



Creating a UAE Champion and the region's International Bank

- A transformational merger of equals -

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Overview of the transaction and key terms

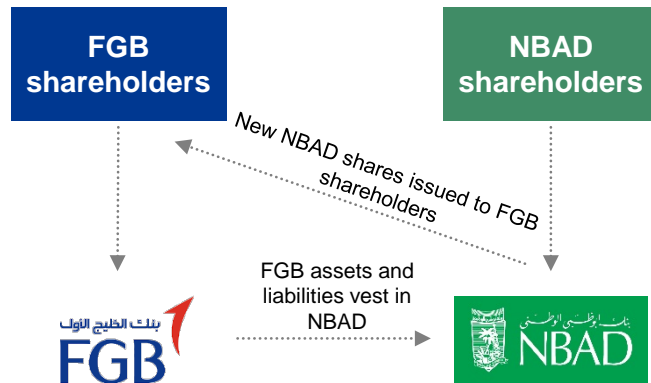
Exchange ratio	<ul style="list-style-type: none">▪ Exchange ratio of 1.254 NBAD shares for every one FGB share▪ NBAD will issue total of 5,643 million new shares to FGB shareholders▪ Exchange ratio implies a discount to FGB's shareholders of 3.9% vs. previous trading day¹ and 12.2% vs. 3 months' average pre-leak share price²
Shareholders	<ul style="list-style-type: none">▪ Following the merger, the combined bank will be 52.0% owned by FGB shareholders and 48.0% by NBAD shareholders▪ Key shareholders: ADIC: 33.2%, Mubadala: 3.7%, Free float: 63.1%
Transaction structure	<ul style="list-style-type: none">▪ Transaction will be structured as a merger of equals▪ Statutory merger through share swap with NBAD issuing shares▪ Combined bank to retain the brand name of "National Bank of Abu Dhabi" (NBAD)
Governance	<ul style="list-style-type: none">▪ Board of Directors of combined bank to comprise of nine members▪ Board will include four nominated directors of FGB and four nominated directors of NBAD▪ H.H. Sheikh Tahnoon Bin Zayed Al Nahyan will be the Chairman, H.E. Nasser Ahmed Alsowaidi will be the Vice Chairman and Mr. Abdulhamid M. Saeed will be the CEO
Conditions	<ul style="list-style-type: none">▪ FGB and NBAD shareholders to approve the transaction (minimum 75% vote)▪ Approval of the UAE Central Bank▪ Approvals of international regulators of FGB and NBAD▪ Merger likely to be effective in Q1 2017

Notes:

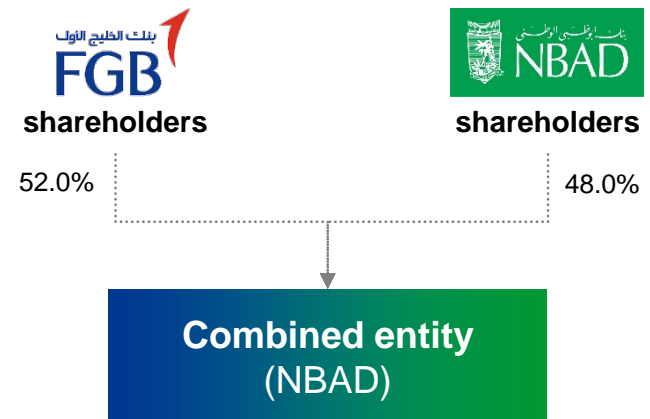
1. Based on 30 June 2016 closing share prices of AED12.60 for FGB and AED9.66 for NBAD.
2. As of 16 June 2016.

Transaction structure

Merger process

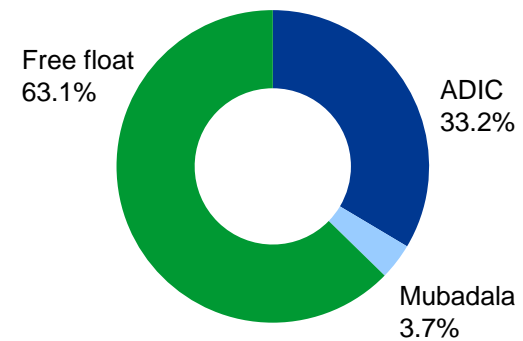


Post merger structure



Transaction structure will be a statutory merger, with NBAD issuing shares to FGB shareholders

Post-merger shareholding structure



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Compelling strategic rationale

Transformational transaction – a merger of equals...

