



# Investor presentation

Performance review – 3Q/ 9M 2011

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بنك أبوظبي الوطني  
NATIONAL BANK OF ABU DHABI

The safest bank is in the news again. For the third consecutive year, the Global Finance magazine has recognized NBAD's continued success. And we don't just stop here. NBAD has also been awarded as the Best Bank in the UAE for 2011 by both Banker Middle East and Euromoney magazines. A feat we are all proud of in our endeavour to become your partner.

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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)

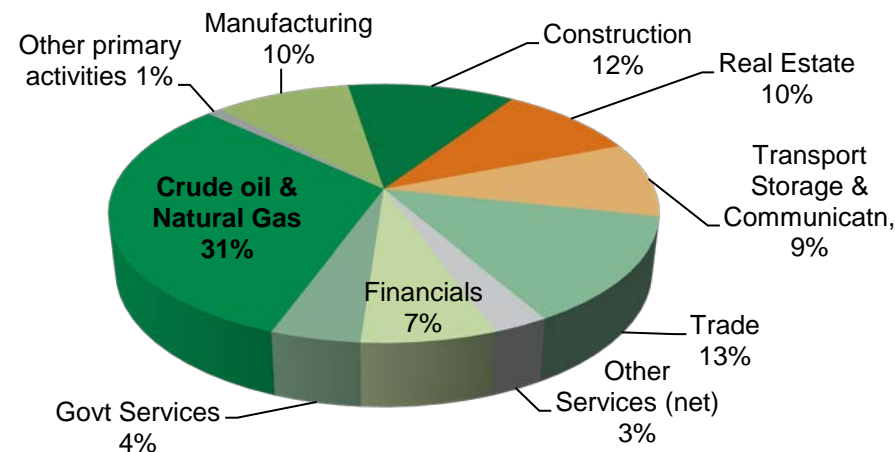
Source: Bloomberg, IMF, UAE Central Bank, US Energy Information Administration

## 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) ( <i>3<sup>rd</sup> highest in the world – IMF</i> )
<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 ~ <b>50%</b> 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	Sep 2011 <sub>est</sub>
Total Assets <sup>1</sup>	413.6	437.1	455.2
Certificates of Deposit held by Banks	19.6	25.6	24.1
Investments by Banks	32.4	33.8	40.3
Deposits <sup>2</sup>	267.5	285.8	290.6
Bank Credit <sup>3</sup>	277.1	280.8	292.7
Specific Provisions	8.9	12.1	50.4
General Provisions	2.9	3.4	15.5
Capital Adequacy Ratio	19.2%	20.8%	21.2%
<b>Banks &amp; Branches<sup>4</sup></b>			
National Banks (23)	795	867	893
Foreign Banks (28)	154	162	163

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	As at (2011)	Growth (YoY)	Banking Sector Assets (USD bn)
UAE	Sep	5.5%	455.2
S. Arabia	Sep	9.6%	402.1
Bahrain	Aug	(5.8)%	198.1
Kuwait	Sep	4.4%	155.2
Qatar	Sep	23.8%	176.9
Oman	Aug	6.5%	42.9
GCC Estimate		6.7%	1,430.4

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 since 2009

# 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

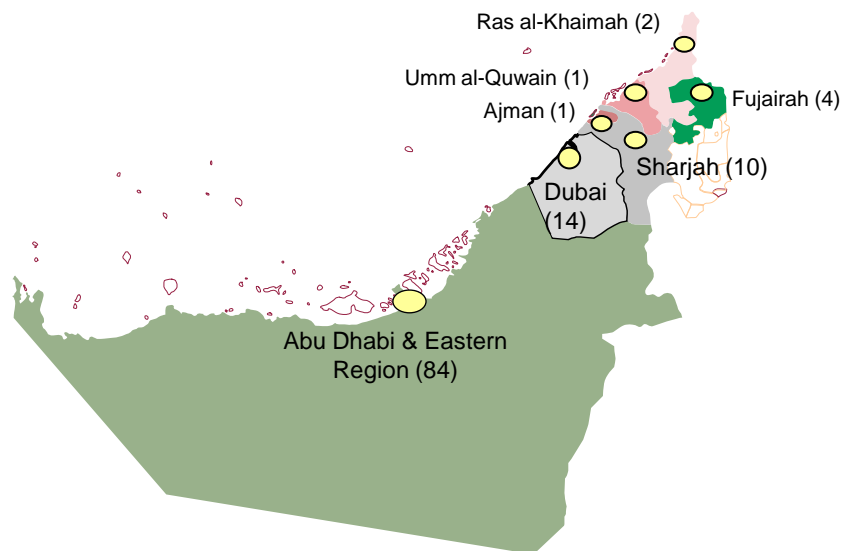
## Presence

- UAE - 116 branches\*, 483 ATMs+ in all the 7 emirates
- Egypt – 28 branches\*, 44 ATMs
- Other Overseas – 22 units\*, 19 ATMs

## Stock Info

(Price as of 30 Sep 2011; ratios based on 9M'11 financials)

Market Cap (Price @ AED 10.60)	AED 30.4bn (US\$ 8.3bn)
Diluted EPS (9M 2011)	0.94
PE Ratio	8.1
Price / Book	1.4
Shares Issued (@ AED 1)	2,870 mn
Free float:	29.5% (Non-UAE – 2.5%)



*Most international bank in UAE*

\*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>▶ Corporate coverage &amp; e-commerce</li> <li>▶ Institutional coverage &amp; Primary markets</li> <li>▶ Liquidity management &amp; Interest rate products</li> <li>▶ Trading &amp; Investments</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 – Leasing</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 9 Months of 2011

