THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, it is recommended that you seek your own independent financial advice from your stock broker, accountant or other appropriate independent financial advisor.

Implementation of the Merger is conditional upon, amongst other things, each of the resolutions set out in the notice of the NBAD GM (set out in Annex I to this document) receiving a vote in favour by holders of the requisite majority of NBAD Shares represented at the NBAD GM and each of the resolutions set out in the notice of the FGB GM (set out in Annex II to this document) receiving a vote in favour by holders of the requisite majority of FGB Shares represented at the FGB GM. The conditions to, and process for, implementing the Merger are set out in full in Section 9 of this document.

This document is not being published or distributed, and should not be forwarded or transmitted, in or into or to any Restricted Jurisdiction.

Shareholder Circular

in respect of the Merger of National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC

by way of a merger pursuant to Article 283(1) of the UAE Federal Law No. 2 of 2015 Concerning Commercial Companies

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For a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the resolutions to be considered at the NBAD GM and the FGB GM, see Section 7 of this document.

Unless the context otherwise requires, capitalised terms used in this document have the meanings given in Appendix 1 of this document. References to times and dates in this document are to Abu Dhabi time and the Gregorian calendar, respectively, unless otherwise stated.

Notices of the NBAD GM, to be held at The St. Regis Abu Dhabi, Nation Tower, Corniche, P.O. Box 60476, Abu Dhabi, United Arab Emirates at 4.00 pm on 7 December 2016, and the FGB GM, to be held at The St. Regis Abu Dhabi, Nation Tower, Corniche, P.O. Box 60476, Abu Dhabi, United Arab Emirates at 5.30 pm on 7 December 2016, are set out in Annex I and Annex II, respectively, to this document.

CONTENTS

IMPORTANT NOTICE

Statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and the publication of this document (or any action taken pursuant to it) shall not give rise to any implication that there has been no change in the facts or affairs of NBAD or FGB as set out in this document since such date. Nothing contained in this document is intended to be or shall be deemed to be a forecast, projection or estimate of the future financial performance of NBAD or FGB and no statement in this document should be interpreted to mean that earnings per share for current or future financial periods of NBAD or FGB will necessarily match or exceed historical published earnings per share.

No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by NBAD, FGB, UBS, Credit Suisse or any of the other advisers in connection with the Merger.

No person should construe the contents of this document as legal, financial or tax advice. If you are in any doubt as to the action you should take, it is recommended that you seek your own independent financial advice from your stock broker, accountant or other appropriate independent financial adviser.

This document will not be posted to NBAD Shareholders or FGB Shareholders but copies can be obtained (without charge) from the offices of each of NBAD (in the case of NBAD Shareholders) and FGB (in the case of FGB Shareholders), from the NBAD/FGB merger site at www.bankfortheuae.com and from each of NBAD's and FGB's websites at www.nbad.com and www.fgbgroup.com respectively. Except in respect of the foregoing and NBAD's and FGB's financial statements for the financial years ended 31 December 2014 and 31 December 2015 and for the three month period ended 31 March 2016 and the six month period ended 30 June 2016, neither the content of any website of NBAD or FGB nor the content of any website accessible from hyperlinks on any of such websites is incorporated into, or forms part of, this document and no person accepts any responsibility for the contents of such websites.

Credit Suisse (Hong Kong) Limited is acting exclusively as financial adviser to NBAD and for no one else in connection with the Merger and will not be responsible to anyone other than NBAD for providing the protections afforded to clients of Credit Suisse or for providing advice in relation to the Merger, the content of this document or matters referred to in this document. Furthermore, the written opinion of Credit Suisse set out in Annex III to this document, addressed solely to the NBAD Board, and rendered in connection with such engagement, does not constitute a recommendation to any NBAD Shareholder as to any action that a NBAD Shareholder should take relating to the Merger. Credit Suisse (Hong Kong) Limited is licensed and regulated by the Securities and Futures Commission in Hong Kong.

UBS AG (London Branch) is acting exclusively as financial adviser to FGB and for no one else in connection with the Merger and will not be responsible to anyone other than FGB for providing the protections afforded to clients of UBS or for providing advice in relation to the Merger, the content of this document or matters referred to in this document. Furthermore, the written opinion of UBS set out in Annex IV to this document, addressed solely to the FGB Board, and rendered in connection with such engagement, does not constitute a recommendation to any FGB Shareholder as to any action that a FGB Shareholder should take relating to the Merger. UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority in the UK and subject to regulation by the Financial Conduct Authority in the UK and limited regulation by the Prudential Regulation Authority in the UK.

None of the Financial Advisers has verified the information contained in this document. Accordingly, no representation or warranty is made or implied by any of the Financial Advisers or any of their respective affiliates and none of the Financial Advisers (other than Credit Suisse in respect of its fairness opinion set out in Annex III to this document and UBS in respect of its fairness opinion set out in Annex IV to this document) or any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this document.

This is an unofficial English translation of the formal shareholder circular published in the Arabic language. Except for the fairness opinions from Credit Suisse and UBS, which appear at Annex III and Annex IV, respectively, to this document, no reliance should be placed on this English translation, which may not entirely reflect the official Arabic language shareholder circular.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to NBAD and FGB. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "will", "goal", "believe", "aim", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements in this document include, without limitation, statements relating to the following: (i) preliminary synergy estimates, future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Combined Group; and (iii) the Merger, related matters and the dates on which events are expected to occur.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, industry results, strategies or events, to be materially different from any results, performance, achievements or other events or factors expressed or implied by such forward-looking statements. Many of the risks and uncertainties relating to forward-looking statements are beyond the Banks' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Forward-looking statements are not guarantees of future performance. They have not, unless otherwise indicated, been reviewed by the auditors of NBAD or FGB. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of NBAD and FGB and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to NBAD or FGB or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

The risks and uncertainties include, but are not limited to:

- any synergy estimates included in this document, which are highly preliminary estimates of the NBAD Board and the FGB Board, which have not been subject to an independent verification process by any of the Financial Advisers or any other person and may be revised following more detailed integration planning of the businesses of NBAD and FGB;
- the economic and financial markets conditions in the UAE generally and in Abu Dhabi in particular;
- the performance of the banking sector in Abu Dhabi and the wider region;
- the Banks' relationship with the Government generally, including their ability to obtain requisite governmental or regulatory approvals and permits to undertake banking activities;
- the Banks' ability to achieve and manage the growth of their businesses;
- the Banks' ability to obtain financing or maintain sufficient capital to fund their existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Banks and their customers operate;
- changes in the competitive environment in which the Banks operate;
- failure to comply with regulations applicable to the Banks' businesses; and
- removal or adjustment of the fixed exchange rate between the US dollar and the UAE dirham.

NBAD and FGB assume no obligation to, and do not intend to, update any forward-looking statements, except as required pursuant to applicable law and regulation.

You are advised to read this document in its entirety, and in particular the risk factors discussed in Section 7 of this document, for discussion of the factors that could affect the Combined Group's future performance and the industries in which it will operate.

PUBLICATION AND DISTRIBUTION RESTRICTIONS

This document is not being and must not be published or distributed, in whole or in part, in, into or from, any Restricted Jurisdiction.

NBAD is not taking any action to permit an offering of the New NBAD Shares in any Restricted Jurisdiction.

NOTICE TO FGB SHAREHOLDERS IN THE UNITED STATES

The Merger of NBAD and FGB relates to the shares of a UAE company and is proposed to be made by means of a merger pursuant to Article 283(1) of the UAE Federal Law No. 2 of 2015 Concerning Commercial Companies and the Merger Agreement. Accordingly, the Merger is subject to the disclosure requirements and practices applicable in the UAE to statutory mergers, which differ from the disclosure requirements of the United States.

Financial information included in this document has been prepared in accordance with IFRS and other mandatory reporting requirements applicable in the UAE and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for investors to enforce their rights and any claim they may have arising under US federal securities laws, since NBAD is a UAE company, and some or all of its officers and directors are residents of countries other than the United States. Investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. It may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

Securities may not be offered or sold in the United States absent registration under the US Securities Act, or pursuant to an exemption from such registration. The New NBAD Shares to be issued pursuant to the Merger are not, and will not be, registered under the US Securities Act or under the securities laws of any jurisdiction of the United States and will be issued to FGB Shareholders in the United States in reliance on the exemption from registration provided by Rule 802 under the US Securities Act and in reliance on available exemptions from any state law registration requirements. New NBAD Shares issued pursuant to the Merger will be "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act to the same extent and proportion as the FGB Shares for which they were exchanged in the Merger.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the New NBAD Shares offered in connection with the Merger, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence.

In accordance with the exemption from the registration requirements of the US Securities Act provided by Rule 802 thereunder with respect to the New NBAD Shares to be issued in connection with the Merger, NBAD will submit to the US Securities and Exchange Commission any informational document it publishes or otherwise disseminates to holders of FGB Shares related to the Merger.

The receipt of New NBAD Shares pursuant to the Merger by a US FGB Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each FGB Shareholder is urged to consult an independent professional adviser immediately regarding applicable tax consequences of the Merger.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

NBAD's financial statements for the financial years ended 31 December 2014 and 31 December 2015, for the three month period ended 31 March 2016 and for the six month period ended 30 June 2016 are available on NBAD's website at www.nbad.com and are incorporated into this document by reference. FGB's financial statements for the financial years ended 31 December 2014 and 31 December 2015, for the three month period ended 31 March 2016 and for the six month period ended 30 June 2016 are available on FGB's website at www.fgbgroup.com and are incorporated into this document by reference.

NBAD's and FGB's financial statements for the financial years ended 31 December 2014 and 31 December 2015, for the three month periods ended 31 March 2016 and for the six month periods ended 30 June 2016 are prepared in accordance with IFRS. Save where expressly stated otherwise and, in particular, in Part C of Section 6 of this document, which specifies the basis of preparation of the financial information set out in such Part, financial information contained in this document other than in Section 6 is based on management estimates and has not been independently verified by auditors or otherwise. Save as disclosed otherwise, all financial information is set out in AED.

This document has been prepared for the purpose of complying with applicable laws and regulations of the UAE and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and/or regulations of jurisdictions outside the UAE. The New NBAD Shares constitute securities of a UAE company and you should be aware that this document and any other documents relating to the Merger and the New NBAD Shares have been or will be prepared in accordance with UAE disclosure requirements, format and style, all of which may differ from those applicable in other jurisdictions.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following dates are indicative only and will depend, among other things, on whether (and the dates on which) the conditions of the Merger (including, without limitation, the NBAD Shareholders and the FGB Shareholders as at the relevant Record Date approving the Merger at the NBAD GM and the FGB GM, respectively) are satisfied. The full conditions of the Merger are set out in Section 9 of this document.

Event	Time and/or Date
Record Date for the NBAD GM	6 December 2016
Record Date for the FGB GM	6 December 2016
NBAD GM[(1)]	7 December 2016
FGB GM[(2)]	7 December 2016
Filing of resolutions passed at the NBAD GM with the Commercial Registry	11 December 2016
Filing of resolutions passed at the FGB GM with the Commercial Registry	11 December 2016
Commencement of creditor objection period	11 December 2016
Expiry of creditor objection period	10 January 2017
Effective Date of Merger	Q1 2017
Issue of New NBAD Shares to FGB Shareholders[(4)]	Effective Date or nextBusiness Day

Notes

(1) The quorum for the NBAD GM is Shareholders representing at least 50% of NBAD's share capital. If this quorum is not achieved, the NBAD GM will be called to a second meeting to be held on 14 December 2016. The second meeting shall be considered valid irrespective of the number of present shareholders. If the NBAD GM is called to a second meeting, the remaining dates in this expected timetable will be extended accordingly.

(2) The quorum for the FGB GM is Shareholders representing at least 50% of FGB's share capital. If this quorum is not achieved, the FGB GM will be called to a second meeting to be held on 14 December 2016. The second meeting shall be considered valid irrespective of the number of present shareholders. If the FGB GM is called to a second meeting, the remaining dates in this expected timetable will be extended accordingly.

(3) Subject to the conditions of the Merger having been satisfied, it is expected that Listing will occur on, or on the Business Day immediately following, the Effective Date.

1. JOINT LETTER FROM THE CHAIRMEN OF NBAD AND FGB

23 October 2016

Dear NBAD Shareholders and FGB Shareholders,

Recommended Merger of NBAD and FGB

On 3 July 2016, the NBAD Board and the FGB Board announced that they had agreed the terms of a proposed merger between NBAD and FGB. The Merger is intended to be effected by way of a merger pursuant to Article 283(1) of the Companies Law and the Merger Agreement. Subject to the satisfaction of the conditions to the Merger, upon the Effective Date, the assets and liabilities of FGB will be assumed by NBAD in consideration for the issue of New NBAD Shares to existing FGB Shareholders. Upon the Merger becoming effective, FGB will be dissolved pursuant to the provisions of Article 291 of the Companies Law.

The Merger, which has the unanimous support of the NBAD Board and the FGB Board, will, if effected, create a bank with the financial strength, expertise, and global network to support the UAE's economic ambitions at home and drive the country's growing international business relationships.

The boards of directors of NBAD and FGB identify the combined entity as the UAE champion, recognising its fundamental role in supporting the UAE's economic ambitions and financing growth as part of the country's economic diversification strategy. The combined bank will be the largest bank in the Middle East and North Africa region by assets, the leading financial institution in the United Arab Emirates and will have a presence in 21 countries. The boards of NBAD and FGB believe that the combined bank will be positioned to benefit from greater economies of scale, increased diversification and financial strength and will be uniquely placed to capture high growth opportunities as a full-service financial institution with an international scope. Furthermore, the boards of NBAD and FGB believe that the Merger offers significant benefits to customers and investors resulting from the combination of two best-in-class consumer and wholesale businesses.

The Merger has the unanimous support and recommendation of the NBAD Board and the FGB Board. We urge you to attend the general assembly meetings of NBAD and FGB (as applicable) (as described in Section 2 of this document) and recommend that you vote in favour of the resolutions proposed at those meetings.

His Highness Sheikh Tahnoon Bin Zayed Al Nahyan
Chairman of FGB

His Excellency Nasser Ahmed Alsowaidi
Chairman of NBAD

2. GENERAL INFORMATION

2.1 INTRODUCTION

On 19 June 2016, FGB and NBAD announced that they had commenced discussions regarding the possibility of a merger of the two banks or a combination of the two businesses. Each bank formed a working group made up of senior executive management to review the commercial potential along with any legal and structural aspects of a merger or combination.

On 3 July 2016, FGB and NBAD announced that their boards of directors had voted unanimously to recommend to shareholders a merger of the two banks.

