FAB Q3/9M'17 Financial Results

- *Management Discussion & Analysis*
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Grow Stronger

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

Management Discussion & Analysis Report

for the nine-month period ended 30 September 2017

Please note that FAB pro forma consolidated financials at 30 September 2017 serve as the main basis of reference for our Management Discussion & Analysis Report (MDA) and Investor Relations presentation.

FAB's reviewed consolidated interim financial statements at 30 September 2017 are prepared on the basis that the FGB/NBAD merger was declared effective on 1st April 2017 with FGB being the accounting acquirer as per IFRS 3. Therefore, these financials reflect the consolidation of NBAD since 1st April 2017 only, while prior period comparative financial information relates to FGB.

Abu Dhabi, 25th October 2017

Management Discussion and Analysis Report

Resilient performance with nine-month Group Net Profit achieved at AED 8.09 Billion

Third quarter Group Net Profit up 2% to AED 2.61 Billion

Solid third quarter results underpin resilient performance year-to-date

- Group Net Profit at AED 2.61 Billion in the third quarter, up 2% sequentially
- Nine-month Group Net Profit at AED 8.09 Billion, down 4% year-on-year; annualised earnings per share (EPS) at 95 fils
- Excluding one-off gains on sale of investment properties, Group Net Profit for the nine-month period is up 2% year-on-year and lower by 4% year-on-year in the third quarter
- Group Revenue set at AED 14.84 Billion, compared to AED 15.20 Billion in the first nine months of 2016
- Solid Returns on Risk Weighted Assets* (RoRWA) at 2.2%, stable year-on-year

Integration journey progressing well; merger benefits materialising ahead of plan

- Group continues to achieve key milestones in integration journey
- Industry-leading cost-to-income ratio (excluding integration costs) of 27.6% supported by the realisation of cost synergies ahead of plan and one-time integration costs well under control

Leading franchise generates strong business momentum in third quarter

- Net loans and advances up 2% sequentially to AED 328 Billion
- FAB dominates GCC and MENA loan league tables year-to-date
- Group Net Interest Margin* (NIM) at 2.22%, improved sequentially

Healthy asset quality metrics reflect prudent and best-in-class risk management practices

- Non-Performing Loan (NPL) ratio at 3.0% and provision coverage at 109%
- Cost of risk* at 71bps, improving from 79bps in prior year period

Ample liquidity and strengthened capital position

- Customer deposits at AED 379 Billion
- Loan-to-deposit ratio highly comfortable at 86.6%
- Common Equity Tier-1 (CET1[1]) ratio at 14.6%, up from 13.8% as of September-end 2016

9M'17 Group Revenue	9M'17 Group Net Profit	Cost-to-Income Ratio (ex. Integration costs)
AED 14.48 Billion	**AED 8.09 Billion**	**27.6%**
Loan-to-deposit ratio	RoTE[2]	CET1[1]
86.6%	**14.3%**	**14.6%**

*Annualised

[1] Basel II CET1: Tier-1 capital net of perpetual notes as a percentage of risk weighted assets

[2] Return on Average Tangible Equity, annualised; based on attributable profit to equity shareholders' excl Tier-1 notes coupon (of AED 346 Million in 9M'17) and amortisation of intangibles

First Abu Dhabi Bank (FAB), the UAE's largest bank and one of the world's largest and safest financial institutions, has reported consolidated pro forma financial results for the nine-month period ended September 2017, delivering a resilient performance.

Nine-month 2017 Group Net Profit was achieved at AED 8.09 Billion, down 4% year-on-year, or up 2% when excluding one-off gains on sale of investment properties.

In the third quarter of 2017, Group Net Profit was up 2% sequentially on the back of a notable improvement in cost of risk, and disciplined cost control coupled with the realisation of merger synergies ahead of plan. Compared to the third quarter of 2016, Group Net Profit was down 18%, or only 4% lower when excluding one-off gains on sale of investment properties.