		E-NBD	ADCB	FGB	Mashreq	NBAD	Comments*
<b>Return on Shareholders' Funds<sup>#</sup></b> (annualised)	%	3.4	8.3	15.7	8.8	17.7	1 <sup>st</sup> in providing RoSF to its shareholders
<b>Attributable Profit<sup>#</sup></b>	AEDm	977	1,199	2,672	775	2,984	1 <sup>st</sup> amongst UAE banks
<b>Cost Base</b> (incl amortisations)	AEDm	2,553	1,515	883	1,311	1,805	2 <sup>nd</sup> lowest cost to income ratio <sup>#</sup> amongst UAE banks
<b>Total Assets</b>	AEDbn	272	183	156	80	242	2 <sup>nd</sup> highest amongst UAE banks
<b>Total Equity</b>	AEDbn	35.2	21.6	25.8	12.8	26.1	2 <sup>nd</sup> highest amongst UAE banks
<b>Customer Loans</b>	AEDbn	196	124	102	38	156	2 <sup>nd</sup> highest amongst UAE banks
<b>Customer Deposits</b>	AEDbn	184	108	96	44	143	2 <sup>nd</sup> highest amongst UAE banks

\*Comments based on the sample of the 5 largest (asset-based) UAE commercial banks (excl Dubai Islamic Bank being an Islamic bank)

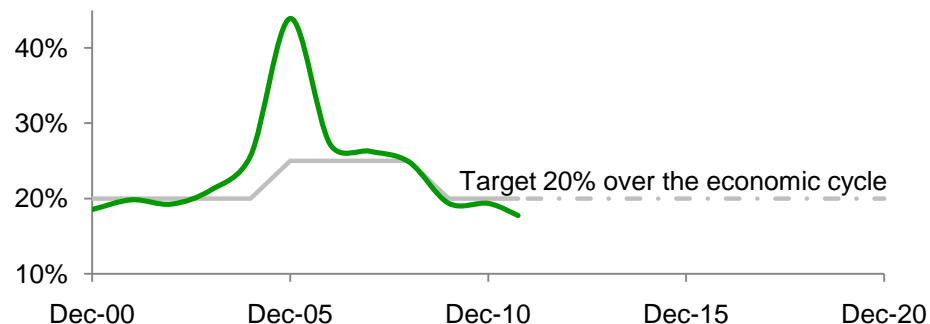
•Figures may have been reclassified/recalculated for comparative analysis

# adjusted for exceptional / non-recurring/ other non-cash related gains (or losses) on sale of fixed assets or investment property

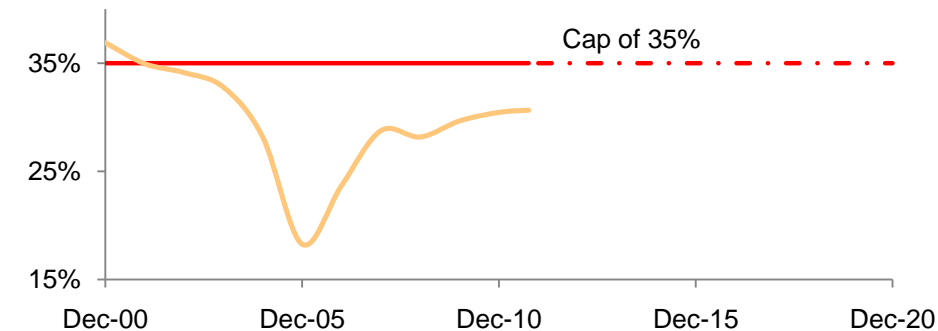
Source: Financial Statements for the period as at 30 September 2011 for First Gulf Bank, Emirates-NBD, Abu Dhabi Commercial Bank, Mashreq and National Bank of Abu Dhabi

# Financial objectives

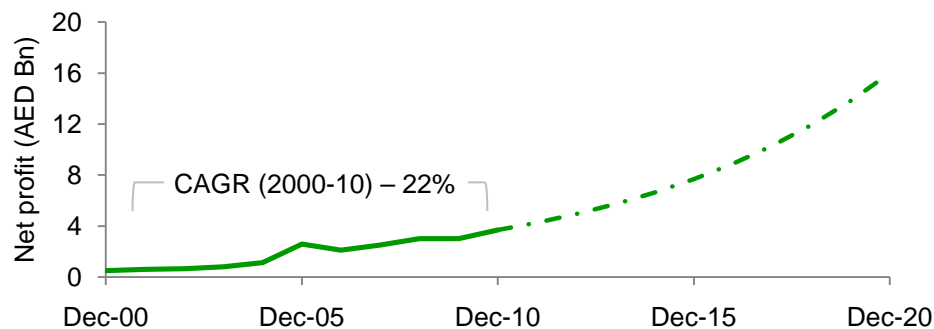
## Return on Shareholders' Funds – 20% over the medium-term



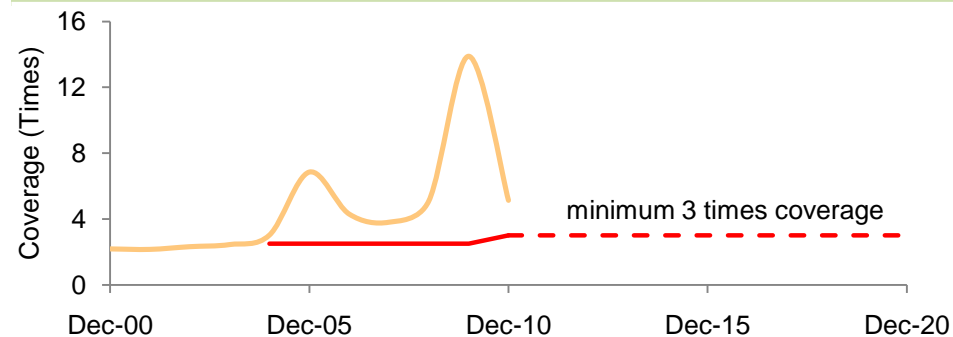
## Cost to Income ratio – 35% cap in the medium-term