If completed, the Merger will create a banking group with a presence in 21 countries through local subsidiaries, local branches and representative offices.

2.2 TERMS OF THE MERGER

The Merger is intended to be effected by way of a merger by affiliation. Subject to the satisfaction of the conditions to the Merger set out in Section 9 of this document, upon the Effective Date the assets and liabilities of FGB will be assumed by NBAD in consideration for the issue of New NBAD Shares to FGB Shareholders that appear on the share register of FGB immediately after close of trading on the date of issuance of the SCA certificate. Upon the Merger becoming effective, all FGB Shares will be delisted from the Abu Dhabi Securities Exchange and FGB will be dissolved pursuant to the provisions of Article 291 of the Companies Law.

If effected, the Merger will result in New NBAD Shares (which will be listed on the Abu Dhabi Securities Exchange) being issued to FGB Shareholders on the following basis:

for each 1 FGB Share: 1.254 New NBAD Shares

In the event that the Exchange Ratio calculation set out in this Sub-section 2.2 produces a fractional share, the resulting figure will be rounded down to the nearest share. For example, if a FGB Shareholder holds 11,550 FGB Shares, he or she will receive 14,483 new NBAD Shares on the Effective Date (and not 14,484 New NBAD Shares).

Upon completion of the Merger, the total issued share capital of NBAD will be 10,897,545,318 NBAD Shares. Following the issue of New NBAD Shares, FGB Shareholders would own approximately 52% of the total issued share capital of NBAD.

Upon completion of the Merger, the Combined Group will retain the name "National Bank of Abu Dhabi PJSC".

The terms of the Merger, including the Exchange Ratio referred to in this Sub-section 2.2, have been unanimously approved separately by the NBAD Board and the FGB Board in their respective meetings held on 2 July 2016. In approving the terms of the Merger, the NBAD and FGB Boards have, amongst other things, considered in detail the financial due diligence reports on NBAD and FGB prepared by KPMG Lower Gulf Limited for the NBAD Board (in respect of FGB) and Deloitte Corporate Finance Limited for the FGB Board (in respect of NBAD), legal due diligence reports prepared by Freshfields Bruckhaus Deringer LLP for the FGB Board (in respect of NBAD) and Allen & Overy LLP for the NBAD Board (in respect of FGB), synergy estimates prepared by their respective management teams, and independent opinions from Credit Suisse and UBS as to the fairness, from a financial perspective, to the NBAD Shareholders and the FGB Shareholders, respectively, of the Exchange Ratio. The full text of the fairness opinions from Credit Suisse and UBS appears at Annex III and Annex IV, respectively, to this document.

2.3 EFFECT OF THE MERGER

Upon the Merger becoming effective, FGB Shareholders that appear on the share register of FGB immediately after close of trading on the date of issuance of the SCA certificate will receive on, or on the Business Day immediately following, the Effective Date (without any action required on the part of the FGB Shareholders) New NBAD Shares based upon the Exchange Ratio set out in Sub-section 2.2 above. If a FGB Shareholder has granted a pledge over all or part of his FGB Shares, the pledge registered with the Abu Dhabi Securities Exchange will automatically be replaced with a pledge of the New NBAD Shares received by that FGB Shareholder pursuant to the Merger, without any further action by that FGB Shareholder. It is recommended that FGB Shareholders who have granted a pledge over all or part of their FGB Shares should, however, take any steps which may be required under the terms of the agreement governing such pledge.

Upon the Merger becoming effective, the assets and liabilities of FGB will be assumed by NBAD on the Effective Date in consideration for the issue of New NBAD Shares to FGB Shareholders. Following the Merger, FGB will be dissolved pursuant to the provisions of Article 291 of the Companies Law.

2.4 RATIONALE OF EXCHANGE RATIO DETERMINATION

The Exchange Ratio was agreed between NBAD and FGB following detailed commercial negotiations between the Banks. In negotiating the Exchange Ratio, NBAD and FGB made reference to advice and assistance from their respective advisers and a review of due diligence information on each other's businesses.

In reaching agreement on the Exchange Ratio, NBAD and FGB considered a number of valuation methodologies including: (a) dividend discount valuation based on the present value of future dividends for each Company; (b) valuation implied from research analyst target prices; (c) relative historical share price analysis; and (d) various market based and fundamental valuation methodologies.

2.5 BENEFITS OF THE MERGER

2.5.1 Cautionary note

This Sub-section 2.5 contains the views of the NBAD Board and the FGB Board on the benefits that they currently anticipate will result from the Merger becoming effective, including information and estimates compiled by the NBAD Board and the FGB Board.

You should note, in particular, that this Sub-section 2.5 contains forward-looking statements, which are subject to risks and uncertainties, and that undue reliance should not be placed on such statements.

You should also note that the synergy estimates included in this Sub-section 2.5 are highly preliminary estimates of the NBAD Board and the FGB Board, which may be revised following more detailed integration planning. NBAD and FGB do not intend to update the synergy statements or any other forward-looking statements, except as required pursuant to applicable laws and regulations.

Nothing contained in this Sub-section 2.5 is intended to be or shall be deemed to be a forecast, projection or estimate of the current or future financial performance of NBAD or FGB and no statement in this document should be interpreted to mean that earnings per share for current or future financial periods of NBAD or FGB would necessarily match or exceed historical published earnings per share.

2.5.2 Overview

FGB and NBAD have complementary businesses and as such the Combined Group would offer a well-diversified, full-service financial institution, with strong offerings in consumer banking, wealth management, wholesale banking, SME banking and capital markets advisory.

The boards of directors of FGB and NBAD believe that, on completion of the Merger, the Combined Group will play a key role in supporting the UAE's economic ambitions: financing growth as the country continues to implement its economic diversification strategy, developing UAE banking and finance expertise, and helping to drive international business relationships.

2.5.3 Benefits to shareholders

(a) ***Creates the No. 1 bank in the UAE, internationally connected for its target clients***

   (i) The Combined Group creates a local and regional leader with total assets of US$175 billion, the highest in the GCC as of 31 March 2016.

   (ii) The Combined Group's business model can help drive the UAE's international ambitions through its presence in key financial markets including Hong Kong, Singapore, Geneva, London and Washington D.C.

(b) ***Combines the best in class consumer and wholesale businesses with strong growth potential in global wealth management***

   (i) The combined scale of the UAE consumer business significantly enhances the value proposition, stimulating growth in the region.

(ii) The Combined Bank will be the region's No.1 wholesale bank with international reach and unique specialized product offerings for existing and new clients.

(iii) The Combined Bank is positioned to capture the significant and growing wealth opportunity through existing relationships across the Banks. These relationships can be strengthened with increased cross sell and an enhanced product offering, as well as through the expanded global network, which creates a better service platform and improved flexibility.

(c) ***Fit for the changing regulatory environment***

(i) The Combined Group will be better positioned to meet increasing regulatory demands through a sound capital position, and a well-diversified business mix and funding profile.

(ii) The Combined Group's enhanced scale will enable adequate investment in compliance and controls.

(d) ***Value creation through synergies***

(i) Substantial cost saving opportunities through:

- consolidation of common businesses / enablement functions;
- systems integration;
- premises reduction;
- closure of overlapping branches; and
- integration of IT platforms.

(ii) Revenue synergies through leveraging on complimentary business models:

- product cross-sell;
- pricing optimization; and
- enhanced capacity to service clients.

(e) ***Enhanced capacity through capital consolidation and strong core liquidity to capture strategic growth opportunities***

The Combined Group will have a larger capital base and underwriting capacity enabling it to better serve UAE corporates with international ambitions, better support international companies operating in the UAE and cross-sell through better consumer client segmentation.

(f) ***Experienced board, management and employees***

The Combined Group will be managed by a strong and experienced management team selected from both FGB and NBAD to successfully grow the business.

2.6 LISTING OF THE NEW NBAD SHARES AND DE-LISTING OF FGB SHARES

Applications will be made to the SCA and the Abu Dhabi Securities Exchange in due course for the New NBAD Shares to be admitted to listing and trading on the Abu Dhabi Securities Exchange. Subject to the conditions of the Merger having been satisfied, it is expected that Listing will occur on, or on the Business Day immediately following, the Effective Date. It is expected that the FGB Shares will be delisted by the Abu Dhabi Securities Exchange on the Effective Date.

2.7 GENERAL ASSEMBLY MEETINGS

The Merger is conditional upon, amongst other matters as set out in Section 9 of this document, separate approvals at GMs by the NBAD Shareholders and the FGB Shareholders as follows:

(a) a vote "in favour" of each of the resolutions proposed at the NBAD GM by holders of the requisite majority of the NBAD Shares represented in the NBAD GM; and

(b) a vote "in favour" of each of the resolutions proposed at the FGB GM by holders of the requisite majority of the FGB Shares represented in the FGB GM.

Notices of the GMs of NBAD and FGB are set out in Annex I and Annex II, respectively, to this document.

2.7.1 NBAD GM

The NBAD GM has been convened for 4.00 pm on 7 December 2016 at The St. Regis Abu Dhabi, Nation Tower, Corniche, P.O. Box 60476, Abu Dhabi, United Arab Emirates, to consider and pass the following resolutions:

(1) The approval of the proposed merger (the **Merger**) of NBAD and FGB to be effected by way of a merger pursuant to Article 283(1) of UAE Federal Law No. 2 of 2015 Concerning Commercial Companies (the **Law**), through the issuance of 1.254 new NBAD shares for every 1 share in FGB subject to the terms and conditions of the Merger.

(2) The approval of the merger agreement entered into in connection with the Merger.

(3) The approval of the following resolutions and the consequential amendments to NBAD's Articles of Association upon the Merger becoming effective:

   (a) the increase of share capital of NBAD from AED 5,254,545,318 to AED 10,897,545,318, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;

   (b) the amendment of Article 1 of NBAD's Articles of Association to include the following definitions:

   "Transaction": means dealings, contracts, or agreements entered into by the Bank, and which do not fall within the main activity of the Bank or that includes preferential conditions which the Bank does not usually grant to parties dealing with its clients, or any other transactions specified by the Authority from time to time by resolutions, instructions, or circulars it issues.

   "Related Party": means Chairman and members of the Board of Directors of the Bank, members of the senior executive management of the Bank, employees of the Bank, and companies in which any of these including at hold 30% or more of its capital, as well as subsidiaries or sister companies or affiliate companies;

   (c) the amendment of Article 6 of NBAD's Articles of Association to increase the share capital of NBAD by AED 5,643,000,000 from AED 5,254,545,318 to AED 10,897,545,318, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;

   (d) the amendment of Article 17 of NBAD's Articles of Association in respect of the number of members of the Board of Directors of NBAD, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective such that Article 17 will read as follows:

   "(1) The management of the Bank shall vest in a board of directors comprising nine (9) board members who, subject to Article (148) of the Companies Law, shall be elected by secret ballot using Cumulative Voting. In all cases the majority of the board members, including the Chairman, shall be nationals of the United Arab Emirates.

   (2) The Board of Directors may allocate a number of seats to be filled by independent board members to be selected pursuant to criteria to be specified by a resolution of the Board. Such independent board members are to be elected by secret ballot using Cumulative Voting.";

   (e) the amendment of Article 18 of NBAD's Articles of Association such that Article 18 will read as follows:

   "The Board may at its absolute discretion and without prejudice to the relevant applicable legislation, issue any such resolution to regulate the corporate governance at the Bank.";

   (f) the amendment of Article 58 of NBAD's Articles of Association such that Article 58 will read as follows:

   "The Bank must not enter into Transactions with Related Parties without the consent of the Board of Directors in cases where the value does not exceed (5%) of the Bank's capital, and with the approval of the general assembly where such percentage threshold is exceeded. The Bank is not allowed to conclude Transactions that exceed (5%) of the issued share capital unless it has obtained an evaluation of the Transaction by an assessor certified by the Authority. A party who has an interest in the Transaction may not participate in voting in terms of the decision taken by the Board of Directors or the general assembly in respect of this Transaction.".

(4) The approval of the appointment of nine members to the Board of Directors of NBAD, subject to the terms and conditions of the Merger for a term of three years and with effect from the Merger becoming effective, such nine members being:

HH Sh Tahnoon Bin Zayed Al Nahyan
H E Nasser Ahmed Alsowaidi
H E Sh Mohammed Bin Saif Bin Mohammed Al Nahyan
H E Khaldoon Khalifa Al Mubarak
H E Sh Ahmed Mohammed Sultan Al Dhaheri
H E Mohammed Thani Al-Romaithi
Mr. Khalifa Sultan Al Suwaidi
Mr. Jassim Mohammed Al Siddiqi
Mr. Mohamed Saif Al Suwaidi

(5) The authorisation of the Board of Directors of NBAD, or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions including, without limitation, to apply for: (a) a certificate to be issued by the Securities and Commodities Authority to declare the merger of NBAD and FGB, the increase in share capital and the amendments to NBAD's Articles of Association effective; and (b) the listing of new shares of NBAD on the Abu Dhabi Securities Exchange.

2.7.2 FGB GM

The FGB GM has been convened for 5.30 pm on 7 December 2016 at The St. Regis Abu Dhabi, Nation Tower, Corniche, P.O. Box 60476, Abu Dhabi, United Arab Emirates to consider and pass the following resolutions:

(1) The approval of the proposed merger (the **Merger**) of FGB and NBAD, to be effected by way of a merger pursuant to Article 283(1) of UAE Federal Law No. 2 of 2015 Concerning Commercial Companies (the **Law**) through the issuance of 1.254 NBAD shares for every 1 share in FGB subject to the terms and conditions of the Merger.

(2) The approval of the merger agreement entered into in connection with the Merger.

(3) The approval of the following procedure upon the Merger becoming effective:

(a) the approval of the dissolution of FGB, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective.

(b) the authorisation of the Board of Directors, or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions including, without limitation, to apply for a certificate to be issued by the Securities and Commodities Authority to declare the merger between NBAD and FGB and the dissolution of FGB effective.

2.8 ROLES OF ADVISERS

2.8.1 "Fairness Opinion" and Financial Advisers

Credit Suisse and UBS are acting as exclusive financial advisers to NBAD and FGB, respectively, in relation to the transaction.

Further, NBAD and FGB have each, in line with international best practice, obtained independent opinions from Credit Suisse and UBS (respectively) as to the fairness, from a financial point of view, to the NBAD Shareholders and the FGB Shareholders (respectively) of the Exchange Ratio.

The full text of these fairness opinions appears at Annex III and Annex IV, respectively, to this document. Credit Suisse and UBS expect to receive fees for their services. NBAD has agreed to reimburse certain expenses and indemnify Credit Suisse against certain liabilities arising out of its engagement and FGB has agreed to reimburse certain expenses and indemnify UBS against certain liabilities arising out of its engagement.

