



23 October 2011

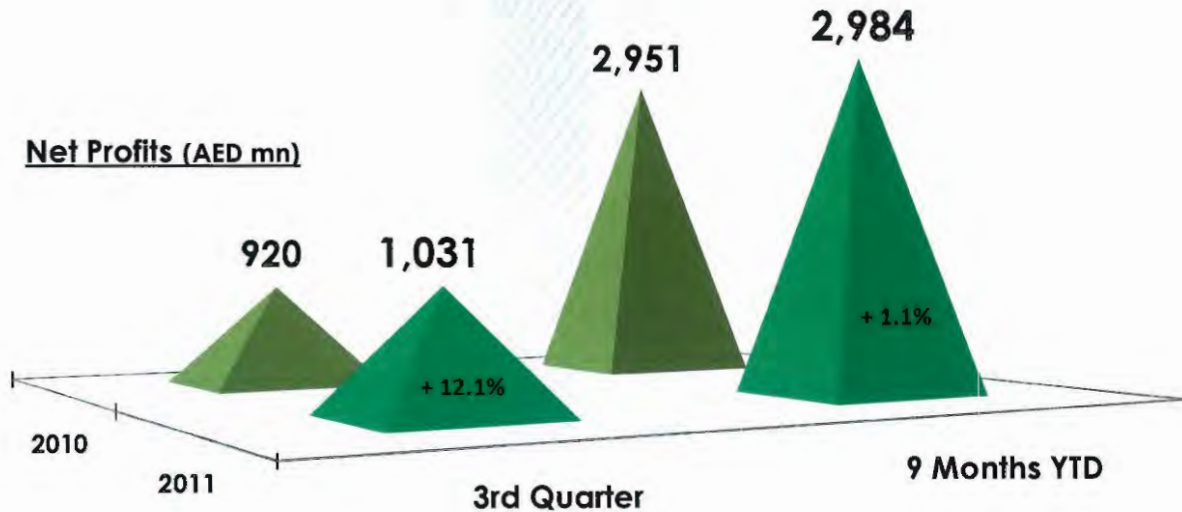
MANAGEMENT DISCUSSION AND TRADING STATEMENT

NATIONAL BANK OF ABU DHABI Reports

NET PROFIT of AED 3.0 BILLION for the first NINE MONTHS of 2011 and over AED 1.0 BILLION for the THIRD QUARTER

OPERATING INCOME of AED 5.9 BILLION and EXPENSES of AED 1.8 BILLION

ASSETS at AED 242 BILLION, LOANS at AED 156 BILLION and DEPOSITS at AED 143 BILLION



National Bank of Abu Dhabi (NBAD) – the Safest Bank in the Middle East* - achieves a cumulative net profit of AED 2,984 million for the nine months of 2011, 1.1% higher compared to AED 2,951 million earned in the corresponding period of 2010.

Third quarter profit increased by 12.1% to AED 1,031 million compared with AED 920 million earned in the third quarter of previous year.

The annualised return on shareholders' funds for the nine months of 2011 is 17.7% in line with the target for 2011.

