



# Investor Presentation

2<sup>nd</sup> Quarter / 1<sup>st</sup> Half - 2011



بنك أبوظبي الوطني  
NATIONAL BANK OF ABU DHABI  
The Number One Bank البنك الرائد PJSC ش.م.ع



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# UAE economic overview

## UAE Overview

**UAE Overview** A Federation of seven Emirates (Abu Dhabi being the capital)  
Headed by the President (Ruler of Abu Dhabi; Ruler of Dubai is the Vice President)

- Key Facts**
- Rating: **Moody's (Aa2 stable), S&P (AA stable) +, Fitch (AA stable) +**
  - 2<sup>nd</sup> largest economy in GCC and the Arab world** (after Saudi Arabia)\*
  - 7.4% of proven global oil reserves** which generates 1/3 of UAE's GDP (2009)
  - UAE Banking sector offers the largest asset base within the GCC (**NBAD is 4<sup>th</sup> largest bank by assets in the MENA region**)
  - UAE banking sector is dominated by domestic players domiciled within the market

+ S&P and Fitch do not rate UAE; the ratings above reflect their ratings on the Emirate of Abu Dhabi

\* Nominal GDP rankings by IMF (2010)

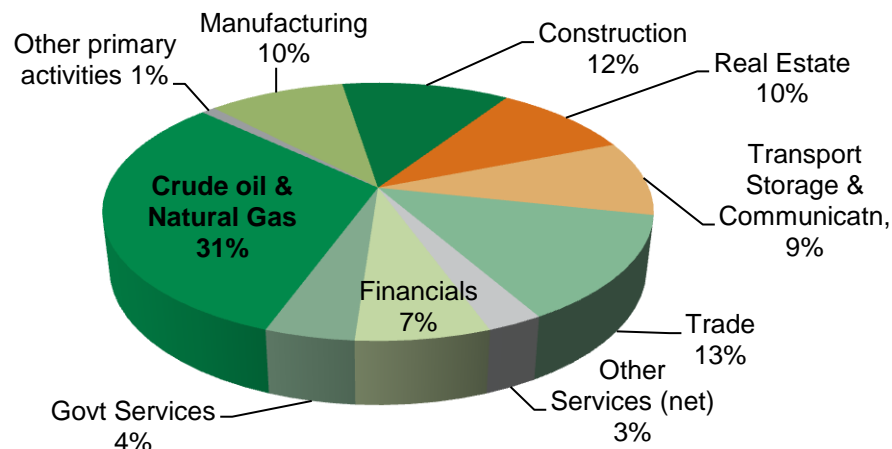
Source: Bloomberg, IMF, UAE Central Bank, US Energy Information Administration

## Key Economic Indicators

2010 Estimates (in US\$ bn)	UAE	New Zealand	Singapore	Malaysia
<b>Nominal GDP</b>	297.9	140.4	222.7	238.0
<b>Real GDP growth</b> (% change yoy)	1.4	1.5	14.5	7.2
<b>Exports of goods &amp; services</b>	212	41	347.9	182
<b>Imports of goods &amp; services</b>	162	39	306.2	141
<b>Population (mn)</b>	5.1	4.4	5.2	28.3

Source: IMF, World Economic Outlook Database, IIF, UAE Central Bank, Ministry of Economy, National Bureau of Statistics (UAE), NBAD Research  
(Exchange Rate: 1 USD = 3.673 AED)

## UAE GDP (Real) Split by Sector



Source: National Bureau of Statistics, Economic Report 2010 (at 2007 constant prices)

# Abu Dhabi – The Capital

## Abu Dhabi Key Economic Indicators

<b>Credit Rating</b>	Aa2 (Moody's) / AA (S&P) / AA (Fitch)
<b>Size</b>	Abu Dhabi accounts for 87% of UAE's land area
<b>Population</b>	1.57mn (mid-2008)
<b>Nominal GDP</b>	US\$ 168.9bn (+15.9% in 2010)
<b>GDP Per Capita</b>	US\$ 85,843 (2010) (3 <sup>rd</sup> highest in the world – IMF)
<b>Oil &amp; Gas as a % of GDP</b>	49.7% (2010 nominal GDP)
<b>Crude Oil</b>	
-- Production	Approx 2.3mn bpd (2010)
-- Reserves	92 bn barrels; ( <b>Global ranking - 6<sup>th</sup></b> )
<b>Principal Contributors to Nominal GDP</b>	Real Estate & Construction (22%), Trade, Services & Logistics (13%), FIs & Insurance (6%), Manufacturing (6%), Govt Services (4%) – contribute ~50% to Abu Dhabi's GDP
<b>Abu Dhabi "2030 Economic Vision"</b>	Initiative by the Government of Abu Dhabi to develop and diversify the economy beyond oil revenues
<b>Future Developments</b>	Future major developments in line with Abu Dhabi Economic Vision 2030 covering all sectors for the next 3 years have an estimated value of US\$ 200bn (Abu Dhabi's Urban Planning Council)

Source: Department of Planning and Economy, IMF, UAE Central Bank, NBAD Research, ADCCI, DCCI, DPE, Statistics Centre – Abu Dhabi (All figures as of 2009, unless stated)



Top – An artists impression of Sowwah Island (Central Business & Financial District)  
Below – KIZAD (Khalifa Industrial Zone Abu Dhabi) masterplan

# The UAE banking sector

UAE banking sector (in USD bn)	2009	2010	June 2011 <sub>est</sub>
Total Assets <sup>1</sup>	413.6	437.1	464.7
Certificates of Deposit held by Banks	19.6	25.6	32.1
Investments by Banks	32.4	33.8	39.0
Deposits <sup>2</sup>	267.5	285.8	306.6
Bank Credit <sup>3</sup>	277.1	280.8	287.6
Specific Provisions	8.9	12.1	12.9
General Provisions	2.9	3.4	3.9
Capital Adequacy Ratio	19.2%	20.8%	21.0%
<b>Banks &amp; Branches<sup>4</sup></b>			
National Banks (23)	795	867	881
Foreign Banks (28)	154	162	159

Source: UAE Central Bank

1 Net of provisions and interest in suspense

2 Excluding Inter-bank deposits

3 Excluding loans to banks, provisions & interest in suspense

4 Includes head offices, branches, pay offices, EBU's

Country	Latest (2011)	Growth (YoY)	Banking Sector Assets (USD bn)
UAE	Jun	10.9%	464.7
S. Arabia	Jun	9.0%	401.8
Bahrain	May	(5.7)%	197.5
Kuwait	Jun	3.0%	149.6
Qatar	Jun	22.9%	170.8
Oman	Apr	6.8%	41.0
GCC Estimate		8.0%	1,425.4

Source: Central Banks of respective countries

# NBAD at a glance

- Banker to the Abu Dhabi Government
- 70% owned by the Government of Abu Dhabi through ADIC (Abu Dhabi Investment Council)
- Flagship bank for Abu Dhabi
- Consistent profitability and value creation to shareholders
- Well positioned for growth from global economic recovery
- 'Safest Bank in the Middle East'\* - highest rated bank in the Middle East
- Clear and focused strategy for growth
- Largest international presence among the UAE banks

\* By Global Finance – Safest Bank in Middle East in 2011; Among the World's 50 Safest Banks 3 years in a row (2009-11)

# NBAD at a glance (cont'd)

## Overview

- Incorporated in **1968** to serve as Banker to the Emirate of Abu Dhabi
- Owned (**70.48%**) by **Government of Abu Dhabi**, via the Abu Dhabi Investment Council (ADIC)
- Listed on Abu Dhabi Securities Exchange (ADX)

