Investment Corporation of Dubai
and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2013

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REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE OWNER OF INVESTMENT CORPORATION OF DUBAI

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Investment Corporation of Dubai ("ICD") and its subsidiaries (collectively referred to as the "Group"), comprising the interim consolidated statement of financial position as at 30 June 2013 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst + Young

Signed by:
Anthony O'Sullivan
Partner
Registration No. 687

07 October 2013

Dubai, United Arab Emirates

90
Years in MENA

INTERIM CONSOLIDATED INCOME STATEMENT
For the six-month period ended 30 June 2013

	Notes	***Six-month period ended 30 June*** 2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
Revenues	3	**91,184,306**	77,297,029
Cost of revenues	4	**(75,082,569)**	(63,500,621)
		16,101,737	13,796,408
Other income		**2,320,660**	3,266,574
Net gain from derivative instruments		**178,253**	191,751
General, administrative and other expenses		**(8,208,710)**	(6,968,575)
Net impairment losses on financial assets	5	**(2,094,912)**	(2,463,176)
Other finance income		**710,435**	575,728
Other finance costs		**(1,793,961)**	(1,072,961)
Share in results of associates and joint ventures for the period - net	11	**1,334,627**	1,633,307
PROFIT FOR THE PERIOD BEFORE INCOME TAX		**8,548,129**	8,959,056
Income tax expense		**(412,611)**	(440,658)
PROFIT FOR THE PERIOD		**8,135,518**	8,518,398
Attributable to:			
The equity holder of ICD		**6,578,541**	7,186,688
Non-controlling interests		**1,556,977**	1,331,710
		8,135,518	8,518,398

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 30 June 2013

	Six-month period ended 30 June	
	2013	*2012*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
PROFIT FOR THE PERIOD	**8,135,518**	8,518,398
Other comprehensive income		
Other comprehensive income to be reclassified to income statement in subsequent periods:		
Net movement in fair value of available-for-sale investments and cash flow hedges	**918,519**	121,855
Foreign currency translation differences	**(163,414)**	15,628
Group's share in other comprehensive income of equity accounted investees	**(256,234)**	(80,192)
Net other comprehensive income to be reclassified to income statement in subsequent periods	**498,871**	57,291
Items not to be reclassified to income statement in subsequent periods:		
Actuarial loss on defined benefit plans	**(177,697)**	(51,470)
Other comprehensive income for the period	**321,174**	5,821
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**8,456,692**	8,524,219
Attributable to:		
The equity holder of ICD	**7,063,685**	7,074,640
Non-controlling interests	**1,393,007**	1,449,579
	8,456,692	8,524,219

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	***30 June 2013 AED'000 (Unaudited)***	*31 December 2012 AED'000 (Audited) *(Restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	8	**106,658,913**	98,970,496
Intangible assets	9	**24,742,032**	20,217,384
Investment properties	10	**7,415,350**	7,372,306
Development properties		**266,367**	320,804
Investments in associates and joint ventures	11	**31,771,489**	31,462,632
Investments in marketable securities	12	**20,408,332**	16,109,037
Other non-current assets		**18,775,838**	20,979,230
Islamic financing and investment products	13	**23,514,322**	20,331,166
Loans and receivables	14	**74,501,418**	72,644,622
Cash and deposits with banks	15	**3,188,464**	2,495,055
Positive fair value of derivatives		**1,213,153**	1,681,784
Deferred tax asset		**77,070**	142,675
		312,532,748	292,727,191
Current assets			
Investments in marketable securities	12	**4,121,434**	4,614,386
Inventories		**13,251,340**	11,151,322
Trade and other receivables		**33,777,484**	27,673,573
Islamic financing and investment products	13	**12,311,461**	11,800,109
Loans and receivables	14	**116,617,798**	105,595,828
Cash and deposits with banks	15	**88,493,097**	72,854,907
Positive fair value of derivatives		**1,093,818**	731,882
Customer acceptances		**4,585,340**	6,301,961
		274,251,772	240,723,968
Assets classified as held for sale		**10,033**	10,033
		274,261,805	240,734,001
TOTAL ASSETS		**586,794,553**	533,461,192

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
At 30 June 2013

	Notes	*30 June 2013 AED'000 (Unaudited)*	*31 December 2012 AED'000 (Audited) *(Restated)*
EQUITY AND LIABILITIES			
Equity attributable to the equity holder of ICD			
Capital	16	64,534,449	64,534,449
Retained earnings		44,847,199	38,630,617
Other reserves	17	15,596,250	14,980,789
		124,977,898	118,145,855
Non-controlling interests	18	28,012,497	23,698,292
Total equity		152,990,395	141,844,147
Non-current liabilities			
Employees' end of service benefits		1,827,877	1,547,353
Borrowings and lease liabilities		93,584,524	79,144,637
Negative fair value of derivatives		1,901,305	2,651,944
Other non-current payables		5,368,826	4,714,265
Customer deposits		7,790,527	15,277,375
Islamic customer deposits		8,490,978	6,074,115
Deferred tax liabilities		963,751	971,170
Deposits under repurchase agreements		37,041	-
		119,964,829	110,380,859
Current liabilities			
Employees' end of service benefits		1,636	1,342
Borrowings and lease liabilities		62,128,228	52,517,539
Negative fair value of derivatives		887,998	680,268
Trade and other payables		59,211,710	50,217,862
Customer deposits		159,403,344	142,804,853
Islamic customer deposits		26,691,676	26,903,467
Deposits under repurchase agreements		150,117	730,873
Current income tax liability		769,197	1,067,937
Customer acceptances		4,585,339	6,301,961
		313,829,245	281,226,102
Liabilities directly associated with assets classified as held for sale		10,084	10,084
		313,839,329	281,236,186
Total liabilities		433,804,158	391,617,045
TOTAL EQUITY AND LIABILITIES		586,794,553	533,461,192

.... Director

.... Director

* Certain comparatives as disclosed in note 2.3 have been restated due to the adoption of IFRS 10 by the Group.

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2013

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
OPERATING ACTIVITIES		
Profit before tax	**8,548,129**	8,959,056
Adjustments for:		
Depreciation and impairment on property, plant and equipment, investment properties and development properties	**4,695,761**	3,780,752
Impairment allowances on loans and receivables	**1,257,761**	1,453,186
Impairment allowances on Islamic financing and investment products	**490,628**	528,028
Amortisation and impairment of intangible assets	**348,608**	172,739
Loss / (gain) on disposal of property, plant and equipment, investment properties, intangible assets and sale and leaseback of aircrafts	**15,129**	(83,118)
Fair value gain on investment securities	**(21,776)**	(11,739)
Impairment loss on available-for-sale investments	**292,885**	67,238
Impairment loss on investment in associates and joint ventures	**18,733**	400,000
Other finance income	**(5,699,344)**	(5,516,217)
Other finance costs	**3,019,919**	2,603,693
Share in results of associates and joint ventures	**(1,334,627)**	(1,633,307)
Provision for employees' end of service benefits	**447,827**	389,067
Reversal of impairment on other non-current assets	**-**	(398,738)
Gain on deemed disposal of investment in associate	**(329,763)**	(224,260)
	11,749,870	10,486,380
Working capital changes:		
Inventories	**99,982**	(272,546)
Trade and other receivables	**(7,061,370)**	(3,624,359)
Trade and other payables	**8,627,798**	9,001,228
Loans and receivables	**(12,782,527)**	(3,377,380)
Statutory deposits (banking operations)	**(4,897,838)**	(6,907,960)
Deposits with banks with original maturity over three months (banking operations)	**(673,427)**	(607,904)
Customer deposits including Islamic customer deposits	**3,581,715**	10,623,385
Fair value of derivatives	**(436,214)**	591,608
Islamic financing and investment products	**(4,040,478)**	(4,070,326)
Other non-current assets	**3,445,782**	(1,146,556)
Other non-current payables	**654,561**	(773,659)
Net cash from operations	**(1,732,146)**	9,921,911
Employees' end of service benefits paid	**(330,216)**	(334,277)
Taxes paid	**(659,664)**	(595,846)
Exchange translation reserve and other movements	**70,302**	26,531
Operating finance income received	**4,988,909**	4,940,489
Operating finance cost paid	**(1,225,958)**	(1,530,732)
Net cash generated from operating activities	**1,111,227**	12,428,076