* Amongst the World's 50 Safest Banks in 2009, 2010 & 2011 by Global Finance



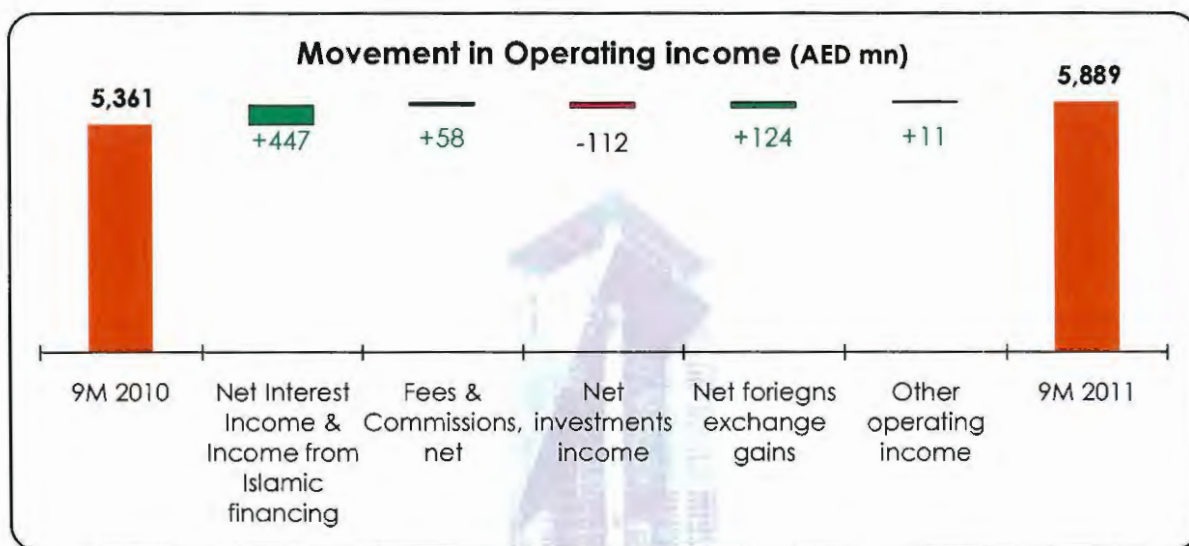
H.E. Nasser Alsowaidi, Chairman of NBAD said, "NBAD has delivered healthy profits on the back of strong and prudent balance sheet growth in a year characterised by multiple economic and political challenges. In line with the Government's plan to provide necessary infrastructure and support to the SME (small and medium sized enterprises) sector, the Bank has undertaken various initiatives to play a leading role in the development of the sector."

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

OPERATING INCOME

Operating income for the nine months reached AED 5,889 million, up 9.9% compared with AED 5,361 million for the corresponding period of 2010. Third quarter's operating income at AED 2,001 million is higher by 10.4% when compared to the third quarter of 2010. Net interest income and net income from Islamic financing contracts for the first nine months rose 11.6% to AED 4,310 million compared with corresponding period of 2010 while non-interest income was higher by 5.4% at AED 1,579 million.

The net interest margin was 2.53% for the nine months of 2011, marginally higher than 2.51% for the comparable period of 2010.





EXPENSES

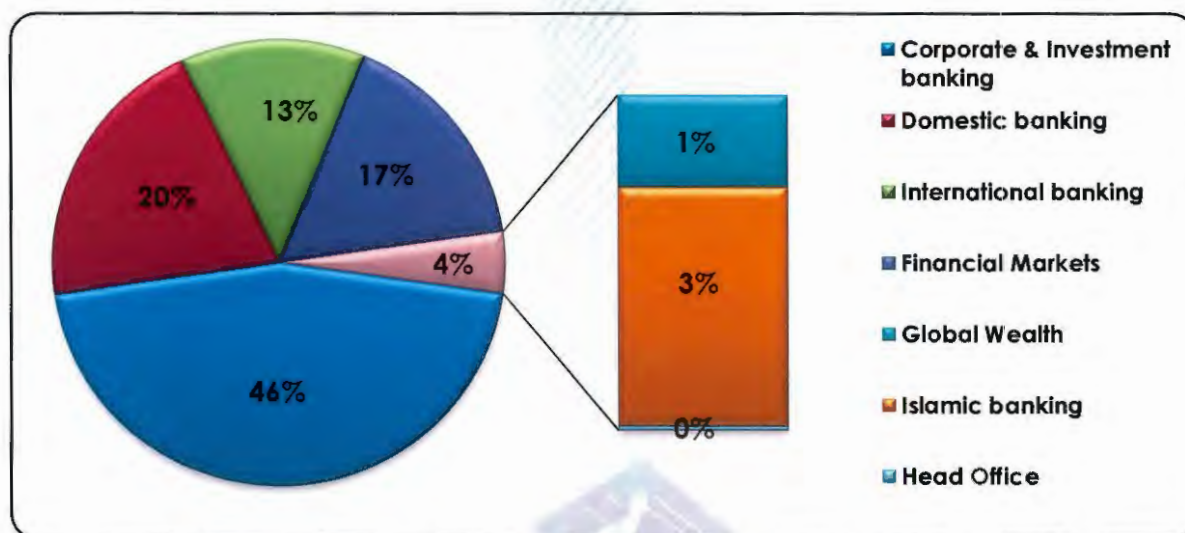
Operating expenses for the nine months of 2011 were AED 1,805 million, higher by 16.2% compared with the corresponding period of 2010.

