

National Bank of Abu Dhabi PJSC

Condensed consolidated interim financial statements

31 March 2009

National Bank of Abu Dhabi PJSC

Condensed consolidated interim financial statements

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Independent report on review of condensed consolidated interim financial information

The Shareholders
National Bank of Abu Dhabi PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of the National Bank of Abu Dhabi PJSC and its subsidiaries (the "Group") as at 31 March 2009 and the related interim condensed consolidated statement of comprehensive income (comprising of an interim condensed consolidated statement of comprehensive income and a separate interim condensed consolidated income statement), interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended (interim financial information). The Board of Directors of the Group is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG
Munther Dajani
Registration No.: 268


27 April 2009


National Bank of Abu Dhabi PJSC

Condensed consolidated interim statement of financial position

As at 31 March 2009

			(Audited)
		31 Mar '09	31 Dec '08
		AED'000	AED'000
Assets	<i>Note</i>		
Cash and balances			
with central banks	5	14,446,001	19,432,923
Investments at fair value			
through profit or loss		1,185,662	1,295,641
Due from banks		10,072,592	6,788,528
Loans and advances	6	115,871,668	111,764,267
Non-trading investments		13,947,175	14,982,756
Other assets		4,249,308	9,071,165
Premises and equipment		1,362,729	1,319,200
Total assets		161,135,135	164,654,480
Liabilities			
Due to banks	7	25,561,038	25,796,996
Repurchase agreements with banks		2,229,708	4,535,345
Euro commercial paper	8	-	73,997
Customers' deposits	9	97,868,439	103,481,145
Medium-term borrowings	10	8,304,282	8,594,284
Other liabilities		5,895,871	4,765,176
		139,859,338	147,246,943
Subordinated convertible notes	11	2,975,770	3,050,938
Total liabilities		142,835,108	150,297,881
Equity			
Share capital	12	2,174,275	1,976,614
Government of Abu Dhabi			
Tier 1 capital notes	13	4,000,000	-
Statutory and special reserves		3,116,560	3,116,560
Staff share option scheme	14	11,006	7,214
Other reserves		5,777,379	6,206,335
Subordinated convertible notes			
- equity component	11	83,310	85,408
Retained earnings		3,137,497	2,964,468
Total equity		18,300,027	14,356,599
Total liabilities and equity		161,135,135	164,654,480


Nasser Ahmed Khalifa Al Sowaidi
Chairman


Michael Tomalin
Chief Executive

The notes 1 to 20 are an integral part of these condensed consolidated interim financial statements. The independent report on review of condensed consolidated interim financial information is set out on page 1.

National Bank of Abu Dhabi PJSC

Condensed consolidated interim income statement

For the three month period ended 31 March 2009

	<i>Note</i>	31 Mar '09 AED'000	31 Mar '08 AED'000
Interest income		1,808,125	1,778,388
Interest expense		(711,471)	(1,001,707)
Net interest income		1,096,654	776,681
Fee and commission income		250,704	296,949
Fee and commission expense		(33,127)	(23,470)
Net fee and commission income		217,577	273,479
Net investment loss		(55,444)	(58,265)
Net foreign exchange gain		147,341	71,446
Other operating income		31,896	222,296
		123,793	235,477
Operating income		1,438,024	1,285,637
General, administration and other operating expenses		(435,082)	(328,077)
Profit before net impairment charge and taxation		1,002,942	957,560
Net impairment charge on financial assets		(214,020)	(68,152)
Profit before taxation		788,922	889,408
Overseas income tax expense		(18,457)	(14,863)
Net profit for the period		770,465	874,545
Basic earnings per share (AED)	17	0.354	0.411
Diluted earnings per share (AED)	17	0.348	0.403

The notes 1 to 20 are an integral part of these condensed consolidated interim financial statements.

The independent report on review of condensed consolidated interim financial information is set out on page 1.