As of September-end 2017, the Group enjoys ample liquidity with a loans-to-deposits ratio at 86.6%. In addition, capital position notably strengthened with CET1 reaching 14.6%, up from 13.8% last year. While total assets grew 2% year-on-year, balance sheet optimisation has led to a 3% reduction in risk weighted assets. As a result, the Group generated solid risk-adjusted returns with RoRWA at 2.2%, stable year-on-year.

Abdulhamid Saeed, Group Chief Executive Officer of FAB, said: "FAB's performance in the first nine months of 2017 demonstrates the Group's resilience as it continues to achieve integration milestones and deliver solid results against an operating backdrop that is improving, yet remains challenging. As we approach the end of 2017, I am very pleased with the excellent progress we have made in our integration journey. As we align our products and services, and further drive innovation and the right digital solutions across all areas of the business, we continue to place our clients first and work towards enhancing long-term customer experience across all business groups."

"In a strong testament to our leading position as a financial services provider in the UAE and the broader region, and despite a subdued loan market, FAB is dominating the GCC and MENA loan league tables' year-to-date with a 14.3% and 12.7% market share respectively. In addition, FAB was recognised by Global Finance as the safest bank in the UAE and the Middle East, and also the 4th safest bank in emerging markets, the 17th amongst commercial banks and the 31st amongst all banks, worldwide."

He added: "As we continue to build strong foundations to support the long term sustainable growth of our franchise, we are on track to meet our targets for the current year and our strong capital buffers provide us with ample room to deliver top returns for our shareholders."

Integration and other updates

The Bank's overall integration strategy is to leverage on the key strengths from legacy banks in order to create value for FAB customers, employees, shareholders and communities. Since the merger was completed earlier this year in April, the Group has made significant progress in the integration journey. This included the finalisation of the Bank's organisational structure, operating model, and the harmonisation of Group policies and our risk framework. The optimisation of branches and centralisation of back office activities are also underway, to enhance efficiency and productivity across the business.

The launch of FAB's new brand identity was quickly followed by the full re-brand of a number of branches and customer touchpoints both locally and internationally, with the optimisation of the Bank's global locations set to continue. Full network and channel re-brand across all critical customer touch-points is expected to be completed by the end of the current year. Good progress has also been made towards IT system integration, which is on track. From a financial standpoint, merger benefits are materialising quickly and ahead of plan, and one-time integration costs are well under control.

In parallel to the integration project, FAB is focused on driving further innovation across all areas of the business to significantly grow its product and service range. The Bank recently appointed a Group Chief Customer Experience and Digital Officer to look after the enterprise-wide alignment of FAB's digital services and enhance long-term customer experience.

FAB Q3/9M'17 Pro forma Summary Financials

Income Statement - Summary (AED Mn)	Nine Months			Quarterly				
	9M'17	**9M'16**	*YoY %*	**Q3'17**	**Q2'17**	*QoQ %*	**Q3'16**	*YoY %*
Net interest Income	9,565	10,079	*-5*	3,182	3,180	*0*	3,350	*-5*
Fees & commissions, net	2,429	2,918	*-17*	788	860	*-8*	979	*-20*
FX and investment income, net	2,299	1,450	*59*	552	598	*-8*	581	*-5*
Other non-interest income	191	753	*-75*	89	49	*82*	558	*-84*
Total Operating Income	**14,484**	**15,201**	***-5***	**4,611**	**4,686**	*-2*	**5,468**	*-16*
Operating expenses	(4,259)	(4,370)	*-3*	(1,344)	(1,399)	*-4*	(1,473)	*-9*
Impairment charges, net	(1,822)	(2,074)	*-12*	(562)	(620)	*-9*	(707)	*-21*
Non Controlling Interests and Taxes	(310)	(289)	*8*	(100)	(105)	*-5*	(103)	*-4*
Net Profit	**8,093**	**8,468**	***-4***	**2,605**	**2,562**	*2*	**3,184**	*-18*
Basic Earning per Share[1] (AED)	0.95	1.00	*-5*	0.92	0.90	*2*	1.13	*-19*