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the six-month period ended 30 June 2013

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets, investment properties and development properties	**(12,327,969)**	(5,263,918)
Proceeds from disposal of property, plant and equipment, intangible assets, investment properties and development properties	**310,249**	458,914
Acquisition of non-controlling interests	**-**	(21,168)
Payments for shares repurchased by an indirect subsidiary of the Group	**-**	(193,720)
Acquisition of subsidiaries	**(1,941,094)**	-
Proceeds from dilution of investment in an indirect associate of the Group	**230,464**	-
Other finance income received	**710,435**	575,728
Net movement in investment in marketable securities	**(1,513,691)**	430,621
Investments in associates and joint ventures	**(46,641)**	(56,420)
Dividend from associates and joint ventures	**762,425**	539,189
Net movement in deposits with banks with original maturity over three months (non-banking operations)	**(8,522,159)**	942,476
Net cash used in investing activities	**(22,337,981)**	(2,588,298)
FINANCING ACTIVITIES		
Issuance of Tier 1 Capital Notes by a banking subsidiary	**3,648,497**	-
Interest on Tier 1 Capital Notes issued by a banking subsidiary	**(18,184)**	-
Distribution to the Government	**(131,455)**	(389,695)
Net movement in borrowings and lease liabilities	**13,296,810**	1,337,662
Deposit under repurchase agreements	**(580,756)**	(1,237,280)
Other finance costs paid	**(1,793,961)**	(1,072,961)
Dividend paid to the non-controlling interests	**(811,951)**	(650,413)
Directors' fees paid	**(2,305)**	(1,616)
Net cash generated from / (used in) financing activities	**13,606,695**	(2,014,303)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**(7,620,059)**	7,825,475
Cash and cash equivalents acquired on business combinations	**4,066,207**	1,348,946
Cash and cash equivalents at the beginning of the period	**12,990,394**	9,051,468
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**9,436,542**	18,225,889

Cash and cash equivalents noted above include the following:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*	*30 June 2012 AED'000 (Unaudited)*
Cash and deposits with banks - current	**88,493,097**	72,854,907	70,405,996
Islamic financing and investment products with original maturity of less than three months	**703,779**	559,122	608,773
Due to banks	**(29,703,142)**	(22,168,827)	(18,290,661)
Bank overdrafts	**(329,943)**	(950,493)	(509,877)
	59,163,791	50,294,709	52,214,231
Due to banks with original maturity of more than three months	**4,465,574**	3,488,493	2,751,463
Deposits with Central Bank for regulatory purposes	**(25,466,689)**	(20,568,851)	(11,498,327)
Deposits with other banks with original maturity of more than three months	**(28,726,134)**	(20,223,957)	(25,241,478)
`	**9,436,542**	12,990,394	18,225,889

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six-month period ended 30 June 2013

	Attributable to the equity holder of ICD					
	Capital AED'000 (see note 16)	*Retained earnings AED'000*	*Other reserves AED'000 (see note 17)*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance at 1 January 2013 as previously reported	64,534,449	38,774,772	14,992,221	118,301,442	23,698,292	141,999,734
Change in accounting policy (see note 2.3)	-	(144,155)	(11,432)	(155,587)	-	(155,587)
Balance at 1 January 2013 (Restated) *	64,534,449	38,630,617	14,980,789	118,145,855	23,698,292	141,844,147
Profit for the period	-	6,578,541	-	6,578,541	1,556,977	8,135,518
Other comprehensive income for the period	-	(177,697)	662,841	485,144	(163,970)	321,174
Total comprehensive income for the period	-	6,400,844	662,841	7,063,685	1,393,007	8,456,692
Distribution paid to the Government (see note 20)	-	(131,456)	-	(131,456)	-	(131,456)
Tier 1 capital notes issued by a banking subsidiary (see note 18)	-	-	-	-	3,648,497	3,648,497
Interest on Tier 1 capital notes	-	-	-	-	(18,184)	(18,184)
Directors' fees in subsidiaries, associates and joint ventures	-	(2,305)	-	(2,305)	-	(2,305)
Dividend paid to the non-controlling interests	-	-	-	-	(811,951)	(811,951)
Transfers	-	6,890	(6,890)	-	-	-
Increase in non-controlling interests	-	-	-	-	1,175	1,175
Arising on acquisition of a subsidiary	-	-	-	-	88,324	88,324
Deemed disposal of investment in an associate	-	-	(58,023)	(58,023)	-	(58,023)
Other movements	-	(57,391)	17,533	(39,858)	13,337	(26,521)
Balance at 30 June 2013	**64,534,449**	**44,847,199**	**15,596,250**	**124,977,898**	**28,012,497**	**152,990,395**

* Certain comparatives as disclosed in note 2.3 have been restated due to the adoption of IFRS 10 by the Group.

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)
For the six-month period ended 30 June 2013

	Attributable to the equity holder of ICD					
	Capital AED'000 (see note 16)	*Retained earnings AED'000*	*Other reserves AED'000 (see note 17)*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance at 1 January 2012 as reported in the previous year audited financial statements	64,253,449	28,103,765	12,544,895	104,902,109	22,550,123	127,452,232
Change in accounting policy (see note 2.3)	-	(145,027)	(19,479)	(164,506)	-	(164,506)
Balance at 1 January 2012 (Restated)*	64,253,449	27,958,738	12,525,416	104,737,603	22,550,123	127,287,726
Profit for the period	-	7,186,688	-	7,186,688	1,331,710	8,518,398
Other comprehensive income for the period	-	(51,470)	(60,578)	(112,048)	117,869	5,821
Total comprehensive income for the period	-	7,135,218	(60,578)	7,074,640	1,449,579	8,524,219
Distribution paid to the Government (see note 20)	-	(389,694)	-	(389,694)	-	(389,694)
Directors' fees in subsidiaries, associates and joint ventures	-	(1,616)	-	(1,616)	-	(1,616)
Change in ownership	-	(436,634)	793,051	356,417	(998,821)	(642,404)
Shares purchased and cancelled by an indirect subsidiary	-	(102,940)	-	(102,940)	(90,780)	(193,720)
Increase in non-controlling interests	-	-	-	-	2,918	2,918
Arising on acquisition of a subsidiary	-	-	-	-	853,420	853,420
Dividend paid to the non-controlling interests	-	-	-	-	(650,413)	(650,413)
Transfers	-	(1,022,785)	1,025,446	2,661	(2,661)	-
Other movements	-	(34,535)	8,144	(26,391)	(3,527)	(29,918)
Balance at 30 June 2012	64,253,449	33,105,752	14,291,479	111,650,680	23,109,838	134,760,518

* Certain comparatives as disclosed in note 2.3 have been restated due to the adoption of IFRS 10 by the Group.

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Investment Corporation of Dubai ("ICD"), an entity wholly owned by the Government of Dubai (the "Government"), was established in Dubai on 3 May 2006 under Emiree Decree 11 of 2006 issued by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of United Arab Emirates and The Ruler of Dubai.

