



# Investor Presentation

## June 2016

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# Disclaimer

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## UAE, Abu Dhabi & Banking Sector

 NBAD Overview

 Strategy

 Executive Summary – 2Q / 1H 2016

 Financial Review – 2Q / 1H 2016

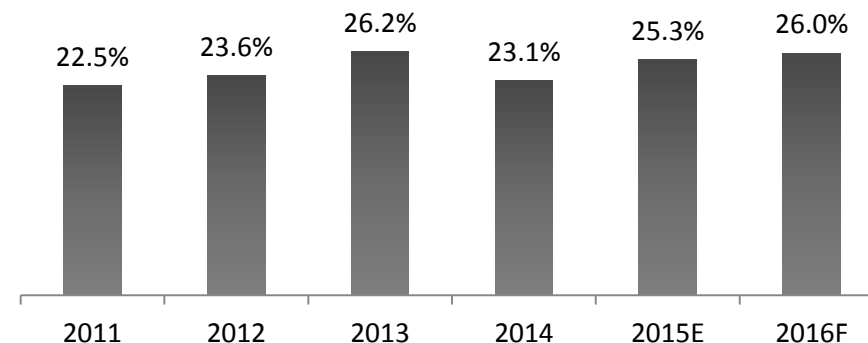
 Appendix

# UAE Economic Overview

- The United Arab Emirates comprises seven Emirates with Abu Dhabi being the largest contributor to its GDP
- Rating: Aa2<sup>\*</sup> by Moody's (unsolicited)
- Nominal GDP for 2015 estimated at USD 339.1bn, making it the 2nd largest economy in the GCC (after Saudi Arabia)<sup>1</sup>
- 6% of proven global oil reserves as of 2014<sup>2</sup>
- UAE Banking sector offers the largest asset base within the GCC (NBAD is 3<sup>rd</sup> largest bank by assets in the MENA region)
- UAE banking sector is dominated by domestic players domiciled within the market

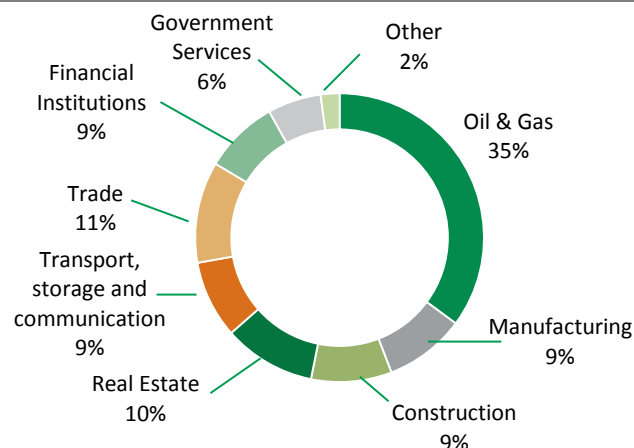
UAE Debt vs GDP<sup>1</sup>

Per cent (%)



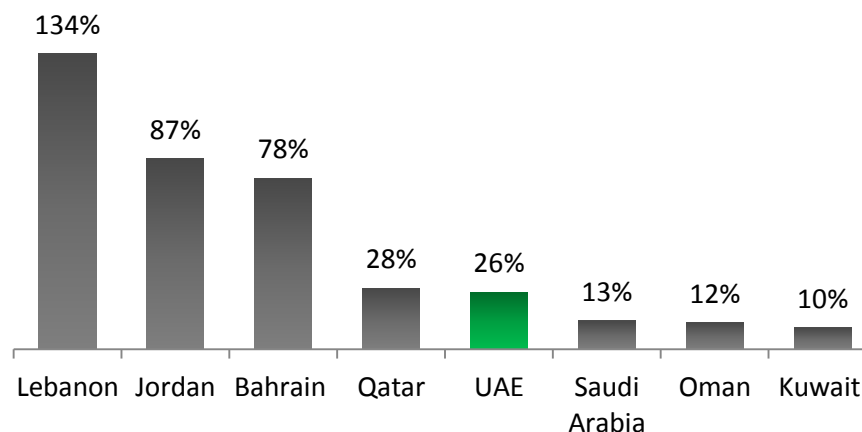
Composition of UAE Nominal GDP by Sector (2014)<sup>3</sup>

Per cent (%)



Debt to GDP in MENA Region (2016 Forecast)<sup>1</sup>

Per cent (%)



<sup>1</sup> IMF World Economic Outlook, 2015

<sup>2</sup> Moody's

<sup>3</sup> National Bureau of Statistics, UAE

# 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>	2.66mn <sup>1</sup> (mid-2014 est)
<b>Nominal GDP</b>	AED 822bn (USD 224bn) (est 2015) <sup>2</sup>
<b>Real GDP growth<sup>2</sup></b>	2015 – 6.3%, 2014 – 4.4%
<b>GDP Per Capita (2014)</b>	USD 98,420 (based on 2014 GDP and population estimates)
<b>Oil &amp; Gas as a % of GDP</b>	37.6% (nominal GDP, 2015) <sup>2</sup>
<b>Crude Oil</b>	
-- Production	Approx 3.1mn bpd (2015) <sup>2</sup>
-- Reserves	90 bn barrels <sup>2</sup> ; Global ranking – 7 <sup>3</sup>
<b>Other Principal Contributors to Nominal GDP (2015)<sup>2</sup></b>	Construction (11.9%), Real Estate (7.1%), FIs & Insurance (9.2%), Manufacturing (6.8%), Defense / Social Security (6.4%), Transportation and storage (5.1%), Wholesale and retail trade (5.7%), Public utilities (2.5%)
<b>Abu Dhabi "2030 Economic Vision"</b>	Initiative by the Government of Abu Dhabi to develop and diversify the economy beyond oil revenues

Abu Dhabi's rating is supported by several factors (i) the prodigious strength of the government's balance sheet with little direct or explicitly guaranteed debt and one of the largest sovereign wealth funds in the world with more than \$589 billion of assets under management according to Institutional Investor's Sovereign Wealth Center (ii) one of the highest per capital GDPs in the world, despite cyclical swings in oil prices and production (iii) ample hydrocarbon reserves and (iv) a long history of domestic political stability and enjoys strong relations with its fellow emirates within the UAE, most neighboring countries, and the major global powers, including the US.

**Moody's, September 09, 2015**

The ratings on Abu Dhabi are supported by its strong fiscal and external positions, which afford it fiscal policy flexibility. The exceptional strength of Abu Dhabi's net asset positions also provides a buffer to counter the negative impact of oil price volatility on economic growth and government revenues, as well as on the external account, notwithstanding our expectation of a deterioration in the government's fiscal balance.

**Standard & Poor's, August 07, 2015**

Sovereign net foreign assets are the second-highest of all Fitch-rated sovereigns at 181% of GDP.... Economic growth has averaged 6.2% in the last five years, well in excess of the peer median.... Non-oil growth is stronger and less volatile...

**Fitch Ratings, July 20, 2015**

<sup>1</sup> Statistics Centre of Abu Dhabi

<sup>2</sup> Abu Dhabi Bond Prospectus 2016

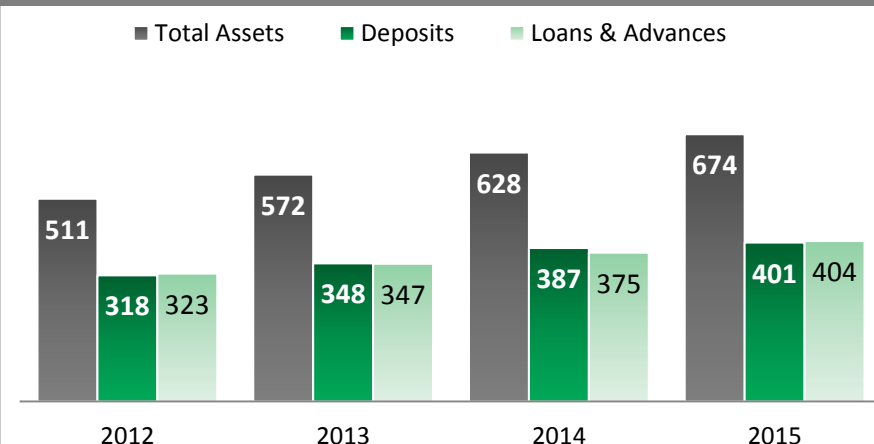
<sup>3</sup> IMF

# The UAE Banking Sector

- As at 31 Dec 2015 there were a total of 49 banks (23 locally incorporated banks and 26 foreign banks)<sup>1</sup>
- 8 Islamic banks
- Strong capitalisation driven by cautious lending and healthy internal capital growth
- Most domestic banks focus on the UAE and GCC region, while the largest banks have international presence
- Regulated by the Central Bank of the UAE

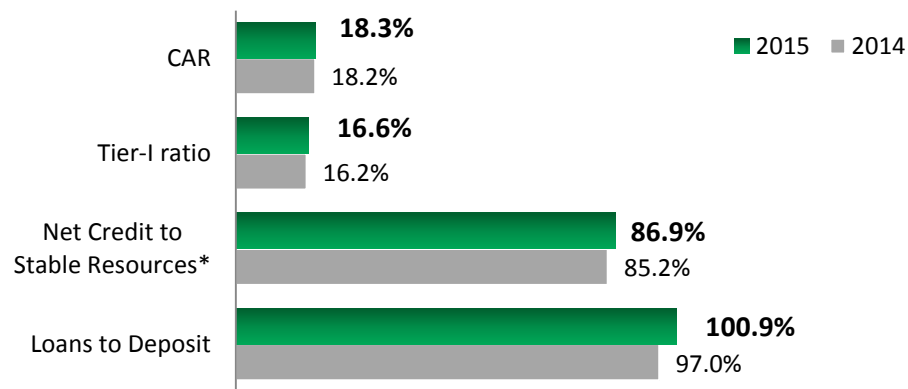
UAE Banking System Key Indicators<sup>1</sup>

USD Bn



UAE Banking System – Capital & Liquidity<sup>1</sup>

Per cent (%)

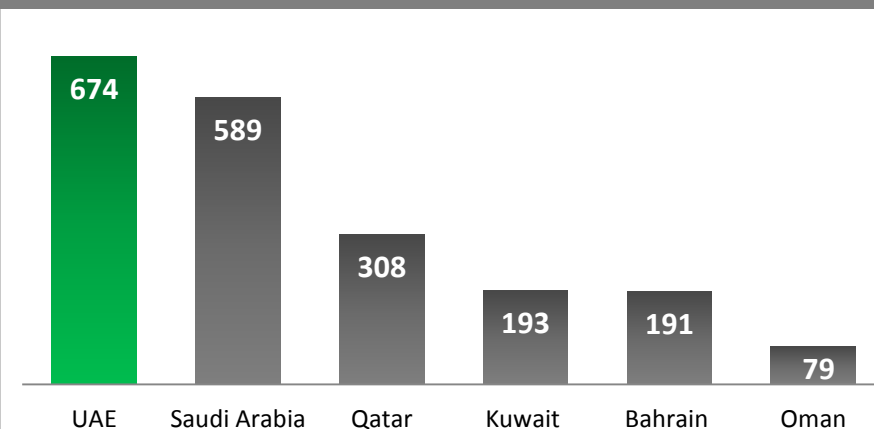


\* Stable Resources = Deposits + Term borrowings + Capital & Reserves

<sup>1</sup> UAE Central Bank

GCC banking sector assets<sup>2</sup>

USD Bn



Source: Central Banks', data as of Dec 2015

- ☐ UAE, Abu Dhabi & Banking Sector

- ☒ **NBAD Overview**

- ☐ Strategy

- ☐ Executive Summary – 2Q / 1H 2016

- ☐ Financial Review – 2Q / 1H 2016

- ☐ Appendix



# NBAD at a Glance (1/2)



- **Banker to the Abu Dhabi Government**
- **70% owned by the Government of Abu Dhabi through ADIC (Abu Dhabi Investment Council)**
- **Strongest ratings of any bank in the Middle East & Emerging Markets at Aa3/AA-/AA-**  
*- 'Safest Bank in the Middle East & Emerging Markets'\**
- **Largest bank by assets in Abu Dhabi (AED 419 billion as of 30 June 2016)**
- **Well diversified Financial Group – across businesses and geography**  
*- One of the largest international presence among the UAE banks*
- **Consistent profitability and value creation to shareholders**
- **Strong liquidity and robust capital adequacy**
- **Clear and focused strategy for growth**

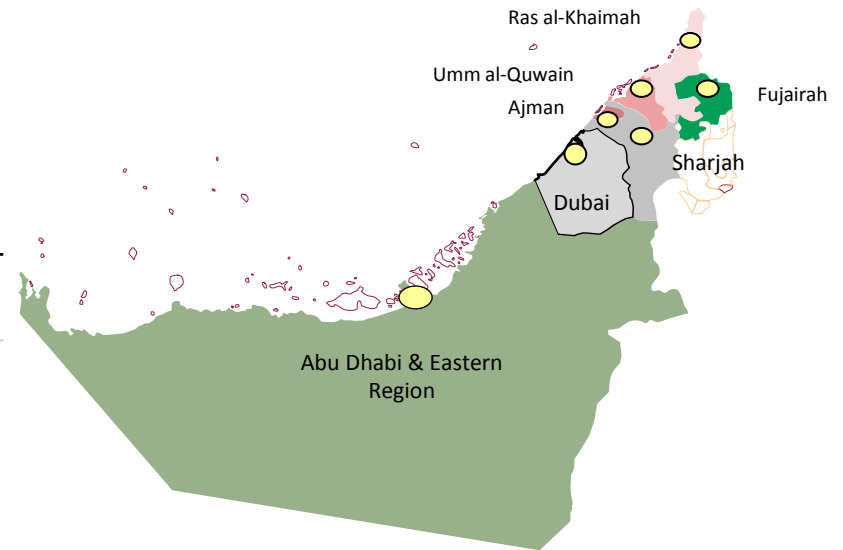
\* By Global Finance – Safest Bank in Middle East & Emerging Markets; Among the World's 50 Safest Banks since 2009



# NBAD at a Glance (2/2)



<b>Overview</b>	<ul style="list-style-type: none"> <li>▪ Incorporated in 1968 to serve as Banker to the Emirate of Abu Dhabi</li> <li>▪ Owned 70%<sup>1</sup> by <b>Government of Abu Dhabi</b>, via the Abu Dhabi Investment Council (ADIC)</li> <li>▪ Listed on Abu Dhabi Securities Exchange (ADX)</li> </ul>					
<b>Credit Rating</b>		<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>RAM (Malaysia)</b>	<b>R&amp;I (Japan)</b>
	<b>LT</b>	AA-	Aa3	AA-	AAA	A+
	<b>ST</b>	F1+	P-1	A-1+	P1	
	<b>Outlook</b>	Stable	Negative	Negative	Stable	Stable
<b>Presence</b>	<ul style="list-style-type: none"> <li>▪ Domestic - 108 branches*, 542 ATMs+ across all the 7 emirates</li> <li>▪ Overseas – 45 offices across 16 countries</li> </ul>					
<b>Financial Info</b>	Market Cap			AED 50.8bn (US\$ 13.8bn)		
	(Price @ AED 9.66)					
	Diluted EPS (1H 2016)			0.48		
	PE Ratio			10.1		
	Price / Book			1.4		
	Shares Issued (@ AED 1)			5,254.5mn		
Free float:			30%			

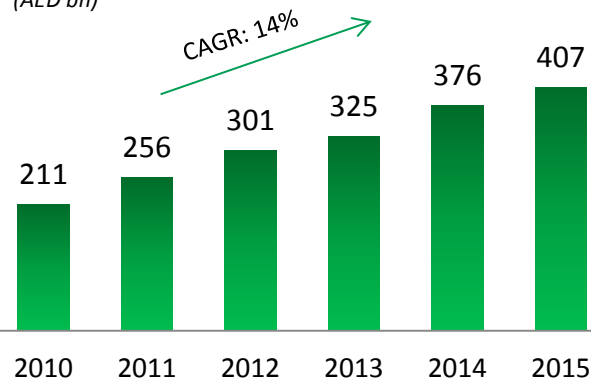


\* Including cash offices, NBAD Suisse, Malaysian & Brazil subsidiary, offshore units & representative office in Shanghai  
+ includes Cash deposit machines

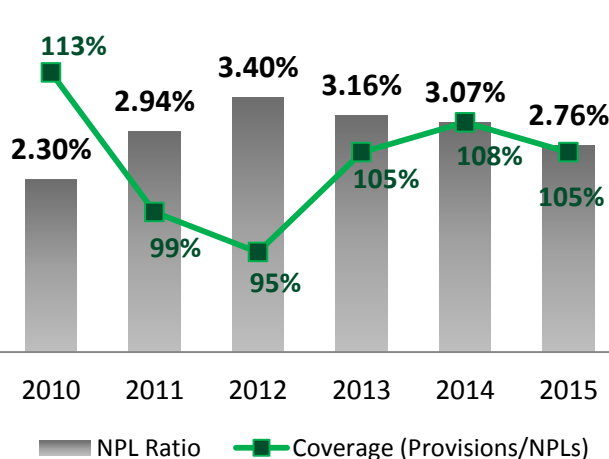
# A Strong Track Record of Financial Performance

## Assets

(AED bn)