- A** Creates No. 1 bank in the UAE, internationally connected for its target clients

- B** Combination of the best in class consumer and wholesale businesses and strong growth potential in Global Wealth

- C** Fit for the changing regulatory landscape

- D** Efficiency through cost and revenue synergies

- E** Enhanced capacity through capital consolidation and strong core liquidity to capture strategic growth opportunities

...to benefit all stakeholders

Customers

Employees

Equity holders

Lenders and bondholders

Society

Clear leader in the region

Banking sector assets (US\$bn)	National champion ⁽¹⁾	Total assets (US\$bn)	Equity (US\$bn)	Market cap (US\$bn) ⁽²⁾
 UAE 674	 FGB NBAD  بنك الإمارات دبي الوطني Emirates NBD	175  113	24.5  13.6	29.1  12.6
 KSA 589	 NCB الأهلي	121	15.3	21.3
 Qatar 308	 QNB	151	16.3	32.3
 Bahrain 190	 البنك الأهلي المتحد ahli united bank	35	3.7	4.4
 Kuwait 188	 الوطني NBK	82	9.5	11.1
 Oman 80	 بنك مسقط BankMuscat	33	3.7	2.5

Source: Company information as of 31 March 2016 unless stated otherwise, FactSet and BMI. Preliminary pro-forma financials for FGB+NBAD take into account reclassification, intercompany elimination and consolidation adjustments.

(1) Defined as the largest bank in the country by total assets.

(2) Based on 30 June 2016 closing prices.

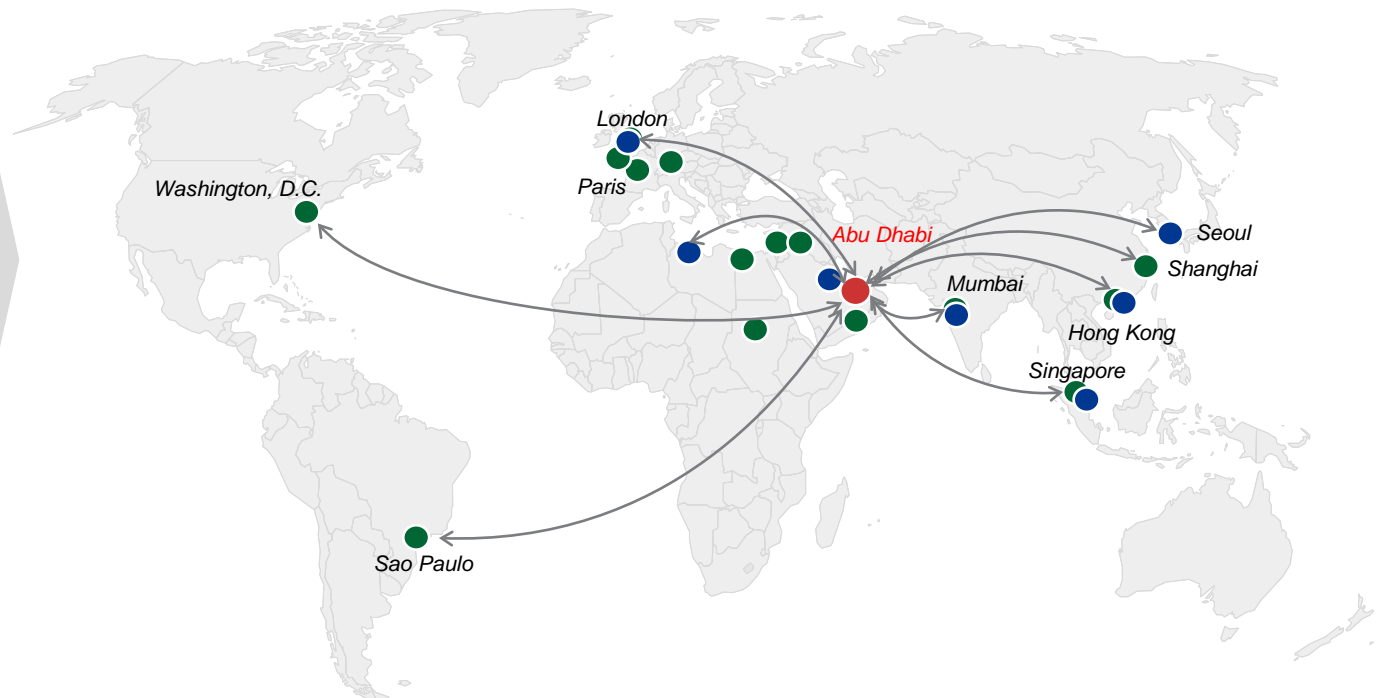
International network in key growth markets