## Credit Rating

	Fitch	Moody's	S&P	RAM (Malaysia)	R&I (Japan)
<b>LT</b>	AA-	Aa3	A+	AAA	A+
<b>ST</b>	F1+	P-1	A-1	P1	
<b>Outlook</b>	Stable	Stable	Stable	Stable	Stable

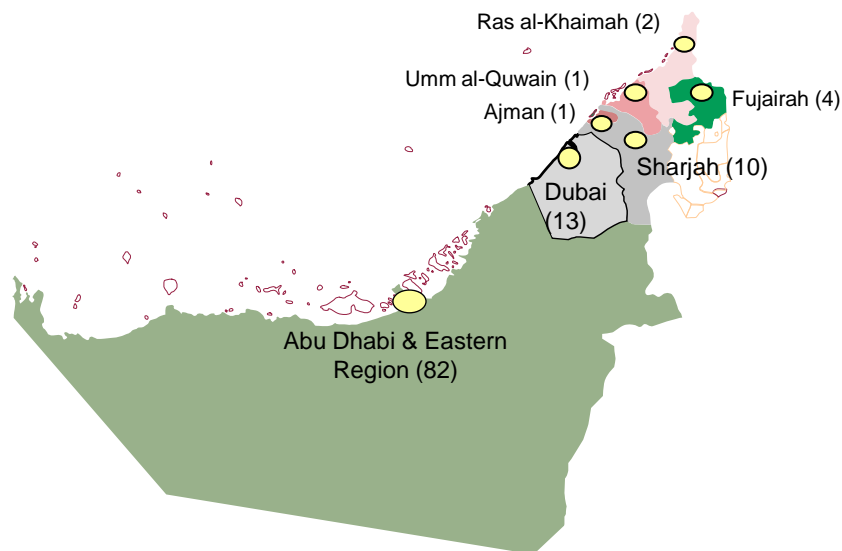
## Presence

- UAE - 113 branches\*, 462 ATMs+ in all the 7 emirates
- Egypt – 28 branches\*, 44 ATMs
- Other Overseas – 22 units\*, 19 ATMs

## Stock Info

Market Cap (Price @ AED 10.95)	AED 31.4bn (US\$ 8.6bn)
Diluted EPS (1H 2011)	0.62
PE Ratio	8.6
Price / Book	1.5
Shares Issued (@ AED 1)	2,870 mn
Free float:	29.5% (Non-UAE – 2.1%)

\*Including cash offices, NBAD Suisse subsidiary, offshore units & representative office in Libya  
+ includes Cash deposit machines





# A diversified business model

National Bank of Abu Dhabi					
Domestic Banking	Financial Markets	International Banking	Corporate & Investment Banking	Global Wealth	Islamic Banking
<ul style="list-style-type: none"> <li>▶ Consumer Banking</li> <li>▶ Elite Banking</li> <li>▶ Business Banking (SME)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Liquidity management &amp; Interest rate products</li> <li>▶ Institutional &amp; Corporate Coverage</li> <li>▶ Proprietary trading &amp; Investments group</li> </ul>	<ul style="list-style-type: none"> <li>▶ Arab World Banking                             <ul style="list-style-type: none"> <li>– Egypt Network</li> <li>– Oman Network</li> <li>– Sudan Network</li> <li>– Bahrain</li> <li>– Kuwait</li> <li>– Libya</li> <li>– Jordan</li> </ul> </li> <li>▶ International Banking                             <ul style="list-style-type: none"> <li>– United Kingdom</li> <li>– France</li> <li>– USA</li> <li>– Hong Kong/ China</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate Banking Group</li> <li>▶ Wholesale Banking Group                             <ul style="list-style-type: none"> <li>– Global Project &amp; Structured Finance</li> <li>– Syndications &amp; Specialised Portfolio</li> <li>– Financial Institutions Dept</li> <li>– Global Trade Finance</li> <li>– Global Cash Management</li> </ul> </li> <li>▶ Investment Banking Group                             <ul style="list-style-type: none"> <li>– DCM</li> <li>– ECM</li> <li>– Advisory</li> </ul> </li> <li>▶ Private Equity</li> <li>▶ Abu Dhabi National Property - Real Estate</li> <li>▶ Abu Dhabi National Leasing                             <ul style="list-style-type: none"> <li>– Leasing</li> </ul> </li> <li>▶ Special Asset Advisory</li> </ul>	<ul style="list-style-type: none"> <li>▶ Private Banking</li> <li>▶ Asset Management Group                             <ul style="list-style-type: none"> <li>– Local and Global Funds</li> <li>– Discretionary Portfolio Management</li> </ul> </li> <li>▶ Abu Dhabi Financial Services                             <ul style="list-style-type: none"> <li>– Brokerage services</li> </ul> </li> <li>▶ Custody services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Abu Dhabi National Islamic Finance</li> <li>▶ NBAD Islamic Division</li> </ul>

Head Office \*

\* Support functions: Audit, Compliance, Finance, Human Resources, Information Technology, Legal, Operations, Risk Management, Investor Relations, Corporate Communications, Strategic Planning, Securities Services, Corporate Governance & Economic Research

# Core strategy

## Our Vision

To be recognised as the World's Best Arab bank

## Global Rules

- Put the client at the heart of the business
- Build rather than buy
- Ensure adequate liquidity
- Prudent approach to lending
- Develop and grow our fee income generating businesses
- Maintain a strong capital base and conservative capital adequacy ratios
- Attract, select and retain top tier staff across all businesses
- Remain as the Abu Dhabi flagship bank

# Competitive landscape

Peer Group Analysis for the 1 <sup>st</sup> Half of 2011							
		E-NBD	ADCB	FGB	Mashreq	NBAD	Comments*
<b>Return on Shareholders' Funds<sup>#</sup></b> (annualised)	%	4.7	5.9	15.7	9.3	<b>17.7</b>	<b>1<sup>st</sup> in providing RoSF</b> to its shareholders
<b>Attributable Profit<sup>#</sup></b>	AEDm	843	595	1,765	534	<b>1,953</b>	<b>1<sup>st</sup> amongst UAE banks</b>
<b>Cost Base</b>	AEDm	1,680	987	558	914	<b>1,188</b>	<b>2<sup>nd</sup> lowest cost to income ratio<sup>#</sup></b> amongst UAE banks
<b>Total Assets</b>	AEDbn	288	179	149	85	<b>247</b>	<b>2<sup>nd</sup> highest</b> amongst UAE banks
<b>Total Equity</b>	AEDbn	35.0	21.5	25.0	12.6	<b>25.3</b>	<b>2<sup>nd</sup> highest</b> amongst UAE banks
<b>Customer Loans</b>	AEDbn	193	117	99	38	<b>153</b>	<b>2<sup>nd</sup> highest</b> amongst UAE banks
<b>Customer Deposits</b>	AEDbn	201	106	100	52	<b>147</b>	<b>2<sup>nd</sup> highest</b> amongst UAE banks

\*Comments based on the sample of the 5 largest (asset-based) UAE commercial banks

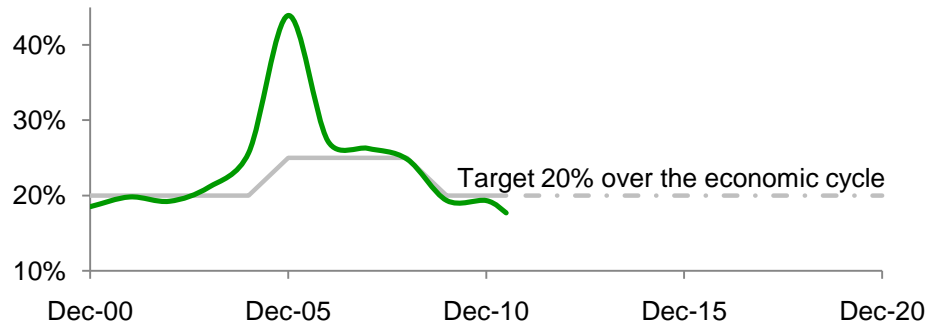
•Figures may have been reclassified/recalculated for comparative analysis

