BOARD OF DIRECTORS REPORT FOR THE SIX MONTHS ENDED 30TH JUNE 2013

ABU DHABI ISLAMIC BANK - EGYPT POSTS A Q2 NET INCOME OF LE 22.5MN AND A H1 NET INCOME LE 34.0MN

H1 NET INCOME OF LE 34.0MN IS LE 221.4MN BETTER THAN H1 2012

Q2 NET INCOME OF LE 22.5MN IS 11.1MN/97% HIGHER THAN Q1 NET INCOME OF LE 11.4MN

TOTAL ASSETS GREW OVER THE LAST 12 MONTHS BY LE 2.2BN/18% TO REACH 14.6BN.

CUSTOMER BALANCE GROWTH SUBSTANTIALLY AHEAD OF MARKET GROWTH:

- **NEW BANK FINANCINGS GREW OVER THE LAST 12 MONTHS BY LE 1.7BN/48% TO REACH LE 5.4BN**
- **DEPOSITS GREW OVER THE LAST 12 MONTHS BY LE 1.5BN/14.0% TO REACH LE 12.6BN**

Bank Standalone Financial Highlights

Income Statement H1 2013 vs. H1 2012

1. H1 Net Income is LE 34.0mn, which is LE 221.4mn better than H1 2012
2. H1 Net Profit Income (NRFF) is LE 187.6mn, 50.8mn/37.1% higher than H1 2012
3. H1 Customer Net Revenue (CNR) is LE 245.2mn, LE 79.5mn/48.0% higher than H1 2012
4. H1 Operating Leverage of 28.4% - revenue grew by 48.0% whilst expenses grew by 19.6%
5. H1 Provisions were a recovery of LE 41.3mn compared to a charge of LE 164.9mn in H1 2012. For the New Bank H1 provisions were LE 2.75mn vs. LE 15.7mn in H1 2012

Income Statement Q2 2013 vs. Q1 2013

1. Q2 Net Income is LE 22.6mn, which is LE 11.2mn/98.0% better than Q1 2013
2. Q2 Net Profit Income (NRFF) is LE 100.2mn, 12.8mn/14.7% higher than Q1 2013
3. Q2 Customer Net Revenue (CNR) is LE 135.6mn, LE 25.9mn/23.7% higher than Q1 2013
4. Q2 Operating Leverage 19.6% - revenue grew by 23.7% whilst expenses grew by 4.1%
5. Q2 Provisions were a recovery of LE 20.6mn compared to a recovery of LE 20.6mn in Q1 2013. For the New Bank Q2 provisions were a recovery of LE 5.1mn vs. a charge of LE 7.9mn in Q1 2013

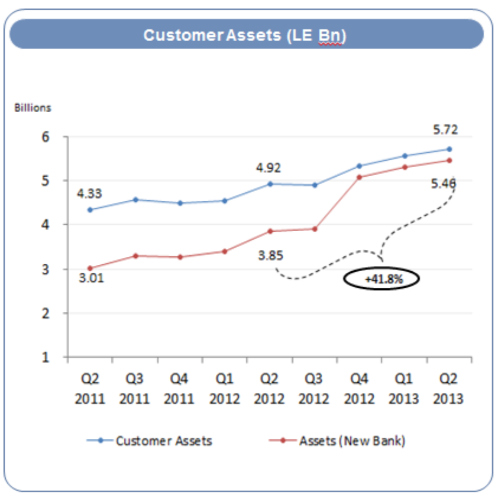
Balance Sheet 30th June 2013 vs. 30th June 2012

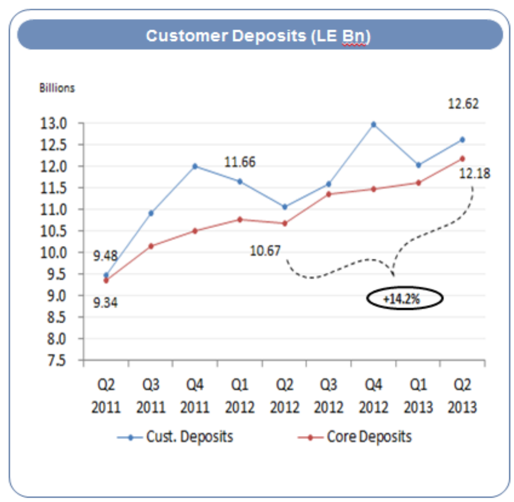
1. Total assets grew by LE 2.2bn/18.0% over the last 12 months to reach 14.6bn
2. Headline financings grew over the last 12 months by LE 763mn/15.4% to reach LE 5.7bn
3. New Bank financings grew over the last 12 months by LE 1.7bn/48% to reach LE 5.4bn
4. Core deposits grew over the last 12 months by LE 1.5bn/14.2% to reach LE 12.2bn
5. Shareholders' equity reduced over the last 12 months by LE 116.5mn/15.5% due to a portion of the December Cash Under Capital Increase being in the form of sub-debt and reflected in liabilities
6. Capital adequacy under BASEL II was 11.14% at 30th June 2013