Balance Sheet[2] - Summary (AED Bn)	Sep'17	Dec'16	*Ytd %*	Jun'17	*QoQ %*	Sep'16	*YoY %*
Loans and advances	328.3	334.4	*-2*	321.3	*2*	339.4	*-3*
Customer deposits	378.9	379.2	*0*	377.3	*0*	362.6	*4*
CASA (deposits)	112.4	108.5	*4*	113.5	*-1*	109.8	*2*
Total Assets	644.1	649.1	*-1*	624.6	*3*	634.4	*2*
Equity (incl Tier-1 capital notes)	99.1	97.0	*2*	96.6	*3*	91.4	*8*
Tangible Equity[3]	73.3	71.9	*2*	70.7	*4*	69.2	*6*

Key Ratios (%)	9M'17	9M'16	*YoY (bps)*
Net Interest Margin[1]	2.22	2.43	*-21*
Cost-Income ratio (ex-integration costs)	27.6	28.4	*-80*
Cost of Risk (bps)[1]	71	79	*-8*
Non-performing loans ratio	3.0	2.8	*19*
Provision coverage	109.0	118.5	*-954*
Loans-to-deposits ratio	86.6	93.6	*-696*
Return on Tangible Equity[4] (RoTE)	14.3	15.9	*-169*
Return on Risk-weighted Assets (RoRWA)	2.2	2.2	*0*
CET1 ratio	14.6	13.8	*79*
Capital Adequacy ratio	18.0	17.1	*91*

Rounding differences may appear in the above table

1 - Year-to-date annualised

2 - Restated net of National Housing Program loans and deposits

3 - Tangible equity is shareholders' equity net of Tier-1 capital notes, goodwill & intangibles

4 -Return on Average Tangible Equity, annualised; based on attributable profit to equity shareholders' excl Tier-1 notes coupon (of AED 346 Million in 9M'17) and amortisation of intangibles

Financial Review

Operating income

Group Revenue for the nine-month period ended September 2017 (9M'17) was recorded at AED 14.48 Billion, compared to AED 15.20 Billion during the same period last year. By business segment, the Corporate & Investment Banking (CIB) Group generated 49% of Group revenue, followed by the Personal Banking Group (PBG) with 35%. Head Office and Subsidiaries contributed 10% and 6 % to total operating income respectively.

Net Interest Income (including Islamic Financing Income) stood at AED 9.56 Billion, down 5% year-on-year. This decrease primarily stemmed from margin compression due to portfolio optimisation towards higher risk-adjusted earning assets. Sequentially, net interest income was flat in Q3'17, as rate hike benefit was largely offset by margin compression.

Group Net Interest Margin improved by 9bps sequentially driven by asset repricing whilst funding costs are tightly managed as synergies are realised. The drop in deployment of excess liquidity also benefited Group NIM. Customer NIMs continue to display positive trends supported by corporate loan repricing, as well as funding cost optimisation.

Fees and commissions for 9M'17 were down 17%, reflecting lower market loan and trade activity compared to 2016. During Q3'17, fees and commissions reduced by 8% sequentially primarily on the back of lower volumes. In light of a healthy pipeline, fees and commissions are expected to recover in the fourth quarter.

FX and investment income jumped 59% in 9M'17 supported by AFS investment gains in the first quarter. In Q3'17, FX and investment income was down 8%, reflecting subdued risk appetite in the markets compared to the previous quarter, translating to lower market sales. This was partially offset by higher trading gains.

The reduction in **"Other non-interest income"** year-on-year was primarily due to the non-recurrence of one-off gains on sale of investment properties.

G&A expenses were 3% lower to AED 4.26 Billion. Excluding one-time integration costs, operating expenses were down 7% compared to the prior year period reflecting successful realisation of cost efficiencies related to the merger, coupled with disciplined cost control. In the third quarter, operating expenses (excluding one-time integration costs) were 3% lower sequentially. As a result, FAB continues to display an industry-leading cost-to-income ratio (excluding integration costs) of 27.6%, improving from 28.4% the same period last year.