# adjusted for exceptional items

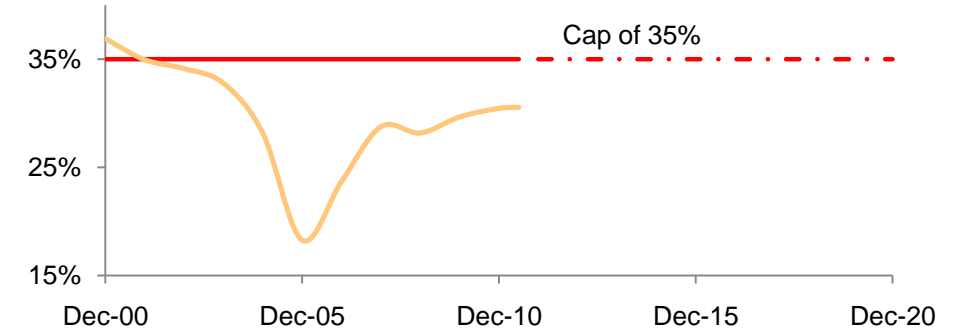
•Source: Financial Statements for the period as at 30 June 2011 for First Gulf Bank, Emirates-NBD, Abu Dhabi Commercial Bank, Mashreq and National Bank of Abu Dhabi

# Financial objectives

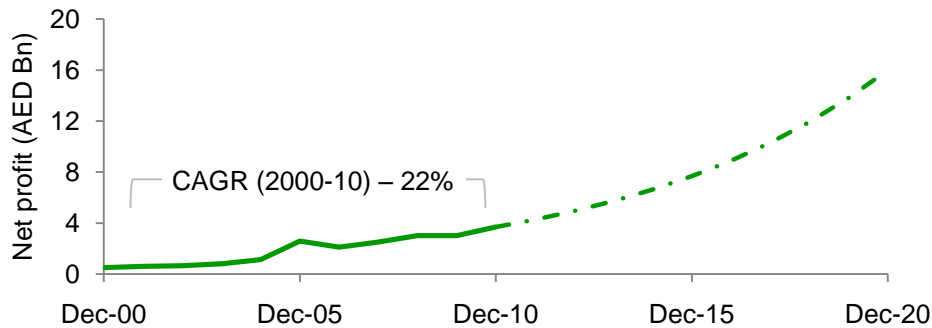
## Return on Shareholders' Funds – 20% over the medium-term



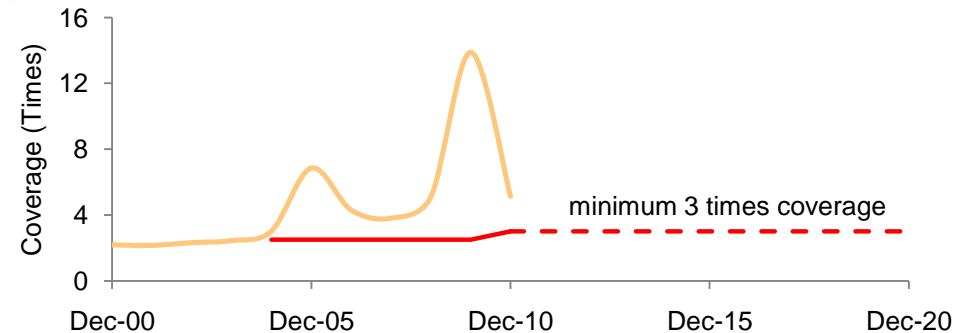
## Cost to Income ratio – 35% cap in the medium-term



## Earnings growth – targeted at 16% CAGR from 2010-2020



## Cash Dividends – min 3x covered by Net profits



## Non – Interest income

Target non-interest income to 35% as a proportion of the total operating income

## Capital adequacy

Maintain ratio above current UAE Central Bank minimum requirement of 12% (8% on Tier-1)

# Salient features of 2Q / 1H 2011 results

- 2<sup>nd</sup> quarter net profit at AED 1,026 million, 2.5% higher on 2<sup>nd</sup> quarter in 2010
- Net profits for the first half at AED 1,953 million, lower by 4% than first half of 2010
- 2<sup>nd</sup> quarter profits increased on higher lending volumes; slight decline in 1<sup>st</sup> half profits due to higher provisioning
- Increasing top-line revenues for last six quarters
- Return on shareholders' funds at 17.7%
- Strong balance sheet growth and adequately liquid for further growth

# 1H 2011 – Balance sheet highlights

- **Assets** up by 16.6% mainly driven by the growth in deposits
- **Loans and advances** grew strongly by 11.8% in the first half; up 6.8% in the 2<sup>nd</sup> quarter
- **Customer deposits** continued to grow by 4.4% in the 2<sup>nd</sup> quarter as well after increasing 14.6% in the 1<sup>st</sup> quarter
- **Capital resources** up 3.9% after payment of dividends - AED 120mn on GoAD Tier-I capital notes and AED 718mn to shareholders as a cash dividend for 2010

Consolidated Balance Sheet	30 Jun'11 (AED bn)	% chg (vs Dec'10)	% chg (vs Jun'10)
Assets	246.5	↑ 17%	↑ 22%
Loans & Advances	153.0	↑ 12%	↑ 13%
Customers' Deposits	147.2	↑ 20%	↑ 31%
Shareholders' funds*	21.3	↑ 6%	↑ 16%
Total Capital resources	33.7	↑ 4%	↑ 10%

\* Excludes AED 4bn Government of Abu Dhabi (GoAD) Tier-I capital notes

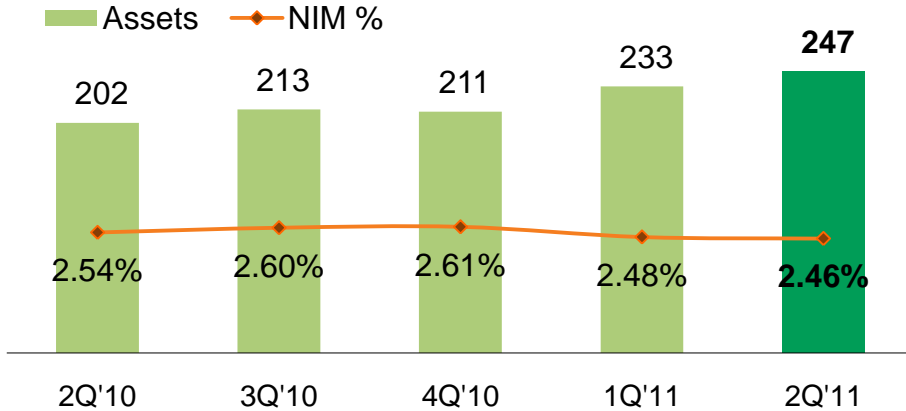
# 1H 2011 – Income statement highlights

- ❑ **Operating income** up by 9.6% on higher net interest income (up 13%) and higher net fees and commissions (up 7%)
- ❑ **Operating expenses** rose by 18% on organic growth and continued investment in our businesses; cost-income ratio at 30.5% still within the cap of 35%
- ❑ **Impairment charges** were higher due to conservative provisioning – higher collective and specific provisions
- ❑ **Net profits** lower mainly due to higher provisions; nevertheless top line revenues, operating profits continue to pace higher

Consolidated Income Statement	1H 2011 (AED mn)	1H 2010 (AED mn)	% chg
Operating Income	3,888	3,548	↑ 10%
Operating expenses	1,188	1,004	↑ 18%
<b>Operating Profits</b>	<b>2,701</b>	2,544	↑ 6%
Impairment charges, net	696	463	↑ 50%
<b>Net profits</b>	<b>1,953</b>	2,032	↓ 4%