Credit Suisse and UBS and certain of their respective affiliates are full service securities firms engaged, either directly or through their respective affiliates, in securities trading, investment management, financial planning and valuations, risk management, hedging, financing and brokerage activities for both companies and individuals.

3. INFORMATION IN RELATION TO THE COMBINED GROUP

3.1 DIRECTORS

The proposed members of the NBAD Board (as nominated by NBAD and FGB) upon the Merger becoming effective are listed below. The Chairman of NBAD will be H.H. Sheikh Tahnoon Bin Zayed Al Nahyan and the Vice Chairman will be H.E. Nasser Ahmed Alsowaidi.

Position	Name
Chairman	H H Sh Tahnoon Bin Zayed Al Nahyan
Vice Chairman	H E Nasser Ahmed Alsowaidi
Board member	H E Sh Mohammed Bin Saif Bin Mohammed Al Nahyan
Board member	H E Khaldoon Khalifa Al Mubarak
Board member	H E Sh Ahmed Mohammed Sultan Al Dhaheri
Board member	H E Mohammed Thani Al-Romaithi
Board member	Mr. Khalifa Sultan Al Suwaidi
Board member	Mr. Jassim Mohammed Al Siddiqi
Board member	Mr. Mohamed Saif Al Suwaidi

Brief biographical details of the proposed members of the NBAD Board following implementation of the Merger are set out below:

HH Sh Tahnoon Bin Zayed Al Nahyan is the chairman of FGB. He also serves as the national security advisor of the UAE, chairman of Amiri Flights and chairman of Royal Group.

H E Nasser Ahmed Alsowaidi is the chairman of NBAD where he serves as chairman of the risk management committee and a member of the strategy & transformation committee. Over the last 27 years, H.E. has held positions across various economic and financial government bodies in the United Arab Emirates, including the Executive Council, the Abu Dhabi Investment Authority and the Abu Dhabi National Oil Company. H.E. holds a degree in economics from the California State Polytechnic University, USA. His external appointments include: chairman of Etihad Rail Company, board member of Mubadala Development Company and board member of International Petroleum Investment Company.

H E Sh Mohammed Bin Saif Bin Mohammed Al Nahyan is a non-executive director of the NBAD Board and chairman of both the strategy & transformation committee and human resources committee, as well as a member of the risk management committee. Sheikh Mohammed is also the chairman of the Abu Dhabi National Insurance Company which is a leading and prominent insurance provider in the region. Sheikh Mohammed also holds the role of the chairman of its compensation and remuneration committee, risk management committee as well as its investment committee. In addition, Sheikh Mohammed is the chairman of the Abu Dhabi Marine Investment Company and the vice chairman of the Abu Dhabi International Marine Sports Club. Sheikh Mohammed holds a degree in international economics and history from the American University of Paris, France.

H E Khaldoon Khalifa Al Mubarak is a non-executive director of the FGB Board. He also serves as the managing director and group chief executive officer of Mubadala Development Company responsible for ensuring the company's business strategy is aligned with Abu Dhabi's economic diversification efforts. He is the chairman of the Abu Dhabi Executive Affairs Authority, which provides strategic policy advice to the chairman of the Abu Dhabi Executive Council of which he is also a member. He is chairman of the Emirates Nuclear Energy Corporation and Emirates Global Aluminium. HE Al Mubarak sits on the board of trustees for Zayed University, New York University and Masdar Institute of Science and Technology. He is also vice chairman of the Abu Dhabi Urban Planning Council, and a Global eHealth Foundation ambassador. HE Al Mubarak has a degree in economics and finance from Tufts University, USA.

H E Sh Ahmed Mohammed Sultan Al Dhaheri is a non-executive director of the NBAD Board and is a member of the risk management committee. Sheikh Ahmed is also the Chairman of Bin Srour Engineering. Prior to this, Sheikh Ahmed has been the undersecretary of the Department of Social Services and Commerce Building from 1996 until 2009. Sheikh Ahmed holds a bachelor degree in civil engineering science. Sheikh Ahmed's external appointments include member of Abu Dhabi National Consultative Council, board member of Emirates Communication (Etisalat), vice chairman of Abu Dhabi National Hotels Company and vice chairman of Abu Dhabi Aviation.

H E Mohammed Thani Al-Romaithi is the Chairman of the Federation of UAE Chambers of Commerce & Industry. H.E. Al Romaithi is also Chairman of the Abu Dhabi Chamber of Commerce & Industry, National Marine Dredging Co., Arabtec Holding and Thani Murshed Unilever. H.E. is also a Board Member of Al Etihad Credit Bureau.

Mr. Khalifa Sultan Al Suwaidi is a director on the NBAD Board, the managing director of NBAD and is a member of the audit committee, human resources committee, strategy & transformation committee and corporate governance and nominations committee. Khalifa Al Suwaidi is an executive director of the Direct Investment Department at the Abu Dhabi Investment Council. Prior to this, he was the deputy director of the External Funds (Americas) Department at the Abu Dhabi Investment Authority Mr. Al Suwaidi holds a degree in business administration (finance) and MSC in finance from Seattle University, USA and is a chartered financial analyst. External appointments include board member of Union National Bank and board member of Abu Dhabi National Insurance Company.

Mr. Jassim Mohammed Al Siddiqi is a non-executive director of the FGB Board and managing director and chief executive officer of Abu Dhabi Financial Group. Mr. Al Siddiqi is also the chairman of Reem Finance PJSC (a UAE Central Bank licensed finance company) and Eshraq Properties PJSC and is also a director of GFH Financial Group B.S.C, the Tourism and Development Investment Company, Qanas Investments Limited, Northacre plc and Abu Dhabi Capital Group. Mr. Al Siddiqi holds a bachelor of science in electrical engineering from the University of Wisconsin-Madison and earned his masters of science degree in electrical engineering from Cornell University in the United States.

Mr. Mohamed Saif Al Suwaidi is a non-executive director of the FGB Board and is currently director general of Abu Dhabi Fund for Development, board vice chairman of Al Masraf, chairman of Al Ain Farms for Livestock Production, board member of the Centre of Food Security of Abu Dhabi and the vice chairman of the Arab Bank for Investment and Foreign Trade, board member for UAE Red Crescent, Agthia and CEPSA. He holds a bachelor of science degree in business administration from California Baptist University in the United States.

3.2 CHIEF EXECUTIVE OFFICER

The proposed Chief Executive Officer of NBAD following implementation of the Merger (with effect from the Effective Date) is Mr. Abdulhamid Saeed.

Abdulhamid Saeed is the managing director and a member of the FGB Board. He is also the Managing Director of Al Reem Investments. He serves as a board member of Mubadala Development Company and board member of Sky News Arabia. He is also a board member of the Abu Dhabi Securities Exchange, Abu Dhabi Financial Group, and the Emirates Investment Authority, as well as vice chairman of the Board of Emirates Integrated Telecommunications Company (du). He has more than 30 years' experience in the financial sector. Before moving to First Gulf Bank in late 1999, Mr. Abdulhamid Saeed worked at Citibank in the UAE for eighteen years where he also held various key positions. Mr. Abdulhamid Saeed graduated from the University of Arizona, USA, where he earned a bachelor's degree in business administration.

3.3 THE COMBINED GROUP'S STRATEGIC PRIORITIES

The merger of FGB and NBAD accelerates the growth strategies of these two successful Abu Dhabi banks with the aim to serve customers better in a fast-changing global environment.

Each is a full-service bank that brings market-leading strengths.

NBAD has developed a market-leading wholesale proposition focused on intermediating high-growth trade and financial flows, with a strong international connectivity proposition and leading product capabilities. At the same time, NBAD has also focused on modernising its retail banking operations to better cater to a developing and more sophisticated customer.

FGB has built a market-leading consumer banking franchise, established through a strong product proposition (e.g. credit cards) combined with an entrepreneurial sales culture and a scalable branch-light model. This has been complemented by the long-standing National Housing Loan programme run for the Abu Dhabi government. FGB has also bolstered its wholesale banking capabilities and examined opportunities for international growth.

The new, well-balanced bank will be an engine of UAE growth, driving further investment and economic diversification, and advancing the ambitions of entrepreneurs and the people they employ. It will support the development of the UAE's private sector, from SMEs to large companies gathering strength to expand beyond their national borders. And it will be the strategic banking partner to the UAE government and its agencies.

Expansion across fast growing emerging markets presents a vast business opportunity for customers and the combined bank. It will have the capital, expertise and international networks to be the preferred financial partner for anyone doing business in Africa, the Middle East and Asia. And, it will act as the primary link for businesses and governments that want to access regional and global capital markets.

4. INFORMATION IN RELATION TO NBAD

4.1 INTRODUCTION

4.1.1 Incorporation

NBAD is a public joint stock company that was incorporated pursuant to an Emiri Decree issued by H.H. Sheikh Zayed Bin Sultan Al Nahyan on 13 February 1968 in accordance with UAE Federal Law No. 8 of 1984 (as amended) (which was replaced with UAE Federal Law No. 2 of 2015 with effect from 1 July 2015). NBAD operates in the UAE under a banking license for an unlimited term granted by the UAE Central Bank which does not require periodic renewal. The commercial registration number of NBAD is CN-1001897 and its registered office is P.O. Box 4, Abu Dhabi, United Arab Emirates.

4.1.2 Capital structure

The issued and fully paid up share capital of NBAD, as at the date of this document, is 5,254,545,318 shares of AED 1.00 each. The NBAD Shares are admitted to listing and trading on the Abu Dhabi Securities Exchange.

4.1.3 Major shareholders

As at 9 October 2016 (being the last practicable date before the publication of this document), those shareholders known by NBAD to own 5% or more of the share capital of NBAD were:

Shareholder	Number of shares	Percentage of total issued share capital of NBAD
Abu Dhabi Investment Council	3,634,789,745	69.17%

4.1.4 UAE national and non-UAE national shareholdings

As at 9 October 2016 (being the last practicable date before the publication of this document), 95.00% of NBAD Shareholders were UAE national investors and 5.00% were foreign investors. The NBAD Articles require that not less than 75% of the NBAD Shares be owned by UAE nationals.

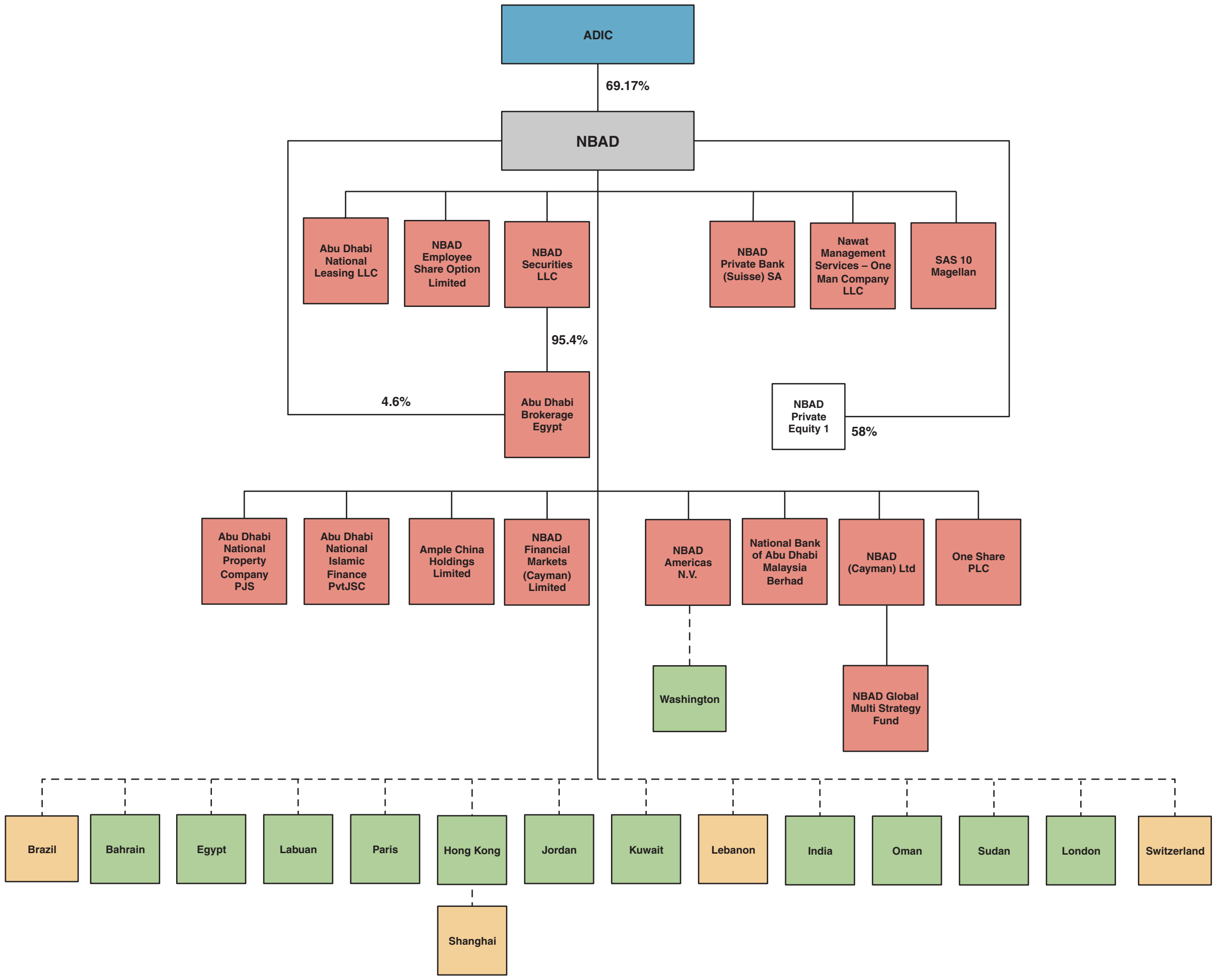
4.1.5 Financial year and auditors

The financial year of NBAD is the calendar year ending on 31 December.

The auditors of NBAD are PricewaterhouseCoopers (Abu Dhabi Branch) of Level 9, East Tower, Abu Dhabi Trade Centre, P.O. Box 45263, Abu Dhabi, UAE.

4.2 NBAD GROUP STRUCTURE

A simplified structure chart of the NBAD Group as at 9 October 2016 (being the last practicable date before the publication of this document) is set out below. Please see Sub-section 8.6 for further details as to the NBAD Group's legal structure.