The cost to income ratio was 30.7% for the nine months of 2011. The ratio remains below the medium-term cap of 35%.

During the third quarter, the Bank expanded its domestic network to 116 branches & cash offices and six Business Banking centres across the UAE in its ongoing effort to expand its services to small- and medium-sized enterprises (SMEs).

OPERATING PROFITS (by business segment)

The Bank's various businesses delivered a steady performance contributing operating profits of AED 4,084 million for the nine months of 2011. Year-on-year, the International banking and the Financial markets business achieved a growth of 23% and 31%, respectively. Islamic banking now contributes 3.2% to the operating profits from 1.8% a year ago, reflecting a growth of 85% in its operating profits year-on-year.



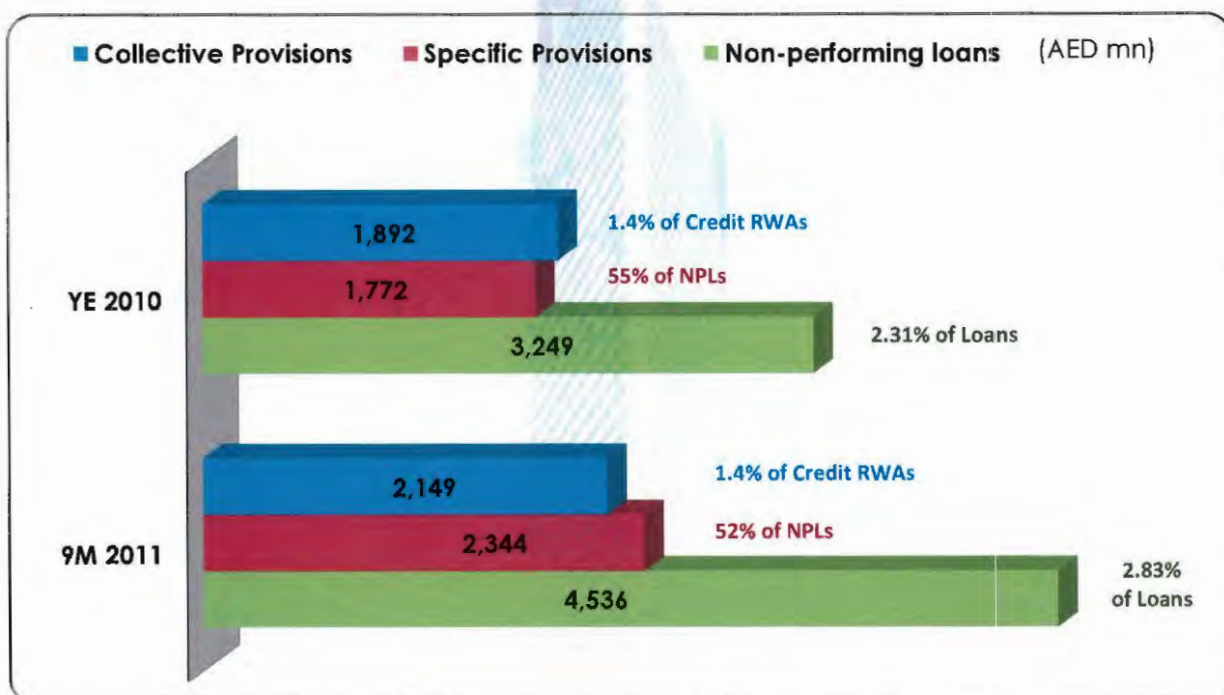
IMPAIRMENT CHARGES

The gross impairment charge for the nine months was AED 1,248 million, which after AED 231 million of recoveries reduced to a net charge of AED 1,017 million, comprising of collective provision of AED 257 million, net specific charges of AED 690 million and other provisions for impaired assets of AED 70 million. Net impairment charges were AED 321 million for the third quarter including additional collective provision of AED 87 million.



