

Moody's Analytics Client Spotlight: National Bank of Abu Dhabi



Optimising the Credit Decision-Making Process

National Bank of Abu Dhabi (NBAD), one of the leading financial institutions in the Middle East, sought the best solution to help optimise and improve its credit decision-making process.

The Challenges Facing National Bank of Abu Dhabi

NBAD was utilising standardised spreadsheets to perform financial analysis and realised it had to enhance credit risk capabilities to centralise and more effectively analyse corporate customer data. In addition, NBAD wanted to develop a robust and consistent internal rating system to gain a comprehensive view of the risks within its portfolio.

After carefully considering a number of options, NBAD chose to partner with Moody's Analytics because of its strong presence in the region and excellent reputation in providing customer & technical support via RiskMatrix, its regional distributor.

The Benefit of Partnering with Moody's Analytics

Given the limited external ratings of corporate customers in the region, obtaining a robust rating system was a particular challenge.

"Moody's Analytics RiskAnalyst made this possible and is very integral to our risk management framework" says Rohit Kumar, Head, Credit Risk & Market Risk for NBAD.

After implementing RiskAnalyst, the bank experienced immediate and substantial improvements to its credit risk processes in various areas:

- ▶ **Centralised Repository:** a single-point repository of financial data for all corporate clients.
- ▶ **Approval Review Process:** developed a Delegation of Powers matrix, ensuring that loans are properly screened and flagged for approval by senior management.
- ▶ **Risk Pricing:** the system-generated rating for the customer forms a key input for decision-making and pricing of the loan, enabling the bank to better meet the target risk-adjusted return on capital for each customer.
- ▶ **Monitoring:** lower ratings trigger alerts to prompt review of potential delinquent accounts.

"We value our partnership with Moody's Analytics as they are the leading institution in the corporate credit risk management space and have been very instrumental in helping us achieve our aspirations."

Rohit Kumar, Head, Credit Risk & Market Risk, National Bank of Abu Dhabi

The Future for NBAD and Moody's Analytics

National Bank of Abu Dhabi and Moody's Analytics recently completed a corporate model optimisation project to calibrate and fine-tune RiskAnalyst to suit the Gulf Cooperation Council operating environment. This has helped NBAD prepare for Basel II Internal Ratings-Based compliance and, as a result, the bank is now positioned to serve its customers more effectively and reinforce its competitive standing.

Going forward, NBAD is exploring further collaboration with Moody's Analytics to validate the corporate model with external data sources, build custom models for additional lending segments and implement a portfolio management tool utilising the economic capital framework.

Corporate Profile: About National Bank of Abu Dhabi

National Bank of Abu Dhabi (NBAD), the Number One Bank in United Arab Emirates, was incorporated in 1968.

NBAD is an award winning leader in the UAE and GCC financial services industry. Awards won by the bank include 'Best Bank in UAE' from Euromoney and Banker publications, the Sheikh Khalifa Gold Award, the Dubai Quality Award, 'Human Resources Development Award' from the Emirates Institute for Banking & Financial Studies, the 'Middle East e-Banking Country Award', the 'Outstanding use of IT in Financial Services Award', and the excellence award for 'Best use of Technology' from Banker Middle East.

NBAD, the Number One Bank in UAE, is poised for further growth in line with its vision; to be the number one Arab bank.



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Contact Us

To learn more about Moody's Analytics solutions for the Middle East, please contact Wael Jadallah at mena@moodys.com or +971 4401 9545. You can also visit our website at moodysmiddleeast.com

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