

Abu Dhabi Islamic Bank ADIB – Egypt (Former National Bank for Development) Announces Financial Results for 2012

**Nevine Loutfy: “Despite the challenges of the political and economic conditions the bank’s business performance indicators were encouraging”
Final Payment of EGP 956 Million to Cover Provisions Gap Two Years Ahead of Schedule**

Cairo – April 11th, 2013 – Abu Dhabi Islamic Bank (ADIB) – Egypt (Former National Bank for Development) announced its financial results for 2012, supported by several positive indicators. The results showed a net income loss of EGP 855 million including EGP 492 million after tax impact to close the provisions gap two years ahead of schedule. The Board of Directors took this decision, which was supported by additional cash under capital increase from the main shareholder, Abu Dhabi Islamic Bank (ADIB), to completely cover the provisions gap from non-performing loans prior to the acquisition in 2007. Excluding the impact of the early payment of the provisions gap, net income loss reached EGP 363 million, an improvement of EGP 208 million or 36.4% compared to 2011.

Nevine Loutfy, Managing Director and CEO of ADIB Egypt, stated, *“Despite the challenges posed by current political and economic conditions that have reflected on the banking sector, the bank’s performance was encouraging during 2012. The bank successfully carried out its strategic plan to develop all areas of business, to move steadily towards greater success, strengthening its position in the Islamic banking market. This was supported by the proactive step of covering the provisions gap at once and eliminating the impact of annual provisions on net income.”*

Loutfy added, *“The driver for this improvement was the substantial balance sheet growth with the new finances increasing by EGP 1.8 billion or 55% compared to an overall market growth estimated to be at 6%, while core customer deposits grew by EGP 0.9 billion or 8.6%.”*

Below are the most significant positive indicators for the bank in Year 2012

Income Statement vs. 2011

- Net Income loss was LE 854.9mn, excluding the impact of closing the provisions gap, Net Income loss was LE 362.6mn, LE 208mn/36.4% better than 2011

- Net Profit Income (NRFF) was LE 310.5mn, 136.8mn/78.8% better than 2011
- Customer Net Revenue was LE 370.7mn, LE 139.2mn/60.1% better than 2011
- Operating Leverage - revenue grew by 60.1% whilst expenses grew by 12.7% - an operating leverage of 47.4%
- Provisions were LE 978.3mn, of which LE 956.4mn was related to the Acquired Bank and LE 21.9mn was due to the New Bank. The New Bank provisions reduced by LE 49.2mn vs 2011.

Balance Sheet vs December 2011

- Headline financings grew by LE 837mn/18.6% to reach LE 5.3bn.
- New Bank financings grew by LE 1,802.4mn/55.0% to reach LE 5.07bn
- Core deposits grew by LE 910mn/8.6% to reach LE 11.4bn.
- Headline deposits which include Treasury deposits grew by LE 919mn/7.6% to reach 12.9bn.
- NPL provisions shortfall fell from LE 950mn at December 2011 to LE 0 at 31st December 2012
- Capital Adequacy was 11.33% at December 2012 vs.11.17% at December 2011.
- Retail asset portfolio grew by EGP 370 million or 26.3%, reaching EGP 1.77 billion in 2012. Meanwhile, the deposits portfolio grew by EGP 1.112 billion or 13.2%, registering, a total of EGP 9.5 billion at the end of 2012. Growth in retail resulted from continued efforts to introduce new products that meet the needs of customers. Additionally, the bank maintained its leading position in the auto finance market in Egypt.
- 2012 is considered a surge in wholesale, where the assets portfolio grew by EGP 1.6 billion or 89.5% to reach EGP 3.3 billion at year end. The corporate finance unit witnessed major success by winning and delivering on the mandate for a EGP 620 million syndicated Mudarbah facility for East Delta Electricity Production Company and initial lead arranger and facility agent for a EGP 300 million syndicated Ijara facility for Emaar Misr.

- Treasury portfolio grew by 23% during 2012 to reach EGP 5 billion, resulting from business growth and successful management of excess liquidity and foreign exchange operations.
- Meanwhile the bank focused on infrastructure development by improving information systems, which are fundamental and critical for business growth in the coming years. The bank successfully implemented a state-of-the-art contingency site to ensure that customers do not face service disruptions as a result of unforeseen events. In addition, the core operating system was upgraded to ensure the launch of new products and services such as Internet banking.

As part of its strategic plan, the bank has recently announced its name change from National Bank For Development to “Abu Dhabi Islamic Bank - Egypt” marking the bank’s strong and new phase in the Egyptian banking market in 2013.

-END-