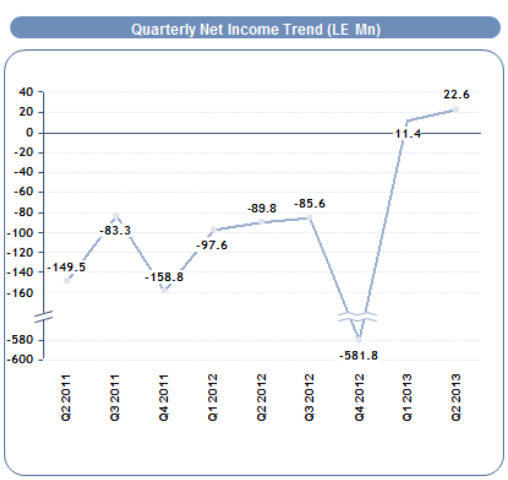
Balance Sheet 30th June 2013 vs. 31st December 2012

1. Total assets remained flat over the first six months of the year at 14.6bn
2. Headline financings grew over the last six months by LE 383mn/7.2% to reach LE 5.7bn
3. Core deposits grew over the last six months by LE 702mn/6.1% to reach LE 12.2 bn
4. Shareholders' equity increased over the last six months by LE 9.8mn/1.6%

Key Graphs







Five Year Trend

All figures are in LE MM

	2008 H1	2009 H1	2010 H1	2011 H1	2012 H1	2013 H1	5 YR CAGR
Key Income Statement Lines							
Net Revenue From Funds	(24.7)	(1.9)	46.1	72.6	136.8	187.2	n/a
Fees, Commissions and F/X	36.8	34.6	39.7	36.3	40.7	76.1	15.6%
Total Revenue	**18.5**	**37.9**	**91.8**	**110.1**	**179.9**	**265.8**	**70.4%**
General and Administration Expenses	69.6	83.7	128.9	170.8	193.6	231.2	27.1%
Operating Margin	**(51.1)**	**(45.7)**	**(37.1)**	**(60.7)**	**(13.7)**	**34.6**	**n/a**
Cost of Credit	250.0	312.2	236.8	280.5	165.0	(41.3)	n/a
Net Income	**(307.2)**	**(204.3)**	**(219.2)**	**(318.8)**	**(187.5)**	**33.9**	**n/a**
Key Balance Sheet Lines							
Total Assets	9,674	9,230	10,674	10,634	12,368	14,599	8.6%
Total Customer Financings	4,146	3,796	3,842	4,331	4,925	5,719	6.6%
New Bank Customer Financings	611	1,353	1,710	3,017	3,852	5,460	55.0%
Customer Deposits	8,611	8,388	9,730	9,484	11,069	12,617	7.9%
Financial Ratios							
Customer Financing to Deposit Ratio	48%	45%	39%	46%	44%	45%	n/a
CAR	17.3%	10.7%	10.4%	10.1%	11.2%	11.1%	n/a
Cost to Income Ratio	376%	220%	140%	155%	108%	87%	n/a