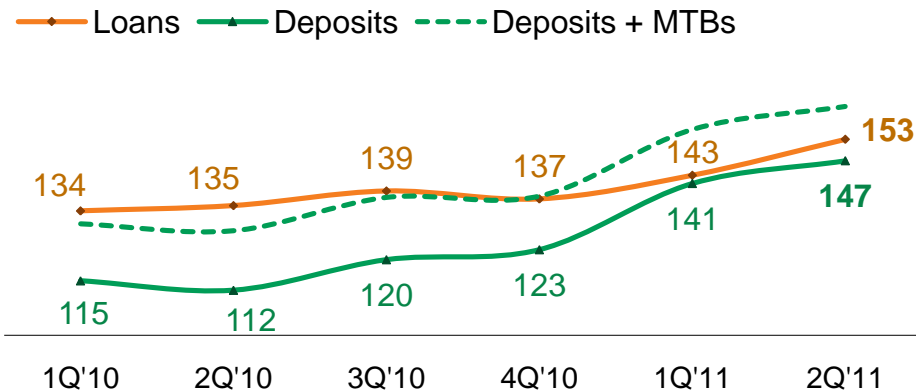
# Assets

## Assets (AED bn) and Net Interest Margins\* (%)

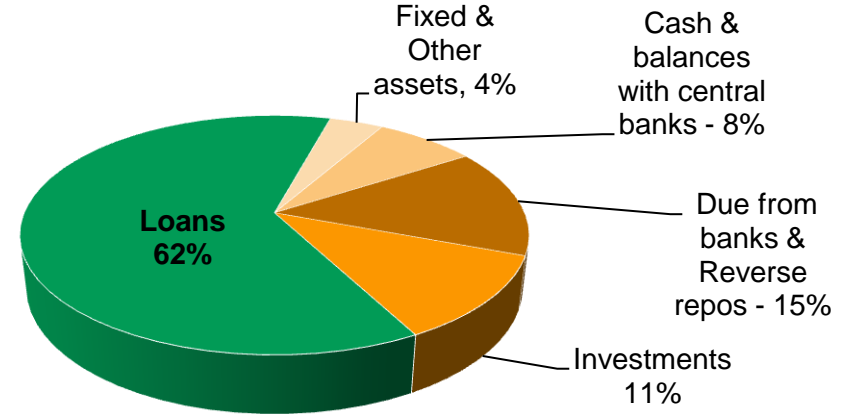


\*Based on period end figures for Net Interest Income (annualised) and Average Assets for the period

## Loans & Customer Deposits (AED bn)



## Composition of Assets – AED 247bn (1H 2011)



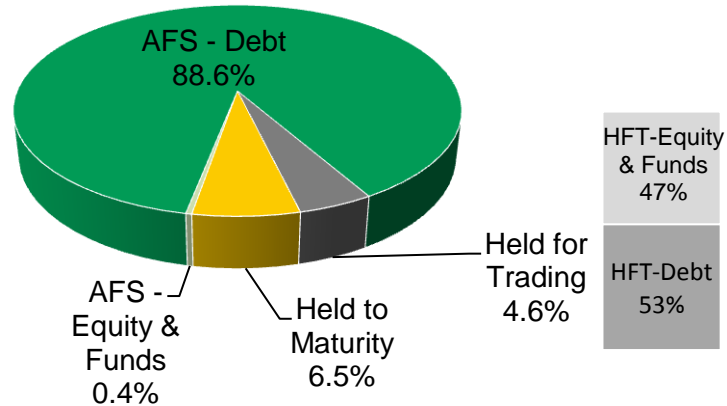
## Key points

- NIMs\* at **2.49%** in 1H'11, slight lower than 2.53% for 1H'10; and lower than 2.57% for the full year 2010
- Regulatory loans to stable resources ratio within stipulated UAE Central Bank cap
- Optimal loans to deposits ratio at **104%** at 1H'11; emphasis on increasing stable/medium-term borrowings



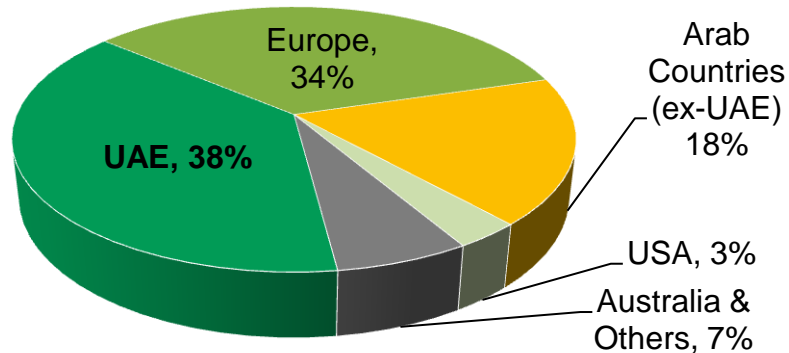
# Investments

## Investments – AED 28.4bn



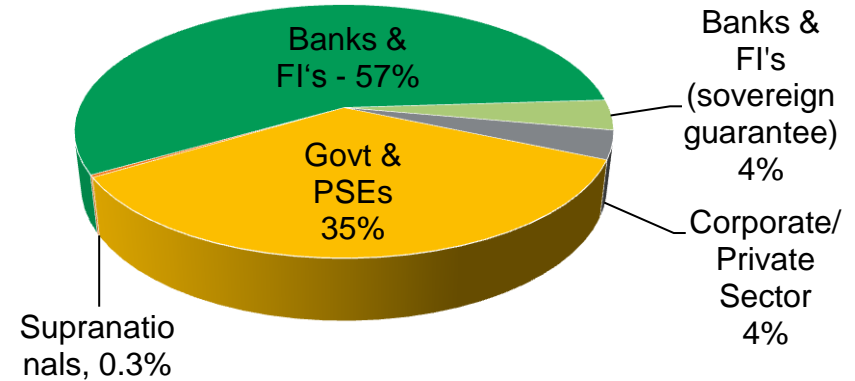
• HFT – AED 1.3bn ; HTM – AED 1.8bn ; AFS – AED 25.3bn