ICD is the investment arm of the Government and was capitalised with the transfer of certain of the Government's portfolio of investments from the Department of Finance-Investments Division. ICD's role is to supervise the Government's investment portfolio, adding value through the implementation of best practice corporate governance and embracing a global investment strategy.

These interim condensed consolidated financial statements for the six-month period ended 30 June 2013 were approved by the Board of Directors of ICD on 7 October 2013.

The address of ICD's registered office is at PO Box 333888, Dubai, United Arab Emirates.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of ICD and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 June 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the measurement of available-for-sale investments and financial instruments at fair value through profit or loss (including derivative financial instruments) at fair value. The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is ICD's functional and presentation currency and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012. In addition, results for the six-month period ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting". The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new Standards and Interpretations effective as of 1 January 2013.

The Group applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements, IFRS 13 - Fair Value Measurement and amendments to IAS 1 - Presentation of Financial Statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 - Disclosure of Interest in Other Entities may result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not significantly impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment is described below:

IAS 1 - *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

IAS 1 - ***Clarification of the requirement for comparative information (Amendment)***
This amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statement.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed consolidated financial statements do not include a third balance sheet.

IAS 32 - ***Tax effects of distributions to holders of equity instruments (Amendment)***
The amendment to IAS 32 - Financial Instruments: Presentation clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 - Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for ICD, as there is no tax consequences attached to cash or non-cash distribution.

IAS 34 - ***Interim financial reporting and segment information for total assets and liabilities (Amendment)***
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 - Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The amendment has no effect on the financial position or performance of the Group.

IFRS 7 - ***Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7***
The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. The amendment has had no significant effect on the financial position or performance of the Group.

IFRS 11 - ***Joint Arrangements and IAS 28 - Investment in Associates and Joint Ventures***
IFRS 11 replaces IAS 31 - Interests in Joint Ventures and SIC-13 - Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The application of IFRS 11 has no effect on the financial position or performance of the Group, as the Group currently follows equity method for accounting of interest in Joint Ventures.

IFRS 12 - ***Disclosure of Interests in Other Entities***
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

IFRS 13 - *Fair Value Measurement*
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 - Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34, thereby affecting the interim condensed consolidated financial statements period. The Group provides these disclosures in note 21.

In addition to the above-mentioned amendments and new standards, IFRS 1 - First-time Adoption of International Financial Reporting Standards was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.3 CHANGES IN ACCOUNTING POLICY

The Group has applied IFRS 10 - Consolidated Financial Statements, for the first time during the six-month period ended 30 June 2013.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 - Consolidated and Separate Financial Statements, that dealt with consolidated financial statements and SIC-12 - Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

Following is the impact of adoption of IFRS 10 by the Group:

	June 2013 **AED '000**	December 2012 AED '000	December 2011 AED '000
Decrease in investments in associates and joint ventures	-	155,587	164,506
Decrease in other reserves	-	11,432	19,479
Decrease in retained earnings	-	144,155	145,027

3 REVENUES

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	2012 AED'000 (Unaudited)
Transportation and related services	**43,277,977**	34,896,487
Oil and gas products/services	**31,520,122**	26,702,885
Banking and financial services (see note (a) below)	**6,277,682**	6,132,371
Industrial manufacturing	**4,744,000**	4,892,697
Retail trade	**3,248,390**	2,885,152
Rental income	**1,101,692**	1,011,203
Hotels and leisure	**141,710**	125,283
Exchange house trading and fee income	**155,397**	96,443
Contract revenue	**111,213**	66,530
Other investment income	**101,909**	94,130
Others	**504,214**	393,848
	91,184,306	77,297,029

a) Revenues from banking and financial services include:

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	2012 AED'000 (Unaudited)
Interest income and profit on loans and receivables and Islamic financing and investment products to customers	**4,911,247**	4,852,817
Fee and commission income	**1,058,085**	922,891
Interest income on available-for-sale investments	**116,412**	157,195
Interest income and profit on loans to and receivables from banks	**77,662**	87,672
Others	**114,276**	111,796
	6,277,682	6,132,371

4 COST OF REVENUES

	Six-month period ended 30 June	
	2013	*2012*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Transportation and related services	**37,253,924**	30,812,028
Oil and gas products / services	**29,745,023**	24,658,828
Banking and other financial services (see note (a) below)	**1,655,158**	1,718,852
Industrial manufacturing	**3,634,998**	3,762,254
Retail trade	**2,034,932**	1,838,673
Rental expense	**548,042**	535,454
Hotels and leisure	**65,812**	58,402
Contract costs	**83,310**	47,695
Others	**61,370**	68,435
	75,082,569	63,500,621

a) Cost of revenues for banking and other financial services include:

	Six-month period ended 30 June	
	2013	*2012*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Interest expense and profit on deposits from customers	**831,855**	834,747
Interest expense and profit on borrowings from banks and other financial institutions	**83,040**	314,829
Distribution to depositors and profit paid to sukuk holders	**311,063**	381,156
Fee and commission expenses	**76,621**	57,817
Others	**352,579**	130,303
	1,655,158	1,718,852

5 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

This includes impairment losses amounting to AED 2,041,274 thousand (unaudited) (six-month period ended 30 June 2012: AED 2,048,452 thousand (unaudited)) relating to loans and receivables, Islamic financing and investment products and investments held by the Group's subsidiary engaged in banking operations.

6 TRANSFER OF ENTITY UNDER COMMON CONTROL

During the year ended 31 December 2012, one of the related parties of the Group partly repaid its loan to the Group by way of transfer of shares owned by it in one of the subsidiaries of the Group, Borse Dubai Limited. The total value of additional investment amounted to AED 642,397 thousand and accordingly the Group's investment in the subsidiary increased from 79.43% to 89.72%. As a result of such transfer, the amount of non-controlling interests acquired by the Group amounting to AED 923,847 thousand, was transferred from "non-controlling interests" to "the equity attributable to the equity holders of ICD" through the consolidated statement of changes in equity.

7 BUSINESS COMBINATIONS

a) Acquisition of BNP Paribas Egypt S.A.E

During the current period, one of the banking subsidiaries of the Group acquired a 95.2% stake in BNP Paribas Egypt S.A.E ("BNPP Egypt") for a consideration of AED 1,748 million. Furthermore, for the acquisition of the balance 4.8% of shares, a payment of AED 88 million has been made under an escrow arrangement pending legal transfer of ownership of the shares.

The Group has provisionally recorded the assets and liabilities of BNPP Egypt at the date of acquisition and are summarised as below:

	Fair values AED' million
Property, plant and equipment (see note 8)	253
Investments in marketable securities	1,649
Trade and other receivables	210
Loan and receivables	3,554
Cash and deposits with banks	4,025
Borrowings and lease liabilities	(426)
Customer deposits	(7,735)
Trade and other payables	(284)
Fair value of net assets acquired	**1,246**
Goodwill (provisional) (see note 9)	592
Consideration	**1,838**
Represented by:	
Purchase consideration paid in cash	1,748
Acquisition related cost capitalised	2
Non-controlling interests	88
	1,838

Provisional goodwill represent the difference between fair value of assets acquired and purchase consideration. The fair values of the assets and liabilities have been determined by an external expert. A purchase price allocation exercise is currently in progress and the goodwill will be adjusted once the exercise is completed.

In addition to acquisition related capitalised costs of AED 2 million, an amount of AED 24.4 million was incurred and is included in general, administrative and other expenses. BNPP Egypt's revenue included in the interim consolidated income statement since 9 June 2013 is AED 34.4 million. BNPP Egypt also contributed profit of AED 16 million over the same period.