Credit quality

The Group presents healthy asset quality metrics as of September-end 2017 reflecting prudent and best-in-class risk management practices.

Impairment charges for 9M'17 were lower by 12% year-on-year, driven by higher recoveries and lower collective impairment charges thanks to balance sheet optimisation. As a result, annualised cost of risk improved by 8bps year-on-year to 71bps, at the lower end of management guidance for the current year. Impairment charges for Q3'17 were also lower by 20% and by 9%, compared to Q3'16 and Q2'17 respectively.

Non-performing loans reduced by AED 264 Million in Q3'17. This, combined with higher loan balances, translated to an NPL ratio sequentially improving from 3.2% to 3.0%. Group provision coverage is also solid with total provisions of AED 11.2 Billion representing 109% of non-performing loans. Collective provisions represent 1.67% of Credit RWAs, well above the required regulatory requirement of 1.5%.

Balance sheet trends

Leveraging on a leading customer franchise and a robust balance sheet, FAB was able to generate solid risk-adjusted returns in the first nine months of 2017. RoRWA stood at 2.2%, stable year-on-year, reflecting successful balance sheet optimisation with RWAs reducing 3% while total assets grew by 2%.

Lending momentum was strong during the last quarter with **loans and advances (net)** growing 2% to AED 328 Billion. This increase was primarily driven by selective trade finance lending offering attractive risk-adjusted returns. Year-to-date, net loans were reduced by 2% as new origination was offset by balance sheet optimisation and corporate repayments.

Customer deposits were stable year-to-date at AED 379 Billion reflecting a continued focus on funding optimisation. Current Account and Saving Account (CASA) deposits grew 4% to AED 112 Billion, highlighting the Bank's strong deposit franchise supported by best-in-class products including a leading cash management solution.

The Group enjoys ample liquidity with loans-to-deposits ratio at 86.6%, positioning the Bank well to seize future growth opportunities. In addition, Liquidity Coverage Ratio (LCR) remained well above the glide path as defined by Basel III norms.

The Group's leading market positioning and superior credit ratings are strong competitive advantages facilitating access to various sources of funds from multiple geographies, at a competitive pricing.

Shareholders' equity & capital

Shareholders' equity grew by 2% year-to-date to AED 99.1 Billion as of September-end 2017, led by retained earnings. This includes AED 10.8 Billion of Tier-1 capital notes and tangible equity of AED 73.3 Billion.

The Group enjoys strengthened capital position with a CET-1 ratio at 14.6%, up from 13.8% when compared to the prior year period, and a total capital adequacy ratio at 18.0%. This places the Bank well to comply with regulatory capital requirements even when considering the additional capital surcharge of 1.5% owing to its D-SIB status ahead of full Basel-III implementation in UAE by 2019. At 14.3%, return on tangible equity is in line with management guidance for the current year.

Accounting Standard IFRS 3 requires the Bank to complete a "Purchase Price Allocation" exercise which will determine the goodwill arising from the merger. This exercise is in progress and will be completed within the deadline prescribed in the Accounting Standard, i.e. by 31 March 2018.

Business performance

Corporate & Investment Banking (CIB) Group

FAB's industry-leading CIB franchise delivered a resilient performance in the first nine months of 2017, with a 4% growth in net profit. While revenues were down 2% primarily due to lower market loan and trade volumes compared to the prior period, risk-adjusted returns have improved across the business thanks to a continued focus on balance sheet optimisation. Furthermore, disciplined cost management and realisation of synergies translated to a 11% reduction in operating expenses year-on-year.

Despite a subdued loan market, FAB dominated both GCC and MENA league tables year-to-date, with 14.3% and 12.7% market shares respectively, double the market share of the nearest peer.

FAB's Cash Management business recorded strong growth year-to-date, translating to increases in CASA balances. The Islamic business in CIB also continued to perform well with double digit growth over last year.