Unique business model to drive UAE's international ambitions

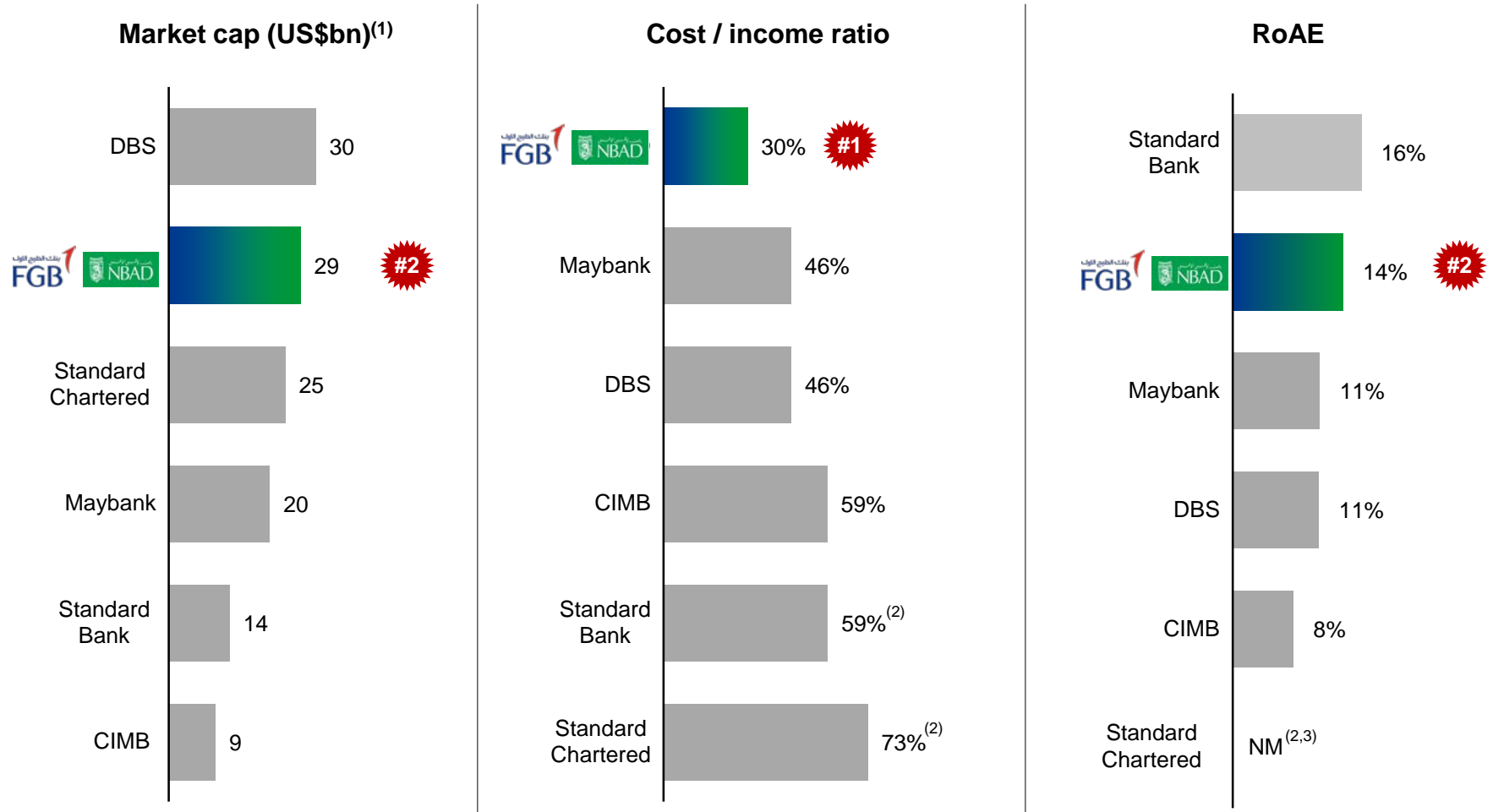
- Wholesale banking and wealth management are primary drivers
- Reference bank for UAE multinational businesses
- Regional access point for international businesses
- Target clients specific to product and industry knowledge
- Target clients with high quality credit

Positioned in key financial markets:
Hong Kong, Singapore, Geneva, London, Washington D.C...

