

The National Bank for Development in Cooperation with Abu Dhabi Islamic Bank announces its Q1 2011 financial results

Nevine Loutfy, “We are confident in the Egyptian economy and its capability to promote and achieve high growth rates over the medium and long term.”

Cairo – May 22, 2011 - The National Bank for Development (NBD) in cooperation with Abu Dhabi Islamic Bank (ADIB) announced its financial results for Q1 of the current fiscal year. The financial indicators showed that the bank was not immune from the turmoil events that Egypt witnessed at the beginning of this year, which reflected negatively on the Egyptian banking sector as a whole.

- The net Islamic finance portfolio amounted to EGP 2,618 million by the end of March 2011, compared to EGP 2,302 million by the end of December 2010, indicating a growth rate of 13.72%.
- The net financing income reached EGP 36,3 million at the end of March 2011, with an increase of 62.78% compared to EGP 22,3 million at the same period last year.
- Net fees and commissions recorded a 23.17% decline in March 2011 to reach EGP 12,6 million, compared to EGP 16,4 million at the end of March 2010.
- Impairment of non-performing loans reached EGP 2,654 million by the end of March 2011, with an increase of EGP 118 million, compared to the end of December 2010, resulting in a growth rate of 4.65% in the first three months of the current year as scheduled by the Central Bank of Egypt during the acquisition.
- Total assets recorded a decline of 14.9% in the first three months of the current year, reaching EGP 10,214 million at the end of last March.
- Customer deposits amounted to EGP 8,794 million at the end of March 2011, compared to EGP 10,869 million at the end of fiscal year 2010, with a 19.09% decline.

The aforementioned indicators lead to a net loss of EGP 169 million in Q1 2011, including EGP 125 million resulting from non-performing loans prior to the acquisition. In spite of the prevailing conditions, NBD is committed to the set schedule for its development plans, in terms of launching new products, where the latest of which was the one-of-a-kind Shari’a compliant “Tiered Monthly Savings Account” with monthly investment returns ranging from 5% to 6.6% depending on the client’s tier. The new savings account achieved great success and attracted a large number of clients. Nonetheless, NBD continued its renovation plan for its old branches and expanding its presence nationwide.

Therefore, three new branches opened after renovations in Menya, Kasr El Nile in Cairo and a new branch in Mansoura to replace Abu El Matameer branch. NBD co-sponsored, the international Motor Show “Formula Al Ahram 2011” last January which achieved unprecedented success, reflecting NBD’s leading position in the auto finance sector, where it secured a significant market share of 10% in less than two years.

Nevine Loutfy Acting Chairman, Managing Director and CEO of NBD in cooperation with ADIB, confirmed her confidence in the Egyptian economy and its capability to promote and achieve high growth rates over the medium and long term, surpassing the rates registered prior to the January 25 Revolution.

“NBD will continue launching its high-end banking products to meet the needs of clients and attract new consumer segments to support its growing position in the Egyptian banking market,” concluded Nevine Loutfy.