## 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 3Q / 9M 2011 results

- AED 3 billion earned in net profit in the 9 months of 2011
- 3<sup>rd</sup> quarter net profits of AED 1.03 billion, 12% higher than the corresponding quarter of 2010
- Top-line revenues maintain momentum with a growth of 10% year-on-year
- Return on shareholders' funds at 17.7%
- Listed amongst the world's 50 safest banks\* for third year in a row

\* by Global Finance

# 9M 2011 – Balance sheet highlights

- ❑ **Assets** up by 14% on Dec 2010 on strong growth in loans & advances
- ❑ **Loans and advances** continued to grow in the 3<sup>rd</sup> quarter by another 1.9% taking the year to date growth to 14%
- ❑ **Customer deposits** are higher by almost AED 20bn (16%) since Dec 2010
- ❑ **Shareholders' funds** up 10% on Dec 2010 after payment of dividends - AED 240mn on GoAD Tier-I capital notes for 2011

Consolidated Balance Sheet	30 Sep'11 (AED bn)	% chg (vs Dec'10)	% chg (vs Sep'10)
Assets	242.0	↑ 14%	↑ 13%
Loans & Advances	155.8	↑ 14%	↑ 12%
Customers' Deposits	142.6	↑ 16%	↑ 18%
Shareholders' funds*	22.1	↑ 10%	↑ 13%
Total Capital resources	34.2	↑ 6%	↑ 8%

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



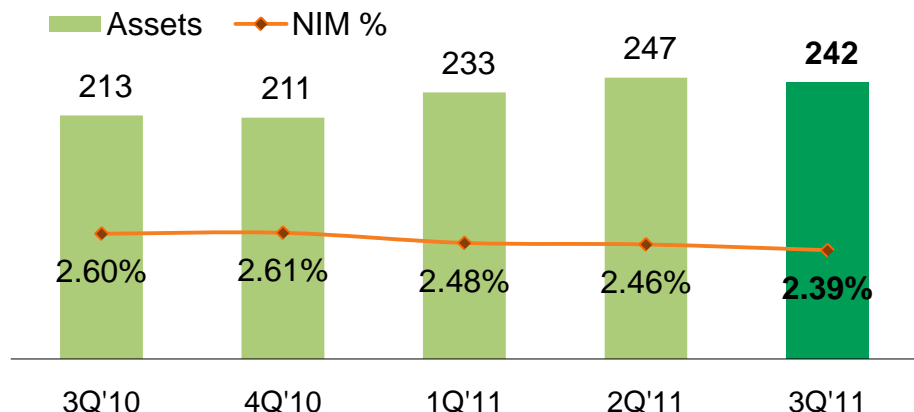
# 9M 2011 – Income statement highlights

- ❑ **Operating income** continues the momentum growing by 10% on higher net interest income (up 12%) and higher net fees and commissions (up 5%)
- ❑ **Operating expenses** rose by 16% in line with the growth of the business on organic growth and continued investment in our businesses; cost-income ratio at 30.7% still within the cap of 35%
- ❑ **Impairment charges** were higher due to conservative provisioning – collective provision increased by AED 257mn in 2011
- ❑ **Net profits** increase on higher operating revenues, albeit subdued by higher costs and impairment charges

Consolidated Income Statement	9M 2011 (AED mn)	9M 2010 (AED mn)	% chg
Operating Income	5,889	5,361	↑ 10%
Operating expenses	1,805	1,554	↑ 16%
Operating Profits	4,084	3,807	↑ 7%
Impairment charges, net	1,017	783	↑ 30%
Net profits	2,984	2,951	↑ 1%

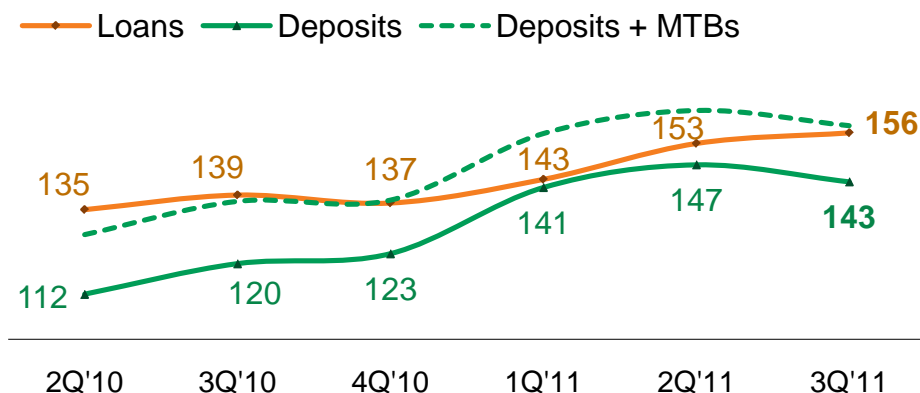
# Assets

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

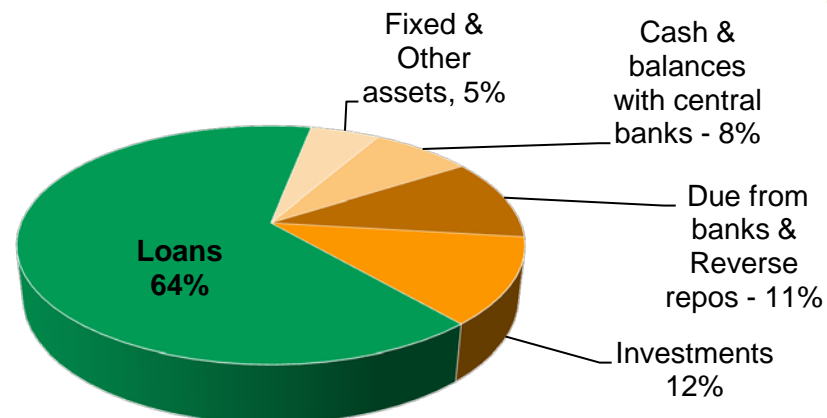


\*Based on period end figures for Net Interest Income (annualised) and Average Assets for the period