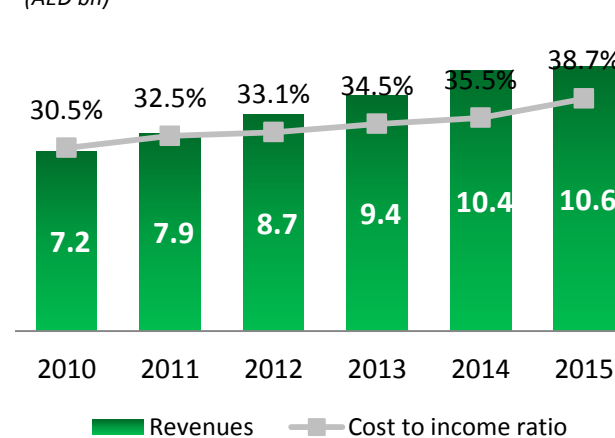


## Non Performing Loans & Provisions



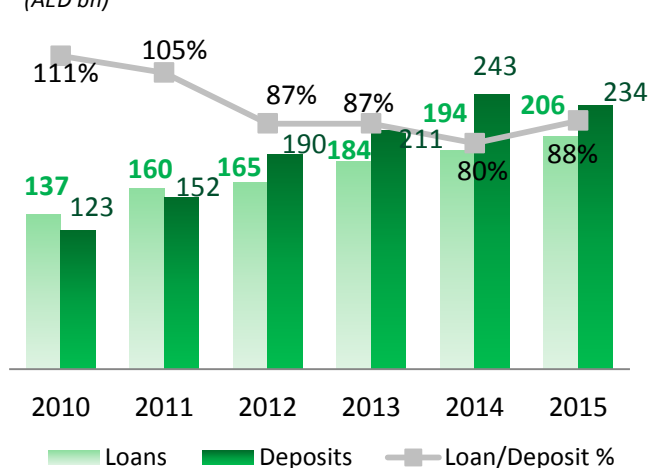
## Revenues & Cost-to-income ratio

(AED bn)



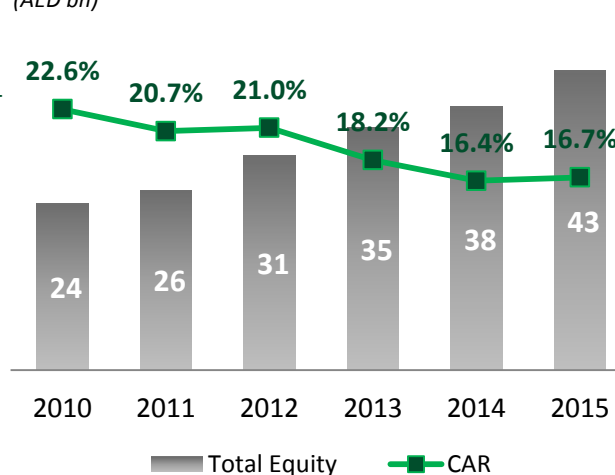
## Loans & Deposits

(AED bn)



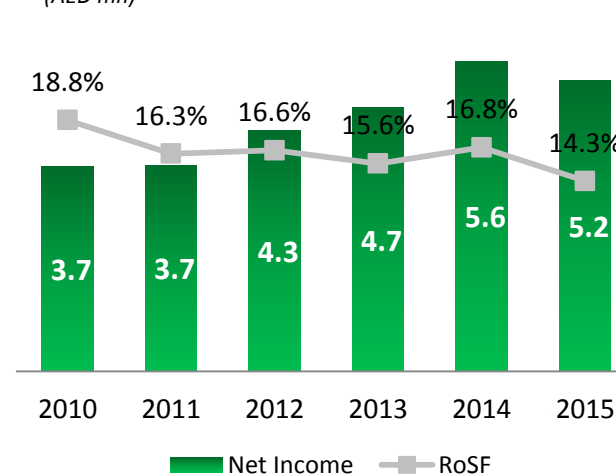
## Equity & Total CAR

(AED bn)



## NPAT & Return on Shareholders' Funds

(AED mn)



- ☐ UAE, Abu Dhabi & Banking Sector

- ☐ NBAD Overview

- ☒ **Strategy**

- ☐ Executive Summary – 2Q / 1H 2016

- ☐ Financial Review – 2Q / 1H 2016

- ☐ Appendix

# Our 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

**Empower** our  
people and  
hold each other  
**accountable** for  
performance  
and behaviour

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

## Customer Value Proposition

*Connected*

*Relationship*

*Insight*

*Safety*

*Service*

## 4 Geographical Pillars of our Strategy

**Vision:** To be recognised as the **World's Best Arab Bank**

*to be achieved around four pillars...*

1

### Home Market

*Build the largest, safest and best performing bank first in UAE, and over time in the GCC*

2

### Wholesale / Wealth Network Markets

*Deepen our network across the West-East corridor & integrate our existing European & North American platforms into this network*

3

### New Franchise Markets

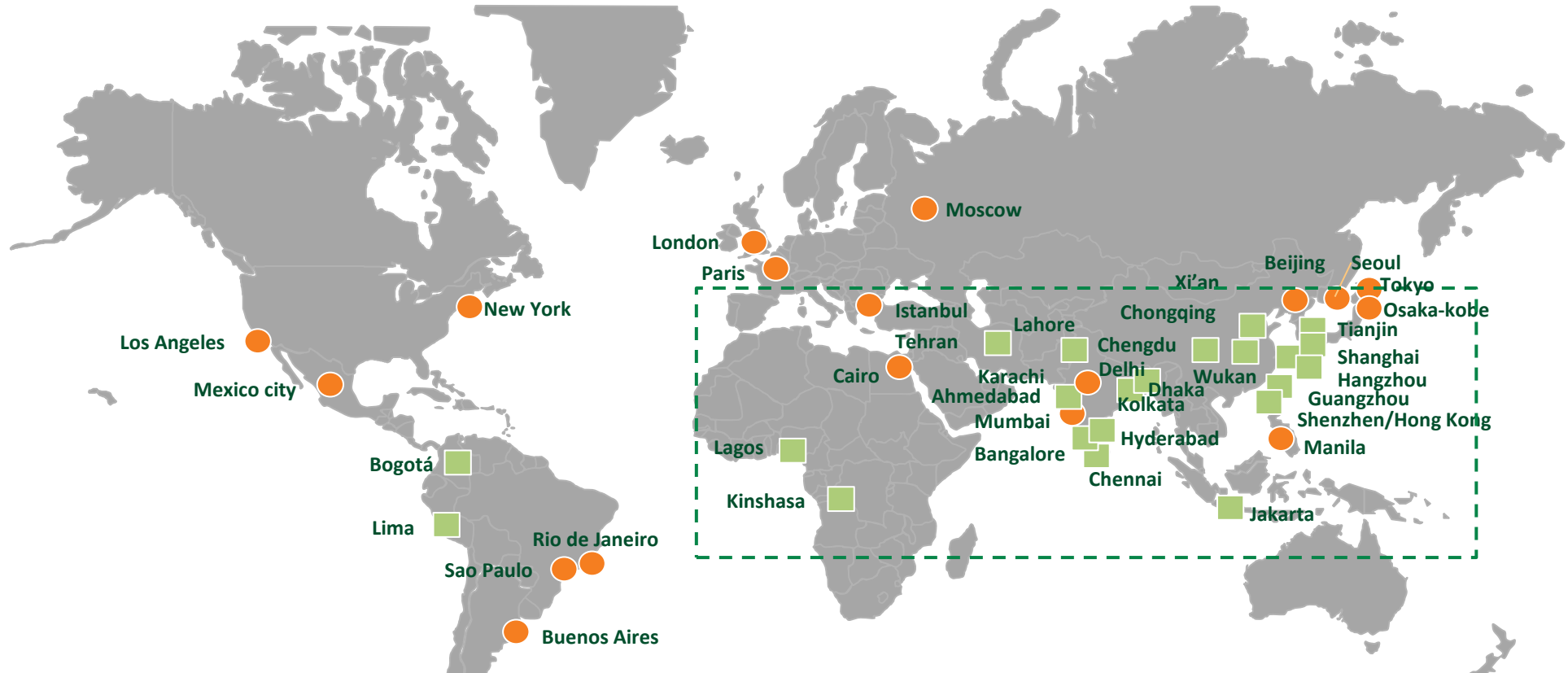
*Build 5 international bank franchises in the largest and fastest growing economies in the West-East corridor*

4

### Building the Spine

*Supported by a world class spine (Operations & Technology, Risk, Finance, Legal, Compliance) combining best-in-class customer service with leading cost efficiency*

# Banking the West-East corridor



**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
- Megacities<sup>1</sup> 2007
- Additional megacities by 2025

<sup>1</sup> Cities with 10 million or more inhabitants

# Key industry sectors aligned to our network markets strategy



## Key sectors



### Financial Institutions

## Why is it an opportunity?

- **Significant and fastest** growing segment **globally**
- **40% contributor** to the global Wholesale bank and the **biggest volume segment in flow** products
- Controls **70% of the volumes in certain products**

## Illustrations



### Energy and Resources

- **Strategic sector** in the UAE & aligned with **Abu Dhabi 2030**
- **Attractive** sector for corporate credit with **low counterparty risk**
- Substantial growth & potential of **supply chain business**



### Aviation, rail and transport services

- **Strategic sector** the UAE & aligned with **Abu Dhabi vision 2030**
- **National champions** with significant growth aspirations
- **Big 6 airlines** within the new West-East corridor



### Real Estate and family conglomerates

- **Strategic sector** the UAE (20% of UAE GDP) & aligned with **Abu Dhabi vision 2030**
- Highly **attractive sector** for **Arab** investors
- Attractive for GCC/Asian and other investors



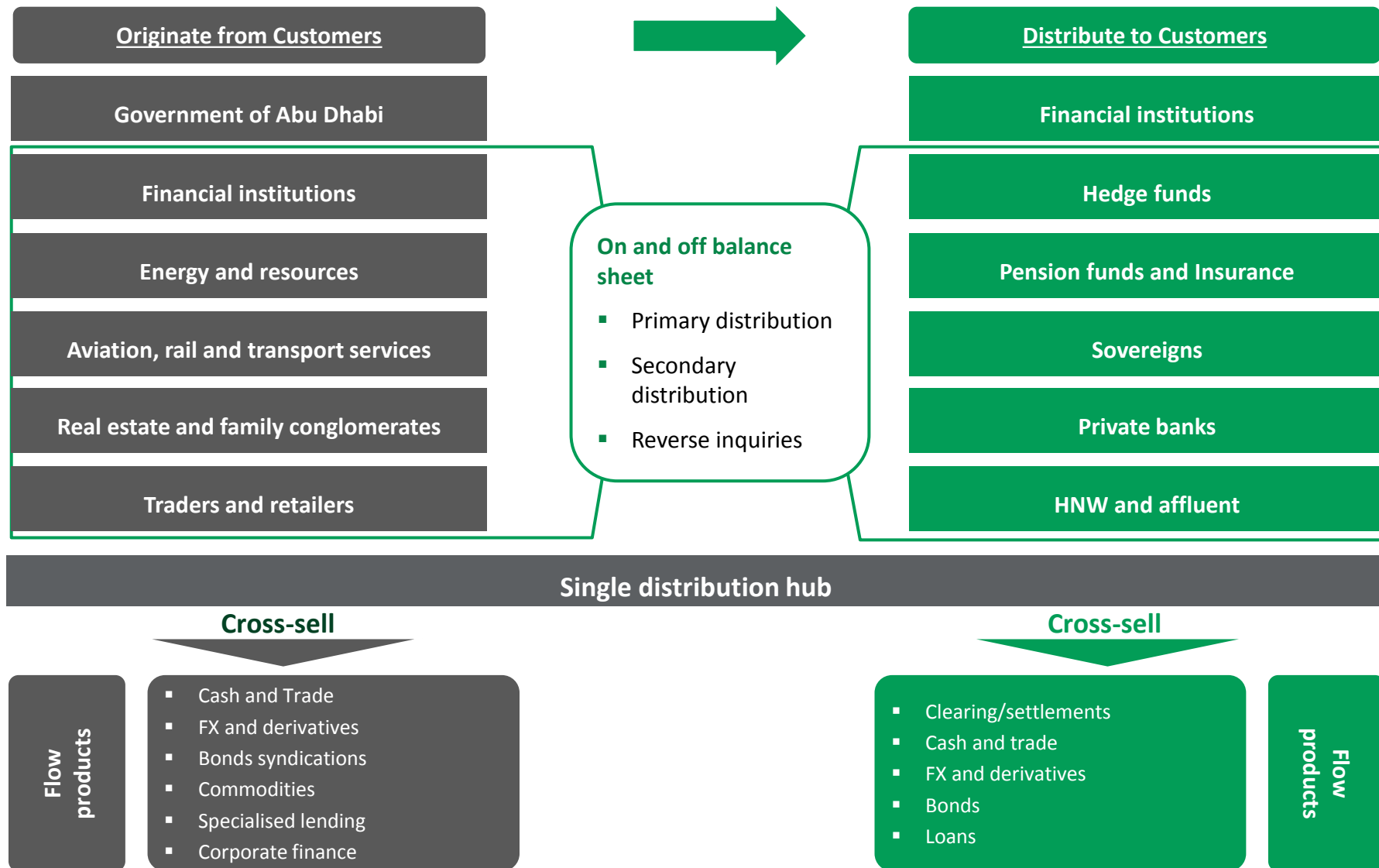
### Traders and retailers

- **Strategic and high growth sectors** in the region
- **UAE is the 18<sup>th</sup> biggest trading country in world** ahead of countries like India, Brazil and Australia
- **Retailing is USD ~\$48Bn market in GCC** expected to grow at ~8% annually from 2013/17

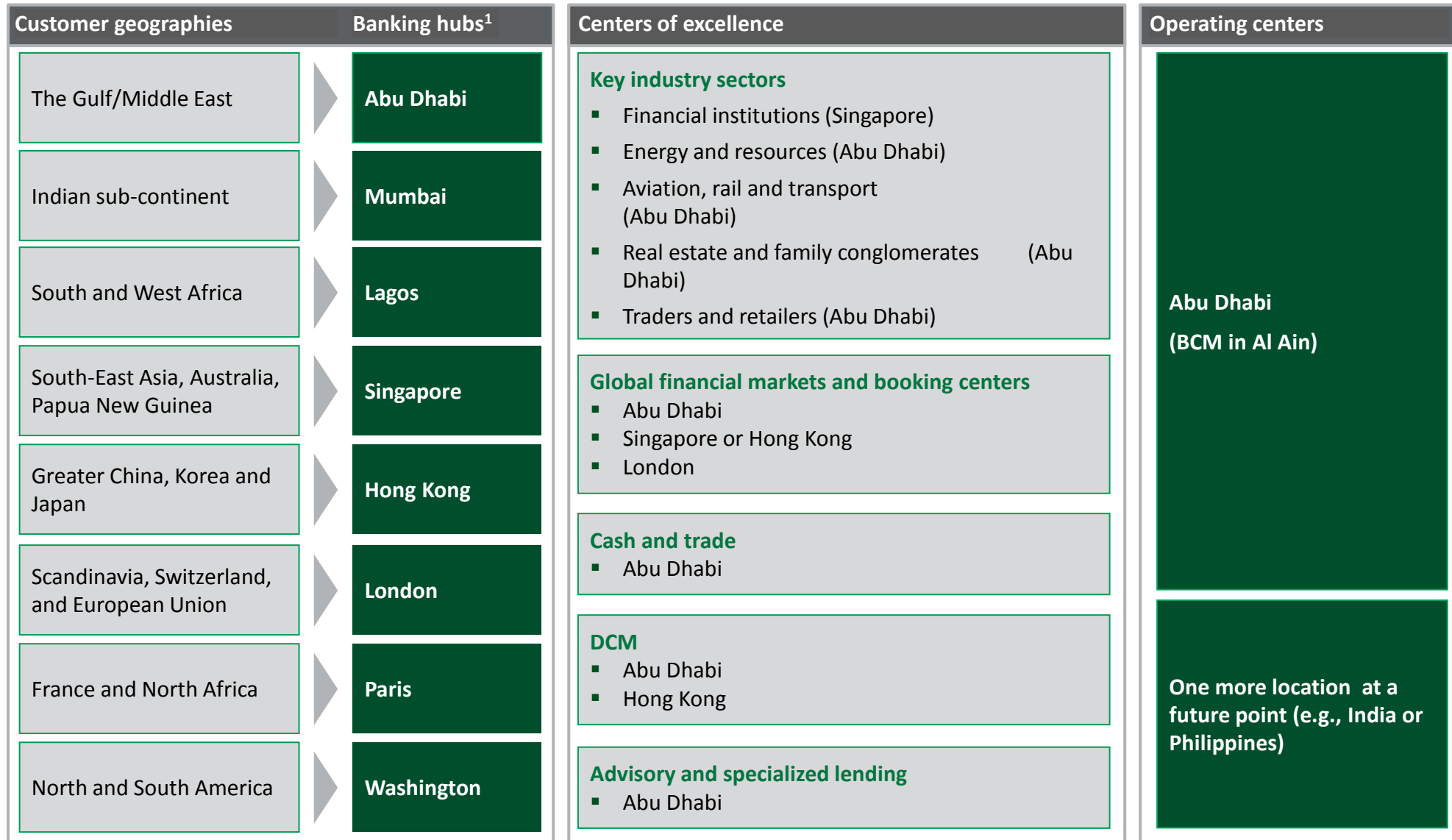




# We will increasingly utilise an 'originate to distribute' model



# Wholesale banking model aligning to West-East corridor



<sup>1</sup> Relationship, sales and product service

☐ UAE, Abu Dhabi & Banking Sector

☐ NBAD Overview

☐ Strategy

☒ **Executive Summary – 2Q / 1H 2016**

☐ Financial Review – 2Q / 1H 2016

☐ Appendix

# Transformational Strategy is Working

## Executive Summary



### Strong Core growth driven by strategic businesses

- *Underlying revenues up 7% YoY*
- *Double-digit growth in Retail lending maintained*

### Diversification of revenues continues in 2Q'16

- *Non-interest income ratio in Global Wholesale at 40% in 2Q'16  
(vs 35% in 1Q'16 and 29% in 2Q'15)*