Had BNPP Egypt been consolidated from 1 January 2013 the interim consolidated income statement would have included revenue of AED 274 million and profit of AED 96 million.

b) Acquisition of Servair Air Chef Srl

During the current period, one of the subsidiaries of the Group obtained control of a joint venture, Servair Air Chef srl ("Servair"), by acquiring the remaining 50% through its wholly owned subsidiary Alpha Flight Italia srl. Servair is a leading in-flight caterer in Italy with presence in 23 airports including Rome, Milan and Venice, employing around 700 employees and producing some 40,000 meals daily.

7 BUSINESS COMBINATIONS (continued)

b) Acquisition of Servair Air Chef Srl (continued)

The Group has recorded the fair value of assets and liabilities of Servair at the date of acquisition and are summarised as below:

	Fair values AED' 000
Property, plant and equipment (see note 8)	14,163
Intangible assets (see note 9)	25,535
Investment in associates and joint ventures	2,893
Trade and other receivables	77,351
Cash and deposits with banks	41,207
Borrowings and lease liabilities	(707)
Deferred tax liabilities	(7,530)
Trade and other payables	(78,904)
	74,008
Less: Non-controlling interests	(1,077)
Group's share of net assets	**72,931**
Goodwill (see note 9)	179,139
Consideration	**252,070**
Less: Cash and deposits with banks	(41,207)
Less: Fair value of previously held investment	(119,405)
Cash outflow on acquisition	**91,458**

Costs of acquisition amounting to AED 2,243 thousand is included under general, administrative and other expenses.

The fair value of subsidiary's 50% interest in Servair before the acquisition was AED 119,405 thousand. The Group recognised a gain of AED 30,502 thousand as a result of remeasuring this interest and derecognising allocated goodwill, which is included in other income in the interim consolidated income statement.

The goodwill is attributable to the profitability of the acquired business and expected synergies with existing in-flight catering business. The full acquisition of this business reflects Group's long term strategy to further invest in subsidiary's core business. The Italian business complements subsidiary's existing in-flight catering and cabin cleaning operations around the world.

The acquired business contributed revenue of AED 37,882 thousand and a profit AED 1,946 thousand from the acquisition date to 30 June 2013. Had Servair been consolidated from 1 January 2013 the interim consolidated income statement would have included revenue of AED 117,401 thousand and profit of AED 8,596 thousand.

7 BUSINESS COMBINATIONS (continued)

c) Acquisition of Broadlex Air Services ("BAS")

During the current period, one of the subsidiaries of the Group acquired the business of Broadlex Air Services ("BAS") through its wholly owned subsidiary Airline Cleaning Services Pty. Limited, Australia. BAS is a professional aircraft cabin cleaning provider operating at Sydney, Melbourne and Brisbane airports in Australia.

The Group has recorded the fair value of assets and liabilities of BAS at the date of acquisition and are summarised as below:

	Fair values AED' 000
Property, plant and equipment (see note 8)	8,523
Intangible assets (see note 9)	21,672
Trade and other receivables	292
Deferred tax liabilities	(6,499)
Trade and other payables	(3,146)
Group's share of net assets	**20,842**
Goodwill (see note 9)	39,587
Total purchase consideration and cash outflow on acquisition	**60,429**

Costs of acquisition amounting to AED 2,731 thousand is included under general, administrative and other expenses.

The goodwill is attributable to the profitability of the acquired business and expected synergies with existing inflight catering and ground handling businesses. The full acquisition of BAS complements Group's existing investments in inflight caterer Alpha Flight Group Limited, airport services joint venture Toll dnata and contact centre provider Mindpearl.

The acquired business contributed revenue of AED 27,437 thousand and a profit of AED 80 thousand from the acquisition date to 30 June 2013. Had BAS been consolidated from 1 January 2013 the interim consolidated income statement would have included revenue of AED 63,371 thousand and profit of AED 2,910 thousand.

7 BUSINESS COMBINATIONS (continued)

d) Acquisition of Dubai Aerospace Enterprise Limited

During the year ended 31 December 2012, one of the related parties of the Group partly repaid its loan to the Group by way of transfer of shares owned by it in one of the associates of the Group, Dubai Aerospace Enterprise Limited ("DAE"). Due to such share transfer, the Group's ownership in DAE increased to more than 50% and accordingly the Group now controls DAE, thus converting it from an associate to a subsidiary. DAE is an aerospace corporation with operations in aircraft leasing, maintenance, repair & overhaul (MRO).

The Group had accounted for this business combination using the acquisition method. Since the business combination was achieved in stages, the Group had remeasured its previously held investment in DAE at its fair value on the date of attaining control and recognised the resultant gain of AED 224 million in the consolidated income statement for the year ended 31 December 2012.

The Group had recorded the fair value of assets and liabilities of DAE at the date of acquisition and are summarised as below:

	Fair values AED' 000
Property, plant and equipment	9,982,079
Intangible assets	433,165
Other non-current assets	453,763
Deferred tax asset	30,738
Inventories	1,074,687
Trade and other receivables	937,397
Cash and deposits with banks	1,233,102
Employees' end of service benefits	(2,117)
Borrowings and lease liabilities	(12,434,201)
Negative fair value of derivatives	(36,816)
Other non-current payables	(839,256)
Deferred tax liabilities	(127,037)
Trade and other payables	(1,999,675)
	(1,294,171)
Less: Non-controlling interests	(853,420)
Group's share of net assets	**(2,147,591)**
Consideration	
Acquisition date fair value of consideration	220,500
Acquisition date fair value of previously held investment	1,282,930
Total consideration	**1,503,430**
Goodwill	**3,651,021**

The acquired business contributed revenue of AED 3,660,785 thousand and a profit of AED 20,963 thousand from the date of acquisition to 31 December 2012. Had DAE been consolidated from 1 January 2012 the interim consolidated income statement for 2012 would have included revenue of AED 7,141,944 thousand and profit of AED 26,989 thousand.

As a result of the above acquisition, other non-current assets and trade and other receivables amounting to AED 600,973 thousand and AED 1,312,092 thousand respectively were reclassified to property, plant and equipment in the consolidated financial statements for the year ended 31 December 2012 (see note 8). These represent pre-delivery payments made by the Group on behalf of DAE, and other associated amounts relating to aircraft that are to be eventually delivered to DAE at a future date.

7 BUSINESS COMBINATIONS (continued)

d) Acquisition of Dubai Aerospace Enterprise (DAE) Limited (continued)

	AED' 000
Cash flow on acquisition	
Cash and deposits with banks	1,233,102
Less: Cash paid in prior years	(486,408)
	746,694

e) Acquisition of D-Clear Europe Limited

During the year ended 31 December 2012, the Group acquired a 100% beneficial interest in D-Clear Europe Limited ("D-Clear") from one of its related parties. D-Clear is a recognised leader in financial transaction management solutions that enables firms to overcome their post trade processing issues through increased automation. The consideration paid by the Group to acquire the subsidiary amounted to USD 1.