## Loans & Customer Deposits (AED bn)



## Composition of Assets – AED 242bn (9M 2011)

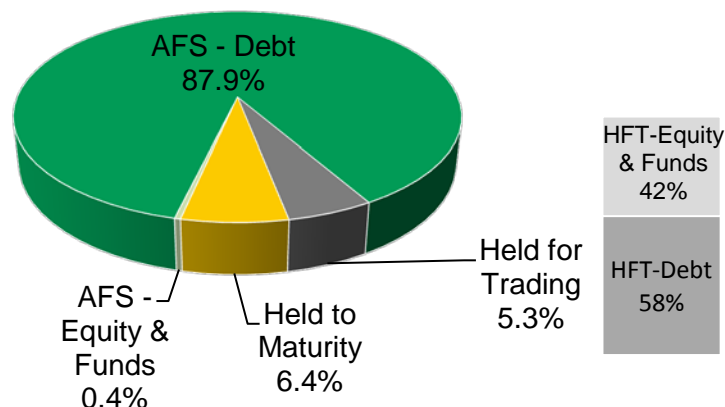


## Key points

- Year to date NIMs\* at **2.53%**, slightly better than 2.51% for 9M'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 **109%** at 9M'11; emphasis on increasing stable/medium-term borrowings

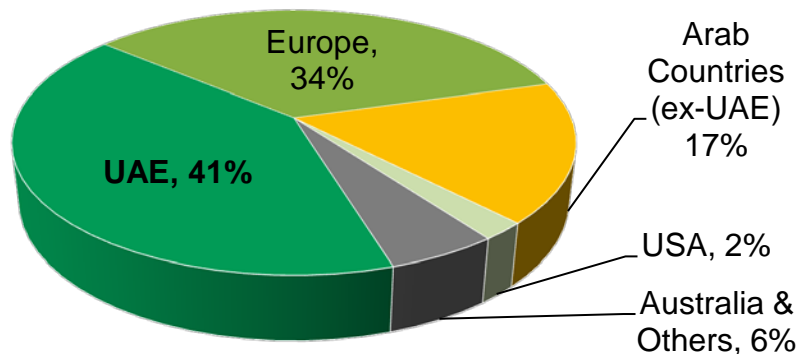
# Investments

## Investments – AED 28.4bn



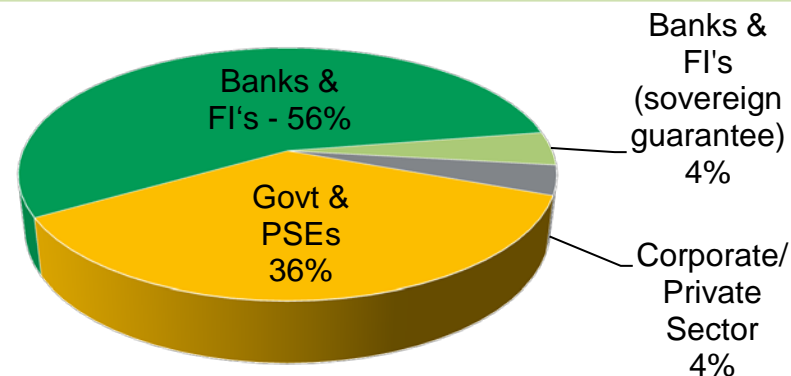
• HFT – AED 1.5bn ; HTM – AED 1.8bn ; AFS – AED 25.1bn

## AFS investments by region



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

## AFS investments by issuer

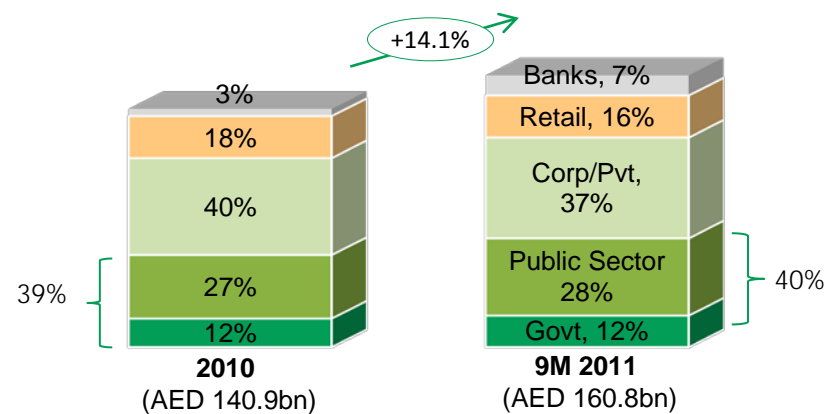


## Key points

- 89% of Available for Sale (AFS) investments are rated A & above; ~ 67% rated AA and above
- Debt instruments include corporate and banks, treasury bills and government bonds