### Generating surplus capital and strong liquidity

### Disciplined expense management continues

- *YoY JAWS turns positive for the first time since 1H'13*

### Outperforming our peers in a challenging environment

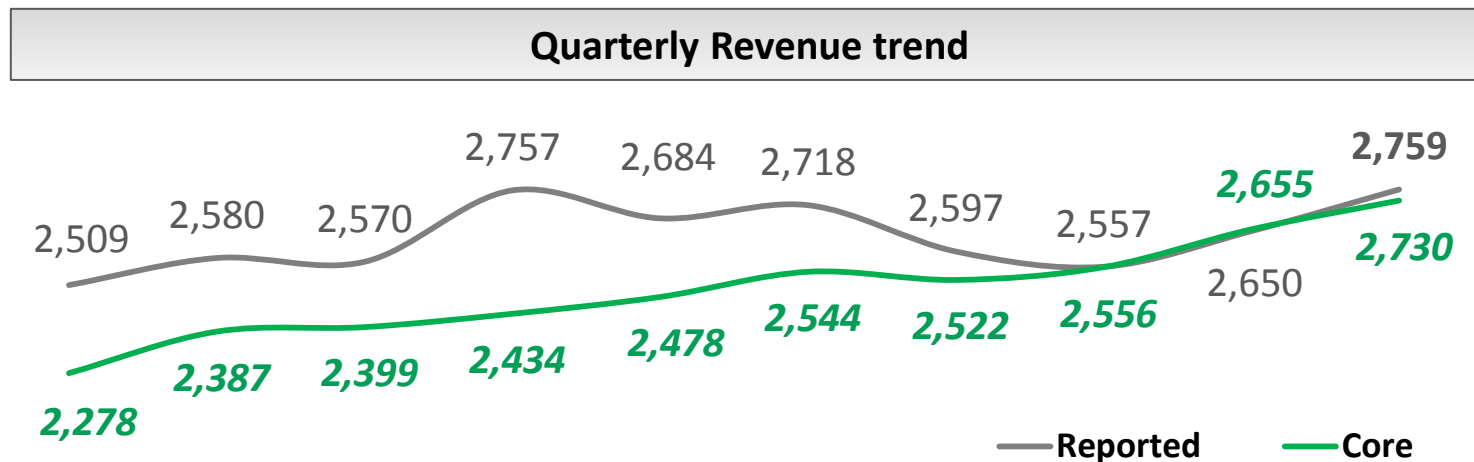
### On track to deliver FY2016 plan

# Strong underlying quarterly revenue growth continues

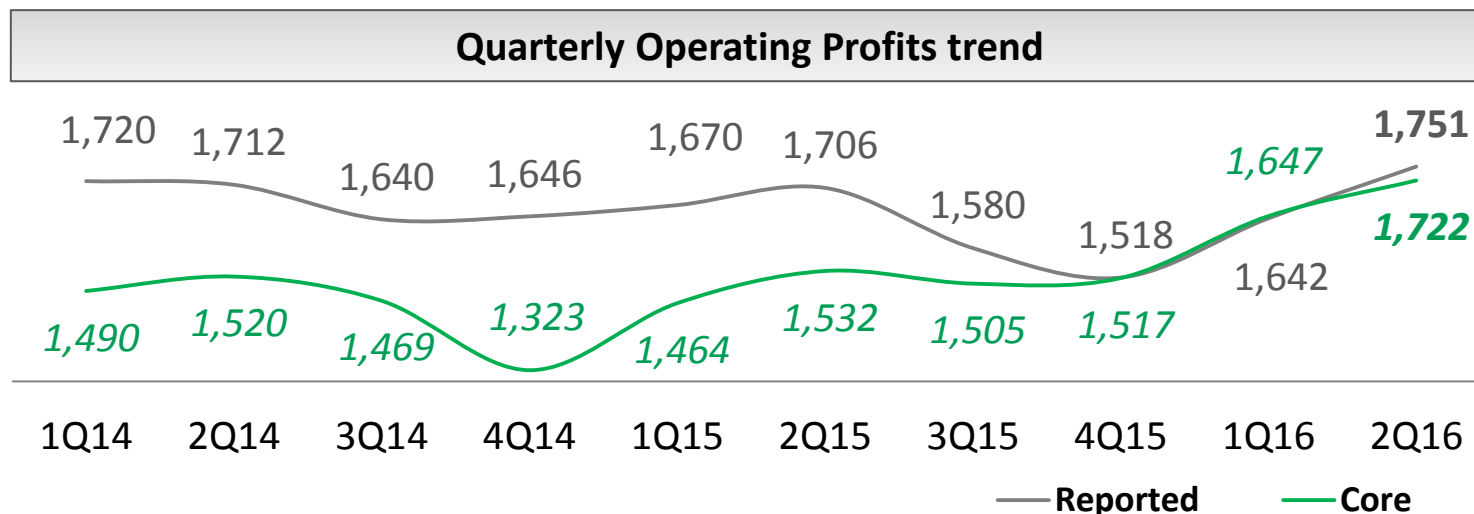
Gap between reported & *core* is reducing



AED Mn



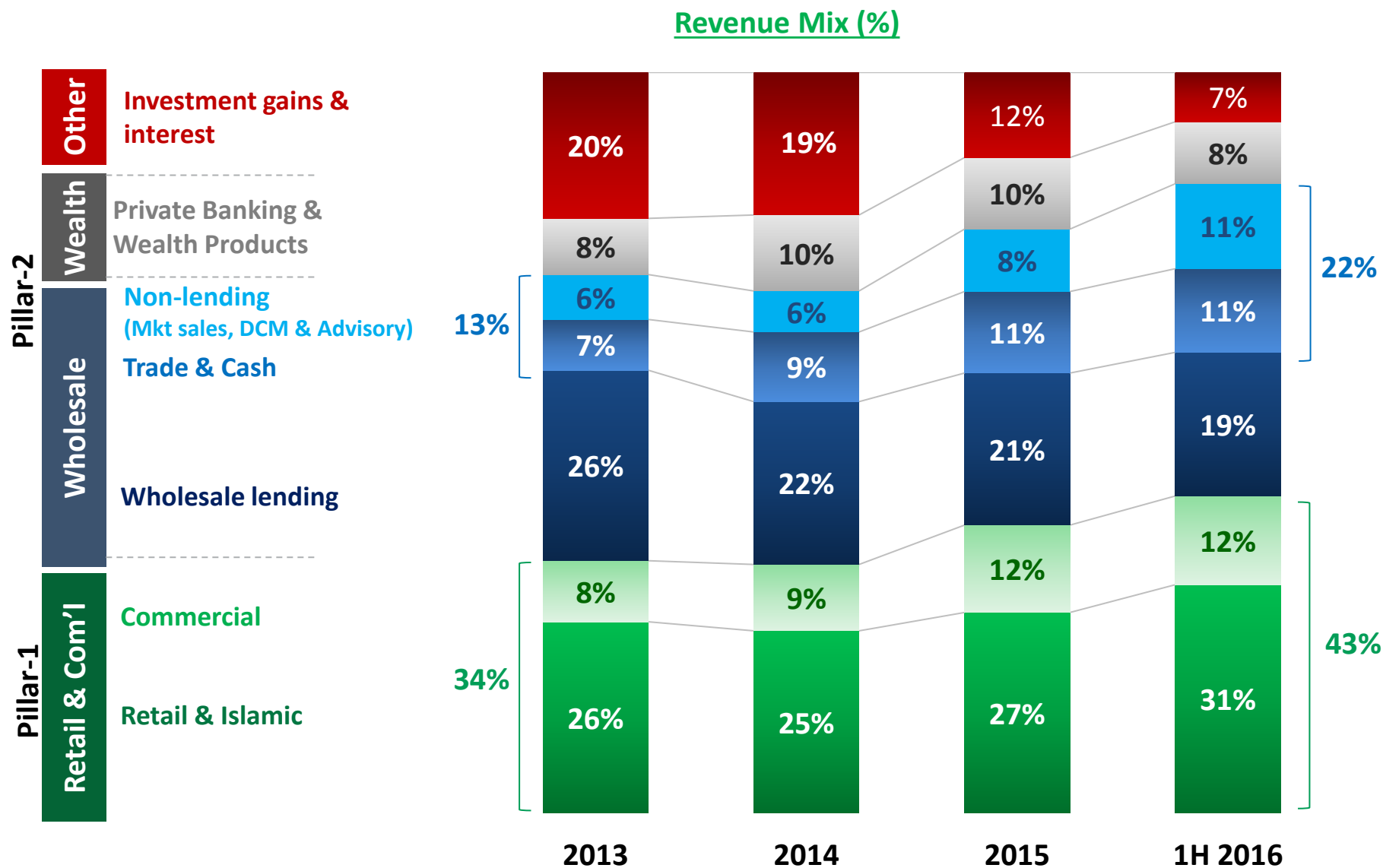
CAGR	
Reported	+4%
Core	+8%



CAGR	
Reported	+1%
Core	+6%

\* Core excludes AFS gains and one-off gains

# Evolving revenue mix underpins successful progress of transformation and strategy



Note: 2013 Revenue split is assumption based

### Outperforming peers ...

Double-digit GRC  
revenue growth

**15%**

CAGR since 2014

Double-digit  
retail lending growth

**17%**

CAGR since 2014

Outperforming the Market  
(Retail lending)

**~3x**

YTD'16 vs Market\*

### Growth in numbers ...

Retail Customer  
Growth



**29%**

+ 96,100  
(2013-1H'16)

Online Banking  
# Transactions



**1.7x**

+ 340,000  
(2013-2015)

Mobile  
Banking

# Users

**0 → 85k**  
2014 1H'16\*

# Transactions

**0 → 317k**  
2014 1H'16\*  
(\* Cumulative since 2014)



## Strong revenue growth across strategic flow businesses ...

CAGR since 2014

Debt Origination  
& Distribution

**71%**

Global Transaction  
Banking

**13%**

Global Markets  
Sales

**42%**

**Non-interest Income %** **30% → 37%**  
of total revenues  
2014 1H'16

## DO&D's GCC League Table Rankings

Loans

**#6 → #1**  
2013 1H'16

Bonds &  
Sukuk

**#6 → #1**  
2013 1H'16

*\* Bloomberg League Tables; Ranking based on number of deals*

## GTB Cash Management # Mandates

2014 **25**

2015 **50**

1H'16 **32**

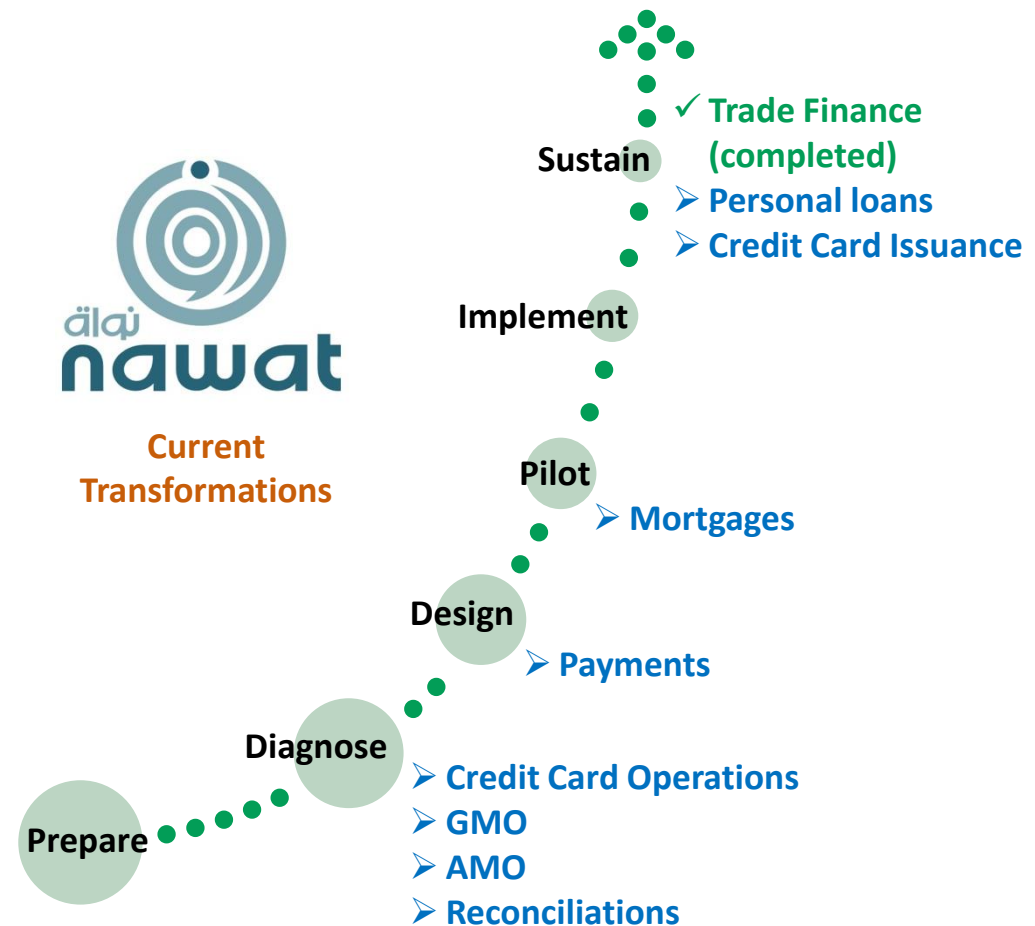
# Building the 'spine' for a scalable & sustainable Bank

## Nawat

- ✓ Fast-paced transformation of Operations on track; most targeted for completion by end-2016

## Systems & IT infrastructure

- ✓ Retail online banking transformation
- ✓ Mobile banking
- ✓ GTB Cash Management Platform
- ✓ GTB GCC clearing
- ✓ E-Commerce platform (Emerald)
- ✓ International roll-out of core banking in Labuan, India & London



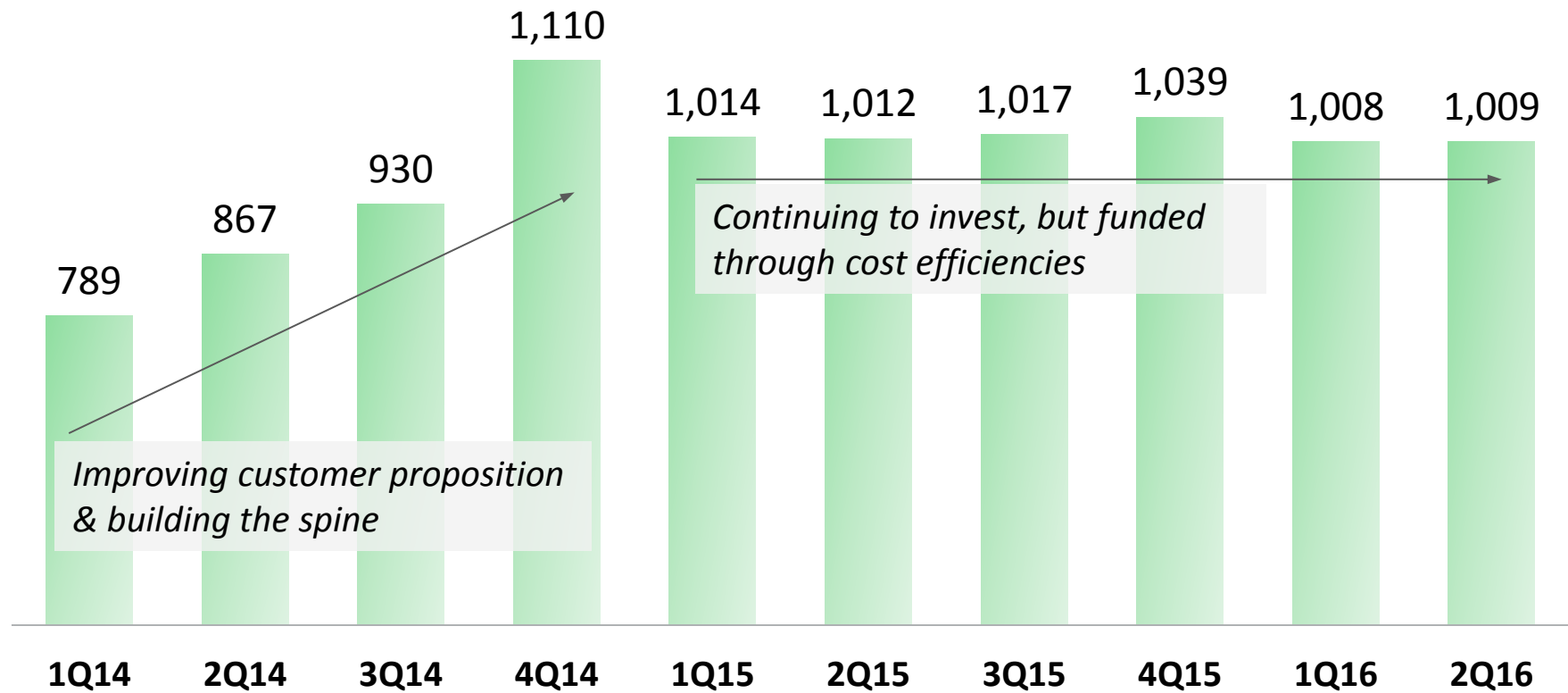
# Investing now to build a sustainable bank for years to come...