Notes:

1. NBAD (Cayman) Ltd, Abu Dhabi Brokerage Egypt and NBAD Global Multi Strategy Fund are currently under liquidation.

2. NBAD Private Equity 1, NBAD (Cayman) Ltd, One Share PLC and NBAD Global Multi Strategy Fund are special purpose entities.

Key:

NBAD subsidiaries with 98% or greater NBAD ownership
Branch offices
Representative offices

4.3 DESCRIPTION OF BUSINESS

4.3.1 Overview

NBAD is one of the primary bankers to the Government of Abu Dhabi and public sector companies in the emirate. NBAD is engaged primarily in retail, commercial, wholesale and private banking in the UAE and at selected overseas locations. It has a large international presence, with 45 international branches, subsidiaries and representative offices in Bahrain, Brazil, China, Curacao, Egypt, France, Hong Kong, Jordan, Kuwait, Lebanon, India, Malaysia, Oman, Sudan, Switzerland, the United Kingdom and the United States of America as at the date of this document.

NBAD's organisational structure is focused around three distinct business divisions: (i) Global Wholesale; (ii) Global Retail and Commercial; and (iii) Global Wealth. In addition to the foregoing segments, NBAD's Head Office function is classified as a business segment for financial reporting purposes.

NBAD's shares have been listed on the Abu Dhabi Securities Exchange (the **ADX**) since 2000. As of 30 June 2016, the Government of Abu Dhabi, through the Abu Dhabi Investment Council (the **ADIC**), holds 69.9 per cent. of NBAD's share capital.

4.3.2 The major divisions

The three business divisions of Global Wholesale, Global Retail and Commercial and Global Wealth are detailed below.

(a) **Global Wholesale**

The Global Wholesale Banking division (**GWB**) is NBAD's largest business division and comprises two product units and one client relationship unit. Working with these two product units and the client relationship unit, is a relationship team which focuses on the UAE Government and key Abu Dhabi based clients.

The two product units, Global Markets and Global Banking, are responsible for product strategies, development and sales across the full Group network and for delivery of GWB's financial performance. The client relationship unit is responsible for managing and developing GWB client relationships and maximising revenue and GWB customer return on equity through the cross-selling of products across multiple geographies within NBAD's network. The client relationship teams are organised around six industry sectors which are financial institutions; aviation and transport; energy and resources; real estate and family conglomerates; traders, retailers and diversified portfolios; and a specialised team focusing on UAE Government and key Abu Dhabi based clients.

The UAE Government team and key Abu Dhabi based client team focuses on developing strategic relationships with the Governments of the different Emirates to assist in delivery of the Abu Dhabi Economic Vision 2030, issued by the Government of Abu Dhabi in January 2009 (the **2030 Economic Vision**) and addresses their requirements around investments and banking services. The team covers all federal ministries and local government departments whilst related agencies continue to be relationship managed within their respective industry sector teams.

On 30 June 2016, GWB accounted for 61.6% of the Group's total assets (compared to 60.8% on 30 June 2015) and 67.0% of the Group's total liabilities (compared to 66.3% on 30 June 2015). During the six month period ended 30 June 2016, GWB accounted for 75.0% of the Group's net profit (compared to 54.8% during the six month period ended 30 June 2015).

(i) **Global Markets**

Global Markets (**GM**) acts as the access point for NBAD and its clients to international financial markets in all the traded asset categories, including currencies, interest rate, fixed income, derivatives and pools of liquidity. GM tailors its services and the offering of these products based on its client's individual risk appetite.

(ii) **Global Banking**

Global Banking (**GB**) is the largest revenue and profit generating division in the NBAD Group. GB product teams work with client relationship partners to offer a range of financing and advisory options for clients. The business units within GB consist of the following: Debt Origination and Distribution;

Merchant Banking & Securities and Fund Administration Service; Global Project & Structured Finance; and Global Transaction Banking.

- **Debt Origination and Distribution**

Combining Debt Capital Markets, Syndicated Finance, Islamic Structuring, Fixed Income Syndicate, Loan Distribution, Transaction Management and Loan Agency; Debt Origination and Distribution offers an integrated debt financing proposition to NBAD's wholesale clients across bonds, loans and Sukuk. Since 2014 the business has won more than 90 industry awards including "Rising Star Emerging Markets Bond House" from Global Capital and "Best Bond House in the Middle East", "Best Syndicated Loan House in the Middle East" and "Best Sukuk House" from EMEA Finance. As at end 2015, NBAD was ranked #2 Bookrunner of GCC Bonds and Sukuk, #2 Bookrunner of MENA Loans, #4 Bookrunner of GCC Loans and #5 Bookrunner of MENA Bonds and Sukuk by Bloomberg.

- **Merchant Banking & Securities and Fund Administration Services (MB & SFAS)**

The MB & SFAS team provides financial advisory and capital raising services to clients located principally in the UAE, the wider MENA region and selectively in Asia.

MB & SFAS has two main product lines: advisory services and security services. On the advisory side, the team offers a range of services including mergers and acquisitions, private placements, equity capital markets and project finance advisory.

- **Global Project and Structured Finance**

The Global Project and Structured Finance team offers sector expertise and provides a wide range of customised financing solutions for (a) large projects across energy, infrastructure and real estate development sectors (including non-recourse or limited recourse, PFI/PPP structures and export credit agency supported), (b) high value capital assets such as aircrafts, ships, oil tankers, manufacturing plant and machinery and heavy equipment used in construction (including fixed/variable rate leases, structured leases, step-up and step-down leases, upgrade leases, sale and lease back and hire purchase) and (c) other productive assets such as receivables, pre-export orders and inventory (including receivables-backed term loans, pre-payment/pre-export financing, inventory financing, and risk mitigated facilities).

- **Global Transaction Banking**

The Global Transaction Banking (**GTB**) team provides trade finance to its clients globally and cash management and custody services to its clients in the GCC plus Egypt, Morocco, Tunisia and Jordan. GTB's trade finance proposition includes products across the traditional trade and value added trade portfolios. NBAD offers a full suite of traditional trade finance products, including letters of credit (import and export), letters of guarantee (inward and outward), documentary credits and collections, standby letters of credit, bills for collection (inward and outward) and financing products

NBAD is the only UAE bank licensed to provide custody services. NBAD's custody offering includes settlement and clearing of securities and cash, safe keeping of securities and associated cash, reporting asset servicing, cash management, direct custody services for the Abu Dhabi Securities Exchange, the Dubai Financial Market and NASDAQ Dubai, with a geographical spread that extends to cover the GCC and Middle East markets in addition to international markets through its sub-custodian network, servicing assets under custody. NBAD also offers non-discretionary portfolio management services, portfolio restructuring and asset allocation, whereby the portfolio is traded at the sole discretion of the client.

(iii) **Client Relationships**

For five of the industry sectors covered by the relationship management team (financial institutions, aviation and transport, energy and resources, real estate and family conglomerates, traders, retailers and diversified), the objective of the client relationships team is to service NBAD's chosen clients in these industry sectors. A dedicated team also covers relationships with governments and government sector entities of the individual emirates.

(b) **Global Retail And Commercial**

Global Retail and Commercial (**GRC**) covers the full international retail and commercial network, in addition to NBAD's Islamic financing subsidiary, Abu Dhabi National Islamic Finance Private Joint Stock Company (**ADNIF**), which provides a range of Islamic financial services to retail and corporate customers.

On 30 June 2016, GRC contributed 17.6% of the Group's total assets (compared to 19.8% on 30 June 2015) and 18.8% of the Group's total liabilities (compared to 21.2% on 30 June 2015). During the six month period ended 30 June 2016, GRC accounted for 19.9% of the Group's net profit (compared to 20.7% during the six month period ended 30 June 2015).

(c) **Global Wealth**

Global Wealth (**GW**) focuses on the wealth of private and institutional investors through NBAD's Private Banking, Global Asset Management and Brokerage business. Its core clients are:

- Ultra High Net Worth Individuals (greater than US$25 million in investable assets);
- High Net Worth Individuals (greater than US$1 million in investable assets or sophisticated investors);
- institutional investors across the GCC (such as corporate and pension funds); and
- intermediaries (such as banks, brokers and other issuers).

The Global Private Banking unit forms part of the Global Wealth Division together with the Global Asset Management and Brokerage (NBAD Securities) offering unit. The Global Asset Management and Brokerage business is core to the Private Banking offering but also provides services to NBAD's institutional clients and focuses on the development of new products and services tailored towards Private Banking's clients.

As on 30 June 2016, GW contributed 6.7% of the Group's total assets (compared to 7.2% on 30 June 2015) and 7.1% of the Group's total liabilities (compared to 7.6% on 30 June 2015). During the six month period ended 30 June 2016, GW accounted for 8.6% of the Group's net profit (compared to 10.6% during the six month period ended 30 June 2015).

(i) **Global Private Banking**

The Global Private Banking business provides onshore private banking services in the UAE through the UAE Private Banking office. The unit also provides offshore private banking services through NBAD's wholly owned Swiss subsidiary, NBAD Private Bank (Suisse) SA.

The Global Private Banking business leverages on a wide range of both Group and external products and services to offer clients a complete private banking service, with key services including: (i) discretionary and advisory investment mandates; (ii) deposits; (iii) lending (property and securities); (iv) wealth protection; and (v) through NBAD Private Bank (Suisse) SA, foreign exchange trading.

NBAD's UAE Private Banking function was awarded "Private Bank of the Year UAE" for 2015 in the Annual Global Private Banking Awards hosted by The Banker and Professional Wealth Management Magazine.

(ii) **Global Asset Management Group**

The Global Asset Management group (**GAM**) is a wealth-oriented business composed of an asset management function and an investments, products and solutions unit servicing primarily the Global Private Bank. Through GAM, NBAD is currently one of the largest local asset managers in the UAE with assets under management in excess of AED 10.2 billion as at 30 June 2016. GAM provides access to multiple investment strategies to clients through two investment vehicles: mutual funds and segregated mandates. Strategies offered are differentiated by risk (defensive versus aggressive), markets (UAE, MENA and broader markets), asset class (equities and fixed income) and Shariah compliance. In terms of clients, GAM primarily services ultra-high net worth individuals, sovereign wealth funds and financial institutions.

NBAD's GAM was awarded "Best ETF Provider" by MENA Fund Manager 2016, "Best Asset Management" by International Takaful Award 2016 and "Best Fixed Income Fund" by the Banker Middle East Awards 2016.

(iii) **NBAD Securities LLC**

NBAD Securities LLC (**NBADS**) is a wholly-owned subsidiary of NBAD which is licensed by the SCA. NBADS is one of the largest brokerage service providers in the UAE with a market share of 7.8% as of 30 June 2016. NBAD services over 4,500 active accounts through four active branches across the UAE in addition to its own dedicated e-trading platform. NBADS trades across the ADX, the DFM, NASDAQ Dubai and selected markets in the GCC (through various third party partners).

NBADS is a market-focused, process centered institution that delivers innovative and consistent services, including various brokerage services in the UAE and the regional markets alike. In addition, NBADS provides research services for institutional and retail clients covering UAE and selected Saudi, Qatar and Egyptian public listed companies.

(iv) **Key Clients Management**

The Key Clients Management Department provides global relationship management for the Abu Dhabi royal family, government entities and other key dignitaries including diplomats, members of various boards of directors, high-net worth individuals and business communities to service their banking needs and to maintain NBAD's reputation as a leading financial institution.

4.3.3 HEAD OFFICE SUPPORT AND OTHER BUSINESSES

(a) **Head Office**

NBAD provides centralised human resources, information technology, finance, investor relations, corporate communications, property, legal, operations and administrative support to all of its businesses.

As on 30 June 2016, HQ contributed 14.15% of the Group's total assets (compared to 13.2% on 30 June 2015) and 6.4% of the Group's total liabilities (compared to 6.4% on 30 June 2015).

(b) **Group Treasury**

The Group Treasury department is a Head Office function whose role is to ensure that the Group always has sufficient liquidity and capital to support the Board's medium and long-term strategic objectives which incorporate balance sheet, geographical and financial performance growth.

(c) **Risk Management**

The Board has overall responsibility for the establishment and oversight of NBAD's risk management framework and they are assisted by two Board committees, the Risk Management Committee and the Audit Committee; and by two management committees, the Group Risk Committee and the Group Assets and Liabilities Committee.

(d) **Information Technology**

NBAD's Information Technology (**IT**) department delivers an effective, efficient and sustainable management of information assets and technology.

NBAD's IT department is focused on utilising advanced IT systems to serve NBAD's customers and ensure that customers' data is well protected and secured against unauthorised access. To improve responsiveness to the needs of the business, the IT department is organised into six main units, namely: (i) IT Strategy, Governance and Control; (ii) IT Business Services and International; (iii) IT Business Applications Support Services; (iv) IT Solution Design; (v) IT Solution Delivery; and (vi) IT Infrastructure Services.

(e) **Group Security**

To ensure NBAD is protected against threats to the security of its data, physical information and assets, a new, independent Group Security Office (**GSO**) has been established to create an end-to-end security program for NBAD. The GSO is responsible for developing, implementing and managing the Group Security strategy, and ensures proper planning, clear accountability and alignment for NBAD-wide security initiatives including security governance and control. In addition to liaising with Information Technology, Group Compliance, Group Internal Audit and Risk Management functions for all security related matters, the GSO is also accountable and responsible for conducting security awareness training and continuously strengthening all aspects of NBAD's security posture, including digital and physical security, as follows:

(f) **Group Internal Audit**

Group Internal Audit (**GIA**) provides the NBAD Board and senior management of NBAD with an independent opinion on the effectiveness of corporate governance, risk management and internal control arrangements of the NBAD Group.

(g) **Group Legal And Compliance Division**

NBAD's legal and compliance functions are contained within a single division (the **Legal and Compliance Division**) in order to provide a single point of contact on all legal and compliance matters for senior management and employees whilst retaining separate legal and compliance teams within the Legal and Compliance Division to facilitate day to day legal and compliance work.

4.4 DIRECTORS

The NBAD Board, as at the date of this document, is comprised of the following persons:

Position	Name
Chairman	H.E. Nasser Ahmed Alsowaidi
Deputy Chairman	H.E. Sultan Nasser AlSuwaidi
Director	Sheikh Mohammed Bin Saif Bin Mohammed Al Nahyan
Director	Sheikh Ahmed Mohammed Sultan Al Dhaheri
Director	Mr. Matar Hamdan Al Ameri
Director	H.E. Sultan Bin Rashed Al Dhaheri
Managing Director	Mr. Khalifa Sultan Al Suwaidi
Director	H.E. Hareb Masood AlDarmaki
Director	Ms. Mariam Saeed Ghobash
Director	Mr. Hashim Fawwaz Al Kudsi
Director	Mr. David Beau

5. INFORMATION IN RELATION TO FGB

5.1 INTRODUCTION

5.1.1 Incorporation

FGB was incorporated in the UAE in 1979 for a duration of 100 years and is registered as a public joint stock company in accordance with UAE Federal Law No. 8 of 1984 (as amended) (which was replaced with UAE Federal Law No. 2 of 2015 with effect from 1 July 2015). FGB operates in the UAE under a banking license for an unlimited term granted by the UAE Central Bank which does not require periodic renewal. FGB's commercial registration number is 1002668 and its registered address and telephone number are P.O. Box 6316, Abu Dhabi, United Arab Emirates and +971 2 681 6666, respectively.

