



Investor presentation

June 2013

www.nbad.ae



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.

Contents

Introduction

NBAD at a glance.....	Page 3 - 4
A diversified business model	Page 5
Core strategy	Page 6
Competitive landscape	Page 7 - 9
Financial objectives	Page 10

Financials

Financial snapshot	Page 11 - 12
Highlights of 1st Half 2013 results	Page 13 – 17
Operating income & Key profitability metrics.....	Page 18 – 19
Assets & liquidity	Page 20
Loans and advances & Asset quality	Page 21 – 23
Investments	Page 24
Funding profile & Capital	Page 25 – 27

Conclusion

Summary – YTD performance	Page 28
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Appendix

Overview - UAE, Abu Dhabi and the Banking Sector	Page 30 – 32
Strategy Overview	Page 33 – 35
Credit Profile	Page 36
Consolidated Financials	Page 37 – 38

NBAD at a glance

- **Banker to the Abu Dhabi Government**
- **70% owned by the Government of Abu Dhabi through ADIC (Abu Dhabi Investment Council)**
- **Well diversified Financial Group – across businesses and geography**
- **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 & 2012; 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%**) 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)
LT	AA-	Aa3	A+	AAA	A+
ST	F1+	P-1	A-1	P1	
Outlook	Stable	Stable	Stable	Stable	Stable

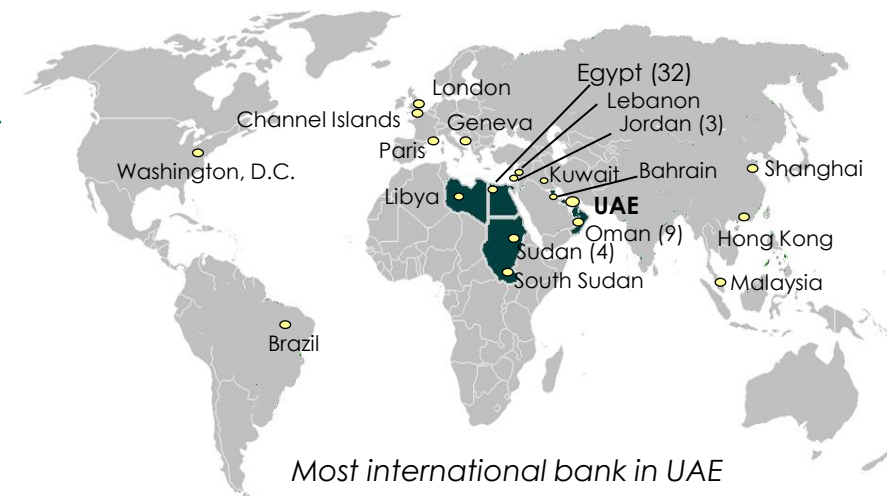
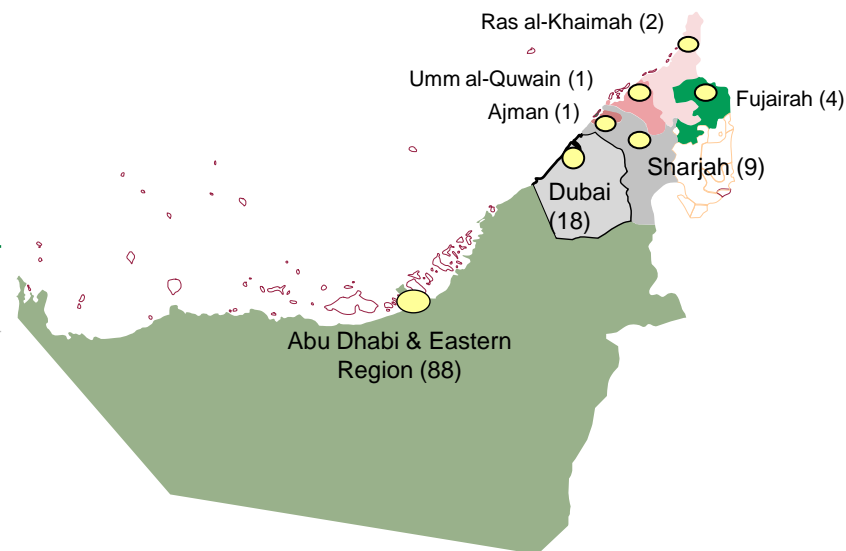
Presence

- Domestic - 125 branches*, 586 ATMs⁺, 12 Business Banking Centres across the 7 emirates
- Overseas – 62 units*, 74 ATMs across 18 countries

Stock Info

(Price as of 30 Jun 2013; ratios based on 1H'13 financials)

Market Cap (Price @ AED 11.30)	AED 48.3bn (US\$ 13.2bn)
Diluted EPS (1H 2013)	0.58
PE Ratio	9.7
Price / Book	1.7
Shares Outstanding (@ AED1)	4,277 mn
Free float:	29.8%



* Including cash offices, subsidiaries, offshore units & representative offices

+ includes Cash deposit machines

A diversified business model

National Bank of Abu Dhabi

Domestic Banking	Corporate Banking & Real Estate	Global Financial Markets	International Banking	Global Banking	Global Wealth
<ul style="list-style-type: none"> ▶ Consumer Banking ▶ Elite Banking ▶ Business Banking (SME) ▶ Strategic Business Ventures & Innovation 	<ul style="list-style-type: none"> ▶ UAE Govt & GREs ▶ UAE Corporate Banking ▶ UAE Real Estate Finance ▶ Abu Dhabi National Properties 	<ul style="list-style-type: none"> ▶ Corporate Coverage Group ▶ Institutional Sales & Primary Markets Group ▶ Cash & Rates Group ▶ Trading & Investments Group 	<ul style="list-style-type: none"> ▶ Arab World Banking <ul style="list-style-type: none"> – Egypt Network – Oman Network – Sudan Network – Jordan Network – Bahrain – Kuwait – Libya – South Sudan – Lebanon ▶ International Banking <ul style="list-style-type: none"> – United Kingdom – France – USA – Hong Kong – China – Malaysia – Brazil □ <i>Planned Expansion in 2013/2014</i> <ul style="list-style-type: none"> – Iraq, Turkey, India & South Korea 	<ul style="list-style-type: none"> ▶ Global Corporates ▶ Multinationals & Globally operating GREs ▶ Wholesale Banking Group <ul style="list-style-type: none"> – Global Project & Structured Finance – Syndications & Specialised Portfolio – Financial Institutions Group – Global Transaction Banking (Trade Finance & Cash Management Services) ▶ Investment Banking Group <ul style="list-style-type: none"> – DCM – Advisory / M&A/ ECM/ Private Equity ▶ Abu Dhabi National Leasing – Leasing 	<ul style="list-style-type: none"> ▶ Private Banking ▶ NBAD Trust Co. (Jersey) <ul style="list-style-type: none"> – Corporate Pension & Savings solutions – Private trusts, charitable foundations ▶ Asset Management Group ▶ NBAD Securities (Brokerage) ▶ Custody services ▶ Investment Group (Investment products & views)
Islamic Banking					
<ul style="list-style-type: none"> ▶ Abu Dhabi National Islamic Finance ▶ NBAD Islamic Division 					

Head Office

Support functions: Group Treasury, 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
- Diversification across business segments and geography

Competitive landscape – NBAD vs UAE banks

Peer Group Analysis for the 1H 2013

		E-NBD	ADCB	FGB	NBAD	Comments*
Return on Shareholders' Funds[#]	%	9.9	16.9	16.4	18.1	1st in providing RoSF to its shareholders
Attributable Profit	AEDm	1,808	1,698	2,213	2,621	Highest
Cost Base[#] <i>(incl amortisations)</i>	AEDm	1,914	1,083	802	1,522	3rd lowest cost to income ratio
Total Assets	AEDbn	335	175	183	327	2nd highest
Total Equity	AEDbn	40	24	29	32	2nd highest
Customer Loans	AEDbn	232	125	123	173	2nd highest
Customer Deposits	AEDbn	230	111	124	219	2nd highest
Impaired loans ratio (NPLs)	%	13.9	4.9	3.6	3.4	Lowest
Coverage (impaired loans)	%	51	94	80	95	Highest

*Comments based on the sample of the 4 largest (by assets) UAE commercial banks

•Figures may have been reclassified/recalculated for comparative analysis

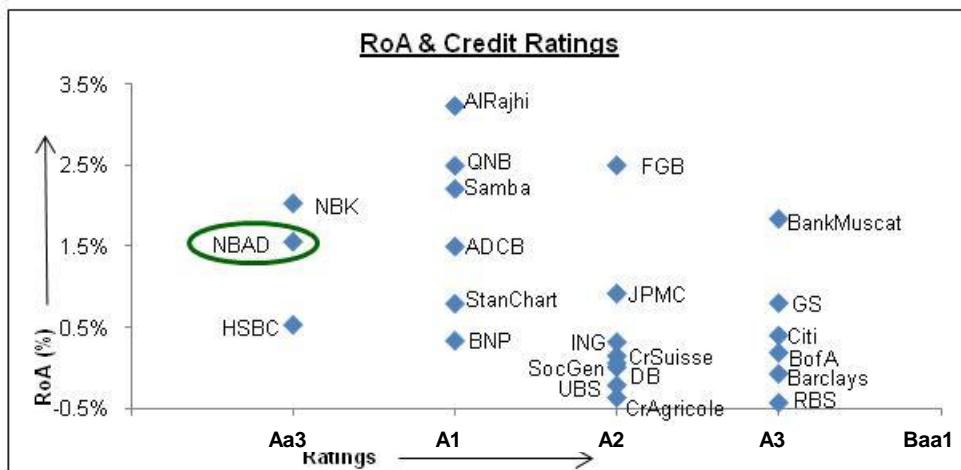
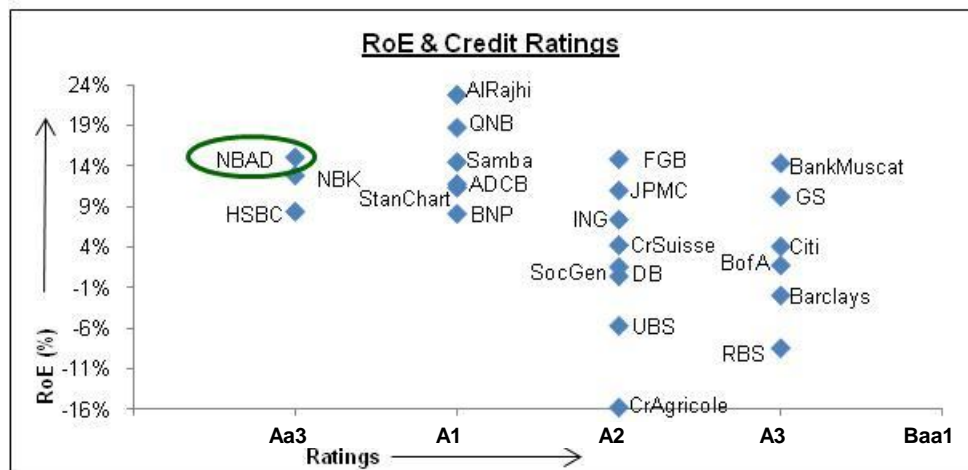
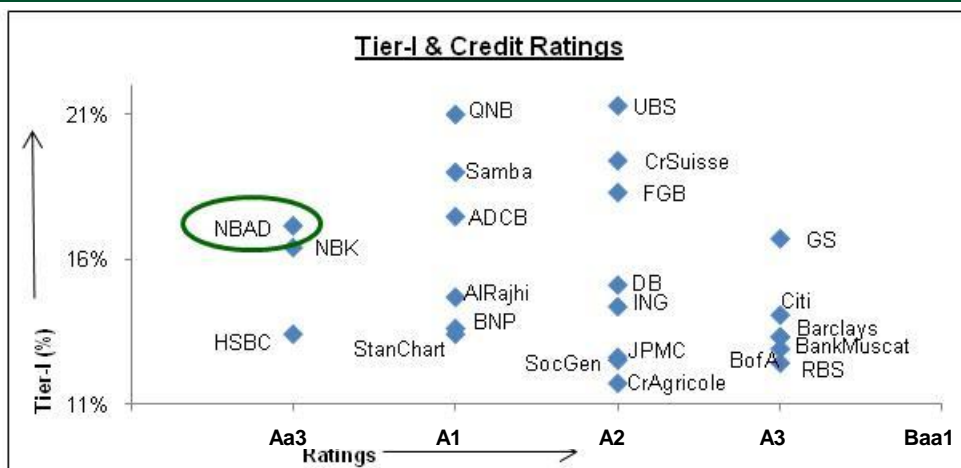
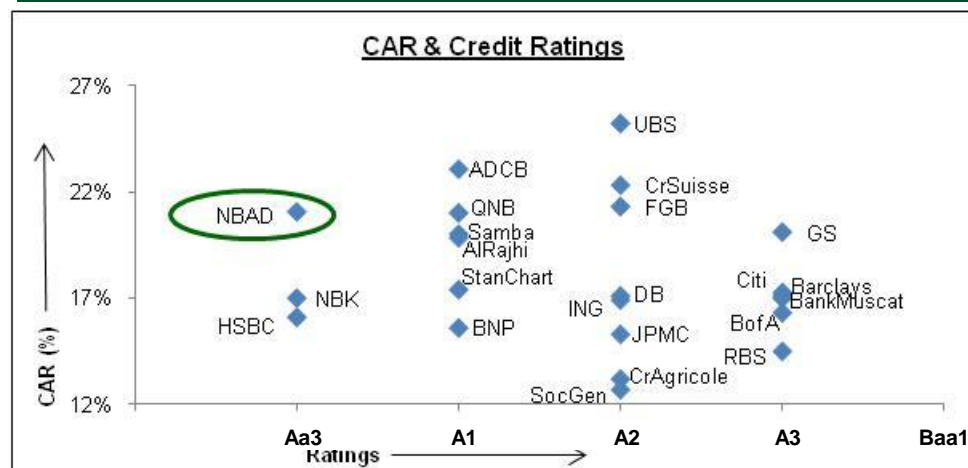
annualised; adjusted for exceptional / non-recurring/ other non-cash related gains (or losses) on sale of fixed assets or investment property