National Bank of Abu Dhabi PJSC

Condensed consolidated interim statement of cash flows

For the three month period ended 31 March 2009

	31 Mar '09 AED'000	31 Mar '08 AED'000
Cash flows from operating activities		
Profit before taxation	788,922	889,408
<i>Adjustments:</i>		
Depreciation	22,432	18,723
Accreted interest	2,735	2,165
Profit on buy back of subordinated debt	(20,256)	-
Net impairment charge on financial assets	220,264	76,484
Foreign currency retranslation on medium term floating rate notes	(164,306)	239,033
Staff share option	3,792	-
	853,583	1,225,813
Change in investments at fair value through profit or loss	109,979	(271,643)
Change in due from banks and central banks	3,966,023	(3,005,524)
Change in loans and advances	(4,247,780)	(13,117,448)
Change in other assets	4,821,856	(1,072,616)
Change in due to banks	(235,958)	3,512,455
Change in repurchase agreements with banks	(2,305,637)	(390,412)
Change in customers' deposits	(5,612,706)	10,444,637
Change in other liabilities	918,087	882,079
	(1,732,553)	(1,792,659)
Overseas income tax paid	(12,322)	(12,328)
Net cash used in operating activities	(1,744,875)	(1,804,987)
Cash flows from investing activities		
Purchase of non-trading investments, net of proceeds from sale or maturity	942,547	(630,364)
Acquisition of premises and equipment, net of disposals	(65,960)	(60,228)
Net cash from / (used in) investing activities	876,587	(690,592)
Cash flows from financing activities		
Dividends paid	(592,984)	-
Repayment of medium term floating rate notes	(142,367)	(144,625)
(Redemption of) / issue proceeds from Euro commercial paper	(73,997)	186,304
Proceeds from Government of Abu Dhabi Tier 1 capital notes	4,000,000	-
Subordinated convertible notes bought back	(59,200)	-
Subordinated convertible notes issued	-	2,000,000
Net cash from financing activities	3,131,452	2,041,679
Increase / (decrease) in cash and cash equivalents	2,263,164	(453,900)
Cash and cash equivalents at 1 January	15,599,555	24,345,317
Cash and cash equivalents at 31 March	17,862,719	23,891,417
Cash and cash equivalents comprise:		
<i>Maturing within three months:</i>		
Cash and balances with central banks	10,440,757	18,216,504
Due from banks	7,421,962	5,674,913
	17,862,719	23,891,417

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National Bank of Abu Dhabi PJSC

Condensed consolidated interim statement of comprehensive income

For the three month period ended 31 March 2009

	<i>Note</i>	31 Mar '09 AED'000	31 Mar '08 AED'000
Net profit for the period		770,465	874,545
Adjustment considered in the equity statement:			
Exchange difference on translating foreign operation		(16,669)	2,987
Change in the fair value of			
available for sale financial assets	15	(215,170)	191,709
Directors' remuneration		(4,452)	(742)
Buy back of subordinated convertible notes		544	-
Other comprehensive (expense) / income for the period net of tax		(235,747)	193,954
Total comprehensive income for the period		534,718	1,068,499

The notes 1 to 20 are an integral part of these condensed consolidated interim financial statements.

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National Bank of Abu Dhabi PJSC

