

**MANAGEMENT DISCUSSION & ANALYSIS FOR THE QUARTER ENDING 30 JUNE 2012**

**Abu Dhabi Islamic Bank posts an increase of 2.3% in Group Net Profit to AED 322.6 million for the second quarter of 2012**

**Group Financial highlights - Second quarter 2012 vs. Second quarter 2011**

- Group net revenue for Q2 2012 was AED 886.8 million vs. AED 908.3 million for Q2 2011, a decrease of 2.4%.
- Total credit provisions and impairments for Q2 2012 were AED 186.6 million vs. AED 235.8 million in Q2 2011, a decrease of 20.9%.
- Group net profit for Q2 2012 was AED 322.6 million vs. AED 315.2 million in Q2 2011, an increase of 2.3%.
- ADIB remains one of the most liquid banks in the UAE, with advances to stable funds ratio of 80.8%, customer financing to deposits ratio of 83.0% and net due from banks and deposits with Central Bank totaling AED 12.5 billion.
- Capital adequacy position under Basel II remains strong at 16.55% (17.39% at the end of 2011).

**Bank Financial highlights - Second quarter 2012 vs. Second quarter 2011**

- Bank net revenue for Q2 2012 was AED 888.1 million vs. AED 874.3 million for Q2 2011, an increase of 1.6%.
- Total credit provisions and impairments for Q2 2012 were AED 138.9 million vs. AED 148.9 million in Q2 2011, a decrease of 6.7%.
- Bank net profit for Q2 2012 was AED 396.6 million vs. AED 391.3 million in Q2 2011, an increase of 1.4%.
- Total number of customers increased by 39,986 since Q2 2011 to reach 479,720.
- Total number of branches in the UAE stands at 73 vs. 66 in Q2 2011.

**Group Financial highlights - First half 2012 vs. First Half 2011**

- Group net revenue for H1 2012 was AED 1,757.5 million vs. AED 1,717.1 million for H1 2011, an increase of 2.4%.
- Group net profit for H1 2012 was AED 629.9 million vs. AED 619.8 million in H1 2011, an increase of 1.6% after taking credit provisions and impairments of AED 372.7 million.

## Financial analysis

### Income Statement: Q2 2012 vs. Q2 2011 and Q1 2012

- Group net revenues for Q2 2012 decreased to AED 886.8 million vs. AED 908.3 million in Q2 2011, a 2.4% decrease (and an increase of 1.8% over the AED 870.8 million in Q1 2012).
- Bank net revenues for Q1 2012 increased to AED 888.1 million vs. AED 874.3 million in Q2 2011, a 1.6% increase (and an increase of 1.5% over the AED 874.8 million in Q1 2012).
- Group net revenue from funding activities for Q2 2012 increased to AED 724.4 million vs. 722.7 million for Q2 2011, an increase of 0.2% (and an increase of 0.2% over the AED 722.6 million in Q1 2012).
- Group fee and commission income for Q2 2012 decreased to AED 102.0 million vs. AED 105.3 million in Q2 2011, a decrease of 3.1% (and a decrease of 6.3% over the AED 108.8 million in Q1 2012).
- Group net profit for Q2 2012 was AED 322.6 million, after taking credit provisions and impairments of AED 186.6 million for the quarter (vs. a net profit of AED 315.2 million in Q2 2011 which was recorded after taking credit provisions and impairments of AED 235.8 million). Net profit for Q1 2012 was AED 307.3 million after taking credit provisions and impairments of AED 186.1 million.
- Bank net profit for Q2 2012 was AED 396.6 million, after taking credit provisions and impairments of AED 138.9 million for the quarter (vs. a net profit of AED 391.3 million in Q2 2011 which was recorded after taking credit provisions and impairments of AED 148.9 million). Net profit for Q1 2012 was AED 360.4 million after taking credit provisions and impairments of AED 156.8 million.

### Income Statement: H1 2012 vs. H1 2011

- Group net revenues for H1 2012 increased to AED 1,757.5 million vs. AED 1,717.1 million in H1 2011, a 2.4% increase.
- Bank net revenues for H1 2012 increased to AED 1,762.9 million vs. AED 1,689.5 million in H1 2011, a 4.3% increase.
- Group net revenue from funding activities for H1 2012 increased to AED 1,446.9 million vs. 1,387.4 million for H1 2011, an increase of 4.3%.
- Group fee and commission income for H1 2012 decreased to AED 210.8 million vs. AED 216.4 million in H1 2011, a decrease of 2.6%.
- Group net profit for H1 2012 was AED 629.9 million, after taking credit provisions and impairments of AED 372.7 million for the first half vs. a net profit of AED 619.8 million in H1 2011 which was recorded after taking credit provisions and impairments of AED 395.3 million.
- Bank net profit for H1 2012 was AED 757.0 million, after taking credit provisions and impairments of AED 295.7 million for the first half vs. a net profit of AED 731.9 million in H1 2011 which was recorded after taking credit provisions and impairments of AED 299.9 million.