Source: Financial Statements as at 30 Jun 2013 for First Gulf Bank, Emirates-NBD, Abu Dhabi Commercial Bank & National Bank of Abu Dhabi

Competitive landscape

NBAD vs regional & global banks

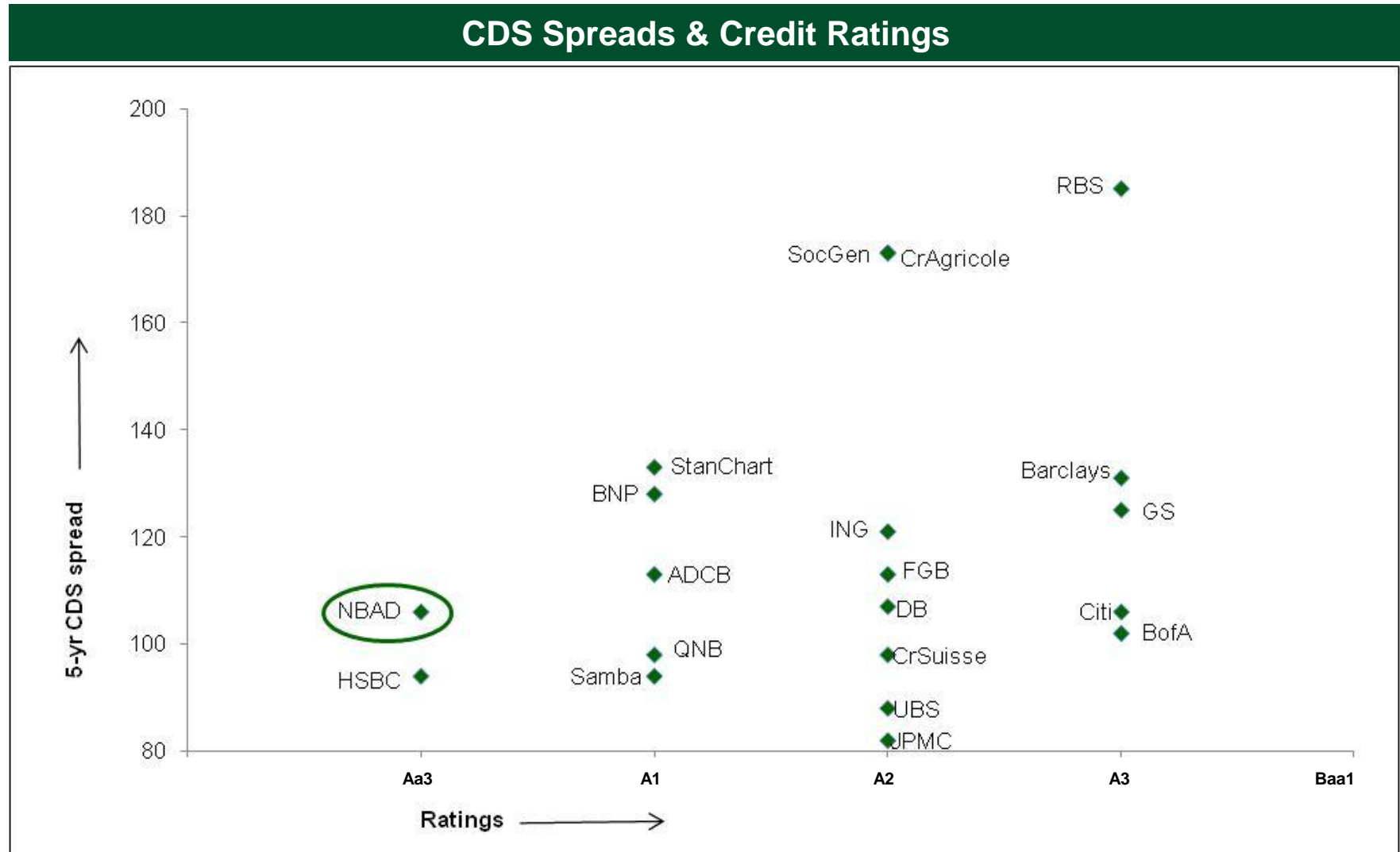
NBAD ranks well when rated on a combination of credit ratings, capital adequacy and profitability



Source: Bloomberg; Ratings as of 23rd July 2013, Ratios as of as of 31 Dec 2012; Composite ratings based on ratings from Moody's, S&P & Fitch recalibrated to Moody's scale

Competitive landscape

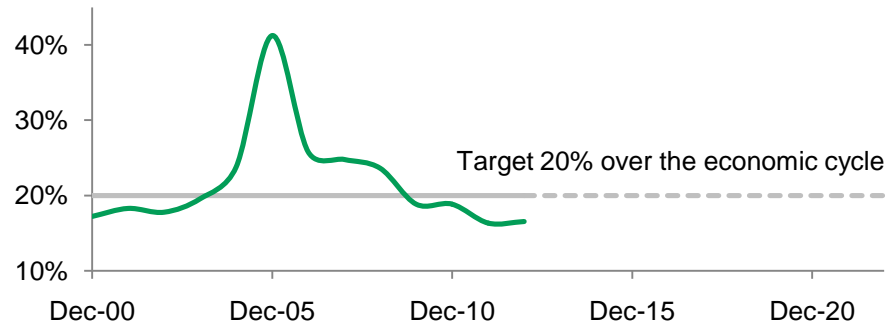
NBAD vs regional & global banks



Source: Bloomberg; X-axis represents the composite rating based on ratings assigned by Moody's, S&P & Fitch; CDS levels are for 23rd July

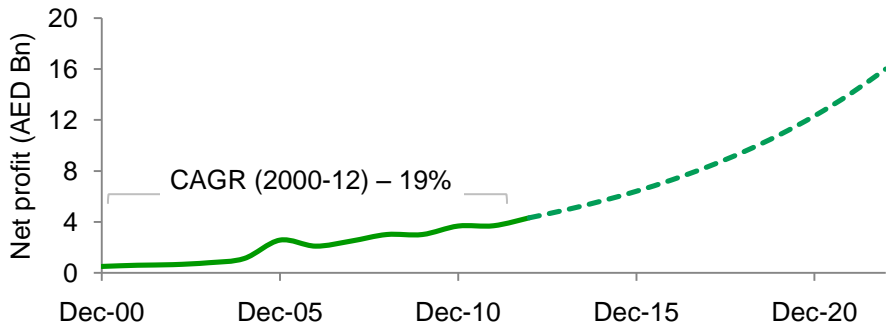
Financial objectives

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



Return on avg SF for 1H 2013 – 18.1% (2012 – 16.5%, 2011 – 16.3%)

Earnings growth – targeted at 14% CAGR from 2012-2022

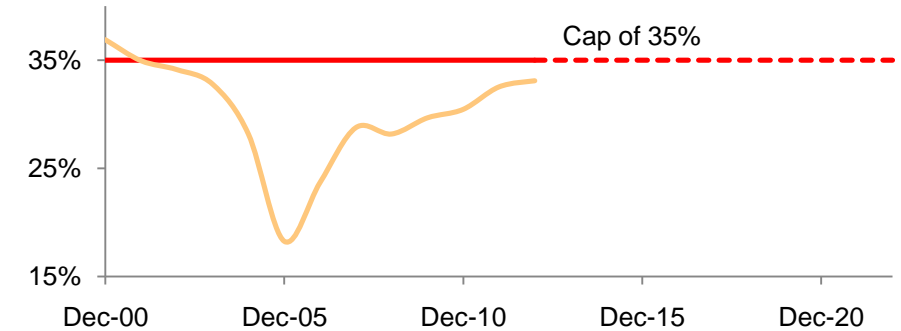


1H 2013 earnings growth – 26% (2012 – 17%, 2011 – 1%)

Non – Interest income

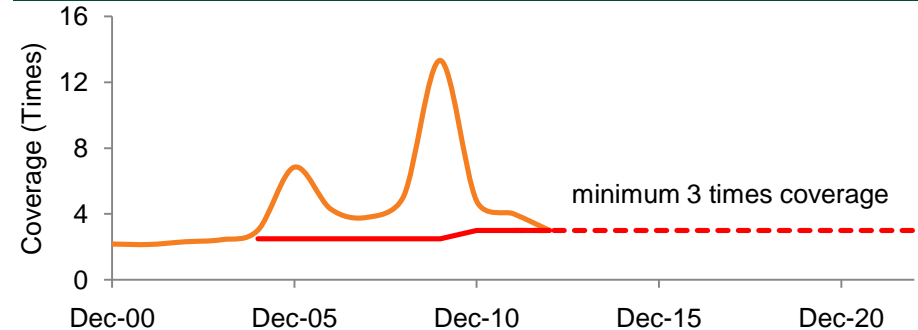
Target non-interest income to 35% as a proportion of the total operating income
1H 2013 ratio – 34% (2012 – 30%, 2011 – 26%)

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



Cost-income ratio for 1H 2013 – 31.2% (2012 – 33.1%, 2011 – 32.5%)

Cash Dividends – min 3x covered by Net profits



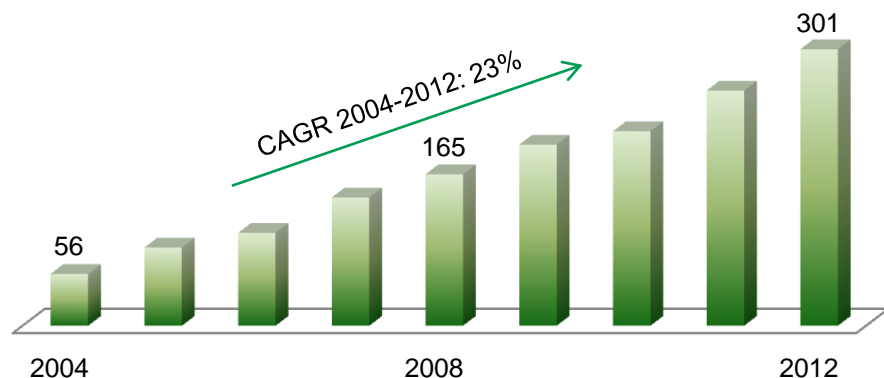
2012 Coverage – 3.0x (2011 – 4.0, 2010 – 4.8)

Capital adequacy

Maintain ratio above current UAE Central Bank minimum requirement of 12% (8% on Tier-1)
1H 2013 ratio – 18.5% (16.8% on Tier-I) (2012 – 21.0% & 17.2%)

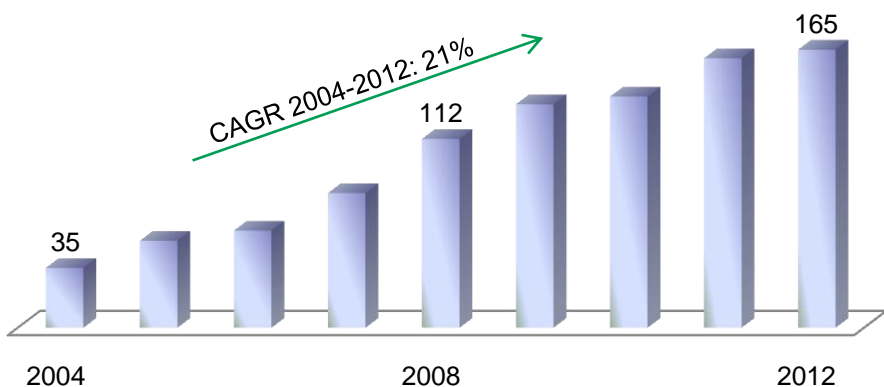
Financial snapshot

Assets (AED billion)



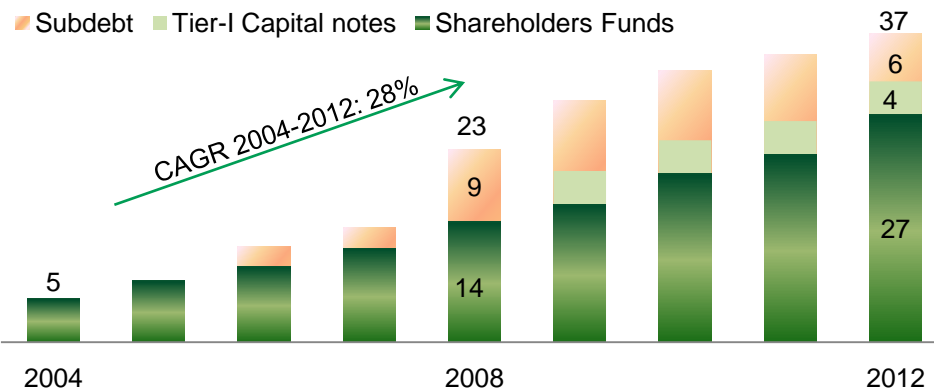
- Impressive asset growth

Customer Loans (AED billion)