The Group has accounted for this business combination using the acquisition method. The Group has recorded the fair value of assets and liabilities of D-Clear Europe Limited at the date of acquisition and are summarised as below:

	Fair values AED' 000
Property, plant and equipment	5,527
Intangible assets	198,200
Investments in marketable securities	1,007
Deferred tax asset	27,739
Trade and other receivables	80,045
Cash and deposits with banks	115,152
Employees' end of service benefits	(4,410)
Borrowings and lease liabilities	(827,548)
Deferred tax liabilities	(51,671)
Trade and other payables	(236,291)
Current income tax liability	(9,129)
Net liabilities acquired	**(701,379)**
Consideration paid	AED 4
Goodwill	**701,379**
Cash inflow on acquisition	**115,152**

Further, the Group also acquired a Eurobond (along with interest accrued thereon as of the date of purchase) issued by D-Clear and subscribed for by the same related party for a cash consideration of AED 918,750 thousand (USD 250 million). Such Eurobond and the interest accrued thereon are included within "borrowings and lease liabilities" and "trade and other payables" respectively shown above.

The acquired business contributed revenue of AED 159,448 thousand and a profit of AED 2,893 thousand from the date of acquisition to 31 December 2012. Had D-clear been consolidated from 1 January 2012 the interim consolidated income statement for 2012 would have included revenue of AED 323,161 thousand and profit of AED 46,878 thousand.

7 BUSINESS COMBINATIONS (continued)

f) Acquisition of Enroute International Limited

During the year ended 31 December 2012, the Group acquired a 80% beneficial interest in Enroute International Limited ("Enroute"), through one of the indirect subsidiaries of the Group. Enroute is a supplier of bakery and packaged food solutions with operations in United Kingdom, United Arab Emirates and United States of America.

The fair value of the identifiable assets and liabilities of Enroute as at the date of acquisition were as follows:

	Fair values AED '000
Property, plant and equipment	2,835
Intangible assets	14,269
Trade and other receivables	18,550
Cash and deposits with banks	691
Deferred tax liabilities	(3,220)
Trade and other payables	(18,532)
Fair value of the net assets acquired	**14,593**
Less: Non-controlling interests	(2,918)
Group's share of net assets acquired	**11,675**
Goodwill	**10,445**
Consideration	22,120
Less: Cash and deposits with banks	(691)
Cash outflow on acquisition	**21,429**

The goodwill is attributable to the profitability of the acquired business and expected synergies with existing catering business.

The indirect subsidiary that owns Enroute has also entered into symmetrical termed put and call option arrangements to acquire a non-controlling interest in Enroute. The fair value of the amount that becomes payable on exercise of the option is included under trade and other payables.

The acquired business contributed revenue of AED 52 million and a profit of AED 2 million from the date of acquisition to 31 December 2012. Had Enroute been consolidated from 1 January 2012 the interim consolidated income statement for 2012 would have included revenue of AED 79 million and profit of AED 2 million.

The Group has incorporated a number of other insignificant subsidiaries, associates and joint ventures during the current period and prior year. Further, the Group's shareholding has changed in a number of insignificant subsidiaries, associates and joint ventures during the current period and prior year.

8 PROPERTY PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements AED'000	*Furniture, fixtures and office equipment AED'000*	*Plant, machinery equipment and vehicles AED'000*	*Oil and gas interests AED'000*	*Aircraft AED'000*	*Aircraft engines and parts AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Six-month period ended 30 June 2013 (Unaudited)								
Additions during the period	**333,505**	**273,085**	**1,780,327**	**454,344**	**270,047**	**137,169**	**9,020,551**	**12,269,028**
Disposals during the period (net book value)	**5,584**	**23,009**	**61,862**	**-**	**-**	**21,408**	**30,122**	**141,985**
Impairment and depreciation charge for the period	**572,985**	**249,719**	**1,725,303**	**374,306**	**1,527,002**	**140,181**	**1,569**	**4,591,065**
Arising on business combinations (see note 7)	**256,786**	**1,272**	**17,988**	**-**	**-**	**-**	**-**	**276,046**
Six-month period ended 30 June 2012 (Unaudited)								
Additions during the period	25,156	104,500	952,217	763,180	-	209,565	6,298,711	8,353,329
Disposals during the period (net book value)	5,765	891	9,432	-	-	353,317	6,351	375,756
Impairment and depreciation charge for the period	566,667	212,189	1,445,916	388,381	989,153	124,673	-	3,726,979
Arising on business combinations (see note 7)	199,975	17,939	357,872	-	9,318,770	71,115	24,770	9,990,441
Reclassification arising on business combinations (see note 7(d))	-	-	-	-	-	-	1,913,065	1,913,065

9 INTANGIBLE ASSETS

	Licences and exclusive rights AED'000	*Goodwill AED'000*	*Customer relationships and Trade names AED'000*	*Computer software AED'000*	*Service rights AED'000*	*Contractual rights AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Six-month period ended 30 June 2013 (Unaudited)								
Additions during the period	**4,040,300**	**-**	**-**	**5,478**	**94,198**	**199**	**83,732**	**4,223,907**
Impairment and amortisation charge for the period	**187,025**	**15**	**26,429**	**65,035**	**36,463**	**33,641**	**-**	**348,608**
Acquired on business combinations (see note 7)	**-**	**811,077**	**45,665**	**1,542**	**-**	**-**	**-**	**858,284**
Six-month period ended 30 June 2012 (Unaudited)								
Additions during the period	-	70	-	9,827	5,784	-	54,244	69,925
Impairment and amortisation charge for the period	29,755	44	12,808	56,776	36,493	36,863	-	172,739
Acquired on business Combinations (see note 7)	206,373	4,362,845	217,992	938	-	220,331	-	5,008,479

10 INVESTMENT PROPERTIES

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
Additions during the period	**268,728**	148,845
Depreciation and impairment charge for the period	**56,538**	53,773

11 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited) (Restated)*
Investment in associates	**27,138,232**	26,863,009
Investment in joint ventures	**4,633,257**	4,599,623
	31,771,489	31,462,632

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
Investments made during the period	**46,641**	56,420
Share in results of associates and joint ventures for the period - net	**1,334,627**	1,633,307
Dividends received during the period	**(762,425)**	(539,189)
Impairment on investment in associates and joint ventures	**(18,733)**	(400,000)
Conversion of previously owned associate to subsidiary (see note 7(d))	**-**	(1,282,930)

12 INVESTMENTS IN MARKETABLE SECURITIES

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Available-for-sale investments	**21,602,801**	17,464,503
Held-to-maturity investments	**993,362**	1,227,022
Fair value through profit or loss	**1,933,603**	2,031,898
Total investment in marketable securities	**24,529,766**	20,723,423

Disclosed as follows:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Non-current assets	**20,408,332**	16,109,037
Current assets	**4,121,434**	4,614,386
	24,529,766	20,723,423

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group holds the following financial instruments measured at fair value:

	30 June 2013 (Unaudited)			
		Financial instruments carried at fair value		
	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
Available-for-sale investments	**21,602,801**	**12,680,471**	**5,478,530**	**3,443,800**
Fair value through profit or loss	**1,933,603**	**1,596,541**	**204,705**	**132,357**
Derivative financial instruments - net	**(482,332)**	**38,507**	**(499,447)**	**(21,392)**
	23,054,072	**14,315,519**	**5,183,788**	**3,554,765**

12 INVESTMENTS IN MARKETABLE SECURITIES (continued)

	31 December 2012 (Audited)			
		Financial instruments carried at fair value		
	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Available-for-sale investments	17,464,503	11,844,115	2,418,735	3,201,653
Fair value through profit or loss	2,031,898	1,564,542	370,563	96,793
Derivative financial instruments - net	(918,546)	(1,259)	(915,859)	(1,428)
	18,577,855	13,407,398	1,873,439	3,297,018

During the period ended 30 June 2013, available-for-sale financial assets with a carrying amount of AED 152 million were transferred from Level 1 to Level 2 because quoted prices in the market for such debt securities became no longer regularly available. In order to determine the fair value of such debt securities, management used a valuation technique in which all significant inputs were based on observable market data. Further, there have been transfers from Level 2 to Level 1 amounting to AED 95 million during the period ended 30 June 2013.