### Balance Sheet: 30 June 2012 vs. 30 June 2011 and 31 December 2011

- Total assets as of 30 June 2012 were AED 78.9 billion, representing an increase of 9.0% compared to AED 72.3 billion at the end of 30 June 2011 (AED 74.3 billion at 31 Dec 2011).
- Net Customer Financing has increased to AED 50.3 billion, growing 4.4% over the AED 48.1 billion at the end of 30 June 2011 (AED 48.8 billion at 31 Dec 2011).
- Customer deposits grew 13.8% to AED 60.5 billion, from AED 53.2 billion at the same time last year (AED 55.2 billion at 31 Dec 2011).

### Capital Adequacy and Liquidity: 30 June 2012 vs. 30 June 2011 and 31 December 2011

- The Capital Adequacy ratio at 30 June 2012 stood at 16.55% vs. 16.10% recorded at 30 June 2011 (17.39% at 31 Dec 2011).
- The Customer Financing to Deposits ratio at 30 June 2012 was 83.0% vs. 90.5% at 30 June 2011 (88.5% at 31 Dec 2011).
- The Advances to Stable Funds ratio (a regulatory ratio) moved to 80.8% at 30 June 2012 from 87.8% at 30 June 2011 (83.4% at 31 Dec 2011).

### Financial highlights - Four year performance

As at 30 June

All figures are in AED millions

Balance sheet	Q2 2009	Q2 2010	Q2 2011	Q2 2012	3 YR (CAGR)
Total assets	58,104	68,332	72,327	78,857	10.7%
Gross customer financing	38,389	47,133	50,697	53,508	11.7%
Customer deposits	43,566	51,883	53,192	60,546	11.6%
Total equity	7,664	7,701	8,159	8,605	3.9%
Capital adequacy ratio - Basel II	14.19%	16.64%	16.10%	16.55%	
Customer financing to deposit ratio	86.0%	87.1%	90.5%	83.0%	

Income statement	Q2 2009	Q2 2010	Q2 2011	Q2 2012	3 YR (CAGR)
Net revenue - Group	599.4	744.2	908.3	886.8	13.9%
Net revenue - Bank	587.8	747.8	874.3	888.1	14.8%
Operating profit (margin) - Group	364.8	436.2	551.0	509.2	11.8%
Operating profit (margin) - Bank	385.4	466.2	540.2	535.5	11.6%
Credit provisions and impairment charge - Group	171.4	134.6	235.8	186.6	2.9%
Credit provisions and impairment charge - Bank	171.4	134.6	148.9	138.9	-6.8%
Net profit - Group	193.4	301.6	315.2	322.6	18.6%
Net profit - Bank	214.0	331.6	391.3	396.6	22.8%
Total credit provisions to gross financing assets ratio - Group	2.45%	4.10%	5.07%	6.09%	
Cost to income ratio - Group	39.1%	41.4%	39.3%	42.6%	
Cost to income ratio - Bank	34.4%	37.7%	38.2%	39.7%	

Network	Q2 2009	Q2 2010	Q2 2011	Q2 2012	3 YR (CAGR)
Total customers	305,567	387,017	439,734	479,720	16.2%
Branches - UAE	48	57	66	73	15.0%
ATMs	160	262	384	500	46.2%

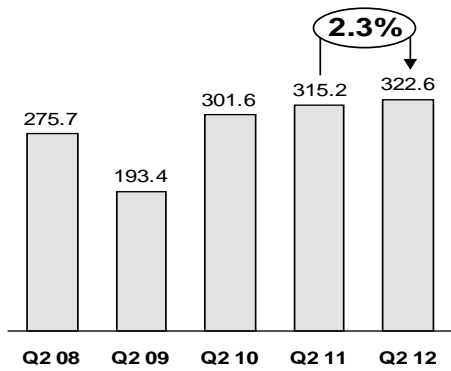
Abu Dhabi, UAE - 1 August 2012: Abu Dhabi Islamic Bank (ADIB) Group posted a net profit of AED 322.6 million for Q2 2012. Despite the prevailing challenging market conditions, and an increasing number of regulatory changes, the performance from the main banking business remained strong as the Bank's net profit grew by 10.1% to AED 396.6 million from AED 360.4 million in Q1 2012. The business highlights for Q2 2012 were:

- The focus on Retail Banking underpinned by ADIB's number 1 rating for service saw the customer base increase by 9.1% year-on-year to 479,720 customers.
- ADIB opened its 73<sup>rd</sup> Retail branch in the UAE and installed its 500<sup>th</sup> ATM during the quarter, meaning the Bank now has the third largest Retail network in the UAE and remains on track to have 80 branches by the end of Q1 2013.
- ADIB initiated operations in the United Kingdom and Iraq during the quarter and plans to open branches in Qatar and Sudan by year-end.
- Customer financing growth was restricted to 4.4% year-on-year as ADIB preserved capital in line with its intention to boost Tier 1 capital to over 15% from the current level of 13.45%.
- Cost of funds were further reduced as current and savings account balances reached AED 30.4 billion at the end of Q2 2012, a 24.2% year-on-year increase which is significantly above market.
- With a Customer Financing to Deposits Ratio of 83% ADIB already meets both of the proposed new Central Bank of the UAE liquidity ratios and intends to be an early adopter of the proposed Basel III regulations.
- Despite non-performing assets declining by 0.6% in the quarter, ADIB continued its conservative policy by taking an additional AED 139.1 million in credit provisions to ensure a healthy pre-collateral non-performing asset coverage ratio of 74.3%.
- The Group continued the quarterly impairment review of the portfolio held by its real estate subsidiary, Burooj Properties and as a result made further provisions in this regard.

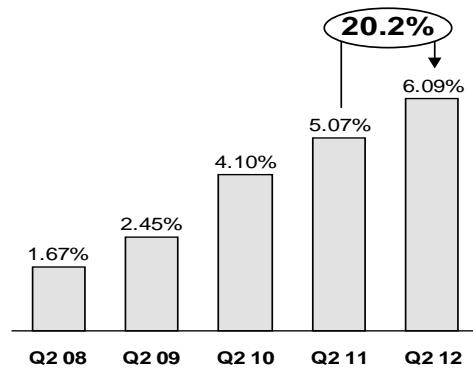
#### A best practice approach to risk management continues to underpin the Bank's strategy

Despite a decline in total non-performing assets of 0.6% in Q2 2012, ADIB's management continued its rigorous approach to provisioning and impairment recognition. As a result, the Bank has taken an additional AED 139.1 million in credit provisions in Q2 2012, thereby increasing total credit provisions to AED 3,256 million with specific credit provisions at AED 2,441 million and collective provisions at AED 815 million. Total credit provisions now amount to 6.1% of gross customer financing assets and represent a pre-collateral non-performing coverage ratio of 74.3%. It is noteworthy that the Bank's collective provisions now represent 1.72% of total customer risk weighted assets and are ahead of the Central Bank of the UAE requirements of 1.5%. ADIB's best practice approach to managing its non-performing portfolio was further highlighted in a recent Rating Agency report in which ADIB was confirmed as one of the UAE banks that are transparent in reporting restructured credits.

In addition to the legacy credit portfolio, a further AED 47.5 million in impairments were taken against the real estate subsidiary's portfolio in the second quarter of 2012, bringing total impairments related to this business to AED 433 million over the past three and half years as it tracked the down turn in the real estate market. As a result, the Group net profit increased by a conservative 2.3% in Q2 2012 to reach AED 322.6 million versus Q2 2011, and represents an 18.6% compounded net profit growth rate over the past three years.