Global Markets' overall performance continues to reflect resilience and strength in driving top line revenues across our customer franchise, liquidity position and investments portfolio performance. While year-to-date revenues have improved, quarterly performance was impacted by prolonged lower oil prices, the uncertain global geopolitical environment and subdued risk appetite in the markets.

CIB won numerous awards in 2017, reflecting the franchise's market leading position:

- "Best Trade Finance Bank in MENA" at the GTR Leaders in Trade 2016 awards highlighting excellence in trade, commodity, supply chain and export finance markets
- "Best Bank for Financing in the Middle East" and "Best Investment Bank in the United Arab Emirates" at the 2017 Euromoney Middle East Awards
- "Best FX Provider in UAE", "Best Overall Bank for Cash Management" and "Best Bank for Liquidity Management in MENA" at Global Finance magazine's 2017 Transaction Processing Awards
- "Most Innovative Investment Bank" for the MENA region at The Banker's prestigious 2017 Investment Banking Awards.

Personal Banking Group (PBG)

FAB's range of products and services in Personal Banking was significantly enhanced post-merger offering new opportunities both in terms of innovation and cross-sell, and leading to increased productivity across the business.

PBG delivered a resilient performance in a challenging operating environment marked by a slowdown in retail spending. Revenues were 8% lower year-on-year, primarily driven by lower net interest income reflecting tighter margins, and continued balance sheet optimisation. However, the mortgage portfolio grew 8% during the period, reflecting PBG's focus on optimising the asset mix by channeling liquidity towards higher risk-adjusted earning assets.

Consolidation of the business post-merger and related cost savings led to a notable 12% reduction in operating expenses. On the liability side, retail CASA balances continued to grow, supporting the lower cost of deposits and helping to offset the impact of competition on product yields.

During the period, the Private Banking and Wealth Management business recorded high levels of subscriptions in FAB Asset Management Funds. The team continued to maintain a strong focus on strategic initiatives, people, product and services and training to ensure enhanced customer experience.

In line with their focus on enhancing the product offering and value proposition, the Business Banking Team launched Mortgage Backed Business Finance and revised the proposition for Liabilities, Bancassurance and Key Man Insurance. Within Auto Lending, a partnership with Porsche Financial Service was launched in order to boost business flow from prestigious vehicle brands.

FAB's strong PBG franchise was recognised through the "Best Fixed Income of the Year" and "UAE Asset Manager of the Year" titles by Mena Fund Manager Performance Awards 2017.

Subsidiaries

FAB enjoys a highly diversified business model supported by complementary offerings provided across real estate management, Islamic banking, brokerage, and credit cards through its subsidiaries.

Over the first nine months of 2017, revenues for Subsidiaries were AED 921 Million compared to AED 1,468 Million for the same period last year. This decrease is mainly due to the non-recurrence of property-related gains.

So far, FAB fully integrated its real estate and property management businesses. Integration of the Islamic Finance subsidiaries is underway.

In recognition of leading franchises in brokerage and consumer finance, the Banker Middle East named NBAD Securities "Best Brokerage Company" for the second year in a row, and Dubai First "Best Consumer Finance Company" for the third consecutive year at their 2017 Industry Awards ceremony earlier this year.

International

The international business remains a key competitive advantage and differentiator for FAB as a significant contributor to liquidity and risk diversification. 9M'17 revenues stood at AED 1.83 Billion, contributing 13% to the Group's total revenues.

International loans and deposits represent 20% and 27% of total Group loans and deposits respectively as of September-end 2017.

About First Abu Dhabi Bank (FAB)

FAB, the UAE's largest bank and one of the world's largest and safest financial institutions, offers an extensive range of tailor-made solutions, and products and services, to provide a customised experience. Through its strategic offerings, it looks to meet the banking needs of customers across the world via its market-leading Corporate and Investment Banking and Personal Banking franchises.

