

Catalysing Change  
Sustainability Report 2011  
Executive Summary



بنك أبوظبي الوطني  
NATIONAL BANK OF ABU DHABI



## About this document

This is the Executive Summary of our third Sustainability Report, entitled 'Catalysing Change', introducing you to our achievements during 2011 and what we plan to achieve in 2012.

We have chosen to make our full report only available electronically to reduce our paper use. You can download the full report from [www.nbad.com](http://www.nbad.com)

Unless otherwise stated, the information contained here relates to our UAE operations only.

## Contact us

If you require further details on any of the information in this report, or have any comments, feedback or enquiries, please email: [sustainability@nbad.com](mailto:sustainability@nbad.com)



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| Award   | Awarding Body                                 |
|---|---|
| World's 50 Safest Banks 2011  | Global Finance                                |
| Safest Bank in the Middle East 2011   | Global Finance                                |
| Best Bank in the UAE  | Euromoney                                     |
| CEO of the Year   | Global Investor/isf - Euromoney               |
| Best Asset Manager in the UAE   | Global Investor/isf - Euromoney               |
| People's Choice Stevie Award for Favourite Companies (Banking)  | International Business Awards (Stevie Awards) |
| Best Bank in the UAE  | Banker Middle East                            |
| Best Risk Management in MENA Region   | Banker Middle East                            |
| Best Investment Product - NBAD One Share Dow Jones UAE 25 ETF   | Banker Middle East                            |
| Best Pre-paid Card - NBAD Ratibi Card   | Smart Card Awards                             |
| Best Mobile Payment Application - NBAD Arrow  | Smart Card Awards                             |
| Most Recognised International Compliance Officer - John Garrett - GM & Group Chief Compliance Officer | Thomson Reuters and Complinet                 |
| Compliance Officer of the Year - Columcille O'Donnell - Head of Group Compliance                      | Thomson Reuters and Complinet                 |
| Best Financial Information Website in the Middle East   | KWD Web Ranking                               |

## Awards

## In 2011 we said we were committed:

To achieving an average return of 20% on shareholder funds.

**Achieved** | 16.3% in 2011, maintaining a 21.3% average return since 2006.

To reporting back how we linked the Bank's corporate strategy to the Abu Dhabi Economic Vision 2030.

**Ongoing** | See our full report online for details.

To increasing our global presence with four new international units.

**In progress** | Two new branches were successfully opened in Jordan and Oman. Four branches in Egypt and another in Bahrain are ready but, due to the political climate, were put on hold until the situation improves.

## Other achievements

- Reaching US\$ 1billion profit

|                               | 2011  | 2010  |
|-------------------------------|-------|-------|
| Global Net Profits (AED mn)   | 3,708 | 3,683 |
| Customer Deposits (AED bn)    | 152   | 123   |
| Customer Loans (AED bn)       | 160   | 137   |
| Number of international units | 51    | 49    |

## In 2012 we are committed:

- To maintaining an average return of 20% on Shareholder Funds
- To reporting back on how the Bank's Corporate Strategy supports the Abu Dhabi Economic Vision 2030
- To expanding our business presence in at least 4 existing and 2 new countries

# Our Economic Performance

## In 2011 we said we were committed:

To producing the 2011 Sustainability Report, which is 3<sup>rd</sup> party assured, via the creation of a multi-stakeholder committee.

**Partially** | We have obtained feedback from the Abu Dhabi Sustainability Group and plan to form an external stakeholder committee in 2012.

To improving our process of understanding and enhancing our economic, social and environmental impacts.

**Ongoing** | Data management commenced and processes in development.

To introducing sustainability performance management to 3 of our international markets.

**In progress** | Status reports completed for 6 international units. KPIs being agreed for 2012.

To completing a self-assessment against the ISO 26000 guidelines to show GRI and ISO 26000 alignment in our 2011 Report.

**Achieved** | See our full report online to view the GRI/ISO aligned index.

To reviewing our auditing procedures to integrate at least 10 of our sustainability KPIs.

**Achieved** | 10 KPIs identified and included for audits conducted from August 2011.

To evaluating the UNPRI as a potential signatory.

**Complete** | Decision made to conduct a full review of principles and frameworks, which will be presented to the SSG for consideration during 2012. Relationship with UNPRI Chairman commenced.