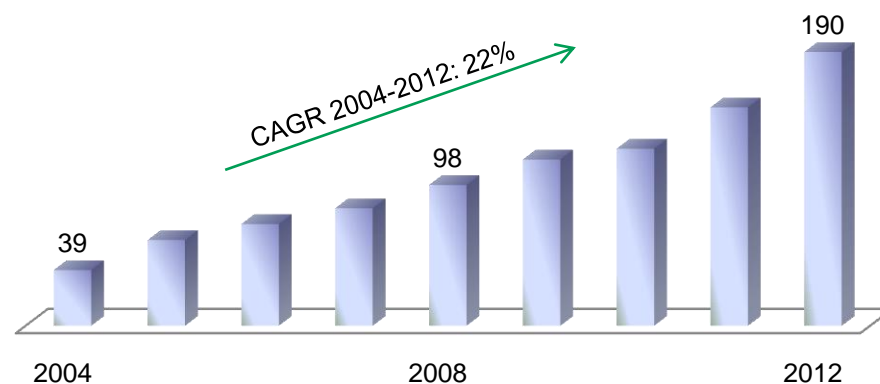
- Strong, yet prudent loan growth

Capital Resources (AED billion)



- Consistent growth supported by a well-capitalised balance sheet

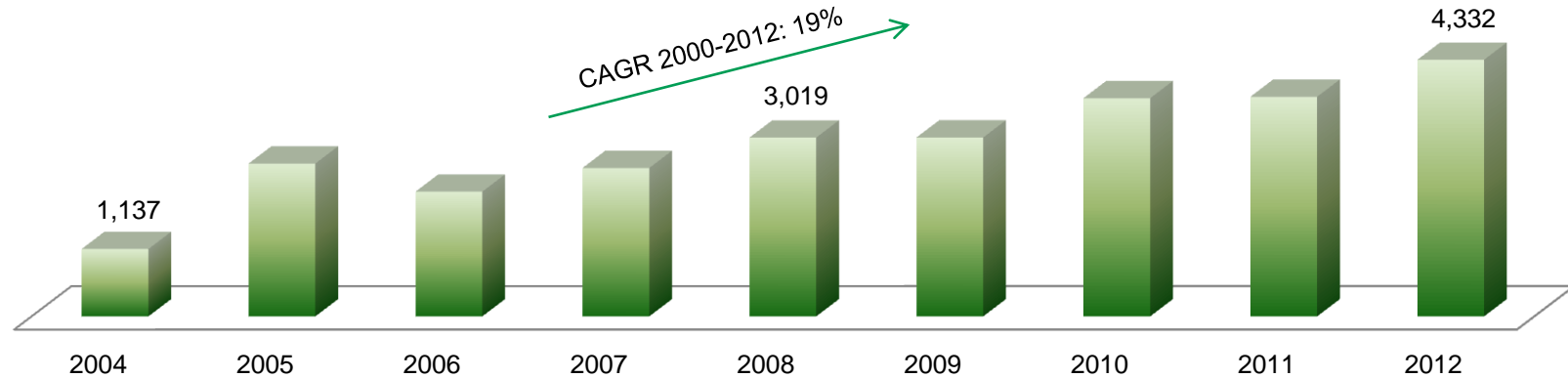
Customer Deposits (AED billion)



- Continue to build our customer deposit base through customer satisfaction, rather than pricing

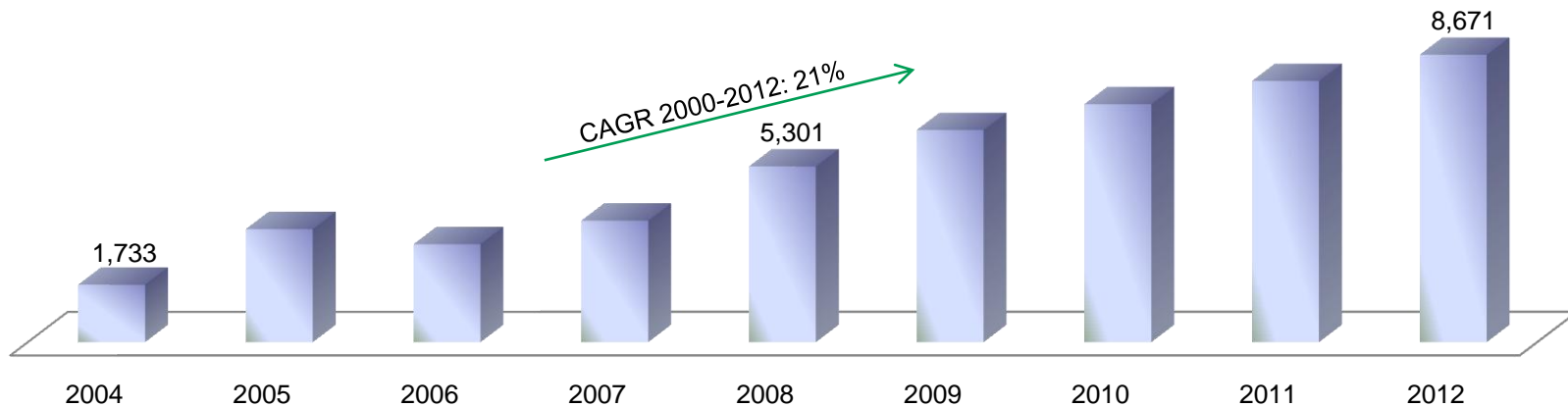
Financial snapshot (...contd)

Net profits (AED million)



- Consistent bottom-line growth

Top-line operating income (AED million)



- Positive growth year on year; key driver of bottom-line going forward

Continued strength in 2Q/1H 2013 results



Net earnings of AED 2.6bn for 1H 2013, up 25.6% y-o-y as growth in fee and net interest income was buoyed by growth in investment gains and hedging related strategies, with particular strength coming in 1Q



Strong year-over-year top line results as operating income grew 18.8% to AED 4.9bn in 1H 2013



Improvement in financial markets coupled with successful hedging strategies drove strong growth in 1H 2013



Balance sheet increased to AED 327bn, up 23.6% y-o-y as deposits continued to grow



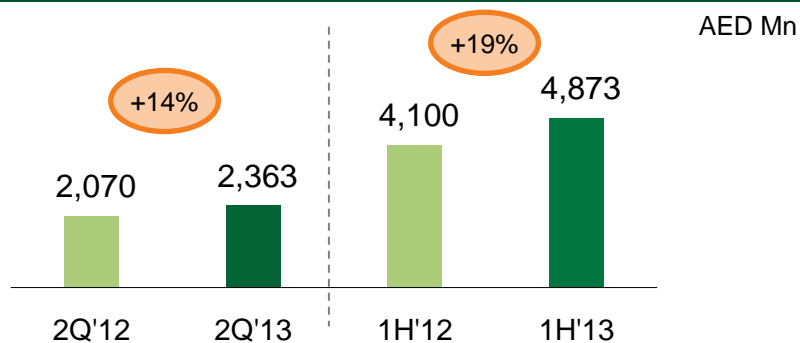
NPL ratio at 3.41% in 1H 2013; remains below the expected peak of 3.75%



Robust capital & liquidity position maintained with the CAR at 18.5% and Tier-I ratio at 16.8%

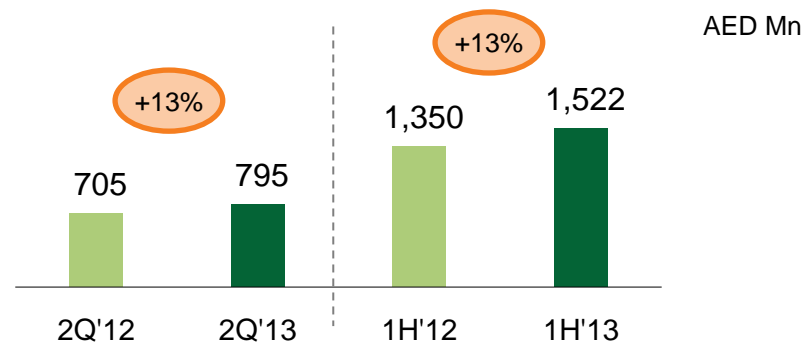
2Q/1H 2013 – Income statement highlights

OPERATING INCOME / REVENUES



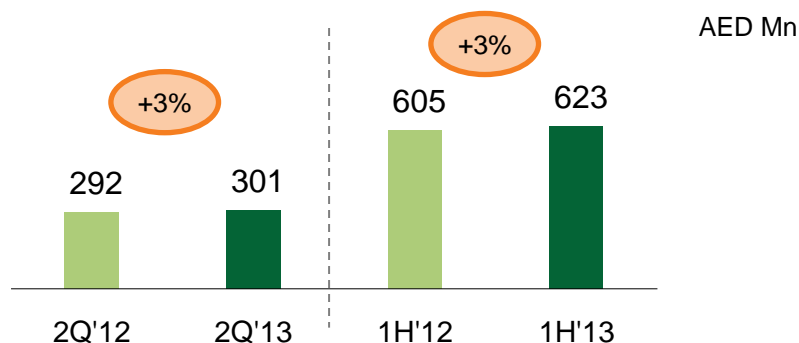
Up 14% in 2Q and 19% in 1H'12, driven by higher NII, investment and non-interest income

OPERATING EXPENSES



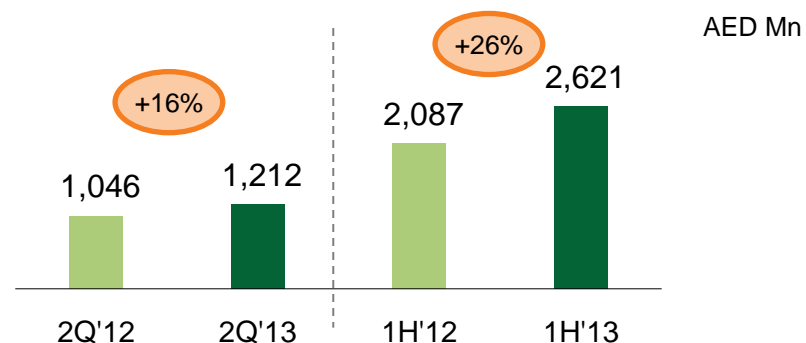
Increased 13% for both 2Q and 1H'12, reflecting continued investment in our business; C-I ratio of 31.2% in 1H 2013

IMPAIRMENT CHARGES, net



Up 3% in both 2Q and 1H'12 vs prior year period

NET PROFITS



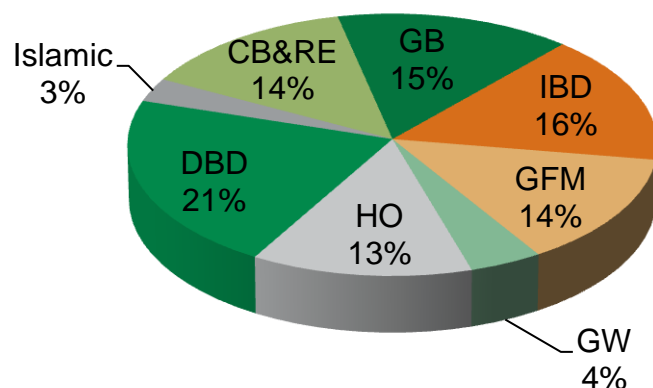
Up 16% in 2Q and 26% in 1H'12, driven largely by growth in NII and non-interest income

1H 2013 – Business segments

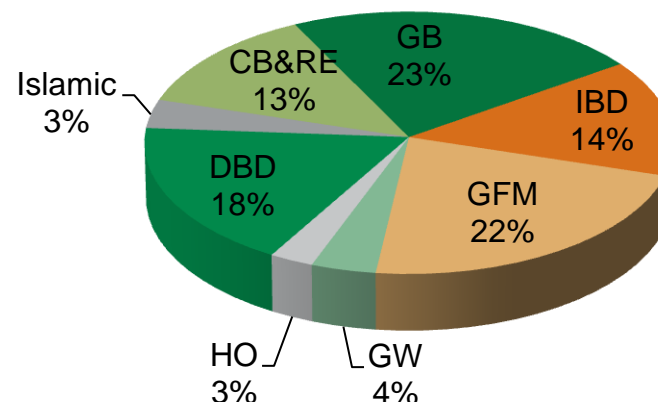
Division	Operating Income (AED Mn)	Change % 1H13 vs 1H12	Net Profits (AED Mn)	Change % 1H13 vs 1H12
Domestic Banking (DBD)	1,045	10%	466	13%
Islamic Business	143	9%	93	12%
Corporate Banking & Real Estate (CB&RE)	674	} (2)%	339	} (3)%
Global Banking (GB)	731		595	
International Banking (IBD)	778	18%	378	19%
Global Financial Markets (GFM)	662	38%	582	41%
Global Wealth (GW)	208	33%	100	72%
Head Office (HO)	632	108%	68	143%
Total	4,873	19%	2,621	26%