5.1.2 Capital structure

The issued and fully paid up share capital of FGB, as at the date of this document, is 4,500,000,000 shares of AED 1.00 each. The FGB Shares are admitted to listing and trading on the Abu Dhabi Securities Exchange.

5.1.3 Major shareholders

As at 9 October 2016 (being the last practicable date before the publication of this document), those shareholders known by FGB to own 5% or more of the share capital of FGB were:

Shareholder	Number of shares	Percentage of total issued share capital of FGB
Mubadala Development Company	320,181,073	7.1%
Direct Access Investments	319,050,000	7.1%
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	243,000,000	5.4%
Total	882,231,073	19.6%

5.1.4 UAE national and non-UAE national shareholdings

As at 9 October 2016 (being the last practicable date before the publication of this document), 87.31% of FGB Shareholders were UAE national investors and 12.69% were foreign investors. The FGB Articles require that not less than 75.0% of the FGB Shares be owned by UAE nationals.

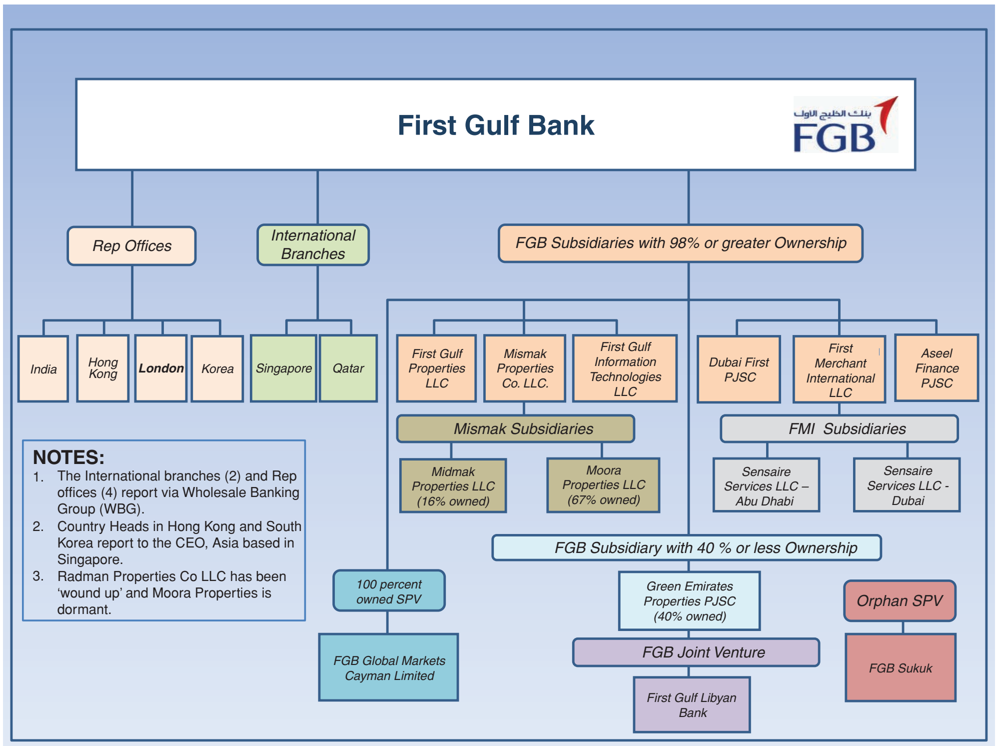
5.1.5 Financial year and auditors

The financial year of FGB is the calendar year ending on 31 December.

The auditors of FGB are Ernst & Young of Nation Tower 2, Corniche, P O Box 136, Abu Dhabi, United Arab Emirates.

5.2 FGB GROUP STRUCTURE

A simplified structure chart of the FGB Group as at 9 October 2016 (being the last practicable date before the publication of this document) is set out below.



5.3 DESCRIPTION OF BUSINESS

For financial reporting purposes, the Group's business activities are classified within the following four business segments

- ***Wholesale Banking Group***—this segment supports corporates, financial institutions and high net worth individuals in capital raising, risk management and transaction services, both in the UAE and internationally. The product offering also includes traditional corporate banking services (such as loans, credit facilities, deposits and current accounts), global transaction services (including cash management and trade finance), debt markets and syndications (including loan syndications, structured finance and bond origination) and corporate finance. Wholesale banking services are provided on both an Islamic and conventional basis. Wholesale Banking has the following principal product groups: (i) Global Transaction Services (GTS); (ii) Debt Markets and Syndications (DMS); (iii) Islamic Banking; and (iv) Corporate Finance.

- ***Treasury and Global Markets***—this segment principally provides money market, asset management, brokerage, treasury services, foreign exchange and structured derivative products and also manages the Group's funding and investing operations. TGM banking services are provided on both an Islamic and a conventional basis.

- ***Consumer Banking***—this segment principally handles consumer deposits, loans and overdrafts, credit card facilities and funds transfer facilities. The consumer banking segment has established a wealth management business, that services clients with a minimum relationship value of at least US$100,000, which is expanding globally. The consumer banking segment caters to the 'high net worth segment' and offers bespoke investment and banking solutions. The wealth management business offers both conventional and Islamic products. Consumer Banking has the following principal product groups: (i) Credit and Debit Cards; (ii) Personal Loans/Mortgage Loans (Conventional)/Small Business Loans/Auto-Loans; (iii) Bank Assurances; (iv) Investments; (v) Deposit Accounts; (vi) Islamic Banking; and (vii) Real Estate Activities—this segment principally handles the acquisition, leasing, brokerage, management and resale of properties.

- ***Real Estate Activities***—this segment principally handles the acquisition, leasing, brokerage, management and resale of properties.

- ***Incremental Revenue Drivers***—this segment principally includes the consumer finance subsidiaries like Aseel Finance and Dubai First, also includes the central functions of the company

Wholesale Banking Group

During 2013, FGB created WBG to include under one umbrella the Corporate Banking Group ("CB"), FIG and IB.

Through WBG, FGB is looking to adopt a regional coverage model served by regional and global products with the aim of broadening its bank product capability and deepening its bank client relationships. The growth of WBG in June 2016 resulted from enhanced market share & share of wallet in Asia Pacific Countries loan markets, as well as increased trade finance activity, risk management and expense control

As at 30 June 2016, WBG accounted for 46.4 per cent. of the Group's assets (as compared to 44.1 per cent. as at 30 June 2015).

WBG has also established a global product platform for its clients encompassing the following product groups: (i) global transaction services (providing cash management and trade finance products and services); (ii) debt markets and syndications (covering loan syndications, structured finance and bond origination); (iii) Islamic banking and (iv) corporate finance.

Beyond its traditional lending activities, FGB has established its global product platform to enable its WBG relationship management teams, both in the UAE and internationally, to deliver tailored products and solutions to its WBG clients. These product groups are as follows:

- *Global Transaction Services* (**GTS**)

The GTS team combines FGB's extensive local knowledge with its growing global capability to offer a range of innovative and customised products and services in the areas of trade finance and cash management. GTS is available to both FGB's corporate and financial institution clients.

- *Debt Markets and Syndications* (**DMS**)

The DMS team specialises in the origination, structuring and distribution of debt related products. This includes FGB acting as arranger and underwriter in the syndicated loan market and the debt capital markets. The DMS team has expertise in sectors including real estate, hotel development, oil and gas, manufacturing, food and beverages and financial institutional banking. FGB also offers specialised financing for its clients in the project finance, aircraft and shipping finance sectors and in acquisition and leveraged financing.

- *Islamic Banking*

The Islamic banking team acts as a centre of excellence for the provision of Islamic products for FGB's WBG clients and, also, across the Group. See "*—Islamic Banking*" below.

- *Corporate Finance*

The Corporate Finance team currently acts in an advisory capacity to FGB's WBG clients in sectors including mergers and acquisitions, equity capital markets (including initial public offerings) and leveraged and acquisition finance.

Corporate Banking Group

In addition to traditional banking products for its small, medium and large public and private corporate and governmental customers, in early 2008 the Group established a new unit to manage and market high value corporate depository relationships. Corporate banking also offers private banking services, including lending to high net worth customers, principally being members of the ruling family of Abu Dhabi and the companies owned or controlled by them.

- *Coverage and Operating Model*

In 2013, corporate banking implemented a new coverage and operating model to realign its business with the following customer segments:

- *Corporate and Investment Banking*

The CIB team focuses on large corporates and Government Related Entities (**GRE**) within the UAE and is serviced by origination teams based in Abu Dhabi and Dubai.

- *Corporate Banking*

The CB team is based in Abu Dhabi, Dubai and Sharjah and focuses on the development of business relationships with medium-sized corporate clients as well as multinational corporate clients. A dedicated CB team based in Jebel Ali covers clients based in the free zone.

With the implementation of this new model, corporate banking customer segments receive customized products through the following product specialist groups: (i) the project finance and syndication team based in Abu Dhabi, which focuses on deal origination, distribution of syndicated facilities (particularly corporate loans and structured finance loans, including project finance, leveraged finance, asset-backed finance and equity bridge financing), enacting ancillary roles in regional transactions and managing initial public offerings (including undertaking a share registry function and any related dividend distributions); (ii) the transaction banking team based in Abu Dhabi and Dubai, which provides new products and platforms to optimise working capital management for customers; and (iii) the Islamic banking team based in Abu Dhabi, which provides *Shari'a*-compliant Islamic product offerings for customers (see "*—Islamic Banking*" below).

The corporate banking segment's client profile includes top tier corporate customers for whose business there is significant competition and a corresponding pressure on margins as many of these customers have a number of established banking relationships.

The Group's corporate banking products are offered on both a conventional and Islamic basis. Its corporate banking customers are offered a range of deposit products including corporate current accounts, fixed term deposit accounts and call deposit accounts as well as electronic funds transfer services (including automatic salary payment facilities for major clients) and foreign exchange services. Deposit accounts can be denominated in a range of currencies, although the majority of deposits are denominated in UAE dirhams and the majority of non-local currency business is denominated in US dollars. Typically, fixed term deposits are made on a short-term basis although such deposits can range in maturity from one week to one year.

FGB also offers a range of lending facilities including secured term loans (facilities secured by deposits, guarantees, shares or property and equipment) and unsecured working capital loans (including overdrafts and letters of credit) as well as bill discounting and other trade finance facilities. The segment is very competitive with corporate and financial institutions predominantly well banked.

Financial Institutions Group

The FIG has been integrated into the WBG in order to support FGB's UAE WBG clients and their partners and affiliates located across its international network. The FIG covers banking and non-banking financial institution relationships with over 520 financial institution clients globally, while supporting FGB's treasury, consumer and corporate banking activities. FGB's corporate and institutional clients have access to international trade and payment products through the strong alliances which the FIG has established with a large network of reputable local and international banks. FGB's correspondent relationships facilitate the offering of various products, including the issuance of letters of credit and guarantees, risk participation in trade related transactions and offer opportunities for FGB to lead and participate in syndicated loan transactions relating to financial institution clients. The FIG is among the business areas with strong growth potential given the expanding economy and FGB's international expansion plans.

International Banking Group

The IBG has been integrated into the WBG in order to support FGB's UAE WBG clients and their partners and affiliates located across its international network. FGB's international expansion is part of its diversification strategy to tap into new pools of profitability across new geographies and to further diversify risk in a sustainable manner. FGB's international footprint includes a presence in Singapore and Qatar through respective wholesale branches, in India, Hong Kong, South Korea and the United Kingdom through representative offices and Libya via FGLB, its joint venture with the Economic and Social Development Fund of Libya.

The Group's international strategy is predominantly wholesale based, which is a core competency of FGB's operations. International locations are managed by seasoned bankers with local market experience with a view to position FGB as local to the needs of the country and/or region. Building on its success in Singapore, Hong Kong, India, Qatar, Libya, South Korea and the United Kingdom, FGB intends to continue its international expansion, giving priority to those countries which have strong trade connections with the UAE, such as China.

Treasury and Global Markets Group

Established in 2001, TGM offers a broad range of financial products to key corporate and institutional customers. TGM is responsible for managing FGB's funding requirements, liquidity position and market risks. TGM manages FGB's proprietary investment portfolio which seeks to enhance FGB's risk adjusted returns by investing in high quality assets across a range of classes, sectors and geographies. In addition, TGM seeks to generate fee income through the provision of a diverse range of global markets services including money market, foreign exchange, credit, commodities and interest rate risk management solutions, cross-asset investment products, asset management and brokerage to its customers. In providing access to the global markets for its clients, TGM seeks to leverage its relationships with global institutions, structuring bespoke tailor-made risk management and investment solutions which TGM intermediates for its clients.

As at 30 June 2016, services related to TGM accounted for 21.1 per cent. of FGB's assets (compared to 22.0 per cent. as at 30 June 2015).

FGB believes that this business has strong growth potential in the years ahead given the expanding domestic economy, the increasing sophistication of its client base and FGB's international expansion plans. In particular, FGB intends to expand its customer base for these products to include high net worth individuals and institutional investors across the MENA region and Asia.

The following is a summary of certain of the principal areas of focus for TGM:

- ***Money Market***

TGM manages FGB's liquidity and interest rate risk within the Board of Directors' approved risk mandate with specialists dealing in the interbank market through money market transactions, repos, foreign exchange forwards, interest rate swaps and other derivative tools.

- ***Risk Management and Investment Solutions***

Through its sales and marketing team, TGM delivers a comprehensive risk management service to the Group's customers comprising foreign exchange, interest rate, credit, equity and commodity asset classes. This service covers corporate, institutional and high net worth customers, both onshore and internationally, and is a bespoke offering designed to address a broad range of risk management objectives. The sales and marketing team also structures cross-asset investment solutions for distribution through FGB's corporate, institutional and global wealth management customers.

- ***Investments***

TGM manages FGB's proprietary investment portfolio in fixed income, equity, hedge funds and private equity. As at 30 June 2016, the portfolio represented c.8.0 per cent. of the Group's assets, with c.92% comprising fixed income investments.