...through offices and branches in 19 countries



Strongly positioned vs. international peer group



Source: Company information as of LTM 31 March 2016, FactSet and SNL Financial. Preliminary pro-forma financials for FGB+NBAD take into account reclassification, intercompany elimination and consolidation adjustments.

(1) Based on 30 June 2016 closing prices.

(2) Figures for FY 2015.

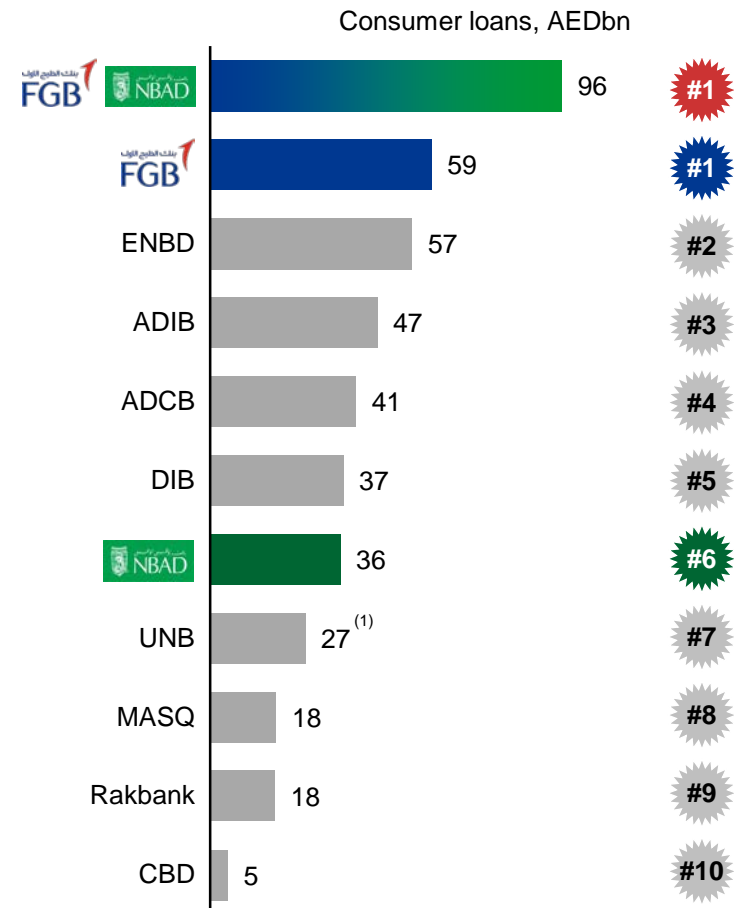
(3) Standard Chartered made a loss in 2015.

Best UAE consumer business

Our value proposition will be significantly enhanced

- Significant and scalable market positions across the UAE stimulating growth
- Scale enables best in class technological investment to:
 - Drive digital transformation
 - Allow meaningful customer segmentation
 - Expand range of product offerings
- Combination of complementary strengths, right balance of assets and deposits
- Long-standing National Housing Loan programme run for the Abu Dhabi government
- Multichannel distribution

Ranking vs. UAE peers



Positioned to capture the significant and growing Wealth opportunity

B

Sizable and growing wealth in the region and beyond

Strong foundations in place


Strong penetration in Arab world
Significant existing AUM and network


International wealth centre network
Range of booking centre choices for HNWI's


Comprehensive product and service offering
Tailored advisory, discretionary, wealth solutions


Foundation for growth
Increased scale supports product/system development

Outstanding business opportunities

 Access new high growth HNWI segments e.g. non-resident Indians

 Improved client choice, flexibility and service with expanded global network

 Deepen existing relationships across the bank with increased cross sell and enhanced product offering