Group net profit - AED Mn

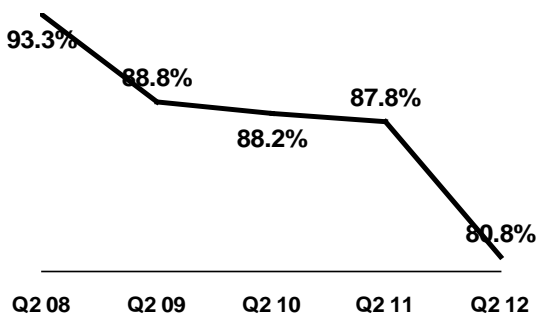


Total credit provisions to gross customer financing ratio - %

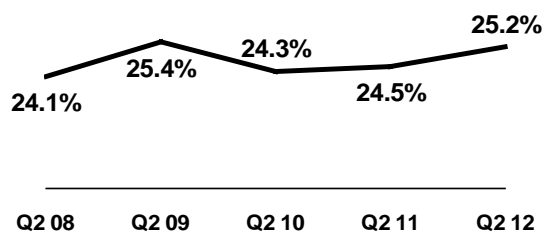
**Liquidity**

A focus on deepening customer relationships by the Retail Banking, Private Banking and Wholesale Banking franchises, backed by strong Treasury and Transaction Banking units, meant that ADIB continued to maintain its position as one of the most liquid banks in the UAE. At the end of Q2 2012, Customer deposits were AED 60.5 billion, Central Bank placements were AED 4.7 billion and the net interbank position was AED 7.8 billion. A continued focus on reducing the cost of funds as well as a proven ability to manage the Bank's maturity profile as evidenced by ongoing Sukuk placements, saw current and savings accounts grow by 24.2% since Q2 2011 to reach AED 30.4 billion at 30 June 2012 while overall deposits increased 13.8% to AED 60.5 billion during the same period.

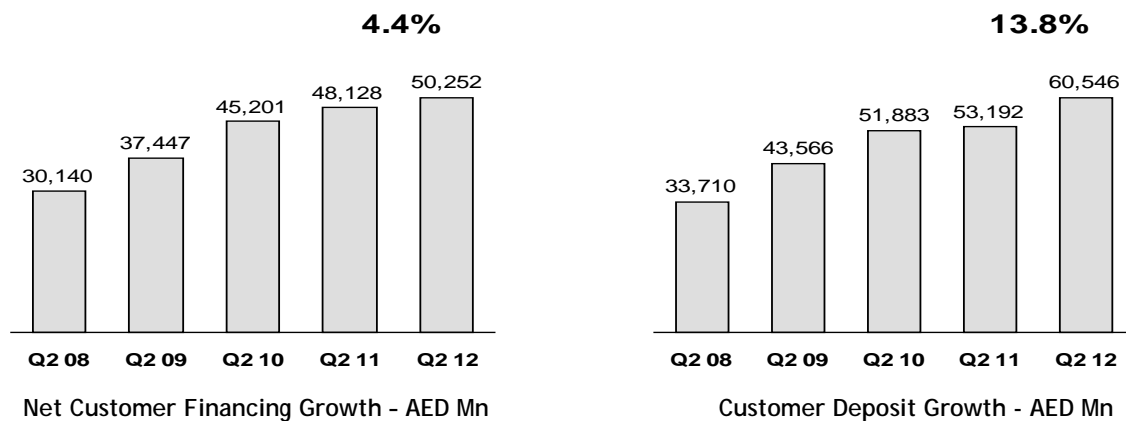
On the asset side, net customer financing reached a new high of AED 50.3 billion (AED 48.1 billion as at 30 June 2011) and the Bank ended the quarter with a customer financing to deposits ratio of 83.0% and an advances to stable funds ratio of 80.8%, which is significantly better than the regulatory threshold of 100%. Furthermore, it is noteworthy that ADIB's Quick Asset to Total Asset Ratio is 25.2% and the Bank already meets both of the proposed new regulatory liquidity ratios and intends to be an early adopter of the Basel III liquidity ratios as proposed by the Central Bank of the UAE.