Contribution %

Operating Income



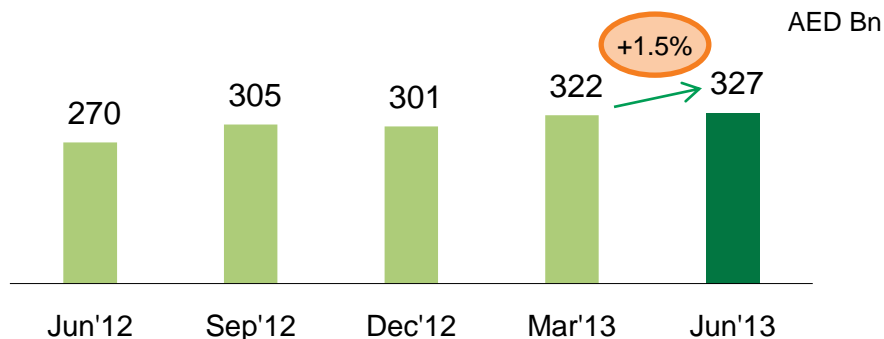
Net Profits



2Q/1H 2013 – Balance sheet highlights

ASSETS

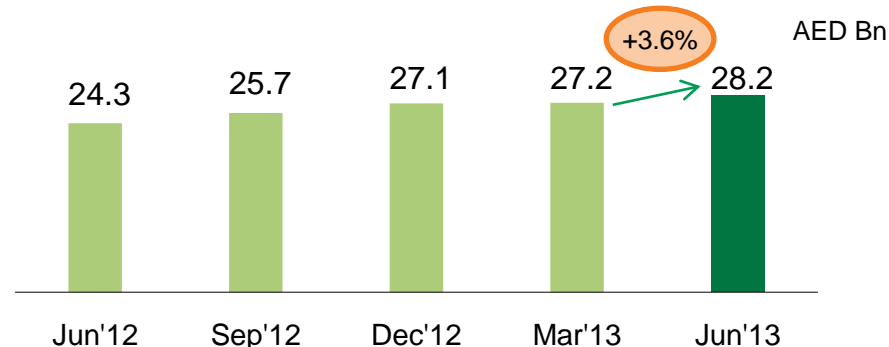
AED Bn



Up 1.5% sequentially as loan growth was partially offset by lower reverse repos

SHAREHOLDERS' FUNDS*

AED Bn

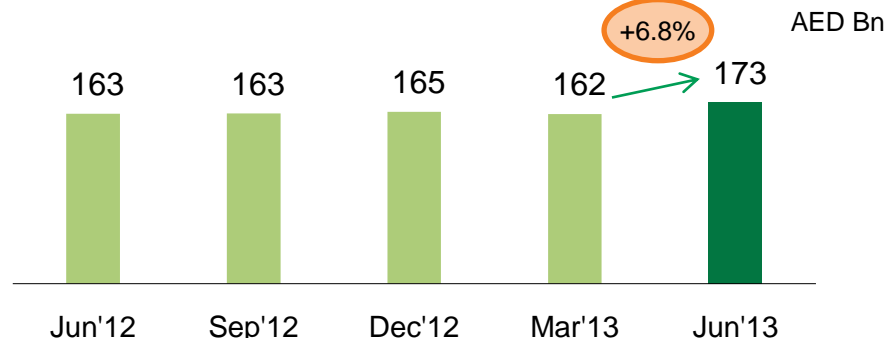


Up 3.6% sequentially, due mostly to growth in profits

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

LOANS & ADVANCES, net

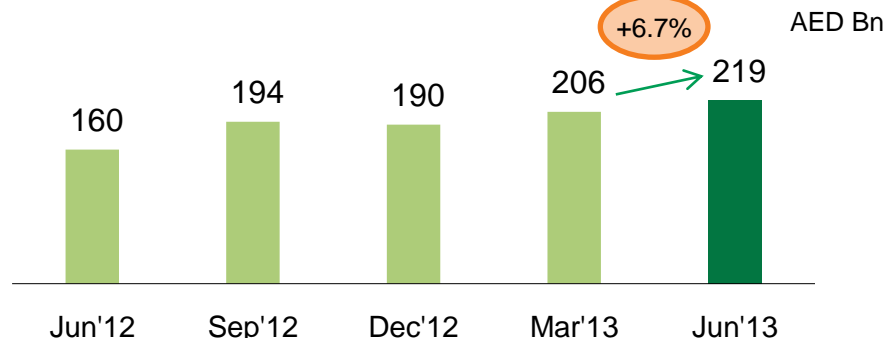
AED Bn



Up 6.8% sequentially as growth came from both the UAE and internationally

CUSTOMER DEPOSITS

AED Bn



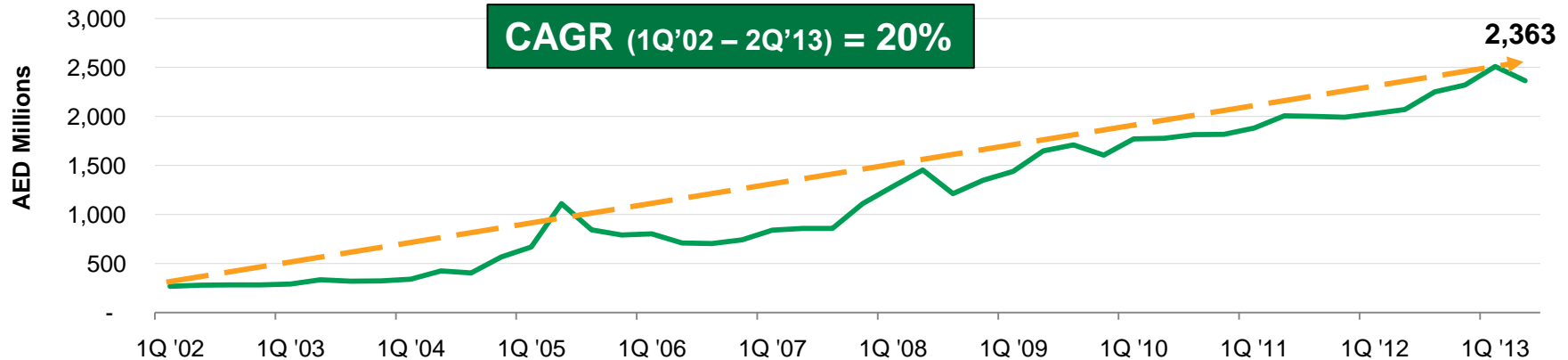
Up 6.7%, with growth continuing to come from net inflows of gov't deposits

1H 2013 – Key Ratios

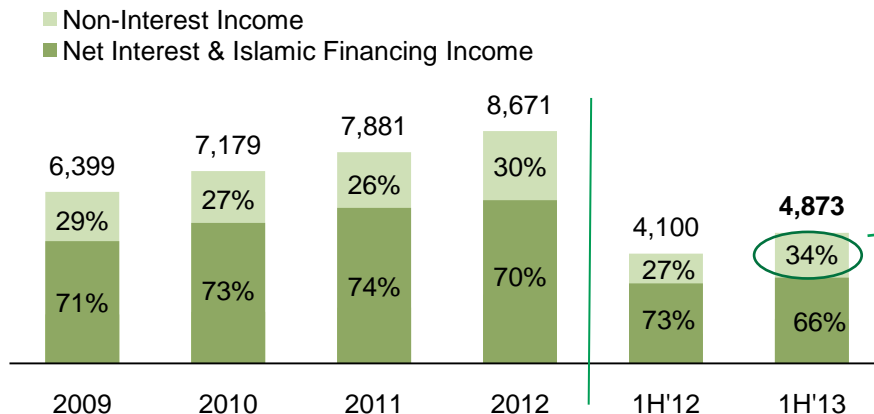
	Ratio	1H 2013	1H 2012
Efficiency	Diluted Earnings Per Share (EPS in AED)	0.58	0.46
	Return on avg Shareholders' Funds (RoSF) <i>(annualised; net of GoAD Tier-I capital notes and dividends on the notes)</i>	18.1%	16.9%
	Return on avg Equity (RoE) <i>(annualised; including Govt of Abu Dhabi Tier-I capital notes)</i>	16.6%	15.3%
	Net Interest Margin (NIM) <i>(Simple average of quarterly NIM)</i>	2.02%	2.16%
	Cost – Income ratio	31.2%	32.9%
Liquidity	Percentage lent <i>(Loans/ Assets)</i>	53%	60%
	Loans to Customer Deposits ratio	79%	101%
Solvency	Capital adequacy	18.5%	21.0%
	Tier-I ratio	16.8%	16.3%
	Leverage ratio <i>(Assets / Equity)</i>	10.1x	9.5x
Asset Quality	Non-performing loans ratio <i>[NPLs / (Gross loans – Interest in Suspense)]</i>	3.41%	3.18%
	Specific Provision coverage <i>(Specific Provisions / NPLs)</i>	53.3%	51.1%
	Collective Provision coverage <i>(Collective Provisions / net Credit-risk weighted assets)</i>	1.54%	1.58%

Operating income – a KEY number

- Growth in top-line revenues – key determinant of bottom-line going forward
- Steady growth trend in top-line revenues continues



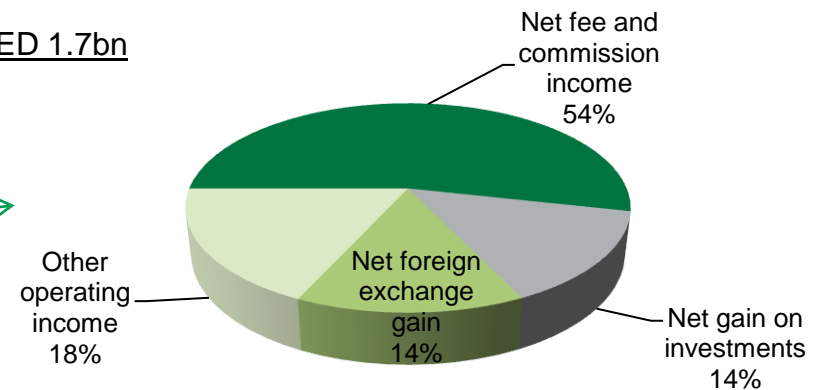
Interest vs Non-Interest Income (AED mn)



- Operating income growth y-o-y of 19%
- Non-interest income up 49% due mainly to higher net interest income and hedging-related income

Composition of Non-Interest Income (AED mn)

AED 1.7bn

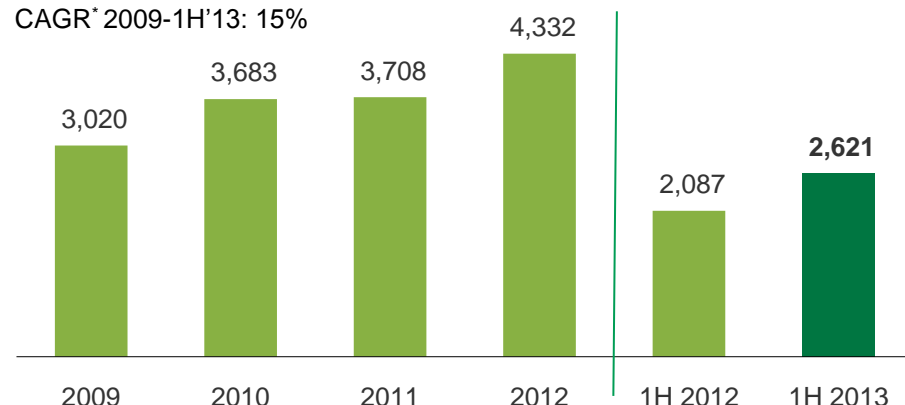


- Net fee and commission income up 16% y-o-y (1H); significant gains realised on investments and hedging strategies

Income statement

Net profits (AED mn)

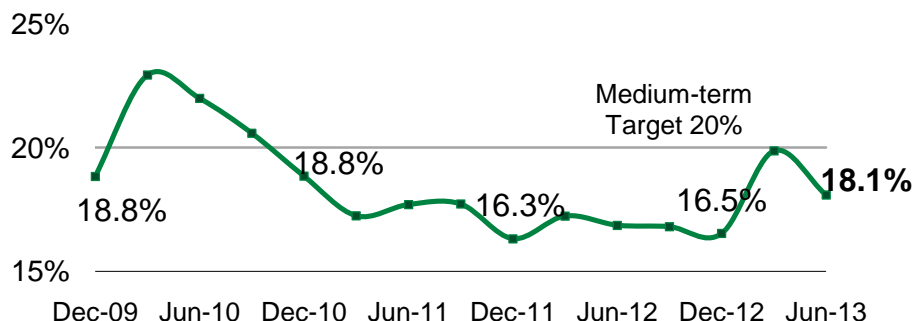
CAGR* 2009-1H'13: 15%



- 1H profits higher 26% y-o-y on strong top-line growth

• Annualised

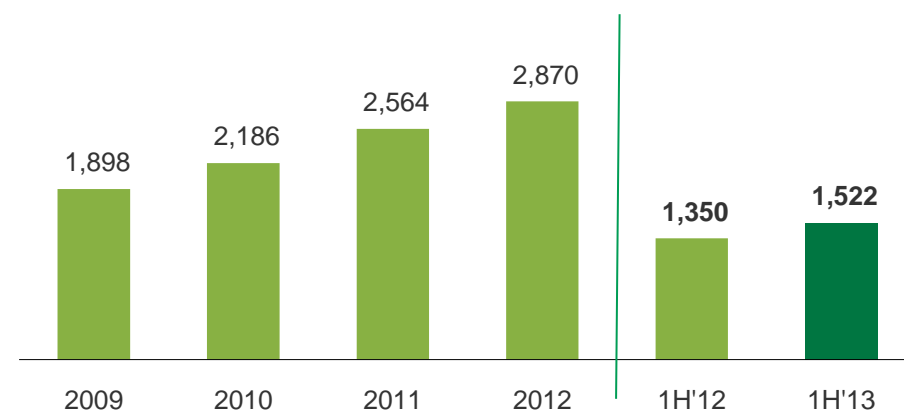
Return on Average Shareholders' Funds* (%)