The following table shows a reconciliation of the opening and closing amounts of investments classified within Level 3 of the fair value hierarchy:

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
Balance at beginning of the period	**3,297,018**	3,320,293
Additional investments made during the period	**258,764**	397,741
Disposals during the period	**(201,283)**	(141,676)
Fair value movement during the period taken to consolidated income statement	**113,276**	(116)
Fair value movement during the period taken to other comprehensive income	**86,990**	(18,765)
Transfers from Level 3	**-**	(48,340)
Balance at the end of the period	**3,554,765**	3,509,137

Reclassification out of trading securities

In 2008, pursuant to the amendments to IAS 39 and IFRS 7, one of the banking subsidiaries of the Group reclassified certain trading securities to available-for-sale investment securities. The banking subsidiary identified financial assets eligible under the amendments, for which it had changed its intent such that it no longer held these financial assets for the purpose of selling in the short term. The banking subsidiary determined that the context of the deterioration of the financial markets during the second half of 2008 constituted rare circumstances that permit reclassification out of the trading category.

Under IAS 39 as amended, the reclassifications were made with effect from 1 July 2008 at fair value at that date. In addition, some trading securities purchased after 1 July 2008 were subsequently identified for reclassification. Post reclassification, some of the securities have been redeemed on maturity hence the current carrying and fair values reflect the value of securities that exist as at the reporting date. The table below sets out the trading securities reclassified and their current carrying and fair values:

12 INVESTMENTS IN MARKETABLE SECURITIES (continued)

	30 June 2013		*31 December 2012*		*1 July 2008*	
	Carrying value AED'000 (Unaudited)	***Fair value AED'000 (Unaudited)***	*Carrying value AED'000 (Audited)*	*Fair value AED'000 (Audited)*	*Carrying value AED'000 (Audited)*	*Fair value AED'000 (Audited)*
Trading securities reclassified to available- for- sale investment securities	**27,472**	**27,472**	164,012	164,012	993,491	993,491

The table below sets out the amounts recognised in the consolidated income statement and statement of other comprehensive income in respect of financial assets reclassified out of trading securities into available-for-sale investment securities:

	Income statement AED'000	*Equity AED'000*
Period before reclassification (30 June 2008) (Audited)		
Net trading loss	(16,661)	-
	(16,661)	-

	Income statement AED'000	*Equity AED'000*
Period after reclassification (1 July 2008 – 30 June 2013) (Unaudited)		
Interest income	105,435	-
Net changes in fair value	-	7,708
	105,435	7,708

The table below sets out the amounts that would have been recognised in the interim consolidated income statement for the six-month period ended 30 June 2013 had the reclassifications not been made:

	AED'000 (Unaudited)
Net trading loss	**901**

13 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Murabaha	**16,955,973**	14,440,870
Ijara	**11,401,373**	11,522,578
Wakala	**8,328,421**	5,998,426
Istisna'a	**1,258,982**	1,294,979
Secured overdraft and credit cards receivable	**844,646**	824,916
Others	**1,704,173**	1,482,795
	40,493,568	35,564,564
Less: Deferred income	**(2,008,510)**	(1,347,338)
Less: Allowance for impairment (see note (b) below)	**(2,659,275)**	(2,085,951)
	35,825,783	32,131,275

(a) Analysis by economic activity:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Services and personal	**17,250,698**	16,117,771
Construction	**9,725,610**	9,383,876
Trade	**1,260,051**	1,124,815
Financial services	**9,141,016**	5,772,490
Transport and communication	**281,860**	196,213
Manufacturing	**840,906**	852,248
Agriculture and allied activities	**9,913**	28,568
Others	**1,983,514**	2,088,583
	40,493,568	35,564,564
Less: Deferred income	**(2,008,510)**	(1,347,338)
Less: Allowance for impairment (see note (b) below)	**(2,659,275)**	(2,085,951)
	35,825,783	32,131,275

Disclosed as follows:

Non-current assets	**23,514,322**	20,331,166
Current assets	**12,311,461**	11,800,109
	35,825,783	32,131,275

13 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

(b) Movement in allowances for impairment during the period

	Six-month period ended 30 June	
	2013	*2012*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Balance at the beginning of the period	**2,085,951**	1,423,180
Allowance for impairment made during the period	**490,628**	528,028
Write off during the period	**-**	(464)
Other transfers	**82,696**	-
Balance at the end of the period	**2,659,275**	1,950,744

14 LOANS AND RECEIVABLES

Loans and receivables represent the receivables arising from the banking operations of the Group carried out through the Group's banking subsidiary. The details of loans and receivables are as follows:

	30 June 2013	*31 December 2012*
	AED'000	*AED'000*
	(Unaudited)	*(Audited)*
Overdrafts	**92,949,498**	84,326,516
Time loans	**99,904,878**	98,186,564
Loans against trust receipts	**4,430,477**	3,247,580
Bills discounted	**4,357,036**	2,777,797
Others	**4,742,688**	3,794,676
	206,384,577	192,333,133
Other debt instruments	**345,821**	416,549
Less: Allowance for impairment (see note (b) below)	**(15,611,182)**	(14,509,232)
Net loans and receivables	**191,119,216**	178,240,450

Disclosed as follows:

Non-current assets	**74,501,418**	72,644,622
Current assets	**116,617,798**	105,595,828
	191,119,216	178,240,450

14 LOANS AND RECEIVABLES (continued)

(a) Analysis by economic activity:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Services	**44,858,186**	41,327,226
Personal	**32,373,681**	28,152,267
Sovereign	**80,882,046**	73,865,685
Construction	**26,202,595**	28,977,149
Manufacturing	**5,806,438**	5,181,834
Trade	**7,300,611**	6,286,530
Transport and communication	**1,886,361**	2,797,857
Mining	**153,212**	231,871
Agriculture and allied activities	**12,534**	15,070
Others	**7,254,734**	5,914,193
Loans and receivables before allowances for impairment	**206,730,398**	192,749,682
Less: Allowances for impairment (see note (b) below)	**(15,611,182)**	(14,509,232)
Net loans and receivables	**191,119,216**	178,240,450

(b) Movement in allowances for impairment during the period

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
Balance at the beginning of the period	**14,509,232**	11,484,232
Allowance for impairment made during the period	**1,382,802**	1,722,776
Impairment reversed during the period	**(125,041)**	(269,590)
Amounts written-off during the period	**(26,656)**	(63,571)
Interest unwind on impaired loans and receivables	**(45,660)**	(40,691)
Other transfers	**(83,495)**	(463)
Balance at the end of the period	**15,611,182**	12,832,693

15 CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include reserve requirements kept with the Central Bank of the UAE in AED and US Dollars and are not available for use in the Group's day to day operations and cannot be withdrawn without the Central Bank of the UAE's approval. The level of reserve required changes every month in accordance with the Central Bank of the UAE's directives.

16 CAPITAL

Capital represents the permanent capital provided by the Government and subsequent contributions in kind by the Government less repayments / return by ICD in cash or in kind.