## Other achievements

- Integration of Sustainability into management compensation
- One of 17 institutions, and the only Middle Eastern Bank, to be shortlisted for the IFC/FT Sustainable Bank of the year in 2011

## In 2012 we are committed:

- To 3<sup>rd</sup> party assurance of the 2012 Sustainability Report
- To completing a gap analysis and alignment with the ISO 26000 guidelines
- To ensuring consumer debt products are fully explained to customers
- To setting sustainability KPIs for each department/division
- To formal inclusion of Sustainability factors in the internal audit programme
- To making a decision on membership of UNPRI
- To developing an organisational 'Delegation of Authorities Matrix'

# Embracing New Accountability Realities

## In 2011 we said we were committed:

To increasing Emiratisation to 42%.

**4% off target** | 38.3% achieved. During 2011 there was a refocus on retaining and developing existing employees and identifying high quality new national talent.

To introducing a formal sustainability training programme targeted at our employees.

**In progress** | Training identified and RFP process is complete. Programmes will be designed and delivered in 2012.

To establishing a working Health, Safety and Security Committee.

**On hold** | It was not possible to create a committee but other work was completed to improve systems around health, safety and security. See our full report for details.

To determining the key issues in employee well-being and assessing the feasibility of developing a wellness strategy.

**Complete** | Information collected through blood donation and Health & Wellness events including advice from Health Authority Abu Dhabi in regard to national health issues.

To having AFAQ trainees developing and implementing a CSR project as part of their training programme.

**Ongoing** | The two CSR projects were developed and waiting to be implemented. The project will be handed to the new AFAQ group to carry it forward.

To training internal audit staff on Sustainability reporting to better support the creation of the next Sustainability Report.

**Complete** | Town Halls delivered for audit team and an international standard for sustainability auditing used.

## Other achievements

- 51% of Branch Managers are women
- 71% employee engagement maintained
- New NBAD Academy opened for Northern Emirates
- 236 Sustainability Champions recruited

## In 2012 we are committed:

- To maintaining a 40% Emiratisation rate with a focus on identifying high potential candidates
- To commencing the delivery of foundation level sustainability training to employees
- To develop a mandate for an Occupational Health and Safety Committee
- To setting a baseline health & wellbeing strategy, in partnership with Health Authority Abu Dhabi
- To developing roles and responsibilities for Sustainability Champions

# Investing In Our People

## In 2011 we said we were committed:

To achieving our greenhouse gas, energy and paper consumption targets (2010)

- Reduce total water consumption by 10% | **Exceeded** 43% per capita reduction
- Reduce paper consumption by 25% | **4% off target** 21% per capita reduction
- Reduce energy consumption by 15% | **Ongoing** 1% per capita increase
- Reduce greenhouse gas (GHG) emissions by 15% | **Baseline Reset** 5% per capita increase

To adopting an integrated environmental management system.

**On hold** | New regulations, related to improving the environmental impact of existing buildings, were not published as expected by the Government of Abu Dhabi. These are now expected in the first half of 2012. An EMS will be reassessed at this stage.

To implementing E-waste and Recycling policies.

**Ongoing** | Pearl 3 agreed for new NBAD buildings. Wider policies developed and in consultation. Paper recycling system improved, made secure, and managed by Health, Safety and Security Department.

To participating in Paperless Day 2011.

**Complete** | Awareness campaign delivered. Estimated 12,000 fewer sheets of paper printed.

To launching a pilot green-building project with one of the buildings managed by Abu Dhabi National Properties.

**In Progress** | Full assessment of user satisfaction, thermal comfort and energy efficiency has begun in partnership with University College London.

To expanding the greener office programme to at least 3 overseas units.

**Ongoing** | Surveys and status reports on 6 international units complete.

## Other achievements

- Branch redesign project incorporating sustainability factors
- Northern Emirates Academy fitted out sustainably
- Environmental Data Management System launched to capture timely information
- Water saving devices fitted in all premises in the UAE
- Distance travelled by air for business reduced by 28%

## In 2012 we are committed:

- To continuing to reduce our per capita power, water and paper consumption
- To continuing to develop relevant environmental policies
- To proposing an environmental upgrade for one ADNP managed building to the partner landlord
- To setting relevant sustainability KPIs for 6 international units
- To reporting on the environmental health of Head Office, Khalidiya and NBAD Academy (AD)

# Environmentally Smarter



## In 2011 we said we were committed:

To launching 2 solar powered ATMs.

**Achieved** | Currently available technologies mean it is not yet cost-effective or practical to power our ATMs via solar energy. Any deployment on a large scale would not make business sense at this time.

To increasing ISO 9001 certification to 41% of our base of 36 business units and supporting departments.