Commentary

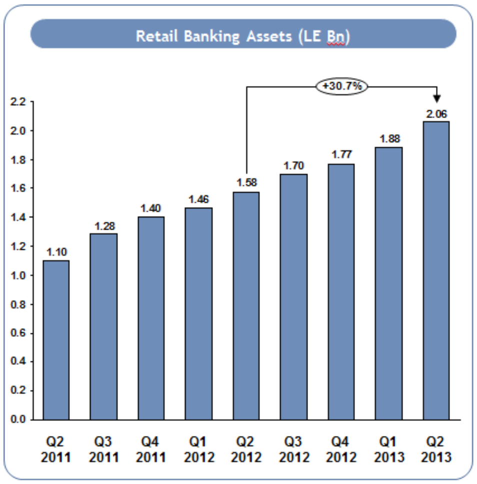
Despite the turbulent political environment and faltering economy, Abu Dhabi Islamic Bank - Egypt continues to report strong progress in its financial results. Following the achievement in Q1 of our first positive Net Income since the lossmaking National Bank for Development was acquired by the Emarati consortium in September 2007; the second quarter saw an almost doubling of the Q1 Net Income of LE 11.4mn to reach LE 22.5mn. This performance was driven by a LE 13.1mn/59% increase in fees and commissions thanks to higher trade and corporate finance fees as well as growth in revenue from the increases in our customer balances and despite a reduction of 70 basis points in the return on our liquidity investments.

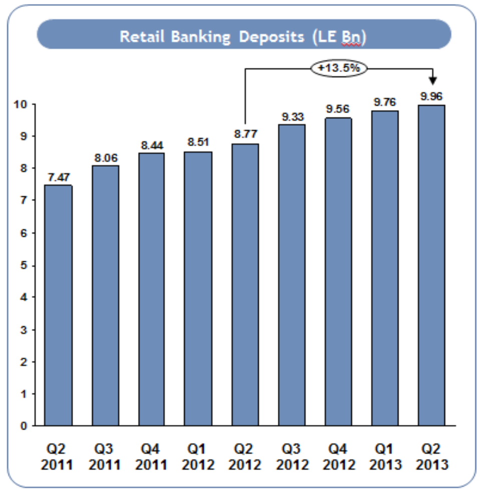
During the 2nd quarter the Central Bank of Egypt's BASEL II capital rules became fully effective. The Bank successfully met the new criteria and reported a CAR of 11.14% vs. a regulatory requirement of 10.0%.

During the second quarter the re-branding or our branches and head office buildings was completed and all 70 branches now bear the ADIB branding. In addition, we relocated four new branches in the quarter taking our stock of relocated and renovated branches to 30. Despite the challenging environment we expect to continue with our refurbishment/relocation program and expect to complete a further ten branches over the next nine months. The new branches allow us to deliver outstanding customer service to our valuable customers and this combined with significant staff training has ensured that in Q2 our branch mystery shopping results moved the average satisfaction rating to 87%.

Key Business Segment highlights:

Retail



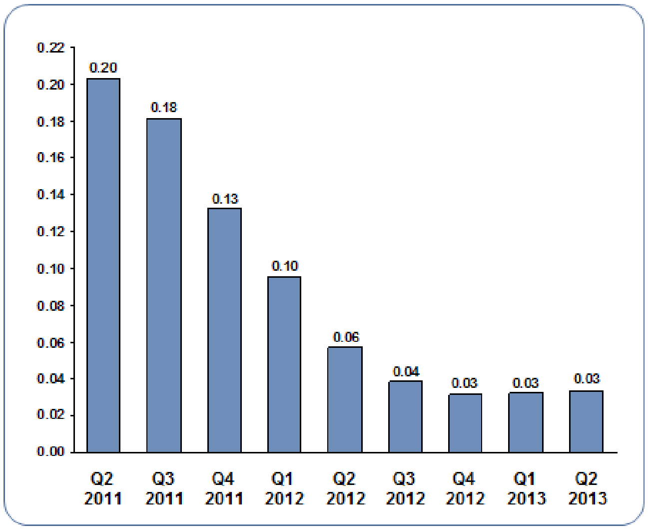


The Retail asset portfolio grew by LE 486.6mn/30.9% in the 12 months to 30th June 2013 to reach LE 2.1bn. The strong growth in assets has been achieved in a controlled manner with 92% of the growth coming from Personal Finance, representing low risk, given a significant portion is cash collateralized. Over the last 12 months, despite the volume growth and the economic environment we have seen a LE 2mn reduction in general reserves due to the improvement in delinquencies and the growth predominately coming from secured personal finance. We do not expect this improvement to continue for the rest of the year given the prolonged economic and political conditions.

The deposit portfolio grew by LE 1.2bn or 13.5% in the 12 months to 30th June 2013 to reach LE 10.0bn. Given our overall strong liquid position we have put particular focus on growing our current and savings account portfolios. During the first six months of 2013 our cost of deposits remained flat to the first six months of 2012.