	Six-month period ended 30 June	
	2013 AED'000 (Unaudited)	*2012 AED'000 (Unaudited)*
Balance at the beginning and end of the period	**64,534,449**	64,253,449

17 OTHER RESERVES (Unaudited)

	Legal and statutory reserve AED'000	*Capital reserve AED'000*	*Merger reserve AED'000*	*Cost of share based payments AED'000*	*Cumulative changes in fair value AED'000*	*General reserve AED'000*	*Asset replacement reserve AED'000*	*Translation reserve AED'000*	*Others AED'000*	*Total AED'000*
Balance at 1 January 2013 as previously reported	1,668,262	1,482,398	9,179,316	17,267	3,361,277	309,247	9,141	(856,299)	(178,388)	14,992,221
Change in accounting policy (see note 2.3)	-	-	-	-	(11,250)	-	-	(182)	-	(11,432)
Balance at 1 January 2013 (Restated)	1,668,262	1,482,398	9,179,316	17,267	3,350,027	309,247	9,141	(856,481)	(178,388)	14,980,789
Unrealised gain on available-for-sale investments (net)										
- ICD and its subsidiaries	-	-	-	-	504,892	-	-	-	-	504,892
- Associates and joint ventures	-	-	-	-	154,990	-	-	-	-	154,990
Gain on hedging instruments (net)										
- ICD and its subsidiaries	-	-	-	-	542,305	-	-	-	-	542,305
- Associates and joint ventures	-	-	-	-	5,079	-	-	-	-	5,079
Foreign currency translation differences (net)										
- ICD and its subsidiaries	-	-	-	-	-	-	-	(150,459)	-	(150,459)
- Associates and joint ventures	-	-	-	-	-	-	-	(393,966)	-	(393,966)
Total income for the period recognised directly in equity	-	-	-	-	1,207,266	-	-	(544,425)	-	662,841
Transfers (to) / from retained earnings	-	(581)	-	-	-	-	1,030	-	(7,339)	(6,890)
Deemed disposal of investment in an associate	-	-	-	-	(813)	-	-	2,248	(59,458)	(58,023)
Other movements	2,314	19,145	-	-	260	-	-	(855)	(3,331)	17,533
Total at 30 June 2013	**1,670,576**	**1,500,962**	**9,179,316**	**17,267**	**4,556,740**	**309,247**	**10,171**	**(1,399,513)**	**(248,516)**	**15,596,250**

17 OTHER RESERVES (Unaudited) (continued)

	Legal and statutory reserve AED'000	*Capital reserve AED'000*	*Merger reserve AED'000*	*Cost of share based payments AED'000*	*Cumulative changes in fair value AED'000*	*General reserve AED'000*	*Asset replacement reserve AED'000*	*Translation reserve AED'000*	*Others AED'000*	*Total AED'000*
Balance at 1 January 2012 as reported in the previous year's audited financial statements	1,362,495	459,452	8,444,933	17,267	3,053,586	309,247	8,109	(924,576)	(185,618)	12,544,895
Change in accounting policy (see note 2.3)	-	-	-	-	(19,479)	-	-	-	-	(19,479)
Balance at 1 January 2012 (Restated)	1,362,495	459,452	8,444,933	17,267	3,034,107	309,247	8,109	(924,576)	(185,618)	12,525,416
Unrealised gain on available-for-sale Investments (net)										
- ICD and its subsidiaries	-	-	-	-	285,542	-	-	-	-	285,542
- Associates and joint ventures	-	-	-	-	6,106	-	-	-	-	6,106
Loss on hedging instruments (net)										
- ICD and its subsidiaries	-	-	-	-	(270,537)	-	-	-	-	(270,537)
- Associates and joint ventures	-	-	-	-	(4,234)	-	-	-	-	(4,234)
Foreign currency translation differences (net)										
- ICD and its subsidiaries	-	-	-	-	-	-	-	10,885	-	10,885
- Associates and joint ventures	-	-	-	-	-	-	-	(88,340)	-	(88,340)
Total income for the period recognised directly in equity	-	-	-	-	16,877	-	-	(77,455)	-	(60,578)
Transfers from / (to) retained earnings	-	1,000,544	-	-	25,761	-	1,449	-	(2,308)	1,025,446
Change in ownership	22,577	6,483	734,379	-	143,019	-	-	(110,099)	(3,308)	793,051
Other movements	-	(4,956)	-	-	1	-	-	-	13,099	8,144
Total at 30 June 2012	1,385,072	1,461,523	9,179,312	17,267	3,219,765	309,247	9,558	(1,112,130)	(178,135)	14,291,479

18 NON-CONTROLLING INTERESTS

Non-controlling interests includes regulatory Tier 1 Capital notes amounting to USD 1 billion (AED 3.65 billion (net of issuance cost)) issued during the period by one of the banking subsidiaries of the Group. The notes are perpetual, subordinated and unsecured and have been issued at a fixed interest rate with a reset after six years. The issuer can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and such event will not be considered an event of default. The notes carry no maturity date and have been classified under equity. Further, as the Corporation has not subscribed to these notes, it has been classified as non-controlling interests.

19 COMMITMENTS AND CONTINGENCIES

(a) Investment commitments

The Group has the following investment commitments as at period-end / year-end:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Available-for-sale investments	**670,394**	728,058
Group's share of investment commitments in associates	**46,547**	41,270
Group's share of investment commitment in joint ventures	**1,145,667**	4,845,869
Others	**282,563**	300,754
	2,145,171	5,915,951

Investment commitments in joint ventures include the Group's share of investment commitment in Emirates Aluminium Company Ltd ("EMAL").

(b) Operating lease commitments

Group as lessee
Future minimum rentals payable under non-cancellable operating leases as at period-end / year-end are as follows:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Within one year	**6,775,767**	6,670,162
After one year but not more than five years	**22,014,723**	22,499,852
More than five years	**15,514,434**	16,737,202
	44,304,924	45,907,216

Group as lessor
Future minimum rentals receivable as at period-end / year-end are as follows:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Within one year	**1,649,748**	1,901,309
After one year but not more than five years	**2,972,668**	4,829,358
More than five years	**1,248,827**	1,267,069
	5,871,243	7,997,736

19 COMMITMENTS AND CONTINGENCIES (continued)

(c) Capital commitments

Capital expenditure contracted for / estimated but not provided for at the period-end / year-end are as follows:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Capital commitments for purchase of aircraft fleet are as follows:		
Within one year	**18,893,457**	14,236,351
After one year but not more than five years	**75,874,363**	91,236,797
More than five years	**46,601,492**	47,080,206
	141,369,312	152,553,354
Commitment for purchase of other property, plant and equipment	**10,711,893**	9,398,821
Authorised but not contracted commitment relating to other property, plant and equipment	**5,426,380**	3,458,533
Group's share of associates' and joint ventures' expenditure commitments	**3,966,198**	4,765,802
	161,473,783	170,176,510

(d) Assets held under fiduciary capacity

The Group's financial services subsidiaries hold assets in a fiduciary capacity and provide custodian services for some of its customers. The underlying assets held in a custodial or fiduciary capacity are excluded from the Group's interim condensed consolidated financial statements.

(e) Contingencies

The Group has the following contingent liabilities at the period-end / year-end:

	30 June 2013 AED'000 (Unaudited)	*31 December 2012 AED'000 (Audited)*
Letters of credit	**9,572,504**	7,149,301
Letters of guarantees	**52,066,491**	39,726,919
Liabilities on risk participation	**3,081,671**	2,270,080
Performance bonds	**82,038**	102,580
Group's share of guarantees in associates and joint ventures	**4,126,622**	4,187,311
Group's share of letter of credit in associates and joint ventures	**1,286,885**	977,522
Third party claim*	**631,375**	633,639
Acceptances	**995,968**	995,968

19 COMMITMENTS AND CONTINGENCIES (continued)

(e) Contingencies (continued)

* There are various claims against the subsidiaries of the Group initiated by their respective contractors, customers and other counterparties in respect of delays in work or non-fulfilment of contractual obligations. The Group management believes that the respective subsidiaries have strong cases in respect of these contingencies and the chances of outflow of future economic benefits are remote. Accordingly, no liability is recognised in respect of these contingencies.

