

BOARD OF DIRECTORS REPORT FOR THE 3 MONTHS ENDED 31st March 2013

**ADIB – EGYPT (Formally NBD) POSTS A POSITIVE NET INCOME FOR THE FIRST TIME SINCE
THE EMARATI ACQUISITION IN Q3 2007**

NET INCOME IS LE 11.4mn; LE 109mn BETTER THAN Q1 2012

Bank Standalone Financial Highlights

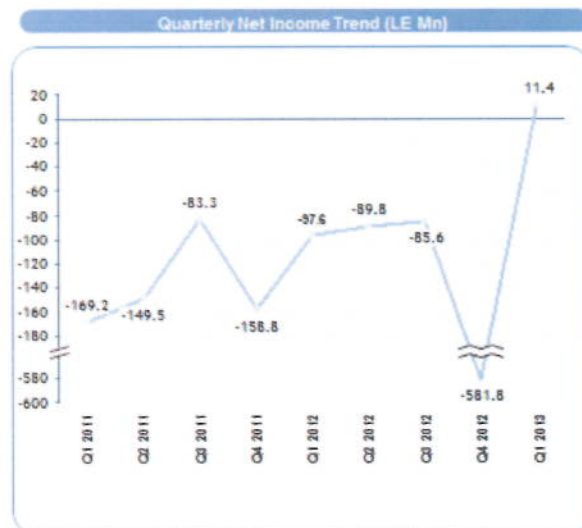
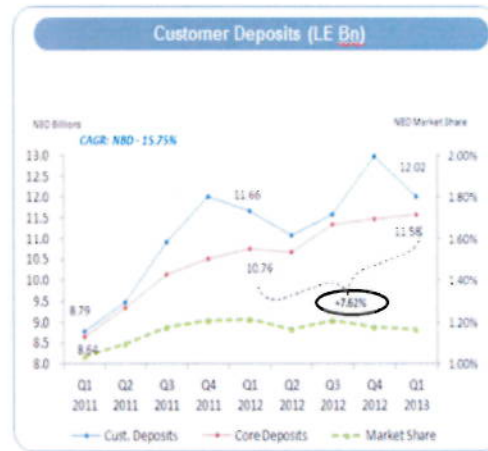
Income Statement Q1 2013 vs Q1 2012

1. Net Income was LE 11.4mn, which was LE 109.0mn better than Q1 2012
2. Net Profit Income (NRFF) was LE 87.4mn, 26.8mn/44.3% higher than Q1 2012
3. Customer Net Revenue was LE 109.6mn, LE 34.8mn/46.4% higher than Q1 2012
4. Operating Leverage - revenue grew by 46.4% whilst expenses grew by 22.8% - an operating leverage of 23.2%
5. Provisions were a recovery of 20.6mn compared to a charge of LE 82.6mn in Q1 2012. For the Good Bank Provisions were flat at 8mn

Balance Sheet 31st March 2013 vs. December 2012

1. Headline financings grew by LE 221mn/4% to reach LE 5.6bn.
2. The Bank continued to be highly liquid; the Finance to Deposit Ratio was 46% in 31st March 2013 compared to 41% in 31/12/2012.
3. Shareholders' Equity increased by LE 12mn reflecting the profit for the quarter
4. Capital Adequacy was 10.77% for BASEL I and 10.4% for Basel II

Key Graphs



Commentary

The National Bank for Development was re-named to ADIB – EGYPT on April 3rd, 2013. The re-naming was more than a legal step but reflects the fact that the institution was now been substantially transformed from the loss making public sector bank that was acquired by the Emarati consortium in 2007 and has been under on-going re-structuring and re-building since acquisition. The investment in re-branding is substantial and over the next few months will see all the branches transformed to the ADIB design and for our older stock that have not yet been refurbished they will also benefit from I general refresh as well as the re-branding. This investment in the business has continued despite the on-going challenging political and economic environment.

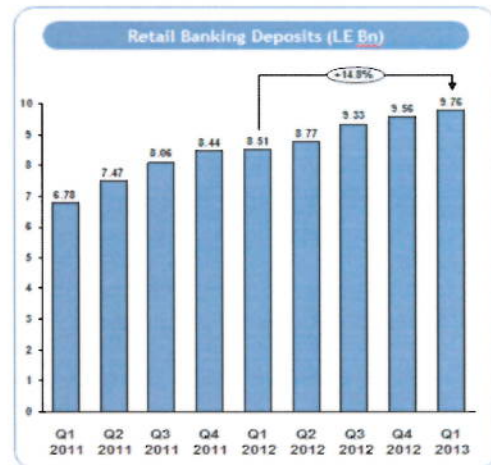
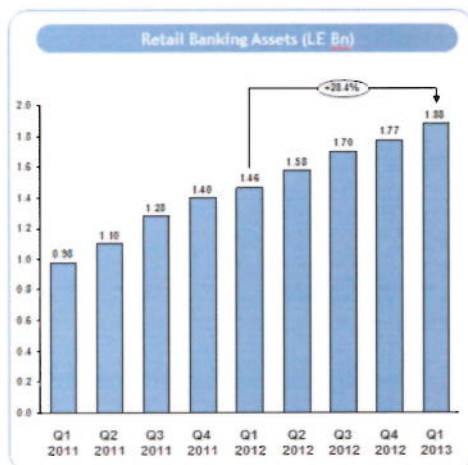
The publication of the first quarter results also reflects the transformation to profitability that you can see in the detailed results has been driven by continued substantial balance sheet growth and the subsequent increase in our customer revenues. This growth and increases in our market share has been achieved through the substantial investment in our branches, infrastructure, and most important of all our employees over the last few years. With the decision to make full provision for the remaining un-provided legacy loans in December, the first quarter's results are the first to reflect a 'clean' Bank.