## AFS investments by region



\* Based on location of the issuer of the security or parent in case of SPV's

## AFS investments by issuer

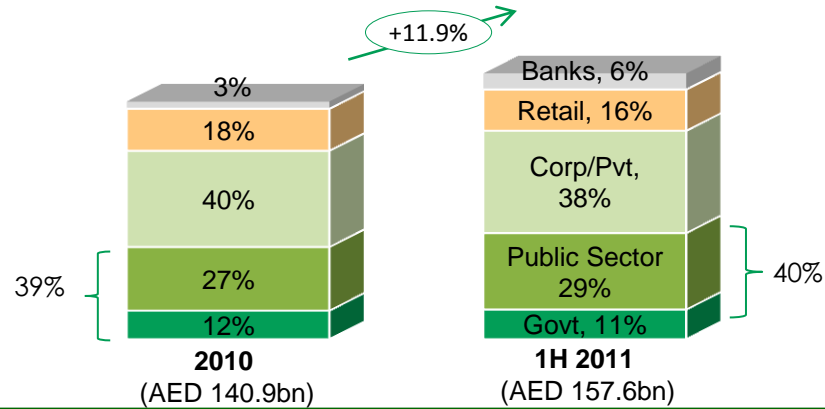


## Key points

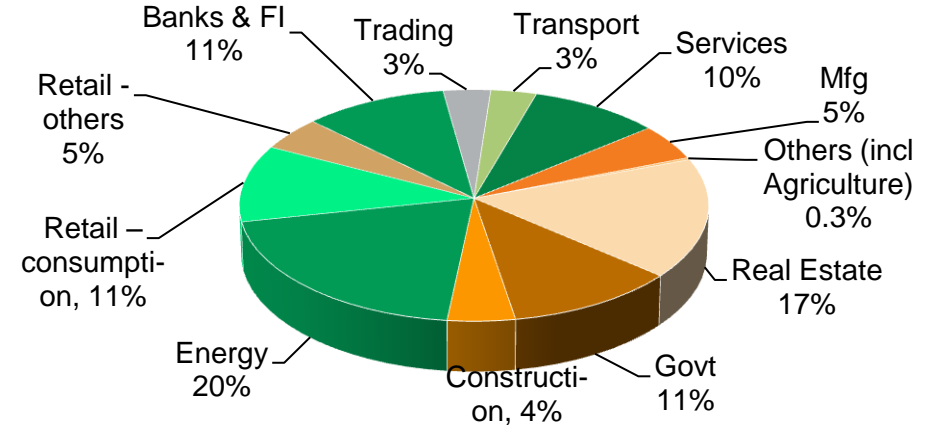
- More than two-thirds (2/3rd) of Available for Sale (AFS) investments are rated AA & above
- Debt instruments include corporate and banks, treasury bills and government bonds

# Loans and advances

## Loans (gross) by customer type

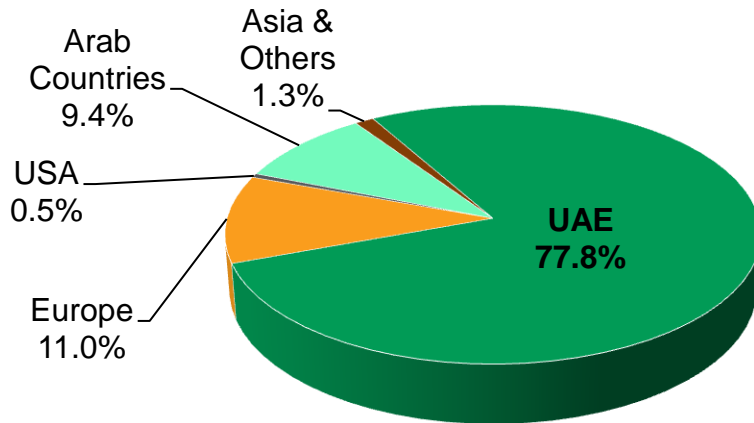


## Loans (gross) by economic sector



- Diversified portfolio across economic sectors

## Loans by geography (2010)



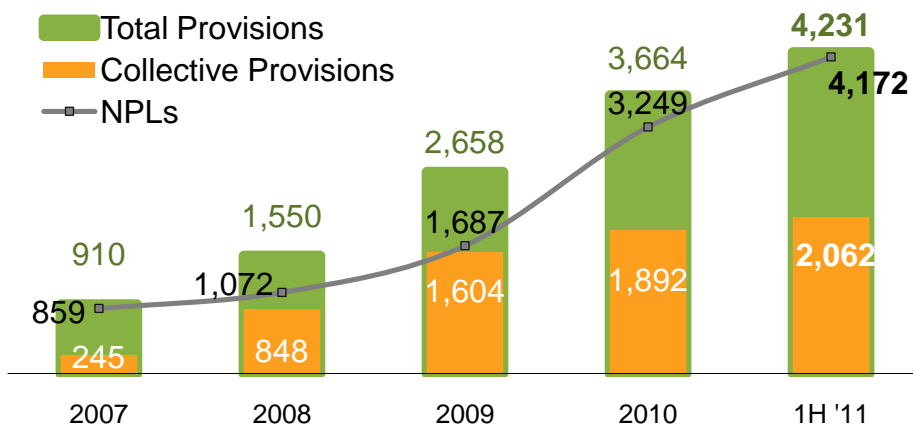
## Key points

- Stronghold in Corporate & Private sector and Government related businesses
- Diversified portfolio across various sectors
- Prudent loan growth and conservative underwriting process

\* Based on residential status of borrower

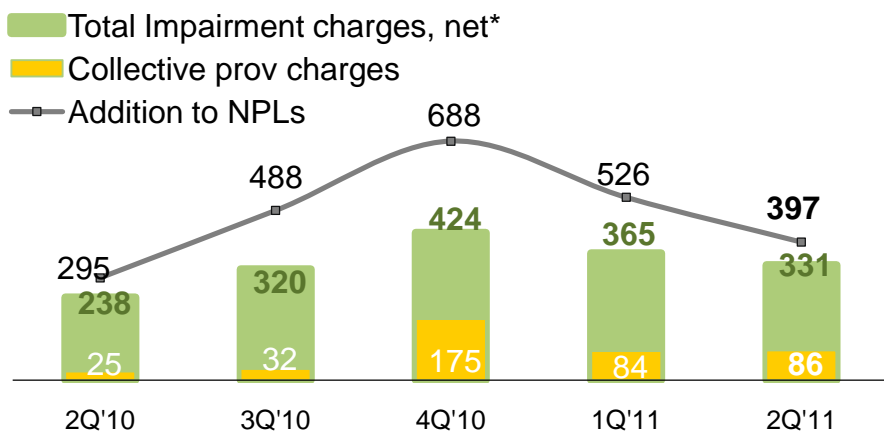
# Provisions & NPLs

## Provisions\* & NPLs (AED mn)



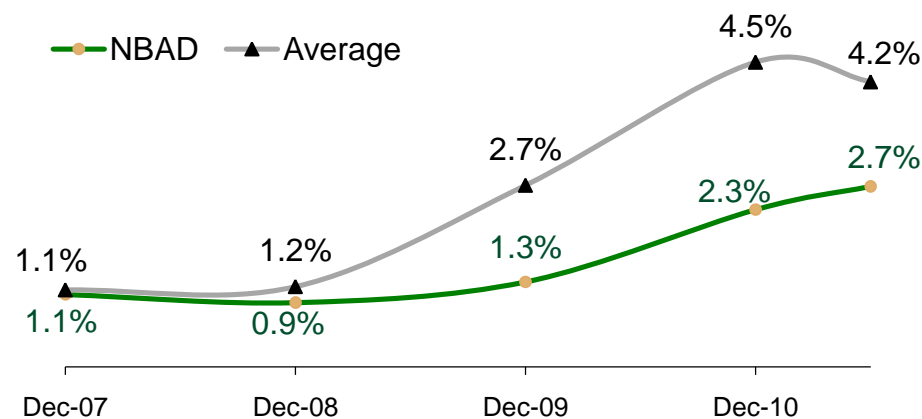
\* Provisions on loans & advances - excludes all other provisions

## Impairment charges & Addition to NPLs (AED mn)



\* Net of recoveries, write-backs and write-offs and includes provision on investments

## NPLs (NBAD vs Major UAE Banks\*)



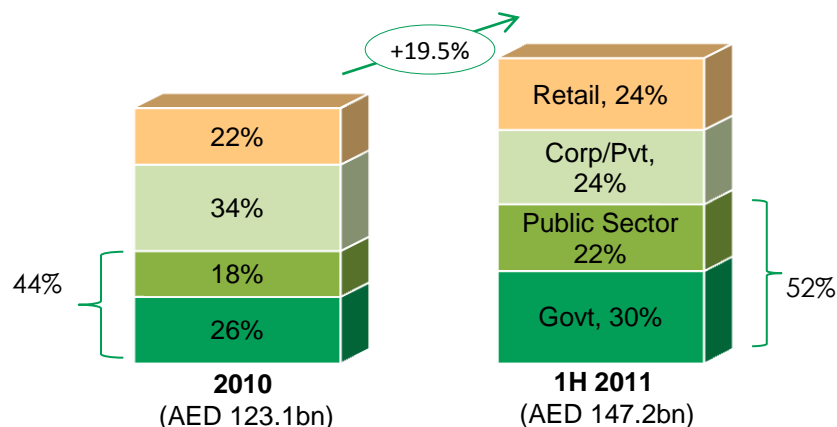
• Average NPL ratio of ENBD, NBAD, ADCB, FGB (Source: NBAD, Published financials)  
 • NPLs above exclude Dubai World related exposure classified as impaired by some of the banks included in the sample