'Bad' costs out, 'Good' costs in



Quarterly expenses broadly flat across last 6 quarters; YoY JAWS turns positive

Operating expenses (AEDm)



## Progress since merger announcement

- Zulfiqar Ali Sulaiman, currently COO of FGB, appointed as Chief Integration Officer
- Initial meetings between CEO designate, Abdulhamid Saeed, and the leadership at both FGB and NBAD have taken place
- Appointment of external consultants for different aspects of the integration process under way
- Legal and regulatory work in progress

## Timeline

### Q3 / Q4 2016

- Distribution of the shareholder circular on the proposed merger
- General Assembly Meetings
- Filing of Special Resolution
- Creditor objection period

### Q1 2017

- Expected effective merger date

- ☐ UAE, Abu Dhabi & Banking Sector
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- ☒ **Financial Review – 2Q / 1H 2016**
- ☐ Appendix

- ✓ Good revenue growth in targeted areas
- ✓ Efficiency gains keeping costs flat
- ✓ Lower collective provisions from balance sheet optimisation
- Offset by:
  - Headwind from lower AFS gains, which we are now nearly through
  - Provisions in Commercial

# Strategic investments driving continued growth



In 2Q & 1H 2016, our core business continued to deliver strong underlying revenue growth of 7%\* YoY

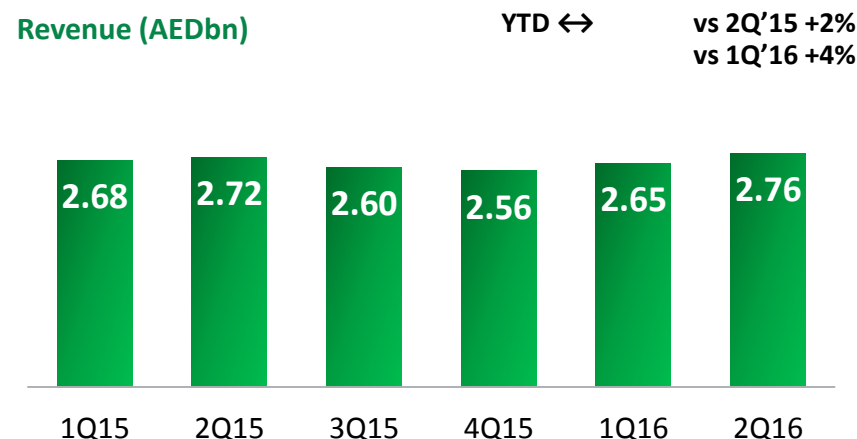
UAE Retail & Commercial revenues +21% YoY in 2Q, outpacing market

Continued strength in Wholesale flow products

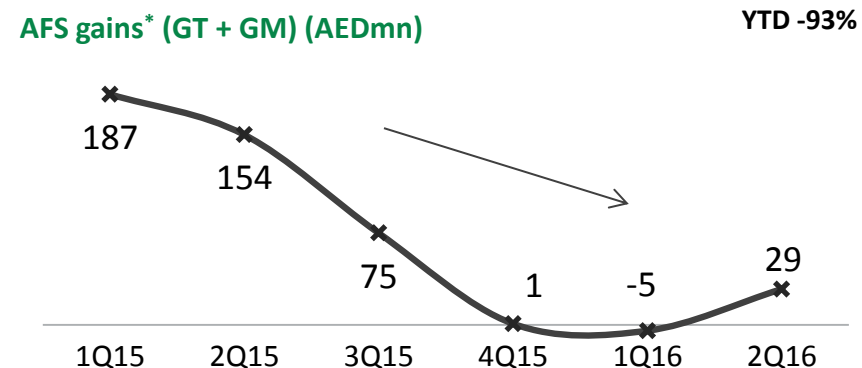
... Offset by lower AFS gains

	1H'16	1H'15	% chng
Revenue	5,409	5,402	0.1%
Less Ex-One-off & AFS investment gains	24	380	
*Underlying Growth	5,385	5,022	7%

## Strong underlying growth Year-over-Year in 2Q & 1H'16



## Widening credit spreads impacted gains in AFS portfolio



• AFS gains are reflected net of hedging impact

Growth rates expressed vs prior comparable period



# YoY JAWS turns positive; NPAT impacted by higher provisioning



## Continued disciplined expense management

- Flat past 6 quarters

## On track to deliver positive JAWS for FY16

## ... offset by higher impairment charges (↑76% YTD)

- Primarily driven by Commercial
- Despite lower collective provisions from balance sheet optimisation

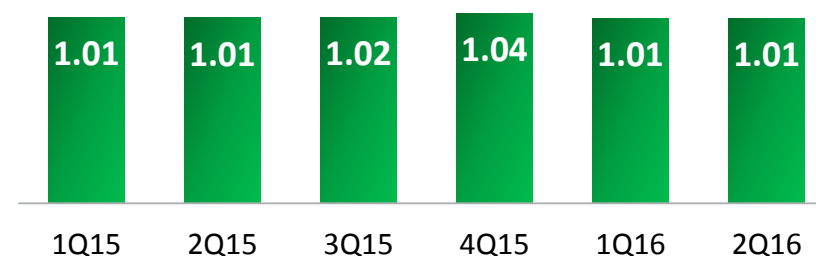
## Maintain our expectations for CoR ~55bps and NPL ratio ~3% for FY16

### Sequential growth kept relatively flat for last 6 quarters

Expenses (AEDbn)

YTD ↔

vs 2Q'15 ↔  
vs 1Q'16 ↔

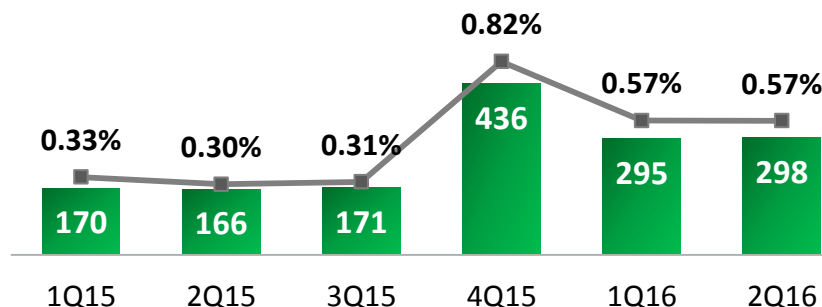


### 2Q'16: higher impairment charges in GRC

Impairment Charges, net (AEDm) YTD +76%

vs 2Q'15 +79%  
vs 1Q'16 +1%

CoR% (gross loans net of IIS)

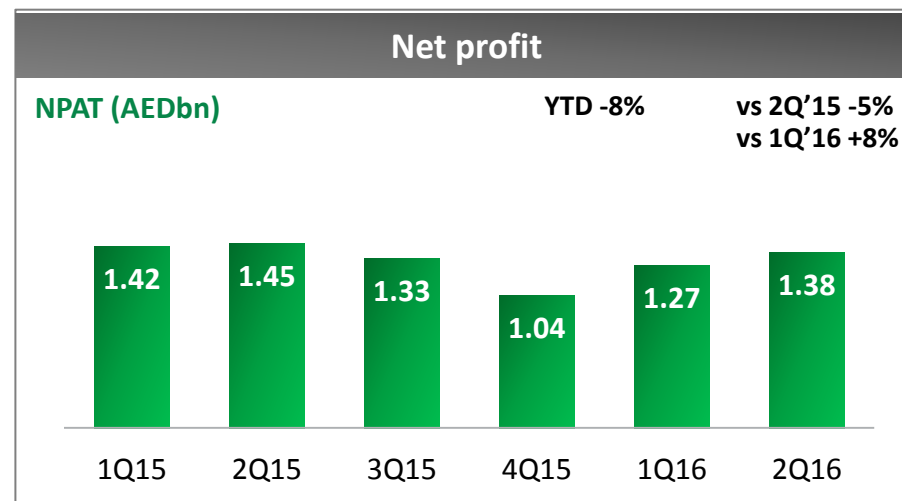


Growth rates expressed vs prior comparable period

# Continuing to maintain strong liquidity & robust capital

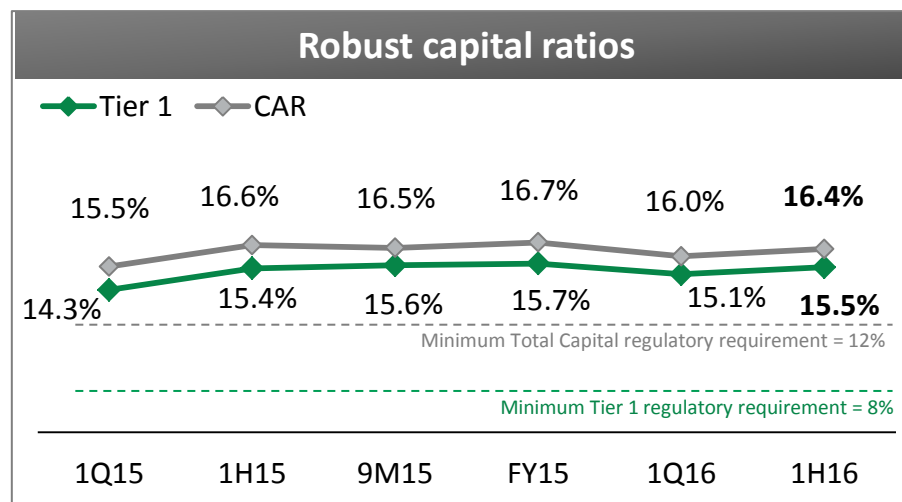
## Reported NPAT down 8% YTD, but up 8% QoQ

- Impacted by AFS gains and 1-off items
- Underlying net profits up 6% YoY\* in 2Q
- RoE improved to 13.0% for 2Q'16



## Continuing focus on strong capital and liquidity

- Capital ratios improved 40bps to 16.4% in 2Q'16
- Credit ratings affirmed by all 3 major agencies
  - Moody's placed NBAD's outlook on negative watch following a similar action on the Sovereign
  - S&P placed NBAD's outlook on negative watch following the NBAD-FGB merger announcement



Growth rates expressed vs prior comparable period

\* Excluding AFS gains and one-off gains

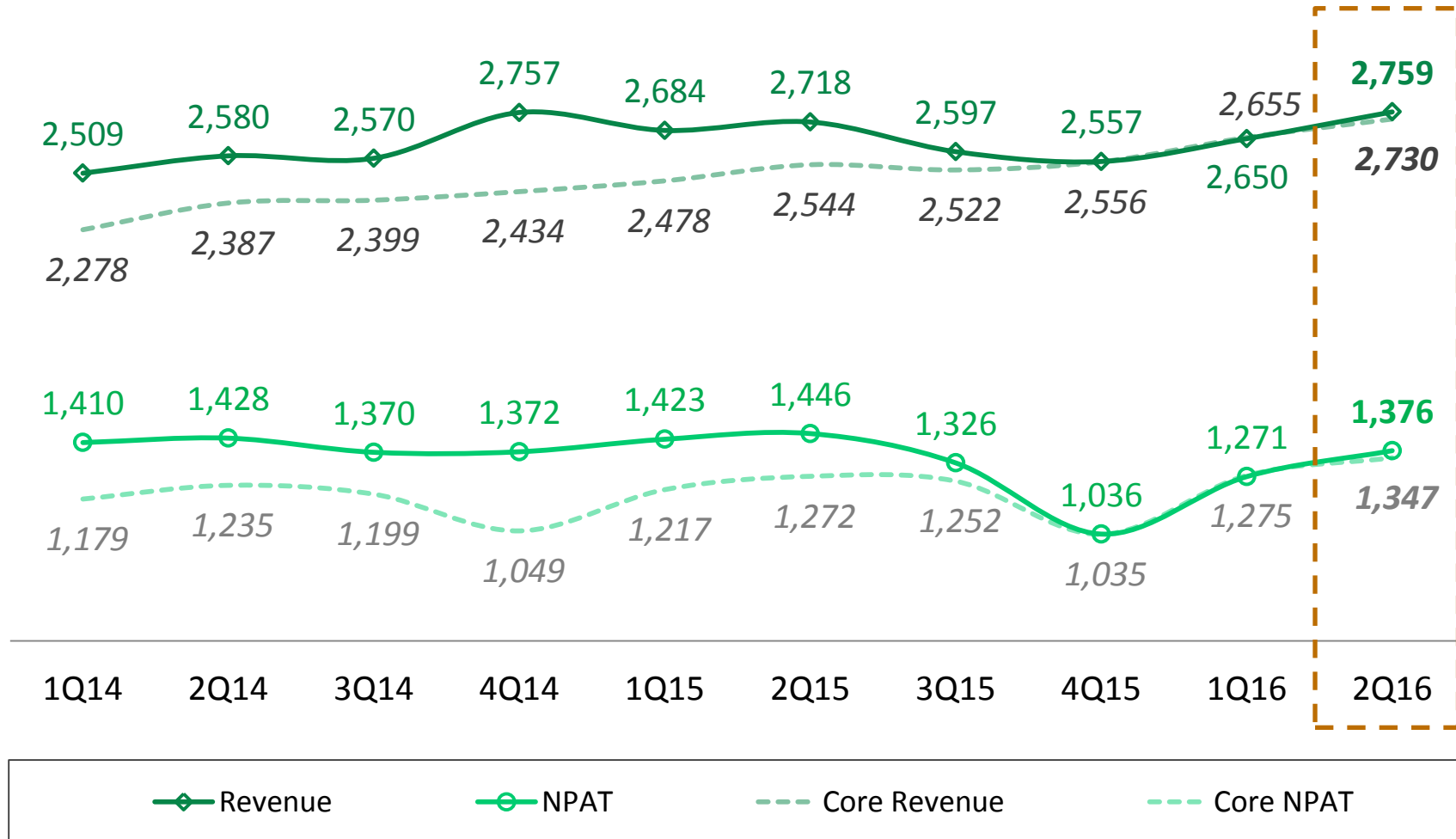
# Core income continues to grow

Gap between reported & core has reduced



AED Mn

## Quarterly trend



\* Core excludes AFS gains and one-off gains

# Global Wholesale Banking

Growth momentum across strategic flow businesses and lower provisions



## Continued growth across strategic businesses ...

	Global Transaction Banking	Debt Origination & Distribution	Global Market Sales
1H	↑12%	↑9%	↑36%

- Non-interest income contribution rises to 40% of revenues in 2Q'16 (35% in 1Q'16, 29% in 2Q'15)

## ... offset by lower revenue from relationship lending (in line with strategy)

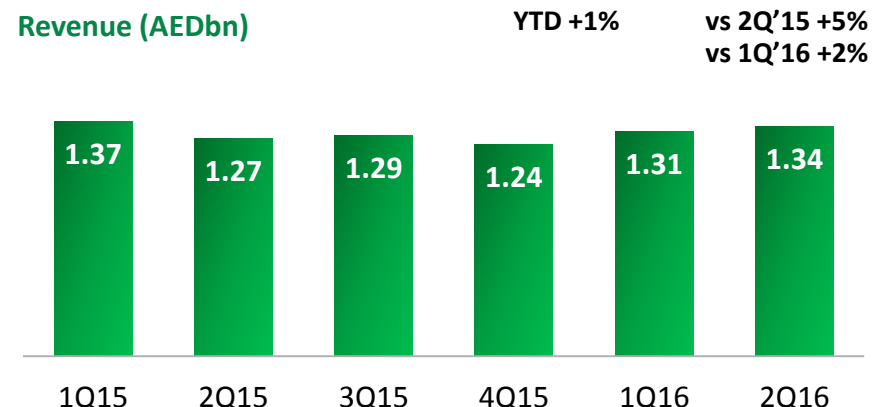
- Lower accruals, AFS gains and negative mark-to-market in Hedge Funds also offset the revenue growth

Expenses in 2Q'16 ↔ YoY and ↓3% QoQ

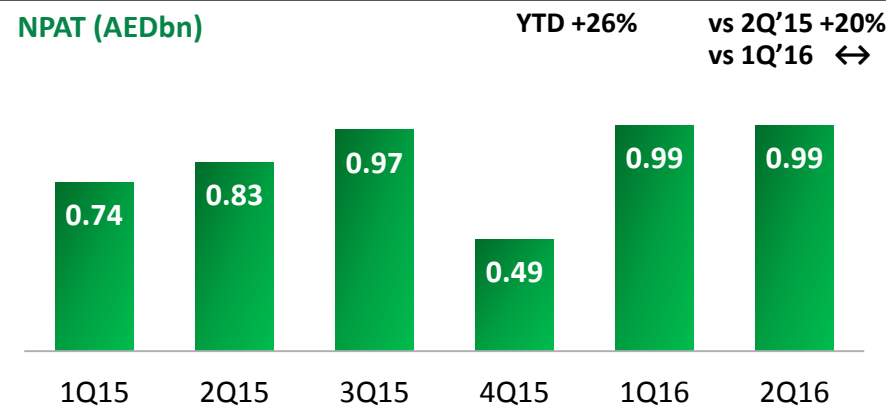
Impairment charges ↓ in 2Q on the back of balance sheet optimisation leading to lower collective provisions requirement

... resulting in increased 2Q'16 NPAT of AED 993m

## Strategic businesses counter declining traditional revenues



## Flat expenses & lower impairment charges drive NPAT higher



Growth rates expressed vs prior comparable period

# Global Retail & Commercial

## UAE Retail outperforms, while Commercial continues to face challenges



### Strong revenue growth as investment in retail transformation paying off

- Retail revenue growth +18% YTD, +16% YoY driven by personal lending, mortgages and credit cards
- Commercial revenue growth +11% YTD, -1% YoY driven by FX and flow income

### Improvement in efficiency ratio from 51% in 1Q'16 to 47% in 2Q'16

- Expenses ↓1% YoY and ↓3% QoQ in 2Q'16
- Disciplined cost management and branch rationalisation helps fund investment in branch sales productivity and e-channels

### Impairment charges were AED 323m in 2Q'16, primarily due to deterioration in Commercial

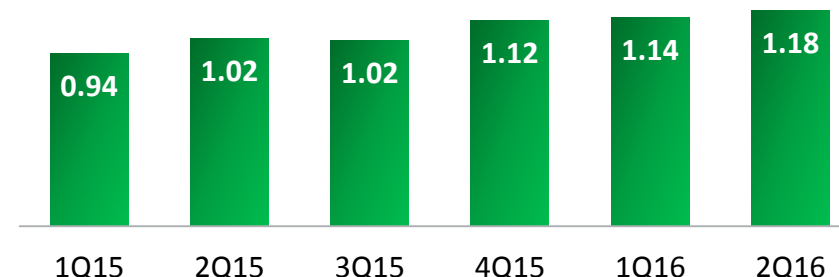
- Downsized Commercial Product Program portfolio; stands at less than 1% of total loans portfolio
- Maintaining cautious outlook and prudent provisioning

#### Customer centric approach drives revenue growth ...

Revenue (AEDbn)