Condensed consolidated interim statement of changes in equity

For the three month period ended 31 March 2009

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	General reserve AED'000	Government of Abu Dhabi Tier 1 capital notes AED'000	Staff share option scheme AED'000	Fair value reserve AED'000	Foreign currency translation reserve AED'000	Subordinated convertible notes - equity component AED'000	Retained earnings AED'000	Total AED'000
Balance at 31 December 2007	1,591,304	795,652	795,652	7,148,899	-	-	(24,384)	34,183	72,926	800,000	11,214,232
Net profit for the period	-	-	-	-	-	-	-	-	-	874,545	874,545
Net movement in fair value reserve	-	-	-	-	-	-	191,709	-	-	-	191,709
Directors remuneration	-	-	-	-	-	-	-	-	-	(742)	(742)
Foreign currency translation adjustment	-	-	-	-	-	-	-	2,987	-	-	2,987
Total comprehensive income for the period	-	-	-	-	-	-	191,709	2,987	-	873,803	1,068,499
Dividend paid for 2007 (note 12)	-	-	-	-	-	-	-	-	-	(658,871)	(658,871)
Subordinated convertible note issued	-	-	-	-	-	-	-	-	52,984	-	52,984
Conversion of subordinated convertible notes	55,874	-	1,332,601	-	-	-	-	-	(40,502)	-	1,347,973
Bonus shares issued (note 12)	329,436	-	-	(329,436)	-	-	-	-	-	-	-
Balance at 31 March 2008	1,976,614	795,652	2,128,253	6,819,463	-	-	167,325	37,170	85,408	1,014,932	13,024,817
Balance at 31 December 2008	1,976,614	988,307	2,128,253	6,819,463	-	7,214	(632,311)	19,183	85,408	2,964,468	14,356,599
Net profit for the period	-	-	-	-	-	-	-	-	-	770,465	770,465
Net movement in fair value reserve	-	-	-	-	-	-	(215,170)	-	-	-	(215,170)
Directors remuneration	-	-	-	-	-	-	-	-	-	(4,452)	(4,452)
Foreign currency translation adjustment	-	-	-	-	-	-	-	(16,669)	-	-	(16,669)
Buy back of subordinated convertible notes	-	-	-	544	-	-	-	-	-	-	544
Total comprehensive income for the period	-	-	-	544	-	-	(215,170)	(16,669)	-	766,013	534,718
Buy back of subordinated convertible notes (note 11)	-	-	-	-	-	-	-	-	(2,098)	-	(2,098)
Option granted to staff	-	-	-	-	-	3,792	-	-	-	-	3,792
Dividend paid for 2008 (note 12)	-	-	-	-	-	-	-	-	-	(592,984)	(592,984)
Bonus shares issued (note 12)	197,661	-	-	(197,661)	-	-	-	-	-	-	-
Tier 1 capital introduced during the period (note 13)	-	-	-	-	4,000,000	-	-	-	-	-	4,000,000
Balance at 31 March 2009	2,174,275	988,307	2,128,253	6,622,346	4,000,000	11,006	(847,481)	2,514	83,310	3,137,497	18,300,027

The notes 1 to 20 are an integral part of these condensed consolidated interim financial statements.

The independent report on review of condensed consolidated interim financial information is set out on page 1.

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

National Bank of Abu Dhabi PJSC (the “Bank”) was established in Abu Dhabi in 1968 with limited liability and is registered as a Public Joint Stock Company in accordance with the United Arab Emirates Federal Law No. 8 of 1984 (as amended) relating to Commercial Companies.

Its registered office address is P. O. Box 4, Abu Dhabi, United Arab Emirates. These condensed consolidated interim financial statements as at and for the period ended 31 March 2009 comprise the Bank and its subsidiaries (the “Group”). The Group is primarily engaged in corporate, retail, private, Islamic and investment banking activities and carries out its operations through its local and overseas branches and subsidiaries located in United Arab Emirates, Bahrain, Egypt, France, Oman, Kuwait, Sudan, the United Kingdom, Switzerland, China and the United States of America.

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available upon request from the Bank’s registered office, P.O. Box 4, Abu Dhabi, United Arab Emirates or at <http://www.nbad.ae>.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2008.

These condensed consolidated interim financial statements were approved on behalf of the Board of Directors on 27 April 2009.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008.

However, the Group has adopted IAS 1 ‘Presentation of financial statements’ (Revised 2007) and IFRS 8 ‘Operating segments’ for the first time in preparation of these condensed consolidated interim financial statements. These new and revised IASs, which became applicable for annual periods beginning on or after 1 January 2009, effects the presentation and disclosure of these condensed consolidated interim financial statements and does not effect the Group’s reported profit or loss or equity.

IAS 1 – Presentation of financial statements (Revised 2007)

The revised IAS introduces the term ‘total comprehensive income’ which represents changes in equity during a period other than those resulting from transactions with owners in their capacity as owners and items of income and expense that are not recognised in profit or loss as required or permitted by other IFRSs. The Group has applied the revised IAS 1 retrospectively and has adopted two statement approach to present comprehensive income i.e. income statement and a separate statement of comprehensive income. Further the revised IAS 1 has also changed the title of ‘balance sheet’ to ‘statement of financial position’.

IFRS 8 – Operating segments

The Group has now presented the segment information in respect of its internal reporting structures.

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

4 Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2008.

5 Cash and balances with central banks

Cash and balances with central banks include Certificates of Deposit with the Central Bank of UAE in the amount of AED 8,020 million (31 December 2008: AED 12,080 million).