## Key points

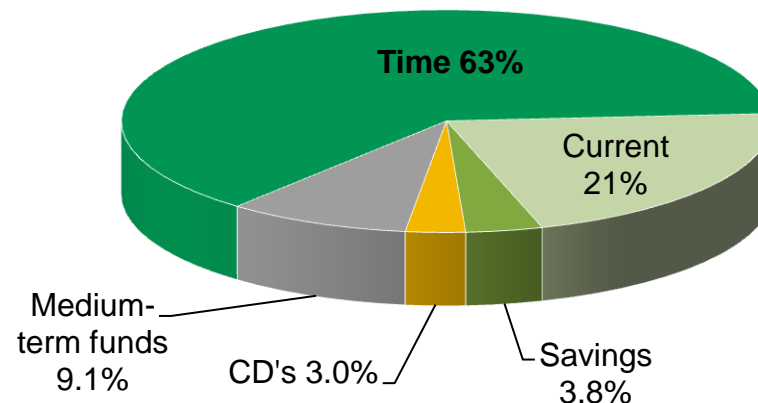
- NPLs increased by AED 923mn in 1<sup>st</sup> half of 2011 (AED 397mn in 2Q'11) to **AED 4,172mn** from AED 3,249mn at end-2010
- NPLs ratio at **2.65%** at the end of 1<sup>st</sup> half (2.3% at end-2010)
- Specific provisions at **52%** as a percentage of NPLs at the end of 1<sup>st</sup> half (2010 – 54.5%), excluding collaterals (estimated value of AED 1.7bn at 31 Dec 2010)
- Collective provisions of **AED 2,062mn** represents 1.39% of performing credit risk weighted assets (target – 1.5% by 2014 as per UAE Central Bank requirements)

# Funding profile

## Deposits by customer type

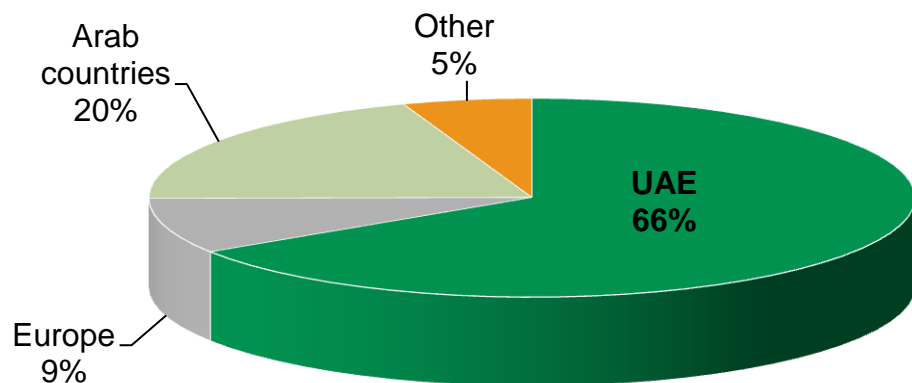


## Deposits & medium-term funds by type



- Medium term borrowings at AED 14.7bn at Jun-2011

## Deposits by geography (2010)



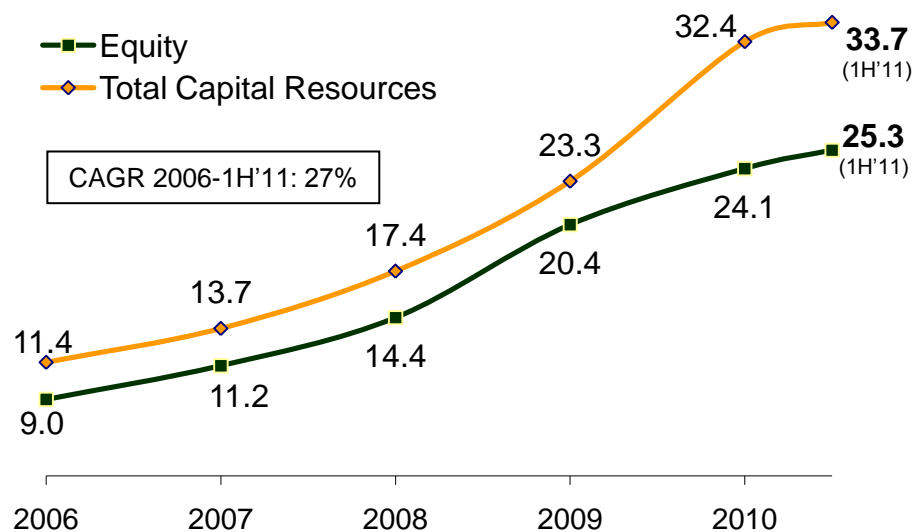
\* Based on residential status of depositor

## Key points

- Substantial funding from government & public sector entities reflecting our long standing relationship with them
- No maturities slated for 2011; AED 2.9bn to mature in 2012
- Recent benchmark issuances:
  - JPY 10bn @ 2.6% fixed issued in July 2011 for 15 years
  - MYR 500mn @ 4.9% fixed issued in Dec 2010 for 10 years
  - MYR 500mn @ 4.75% fixed issued in June 2010 for 5 years
  - USD 750mn @ 4.25% fixed issued in Mar 2010 for 5 years

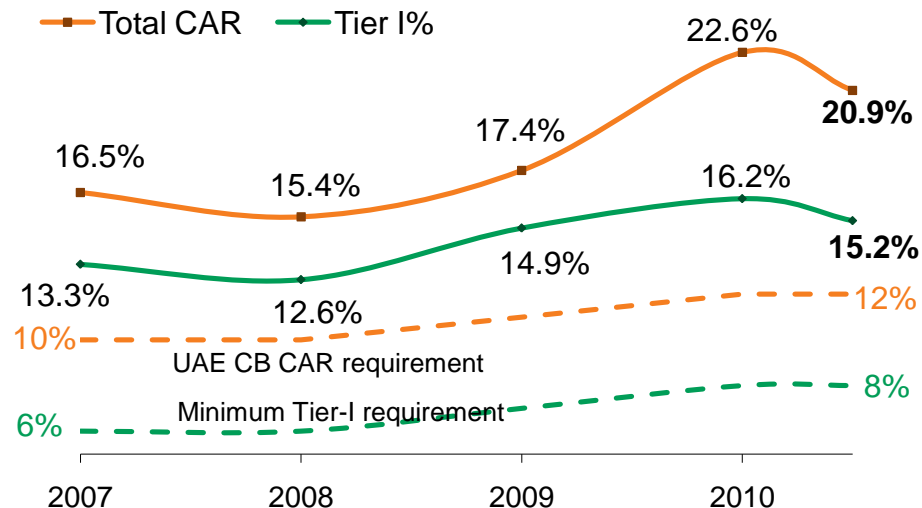
# Capital

## Capital resources (AED Bn)



- Capital resources at AED 33.7bn comprise of :
  - Equity of AED 25.3bn (without any property revaluation gains) includes AED 4bn Govt of Abu Dhabi Tier-I capital notes: non-dilutive, non-cumulative, perpetual; issued in March 2009
  - Subordinated notes (AED 8.4bn)
- Among the lowest leverage ratios (assets to capital resources) at 7.3x