YTD +18%

vs 2Q'15 +15%  
vs 1Q'16 +3%

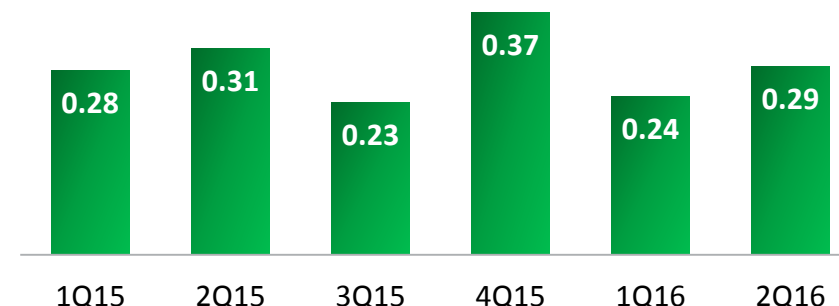


#### ... but impairments impact growth in NPAT

NPAT (AEDbn)

YTD -11%

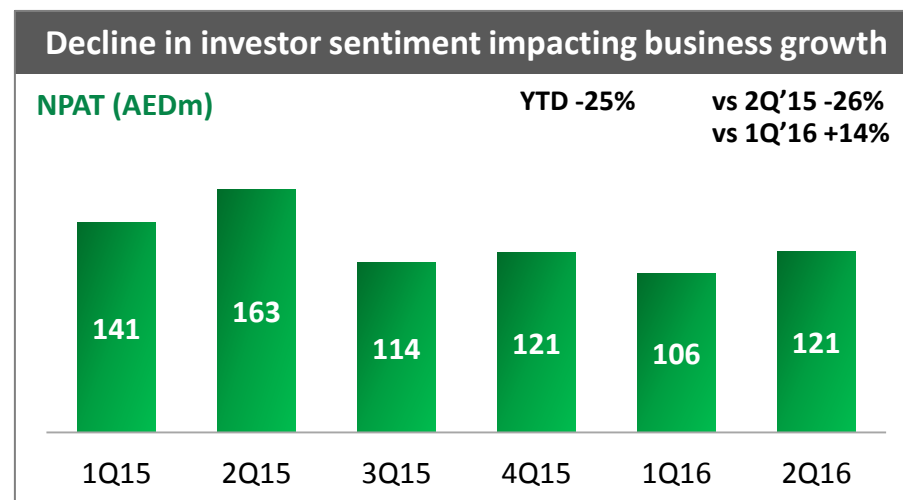
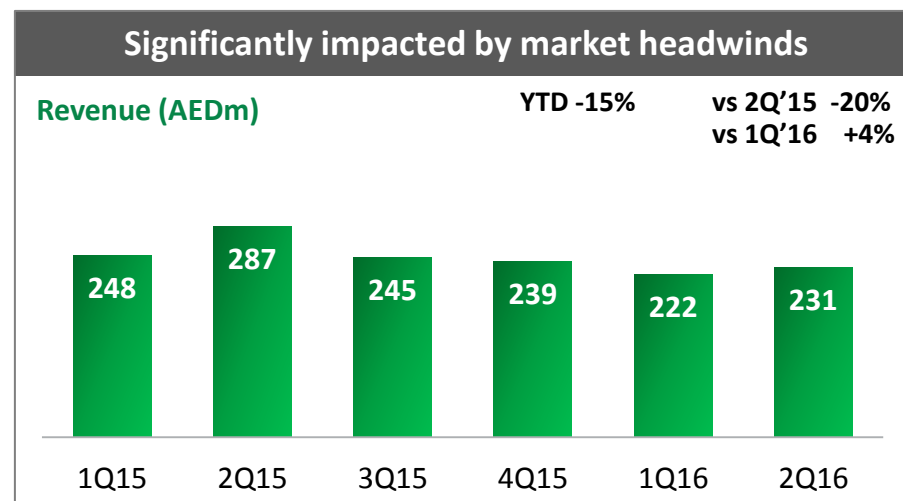
vs 2Q'15 -9%  
vs 1Q'16 +19%



Growth rates expressed vs prior comparable period

### Underlying revenue growth in Global Private Banking offset by market headwinds

- Impacted by FX depreciation and lower interest in suspense recoveries
- Declining investor sentiment continues to affect trading volumes
- Despite the slowdown, investment AUMs higher  $\uparrow$  2% YoY in 2Q'16



Growth rates expressed vs prior comparable period

# International business remains a key differentiator ...

... significant contributor towards liquidity + enhancing diversification



## Continues to be a competitive advantage

- For client proposition – FX deals, DCM, Cash mgmt
- Key source of liquidity and risk diversification

## Underlying revenues up 4% YTD for 1H'16

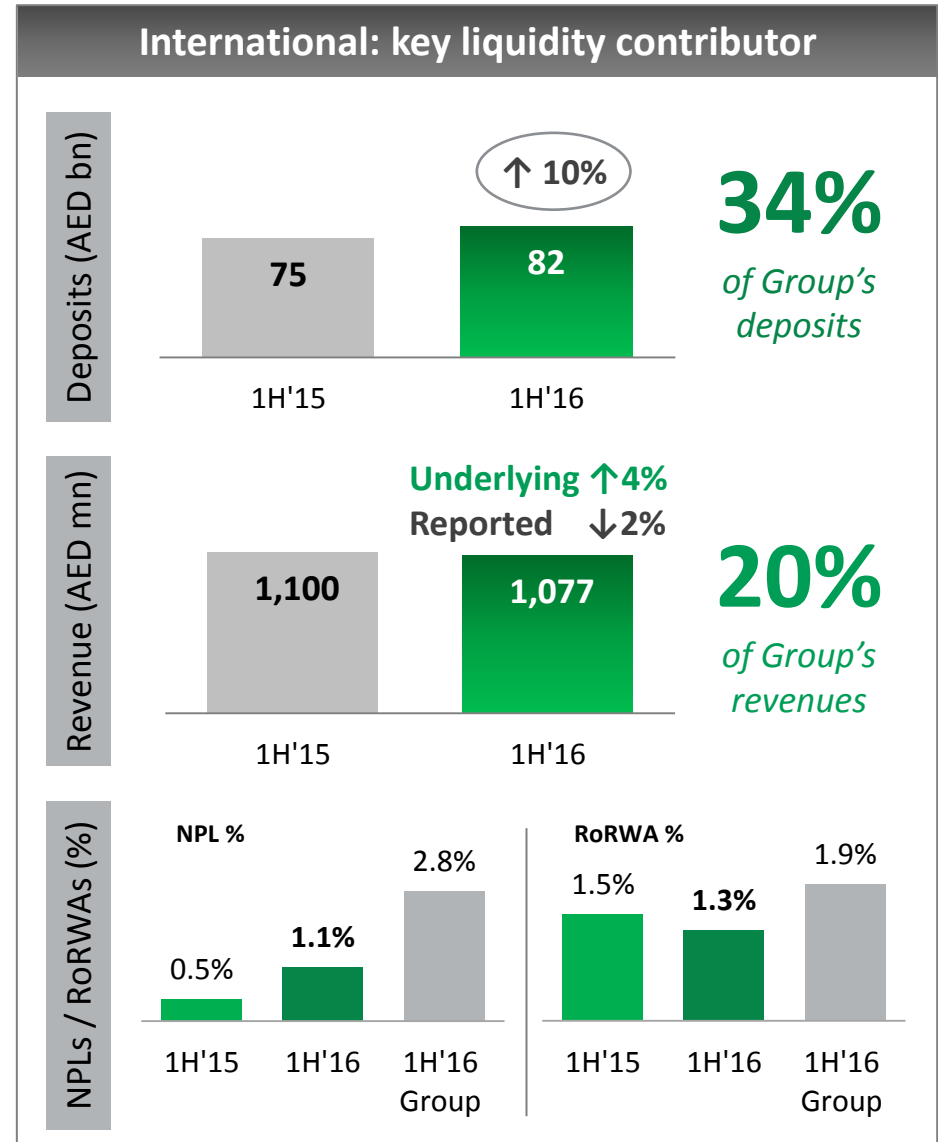
- Reported revenues down 2%; impacted by lower one-offs and FX devaluation/ depreciation of Egyptian / UK currency, respectively

## Challenging outlook in FY'16

- Devaluation / depreciation in currencies (Egyptian Pound and Sterling) will continue to impact P&L and Balance Sheet in 2016 despite underlying growth

## Contribution of International businesses to 1H'16:

Revenue	Operating Profits	Net profits
<b>20%</b>	<b>20%</b>	<b>18%</b>
(1H'15 – 20%)	(1H'15 – 21%)	(1H'15 – 17%)



\* International includes all overseas operations



# SME's (program lending) portfolio drives increase in impairment charges

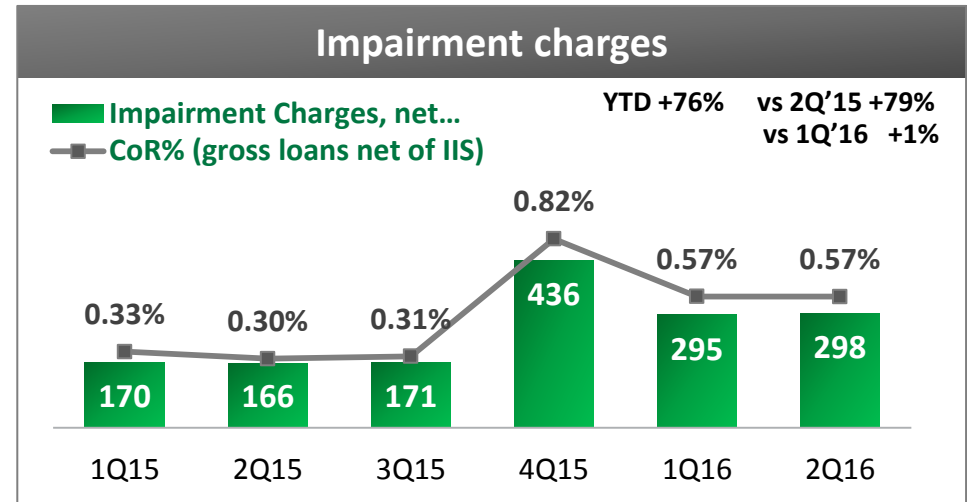
Asset quality remains strong; cost of risk moderately higher in 2016 vs 2015



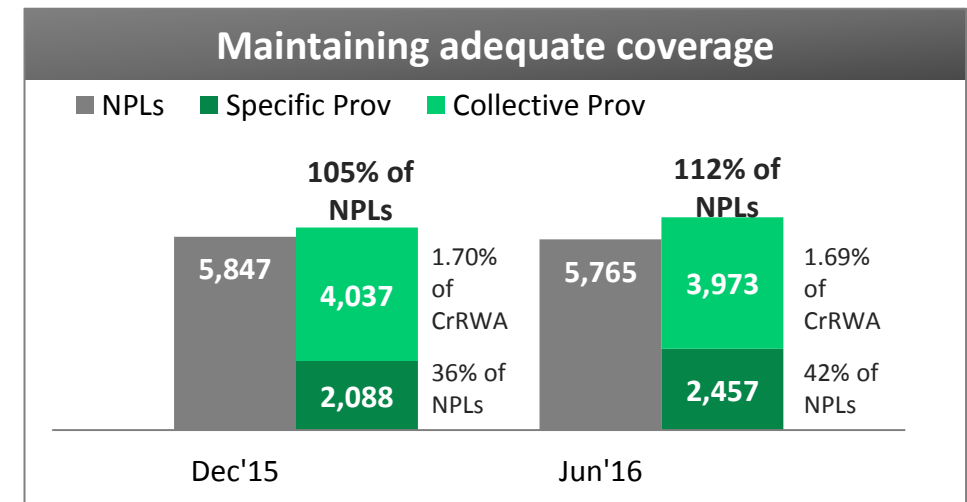
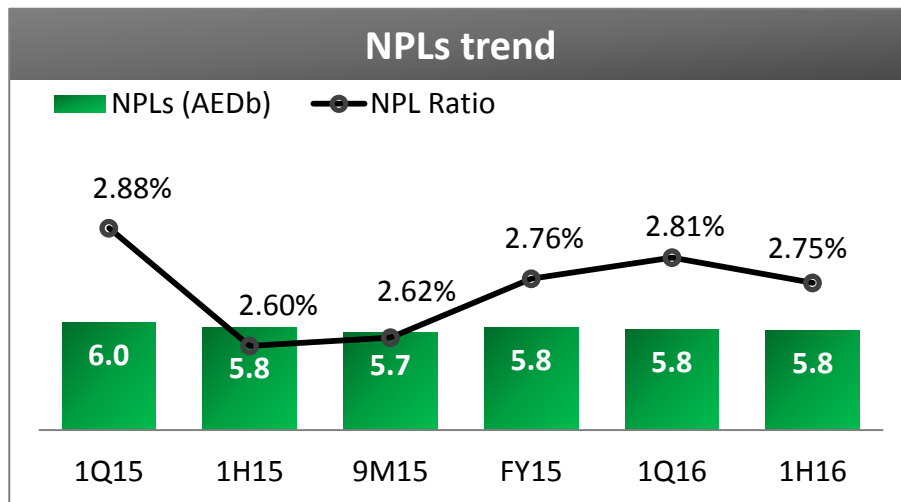
**NPL coverage** remains over 100%; target > 100%

**CoR** remained at 57bps (in 2Q'16) primarily driven by deterioration in SME / Commercial portfolio

**NPLs** further ↓27m in 2Q'16 to 5,765m  
(5,792m end-1Q'16, 5,845m at end-2Q'15)



Growth rates expressed vs prior comparable period



# Continued strong balance sheet

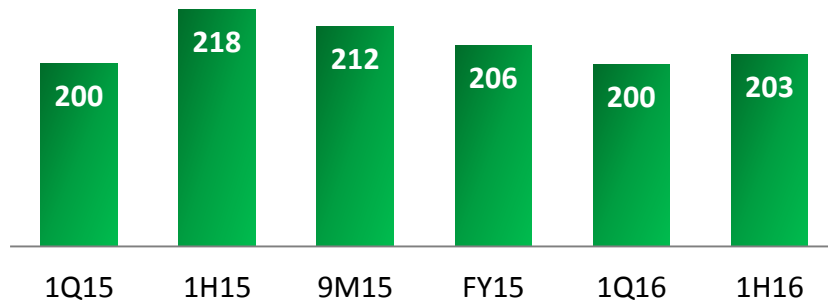
## Positive momentum in loans and deposits in 2Q'16



### Lending picks up in 2Q'16

Loans (AEDb)

Growth YTD -1% / YoY -7% / vs 1Q +2%



### Strong credit ratings maintained

#### Loan growth +2% in 2Q'16

Growth in Retail lending continued; encouraging signs of demand in Global Wholesale from core customers

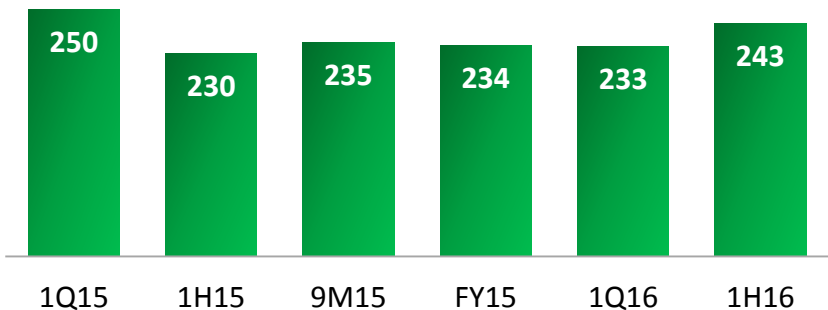
#### Customer deposits +4% in 2Q'16

.. driven primarily by Gov't and corporate deposits; Overseas deposits also +3.6% during the quarter

### Stable deposits post 1H'15 outflow

Deposits (AEDb)

Growth YTD +4% / YoY +6% / vs 1Q +4%



Growth rates expressed vs prior comparable period

Loans-  
to-  
Deposit  
ratio  
(Jun'16)

Group  
**83%**

UAE  
**94%**

Int'l  
**62%**

**31%** CASA (↑5% YTD)

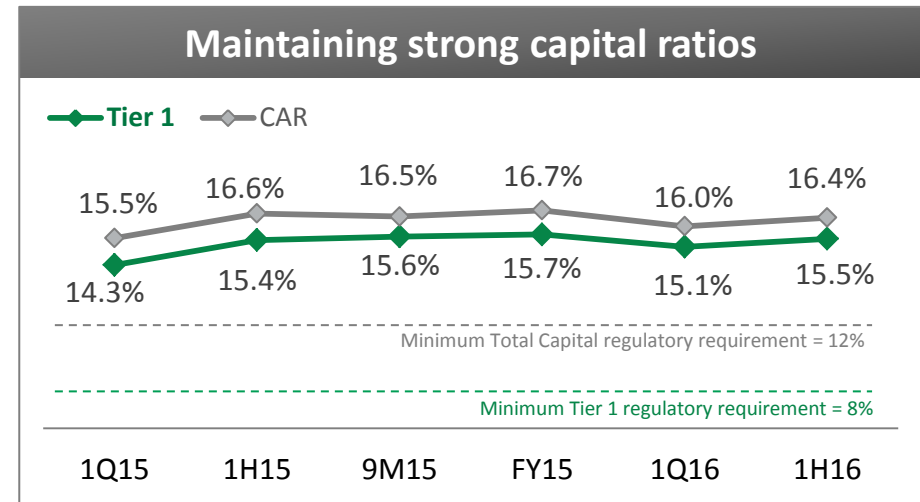
# Maintaining robust capital position ...