- ***Islamic***

TGM's *Shari'a*-compliant product offering ranges from basic solutions such as commodity *murabaha* and *wakala*-based liquidity management solutions to more sophisticated solutions such as risk management solutions, including *Shari'a*-compliant derivatives.

- ***Execution Services***

TGM provides execution services for its institutional and private clients in foreign exchange, international equities, precious metals and commodity futures including base metals, energy and soft commodities. These services are available 24 hours a day through a team of experienced dealers and an online trading system that provides real time automated dealing prices. TGM also offers international equity brokerage services to its clients in the GCC region and other countries.

- ***Trading***

TGM provides liquidity, risk facilitation and structured solutions for its institutional and private clients in foreign exchange, credit, interest-rates and commodities. TGM's traders also take short-term proprietary risks within their respective mandates.

- ***Group Funding***

Group Funding is mandated to raise term funding and manage the medium and long-term liquidity profile of FGB. Instruments used by Group Funding include institutional deposits, public and private medium term notes, *sukuk*, certificates of deposit, and syndicated loans and bi-lateral loans. Group Funding raises funds from a diversified base of investors across different countries and currencies.

- ***Asset Management***

As at 30 June 2016, the TGM had US$84.7 million of assets under management (compared to US$83.1 million as at 30 June 2015), principally hedge funds and private equity investments. TGM also manages investment portfolios for its high net worth clients and has expertise in equity investing in the MENA region. TGM plans to launch additional equity investment funds on an opportunistic basis.

Consumer Banking

Consumer banking services were first offered by FGB in 2002 and, as at 30 June 2016, these services accounted for 24.2 per cent. of the Group's assets (compared with 24.3 per cent. as at 30 June 2015).

The Group's consumer banking business has grown significantly since it first commenced operations in 2002 and as at 30 June 2016, the Group had 418,000 customers.

Although the Group's consumer banking products are targeted at both UAE nationals and expatriates, FGB has primarily focused on positioning itself as the bank of choice for the UAE national customer segment. The key selling point used by the sales force is the Group's flexibility and speed in approving loans and its provision of a range of other consumer banking services.

Whereas FGB provides only conventional consumer banking services, Aseel Finance (which has a licence to conduct all Islamic banking activities except the acceptance of consumer deposits) focuses on providing Islamic consumer banking products and services and Islamic SME financing (see "*—Islamic Banking*" below).

FGB's credit criteria in relation to its expatriate customers varies by reference to the product being offered and is based on a number of factors including the customer's salary, whether any collateral is to be provided and whether or not the customer has stable accommodation.

The Group has also sought to reduce costs in the consumer banking business where possible through maintaining a limited branch network and through the use of remote banking channels such as internet banking, phone banking and mobile banking.

The principal consumer products offered by the Group include:

- ***Credit and Debit Cards***

The Group's card products provide transactional settlement convenience. As at 30 June 2016, FGB had issued 378,120 credit cards, compared to 458,261 credit cards as at 30 June 2015 and 458,151 credit cards as at 30 June 2014. FGB offers Visa and Master Card credit cards which are accepted in over 28 establishments in 200 countries and entitle holders to obtain cash advances from over 1.8 million ATMs around the world.

In January 2014, FGB launched the "FGB MCFC Credit Card" in partnership with Manchester City Football Club. The credit card offers a variety of privileges and services aimed at fans of Manchester City Football Club and gives its holders the opportunity to win a number of Manchester City Football Club related experiences in Manchester and Abu Dhabi. The credit card has attracted 28,278 "new to bank" customers since its launch. This complements FGB's existing credit cards in association with selected third parties ranging from the "FGB Card" to the "Masdar Card" (in association with Masdar, the Government of Abu Dhabi's renewable energy company) and also FGB's own "Abu Dhabi Affinity Card", which features monthly, quarterly and annual prize draws for its holders.

Dubai First, a wholly owned subsidiary of FGB, also specialises in the provision of credit card finance.

- ***Personal Loans/Mortgage Loans (Conventional)/Small Business Loans/Auto Loans***

The Group's personal loans, mortgage loans, small business loans and auto loans are offered to provide for the wide range of financial needs of UAE residents, both nationals and expatriates. These loans are either: (i) unsecured (personal instalment loans or small business loans), made against the assignment of salary payments; or (ii) secured on specific assets. Further to a circular released by the UAE Central Bank on 23 February 2011, new consumer banking regulations applicable to UAE banks were brought into effect on 1 May 2011. These regulations cap personal loans at twenty times a borrower's monthly salary and stipulate repayment of personal loans within 48 months. FGB is complying with these regulations.

FGB was selected by the Abu Dhabi government in December 2006 to manage a AED 5.0 billion housing loan programme established by it. Since then, this amount has increased to AED 20.4 billion as at 30 June 2016 as compared to AED 19.3 billion as at 31 December 2015, an increase by AED 1.1bn over a period of 6 months. Under this programme, UAE nationals are loaned up to AED 2.0 million on a zero interest basis by the government to build a single residence. The loan is repayable in monthly instalments over a 30-year period.

- ***Bancassuarance***

The Group successfully launched its Bancassurance business with an objective to offer insurance linked long-term savings plans and other general insurance products. The Group has built a strong distribution team with certification and training to offer quality service to customers. First Insure was introduced to launch new product lines in relation to motor, property, travel and health insurance with conventional and Islamic options. FGB also collaborated with Life Insurance Corporation (International) B.S.C.(c) (**LIC (I)**), a subsidiary of India's largest insurance company, Life Insurance Company (LIC) in December 2012. FGB is the only bank in the UAE to offer LIC (I) products.

- ***Investments***

"Global Wealth Management" is FGB's premier banking offering catering to high net-worth individuals with a minimum relationship size of USD 100,000. Since its launch in December 2007, FGB has built a strong relationship management team with a robust product platform offering a range of investment and insurance solutions across asset classes, with investment assets under management of over AED 5.9 billion as at 30 June 2016. In 2014, FGB launched its Global Wealth Management services in Singapore. It provides FGB's wealth customers with greater access to investment opportunities in the Asia Pacific region.

- ***Deposit Accounts***

Deposit accounts include fixed term deposit accounts and call accounts which are offered with various maturities and yields to suit the customer's savings and/or investment requirements and against which customers may take loans and/or overdrafts. In 2012, FGB launched the Advantage Plus, Power-up and ChildFirst products as well as the FirstSavings Certificate, a unique savings programme that ensures guaranteed interest on a customer's savings and gives them a chance to win a number of prizes throughout the year. In May 2013, FGB also launched Power Plus, a current account that works like a fixed deposit but with greater flexibility and no restrictions or charges on withdrawal. Power Plus customers can earn higher rates of interest when they maintain their balances for longer tenures and with certain increases in account balances. In 2014, FGB launched the "iSave Online Account", an innovative online account with no restrictions on withdrawals, which enters its holders into daily, monthly and quarterly cash prize draws. In May 2014, FGB also launched UAE-resident Indian banking services in partnership with two leading Indian Banks (ICICI Bank and Kotak Mahindra Bank), which means the products offered by those Indian banks are available to the large Indian expat community in the UAE.

Islamic Banking

The FGB Islamic banking team, comprising experienced individuals embedded across the principal business segments of FGB, acts as a centre of excellence for the provision of Islamic products for FGB's clients across the Group. The Group's Islamic banking activities include the provision of corporate and consumer financing (through bilateral facilities and syndications) on a *Shari'a*-compliant basis and liability products, such as *wakala* deposits (for both its corporate and consumer customers) and current/call accounts. These services are provided in order to satisfy the growing number of existing and new customers of the Group who require their banking activities to be *Shari'a*-compliant, as well as to ensure FGB's participation in this important and fast-growing sector. FGB expects that corporate and consumer Islamic banking, as well as *Shari'a*-compliant investment banking activities in FGB's existing and future markets, will grow substantially in the coming years.

Shari'a-compliant SME corporate financings, consumer mortgages and credit cards are offered through FGB's affiliate Aseel Finance (which has a licence to conduct all Islamic banking activities except the acceptance of consumer deposits). Large corporate *Shari'a*-compliant financings and syndicated *Shari'a*-compliant financings and *sukuk* issues are offered through the Islamic banking team.

The Group's *Shari*'a supervisory board (the ***Shari'a* Supervisory Board**) is an independent board comprising the prominent Islamic scholars Sheikh Dr. Mohd Daud Bakar, Sheikh Dr. Mohamed Ali Elgari and Sheikh Dr. Abdul Aziz Al Qassar. The *Shari'a* Supervisory Board is supported in its work by a Group-wide *Shari'a* governance framework and by experienced FGB *Shari'a* counsels (internal FGB *Shari'a* advisors) to ensure that the Group's Islamic banking products and transactions are carried out in compliance with its *Shari'a* pronouncements.

The Group's Wholesale, Consumer, and Treasury and Global Markets' *Shari'a*-compliant products and investment banking services are subject to the same credit and business approval criteria as the Group's conventional products in addition to the *Shari'a* approval. These include deposits, financing and card products based on a range of Islamic finance structures including *murabaha* (cost plus financing), *ijara* (leasing), *istisna'a* (project/construction financing), *mudaraba* (investment management), *musharaka* (partnership), *wakala* (agency) and *sukuk* (participation certificates).

Real Estate Activities

As at 30 June 2016, the activities of the real estate division accounted for 4.0 per cent. of the Group's total assets (compared to 4.2 per cent. as at 30 June 2015).

Prior to 1 January 2007, the Group's real estate activities were centered in its corporate banking division and had principally developed from its expertise in contractors' financing (see "*—Business Activities—Wholesale Banking*" above).

Since January 2007, the Group's real estate activities have been conducted through the following subsidiary and associated companies:

- ***Mismak Properties Co. LLC***

Mismak Properties Co. LLC (**Mismak**), which is wholly owned by FGB, acts as a holding company for the Group's real estate investment and development activities. As at 30 June 2016, Mismak had AED 7.3 billion of investment properties on its balance sheet and was involved in seven ongoing developments. Mismak has an authorized and paid up share capital of AED 1.0 billion.

- ***Green Emirates Properties P.J.S.C.***

Green Emirates Properties P.J.S.C. (**GEP**) is 40.0 per cent. owned by FGB. The remaining 60.0 per cent. is owned by two major property developers in Abu Dhabi, being ALDAR Properties P.J.S.C. and Reem Investments P.J.S.C. GEP manages properties under development for certain of its clients as well as properties being developed by its founding developer shareholders for which it charges a fee. GEP also acts as a real estate broker buying and selling properties for its customers on a commission basis. GEP has an authorised share capital of AED 10 million and a paid up share capital of AED 10.0 million.

- ***First Gulf Properties L.L.C.***

First Gulf Properties L.L.C. (**FGP**), which is a wholly owned subsidiary of FGB, is a property management, facility management and hospitality company. FGP commenced operations in 2011 and, as at 30 June 2016, manages a mixed and varied property portfolio in excess of 12,600 units located across the UAE, with a total annual rent roll of more than AED 1.5 billion. FGP has paid up share capital of AED 150,000.

BRANCH NETWORK AND PRODUCT DISTRIBUTION

As at 30 June 2016, FGB's UAE-based operations included its head office and a network of 23 branches in the Emirates of Abu Dhabi, Dubai, Ajman, Sharjah, Fujairah and Ras Al Khaimah. As at 30 June 2016, FGB had a network of 140 automated teller machines/cash deposit machines (**ATMs**) and its customers had access to a total shared network of approximately 5,126 ATMs in the UAE.

In addition to these branches and ATMs, FGB has a wide range of distribution channels including internet banking, phone banking and mobile banking. The internet banking platform allows customers to access their accounts securely and reliably, open new accounts, transfer funds between certain accounts, pay utility and credit card bills, request transfer of funds and request a demand draft, manager's cheque and telegraphic transfers.

Internationally, FGB has 2 overseas branches (Doha and Singapore), 4 representative offices (London, Mumbai, Hong Kong and Seoul) and 1 subsidiary in Libya

5.4 DIRECTORS

The FGB Board, as at the date of this document, is comprised of the following persons:

Position	Name
Chairman	H.H. Shk Tahnoon Bin Zayed Al Nahyan
Vice Chairman	H.E. Ahmed Ali Al Sayegh
Director	H.E. Khaldoon Khalifa Al Mubarak
Director	H.E. Sultan Khalfan Al Ktebi
Director	H.E. Mohamed Saif Al Suwaidi
Director	Mr. Jassim Al Siddiqi
Director	H.E. Abdulhamid Saeed

6. HISTORICAL FINANCIAL INFORMATION

PART A
HISTORICAL FINANCIAL INFORMATION OF NBAD

PART 1: Two years ended 31 December 2014 and 31 December 2015

The consolidated financial statements of NBAD for the years ended 31 December 2014 and 31 December 2015 are available on NBAD's website at www.nbad.com and are incorporated into this document by reference. The financial statements have been prepared in accordance with IFRS and other mandatory reporting requirements. KPMG has performed audits in accordance with International Standards on Auditing and has issued audit reports on the financial statements for the years ended 31 December 2014 and 31 December 2015. Each such audit report was unqualified.

PART 2: Three month period ended 31 March 2016 and six month period ended 30 June 2016

The consolidated financial information for the three month period ended 31 March 2016 and the six month period ended 30 June 2016 are available on NBAD's website at www.nbad.com and are incorporated into this document by reference. The financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and other mandatory reporting requirements. NBAD's auditors, PricewaterhouseCoopers, have issued unqualified review reports for each of the three month period ended 31 March 2016 and the six month period ended 30 June 2016.

PART B
HISTORICAL FINANCIAL INFORMATION OF FGB

PART 1: Two years ended 31 December 2014 and 31 December 2015

The consolidated financial statements of FGB for the years ended 31 December 2014 and 31 December 2015 are available on FGB's website at www.fgbgroup.com and are incorporated into this document by reference. The financial statements have been prepared in accordance with IFRS and other mandatory reporting requirements. Ernst & Young has performed audits in accordance with International Standards on Auditing and has issued audit reports on the financial statements for the years ended 31 December 2014 and 31 December 2015. Each such audit report was unqualified.

PART 2: Three month period ended 31 March 2016 and six month period ended 30 June 2016

The consolidated financial information for the three month period ended 31 March 2016 and the six month period ended 30 June 2016 are available on FGB's website at www.fgbgroup.com and are incorporated into this document by reference. The financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and other mandatory reporting requirements. FGB's auditors, Ernst & Young, have issued unqualified review reports for each of the three month period ended 31 March 2016 and the six month period ended 30 June 2016.