 Opportunity to increase client penetration beyond the MENA region

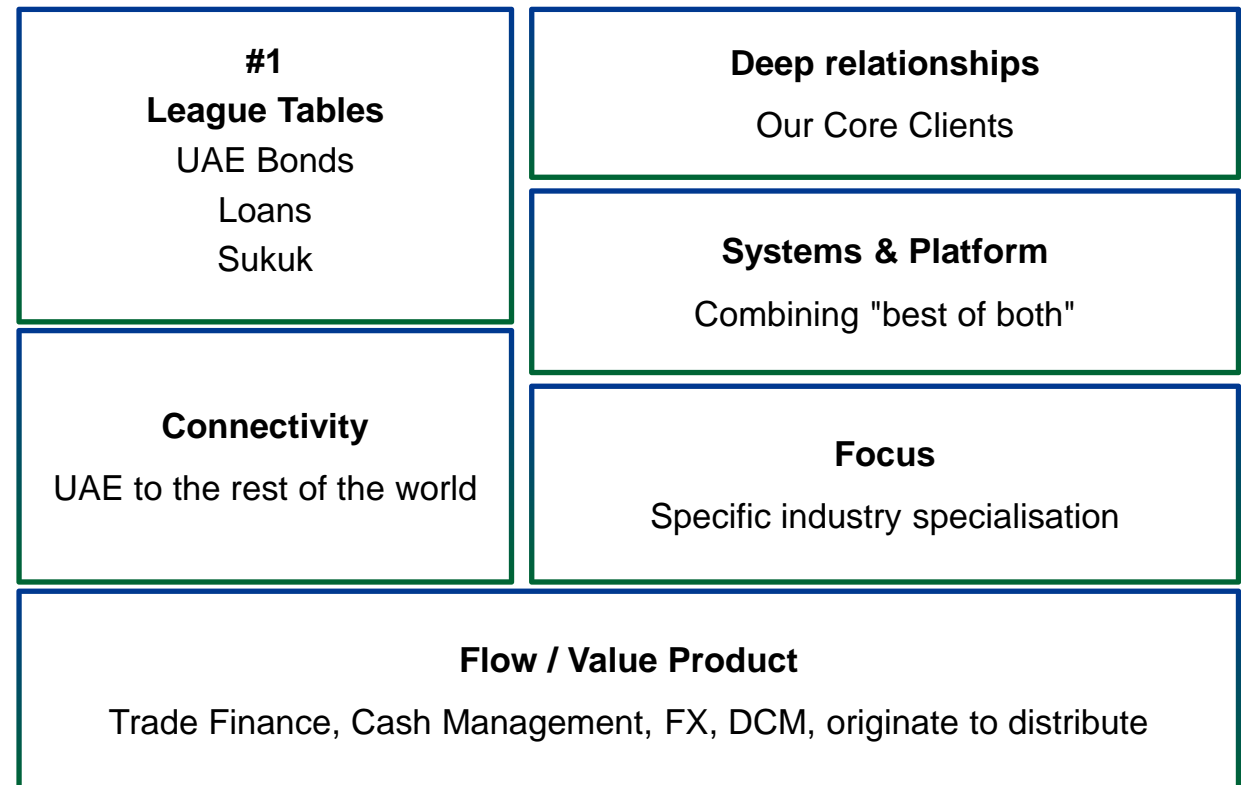
Leading wholesale business – Global connectivity for regional clients

B

Customer focused business around UAE-linked global clients

Region's No. 1
wholesale bank with
international reach

Unique specialised
product proposition
for existing and new
clients



Fit for the changing regulatory landscape

Combined bank better positioned than peers to meet increasing regulatory demands

- Sound capital position from the outset, with diversified business mix and funding profile
- Scale enables adequate investment in compliance and controls
- Enhanced profitability profile allows improved capital generation
- Allows growth to continue

		  preparedness
Evolving regulatory requirement	Increased liquidity thresholds	
	Higher capital requirements	
	Stringent capital definition	
	Increased compliance and controls	

Shareholder value creation through synergies

Substantial cost saving opportunities - benefit of around AED500m per year

- Consolidating common business / enablement functions
- Systems integration
- Premises reduction
- Closure of overlapping branches
- Investment efficiency — spend once, use twice
- Cost benefits to be realised over 3 years, with estimated one-time integration costs of AED600m

Cost benefit
represents
8% of
combined
cost base

Strong revenue synergies potential, leveraging on complimentary business models

Opportunity
for revenue
synergies

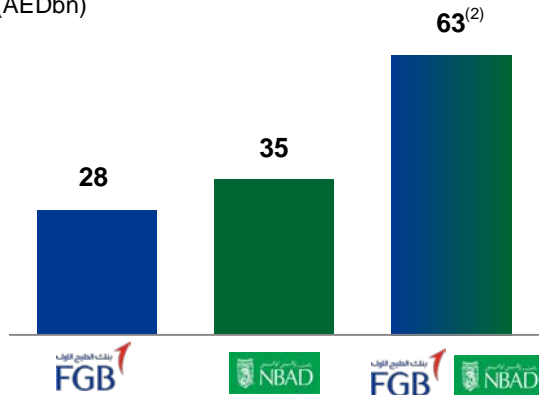
- Product cross-sell
- Pricing optimisation
- Enhanced capacity to service clients
- Some attrition from concentration management