6 Loans and advances

	31 Mar '09 AED'000	(Audited) 31 Dec '08 AED'000
Gross loans and advances	119,551,151	115,225,353
Less: allowance for impairment	(1,750,209)	(1,549,782)
Less: interest suspended	(1,929,274)	(1,911,304)
Net loans and advances	<u>115,871,668</u>	<u>111,764,267</u>

The movement in the allowance for impairment during the three month period is shown below:

	31 Mar '09 AED'000	31 Mar '08 AED'000
At 1 January	1,549,782	910,131
Charge for the period		
- Collective impairment charge	152,170	66,708
- Specific impairment charge	85,415	32,929
Recoveries	(5,942)	(8,233)
Write-backs during the period	(19,147)	(24,206)
Write-offs during the period	(12,069)	(30,373)
At the reporting date	<u>1,750,209</u>	<u>946,956</u>

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

6 Loans and advances (*continued*)

Loans and advances directly written off during the period (net of recoveries) amounted to AED 1,827 thousand (*31 March 2008: AED 1,053 thousand*).

As at 31 March 2009, the collective provision on loans and advances amounted to AED 1,000,255 thousand (*31 December 2008: AED 848,085 thousand*).

As at 31 March 2009, the gross balance of impaired loans and advances amounted to AED 3,175,957 thousand (*31 December 2008: AED 2,983,049 thousand*).

7 Due to banks

Due to banks include balances due to central banks amounting to AED 4,025 million (*31 December 2008: 7,746 million*).

8 Euro commercial paper

The Bank established a USD 2 billion Euro commercial paper programme (the “ECP Programme”) for the issuance of Euro commercial paper under the agreement dated 13 September 2006 with CITIBANK, N.A.

9 Customers’ deposits

Customers’ deposits include NBAD 3 Year 100% UAE Principal Protected Notes issued during 2007 having a nominal value of AED 713 million (*31 December 2008: AED 713 million*). These notes are 100% principal protected at maturity by the Bank and are linked to Standard & Poor’s International Finance Corporation Global Index for the United Arab Emirates. The Bank has purchased a call option to cover this exposure.

It also includes deposits amounting to AED 5,606 million received from the UAE Ministry of Finance maturing within 3 to 5 year.

10 Medium-term borrowings

	31 Mar ‘09 AED’000	(Audited) 31 Dec ‘08 AED’000
Club loan and other facilities	2,090,093	2,090,095
Medium-term notes	6,214,189	6,504,189
	<u>8,304,282</u>	<u>8,594,284</u>

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

10 Medium-term borrowings *(continued)*

The following medium-term notes were outstanding as at the reporting dates:

				(Audited)
Currency	Interest	Year of maturity	31 Mar '09 AED'000	31 Dec '08 AED'000
CHF	3 M CHF LIBOR + 10bps	2009	257,393	281,187
JPY	0.05 per cent (fixed)	2009	-	142,364
JPY	0.22 per cent (fixed)	2009	37,456	40,676
USD	5.525 per cent (fixed)	2009	73,460	73,460
USD	3 M USD LIBOR+30bps	2010	3,122,050	3,122,050
JPY	3 M JPY LIBOR	2010	149,407	162,247
CHF	3 M CHF LIBOR + 10bps	2010	642,968	702,403
CHF	3 M CHF LIBOR + 10bps	2010	96,075	104,956
GBP	5.875 % (fixed)	2012	1,835,380	1,874,846
			6,214,189	6,504,189

11 Subordinated convertible notes

		(Audited)
	31 Mar '09 AED'000	31 Dec '08 AED'000
Liability component		
15 March 2006 issue	1,095,749	1,095,190
28 February 2008 issue	1,880,021	1,955,748
	2,975,770	3,050,938
Equity component		
15 March 2006 issue	72,926	72,926
28 February 2008 issue	52,984	52,984
Less: conversion of 15 March 2006 issue	(40,502)	(40,502)
Less: buy back of 28 February 2008 issue	(2,098)	-
	83,310	85,408

12 Share capital

Further, at the Annual General Meeting held on 11 March 2009, the shareholders of the Bank approved a cash dividend of AED 0.3 per ordinary share (2008: AED 0.4 per ordinary share) and an increase in the share capital through a 10% bonus shares issue of 197,661 thousand ordinary shares of AED 1 each (2008: 20% bonus shares issue of 329,436 thousand ordinary shares of AED 1 each) amounting to AED 197,661 thousand (2008: AED 329,436 thousand). Accordingly, the issued and paid up share capital as at 31 March 2009 is comprised of 2,174,275 thousand ordinary shares of AED 1 each (31 December 2008: 1,976,614 thousand ordinary shares of AED 1 each).