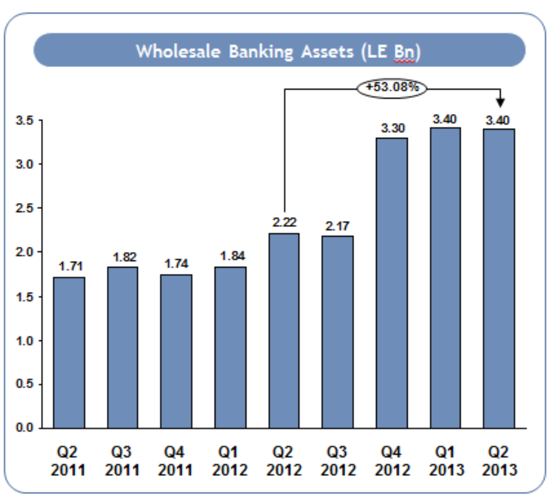
The overall growth in Retail footings is significantly ahead of the market growth and continues to be achieved as a result of our investment in products such as the roll out of the cash back card, Egypt's first Shari'a compliant credit card and one that brings substantial benefits to the customer, investment in our infrastructure, with H1 seeing a further 4 branches relocated and lastly, our pursuit of service excellence which was reflected in our branch mystery shopping results. The growth in volumes has not come at the expense of profitability with each branch manager measured on profitability growth.

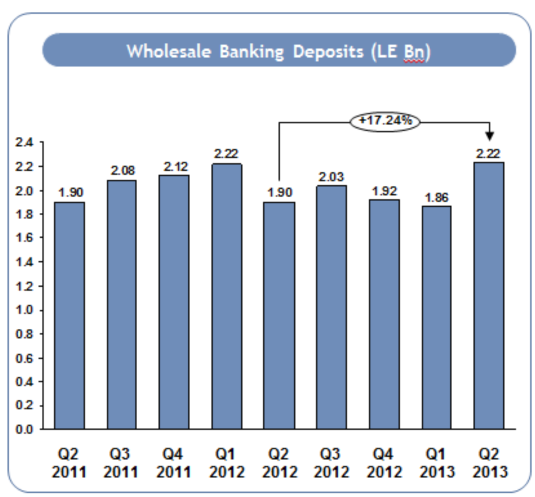
Micro Finance



The Micro Finance asset portfolio remained flat at LE 33mn in H1. The business continues to operate in a challenging sector given the clients are at the front line of the economic environment. As previously communicated we continue to look for modest growth in the sector but given the current political and economic environment we would expect the growth to come once we see a level of stability in the market. The major improvement in microfinance has been the recoveries we continue to make against previously written off balances with H1 alone reflecting recoveries of LE 4.0mn.

Wholesale





The Wholesale Financing portfolio grew by LE 1.2bn/54% in the 12 months to 30th June 2013 to reach LE 3.4bn. The growth came predominately from our Top Tier Local Corporates and Public Sector. However, encouraging was a LE 72mn growth in SME following its launch. This sector remains largely untapped in terms of focused products and services and is important for the recovery of the Egyptian economy.

The deposit portfolio increased by LE 326mn or 17% over the last 12 months and Q2 2013 saw a reversal of the declines in the prior two quarters. The growth in Q2 was partly driven by corporate deposits placed with us pending the allocation of FX and as a result part of the growth will be reversed as and when FX market becomes more liquid.

Of particular note in H1 was the significant growth in Fees and Commissions which in the six months to 30th June grew by LE 24mn or 171% compared to H1 2012. This growth was fuelled by our Corporate Finance product team who successfully arranged a facility for two major corporates and the continued growth in our trade business.

Treasury

Treasury continued to successfully handle the management of our excess liquidity as well as our foreign exchange operations. Due to the growth in our balance sheet the average asset portfolio managed by Treasury increased by 18% in Q2 2013 vs. Q2 2012 to reach LE 5.8bn. In the first six months our foreign exchange income increased by LE 11.5mn/171%.

Information Technology

During the period our technology group continued to focus on embedding in the new release of our core operating system and preparation for the launch of on-line banking.

Employees

ADIB – Egypt adopts the basic philosophy that continuing to support and strengthening our Human Resources represents the most important point of our competitive advantage. We continued to invest substantially in training leveraging the mock branch and internal and external training facilities.

Gratitude

The Board of Directors would like to express their appreciation to our customers, shareholders and staff for their continued support and trust in the ADIB - Egypt