PART C
PRO FORMA PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL INFORMATION

PRO FORMA PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following pro forma preliminary condensed consolidated financial information and related notes ("Pro forma financial information") illustrates the effects on the statement of financial position of the combination (merger) between National Bank of Abu Dhabi and its subsidiaries (together referred to as "NBAD") and First Gulf Bank and its subsidiaries (together referred to as "FGB"). The closing of the combination is subject to the occurrence or waiving of certain conditions precedent and is expected to occur in the first quarter of 2017.

The Pro forma financial information consists of the Unaudited Pro Forma Condensed Consolidated Statement of Financial Position of NBAD and FGB (together referred to as "the Group") as at 30 June 2016, as if the merger has taken place as at 30 June 2016, and Notes to the Unaudited Pro Forma Financial Information.

The purpose of the Pro forma financial information is to show the material effects that the merger of NBAD and FGB would have had on the historical consolidated statement of financial position if the Group had already existed in the structure created by the combination as at 30 June 2016.

The presentation of the Pro forma financial information of the Group is based on certain pro forma assumptions and has been prepared for illustrative purposes only and, because of its nature, the pro forma consolidated statement of financial position addresses a hypothetical situation and, therefore, does not represent NBAD's actual financial position and may not give a true picture of the financial position of the Group. Furthermore, the Pro forma financial information is only meaningful in conjunction with the historical consolidated financial statements of NBAD and FGB as at and for the financial year ended 31 December 2015 and the historical interim condensed consolidated financial statements of the two entities as of and for the six-month period ended 30 June 2016.

The Pro forma financial information has been prepared on figures extracted from the unaudited interim condensed consolidated financial statements of NBAD, and the unaudited interim condensed consolidated financial statements of FGB as at 30 June 2016, both prepared on the basis of International Financial Reporting Standards.

The Pro forma financial information have been compiled based on the accounting policies of FGB being the accounting acquirer. Those accounting policies are disclosed in the consolidated financial statements as at 31 December 2015 of FGB. The principles of compilation of these pro forma financial information and assumptions used are explained in this document (Notes).

The purpose of the Pro forma financial information is to illustrate the effect of the combination of NBAD and FGB businesses as at 30 June 2016. They are not representative of the financial situation and performance that could have been observed if the indicated business combination had been undertaken at an earlier date.

The Pro forma financial information does not take into consideration the effects of expected synergies or costs incurred to achieve these synergies as a result of the acquisition / combination. The Pro forma financial information gives no indication of the results and future financial situation of the activities of the Group.

Under IFRS 3 *Business Combinations*, the Group accounts for the merger as an acquisition by FGB of NBAD ("reverse acquisition") and is required to fair value the assets, liabilities and contingent liabilities acquired at the date of acquisition and to reflect the difference between their fair value and the purchase consideration as goodwill or gain on acquisition. The fair value exercise ("purchase price allocation") is not completed as at the date of this document and may result in different values being attributed to the assets, liabilities and contingent liabilities acquired than those that are shown in the Pro forma financial information.

PRO FORMA CONDENSED
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2016

	NBAD	FGB	Pro forma adjustments	Notes	Pro forma Consolidated
	AED 000	AED 000	AED 000		AED 000
ASSETS					
Cash and balances with central banks	73,004,515	19,474,888	—		92,479,403
Investments at fair value through profit or loss	14,876,442	622,858	(417,800)	i	15,081,500
Due from banks and financial institutions	14,834,458	7,757,534	(110,638)	i	22,481,354
Reverse repurchase agreements	13,367,962	3,689,823	(1,255,263)	i	15,802,522
Derivative financial instruments	15,086,986	2,081,659	(225,274)	i	16,943,371
Loans and advances	202,912,617	153,412,138	—		356,324,755
Non-trading investments	71,110,563	23,269,049	—		94,379,612
Other assets	11,244,353	6,882,120	(27,673)	i	18,098,800
Investment properties	185,623	8,344,606	—		8,530,229
Property and equipment	2,759,446	1,523,027	219,640	ii	4,502,113
Goodwill and intangible assets	—	183,757	16,087,898	iv	16,271,655
Total assets	**419,382,965**	**227,241,459**	**14,270,889**		**660,895,313**
LIABILITIES					
Due to banks and financial institutions	38,855,865	12,212,488	(110,638)	i	50,957,714
Repurchase agreements	30,456,924	10,095,110	(1,255,263)	i	39,296,771
Euro commercial paper	5,766,784	2,323,338	—		8,090,122
Derivative financial instruments	18,625,377	2,675,697	(225,274)	i	21,075,800
Customer accounts and other deposits	243,335,109	139,633,458	—		382,968,567
Term borrowings	24,448,319	17,167,941	(417,800)	i	41,198,460
Other liabilities	14,454,621	4,282,929	(27,673)	i	18,709,877
Sukuk financing instruments	—	4,223,950	—		4,223,950
Subordinated notes	416,281	—	—		416,281
Total liabilities	**376,359,280**	**192,614,911**	**(2,036,649)**		**566,937,542**
EQUITY					
Share capital	5,254,546	4,500,000	1,143,000	iii, v	10,897,546
Additional paid-in capital	278,839	—	51,455,704	iii, v	51,734,543
Treasury shares	(53,623)	—	—	iii, v	(53,623)
Legal reserve	5,209,722	11,030,110	(11,030,110)	iii, iv	5,209,722
Tier 1 capital notes	6,754,750	4,000,000	—	iv, v	10,754,750
Share option scheme	210,130	—	—	iv, v	210,130
Convertible notes-equity component	108,265	—	—	iv, v	108,265
Revaluation reserve	—	280,601	—		280,601
Other reserves	20,247,889	689,543	(20,247,889)	v	689,543
Retained earnings	5,013,167	13,703,599	(5,013,167)	v	13,703,599
Equity attributable to equity holders of the Bank	**43,023,685**	**34,203,853**	**16,307,538**		**93,535,076**
Non-controlling interests	—	422,695	—		422,695
Total equity	**43,023,685**	**34,626,548**	**16,307,538**		**93,957,771**
Total liabilities and equity	**419,382,965**	**227,241,459**	**14,270,889**		**660,895,313**

See notes to the Pro forma financial information.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION

BASIS OF PRO FORMA FINANCIAL INFORMATION PRESENTATION

The Group has adopted the acquisition method of accounting under IFRS 3 *Business Combinations*. IFRS 3 requires that an acquirer be identified in any business combination and acquisition accounting principles be applied. For the purposes of this Pro forma financial information, FGB has been identified as the acquirer from an accounting point of view (since the shareholders of FGB will become the holders of 52% of the shares in NBAD following the merger). The merger is to be effected by a capital issuance of 5,643 million shares of AED 1 by NBAD to the shareholders of FGB, in a share swap transaction at the exchange rate of 1.254 shares of NBAD for each share of FGB. Accordingly, the transaction is accounted for as a reverse acquisition.

The consolidated statement of financial position of NBAD at 30 June 2016 has been extracted from the unaudited interim condensed consolidated financial statements of NBAD. The consolidated statement of financial position of FGB at 30 June 2016 has been extracted from the unaudited interim condensed consolidated financial statements of FGB.

The Pro forma financial information has been prepared and are presented on the basis of accounting policies of FGB as disclosed in its consolidated financial statements for the year ended 31 December 2015. The accounting policies used by FGB as described in its financial statements for the year ended 31 December 2015 do not materially differ from those used by NBAD except for the following:

(a) Lands classified under property and equipment are measured by FGB under the revaluation model compared to the cost model adopted by NBAD and thus carried at fair value in the statement of financial position. Based on the fair value of land properties provided by NBAD, an increase of AED220 million has been recognised.

(b) Investment properties are measured at fair value by FGB compared to cost model as adopted by NBAD. However, as disclosed in NBAD's audited financial statements as at 31 December 2015, the fair value of investment properties approximates its carrying amounts and thus no adjustment has been recognised. As at 30 June 2016, the fair values of the investment properties have not changed significantly and therefore still approximate their carrying amounts.

The following presentation adjustments have been made to ensure consistency of presentation with the consolidated statement of financial position between NBAD and FGB, in particular:

(a) FGB's investments have been separately presented as investments at fair value through profit or loss and non-trading investments;

(b) FGB's investments in associates have been presented under other assets;

(c) FGB's derivative financial assets and liabilities have been separately presented out of other assets and other liabilities, respectively;

(d) FGB's repurchase agreements have been separately presented out of due to banks and financial institutions, customer accounts and other deposits, and term borrowings;

(e) FGB's reverse repurchase agreements have been separately presented out of loans and advances, and due from banks;

(f) FGB's goodwill and intangible assets have been separately presented out of other assets; and

(g) FGB's foreign currency translation reserve and cumulative change in fair value reserve have been presented as part of other reserves.

PRO FORMA ADJUSTMENTS

The pro forma adjustments made for purposes of the Pro forma financial information are based on information available and on preliminary estimates, as well as certain pro forma assumptions of the Group as described in these pro forma notes. The Pro forma financial information neither contains any potential synergies or cost savings nor any normalisation adjustments or any additional future expenses that could result from the merger. Furthermore, the Pro forma financial information does not contain any potential or future effects resulting from any possible remedies imposed on the Group by authorities or regulators in connection with the merger.

PRO FORMA ADJUSTMENTS (Continued)

For purposes of the Pro forma financial information, it is assumed that the closing of the merger occurred as of 30 June 2016. The pro forma financial information has not been adjusted for acquisition-related costs.

The pro forma adjustments included in the Pro forma financial information are as follows:

(i) To record elimination of intercompany balances between FGB and NBAD. Intercompany balances for accounts under statements of financial position (assets and liabilities) between FGB and NBAD have been reconciled against each other.

(ii) To record the adjustments relating to the fair valuation of NBAD land within property and equipment as follows:

	AED'000
Carrying value	1,100,695
Fair value	1,320,335
Difference	**219,640**

The following is the journal entry to record the above adjustment:

	AED'000	AED'000
Land (Dr.)	219,640	
Retained earnings (Dr.)	185,022	
Revaluation reserve (Cr.)		404,662

(iii) To record the issuance of shares of NBAD to FGB shareholders. For the Pro forma financial information purposes, the consideration for the acquisition has been calculated on the basis of a share swap transaction at the rate of 1.254 shares in NBAD for each share in FGB which would result to 52.04% ownership interest of FGB shareholders in the Group and a 47.96% ownership interest of NBAD shareholders, as shown below:

	Units 000	%
Outstanding shares of FGB	**4,500,000**	
Exchange ratio	1.254	
Number of shares to be issued by NBAD to FGB	5,643,000	
Par value of shares issued by NBAD to FGB	5,643,000	*52.04%*
Outstanding share capital of NBAD (net of treasury shares)	**5,200,923**	*47.96%*
Total shares of NBAD post combination (net of treasury shares)	**10,843,923**	***100.00%***

Accordingly, NBAD's share capital post combination amount to AED10,844 million which is presented as follows:

	AED'000
Share capital	10,897,546
Treasury shares	(53,623)
Total share capital	**10,843,923**

Applying the rules of IFRS 3 for reverse acquisitions, the consideration for FGB's acquisition of NBAD is the fair value of the equivalent number of shares that FGB would have to issue to NBAD shareholders that would give FGB shareholders and NBAD shareholders the same percentage of equity ownership of 52.04% and 47.96%, respectively, in the Group. The acquisition cost has been calculated on the basis of FGB's closing price of AED12.60 per share on Abu Dhabi Securities Exchange on 30 June 2016. The

PRO FORMA ADJUSTMENTS (Continued)

acquisition cost is an indicative cost, and will be revised to reflect the market price of the shares of FGB as on the date of acquisition.

The consideration is computed as follows:

Outstanding shares of FGB (units'000)	4,500,000
Divided by: FGB's percentage ownership in the Group	*52.04%*
Total number of shares of the Group (units'000)	**8,647,467**
Multiplied by: NBAD's percentage ownership in the Group	*47.96%*
Number of shares to be issued by FGB to NBAD (units'000)	**4,147,467**
Multiplied by: Share price of FGB	12.60
Total consideration (AED'000)	**52,258,078**

A share premium of AED46,615 million arises on NBAD issuance of the new shares for this transaction computed as follows:

	AED'000
Total consideration	52,258,078
Par value of shares issued by NBAD to FGB	5,643,000
Additional paid-in capital	**46,615,078**

(iv) To record AED16,088 million excess of total consideration over the net assets of NBAD as at 30 June 2016 after adjustments for other equity items. This amount has not been bifurcated between goodwill and intangible assets pending the results of the purchase price allocation exercise. Moreover, the Pro forma financial information does not include any adjustments to the fair value of the assets, liabilities and contingent liabilities of NBAD as required by IFRS 3. A full fair value exercise will be undertaken as on the date of acquisition.

	AED'000
Total consideration	52,258,078
Less: Adjusted net assets of NBAD as at 30 June 2016	(36,170,180)
Goodwill / intangible	**16,087,898**

The adjusted net assets of NBAD has been computed by deducting other equity items which represents NBAD's continuing interest in the Group and thus were excluded from computation of goodwill.

	AED'000
Net assets of NBAD as at 30 June 2016	43,243,325
Less: Other equity items	
Tier 1 capital notes	(6,754,750)
Share option scheme	(210,130)
Convertible notes—equity component	(108,265)
Adjusted net assets of NBAD as at 30 June 2016	**36,170,180**

(v) The consolidated retained earnings and other equity balances at the date of the pro forma combination represents FGB's pre-combination balances with the exception of the following:

(a) The legal reserve represents NBAD total legal reserve being the legal surviving entity;

(b) Tier 1 capital represents both NBAD and FGB's balances as NBAD tier 1 capital has been excluded from the acquired net assets (see note iv); and

PRO FORMA ADJUSTMENTS (Continued)

(c) NBAD share option reserve and equity component of convertible notes has been retained as these represent non-controlling continuing interest in the Group.

Accordingly, the total paid-in capital of NBAD post combination is presented below:

	AED'000
FGB's capital pre combination	4,500,000
Total consideration	52,258,078
Capital post combination	**56,758,078**
Adjustment to retain NBAD's legal reserve	5,820,388
Total paid-in capital	**62,578,466**

The following shows the breakdown of total paid-in capital:

	AED'000
Share capital	10,897,546
Additional paid-in capital	51,734,543
Treasury Shares	(53,623)
Total paid-in capital	**62,578,466**

Independent Accountant's Assurance Report on the Compilation of Pro Forma Combined Financial Information

The Board of Directors
National Bank of Abu Dhabi PJSC
PO Box 4
Abu Dhabi, UAE

The Board of Directors
First Gulf Bank PJSC
PO Box 6316
Abu Dhabi, UAE

Report on the Compilation of Pro Forma Combined Financial Information

We have completed our assurance engagement to report on the compilation of pro forma combined financial information of National Bank of Abu Dhabi PJSC ('the Bank') set out in the Offer Document to be issued on or around 23 October 2016 in connection with the proposed merger of National Bank of Abu Dhabi PJSC ("the Bank") and First Gulf Bank PJSC ("FGB") ("the Offer Document"). The pro forma combined financial information consists of pro forma statement of financial position as at 30 June 2016 and related notes. The applicable criteria on the basis of which management has compiled the pro forma combined financial information is set out in the notes of the pro forma combined financial information. Because of its nature, the pro forma financial information does not represent the Bank's actual combined financial position as at 30 June 2016.