... while RoE picks up in 2Q'16 on growth in revenues



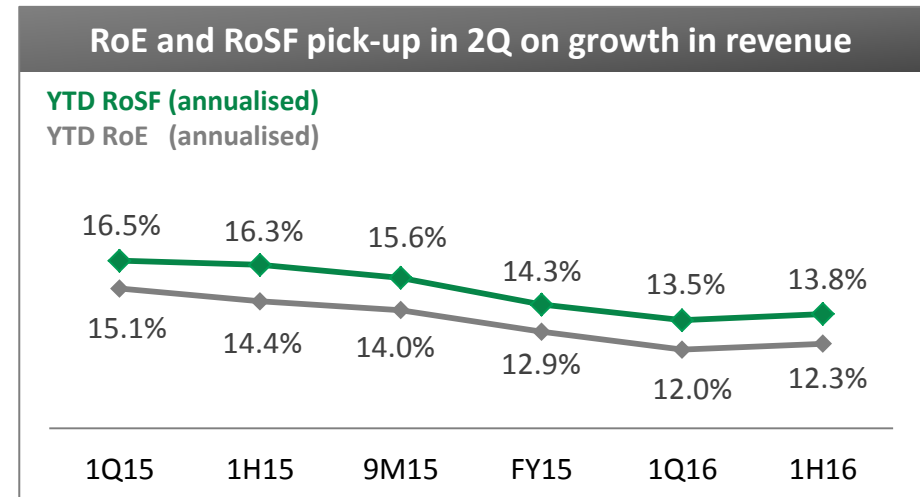
## Capital ratios remain strong

- Balance sheet optimisation moderating RWA growth, delivering capital benefits
- Focused on internal capital generation and maintaining strong ratios



## RoE picks up in 2Q'16

- Relatively strong despite AFS headwinds / higher provisions
- Sustainable recurring base going forward



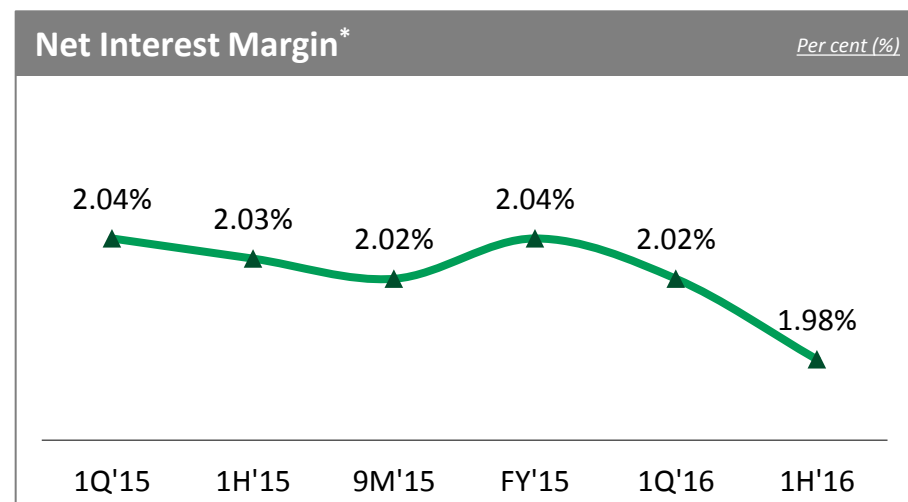
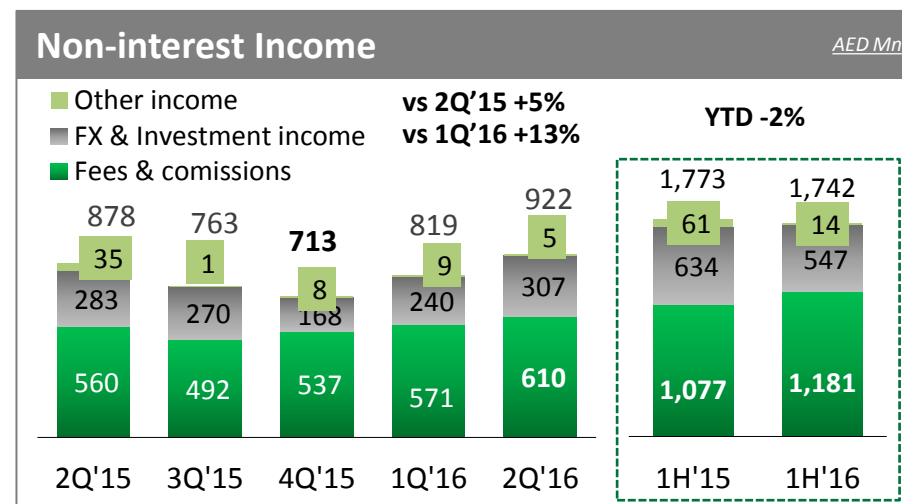
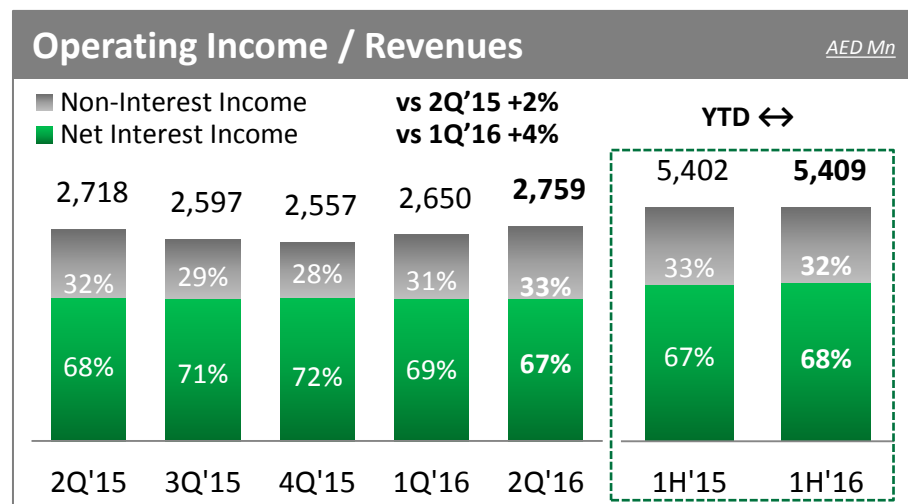
# Financial guidance remains unchanged for 2016

- Low single-digit revenue and earnings growth; **core growth stronger**
- Neutral to positive JAWS
- Tier-I capital **above 15%**
- Loans to Deposit ratio target **below 95%**
- CoR – gradually increase – **around 55bps**  
NPL ratio **around 3%** levels  
Provision coverage – **100% - 110%**

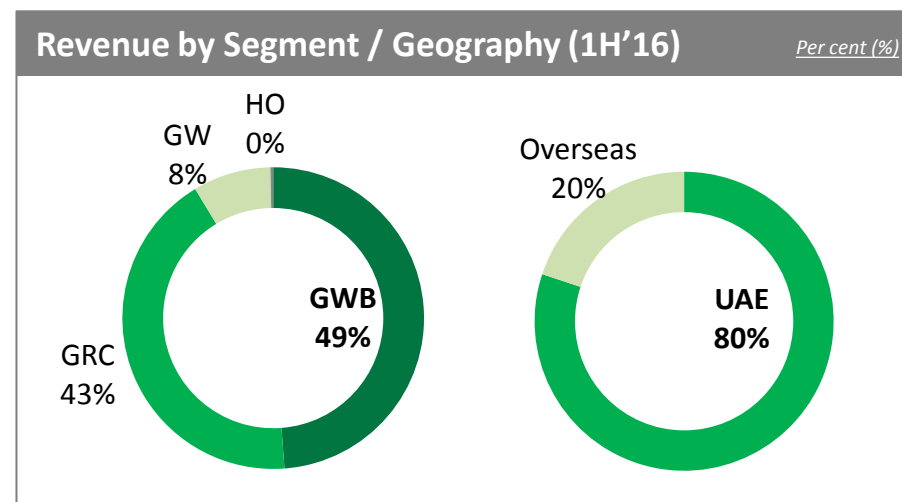
- ☐ UAE, Abu Dhabi & Banking Sector
- ☐ NBAD Overview
- ☐ Strategy
- ☐ Executive Summary – 2Q / 1H 2016
- ☐ Financial Review – 2Q / 1H 2016

- ☒ **Appendix**

# Operating Income



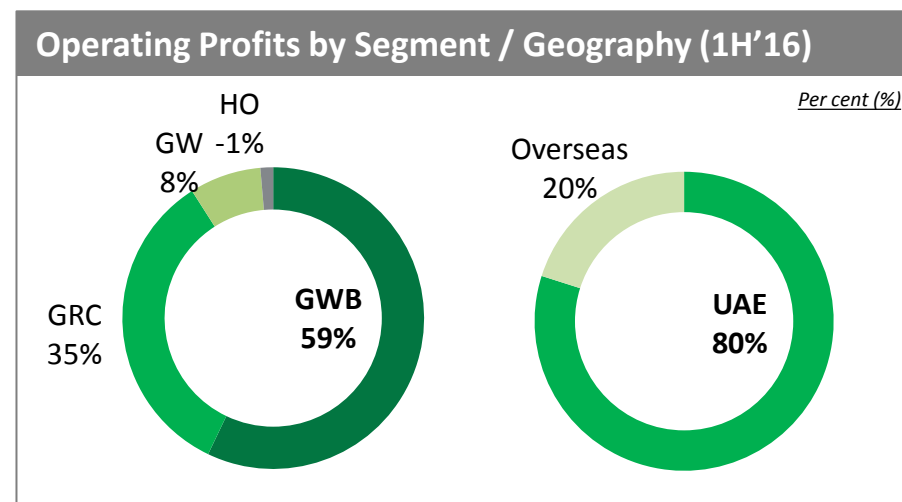
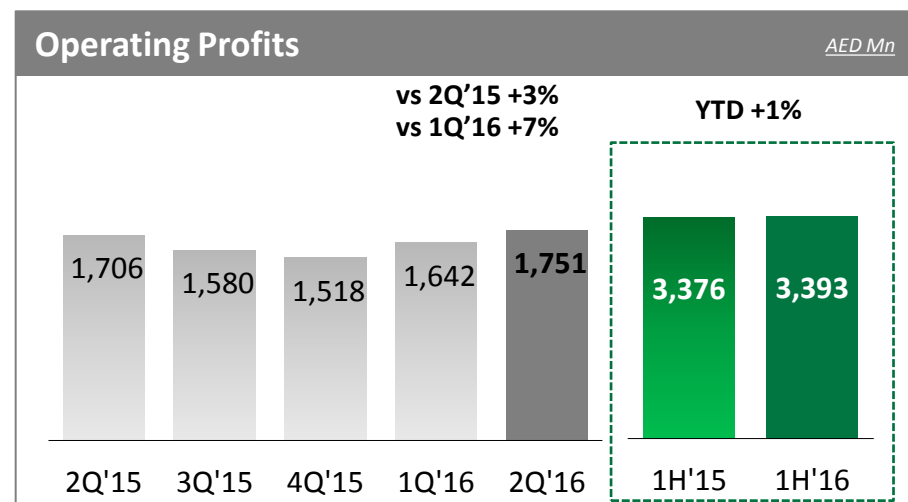
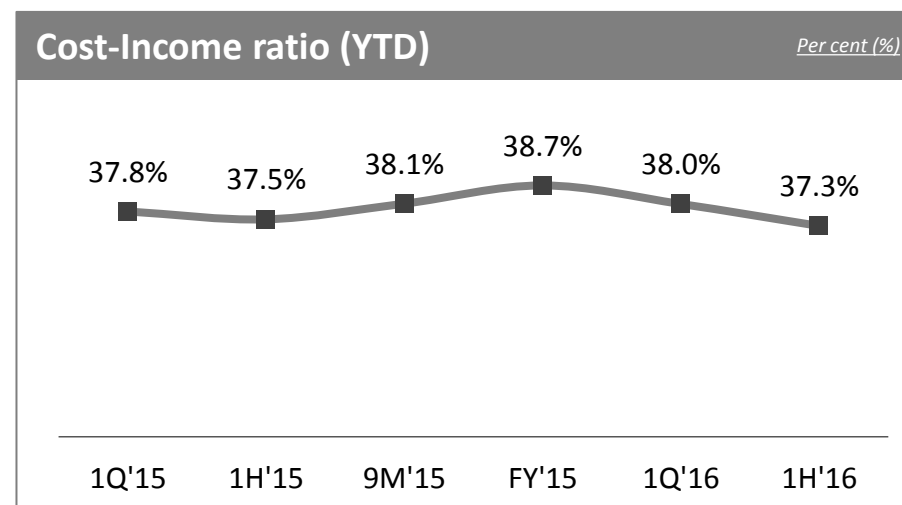
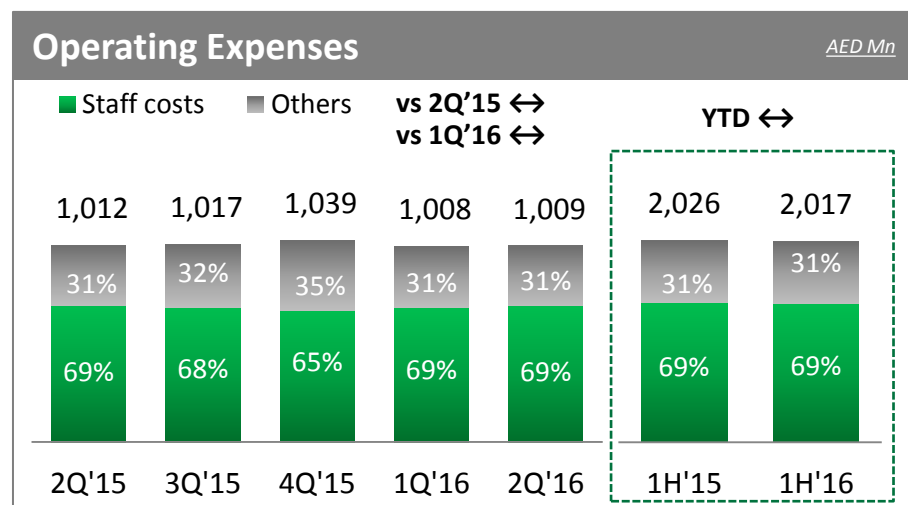
\* NIM% (Ytd) – annualised; based on daily average outstanding balances for performing assets



\* GWB – Global Wholesale, GRC – Global Retail & Commercial, GW – Global Wealth, HO – Head Office

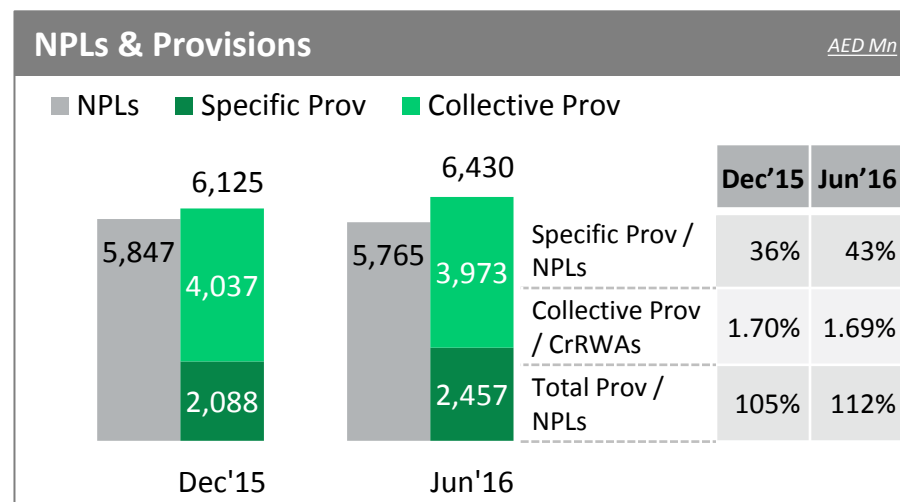
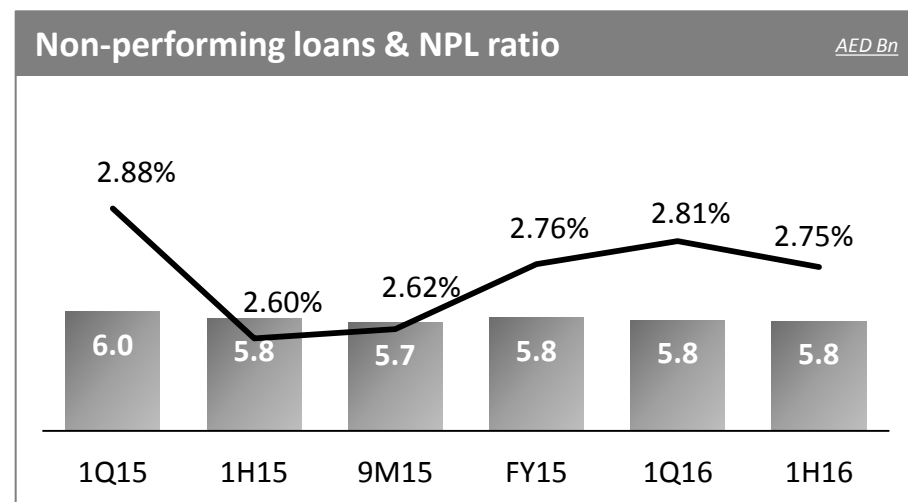
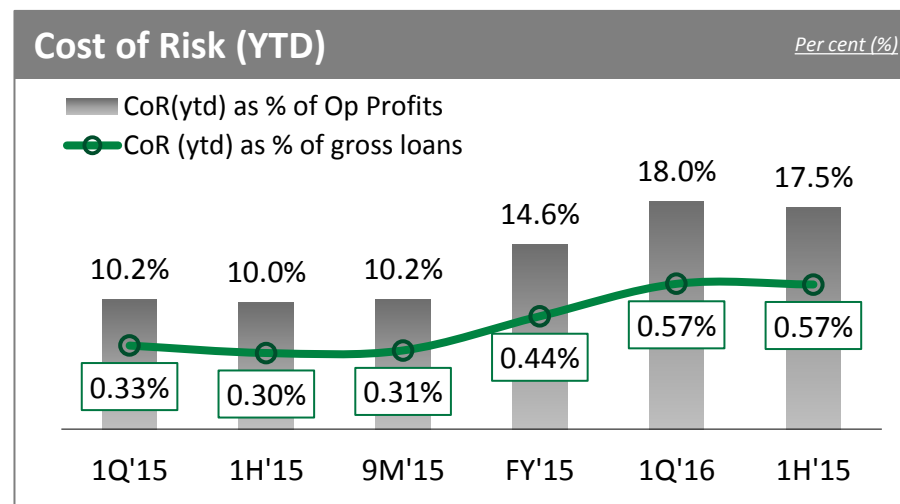
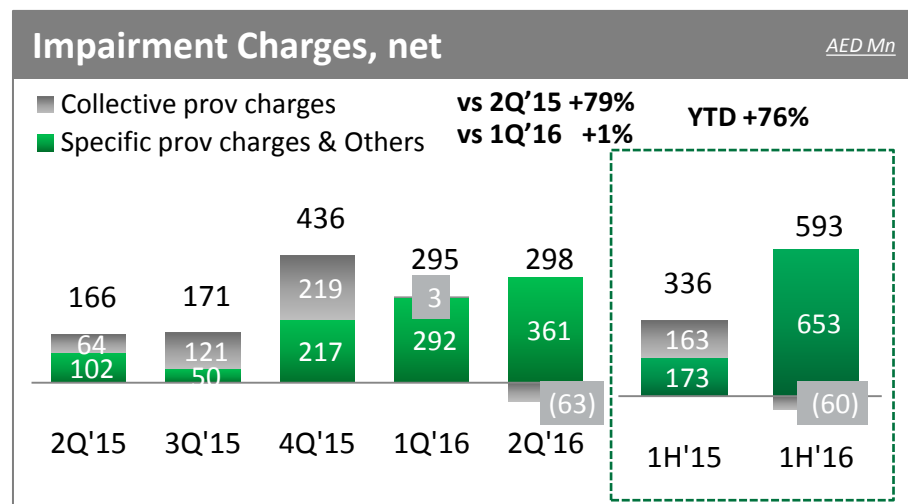
Note: During the period, the Group has changed the basis of allocation around centrally held profit & losses and other inter-segmental allocations resulting in a restatement of comparative segmental information