Headquartered in Abu Dhabi in Khalifa Business Park, the bank's international network spans over 19 countries outside the UAE, providing the global relationships, expertise and financial strength to support local, regional and international businesses seeking to do business at home and abroad.

In line with its commitment to put customers first, to Grow Stronger, FAB will continually invest in people and technology to create the most customer-friendly banking experience, and will support the growth ambitions of its stakeholders across countries in which the bank operates.

To empower its customers and clients to Grow Stronger, FAB initiated a powerful movement, which goes beyond banking. The Grow Stronger movement represents the bank's promise to support its stakeholders' goals and growth ambitions, providing ideas, tools and expertise to help them become stronger, today and in the future.

Based on pro forma financial information as at September-end 2017, FAB had total assets of AED 644 Billion (USD 175 Billion). FAB is rated Aa3/AA-/AA- by Moody's, S&P and Fitch respectively, the strongest combined ratings of any bank in the MENA region. The Bank has been ranked by Global Finance® as the safest bank in the UAE and the Middle East, 4th in emerging markets, 17th amongst commercial banks worldwide, and 31st in the world amongst all banks.Through a strong, diversified balance sheet, leading efficiency and a solid corporate governance structure in place, FAB is set to drive growth forward.

For further information, visit: www.bankfortheuae.com

For investor-related queries, please contact FAB Investor Relations team on ir@bankfab.com

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Pro forma Condensed Consolidated Interim Financial Information

September 30, 2017

PRO FORMA CONDENSED
CONSOLIDATED INTERIM FINANCIAL INFORMATION

The following pro forma condensed consolidated financial information ("Pro forma financial information") illustrates the effects on the statement of financial position and financial performance of the combination (Merger) between National Bank of Abu Dhabi and its subsidiaries (together referred to as "NBAD") and First Gulf Bank and its subsidiaries (together referred to as "FGB").

The Pro forma financial information consists of the Unaudited Pro Forma Condensed Consolidated Statement of Financial Position of NBAD and FGB (together referred to as "the Group") as at 30 September 2017, and its Unaudited Pro forma Condensed Consolidated interim statement of Profit or Loss for the period then ended. These statements are prepared as if the Merger has taken place as at 1 Jan 2016.

The purpose of the Pro forma financial information is to show the material effects that the Merger of NBAD and FGB would have had on the historical consolidated statement of financial position if the Group had already existed in the structure created by the Merger as at 30 September 2017 and on the historical consolidated statement of profit or loss for the financial period ended 30 September 2017. They are not representative of the financial situation and performance that could have been observed if the indicated business combination had been undertaken at an earlier date.

The presentation of the Pro forma financial information of the Group is based on certain pro forma assumptions and has been prepared for illustrative purposes only and, because of its nature, the pro forma consolidated statement of financial position and financial performance addresses a hypothetical situation and, therefore, does not represent and may not give a true picture of the financial position and financial performance of the Group. Furthermore, the Pro forma financial information is only meaningful in conjunction with the historical consolidated financial statements of NBAD and FGB as at and for the financial year ended 31 December 2016.

The Pro forma financial information have been compiled based on the accounting policies adopted by the Group for the preparation of 30 September 2017 financial information. Any impact due to change in the accounting policy and adjustment have been reflected in prior comparative periods. The Pro forma financial information does not take into consideration the effects of expected synergies or costs incurred to achieve these synergies as a result of the Merger. The Pro forma financial information gives no indication of the results and future financial situation of the activities of the Group.