Advances to Stable Funds ratio

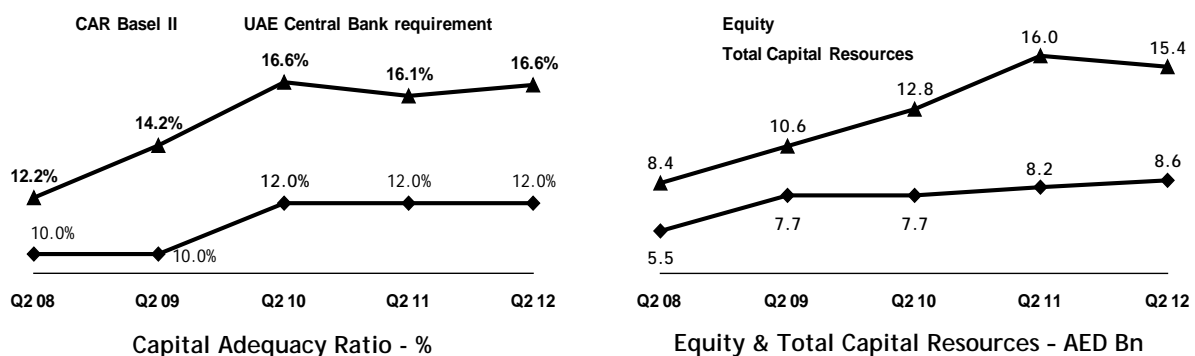


Quick Assets to Total Assets ratio



### Capital strength

The Bank's capital position remained strong with a Capital Adequacy ratio of 16.55% under Basel II principles and a Basel II Tier 1 capital ratio of 13.45% at the end of the second quarter of 2012. ADIB continues to focus on capital optimization and further strengthening its capital position to facilitate its growth strategy and in this regard restricted customer asset growth to 4.4% year-on-year as it turns its attention to improving its Tier 1 capital ratio to above 15% in the near term.



### Cost management

Despite the establishment of subsidiaries in the United Kingdom and Saudi Arabia and the opening of branch operations in Iraq, with the consequent expenditure on related infrastructure and human capital, as well as the investment in 116 ATMs and 7 branches in UAE during the past 12 months the Group's operating expenses remained flat to Q1 2012 and increased by only 5.7% year-on-year. The Group cost to income ratio was 42.6% for Q2 2012 (39.3% - Q2 2011 and 43.3% for Q1 2012) while the Bank's cost to income ratio was 39.7% for Q2 2012 (38.2% - Q2 2011 and 40.9% for Q1 2012). ADIB expects to continue its investment program as it builds the defining universal Islamic finance proposition both domestically and internationally. As a result, the Bank's cost to income ratio is expected to start improving gradually in the medium-term as the ongoing investment in growth is matched by a marginally higher relative increase in revenue and further process efficiencies.

### Human resources

Despite the growth of its local and international operations the Bank's headcount has increased by 6 in the past 12 months, as a result of a continued emphasis on efficiency, and now stands at 1,668. In addition to being recognized as the number one bank for customer service in the UAE, ADIB is particularly proud of its ongoing efforts in Emiratisation and the development of its own talent.

### Management comment

On behalf of the Board of Directors and the management team Tirad Mahmoud, CEO of ADIB, said: "The first half of 2012 has witnessed a welcome, and unprecedented, focus by the Central Bank of the UAE on enhancing the regulatory environment. Initiatives range from the introduction of new liquidity guidelines, where ADIB already meets both the new ratios that are to be introduced in 2013 and intends to be at the forefront of adopting Basel III, to revised new large client exposure guidelines, where ADIB sees real opportunities to further support the Government's growth strategy and build its Public Sector Banking capabilities. However, the ongoing joint focus by the government, regulators and banks in the UAE on easing the burden faced by those debtors whose circumstances and ability to meet their obligations are most onerous is the most important initiative and ADIB, as manager of one of the top Retail Banking businesses in the UAE with the third largest network in the country, is committed to playing a leading role in this regard. We are confident that the end result will be the introduction of a more responsible banking environment, where both banks and those that use our services act in a mutually beneficial manner, and this will further enhance the reputation of the UAE, which is already the most competitive banking market in the region, as a leader when it comes to placing long-term customer interests ahead of short-term profitability.

'However, the continuation of the uncertainty prevailing in the Euro zone and a meaningful global economic recovery, when combined with the increasingly enhanced regulatory regime in the UAE and our decision to restrict customer asset growth in support of our goal of improving our Tier 1 capital ratio to over 15%, means that we continue to anticipate limited quality credit opportunities and a resultant subdued growth in profits for the balance of 2012. Despite this we continue to lay the foundations of the next stage of our growth strategy while remaining committed to maintaining our best practice approach to risk management even if this means that we are not always able to sustain above market customer financing growth rates in the near term. There is no doubt that credit quality and capital strength lie at the core of our strategic success and we are confident that this means that ADIB's vision, as a top-tier UAE bank, to become a global Islamic bank remains on track.

'In regard to provisioning of our legacy portfolio, ADIB is widely acknowledged as being a leader in the adoption of best practice when it comes to our recognition of non-performing assets and restructured accounts and providing against these. We have therefore continued to be prudent in classifying our impaired portfolio and taking provisions - and suspending the accrual of profit - in line with our 90 days past due and conservative collateral recognition approach, adding a further AED 122 million in specific provisions during Q2 2012 versus AED 137 million during Q2 2011 and increased our collective provisions by

AED 17 million to reach 1.72% of total customer credit risk weighted assets. Since the new management team took over early in 2008, total credit provisions and impairments have increased to AED 3,806 million from AED 404 million at the end of 2007. Our collective provisions now represent a substantial buffer against future surprises and we will continue to increase these in line with our internally generated loss norms even though they now exceed the Central Bank of the UAE guidelines requiring banks to increase the level of collective provisions to 1.5% by 2014.