## Capital adequacy (Basel-II)

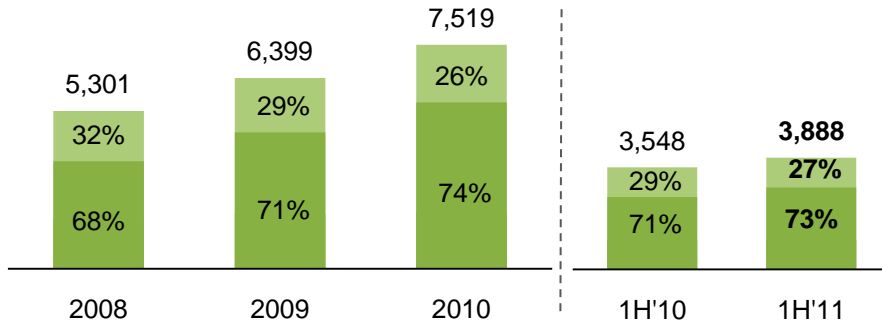


- UAE Central bank's minimum capital adequacy requirements increased to 12% as of June 2010 (8% on Tier-I)
- Capital Adequacy ratio (Basel-II) at 30 Jun 2011 at 20.9% (on Tier-I – 15.2%) well above the Basel-II and UAE Central Bank's minimum requirements

# Income statement

## Operating income (AED mn)

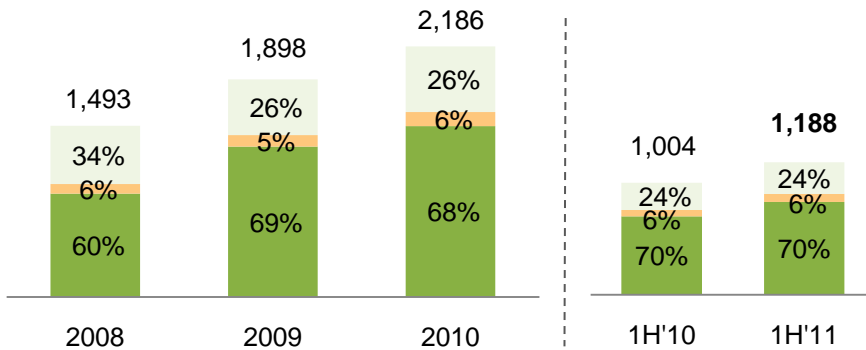
- Fees, Commissions & other non-interest income
- Net interest income & net income from Islamic financing



- 13% growth in net interest income in 1H'11 over 1H'10

## Operating expenses (AED mn)

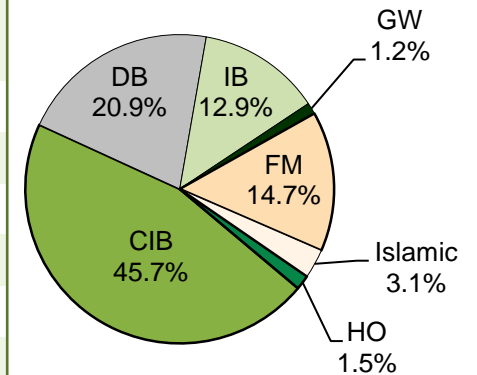
- Staff costs
- Depreciation
- Others



- Cost-income ratio remains within our medium-term cap of 35%, while organic growth continues

## Operating profits by business segment – 1H'11 (AED mn)

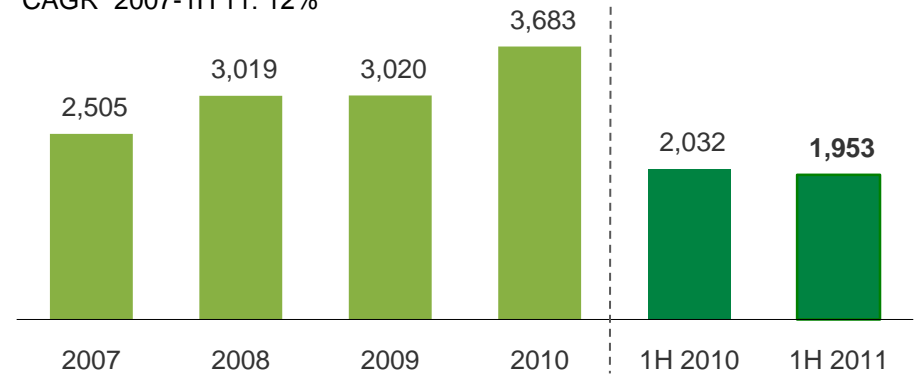
Corporate & Investment banking	1,235
Domestic banking	565
International banking	349
Global Wealth	32
Financial Markets	396
Islamic banking	83
Head Office	41



- Operating profits were AED 2,701mn in 1H'11, up 6% YoY

## Net profits (AED mn)

CAGR\* 2007-1H'11: 12%



- 1st half net profits lower by 4% YoY due to higher provisioning

\* Annualised

# Outlook



**Loan growth expected to be between 15-20% for 2011; NPLs forecasted to stabilise at end-2011**



**Gradually increasing collective provisions to 1.5% of Credit RWAs by 2014 in line with UAE Central Bank directives**



**Organic growth to continue with investments in our franchise, network, systems and people**  
*- our Malaysian subsidiary is expected to be established in 1<sup>st</sup> quarter of 2012*



**Continue to diversify our sources of funding & access new markets and segments of investors**  
*- First GCC financial institution to tap the Samurai market (Japanese Yen local bond) in July 2011*



**Target a return on shareholders' funds of 20% in the medium-term**

*“Our focus remains on top-line operating revenues which are up 10% year on year. Given the weak global economy and some regional uncertainty, low interest rates and absence of any major exceptional items, this increase can be judged a fine achievement.”*

**- Michael H Tomalin**  
Group Chief Executive

# Appendix

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# Consolidated balance sheet

	<i>AED mn</i>				
	Jun '11	Dec '10	% chg	Jun '10	% chg
<b>CONSOLIDATED BALANCE SHEET</b>					
Cash and balances with central banks	18,782	18,430	2	15,033	25
Due from banks	16,012	14,765	8	19,771	(19)
Reverse repos	20,287	10,898	86	4,012	406
Investments	28,414	22,689	25	20,514	39
Loans and advances to customers	152,957	136,833	12	135,037	13
Other assets (incl premises & equipments)	10,076	7,812	29	7,302	38
<b>ASSETS</b>	<b>246,528</b>	<b>211,427</b>	<b>17</b>	<b>201,669</b>	<b>22</b>
Due to banks	38,493	31,551	22	32,269	19
Repurchase agreements with banks	2,847	2,543	12	3,050	(7)
Customers' deposits	147,196	123,131	20	112,161	31
Medium-term borrowings/ notes/ ECP's	14,710	14,494	1	16,109	(9)
Other liabilities	9,595	7,283	32	7,333	31
Subordinated convertible notes	8,371	8,312	1	8,403	-
<b>LIABILITIES</b>	<b>221,212</b>	<b>187,314</b>	<b>18</b>	<b>179,325</b>	<b>23</b>
Share capital	2,870	2,392	20	2,392	20
Govt of Abu Dhabi's Tier-I capital notes	4,000	4,000	-	4,000	-
Reserves, etc	18,446	17,721	4	15,952	16
<b>EQUITY</b>	<b>25,316</b>	<b>24,113</b>	<b>5</b>	<b>22,344</b>	<b>13</b>
<b>LIABILITIES and EQUITY</b>	<b>246,528</b>	<b>211,427</b>	<b>17</b>	<b>201,669</b>	<b>22</b>

