

Dear Shareholders

We are pleased to provide you with this update on the activities undertaken by the Ibdar team during the six months period ended 30 June 2017, in line with our corporate governance strategy and our intention to maintain an open dialogue with our shareholders.

As you are aware, the current Board of Directors took office in April 2016 for a three year term. They have focused on several key objectives over the last 12 months, including restarting the investment engine, building a stable balance sheet that reflected the fair market value of our investment portfolio and instituting measures for controlling operating costs. As part of this process, the shareholders in their last extraordinary general meeting approved the reduction of the issued share capital of the Bank from USD300 million to USD233 million.

Mr. Ayman Sejiny, an investment banker with extensive regional experience, joined the Management team as the new Chief Executive Officer in April 2017. A three year strategy has now been developed to expand the revenue sources of the Bank through the introduction of a fee income model. Additionally, going forward, Ibdar will place more reliance on advisory income that does not require balance sheet financing. We are taking the necessary steps to enhance the business teams with select experienced professionals in order to drive the new business initiatives. Ibdar is also actively exploring the possibility of engaging with “FINTECH” platforms introduced recently by CBB.

Financial statements overview

Profitability

In US\$	H1 2017	H1 2016	H1 2015
Total Income	10,386,700	9,839,268	11,539,148
Total Operating Expenses	6,459,297	5,258,985	6,861,445
Operating profit before provision for impairment and fair value losses	3,927,404	4,580,283	4,677,703
Provision for impairment and fair value losses	(2,602,217)	(41,306,633)	(4,580,781)
Net (loss) profit	1,325,187	(36,726,350)	96,922

For any further enquires please contact our Board Secretary Mr. Khalid Javaid via:

Email: kjavaid@ibdarbank.com

Direct line: +973 17510006

Thank you.

Ibdar Bank