- Medium-term target of 20% over the economic cycle

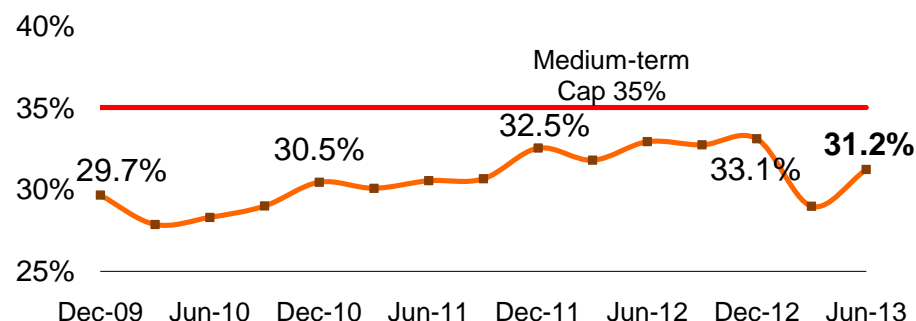
* Annualised; Excludes AED 4bn Tier-I capital and its annual dividend of AED 240mn

Operating Expenses (AED mn)



- 1H expenses higher by 13% y-o-y

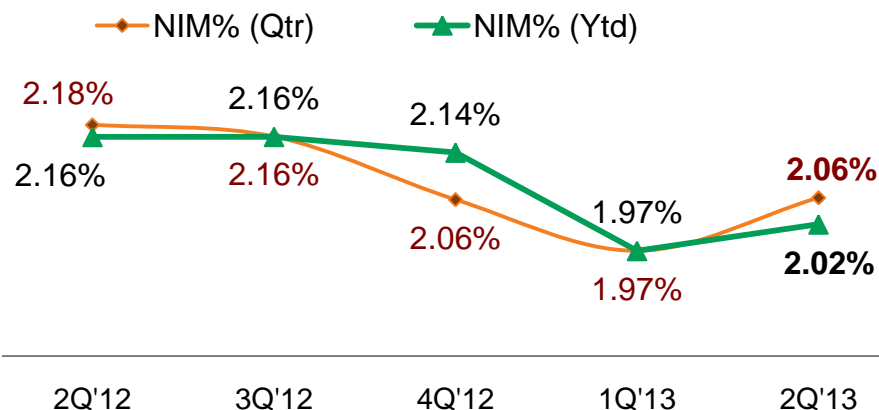
Cost to Income ratio (%)



- Ratio comfortably remains within our medium-term cap of 35%, while organic growth continues

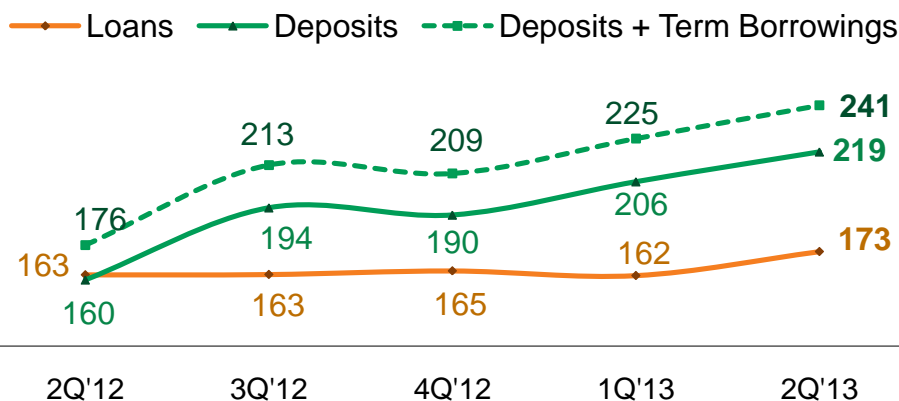
Assets & liquidity

Net Interest Margin* (%)

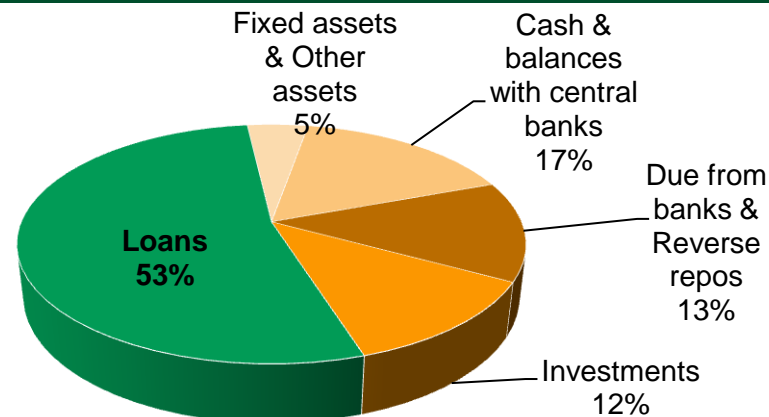


*NIM% (Qtr) - based on Net Interest & Islamic financing Income (annualised) & Average Assets for the quarter; NIM% (Ytd) - simple average of NIM% (Qtr)

Loans & Customer Deposits (AED bn)



Composition of Assets – AED 327bn



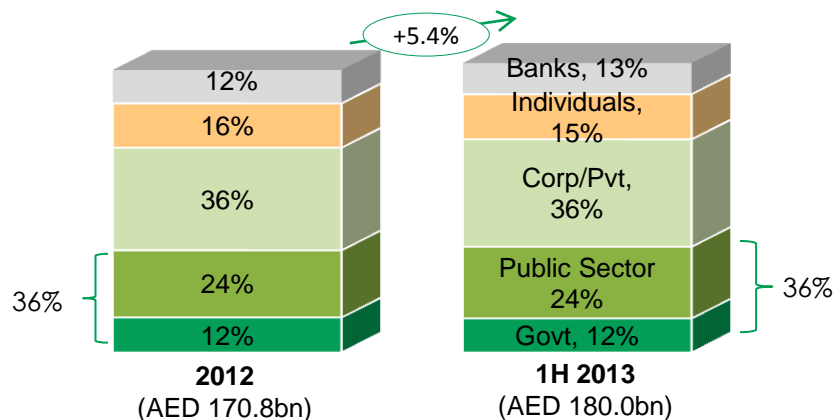
• A very liquid balance sheet structure

Key points

- NIM improved slightly to 2.06% in 2Q from 1.97% in 1Q due to shift in asset mix to higher yielding assets; nevertheless, still impacted by higher deposits placed across various classes of liquid assets like cash and inter-bank markets
- Optimal loans to deposits ratio at 79% at end-Jun'13; emphasis on increasing stable/term borrowings
- Regulatory loans to stable resources ratio well within stipulated UAE Central Bank cap
- Framework ready to be compliant with regulations on (Basel-III) liquidity

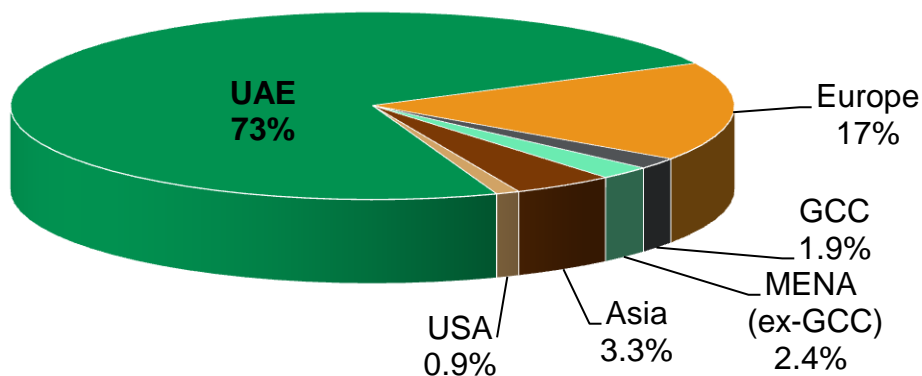
Loans and advances

Loans (gross) by customer type



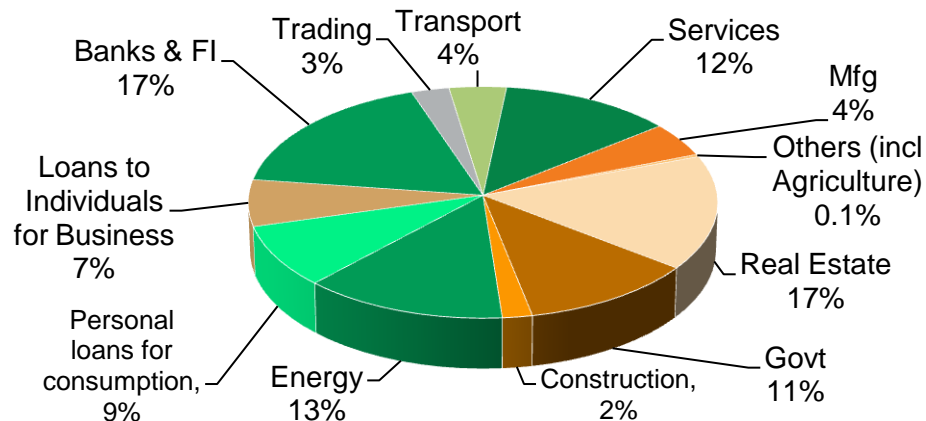
- Stronghold in Corp & Private sector & Government related businesses
- Lucrative opportunities for short-term lending – trade-finance related activities, albeit at lower margins

Loans by geography



* Based on location of booking of the loan

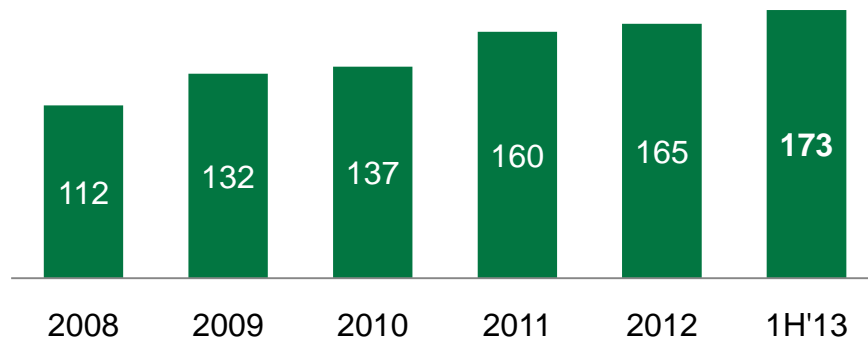
Loans (gross) by industry



- Diversified portfolio across economic sectors
- Retail loan growth to remain challenging

Loan growth trends (AED bn)

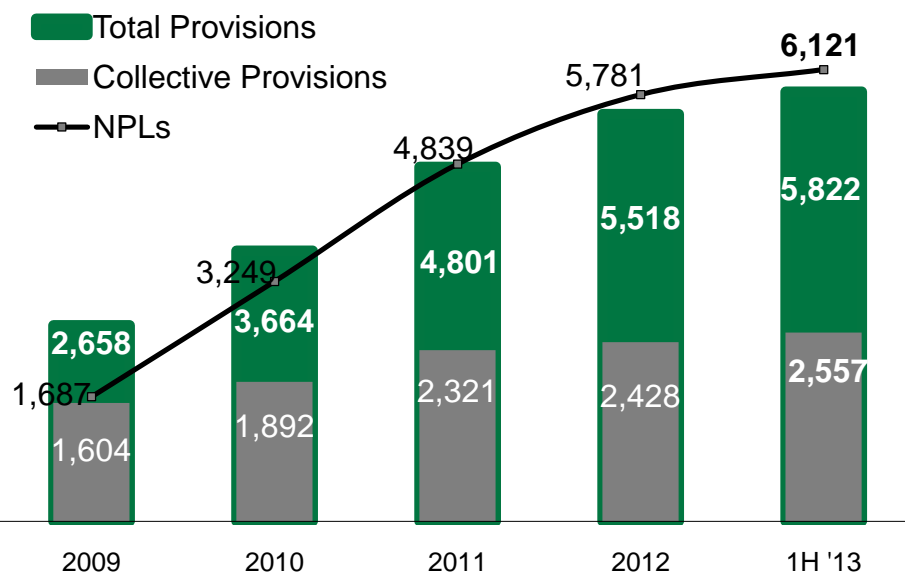
CAGR 2008-1H'13: 10.3%



- Lending picked up in 2Q, growing 6.8% sequentially and 5.4% ytd, in line with expectations, driven by growth in UAE and international