'In addition to our conservative approach to the recognition of problem credits our two remedial management units remain very active as we work with those customers who are in genuine difficulty, and actively engage with us, to assist them in the sustainable restructuring of their commitments. The result is that total non-performing accounts declined by 0.6% in Q2 2012 and while we continue to maintain that it is too early to call a meaningful improvement in the credit environment we are pleased with the progress made in late 2011 and early 2012. Notwithstanding this, we once again reiterate that where customers resist ADIB's attempts to work constructively with them in providing sustainable solutions to honoring their credit obligations, we will use all remedies available to us in order to protect both our depositors' and shareholders' rights.

'Turning to customer deposits, the Bank further evidenced its strong liquidity capabilities backed by a customer orientated value proposition based on service excellence and convenience and supported by our now proven capability to manage maturity matching through Sukuk issues. The result is that not only does ADIB meet both the new liquidity ratios to be implemented by the Central Bank in 2013, but that our advances to stable funds ratio further improved to 80.8% at 30 June 2012 and current and saving account balances grew by 24.2% over the course of the past year."

#### Other ADIB Group companies

##### **ADIB Securities:**

Commenting on the performance of other Group companies besides the core banking business, Tirad said: "The lack of liquidity in the equity markets remains a major concern and it is a credit to the management team at our stock brokerage, ADIB Securities, that they continue to perform profitably with a net profit of AED 1.8 million in Q2 2012. ADIB Securities now has a market share of 9.9% and is one of the top three brokers in the UAE. ADIB Securities is an integral part of our wealth management proposition, which is focused on enhancing the savings, investment and related wealth diversification of our customers. We will continue to ensure that it has the necessary capabilities to best serve all our customers both now and when the markets recover."

##### **Burooj Properties:**

With regard to Burooj, the Group's real estate subsidiary, Tirad said: "Burooj, as a limited liability company, continues to be managed independently from the banking and financial services business. ADIB Group accounting policy and practice is that all properties and commitments in Burooj's portfolio are



regularly subjected to review, including a comprehensive highest-and-best-use analysis. On the basis of these reviews the market value of each property is determined with reference to the recent market conditions, existing prices and estimates of their net present value of the cash flows. The market value is compared to the carrying value of the properties in order to determine the impairments. On the back of these valuations we continue to engage in discussions with Burooj's partners in regard to restructuring its development program. While we are confident we have made real progress in this regard, our approach to valuing Burooj's portfolio first adopted in late 2010 has resulted in a further AED 47.5 million in impairments in Q2 2012 and a consequent loss of AED 77.1 million versus the loss of AED 77.2 million in Q2 2011. The real estate market in general remains subdued as supply continues to outstrip demand and the probability of Burooj sustaining further impairments and operational losses in 2012 and beyond remains high. We therefore expect to continue to take impairments against Burooj's portfolio until there is a meaningful and sustained positive change."

### Outlook for 2012

Providing guidance on the Bank's direction for the rest of 2012, Tirad said: "Our outlook has not changed and we remain concerned about global and regional growth rates and the impact on our markets. While the introductions of new regulations will prove to be challenging, we are confident that ADIB is well positioned and in this regard will continue its practice of being an early adopter of the changes. In addition, the UAE banking sector is now closely involved with government and regulatory bodies who continue to introduce creative and prudent measures to deal with the challenges all stakeholders are facing and we firmly believe that the UAE Government are willing, ready and able to play the supportive role we have seen from them since the crisis began in late 2008. In this regard the formation of a credit bureau in the UAE is increasingly essential since good clients will enjoy greater access to much needed credit and remedial efforts can focus on those who require it.

"Given this environment, and notwithstanding our own preparations for the new stage in our growth strategy - including the objective to consolidate our position as the third largest Retail Banking network with the opening of our 80<sup>th</sup> branch by the end of Q1 2013 - and strong liquidity position, we continue to expect a subdued year for the banking sector as a whole and low single digit growth in ADIB's financing assets in 2012 as we continue towards our goal of building our Tier 1 capital ratio to over 15%. In addition, while there are increasing indications that the brunt of ADIB's legacy portfolio's cost of credit has been absorbed we will continue to take prudent measures as necessary for both the Bank and Burooj portfolios in 2012."