**Achieved** | 41% or 15 of 36 departments.

To increasing the number of Ratibi payroll cards issued to 500,000.

**Achieved** | 630,607 issued since launch.

To developing and launching at least one financial literacy programme.

**In Progress** | Relevant existing programmes identified and assessed for potential partnership development 2012.

To launching our first SME Centre.

**Exceeded** | Nine new SME Centres were launched across Abu Dhabi, Dubai & Sharjah.

## Other achievements

- Launched GEMS Credit Card – first bio-degradable card in the UAE
- New Customer Feedback system designed for implementation 2012

## In 2012 we are committed:

- To reaching 10,000 GEMs cards
- To increasing ISO 9001 to 58% of a base of 36 business units
- To creating mobile Apps and open corridors for remittances
- To identifying a partner to develop a financial literacy programme
- To reaching 25,000 new SME client accounts
- To increasing job opportunities for women national talents through the delivery of a new call centre in Al Ain
- To communicating a robust Customer Satisfaction Performance Tracker
- To creating Service and Quality Standards for all front of house employees
- To developing at least one new, 'responsible' product or service

Product and Service, Quality and Innovation

## In 2011 we said we were committed:

To engaging the UAE and regional banking sector on sustainability dialogues.

**In Progress** | Original event postponed due to the Arab Spring. New event is in development.

To participating in 2 AD SG Flagship programme taskforces and chairing one group.

**Ongoing** | Participating in Sustainable Labour and Procurement taskforces and the Communications Working Group. Initially co-chaired the Labour taskforce.

## Other achievements

- Joined the Dubai Sustainability Network to increase the range of our peer collaboration, knowledge and influence
- Contributed 1.3% of our pre-tax profits to community initiatives

## In 2012 we are committed:

- To initiating a banking sector sustainability dialogue with AD SG
- To continuing AD SG taskforce support
- To investigate and assess social media opportunities to better engage with the community and external stakeholders
- To establishing an external stakeholder council to understand key concerns and sustainability issues
- To conducting at least 3 internal Town Hall Sessions, which include sustainability issues
- To launching the Workplace Transport Mobility Initiative with the Department of Transport

AD SG – Abu Dhabi Sustainability Group

# Outstanding Relationships

|  | 2011           | 2010           | 2009           | 2008         | 2007         | 2006         |
|--|----------------|----------------|----------------|--------------|--------------|--------------|
| Total workforce  | 4,258          | 3,950          | 3,753          | 2,981        | 2,599        | 2,144        |
| Trainees   | 127            | 192            | 155            | 25           | 41           | 71           |
| Number of nationalities                                | 69             | 69             | 62             | 52           | 49           | 52           |
| Women in the workforce                                 | 1,488<br>(35%) | 1,343<br>(34%) | 1,276<br>(34%) | 954<br>(32%) | 858<br>(33%) | 707<br>(33%) |
| Women branch managers                                  | 51%            | 46%            | 38%            | 32%          | 33%          | 33%          |
| Total workforce turnover                               | 9%             | 12%            | 8%             | 15%          | 13%          | 11%          |
| Employees trained                                      | 94%            | 83%            | 70%            | 64%          | 50%          | 59%          |
| Branches in our UAE network                            | 119            | 112            | 100            | 84           | 73           |              |
| ATMs in our UAE network                                | 502            | 392            | 300            | 251          | 189          |              |
| Registered online banking customers                    | 120,837        | 107,575        | 94,081         | 60,589       | 44,238       | 34,430       |
| Number of mobile banking Arrow Users                   | 11,421         | 7,605          | 4,019          |              |              |              |
| GHG emissions per capita (tonnes)                      | 6.7            | 6.3            | 6.1            | 6.5          | 6.3          | 6.9          |
| Electricity consumption per capita (KWH)               | 8,399          | 8,919          | 9,428          | 8,426        | 8,558        | 9,19         |
| Water consumption per capita (IG)                      | 2,977.2        | 8,918.8        | 9,427.8        | 8,426.0      | 8,558.2      | 9,195.6      |
| Paper consumption per capita (KG)                      | 57             | 68             | 71             | 66           | 70           | 76           |
| Paper Recycling Rate                                   | 23%            | 16%            | 17%            | 32%          | 41%          | 7%           |
| Community donations as a percentage of pre-tax profits | 1.32%          | 0.92%          | 0.83%          | 1.53%        | 1.49%        | 0.32%        |

## Other Performance Indicators