Collective provision of AED 2,149 million has been maintained in excess of 1.4% of the credit risk-weighted assets, which is in line with Central Bank's requirement for banks to have a collective provision of 1.5% of credit risk-weighted assets by the end of 2014. NBAD targets to increase this buffer to 1.43% by the end of 2012.

Non-performing loans increased to AED 4,536 million representing 2.83% of the loan book.



BALANCE SHEET

Total Assets were AED 242.0 billion as at 30 September 2011, 14.5% up on 31 December 2010 and 13.4% up on 30 September 2010.

Loans and advances to customers continued to grow in the third quarter of 2011 by another 1.9% to AED 155.8 billion, up 13.9% on 31 December 2010 and 12.1% up on 30 September 2010.

Customer deposits at AED 142.6 billion were up 15.8% from the year end and by 18.4% compared to 30 September 2010.

Capital resources stood at AED 34.2 billion after dividend payments of AED 240 million on Government of Abu Dhabi (GoAD) Tier-I capital notes in the nine months of 2011.



Capital resources consist of shareholders' funds of AED 22.1 billion, GoAD Tier-I capital notes of AED 4 billion and subordinated notes of AED 8.1 billion. Capital adequacy ratios (Basle-II) remain well above the minimum 12% required by the UAE Central Bank and (prospective) Basle-3 with a capital adequacy ratio of 20.7% and a Tier-I ratio of 15.3% as at 30 September 2011.



	Assets	Loans	Deposits
■ Sep-2011	242.0	155.8	142.6
■ Dec-2010	211.4	136.8	123.1
■ Sep-2010	213.5	139.0	120.4

EMIRATISATION

The Emirati ratio reached 39.8 % at the end of September 2011. The Bank introduced a Master of Science in Finance as part of the AFAQ program at its training academy for young UAE national graduates and enrolled 75 aspiring recruits. The Bank also launched 2 additional new emiratisation programmes and both include an opportunity to earn a professional diploma or an associate degree in Banking and Finance while gaining work experience simultaneously. In addition to the programs, international secondments for high potential UAE national staff as well as international scholarships were also launched in September 2011.



ACCOLADES & RECENT DEVELOPMENTS

During the third quarter, the Bank was listed for the third year in a row amongst the World's 50 Safest Banks by Global Finance. For the first time, NBAD was listed as the Safest Bank in the Middle East.

NBAD's long term ratings continue to remain amongst the strongest combined ratings of any financial institution in the MENA region with ratings from Moody's Aa3, Standard & Poor's A+, Fitch AA-, RAM (Malaysia) AAA and R&I's (Japan) rating of A+.

In August, NBAD and an Abu Dhabi-based Islamic bank executed the first Islamic equivalent of the conventional Repo product, a collateralised Murabaha transaction valued at USD 20 million for a one-week maturity, opening the gateway to an alternative method of liquidity management in the Islamic banking sector.

Michael H. Tomalin
Group Chief Executive





Key Performance Indicators

In AED Billion	30 Sept 2011	31 Dec 2010	%change	30 Sept 2010	%change
Assets	242.0	211.4	14.5%	213.5	13.4%
Customer Loans & Advances	155.8	136.8	13.9%	139.0	12.1%
Customer Deposits	142.6	123.1	15.8%	120.4	18.4%
Customer deposits + MTBs*	157.8	137.6	14.7%	137.3	14.9%
Capital Resources	34.2	32.4	5.5%	31.8	7.6%

* MTBs – medium term borrowings

In AED Million	9M 2011	9M 2010	%change	3Q 2011	3Q 2010	%change
Operating income	5,889	5,361	9.9%	2,001	1,813	10.4%
Operating expenses	1,805	1,554	16.2%	618	550	12.3%
Impairment charges, net	1,017	783	29.9%	321	320	0.3%
Net profit	2,984	2,951	1.1%	1,031	920	12.1%

In Percentage	9M 2011	9M 2010
Return on Shareholders' Funds (annualised)	17.7%	20.6%
Cost-Income Ratio	30.7%	29.0%
Net Interest Margins (on average assets; annualised)	2.53%	2.51%
Capital Adequacy (Basel-II)	20.7%	22.1%
Tier-I ratio	15.3%	15.7%