# Consolidated income statement

							AED mn
Consolidated Income Statement	1H'11	1H'10	% chg	2Q'11	2Q'10	% chg	FY'10
Interest income (includes income from Islamic financing)	4,004	3,514	14	2,044	1,795	14	7,430
Interest expense (includes Depositors' share of profits)	(1,150)	(998)	15	(569)	(518)	(10)	(2,181)
<b>Net interest income</b>	<b>2,854</b>	<b>2,516</b>	<b>13</b>	<b>1,475</b>	<b>1,277</b>	<b>16</b>	<b>5,249</b>
Other income	1,035	1,032	-	532	499	6	1,930
<b>Operating Income</b>	<b>3,889</b>	<b>3,548</b>	<b>10</b>	<b>2,007</b>	<b>1,776</b>	<b>13</b>	<b>7,179</b>
Operating Expenses	(1,188)	(1,004)	18	(622)	(510)	22	(2,186)
<b>Operating Profit</b>	<b>2,701</b>	<b>2,544</b>	<b>6</b>	<b>1,385</b>	<b>1,266</b>	<b>9</b>	<b>4,993</b>
Net impairment charge	(696)	(463)	50	(331)	(238)	39	(1,207)
<b>Profit Before Taxes</b>	<b>2,005</b>	<b>2,081</b>	<b>(4)</b>	<b>1,054</b>	<b>1,028</b>	<b>3</b>	<b>3,786</b>
Overseas income tax expense	(52)	(49)	6	(28)	(27)	8	(103)
<b>NET PROFIT</b>	<b>1,953</b>	<b>2,032</b>	<b>(4)</b>	<b>1,026</b>	<b>1,001</b>	<b>2</b>	<b>3,683</b>

# Credit ratings profile

## Moody's

**Aa3/Stable/P-1**

*Upgraded from A1 in Aug 2006*

### Credit Strengths:

- Leading domestic franchise underpinned by its strong ties with the Govt of Abu Dhabi
- Strong asset growth potential given its high capital levels, Abu Dhabi Govt projects and favourable operating conditions in its home emirate Abu Dhabi
- High capitalisation levels and strong core profitability underpinned by a successful business model
- NBAD's majority ownership by the Govt of Abu Dhabi (70%) underpins its deposit ratings

## S&P

**A+/Stable/A-1**

*Upgraded from A in May 2007*

- NBAD generally maintains strong profitability compared with levels in the Gulf region; Adequate interest margins, good efficiency and stable fee and commission income, in our opinion, underpin the bank's profitability
- The bank's asset quality is also among the strongest in the Gulf region

### Strengths:

- ✓ Majority ownership by the Abu Dhabi Govt
- ✓ Strong domestic commercial position
- ✓ Robust profitability
- ✓ Good asset quality indicators

## Fitch

**AA-/Stable/F1+**

*Upgraded from A+ in Nov 2007*

- Leading domestic franchise, with strong ties to the Abu Dhabi Govt
- Benefits from low funding cost due to its leading Abu Dhabi franchise and relatively extensive branch network, in addition to a "flight of safety effect", especially during periods of uncertainty
- Conservative approach to risk management; Limited market risk

Other ratings: RAM (Malaysia) – **AAA**, R&I (Japan) – **A+**, Capital Intelligence – **AA-**

# Clear strategy

## Domestic Banking

- **Consumer Banking:**
  - Grow domestic market share by utilising the bank's strong distribution network and balance sheet (Security and Convenience Banking)
  - Expanding channels such as branches, internet, phone/mobile banking, ATMs service
  - Increase focus on fee generation through transactions
  - Products – mortgage loans, personal loans, motor loans, cards, bancassurance, wealth management
- **Business Banking:** Develop commercial business with Small & Medium scale enterprises
- **Elite Banking:** Develop elite business through HNW UAE Nationals & others requiring specialised personal services

## International Banking

- **Network Growth:** "In country" strategy in MENA; cross border outside MENA
- **Commercial Efficiency:** Enhance cross selling
- **New Markets:** Further growth into new markets including Qatar, Jordan, & Hong Kong

## Financial Markets

- **Liquidity management & Interest rate products:** Manager of NBAD group's liquidity and funding; provider of all interest rate products including derivatives and repo
- **Institutional & Corporate Coverage:** Provide total client coverage and e-commerce, institutional coverage and corporate coverage throughout the region
- **Proprietary trading and Investments:**
  - Fixed income
  - Structured products and investments
  - MENA equities
  - Foreign exchange
  - Portfolio management
  - Research

## Corporate & Investment Banking

- **Corporate Banking Group**
  - Relationship management with leading corporates and institutions
- **Wholesale Banking Group**
  - Global Project and Structured Finance
  - Syndications and Specialised Portfolio
  - Financial Institutions Department
  - Global Trade Finance
- **Investment Banking Group**
  - Leading regional provider of Investment Banking services across equity & debt instruments, advisory and M&A
- **Private Equity**
  - Develop private equity funds, projects and direct investments across multiple industry sectors
- **ADNP**
  - Abu Dubai National Property – Property management, advisory and development
- **ADNL**
  - Abu Dubai National Leasing – Lease financing
- **Special Asset Advisory**

## Global Wealth

- **Private Banking (incl NBAD Suisse)**

To become a first choice provider of sophisticated and customised wealth management solutions to Ultra-High Net Worth Individuals in the UAE and overseas:

  - Breadth of product offering: Open architecture of best in class products, including growth and capital preservation products and advisory service
  - Flexibility in locations: **Off-shore platform** – subsidiaries in Jersey and Geneva (standalone Swiss regulated Bank) & **onshore** (UAE)
- **Asset Management**
  - Aim to be among top three Asset Management companies in the MENA region
- **Brokerage**
  - Maintain leadership as one of the most active stockbrokers in the UAE & expand within region organically and by acquisition (e.g. purchase of 70% of Al Salam Brokerage in August 2008)
- **Custody Services**
  - Provide custody services in UAE & regionally; non-discretionary portfolio management and funds administration

# Clear strategy (cont'd)

## Abu Dhabi National Islamic Finance

- **Brand Building:** Position the Islamic finance company (ADNIF) as an expert in Islamic finance and take advantage of the fast growth in the Islamic banking industry
- **Islamic Banking Division:** Provide Islamic-compliant core transaction banking services

## Support Divisions

- **Human Resources:** Attract, select and retain skilled staff across all NBAD businesses
- **Operations & IT:** Leverage off the New Core Banking System implemented in 2007
- **Investor Relations:** Provide the stakeholders with transparent disclosure, and timely corporate and financial information
- **Risk Management:** To be the premier bank in the UAE in the field of Risk Management, reflecting good practices and managing the risks emanating from business activities thus ensuring optimal return on shareholder funds
- **Management systems:** Continue to develop state-of-the-art customer centric systems to support NBAD's growth
- **Corporate Governance:** Shaping and monitoring corporate governance policies and practices as well as to evaluate compliance with regulatory authorities

# Contact Us



**Best Risk Management in MENA**

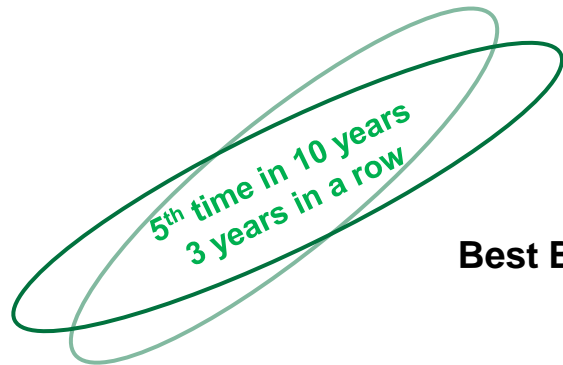
**Best Bank in UAE**

by Bankers' Middle East

**SAFEST BANK in the MIDDLE EAST (2011)**

**RANKED amongst the WORLD'S SAFEST BANKS 3 years in a row**

by Global Finance



**Best Bank in UAE**

by Euromoney



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