Despite the challenging political and economic environment the performance of the Bank was encouraging with Net Income for Q1 2013 at LE 11.4mn, which is LE 109mn better than Q1 2012. The driver for this improvement was the substantial balance sheet growth with the New Bank assets increasing by LE 1.9bn or 56% since Q1 2012 compared to an overall market growth estimated to be at 5% and Core Customer deposits growing by LE 0.8bn or 7.6% over the same period. This balance sheet growth together with a reduction in the Central Bank reserve requirement from 14% to 10% and an improved yield on T-bill investments led to Net Profit/Interest Income growing by LE 26.8mn/44.3% and total revenue increasing by 34.8mn/46.5% to reach 109.6mn. General and Administration Expenses increased by 21.9% compared to Q1 2012 and this increase reflected the amortization of premises/branch refurbishments, upgrades to our systems infrastructure investment and investment in our employees.

Our continued focus on service quality allowed us to achieve an overall 85% mystery shopping score and all regions being above 80% for the first time. In addition, our first customer satisfaction survey achieved 80% which is a platform to build on as we look to differentiate ourselves based on a first class customer experience.

Key Business Segment highlights:

Retail

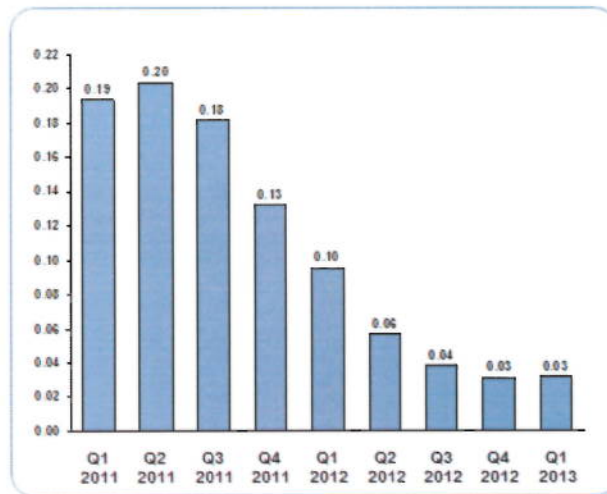


The asset portfolio grew by LE .42bn or 28.4% in the 12 months to 31st March 2013 to reach LE 1.88bn.

The deposit portfolio grew by LE 1.25bn or 14.8% in 2012 in the 12 months to 31st March 2013 to reach LE 9.76bn.

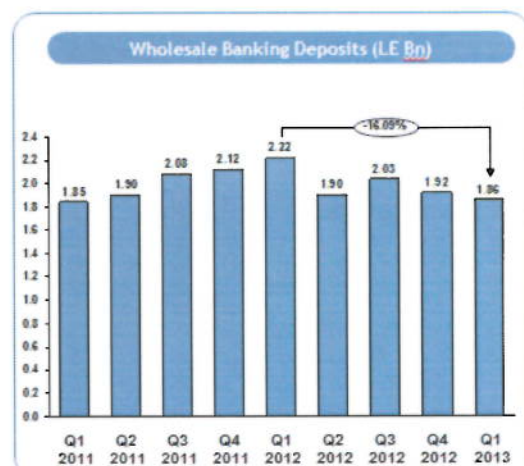
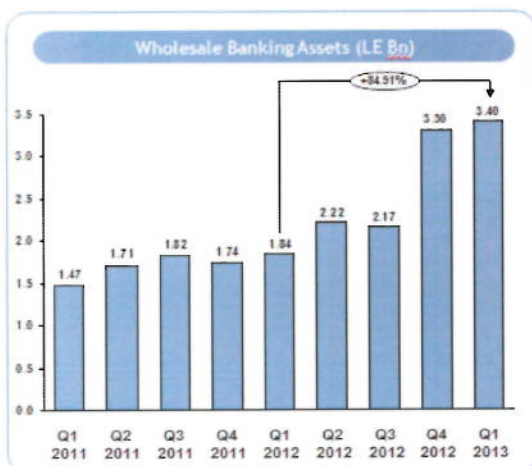
The growth in volumes has been achieved based on our focus on customer service and ensuring all branches are focused on the key metrics that drive our performance. In addition, we launched the next stage of our branch renovation/relocation strategy with four branches currently in their final stages of completion and due to formally open in Q2 under the new ADIB livery.

Micro Finance



The asset portfolio reduced by LE 70mn/70% since Q1 2012 to reach LE 31.8mn at 31st March 2013. The fall was in line with our plans and as previously stated reflects the challenges faced by this sector and its vulnerability to the Egyptian economic and political environment. To portfolio stabilized in Q1 and we are now seeing modest growth.

Wholesale



The asset

portfolio grew by LE 1.56bn/85% in the 12 months to 31st March 2013 to reach LE 3.4bn and momentum continued in Q1 albeit at a more modest level of growth.

The deposit portfolio reduced by LE 0.36bn or 16% since March 2012 which was a reflection of the tight corporate liquidity and the direct investment of corporates into T-Bills. This reduction was in line with the fall in the overall corporate sector.

Treasury

Treasury continued to 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 14% in Q1 2013 vs. Q1 2012 to reach LE 5.6bn

Information Technology

During the period our technology group focused 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 the “Capital Manpower” represents the most important point of competitive advantage we have. 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