### Gratitude

The Board of Directors, executive management and members of ADIB staff wish to extend their sincere appreciation and gratitude to His Highness Sheikh Khalifa Bin Zayed Al Nahyan, the President of the UAE and Ruler of Abu Dhabi, to His Highness Sheikh Mohammed Bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the UAE Armed Forces, to the UAE Central Bank and to the Emirates

Securities and Commodities Authority, our shareholders and our clients for their continued trust in and support of ADIB.



**Tirad M. Mahmoud**  
Chief Executive Officer

## Financial summaries

### ADIB Financial summary - Half year Summary

Financials	Banking					Consolidated Group				
	H1 2010	H1 2011	H1 2012	Chg H1 11 vs. H1 10	Chg H1 12 vs. H1 11	H1 2010	H1 2011	H1 2012	Chg H1 11 vs. H1 10	Chg H1 12 vs. H1 11
	AED Mn	AED Mn	AED Mn	%	%	AED Mn	AED Mn	AED Mn	%	%
Net Revenue from Funding	1,269.1	1,435.3	1,495.2	13.1%	4.2%	1,269.1	1,435.3	1,495.2	13.1%	4.2%
Fees, Commissions and FX	111.1	200.6	203.7	80.6%	1.6%	111.1	200.6	203.7	80.6%	1.6%
Investment Revenues	26.7	53.5	64.0	100.4%	19.5%	26.7	53.5	64.0	100.4%	19.5%
<b>Net Banking Revenues</b>	<b>1,406.9</b>	<b>1,689.5</b>	<b>1,762.9</b>	<b>20.1%</b>	<b>4.3%</b>	<b>1,406.9</b>	<b>1,689.5</b>	<b>1,762.9</b>	<b>20.1%</b>	<b>4.3%</b>
Brokerage Revenues (ADIFS subsidiary)	-	-	-	-	-	10.1	8.7	10.9	-13.5%	24.7%
Real Estate Revenues (Burooj subsidiary)	-	-	-	-	-	9.8	18.9	(19.6)	93.1%	-203.6%
Revenue from Other Minor Activities	-	-	-	-	-	(2.0)	0	3.3	100%	100%
<b>Net Non-banking Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.9</b>	<b>27.6</b>	<b>(5.4)</b>	<b>54.2%</b>	<b>-119.6%</b>
	Banking					Consolidated Group				
<b>Total Revenues</b>	<b>1,406.9</b>	<b>1,689.5</b>	<b>1,762.9</b>	<b>20.1%</b>	<b>4.3%</b>	<b>1,424.8</b>	<b>1,717.1</b>	<b>1,757.5</b>	<b>20.5%</b>	<b>2.4%</b>
<b>Operating profit (margin)</b>	<b>861.3</b>	<b>1,031.8</b>	<b>1,052.7</b>	<b>19.8%</b>	<b>2.0%</b>	<b>834.7</b>	<b>1,015.1</b>	<b>1,002.6</b>	<b>21.6%</b>	<b>-1.2%</b>
Credit Provisions and Impairment charge	239.9	299.9	295.7	25.0%	-1.4%	239.8	395.3	372.7	64.9%	-5.7%
<b>Net Profit</b>	<b>621.4</b>	<b>731.9</b>	<b>757.0</b>	<b>17.8%</b>	<b>3.4%</b>	<b>594.9</b>	<b>619.8</b>	<b>629.9</b>	<b>4.2%</b>	<b>1.6%</b>
Total Assets in AED (Billion)	67.6	72.1	79.1	6.6%	9.7%	68.3	72.3	78.9	5.8%	9.0%
Customer Financing in AED (Billion)	47.1	50.2	52.4	6.6%	4.3%	45.2	48.1	50.3	6.5%	4.4%
Customer Deposits in AED (Billion)	52.0	53.2	60.6	2.3%	13.9%	51.9	53.2	60.5	2.5%	13.8%