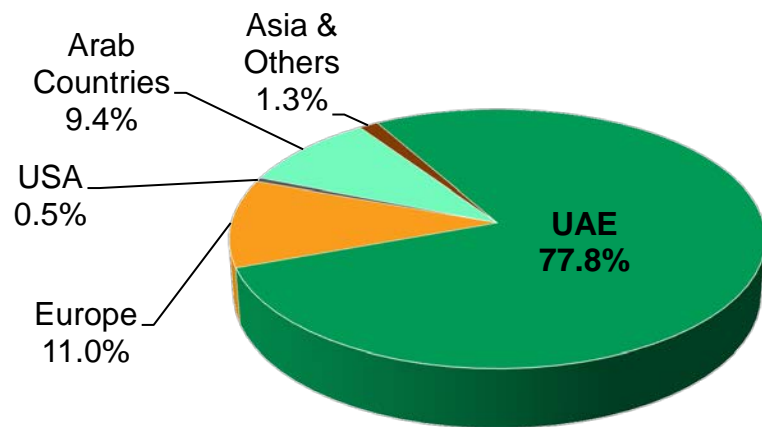
# Loans and advances

## Loans (gross) by customer type



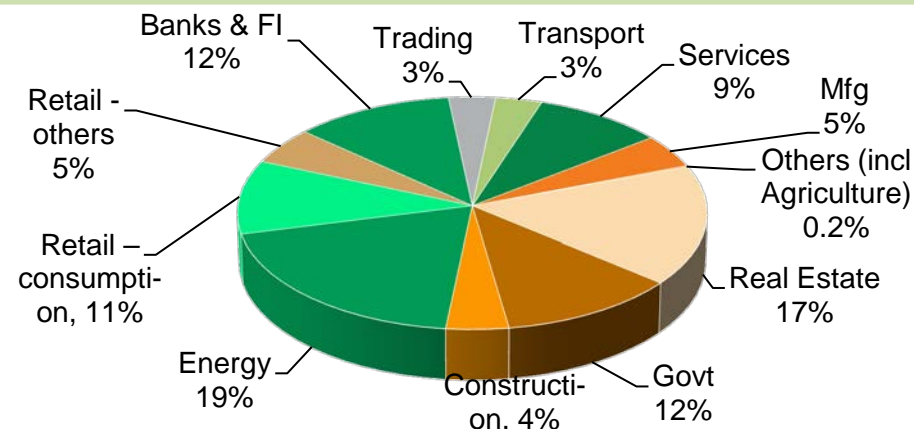
CAGR since 2006 – 23.4%, since 2001 – 23.2%

## Loans by geography (2010)



\* Based on residential status of borrower

## Loans (gross) by economic sector



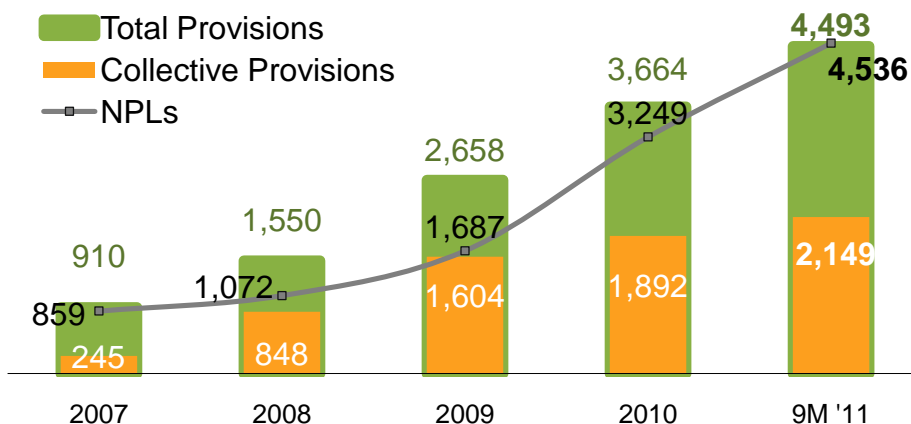
• Diversified portfolio across economic sectors

## Key points

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

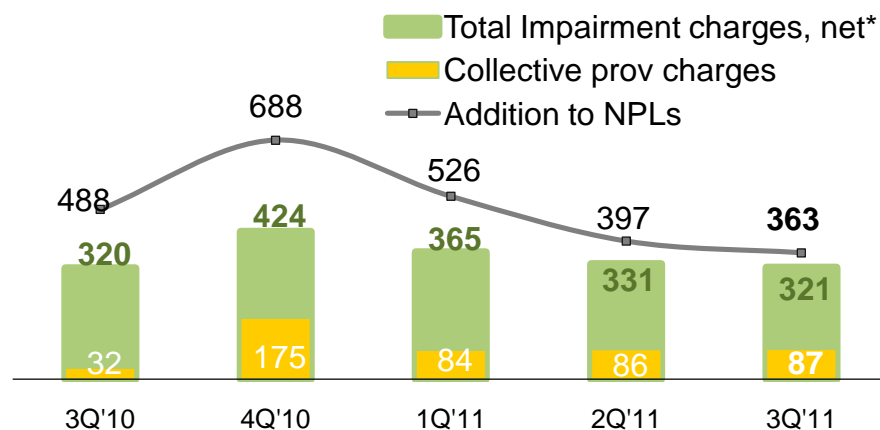
# Provisions & NPLs

## Provisions\* & NPLs (AED mn)



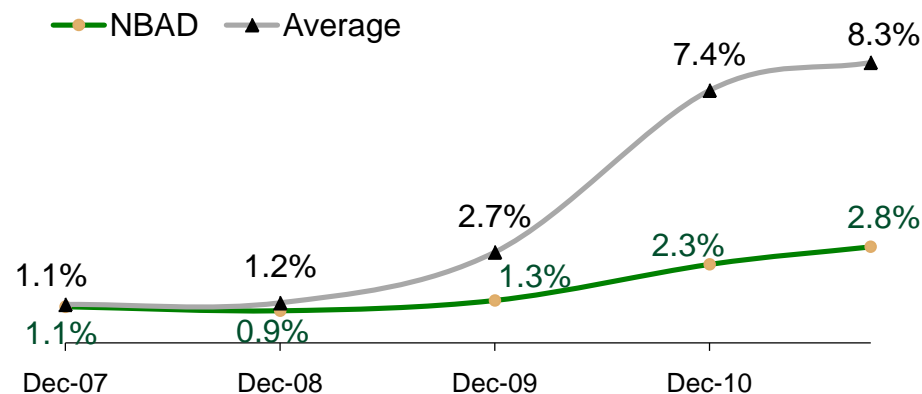
\* Provisions on loans & advances - excludes all other provisions