Leveraging capital and liquidity to pursue growth

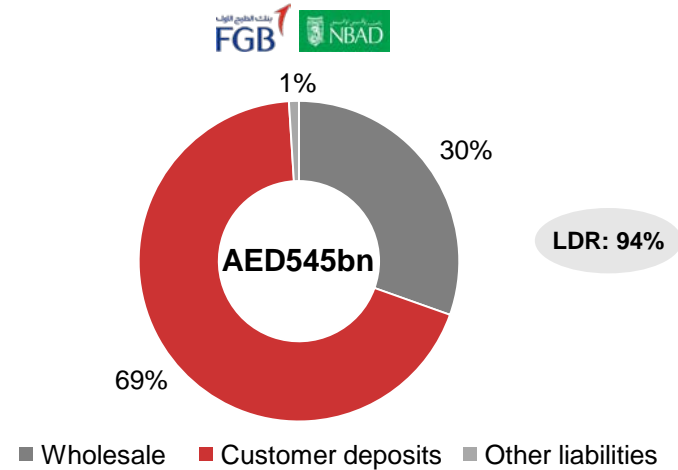
Larger capital base and underwriting capacity

Capital base effectively doubles

CET1 capital⁽¹⁾ (AEDbn)



Strong and diverse liquidity and underwriting capacity



Strategic opportunities

- Drive growth in core home market sectors
- Better serve UAE corporates with international ambitions
- Support international companies operating in the UAE
- Leverage technology to enhance customer experience
- Invest in distribution capabilities
- Drive wealth management cross-sell
- Cross-sell delivered through better consumer client segmentation

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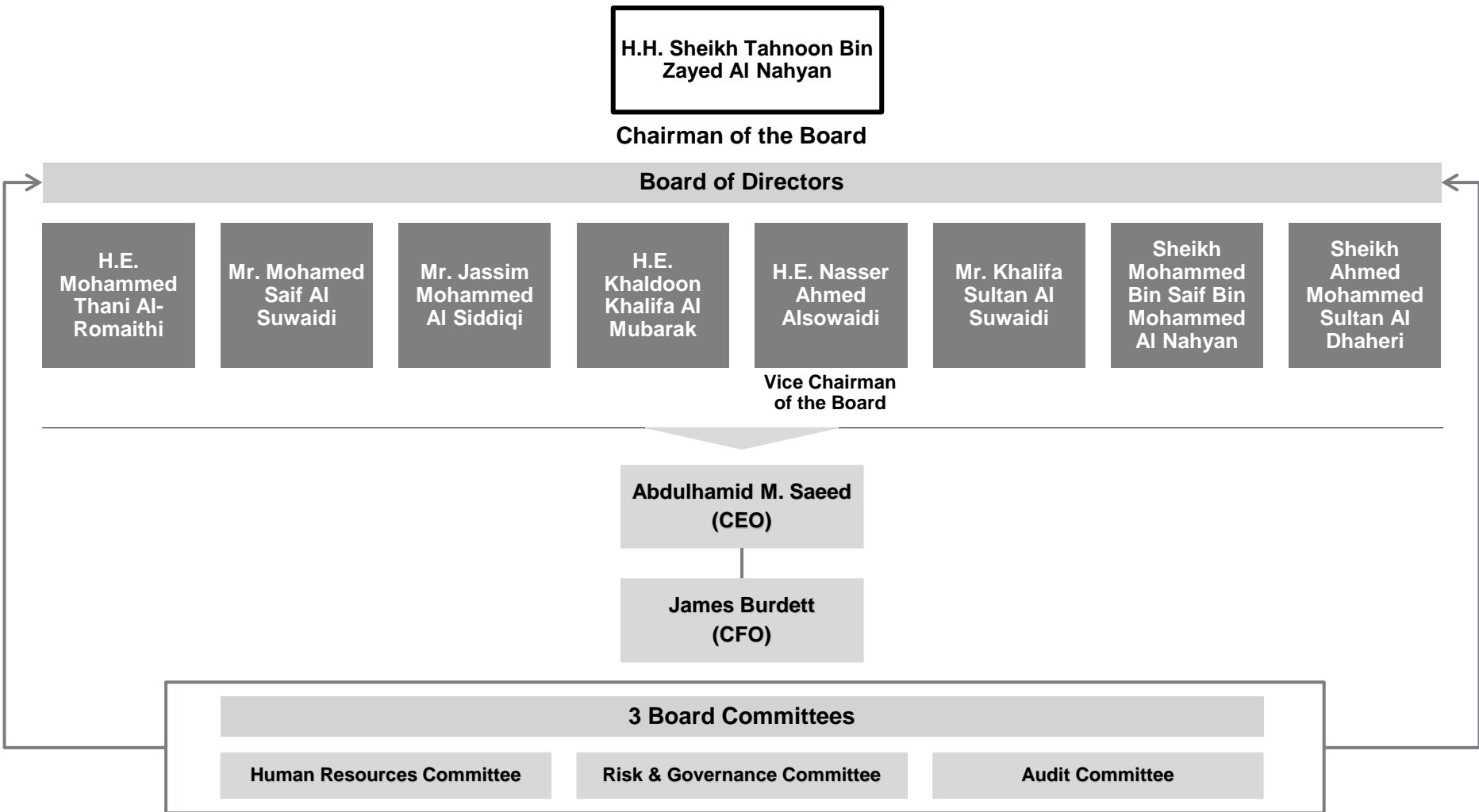
Key steps of integration