# Expenses & Operating Profits



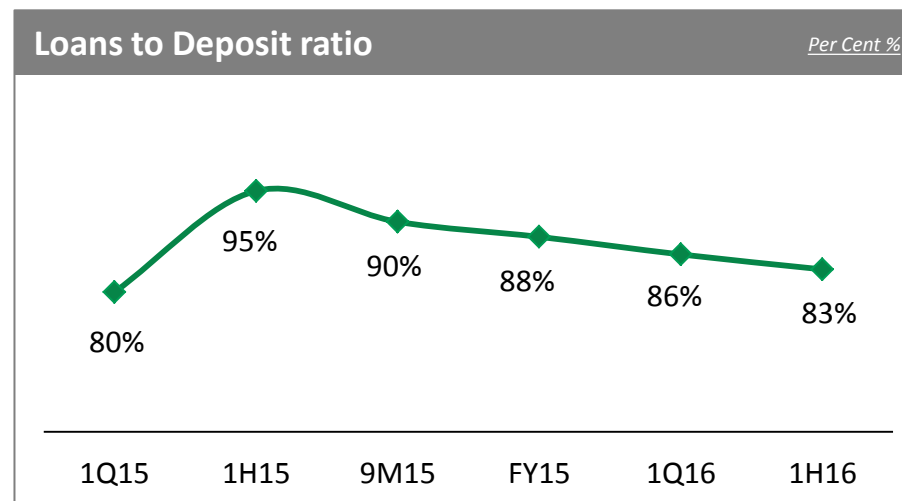
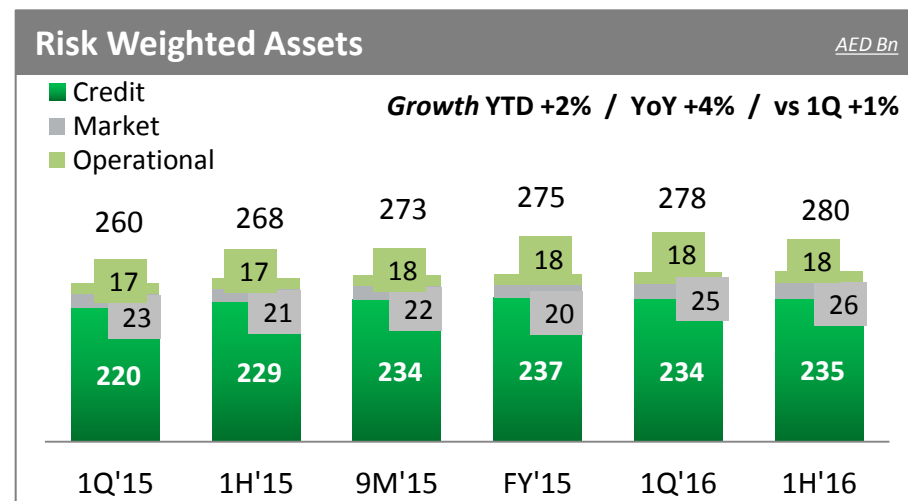
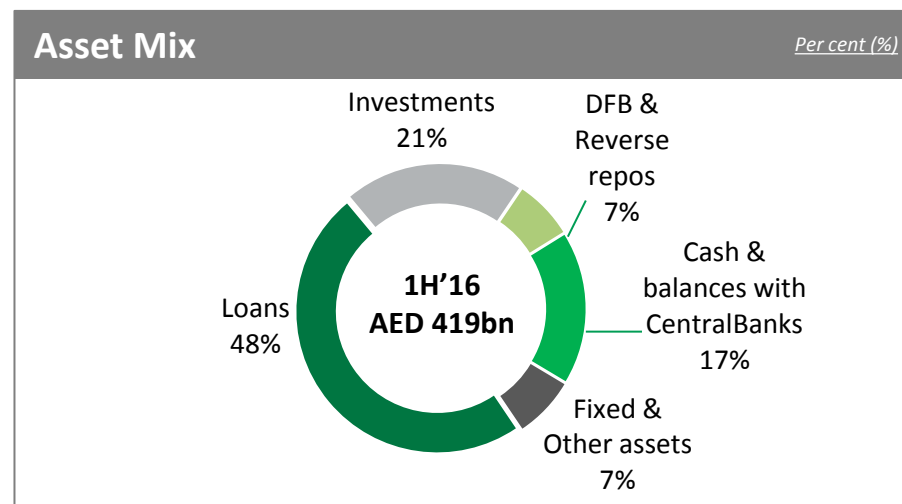
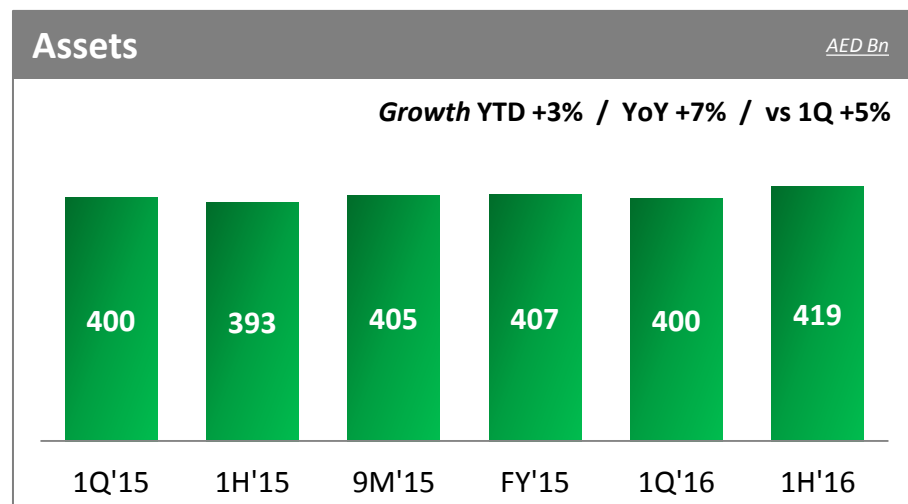
\* GWB – Global Wholesale, GRC – Global Retail & Commercial, GW – Global Wealth, HO – Head Office

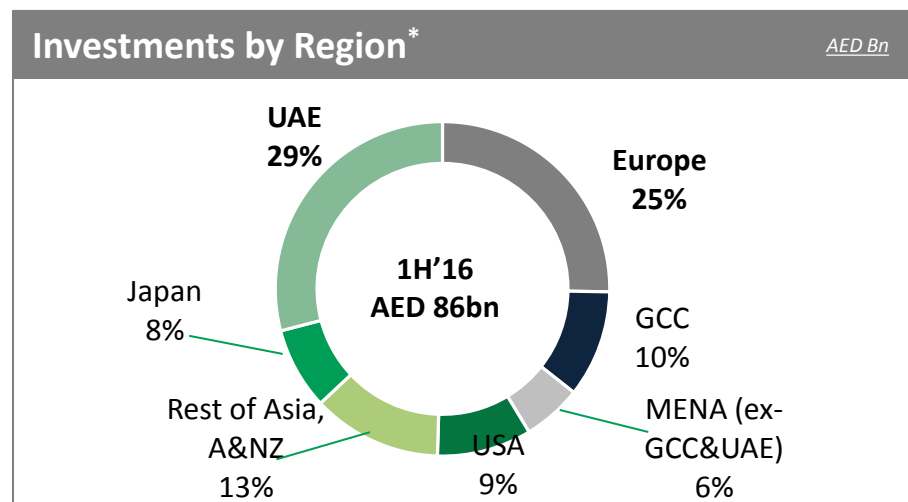
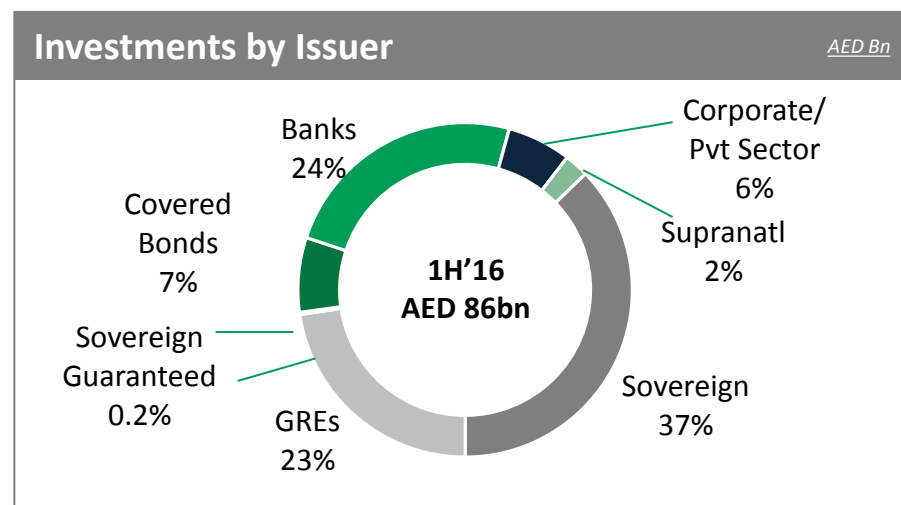
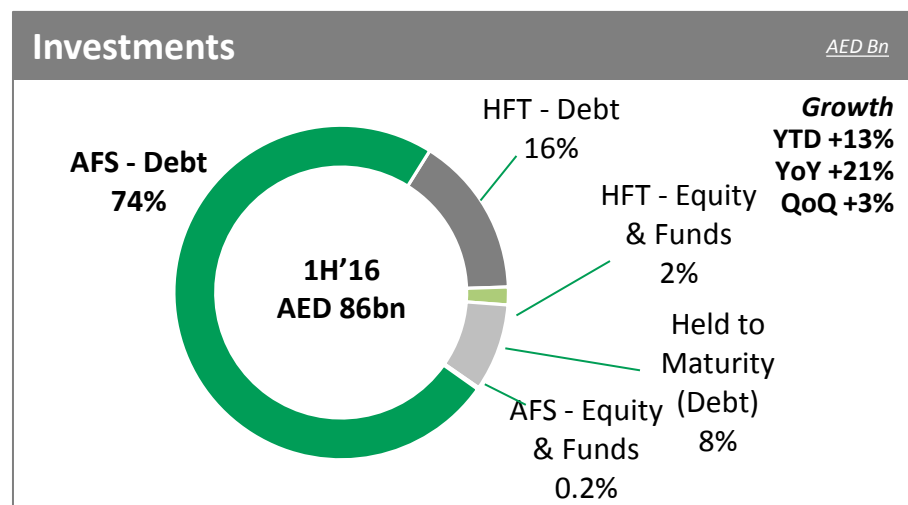
# Impairment Charges & Asset Quality



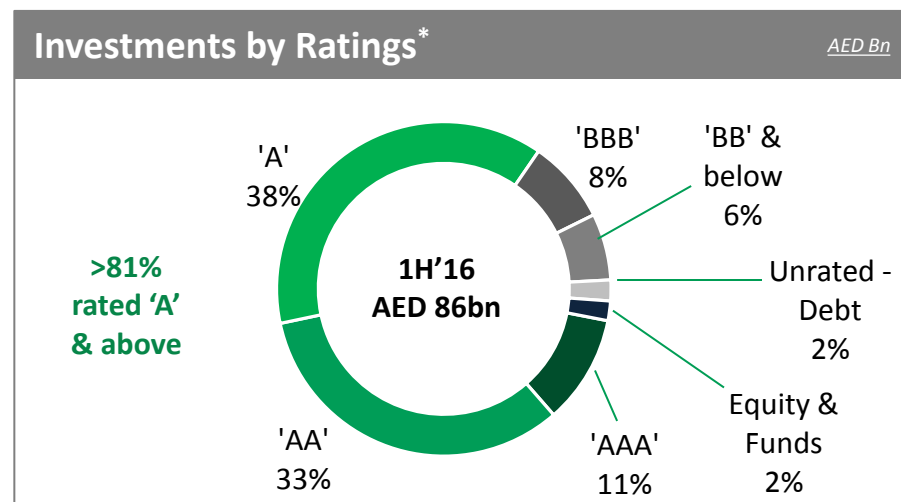


# Assets & Liquidity





\* Based on location of the issuer of the security or parent in case of SPVs



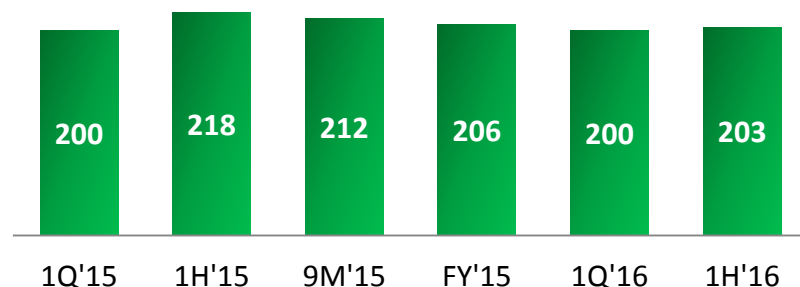
\* Composite ratings of S&P, Fitch & Moody's where available