## 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\*)



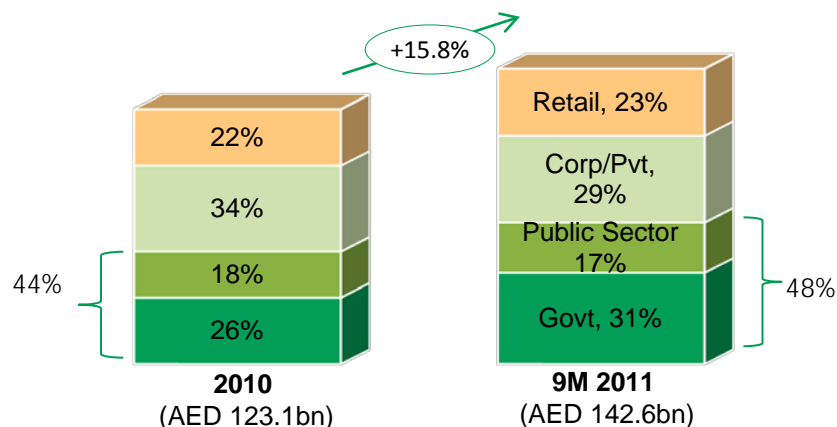
- Average NPL ratio of ENBD, NBAD, ADCB, FGB (Source: NBAD, Published financials)
- NPLs above include Dubai World & Dubai Holdings related exposure disclosed & classified as impaired by some of the banks included in the sample

## Key points

- NPLs increased by AED 1.3bn year to date (AED 363mn in 3Q'11) to **AED 4,536mn** from AED 3,249mn at end-2010
- NPLs ratio at **2.83%** as at Sept-end (2.3% at end-2010)
- Specific provisions at **52%** as a percentage of NPLs at the end of Sep-2011 (2010 – 54.5%), excluding collaterals (estimated value of AED 1.7bn at 31 Dec 2010)
- Collective provisions of **AED 2,149mn** maintained in excess of 1.4% of performing credit risk weighted assets (target – 1.5% by 2014 as per UAE Central Bank requirements)

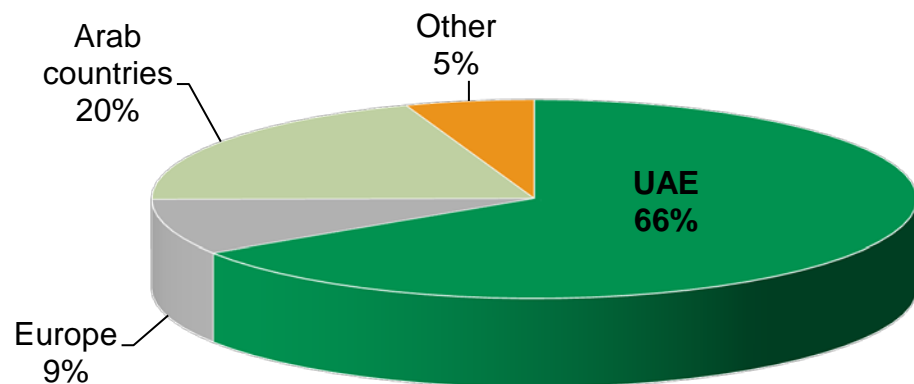
# Funding profile

## Deposits by customer type



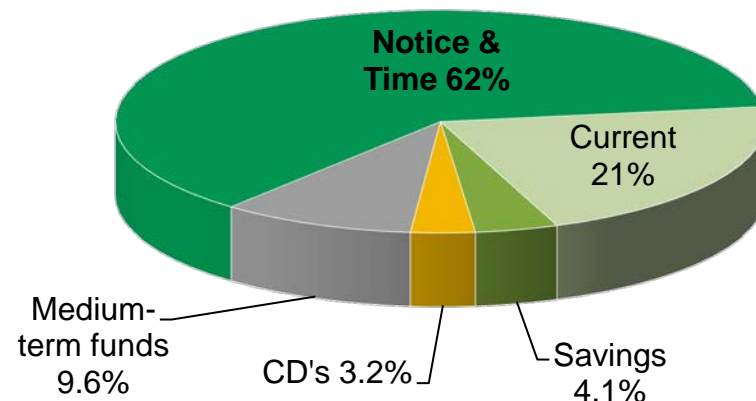
CAGR since 2006 – 15.9%, since 2001 – 21.4%

## Deposits by geography (2010)



\* Based on residential status of depositor

## Deposits & medium-term funds by type



• Medium term borrowings at AED 15.2bn at Sep-2011

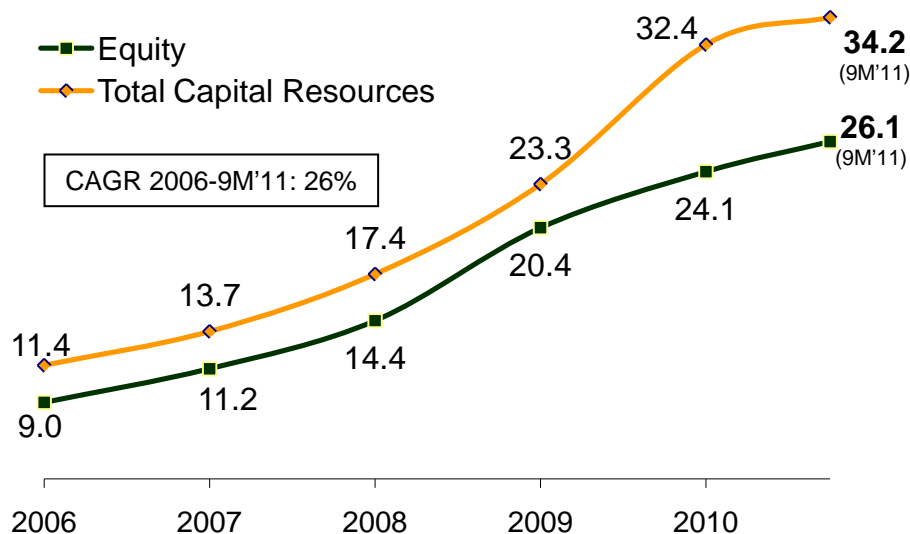
## Key points

- 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 issuances:
  - USD 20mn @ 4.8% fixed issued in Sep 2011 for 25 years
  - 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