Phase	Actions	Timing
Pre-Closing Phase	<ul style="list-style-type: none"> ▪ Merger committee to appoint specialised team and drive integration ▪ Design end-to-end management process including full integration plan ▪ Agree on three year business plan, one year budget and confirm how synergies are delivered ▪ Seek regulatory consents ▪ Continue communication to staff 	Up to 9 months
Post-Merger phase one	<ul style="list-style-type: none"> ▪ Implement full customer retention programme ▪ Integrate wholesale banking and wealth management businesses ▪ Integrate control and enablement functions ▪ Group governance and committee processes put in place ▪ Continue communication to staff 	6-9 months post completion
Post-Merger Phase two	<ul style="list-style-type: none"> ▪ Integrate policies, procedures and control processes ▪ Integrate operating platform into a single shared center ▪ Integrate IT infrastructure and product systems ▪ Integrate data management and accounting systems ▪ Address duplication of branch network 	18-24 months post completion

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Best in class strategic direction, oversight and governance



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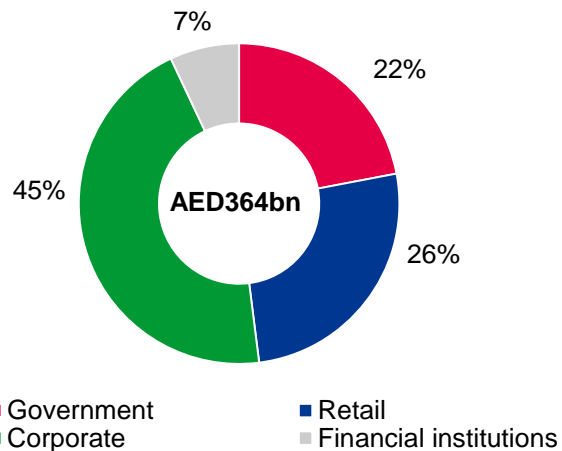
Improved key financial metrics

		بنك أبوظبي FGB	بنك دبي NBAD	بنك أبوظبي FGB	بنك دبي NBAD
Capital	Tier 1 ratio	16.9%	15.1%	15.7%	15.7%
	Total capital ratio	18.2%	16.0%	16.9%	16.9%
Funding	Net loans / deposits ratio	108.3%	85.5%	94.0%	94.0%
	LCR	71.3%	100.6%	93.1%	93.1%
Profitability	NIM	3.0%	1.9%	2.3%	2.3%
	Cost / Income	20.1%	38.7%	30.0%	30.0%
	RoAE	20.7%	14.9%	14.1%	14.1%
Scale	Total assets (AEDbn)	227	400	642	642
	Net loans (AEDbn)	152	200	352	352
	Total deposits (AEDbn)	141	233	374	374
Asset quality	NPL ratio	2.9%	3.3%	3.1%	3.1%
	NPL coverage	109.8%	109.8%	109.8%	109.8%