# Loans and Advances

## Loans & advances, net

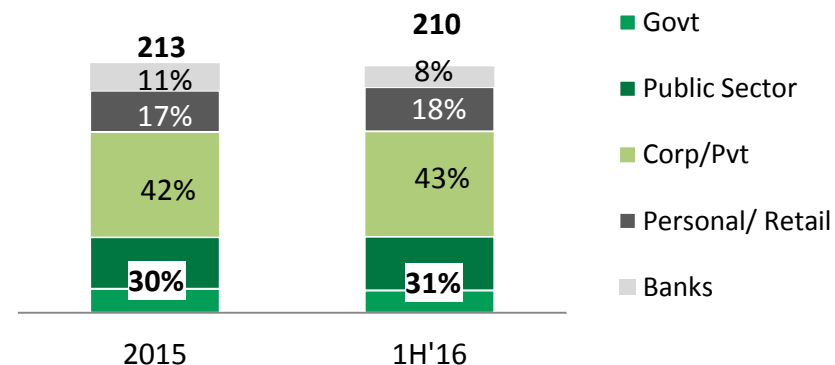
AED Bn

Growth YTD -1% / YoY -7% / vs 1Q +2%



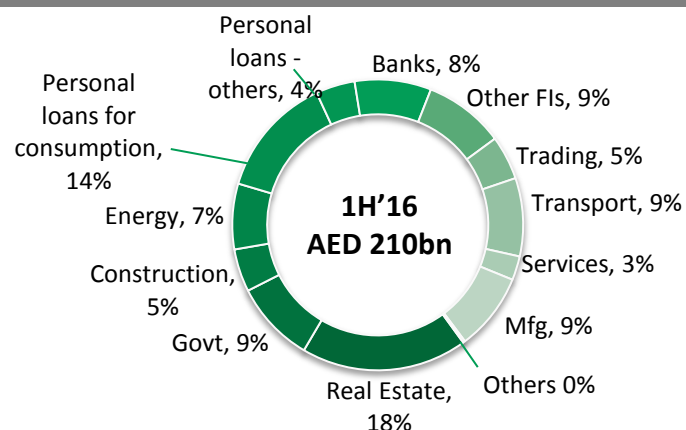
## Gross loans by customer type

AED Bn



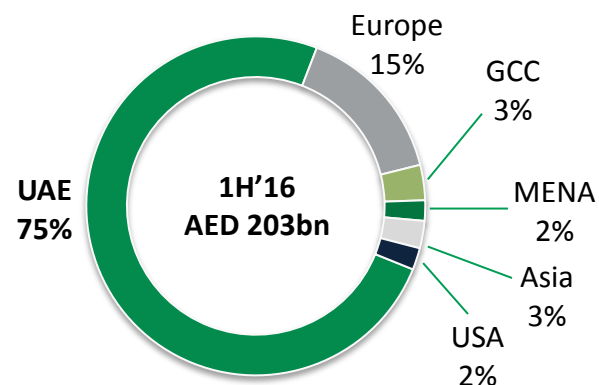
## Gross loans by industry

Per Cent %



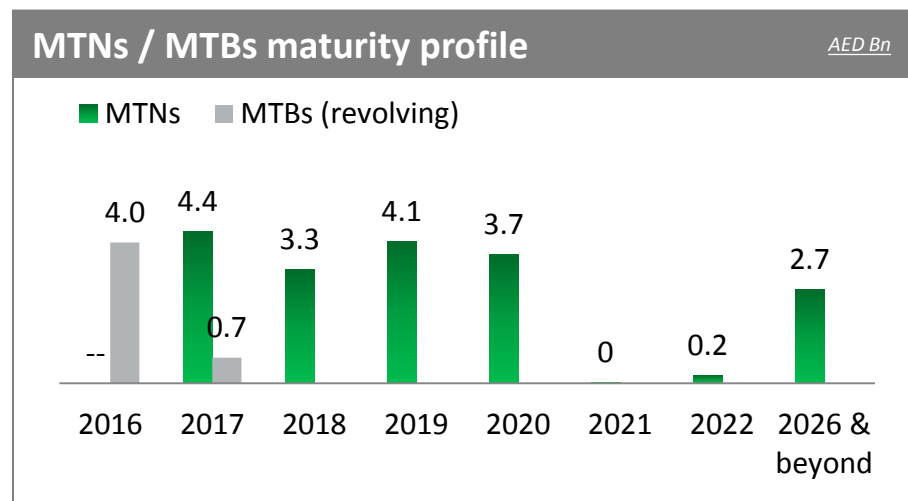
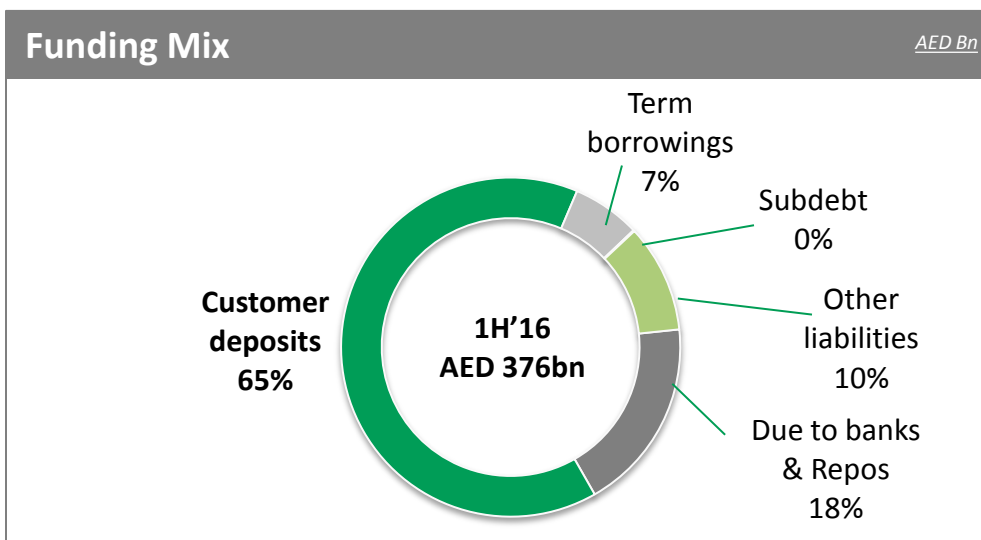
## Net loans by region\*

Per Cent %

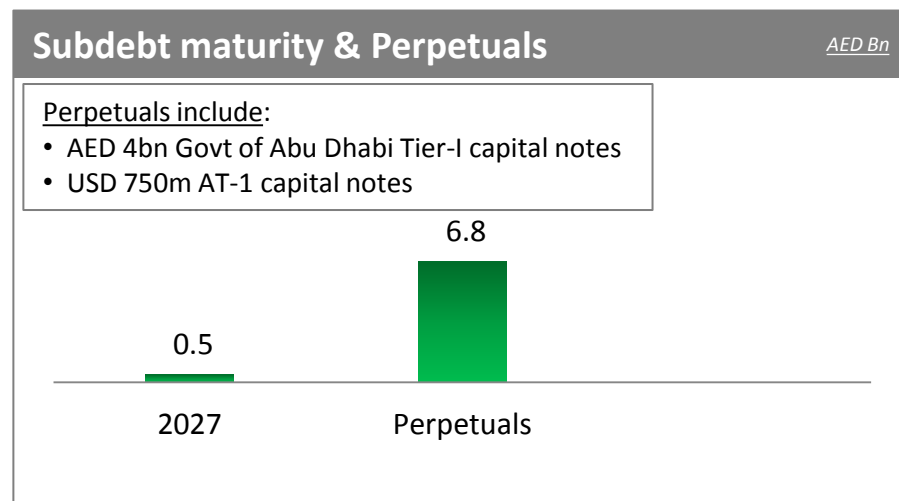


\* Based on location of booking of the loan

# Funding Profile

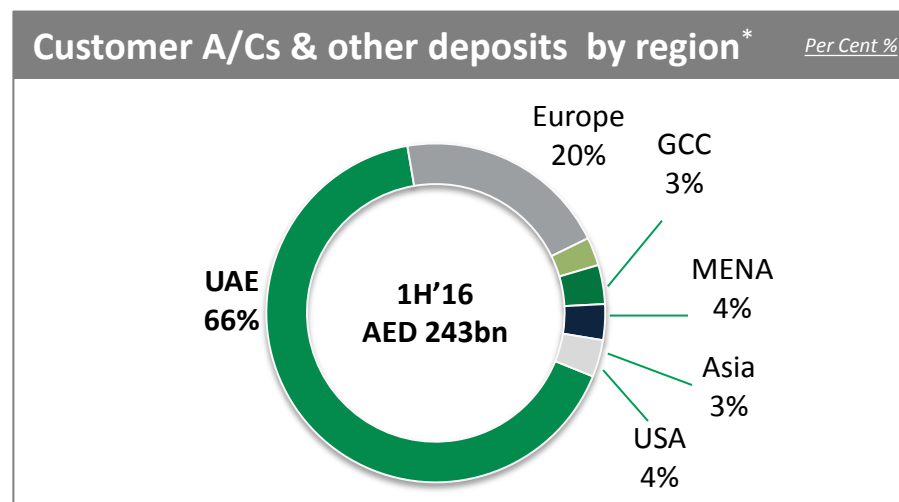
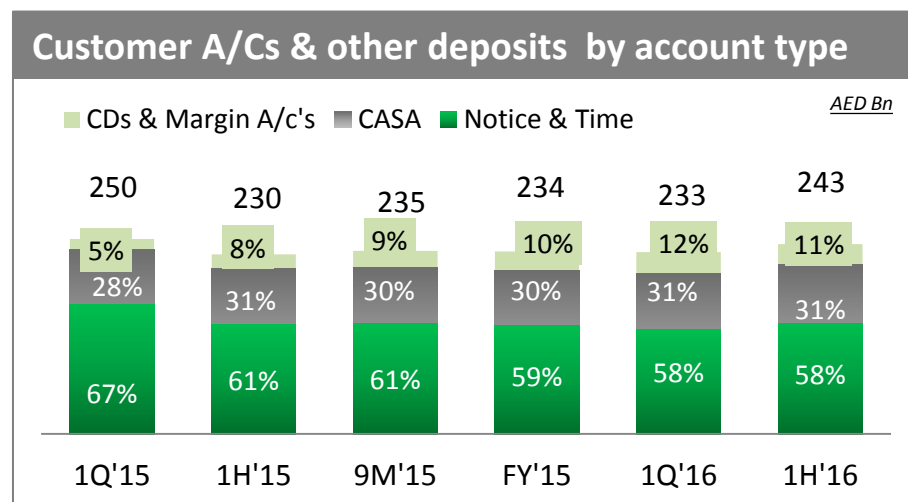
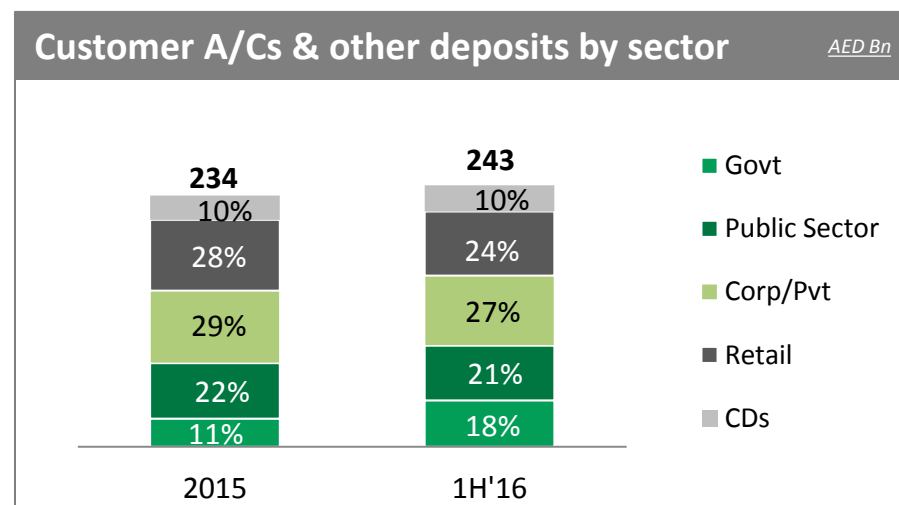
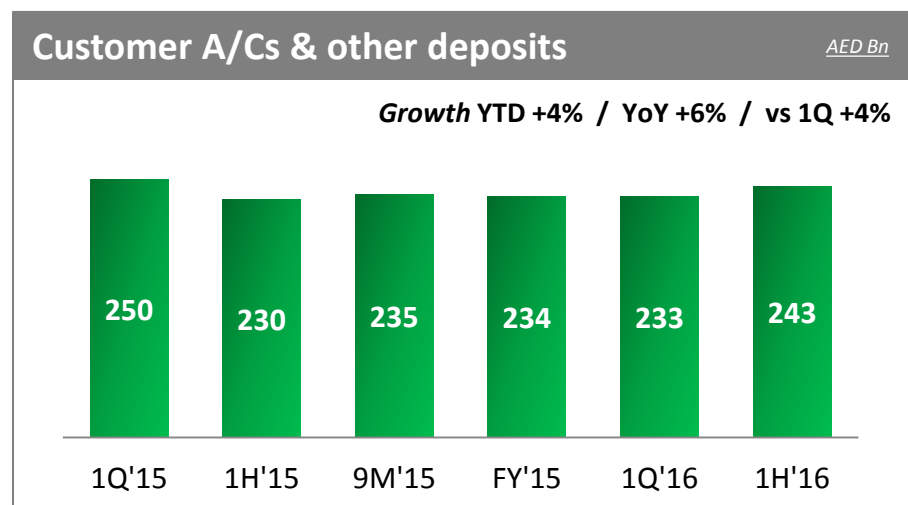


\* Based on nominal AED equivalent; MTNs AED 18.3bn, MTBs 4.7bn outstanding as at 30 Jun 2016



\* Based on nominal AED equivalent; AED 7.2bn outstanding as at 30 Jun 2016

# Customer accounts & other deposits



\* Based on location of booking of the deposit

# 2Q/1H'16 Financial Performance at a Glance



## Income Statement - Summary

(in AED million)	Quarterly					Year-to-date		
	2Q 2016	1Q 2016	2Q 2015	QoQ %	YoY %	1H 2016	1H 2015	YoY %
Net interest income (incl net income from Islamic financing)	1,837	1,831	1,840	0.3	-0.2	3,668	3,629	1.1
Non-interest income	922	819	878	12.6	5.0	1,742	1,773	-1.7
<b>Total Revenues</b>	<b>2,759</b>	<b>2,650</b>	<b>2,718</b>	<b>4.1</b>	<b>1.5</b>	<b>5,409</b>	<b>5,402</b>	<b>0.1</b>
UAE	2,225	2,108	2,140	5.6	4.0	4,333	4,302	0.7
Gulf & International	534	542	578	-1.5	-7.7	1,076	1,100	-2.1
Operating expenses	(1,009)	(1,008)	(1,012)	0.0	-0.4	(2,017)	(2,026)	-0.5
<b>Operating Profits</b>	<b>1,751</b>	<b>1,642</b>	<b>1,706</b>	<b>6.6</b>	<b>2.6</b>	<b>3,393</b>	<b>3,376</b>	<b>0.5</b>
Impairment charges, net	(298)	(295)	(166)	1.0	79.2	(593)	(336)	76.2
Taxes	(76)	(77)	(93)	-0.1	-18.2	(153)	(170)	-9.9
<b>NET PROFIT</b>	<b>1,376</b>	<b>1,271</b>	<b>1,446</b>	<b>8.3</b>	<b>-4.8</b>	<b>2,647</b>	<b>2,869</b>	<b>-7.8</b>

## Balance Sheet - Summary

(in AED billion)	Jun-16	Mar-16	Dec-15	Jun-15	QoQ %	Ytd %	YoY %
Assets	419.4	399.7	406.6	392.6	4.9	3.2	6.8
Customer Loans	202.9	199.6	205.9	217.9	1.7	-1.5	-6.9
Customer A/c's & other deposits	243.3	233.3	233.8	230.1	4.3	4.1	5.7
CASA (deposits)	74.6	71.6	71.3	71.5	4.2	4.7	4.4
Equity	43.0	41.6	43.2	41.6	3.4	-0.5	3.4
Contingencies (Trade & Market)	1,536	1,432	1,291	1,306	7.3	19.0	17.6

- Trade contingencies are defined as LCs & LGs; Market contingencies reflect nominal value of FX contracts & derivatives

- Equity includes Tier-I capital notes

# 2Q/1H'16 Financial Performance at a Glance (cont'd...)



## Revenues by Business

(in AED million)	Quarterly					Year-to-date		
	2Q 2016	1Q 2016	2Q 2015	QoQ %	YoY %	1H 2016	1H 2015	YoY %
Global Wholesale (GWB)	1,342	1,315	1,272	2.0	5.5	2,656	2,643	0.5
Global Retail & Commercial (GRC)	1,177	1,138	1,023	3.5	15.1	2,315	1,966	17.8
Global Wealth (GW)	231	222	287	4.2	-19.6	453	536	-15.5
Head Office (HO)	10	(24)	136	-140.0	-93.0	(14)	258	-105.5
<b>Total Revenues</b>	<b>2,759</b>	<b>2,650</b>	<b>2,718</b>	<b>4.1</b>	<b>1.5</b>	<b>5,409</b>	<b>5,402</b>	<b>0.1</b>

Note: During the period, the Group has changed the basis of allocation around centrally held profit & losses and other inter-segmental allocations resulting in a restatement of comparative segmental information

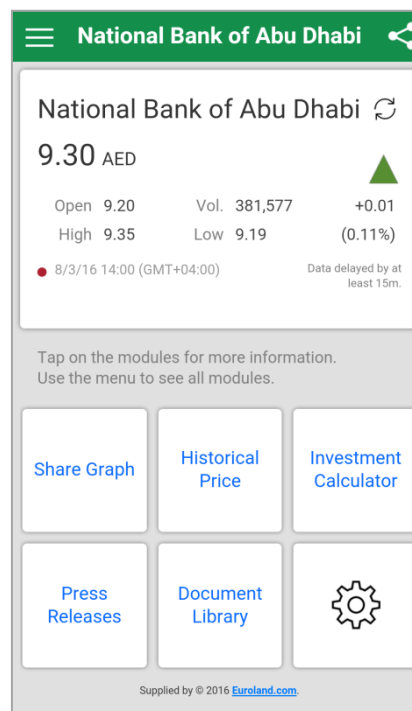
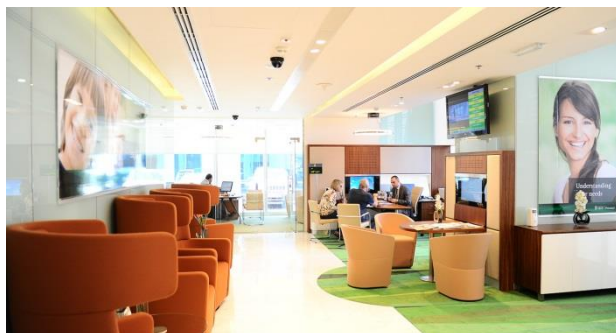
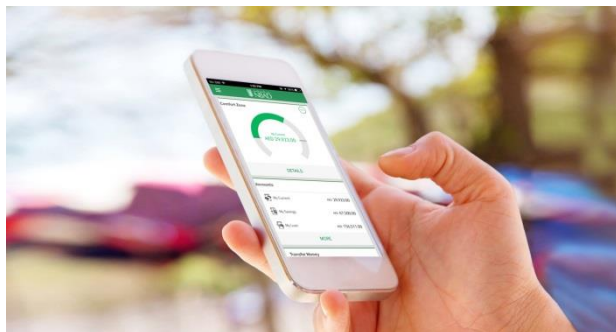
## Key Ratios

	2Q 2016	1Q 2016	2Q 2015	QoQ (bps)	YoY (bps)	1H 2016	1H 2015	YoY (bps)
Return on Equity	13.0%	12.0%	14.6%	103	-161	12.3%	14.4%	-215
Return on Shareholders' Funds <sup>1</sup>	14.7%	13.5%	16.5%	119	-181	13.8%	16.3%	-250
Cost-Income ratio	36.6%	38.0%	37.2%	-149	-69	37.3%	37.5%	-23
Net Interest Margin <sup>2</sup> (YTD)	1.98%	2.02%	2.03%	-4	-5	1.98%	2.03%	-5
Return on Risk Weighted Assets	1.98%	1.84%	2.19%	14	-22	1.91%	2.21%	-31
Tier-I ratio (YTD)	15.5%	15.1%	15.4%	34	4	15.5%	15.4%	4
Capital Adequacy ratio (YTD)	16.4%	16.0%	16.6%	37	-20	16.4%	16.6%	-20

1- excl Tier-I capital notes and interest thereof

2 - annualised; based on daily average of performing assets

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For information and updates on NBAD-FGB Merger, please visit [BankfortheUAE.com](http://BankfortheUAE.com)

**Michael Miller**  
Head – Investor, Media & Public Relations

**Abhishek Kumat**  
Investor Relations

**Fadeela Khamis**  
Corporate Communications  
(Media & PR)





بنك أبوظبي الوطني  
NBAD