Provisions & NPLs

Provisions* & NPLs (AED mn)



• **NPLs ratio at 3.41% at end-1H'13 (3.4% at end-2012)**

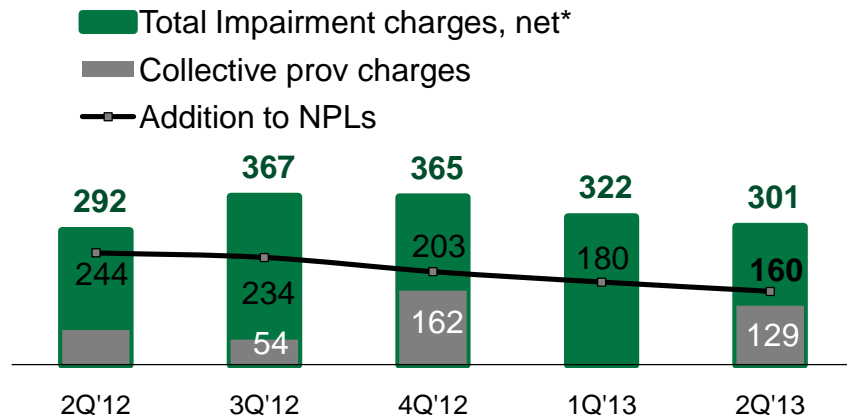
* Provisions on loans & advances - excludes all other provisions

Key points

- Strong asset quality – one of the lowest NPL ratios amongst major UAE banks
- NPL ratio of 3.41% at end-1H'13 (3.4% at end-FY'12); NPLs increased by AED 160mn in 2Q'13 – incremental NPLs have declined for the past 10 quarters
- Specific provisions at 53.3% of NPLs at end-1H'13 (end FY'12 – 53.4%), in addition to collaterals
- Collective provisions at AED 2,557mn; continue to be fully compliant with the Central Bank of UAE's minimum requirement of 1.5% for collective provisions, well ahead of the effective date (year end 2014)

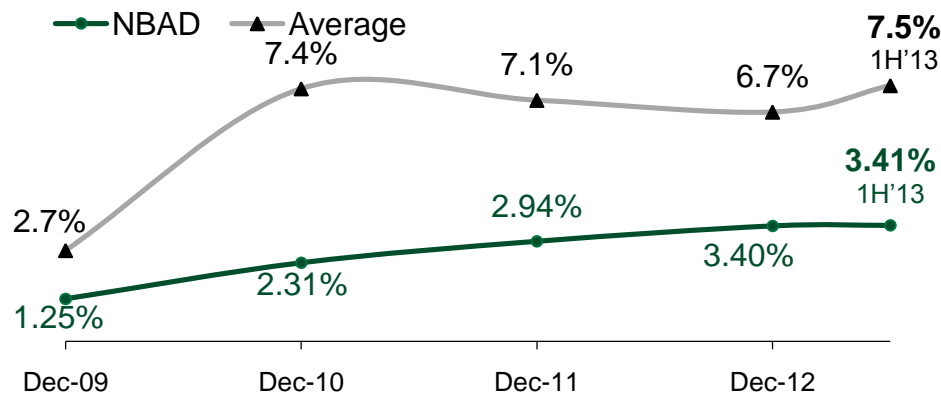
Provisions & NPLs (...cont'd)

Impairment charges & Addition to NPLs (AED mn)



- NPLs increased by AED 160mn in 2Q'13 – additions to NPLs declining since last 10 quarters

NPLs (NBAD vs UAE Banks*)



* Average NPL ratio of ENBD, NBAD, ADCB, FGB (Source: NBAD, Published financials)
 * NPLs above as stated by the banks as impaired loans and advances

Impairment charges (AED mn)

Charge for the period:

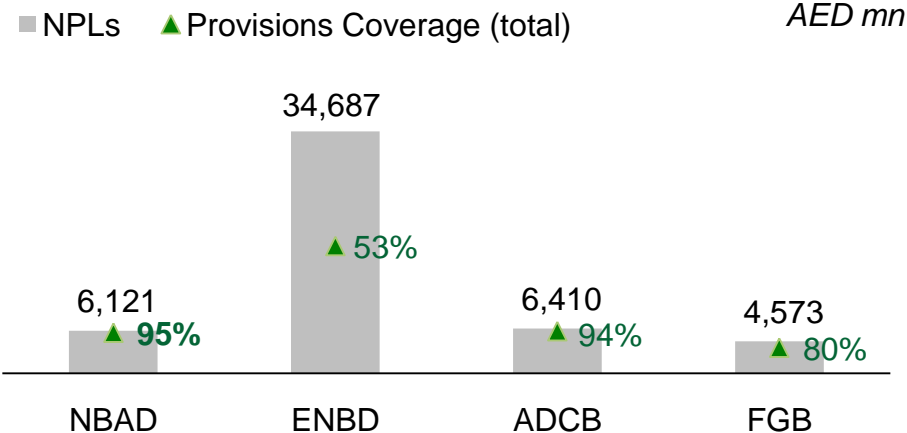
Specific provisions	808	793
Collective provisions	129	76
Recoveries & write-backs	(340)	(313)
Write-offs	11	40
Provisions for other impaired assets	15	9

Impairment charges, net*

1H 2013 1H 2012

937	869
(340)	(313)
11	40
15	9
623	605

Provision coverage (NBAD vs UAE Banks*) – 1H'13

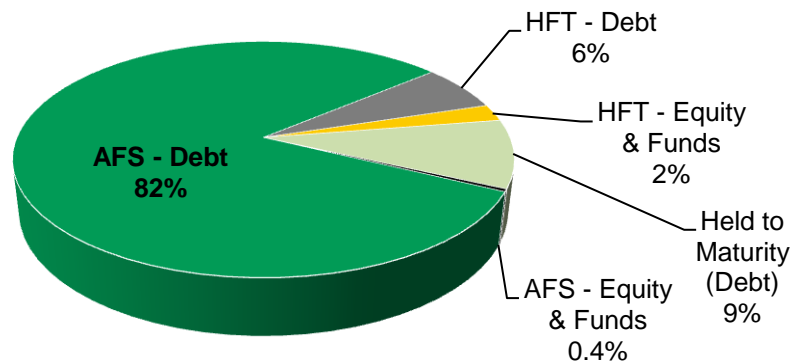


- High provision coverage (excluding substantial collaterals)

* NPLs and Coverage ratios above as disclosed by the banks

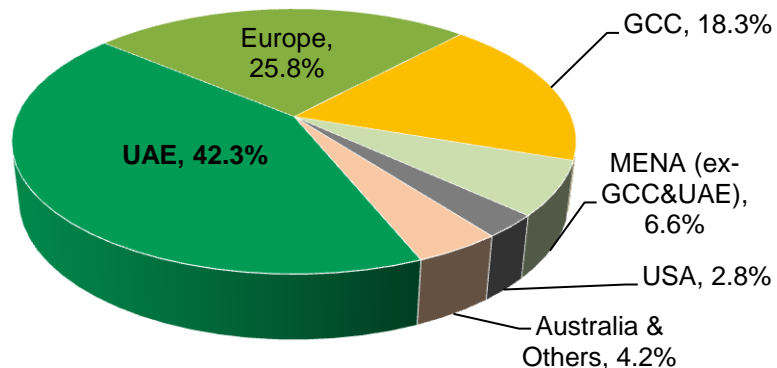
Investments

Investments – AED 39.7bn



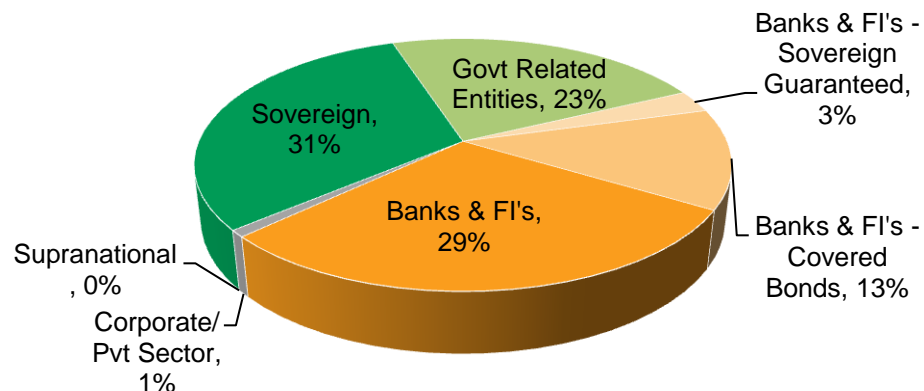
• HFT – AED 3.4bn ; HTM – AED 3.7bn ; AFS – AED 32.6bn

Investments by region

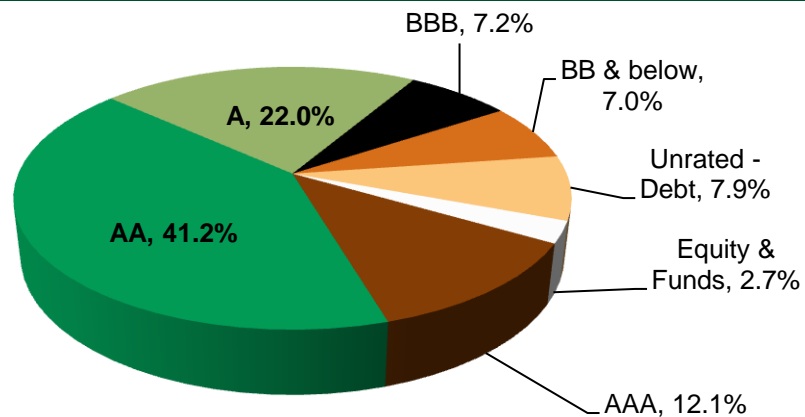


* Based on location of the issuer of the security or parent in case of SPV's

Investments by issuer



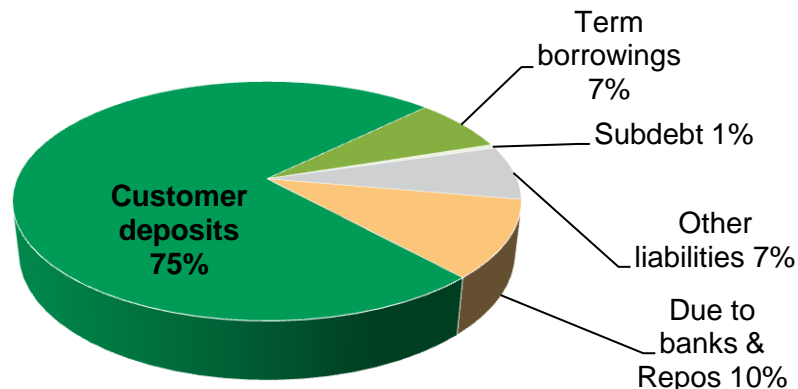
Investments by ratings



• 75% of Investment book is rated A & above

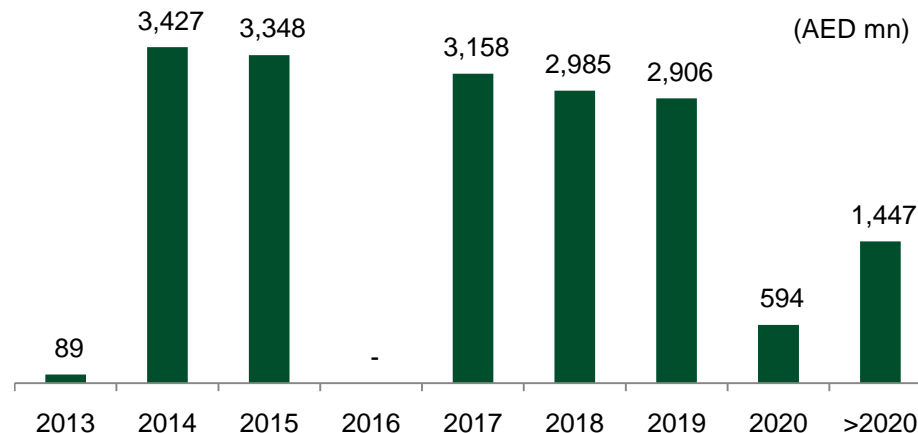
Funding profile

Liabilities - AED 295bn



- Liabilities consist primarily of customer deposits
- Stable funding mix over the years; emphasis on increasing contribution of medium- and long-term funding

Term notes maturity profile (AED 18.0bn – 1H'13)