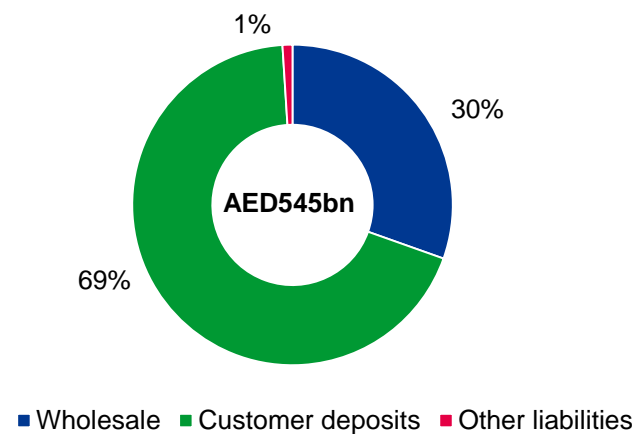
Source: Company information as of 31 March 2016 and LTM for income statement items. Preliminary pro-forma financials for FGB+NBAD take into account reclassification, intercompany elimination and consolidation adjustments.

Well balanced business profile

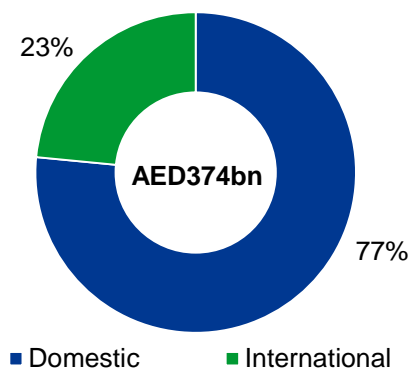
Gross loans mix by counterparty



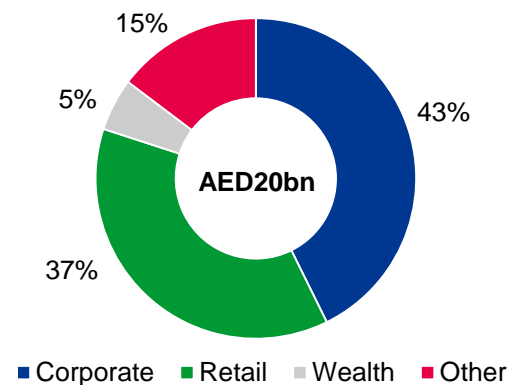
Funding composition



Deposit mix by geography



Operating income by customer type⁽¹⁾



Source: Company information as of 31 March 2016 unless stated otherwise. Deloitte pro-forma financials for FGB+NBAD take into account reclassification, intercompany elimination and consolidation adjustments.

(1) As of 31 December 2015.

Transformational merger of equals

- Full service bank with leading consumer franchise
- Profitable, efficient and capital generative
- Strong entrepreneurial and sales culture



- Sophisticated wholesale business with strong product and industry expertise
- Underpinned by long-term strategic relations
- Strong conservative balance and liquidity from a diverse customer base

**Collectively beneficial to all stakeholders:
Customers, Equity and Bond holders, employees and the society**

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Merger update

Progress since merger announcement

- Zulfiqar Ali Sulaiman, currently COO of FGB, appointed as Chief Integration Officer
- Initial meetings between CEO designate, Abdulhamid Saeed, and the leadership at both FGB and NBAD have taken place
- Appointment of external consultants for different aspects of the integration process under way (with some of the consultants already hired)
- Legal and regulatory work in progress

Timeline



1H2016 update on key pro-forma financials

	بنك الخليج الأول FGB	بنك دبي الإسلامي NBAD	بنك الخليج الأول بنك دبي الإسلامي FGB NBAD	
Income statement	Net interest income (AEDmn)	3,045	3,415	6,461
	Total revenue (AEDmn)	4,367	5,409	9,777
	Operating expenses (AEDmn)	924	2,017	2,940
	Net profit (AEDmn)	2,657	2,647	5,304
	Cost to income ratio	21.1%	37.3%	30.1%
Balance sheet	Total assets (AEDbn)	227	419	661
	Net loans (AEDbn)	153	203	356
	Total deposits (AEDbn)	140	243	383
	Net loans / deposits ratio	109.9%	83.4%	93.0%

Source: Company information as of 1H2016. Preliminary pro-forma financials for FGB+NBAD take into account reclassification, intercompany elimination and consolidation adjustments.

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