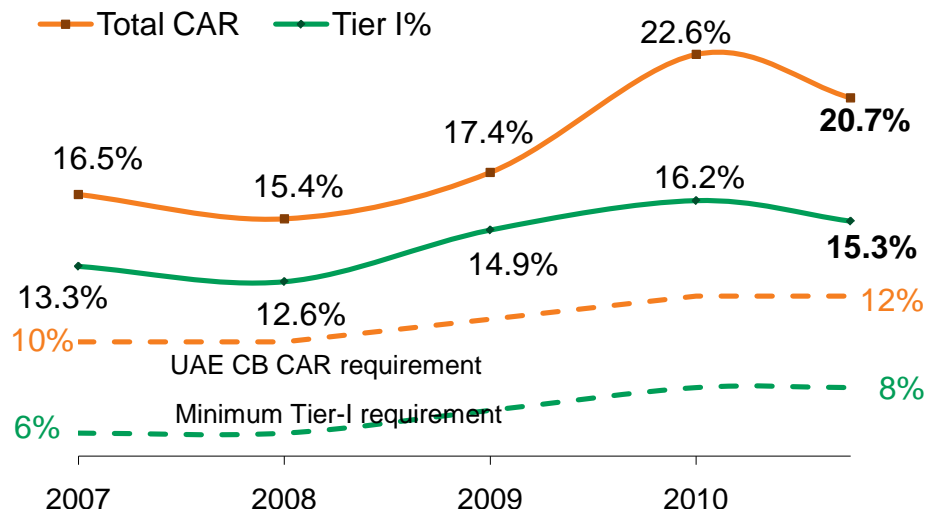
# Capital

## Capital resources (AED Bn)



- Capital resources at AED 34.2bn comprise of :
  - Equity of AED 26.1bn (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 8.1bn)
- Among the lowest leverage ratios (assets to capital resources) at 7.1x

## Capital adequacy (Basel-II)

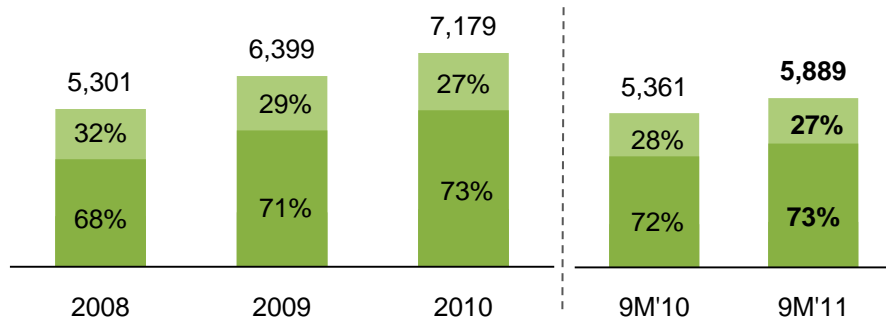


- UAE Central bank's minimum capital adequacy requirements increased to 12% as of June 2010 (8% on Tier-I)
- Capital Adequacy ratio (Basel-II) at 30 Sep 2011 at 20.7% (on Tier-I – 15.3%) well above the Basel-II and UAE Central Bank's minimum requirements

# Income statement

## Operating income (AED mn)

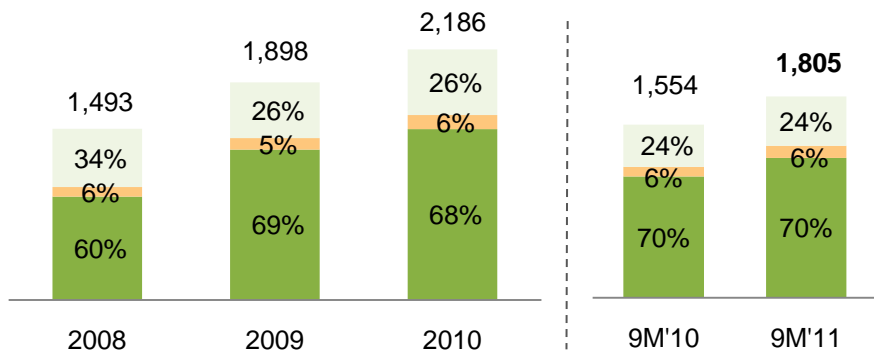
- Fees, Commissions & other non-interest income
- Net interest income & net income from Islamic financing



- 12% growth in net interest income in 9M'11 over 9M'10

## Operating expenses (AED mn)

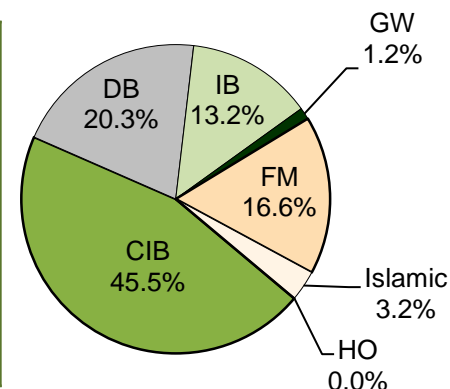
- Staff costs
- Depreciation
- Others



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

## Operating profits by business segment – 9M'11 (AED mn)

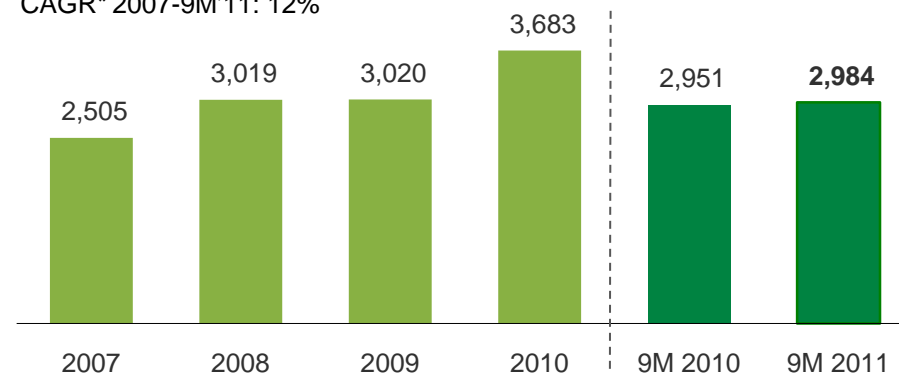
Corporate & Investment banking	1,858
Domestic banking	830
International banking	540
Global Wealth	50
Financial Markets	678
Islamic banking	130