Pro forma Condensed consolidated interim statement of financial position

As at

Assets	**30 Sep 2017 AED'000**	31 Dec 2016 AED'000
Cash and balances with central banks	**116,402,880**	123,441,316
Investments at fair value through profit or loss	**19,669,525**	11,381,851
Due from banks and financial institutions	**15,835,913**	17,308,257
Reverse repurchase agreements	**25,371,756**	14,278,842
Derivative financial instruments	**11,047,469**	13,796,739
Loans and advances	**328,280,285**	334,430,035
Non-trading investments	**85,325,949**	92,855,423
Other assets	**15,924,354**	16,261,635
Investment properties	**6,659,091**	6,468,106
Property and equipment	**4,546,015**	4,594,230
Intangibles	**15,055,398**	14,304,189
Total assets	**644,118,635**	649,120,623
Liabilities		
Due to banks and financial institutions	**31,558,307**	48,401,950
Repurchase agreements	**34,419,580**	29,594,535
Commercial paper	**21,426,390**	13,725,897
Derivative financial instruments	**15,128,176**	16,040,059
Customer accounts and other deposits	**378,869,787**	379,165,290
Term borrowings	**44,188,657**	46,830,945
Other liabilities	**18,566,823**	17,571,983
Subordinated notes	**400,864**	355,987
Total liabilities	**544,558,584**	551,686,646
Equity		
Share capital	**10,897,545**	10,897,545
Share premium	**53,024,907**	52,771,684
Treasury shares	**(42,731)**	(48,746)
Statutory and special reserves	**5,254,545**	5,254,545
Other reserves	**1,030,920**	725,067
Tier 1 capital notes	**10,754,750**	10,754,750
Share option scheme	**249,115**	228,349
Convertible notes - equity component	**108,265**	108,265
Retained earnings	**17,808,473**	16,309,736
Total equity attributable to shareholders of the Group	**99,085,789**	97,001,195
Non-controlling interest	**474,262**	432,782
Total Equity	**99,560,051**	97,433,977
Total liabilities and equity	**644,118,635**	649,120,623

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Pro forma Condensed consolidated interim statement of profit or loss

For the nine month period ended

	Note	Nine Month Period Ended 30 September		Three Month Period Ended 30 September	
		2017	2016	**2017**	2016
		AED'000	AED'000	**AED'000**	AED'000
Interest income		**13,905,265**	13,931,124	**4,638,682**	4,676,043
Interest expense		**(4,340,356)**	(3,851,737)	**(1,456,806)**	(1,326,143)
Net interest income		**9,564,909**	10,079,387	**3,181,876**	3,349,900
Fee and commission income		**3,474,932**	3,963,875	**1,134,122**	1,324,601
Fee and commission expense		**(1,045,513)**	(1,045,836)	**(346,356)**	(345,413)
Net fee and commission income		**2,429,419**	2,918,039	**787,766**	979,188
Net foreign exchange gain		**964,224**	1,042,286	**469,823**	292,016
Net gain on investments and derivatives		**1,335,196**	407,495	**82,549**	288,933
Other operating income		**190,542**	753,264	**88,506**	557,582
Operating income		**14,484,290**	15,200,471	**4,610,520**	5,467,619
General, administration and other operating expenses		**(4,258,960)**	(4,369,780)	**(1,344,106)**	(1,473,417)
Profit before net impairment charge and taxation		**10,225,330**	10,830,691	**3,266,414**	3,994,202
Net impairment charge		**(1,822,063)**	(2,073,712)	**(561,741)**	(706,831)
Profit before taxation		**8,403,267**	8,756,979	**2,704,673**	3,287,371
Overseas income tax expense		**(285,955)**	(253,963)	**(86,456)**	(88,579)
Net profit for the period		**8,117,312**	8,503,016	**2,618,217**	3,198,792
Profit attributable to:					
Shareholders of the Group		**8,092,797**	8,468,350	**2,605,052**	3,183,883
Non-controlling interests		**24,515**	34,666	**13,165**	14,909
		8,117,312	8,503,016	**2,618,217**	3,198,792

