**Significant Growth in Balance Sheet**

**National Bank for Development in Cooperation with Abu Dhabi Islamic Bank Announces Q3 2011 Financial Results**

**Nevine Loutfy: “Financial indicators in Q2 and Q3 2011 demonstrate that the bank is successfully resuming the execution of its balanced strategic”**

**Cairo – Nov. 15th-2011 – The National Bank for Development (NDB) in cooperation with Abu Dhabi Islamic Bank (ADIB)** announced its Q3 2011 financial results, registering significant balance sheet growth during the first nine months of the year despite the events that Egypt witnessed during Q1. The financial results are reported as follows:

* Year to Date customer assets grew by 24.5% after excluding the impact of bad debts prior to acquisition, while total assets grew by 7.4%.
* The corporate asset portfolio registered growth by EGP 328 million reaching EGP 1,904 million at an annual growth rate of 26%.– after excluding non-performing loans prior to acquisition .
* Customer deposits – retail and corporate - increased by 12% compared to the end of 2010 and after including the impact of treasury deposits, the overall deposit portfolio was flat compared to the 15% decrease witnessed in Q2 2011 compared to the end of 2010.
* Retail asset portfolio increased by EGP 364 million, amounting to EGP 1,735 million with an annual growth rate of 27%.
* **NBD**’s major achievements during the past nine months of 2011 were the renovation and development of another (7) branches, making the total number of renovated branches (25), in addition to the renovation of the Central Operations in Omar Makram and Garden City. As a result the bank’s branding takes centre stage over Tahrir Square and gives significant prominence to the new corporate identity.. NBD also launched a range of new Shari’a compliant products aimed at different client categories such as the new unique Savings Account with a tiered profit rate, 5 year Sukuk, Ijara Services
* Anunprecedented level of revenue was achieved during Q3, affirming the bank’s positive results, registering an increase of EGP 38 million with a growth rate of 48%, totaling EGP 117 million compared to EGP 79 million during the same period last year. This was driven by the strong balance sheet growth in customer assets and deposits as well as the bank’s treasury strategy in the placement of surplus liquidity.
* NBD continues to implement its plan to strengthen the finance portfolio provisions as per the Central Bank of Egypt’s regulations.

Losses amounted to EGP 402 million, with an increase of EGP 35 million compared to the same period in 2010, which contained a one –off EGP 106 million tax benefit, after adjusting for this, the loss decreases by EGP 70 million in Q3 compared to the same period in 2010. The improvement was a result of higher revenues driven by growth in customer assets and deposits and lower provisions on non-performing loans prior to the acquisition.

Nevine Loutfy, NBD CEO, Managing Director and acting Chairman confirmed, “***Financial indicators in Q2 and Q3 2011 demonstrate that the bank* is successfully resuming the execution of *its balanced strategic and the results of these efforts promise good financial performance, whether in terms of increasing income levels, increasing the volume of operations or reducing the provisions gap to strengthen the bank’s financial position.”***

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