(f) Operational commitments

At 30 June 2013, one of the Group's subsidiaries has operational commitments relating to sales and marketing amounting to AED 2,977,875 thousand (unaudited) (31 December 2012: AED 2,176,235 thousand (audited)).

(g) Irrevocable loan commitments

At 30 June 2013, the Group's banking operations have outstanding irrevocable undrawn loan commitments amounting to AED 21,311,731 thousand (unaudited) (31 December 2012: AED 11,580,786 thousand (audited)).

20 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, joint ventures, directors and key management personnel of ICD, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The Group enters into transactions with various other Government owned entities which are entered into in the normal course of business on an arm's length basis. Such entities include transactions in the normal course of business with various utility companies, port authorities and financial institutions. In accordance with the exemption in the revised IAS 24, management has concluded not to disclose transactions which are entered in normal course of business with the Government and the entities that are related parties because the Government has control, joint control or significant influence over them.

Other significant transactions with such related parties have been disclosed as under:

a) Transactions with related parties included in the interim consolidated income statement are as follows:

Six-month period ended 30 June 2013	*Purchase of goods and services AED'000 (Unaudited)*	*Sale of goods and services AED'000 (Unaudited)*	*Finance income AED'000 (Unaudited)*	*Finance costs AED'000 (Unaudited)*	*Fee and commission income AED'000 (Unaudited)*
Associates and joint ventures	**3,930,191**	**3,943,770**	**188,852**	**52,094**	**-**
Government, MOF and other related parties	**212,737**	**552,288**	**52,753**	**356,037**	**27,924**
Six-month period ended 30 June 2012					
Associates and joint ventures	3,804,227	4,027,750	123,090	47,656	-
Government, MOF and other related parties	97,139	2,623,728	73,619	352,141	5,247

20 RELATED PARTY TRANSACTIONS (continued)

b) Amounts due from / to related parties included in the interim consolidated statement of financial position are as follows:

	30 June 2013		*31 December 2012*	
	Receivables AED'000 (Unaudited)	***Payables AED'000 (Unaudited)***	*Receivables AED'000 (Audited)*	*Payables AED'000 (Audited)*
Associates and joint ventures	**10,183,966**	**4,601,930**	11,807,925	4,616,422
Government, MOF and other related parties	**103,231,763**	**21,396,967**	96,146,799	29,917,575
	113,415,729	**25,998,897**	107,954,724	34,533,997

c) Compensation to key managerial personnel

The remuneration of directors and other key members of the management were as follows:

	30 June 2013 AED'000 (Unaudited)	*30 June 2012 AED'000 (Unaudited)*
Short term benefits	**117,021**	135,347
End of service benefits	**6,891**	6,566
Directors' fees	**7,233**	6,880
	131,145	148,793

d) The investments made in associates and joint venture and dividends received from them during the period is disclosed in note 11 to these interim condensed consolidated financial statements. The distribution made to the Government has been disclosed in the interim consolidated statement of changes in equity.

21 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABLITIES

The tables below sets out the Group's classification of each class of financial assets and financial liabilities at the date of statement of financial position:

30 June 2013 (unaudited):

	Designated as fair value through profit or loss AED'000	*Held to maturity AED'000*	*Available-for-sale AED'000*	*Loans and receivables AED'000*	*Liabilities at amortised cost AED'000*	*Derivative financial instruments AED'000*	*Total carrying value AED'000*
Financial assets							
Non-derivative financial assets							
Investments in marketable securities (see note 12)	1,933,603	993,362	21,602,801	-	-	-	24,529,766
Islamic financing and investment products (see note 13)	-	-	-	35,825,783	-	-	35,825,783
Loans and receivables (see note 14)	-	-	-	191,119,216	-	-	191,119,216
Other non-current assets	-	-	-	17,897,234	-	-	17,897,234
Trade and other receivables	-	-	-	31,350,616	-	-	31,350,616
Customer acceptances	-	-	-	4,585,340	-	-	4,585,340
Cash and deposits with banks (see note 15)	-	-	-	91,681,561	-	-	91,681,561
Derivative financial assets							
Positive fair value of derivatives	-	-	-	-	-	2,306,971	2,306,971
	1,933,603	**993,362**	**21,602,801**	**372,459,749**	**-**	**2,306,971**	**399,296,486**
Financial liabilities							
Non-derivative financial liabilities							
Customer deposits	-	-	-	-	167,193,871	-	167,193,871
Islamic customer deposits	-	-	-	-	35,182,654	-	35,182,654
Borrowings and lease liabilities	-	-	-	-	155,712,752	-	155,712,752
Other non-current payables	-	-	-	-	3,142,424	-	3,142,424
Customer acceptances	-	-	-	-	4,585,339	-	4,585,339
Deposits under repurchase agreement	-	-	-	-	187,158	-	187,158
Trade and other payables	-	-	-	-	45,899,051	-	45,899,051
Derivative financial liabilities							
Negative fair value of derivatives	-	-	-	-	-	2,789,303	2,789,303
	-	**-**	**-**	**-**	**411,903,249**	**2,789,303**	**414,692,552**

Fair values of the above mentioned financial assets and liabilities approximate their carrying values

21 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABLITIES (continued)

31 December 2012 (audited):

	Designated as fair value through profit or loss AED'000	*Held to maturity AED'000*	*Available-for-sale AED'000*	*Loans and receivables AED'000*	*Liabilities at amortised cost AED'000*	*Derivative financial instruments AED'000*	*Total carrying value AED'000*
Financial assets							
Non-derivative financial assets							
Investments in marketable securities (see note 12)	2,031,898	1,227,022	17,464,503	-	-	-	20,723,423
Islamic financing and investment products (see note 13)	-	-	-	32,131,275	-	-	32,131,275
Loans and receivables (see note 14)	-	-	-	178,240,450	-	-	178,240,450
Other non-current assets	-	-	-	19,810,329	-	-	19,810,329
Trade and other receivables	-	-	-	25,813,030	-	-	25,813,030
Customer acceptances	-	-	-	6,301,961	-	-	6,301,961
Cash and deposits with banks (see note 15)	-	-	-	75,349,962	-	-	75,349,962
Derivative financial assets							
Positive fair value of derivatives	-	-	-	-	-	2,413,666	2,413,666
	2,031,898	1,227,022	17,464,503	337,647,007	-	2,413,666	360,784,096
Financial liabilities							
Non-derivative financial liabilities							
Customer deposits	-	-	-	-	158,082,228	-	158,082,228
Islamic customer deposits	-	-	-	-	32,977,582	-	32,977,582
Borrowings and lease liabilities	-	-	-	-	131,662,176	-	131,662,176
Other non-current payables	-	-	-	-	1,391,586	-	1,391,586
Customer acceptances	-	-	-	-	6,301,961	-	6,301,961
Deposits under repurchase agreement	-	-	-	-	730,873	-	730,873
Trade and other payables	-	-	-	-	37,278,728	-	37,278,728
Derivative financial liabilities							
Negative fair value of derivatives	-	-	-	-	-	3,332,212	3,332,212
	-	-	-	-	368,425,134	3,332,212	371,757,346

Fair values of the above mentioned financial assets and liabilities approximate their carrying values.

22 SUBSEQUENT EVENTS

Subsequent to the period end, ICD obtained Islamic and conventional financing facilities amounting to USD 2.55 billion from three agents and repaid Tranche B of the syndicated / Sharikat Al Melk facilities and certain bilateral facilities.