Segmental information

	Business Segment					Geographic Segment				
	Corporate and Investment Banking AED'000	Personal Banking AED'000	Subsidiaries AED'000	Head Office AED'000	Total AED'000	UAE AED'000	Middle East And Africa AED'000	Europe and Americas AED'000	Asia - Pacific AED'000	Total AED'000
For the nine month period ended 30 September 2017										
Net Interest income	4,180,920	3,846,625	426,562	1,110,802	**9,564,909**	8,547,627	479,058	331,808	206,416	**9,564,909**
Net non-interest income	2,851,635	1,282,388	494,305	291,053	**4,919,381**	4,102,774	239,960	433,311	143,336	**4,919,381**
Operating income	7,032,555	5,129,013	920,867	1,401,855	**14,484,290**	12,650,401	719,018	765,119	349,752	**14,484,290**
General administration and other operating expenses	1,519,167	1,995,739	528,808	215,246	**4,258,960**	3,624,953	265,459	236,649	131,899	**4,258,960**
Net impairment charge	(57,771)	1,526,332	394,870	(41,368)	**1,822,063**	1,792,890	64,196	1,290	(36,313)	**1,822,063**
Profit before taxation	5,571,159	1,606,942	(2,811)	1,227,977	**8,403,267**	7,232,558	389,363	527,180	254,166	**8,403,267**
Overseas taxation	177,785	90,906	15,336	1,928	**285,955**	3,903	85,702	177,139	19,211	**285,955**
Net profit for the period	5,393,374	1,516,036	(18,147)	1,226,049	**8,117,312**	7,228,655	303,661	350,041	234,955	**8,117,312**
As at 30 September 2017										
Segment total assets	420,621,345	99,796,748	21,250,197	130,880,567	**672,548,857**	524,926,970	21,714,074	106,113,799	22,589,740	**675,344,583**
Inter segment balances					**(28,430,222)**					**(31,225,948)**
Total assets					**644,118,635**					**644,118,635**
Segment total liabilities	410,555,954	97,621,810	11,104,502	53,706,540	**572,988,806**	438,962,016	14,634,129	103,026,647	19,161,740	**575,784,532**
Inter segment balances					**(28,430,222)**					**(31,225,948)**
Total liabilities					**544,558,584**					**544,558,584**

Segmental information *(continued)*

	Business Segment					Geographic Segment				
	Corporate and Investment Banking AED'000	Personal Banking AED'000	Subsidiaries AED'000	Head Office AED'000	Total AED'000	UAE AED'000	Middle East And Africa AED'000	Europe and Americas AED'000	Asia - Pacific AED'000	Total AED'000
For the nine month period ended 30 September 2016										
Net Interest income	4,441,458	4,299,002	376,186	962,741	10,079,387	8,971,847	612,306	319,245	175,989	10,079,387
Net non-interest income	2,763,839	1,273,574	1,091,507	(7,836)	5,121,084	4,271,697	285,493	408,868	155,026	5,121,084
Operating income	7,205,297	5,572,576	1,467,693	954,905	15,200,471	13,243,544	897,799	728,113	331,015	15,200,471
General administration and other operating expenses	1,702,958	2,271,082	437,800	(42,060)	4,369,780	3,695,746	306,356	232,055	135,623	4,369,780
Net impairment charge	157,824	1,570,919	352,714	(7,745)	2,073,712	2,060,658	50,286	86,130	(123,362)	2,073,712
Profit before taxation	5,344,515	1,730,575	677,179	1,004,710	8,756,979	7,487,140	541,157	409,928	318,754	8,756,979
Overseas taxation	143,162	89,696	22,004	(899)	253,963	(3,391)	133,293	125,209	(1,148)	253,963
Net profit for the period	5,201,353	1,640,879	655,175	1,005,609	8,503,016	7,490,531	407,864	284,719	319,902	8,503,016
As at 31 December 2016										
Segment total assets	422,013,912	101,349,880	24,919,474	158,874,736	707,158,002	530,916,692	22,251,895	111,357,266	26,808,386	691,334,239
Inter segment balances					(58,037,379)					(42,213,616)
Total assets					649,120,623					649,120,623
Segment total liabilities	411,167,120	98,520,038	14,310,867	85,726,000	609,724,025	446,830,495	16,160,476	109,214,755	21,694,536	593,900,262
Inter segment balances					(58,037,379)					(42,213,616)
Total liabilities					551,686,646					551,686,646