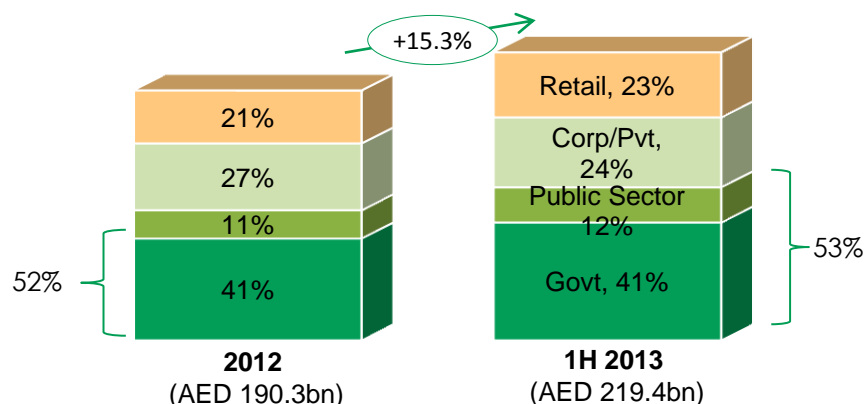
- Opportunistic in tapping the capital markets given favourable pricing terms; no immediate requirements to raise debt

Key points

- Completed repayment of AED 5.6bn of MoF subordinated notes over the last 4 quarters
- Major issuance in 2Q'13: Convertible USD 500mn @ 1% maturing in Feb 2018
- Continue to diversify the funding base and extend the liability profile

Customer deposits

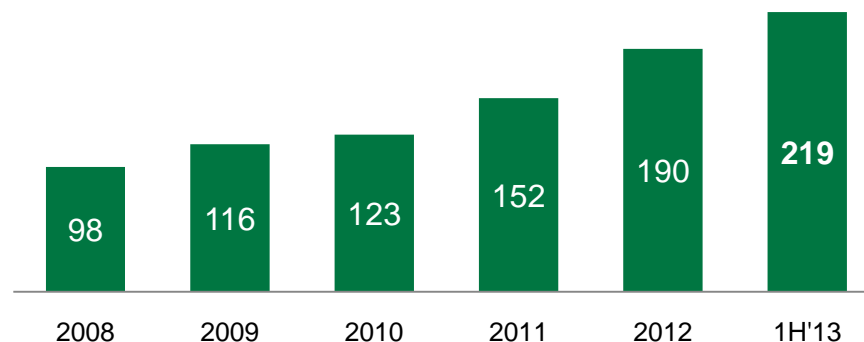
Deposits by customer type



- Substantial funding from government & public sector entities reflecting our long standing relationship with them

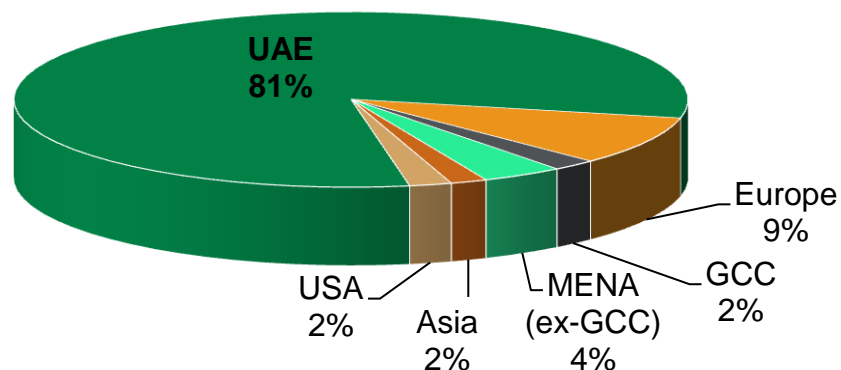
Deposits growth trend (AED bn)

CAGR 2008-1H'13: 19.6%



- Steady and substantial growth in customer deposits

Deposits by geography



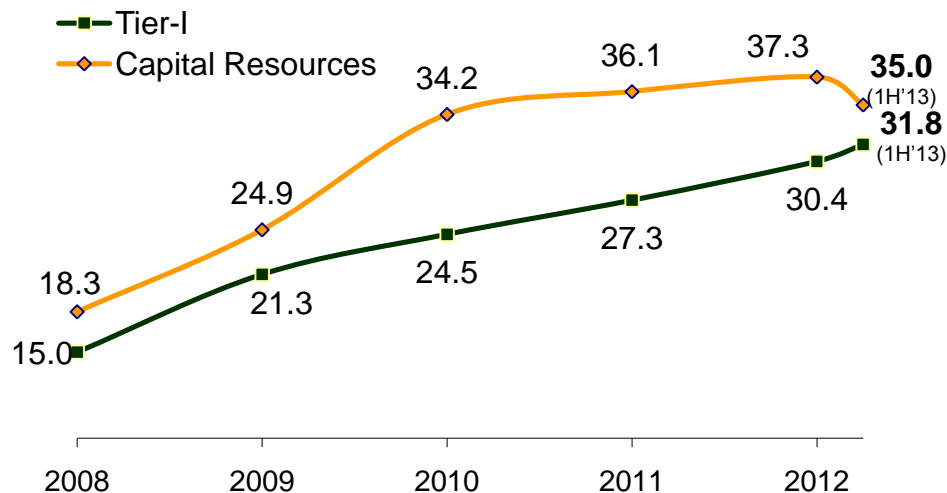
* Based on location of booking of deposit

Key points

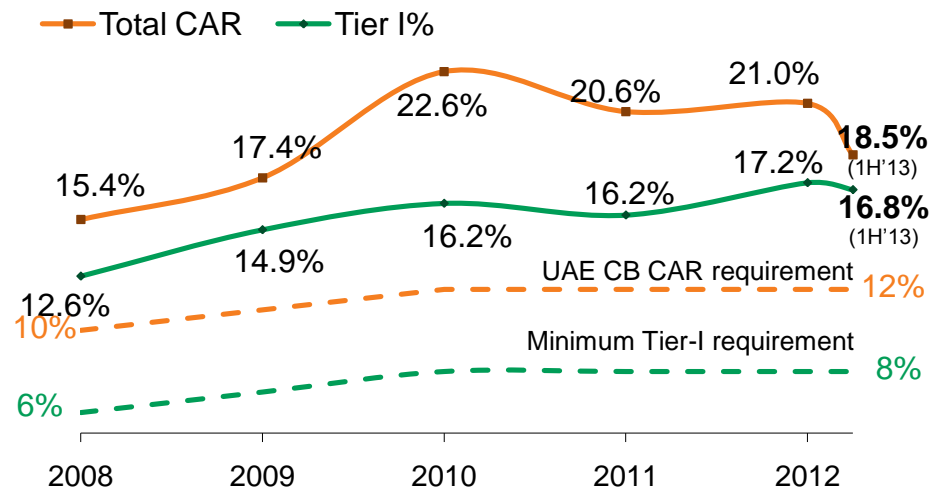
- In 2Q, government deposits further increased by 12% taking the total deposit growth to 15.3% YTD
- Substantial funding from government & public sector entities reflecting our long standing relationship with them

Capital Resources (Basel-II)

Regulatory Capital resources (AED bn)



Capital adequacy (%)



Key points

- Capital Resources (Basel-II) of AED 35.0bn down 6% in 1H2013 after repayment of subordinated notes and dividends to shareholders and Tier-I capital noteholders
- Tier-I capital of AED 31.8bn, up 4.5% on higher 1st half earnings and despite payment of AED 1,479mn in dividends (shareholders 1,359 mn, Tier-I capital noteholders AED 120mn)
- Capital Adequacy ratio (Basel-II) at 30 Jun 2013 at 18.5% and 16.8% on Tier-I well above the Basel-II and UAE Central Bank's minimum requirements of 12% and 8%, respectively

1H 2013	Tier-I	Tier-II	Total
as at Dec 2012	30,411	6,855	37,266
Net profits (year-to-date)	2,621	-	2,621
Dividends paid (S/holders & GoAD Tier-I notes)	(1,479)	-	(1,479)
Change in AFS reserve	-	(139)	(139)
Change in Subdebt (incl MoF Repayment & Buyback of subdebt)	-	(3,616)	(3,616)
Others (incl shares under ESOP)	250	105	355
as at Jun 2013	31,803	3,205	35,008

Summary of Expectations

- **Top line revenue growth 7% - 8%; Expense growth 10% - 11% (FY 2013)**
- **Balance sheet growth driven by lending growth 8% - 10% (FY 2013)**
- **Provisioning expected to reduce gradually as we reach peak delinquency levels; NPLs to peak below 3.75% of performing loans (FY 2013)**
- **Finalisation of detailed strategy**
- **Execution of 100-day plan**
- **Simplification/flattening of organisation**

Appendix

1	UAE economic overview	Page 30
2	Abu Dhabi – The Capital	Page 31
3	The UAE banking sector	Page 32
4	Strategy Overview	Page 33 - 35
5	Credit rating profile	Page 36
6	Consolidated balance sheet	Page 37
7	Consolidated income statement	Page 38
8	Disclaimer	Page 39
9	Contact us	Page 40

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)+**
 - 2nd largest economy in GCC and the Arab world** (after Saudi Arabia)*
 - 8.2% (97.8 bn barrels) of proven global oil reserves** (end 2011)
 - UAE Banking sector offers the largest asset base within the GCC (**NBAD is 4th 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

* Nominal GDP rankings by IMF (2011)

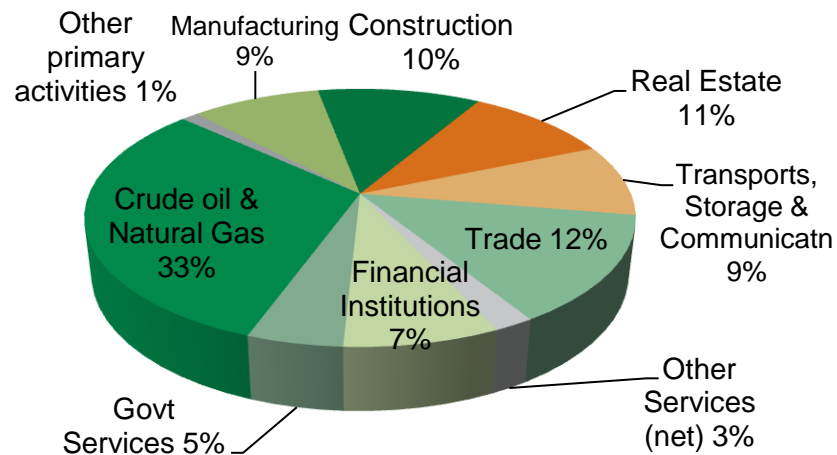
Source: Bloomberg, IMF, UAE Central Bank, US Energy Information Administration, OPEC

Key Economic Indicators

2012 Estimates (in US\$ bn)	UAE	Hong Kong	Singapore	Malaysia
Nominal GDP	377	263	277	304
Real GDP growth (% change yoy)	4.3	1.4	1.3	5.6
Merchandise Exports	347	409	443	228
Merchandise Imports	217	380	504	197
Population (mn)	8.3	7.2	5.4	29.5

Source: IMF, UAE Central Bank, World Economic Outlook Database, April 2013
(Exchange Rate: 1 USD = 3.673 AED)

UAE GDP (Real) Split by Sector



Source: National Bureau of Statistics, Economic Report 2012 (at 2007 constant prices)

Abu Dhabi – The Capital

Abu Dhabi Key Economic Indicators

Credit Rating	Aa2 (Moody's) / AA (S&P) / AA (Fitch)
Size	Abu Dhabi accounts for 87% of UAE's land area
Population	2.12mn (mid-2011 est)
Nominal GDP	US\$ 219.4bn (+29.9%); Real GDP growth 6.8%
GDP Per Capita	US\$ 103,485 (2 nd highest in the world* – IMF)
Oil & Gas as a % of GDP	58.5% (nominal GDP)
Crude Oil	
-- Production	Approx 2.8mn bpd (2011)
-- Reserves	92 bn barrels; (Global ranking - 6th)
Principal Contributors to Nominal GDP	Real Estate & Construction (14%), Trade, Services & Logistics (11%), FIs & Insurance (5%), Manufacturing (5%), Govt Services (7%) – contribute ~41% to Abu Dhabi's GDP
Abu Dhabi "2030 Economic Vision"	Initiative by the Government of Abu Dhabi to develop and diversify the economy beyond oil revenues
Future Developments	Future major ongoing developments in line with Abu Dhabi Economic Vision 2030 covering all sectors have an estimated value of over US\$ 150bn (Zawya)

Source: Department of Planning and Economy, IMF, UAE Central Bank, NBAD Research, Statistics Centre – Abu Dhabi (All figures as of 2011, unless stated otherwise)

* Assuming Abu Dhabi as a standalone nation



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)	2011	2012	May-2013
Total Assets ¹	452.5	487.8	510.1
Certificates of Deposit held by Banks	21.9	25.9	26.2
Investments by Banks	38.9	42.3	45.9
Deposits ²	291.2	317.9	339.4
Bank Credit ³	291.6	299.2	307.9
Specific Provisions	15.1	18.5	19.4
General Provisions	4.4	4.8	4.9
Capital Adequacy Ratio	20.8%	21.0%	20.2 ⁵ %
Banks & Branches⁴			
National Banks (23)	904	945	964
Foreign Banks (28)	162	166	169

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

⁵ As of March 2013

Country	As at (2013)	Growth (YoY)	Banking Sector Assets (USD bn)
UAE	May	8.6%	510.1
S. Arabia	June	11.6%	482.0
Bahrain	May	(2.2)%	190.2
Kuwait	May	8.2%	173.8
Qatar	June	18.4%	240.2
Oman	May	9.5%	56.9
GCC Estimate		9.4%	1,653.1