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

13 Government of Abu Dhabi Tier 1 capital notes

Under the Government of Abu Dhabi 2009 Bank capitalisation programme, the Bank issued regulatory Tier 1 capital notes (“the notes”). The notes are perpetual, subordinated, unsecured and carries a fixed coupon during the initial period and are paid semi annually in arrears, after the initial period the notes attracts a coupon rate of 6 months EIBOR plus a fixed margin. The bank can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and the event is not considered an event of default.

14 Staff share option scheme

There were no significant changes in staff share option scheme during the period.

15 Fair value reserve

	31 Mar '09 AED'000	31 Mar '08 AED'000
<i>Revaluation reserve – non-trading investment</i>		
At 1 January	(846,865)	(126,752)
Net change in fair value	(93,032)	(3,385)
At 31 March	(939,897)	(130,137)
<i>Hedging reserve – cash flow hedges</i>		
At 1 January	214,554	102,368
Net change in fair value	(122,138)	195,094
At 31 March	92,416	297,462
Total at 31 March	(847,481)	167,325

16 Commitments and contingencies

The Group, in the ordinary course of business, enters into various types of transactions that involve undertaking certain commitments such as letters of credit, guarantees and un-drawn loan commitments.

Undrawn commitments to extend credit amounted to AED 28,219 million (31 December 2008: AED 34,287 million).

There were no other significant changes in contingent liabilities and commitments during the period.

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

17 Earnings per share

Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period as set out below:

	31 Mar '09	31 Mar '08
Basic earnings per share:		
Net profit for the period attributable to equity shareholders (AED '000)	770,465	874,545
Weighted average number of ordinary shares:		
Ordinary shares as at 1 January ('000s)	1,976,614	1,591,304
Effect of bonus shares issued during 2008 ('000s)	-	329,436
Conversion of convertible notes issued 2008 ('000s)	-	9,312
Effect of bonus shares issued during 2009 ('000s)	197,661	197,661
Weighted average number of ordinary shares ('000s)	2,174,275	2,127,713
Basic earnings per share (AED)	0.354	0.411
Diluted earnings per share:		
Net profit for the period attributable to equity shareholders (AED '000)	770,465	874,545
Add: Interest on subordinated convertible notes (AED '000)	34,166	34,191
Add: Expenses on share option scheme (AED '000)	3,792	-
Net profit for the period attributable to equity shareholders for diluted earnings per share (AED '000)	808,423	908,736
Weighted average number of ordinary shares ('000s)	2,174,275	2,127,713
Effect of dilutive potential ordinary shares issued ('000s)	132,991	126,537
Effect of share option scheme ('000s)	14,653	-
Weighted average number of ordinary shares in issue for diluted earnings per share ('000s)	2,321,919	2,254,250
Diluted earnings per share (AED)	0.348	0.403

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

18 Segmental information

	Domestic Banking AED'000	Int'l Banking AED'000	Financial Markets AED'000	Corporate & Investment Banking AED'000	Global Wealth AED'000	Head Office AED'000	Islamic Business AED'000	Total AED'000
<i>For the three month period ended 31 March 2009:</i>								
Operating income	<u>342,416</u>	<u>204,716</u>	<u>243,315</u>	<u>451,566</u>	<u>31,715</u>	<u>147,521</u>	<u>16,775</u>	<u>1,438,024</u>
Profit before taxation	<u>160,134</u>	<u>119,053</u>	<u>223,204</u>	<u>418,212</u>	<u>3,827</u>	<u>(138,311)</u>	<u>2,803</u>	<u>788,922</u>
Overseas taxation	<u>-</u>	<u>(19,798)</u>	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>-</u>	<u>-</u>	<u>(18,457)</u>
Net profit for the period	<u>160,134</u>	<u>99,255</u>	<u>223,204</u>	<u>418,212</u>	<u>5,168</u>	<u>(138,311)</u>	<u>2,803</u>	<u>770,465</u>
Segment total assets	<u>31,278,210</u>	<u>29,090,401</u>	<u>59,298,828</u>	<u>74,461,528</u>	<u>1,465,925</u>	<u>26,685,359</u>	<u>3,772,570</u>	<u>226,052,821</u>
Inter segment balances								<u>(64,917,686)</u>
Total assets								<u>161,135,135</u>

Note: Collective provision of the Group's United Arab Emirates operation are recognised centrally in the Head office accounts and are not allocated to the business units.

