(12,370,247)	-	(12,370,247)
Transfer to general reserve	-	-	-	-	12,370,247	-	-	(12,370,247)	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	3,913,654	3,913,654
Transfer to statement of income on impairment	-	-	-	-	1,324,502	-	-	1,324,502	-	1,324,502
Balance at 31 December 2012	300,000,000	16,385,368	676,313	-	796,081	-	4,618,036	322,475,798	3,913,654	326,389,452

CONSOLIDATED STATEMENT OF INCOME  
At 31 December 2013

	2013 USD	2012 USD
<b>INCOME</b>		
Profit from islamic financing	2,796,846	2,575,200
Profit on islamic financing	(427,435)	(170,704)
<b>Net income from islamic financing</b>	<b>2,369,411</b>	<b>2,404,496</b>
Income from investment securities	7,544,865	9,263,830
Fair value loss on investment at fair value through statement of income	(1,616,314)	-
Share of results from associates	262,357	-
Income from investment banking services	753,214	218,760
Other income	3,983,391	6,208
<b>Total income</b>	<b>13,296,924</b>	<b>11,893,294</b>
<b>EXPENSES</b>		
Staff cost	6,234,256	4,280,076
Depreciation and amortisation	141,995	1,268,853
Other expenses	4,703,303	3,577,206
<b>Total expenses</b>	<b>11,079,554</b>	<b>9,126,135</b>
<b>NET INCOME BEFORE PROVISION AND IMPAIRMENT AND ACQUISITION EXPENSES</b>	<b>2,217,370</b>	<b>2,767,159</b>
Provision and impairment - net	(2,194,795)	(6,621,795)
Acquisition expenses	-	(8,515,611)
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>	<b>22,575</b>	<b>(12,370,247)</b>
Attributable to:		
Shareholders of the parent	(1,099,841)	-
Non-controlling interest	1,122,416	-
	22,575	-