### ADIB Financial summary - Quarter Summary

Financials	Banking					Consolidated Group				
	Q2 2010	Q2 2011	Q2 2012	Chg Q2 11 vs. Q2 10	Chg Q2 12 vs. Q2 11	Q2 2010	Q2 2011	Q2 2012	Chg Q2 11 vs. Q2 10	Chg Q2 12 vs. Q2 11
	AED Mn	AED Mn	AED Mn	%	%	AED Mn	AED Mn	AED Mn	%	%
Net Revenue from Funding	671.6	746.5	747.3	11.2%	0.1%	671.6	746.5	747.3	11.2%	0.1%
Fees, Commissions and FX	65.3	100.0	99.5	53.1%	-0.4%	65.3	100.0	99.5	53.1%	-0.4%
Investment Revenues	10.9	27.8	41.3	155.0%	48.6%	10.9	27.8	41.3	155.0%	48.6%
<b>Net Banking Revenues</b>	<b>747.8</b>	<b>874.3</b>	<b>888.1</b>	<b>16.9%</b>	<b>1.6%</b>	<b>747.8</b>	<b>874.3</b>	<b>888.1</b>	<b>16.9%</b>	<b>1.6%</b>
Brokerage Revenues (ADIFS subsidiary)	-	-	-	-	-	4.9	4.5	5.0	-7.8%	10.9%
Real Estate Revenues (Burooj subsidiary)	-	-	-	-	-	(6.5)	29.5	(9.6)	555.2%	-132.5%
Revenue from Other Minor Activities	-	-	-	-	-	(2.0)	0	3.3	100%	100%
<b>Net Non-banking Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.6)</b>	<b>34.0</b>	<b>(1.3)</b>	<b>1,044.4%</b>	<b>-103.8%</b>
	Banking					Consolidated Group				
<b>Total Revenues</b>	<b>747.8</b>	<b>874.3</b>	<b>888.1</b>	<b>16.9%</b>	<b>1.6%</b>	<b>744.2</b>	<b>908.3</b>	<b>886.8</b>	<b>22.1%</b>	<b>-2.4%</b>
<b>Operating profit (margin)</b>	<b>466.2</b>	<b>540.2</b>	<b>535.5</b>	<b>15.9%</b>	<b>-0.9%</b>	<b>436.2</b>	<b>551.0</b>	<b>509.2</b>	<b>26.3%</b>	<b>-7.6%</b>
Credit Provisions and Impairment charge	134.6	148.9	138.9	10.6%	-6.7%	134.6	235.8	186.6	75.2%	-20.9%
<b>Net Profit</b>	<b>331.6</b>	<b>391.3</b>	<b>396.6</b>	<b>18.0%</b>	<b>1.4%</b>	<b>301.6</b>	<b>315.2</b>	<b>322.6</b>	<b>4.5%</b>	<b>2.3%</b>

-Ends-

**About ADIB:**

Abu Dhabi Islamic Bank (ADIB) was established on 20<sup>th</sup> May 1997 as a Public Joint Stock Company following the Emiri Decree No. 9 of 1997. The Bank commenced commercial operations on 11<sup>th</sup> November 1998, and was formally inaugurated by His Highness Sheikh Abdullah Bin Zayed Al Nahyan on 18<sup>th</sup> April 1999.

ADIB's vision is to be a top-tier, global Islamic financial services group and its mission is to provide Islamic financial solutions to the global community.

The Bank carries out all contracts, operations and transactions in accordance with Islamic Shari'a principles.

ADIB's core values, reflected in all its activities are: Simple and Sensible; Transparent; Mutual Benefit; Hospitality and Tolerance; and Shari'a inspired. It brings to its customers banking as it should be.

**ADIB - 2011 Awards:**

1. ADIB was named the "Best Overall Bank in the UAE in customer service" for 2011 by Ethos Consultancy.
2. ADIB won the "Best Branch Award in the UAE" for 2011 by Ethos Consultancy
3. ADIB was named the "Best Islamic Bank in the UAE" for 2011 by Global Finance Magazine
4. ADIB was named Best Islamic Bank for 2011 by Business Banking and Finance Magazine
5. ADIB won Best Corporate Bank for 2011 by Business Banking and Finance Magazine
6. ADIB was named "The Best Islamic Bank" in the Middle East region for the second year running at the Banker Middle East Industry Awards 2011.
7. ADIB was nominated as "Fastest Growing Bank in the UAE" by the awards jury at the Banker Middle East Industry Awards 2011.
8. ADIB won the Best Islamic Bank in the UAE by EMEA Finance magazine
9. ADIB won the Best Islamic Bank in the UAE by Islamic Finance News Magazine
10. ADIB won Syndicated loan of the year by Islamic Finance News Magazine

**For media information, please visit [www.adib.ae](http://www.adib.ae) or contact:**

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