- Operating profits were AED 4,084mn in 9M'11, up 7% YoY

## Net profits (AED mn)

CAGR\* 2007-9M'11: 12%



- 9 months net profit higher by 1% on higher top-line revenues

\* Annualised

# Outlook



**Loan growth expected to be around 15% for 2011**



**Growth in net provisions of around AED 350mn per quarter well within our capacity to absorb; NPLs expected to rise in 4<sup>th</sup> quarter to 3 / 3¼% of performing loans, tending to stabilise thereafter**



**Target collective provision** (as a %age of credit risk-weighted assets) **above 1.4% by year end;**  
*in line with final target of 1.5% by 2014 as per 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*  
*-plan to open another 8 Business Banking centers by 1<sup>st</sup> quarter of 2012 to cater the SME sector in the UAE*



**Continue to diversify our sources of funding & extend the maturity profile of liabilities**



**Continue to target a return on shareholders' funds of 20% in the medium-term**

*"In turbulent and difficult global markets, NBAD has produced another solid result. None of this could have been achieved without the support of our clients and the skills of our people. NBAD's strategy remains to build organically, widening and strengthening our network, systems and products."*

**- Michael H Tomalin**  
Group Chief Executive

# Appendix

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# Consolidated balance sheet

					AED mn
CONSOLIDATED BALANCE SHEET	Sep '11	Dec '10	% chg	Sep '10	% chg
Cash and balances with central banks	18,481	18,430	-	16,427	13
Due from banks	14,541	14,765	(2)	16,956	(14)
Reverse repos	11,901	10,898	9	9,503	25
Investments	28,485	22,689	26	22,792	25
Loans and advances to customers	155,837	136,833	14	138,990	12
Other assets (incl premises & equipments)	12,768	7,812	63	8,821	45
<b>ASSETS</b>	<b>242,013</b>	<b>211,427</b>	<b>14</b>	<b>213,489</b>	<b>13</b>
Due to banks	33,586	31,551	6	33,500	-
Repurchase agreements with banks	4,872	2,543	92	3,688	32
Customers' deposits	142,592	123,131	16	120,433	18
Medium-term borrowings/ notes/ ECP's	15,202	14,494	5	16,859	(10)
Other liabilities	11,547	7,283	59	7,221	60
Subordinated notes	8,130	8,312	(2)	8,310	(2)
<b>LIABILITIES</b>	<b>215,929</b>	<b>187,314</b>	<b>15</b>	<b>190,011</b>	<b>14</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	19,214	17,721	8	17,086	12
<b>EQUITY</b>	<b>26,084</b>	<b>24,113</b>	<b>8</b>	<b>23,478</b>	<b>11</b>
<b>LIABILITIES and EQUITY</b>	<b>242,013</b>	<b>211,427</b>	<b>14</b>	<b>213,489</b>	<b>13</b>

# Consolidated income statement

							AED mn
Consolidated Income Statement	9M'11	9M'10	% chg	3Q'11	3Q'10	% chg	FY'10
Interest income (includes income from Islamic financing)	5,991	5,460	10	1,987	1,946	2	7,430
Interest expense (includes Depositors' share of profits)	(1,681)	(1,597)	5	(530)	(598)	(11)	(2,181)
<b>Net interest income</b>	<b>4,310</b>	<b>3,863</b>	<b>12</b>	<b>1,457</b>	<b>1,348</b>	<b>8</b>	<b>5,249</b>
Other income	1,579	1,498	5	544	466	17	1,930
<b>Operating Income</b>	<b>5,889</b>	<b>5,361</b>	<b>10</b>	<b>2,001</b>	<b>1,813</b>	<b>10</b>	<b>7,179</b>
Operating Expenses	(1,805)	(1,554)	16	(618)	(550)	12	(2,186)
<b>Operating Profit</b>	<b>4,084</b>	<b>3,807</b>	<b>7</b>	<b>1,383</b>	<b>1,263</b>	<b>10</b>	<b>4,993</b>
Net impairment charge	(1,017)	(783)	30	(321)	(320)	-	(1,207)
<b>Profit Before Taxes</b>	<b>3,067</b>	<b>3,024</b>	<b>1</b>	<b>1,063</b>	<b>944</b>	<b>13</b>	<b>3,786</b>
Overseas income tax expense	(84)	(72)	15	(32)	(24)	34	(103)
<b>NET PROFIT</b>	<b>2,984</b>	<b>2,951</b>	<b>1</b>	<b>1,031</b>	<b>920</b>	<b>12</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+**

# 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

- **Corporate coverage & e-commerce:** Hedging solutions (forex and interest rate exposures), investment ideas and cash management products, electronic platform offering FX & money-market prices
- **Institutional coverage & Primary markets:** Offers islamic products, primary market syndications, FX coverage, conventional cash management solutions to Financial & Islamic Institutions, including Central Banks & Sovereign Wealth Funds (SWFs)
- **Liquidity management & Interest rate products:** Manager of NBAD group's liquidity and funding; provider of all interest rate products including derivatives and repo
- **Trading and Investments:**
  - Fixed income
  - Structured products and investments
  - MENA equities
  - Foreign exchange
  - Portfolio management
  - Research

# Clear strategy (cont'd)

## 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



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The safest bank is in the news again. For the third consecutive year, the Global Finance magazine has recognized NBAD's continued success. And we don't just stop here. NBAD has also been awarded as the Best Bank in the UAE for 2011 by both Banker Middle East and Euromoney magazines. A feat we are all proud of in our endeavour to become your partner.