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Notes to the condensed consolidated interim financial statements

18 Segmental information *(continued)*

	Domestic Banking AED'000	Int'l Banking AED'000	Investment Banking AED'000	Head Office & others AED'000	Total AED'000
<i>For the three month period ended 31 March 2008:</i>					
Operating income	595,810	214,530	204,957	270,340	1,285,637
Profit before taxation	484,498	139,091	171,316	94,503	889,408
Overseas taxation	-	(16,806)	-	1,943	(14,863)
Net profit for the period					874,545
<i>As at 31 December 2008 :</i>					
Segment total assets	75,507,454	36,609,945	76,561,282	22,147,288	210,825,969
Inter segment balances					(46,171,489)
Total assets					164,654,480

During the period, the Group has restructured its internal reportable segment in manner that provides more financial information to the chief operating decision makers. Due to impracticability of restatement of the quarterly comparative segment information, the quarterly comparative segment information for the period ended 31 March 2008 is presented as per the previous segmental bifurcations.

19 Related parties

Identity of related parties

Related parties comprise major shareholders, directors and key management of the Group and their related concerns. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors and / or Management.

Parent and ultimate controlling party

The ultimate controlling party of the Group is Abu Dhabi Investment Council with an ownership of 70.48% (31 December 2008: 70.48%).

National Bank of Abu Dhabi PJSC

Notes to the condensed consolidated interim financial statements

19 Related parties (continued)

Terms and conditions

Interest rates earned on loans and advances extended to related parties during the period have ranged from 1.98% to 18% per annum (31 Dec 2008: 3.2% to 18% per annum).

Interest rates incurred on customers' deposits placed by related parties during the period have ranged from nil (non-interest bearing accounts) to 5.5% per annum (March 2008: nil to 5.27% per annum).

Fees and commissions earned on transactions with related parties during the period have ranged from 0.50% to 1.00% per annum (March 2008: 0.50% to 1% per annum).

Collaterals against lending to related parties range from being unsecured to fully secure.

Balances

Balances with related parties at the reporting date are shown below:

	Directors and key management 31 Mar '09 AED'000	Major shareholder 31 Mar '09 AED'000	Others 31 Mar '09 AED'000	Total 31 Mar '09 AED'000	(Audited) Total 31 Dec '08 AED'000
Loans and advances	738,171	-	1,351,907	2,090,078	2,449,012
Customers' deposits	374,828	253,539	8,046,580	8,674,947	7,504,022
Commitments and contingencies	847,024	-	79,173	926,197	977,897

Others comprise Government of Abu Dhabi entities.

Transactions

Transactions carried out during the reporting period with related parties are shown below:

	Directors and key management 31 Mar '09 AED'000	Major shareholder 31 Mar '09 AED'000	Others 31 Mar '09 AED'000	Total 31 Mar '09 AED'000	Total 31 Mar '08 AED'000
Fee and commission income	2,016	-	147	2,163	3,754
Interest income	10,172	-	23,190	33,362	34,549
Interest expense	9,401	2,131	16,955	28,487	95,920

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Notes to the condensed consolidated interim financial statements

19 Related parties (*continued*)

Transactions (*continued*)

No allowances for impairment have been recognised against loans and advances extended to related parties or contingent liabilities issued in favour of related parties during the three month period ended 31 March 2009 (*three month period ended 31 March 2008: AED nil*).

Transactions with key management personnel

Key management compensation is as shown below:

	Three month period ended 31 Mar '09 AED'000	Three month period ended 31 Mar '08 AED'000
Short term employment benefits	11,743	8,559
Post employment benefits	307	291
Termination benefits	269	217
	<u>12,319</u>	<u>9,067</u>

Due to the pervasiveness of the ultimate controlling party and related concerns, it is impractical to fully disclose related party transactions as described by International Accounting Standard 24.

20 Comparative figures

Certain comparative figures have been reclassified to conform to the presentation for the current period.