Source: Central Banks of respective countries

What we want to change – our new mission to be core to our chosen customers

Vision

To be recognised as the
World's Best Arab Bank

Mission

Be core to our chosen customers, helping them grow by providing exceptional products and services across our **West-East Corridor** and provide an environment to **attract and develop exceptional and diverse talent**

Our Values

Put our **customers at the forefront** and
"do the right things the right way"

Value **our people**
and foster great
team work

Respect our heritage
and be loyal to **our stakeholders**

Customer Value Proposition

Connected

Relationship

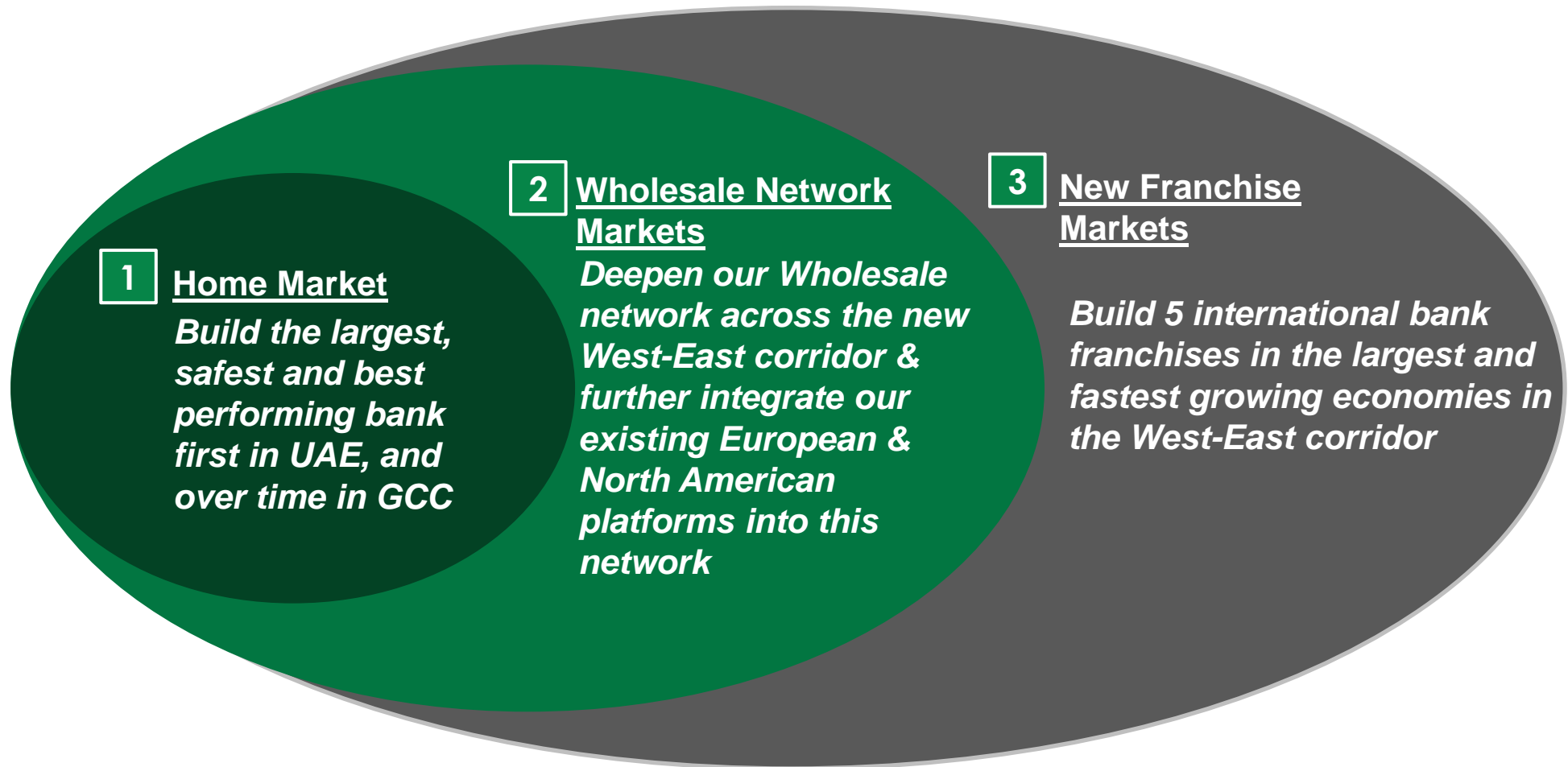
Insight

Safety

Service

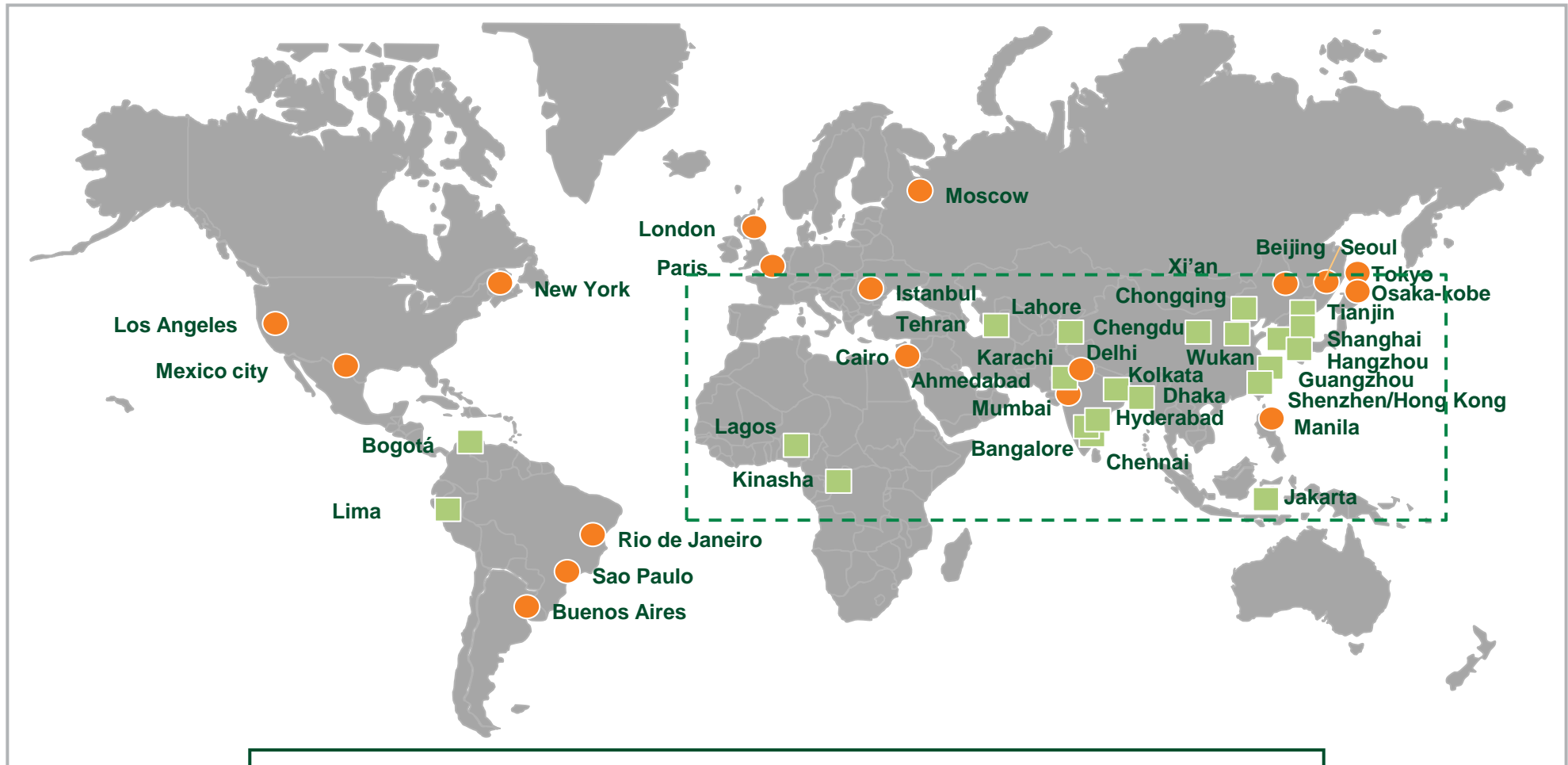
What we want to change – our new mission to be core to our chosen customers

Our strategy to deliver this will be built around 3 geographical pillars and will be achieved primarily through organic growth






Time to complete build - 5 years

West-East corridor is witnessing high growth and will have a higher concentration of megacities over the next 10-20 years



Our primary drivers are trade and investment flows across the West/East corridor:

- We want to bank the customers from within the corridor
- We want to bank customers located outside of the corridor who trade and invest inside the corridor
- We want to support our chosen UAE customers in London, Paris, Switzerland and Washington

 West-East corridor
 Megacities¹ 2007
 Additional megacities by 2025

¹ Cities with 10 million or more inhabitants

SOURCE: United Nations, World Urbanization Prospects 2007; McKinsey Global Institute China All City Model; McKinsey Global Institute analysis

Credit ratings profile

Moody's

Aa3/Stable/P-1

*Upgraded from A1 in
Aug 2006*

- Franchise value – Well established and dominant Abu Dhabi franchise
- Asset quality and risk positioning – High quality loan book but exposed to concentration risks (common to majority government-owned banks in UAE); NBAD has relatively strong asset quality metrics
- Capital adequacy – Strong and supported by stable profitability
- Funding and liquidity – Stable deposits supplemented by diversified capital markets investor base; NBAD's liquidity management function and contingent funding plans are robust

S&P

A+/Stable/A-1

*Upgraded from A in
May 2007*

- Strengths:
 - ✓ Majority ownership by the Abu Dhabi Govt
 - ✓ Strong domestic commercial position translating into above-average operational efficiency
 - ✓ Very strong capital level and high quality of capital
 - ✓ Resilient asset quality and prudent risk management
- Weaknesses:
 - ✓ Large concentration risks on both sides of the balance sheet, like other GCC banks
 - ✓ Challenging, though improving, operating conditions in the UAE

Fitch

AA-/Stable/F1+

*Upgraded from A+ in
Nov 2007*

- Strong franchise in Abu Dhabi with operations throughout the UAE
- From a corporate governance perspective the bank is run fairly independently and risk is a key consideration in all decisions, with funding of government-related projects undertaken only if the bank considers them viable. NBAD is one of only a very few UAE banks whose impaired loans are fully covered by reserves
- NBAD's funding base is relatively diversified and the bank is one of the most active regional debt issuers in the international capital market. Liquidity is sound, and is a key focus for NBAD; the bank's liquidity management is more advanced than that of many of its peers.

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

Consolidated balance sheet

					AED mn
CONSOLIDATED BALANCE SHEET	Jun'13	Dec'12	% chg	Jun'12	% chg
Cash and balances with central banks	54,355	54,943	(1)	28,049	94
Due from banks	14,548	14,616	-	14,579	-
Reverse repos	29,608	18,510	60	23,111	28
Investments	39,687	35,561	12	29,005	37
Loans and advances to customers	173,458	164,599	5	162,801	7
Other assets (incl premises & equipments)	15,067	12,370	22	12,452	21
ASSETS	326,723	300,599	9	269,997	21
Due to banks	30,177	35,477	(15)	33,832	(11)
Repurchase agreements with banks	570	2,017	(72)	8,389	(93)
Euro Commercial Paper (ECPs)	4,909	2,831	73	2,112	132
Customers' deposits	219,350	190,304	15	160,452	37
Term borrowings/ notes	21,351	19,074	12	16,032	33
Other liabilities	16,572	14,101	18	7,881	27
Subordinated notes	1,583	5,662	(72)	13,017	(80)
LIABILITIES	294,512	269,466	9	241,715	22
Share capital	4,277	3,875	10	3,875	10
Govt of Abu Dhabi's Tier-I capital notes	4,000	4,000	-	4,000	-
Reserves, etc	23,934	23,258	3	20,407	17
EQUITY	32,211	31,133	3	28,282	14
LIABILITIES and EQUITY	326,723	300,599	9	269,997	21

Consolidated income statement

AED mn

Consolidated Income Statement	2Q'13	2Q'12	% chg	1H'13	1H'12	% chg
Interest income (includes income from Islamic financing)	2,120	2,091	1	4,143	4,120	1
Interest expense (includes Depositors' share of profits)	(448)	(565)	(21)	(934)	(1,134)	(18)
Net Interest Income	1,672	1,526	10	3,209	2,986	7
Non-interest income	691	545	27	1,664	1,115	49
Operating Income	2,363	2,071	14	4,873	4,100	19
Operating Expenses	(795)	(705)	13	(1,522)	(1,350)	13
Operating Profit	1,568	1,366	15	3,351	2,750	22
Net impairment charge	(301)	(292)	3	(623)	(605)	3
Profit Before Taxes	1,267	1,074	18	2,728	2,146	27
Overseas income tax expense	(55)	(28)	102	(107)	(59)	82
NET PROFIT	1,212	1,046	16	2,621	2,087	26

Disclaimer

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Redefining excellence in safe banking

National Bank of Abu Dhabi is ranked the Safest Bank in the Middle East and one of the 50 Safest Banks in the world for 4 years in a row.



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