The Pro Forma combined financial information has been compiled by the management to illustrate the impact of the proposed merger set out in the notes of the pro forma combined financial information of the Bank, as if the proposed merger had taken place on 30 June 2016. As described in the notes of the pro forma financial information the management has concluded that the Bank is a legal acquirer and FGB is determined as acquirer for accounting purposes. For the preparation of pro forma combined financial information, the management has extracted information about the Bank and FGB from the financial information of the Bank and FGB as at and for the six month period ended 30 June 2016, on which an unmodified review conclusion has been expressed by the respective auditors of the Bank and FGB.

Management Responsibility for the Pro Forma Combined Financial Information

The Management is responsible for compiling the pro forma combined financial information on the basis of the criteria described in the notes of the pro forma combined financial information.

Accountant's Responsibilities

Our responsibility is to express an opinion about whether the pro forma combined financial information has been compiled, in all material respects, by the management on the basis of the criteria described in the notes of the pro forma combined financial information.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board.

This standard requires that the accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the pro forma combined financial information on the basis of the criteria described in the notes of the pro forma combined financial information.

For the purpose of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information of the Bank used in compiling the pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined financial information.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Proforma statement of financial position with the management.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the combined Pro Forma financial information has been properly compiled in accordance with the basis of preparation set out in the notes of the pro forma combined financial information of the Bank by performing the following procedures:

- Made inquiries of management regarding the process management has applied to compile the pro forma combined financial information;
- Evaluated whether management has used an appropriate source of the unadjusted financial information in compiling the pro forma combined financial information;
- Checked whether management has appropriately extracted the unadjusted financial information from the source documents;
- Evaluated whether management has compiled the pro forma combined financial information on the basis as set out in in note 2 (b) of the pro forma combined financial information;
- Checked the consistency of the Bank's financial reporting framework and its accounting policies under that framework;
- Considered management's evidence supporting the pro forma adjustments;
- Determined whether the calculations within the pro forma combined financial information are arithmetically accurate; and
- Evaluated the overall presentation and disclosure of the pro forma combined financial information and related explanatory notes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma combined financial information has been compiled, in all material respects, on the basis of the criteria described in in note 2 (b) of the pro forma combined financial information of the Bank

Basis of restriction on distribution

Our report is provided to the Directors of the Bank and FGB on the basis that it can only be included in the Offer Document. It should not be disclosed to any third parties, or otherwise quoted or referred to, without our prior written consent.

KPMG Lower Gulf Limited
23 October 2016

7. RISK FACTORS

In deciding whether to vote in favour of the resolutions to be proposed at the GMs, NBAD Shareholders and FGB Shareholders should carefully read this document and consider the risk factors set out in this section. Additional risks and uncertainties not presently known to NBAD and FGB, or which NBAD and FGB currently consider to be immaterial, may also have an adverse effect on the Combined Group.

1 Risks relating to the Merger

(a) Whether or not the Merger takes place, the announcement of the proposed Merger could cause disruptions in the businesses of NBAD and FGB which could have an adverse effect on their financial results

Whether or not the Merger takes place, the announcement of the proposed Merger could cause disruptions in the businesses of NBAD and FGB, specifically:

- the attention of the management teams of NBAD and FGB may be diverted from the operations of the businesses toward finalising the Merger;
- current and prospective employees may experience uncertainty about their future roles within the Combined Group, which might adversely affect NBAD's and FGB's ability to retain or recruit key managers and other employees; and
- existing and prospective clients and customers may choose not to do business with NBAD and FGB until such time as the Merger is implemented or the anticipated benefits of the Merger are realised.

If NBAD and FGB fail to manage these risks effectively, their business and financial results could be adversely affected.

(b) Regulatory authorities may delay or prevent the Merger taking place, which may diminish the anticipated benefits of the Merger

The Merger is subject to certain risks and uncertainties, including the inability of NBAD and FGB to obtain the necessary resolutions, approvals and other relevant consents (regulatory, governmental or otherwise) as necessary for the implementation of the Merger. Any delay in obtaining the required approvals may also postpone the execution of the Merger, which NBAD and FGB currently expect to take place during the course of Q1 2017. The failure to consummate the Merger as currently planned could result in NBAD and/or FGB not obtaining the anticipated benefits of the Merger. The Merger requires the receipt of consents and approvals from regulators in the UAE (including the Central Bank, the SCA, the Abu Dhabi Department of Economic Development and the Ministry of Economy) and abroad including the Qatar Financial Centre Regulatory Authority, Qatar Financial Centre, Monetary Authority of Singapore, Central Bank of Curacao and Sint Maarten, Jersey Financial Services Commission, Swiss Financial Market Supervisory Authority (FINMA), Central Bank of Jordan, Central Bank of Oman, Bank Negara Malaysia (Central Bank of Malaysia), Autorité de contrôle prudential et de resolution—Banque de France and the Cayman Islands Monetary Authority. Although NBAD and FGB intend to pursue vigorously all required regulatory consents and approvals, and although they are not aware of any reason why they would not be able to obtain the necessary approvals in a timely manner, these approvals may not be granted or may be delayed. Any delay or prevention in the consummation of the Merger may diminish anticipated benefits or may result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the Merger.

(c) The Combined Group may experience difficulties in integrating the existing businesses carried on by NBAD and FGB

The Merger involves the integration of two businesses that have previously operated independently. The potential difficulties of combining the businesses include:

- the necessity of co-ordinating and consolidating management functions, organisations, systems and facilities;
- the task of integrating the management and personnel of NBAD and FGB, maintaining employee morale and retaining and incentivizing key employees;
- accurately evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with both NBAD and FGB's investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with NBAD's accounting policies;

- accurately judging market dynamics, demographics, growth potential and competitive environment (including evaluating and managing the risks and uncertainties in entering new markets and acquiring new businesses); and
- maintaining and obtaining the necessary licences and approvals from relevant governmental and regulatory authorities and agencies.

The process of integrating operations may present financial, managerial and operational risks, including an interruption of, or loss of momentum in, the activities of one or more of NBAD's and/or FGB's businesses and the loss of key personnel. The diversion of both NBAD's and FGB's management's attention and any delays or difficulties encountered in connection with the Merger and the integration of the operations of the businesses could have an adverse effect on the business, results of operations, financial condition or prospects of the Combined Group after the Merger. Moreover, if the management of both NBAD and FGB is unable to integrate the operations of the companies successfully, the anticipated benefits of the Merger may not be realized.

(d) If the conditions to, and the procedural requirements of, the Merger (set out in Section 9 of this document) are not satisfied, the Merger may not take place or may be delayed

The Merger is conditional on a number of conditions as set out in Section 9 of this document and the Merger Agreement. If any of these conditions are not satisfied, then there is a risk that the Merger will not take place. Further, in order to implement the Merger, the procedural requirements contained in the Companies Law (set out in Part B of Section 9 of this document) must be satisfied. If any such requirement is not satisfied, then the Merger will not take place (or, in certain circumstances, the implementation of the Merger may be delayed). Any of the foregoing events may have a negative impact on the existing value of the NBAD Shares and FGB Shares.

(e) The Combined Group may fail to realise the anticipated cost savings, growth opportunities, synergies and other benefits anticipated from the Merger

The Combined Group may fail to achieve the synergies that it anticipates will arise from the Merger. The success of the Merger will depend, in part, on the Combined Group's ability to realise anticipated cost savings, revenue synergies and growth opportunities from integrating the businesses of NBAD and FGB. The Combined Group expects to benefit from synergies resulting from the consolidation of capabilities, rationalisation of operations and headcount, greater efficiencies from increased scale and market integration, and organic growth. In particular, the Combined Group's ability to realise anticipated synergies and the timing of this realization may be affected by a variety of factors, including but not limited to:

- its broad geographic areas of operations and the resulting potential complexity of integrating NBAD's and FGB's corporate and regional offices;
- the difficulty of implementing its cost saving plans;
- the challenges associated with the combination of NBAD's and FGB's businesses and operations, and, in particular, the ability to integrate new operations with existing operations in a timely and effective manner and to manage an increasingly larger business; and
- unforeseeable events, including major changes in the markets in which NBAD and FGB operate.

The Combined Group may incur higher than expected integration, transaction and Merger-related costs. NBAD and FGB expect to incur implementation costs of approximately AED600,000,000 in order to deliver the anticipated operating synergies. In addition, NBAD and FGB will incur legal, accounting and transaction fees and other costs related to the Merger. Some of these costs are payable irrespective of whether the Merger is completed and such costs may be higher than anticipated. The projected cost savings from integrating the businesses of NBAD and FGB included in this document are based on highly preliminary estimates compiled by the NBAD Board and the FGB Board and may be revised following more detailed integration planning. Therefore, there is a risk that the estimated savings will not be realised due to unforeseen inaccuracies in such estimates. No responsibility for the outcome in respect of such estimates has been assumed by NBAD, FGB or any other person in this regard and there is no intention to update the synergy statements or other such forward-looking statements in this document except as required pursuant to applicable law and regulation.

There is also a risk that these cost savings are not realised in the time, manner or amounts currently expected, if at all, as a result of various external and internal factors.

Although NBAD and FGB believe that the elimination of costs, as well as the realization of other efficiencies related to the integration of the businesses, will offset these implementation and acquisition costs over time, this net benefit may not be achieved within the expected timetable. In addition, some of the costs over time could be higher than anticipated which could reduce the net benefits of the Merger and impact the Combined Group's financial condition and/or results of operations.

Although work has been done on the development of plans for achieving synergies and other benefits from the Merger, such plans have not been finalised and cannot be implemented until after completion of the integration. If the Combined Group is not able to successfully achieve these objectives, the anticipated benefits of the integration may not be realised fully, if at all, or may take longer to realise than expected.

(f) The fixed Exchange Ratio for the Merger may not reflect market value

If the Merger is implemented, FGB Shareholders will receive NBAD Shares on the basis of a fixed ratio (see Sub-section 2.2 of this document for details of such Exchange Ratio). The market value of the NBAD Shares at the time the Merger takes place may vary significantly from their value as set out in, and at the date of, this document (as a result of, amongst other things, the operation of the businesses of NBAD and FGB in the ordinary course including, without limitation, the entry into new material contracts).

(g) Trading prices of the NBAD Shares and the FGB Shares may be volatile until the Merger takes place

Given the awareness in the market of the Merger, it is likely that there will be increased volatility in the share price of the NBAD Shares and the FGB Shares until the Merger is finalised.

(h) Risks relating to the transaction costs of the Merger

NBAD and FGB expect to incur a number of non-recurring costs associated with the Merger, including fees to financial, accounting and legal advisers and other related costs. If the Merger does not take place or is delayed, the aggregate anticipated costs incurred in connection with the Merger may not reflect the actual costs which NBAD and FGB ultimately incur.

(i) Risks relating to the Exchange Ratio

The Exchange Ratio has been calculated on the basis of, amongst other things, certain internal financial information and other data relating to the business and financial prospects of the Banks, including estimates and financial forecasts prepared by the respective management of the Banks, together with certain pro forma effects of the Merger on the Banks' respective financial statements and certain estimates of synergies prepared by the respective management of the Banks. In calculating the Exchange Ratio, it has been assumed that such financial forecasts, estimates, pro forma effects and calculations of synergies have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the respective management of the Banks as to the future performance of the Banks, such pro-forma effects and such synergies. It has also been assumed that the future financial forecasts and estimates, including synergies, referred to above will be realised in the amounts and time periods contemplated thereby. If all or any of these assumptions prove to be incorrect, this could materially affect the valuations of the Banks and the Exchange Ratio may not accurately reflect the values of the respective companies.

2 Risks relating to the NBAD Shares

(a) The market price of the NBAD Shares may decline as a result of the Merger

The market price of the NBAD Shares (including the New NBAD Shares) may decline if:

- the integration of the NBAD and FGB businesses is unsuccessful;
- the Combined Group does not achieve the expected benefits of the Merger as rapidly or to the extent anticipated by financial analysts or investors; or
- the effect of the Merger on financial results is not consistent with the expectations of financial analysts or investors.

(b) General volatility of NBAD Share price and realisation of investment

The trading price of the NBAD Shares following implementation of the Merger may be subject to wide fluctuations in response to a number of factors, specific to the Combined Group or otherwise, such as variation in operating results, changes in financial estimates, changes in credit ratings, recommendations by securities analysts, the operating and news reports relating to trends in the Combined Group's markets. These factors may adversely affect the trading price of the NBAD Shares regardless of the Combined Group's operating performance. NBAD Shareholders and FGB Shareholders should be aware that the value of the NBAD Shares (including the New NBAD Shares) and the income from them can increase or decrease as is the case with any other investment in listed securities.

(c) Risks relating to the trading patterns for the NBAD Shares relative to historic trends

The shareholders of NBAD and FGB should be aware that the historic trading patterns of the NBAD Shares are independent of, and may bear no resemblance whatsoever to, the trading patterns of the NBAD Shares following implementation of the Merger.

(d) Future sales of NBAD Shares by substantial shareholders in NBAD may affect the market price of the NBAD Shares

Sales, or the possibility of sales, of substantial numbers of NBAD Shares owned by substantial shareholders in NBAD following the Merger could have an adverse effect on the market price of the NBAD Shares.

3 Risks relating to the integration of the businesses of NBAD and FGB following the Merger

(a) The Combined Group may not be able to successfully combine the existing NBAD and FGB businesses

NBAD and FGB currently operate as independent companies. The Combined Group may face significant challenges integrating the two organisations, their policies, technologies and operations in a timely and efficient manner, as well as in addressing differences in the business cultures of the two companies and retaining key NBAD and FGB personnel.

The integration process may prove to be complex and time-consuming, require substantial resources and effort and lead to a degree of uncertainty for customers and employees. It may also disrupt each Company's ongoing businesses, which may adversely affect the Combined Group's relationships with customers, suppliers, partners, employees, regulators and others with whom NBAD and FGB have business or other dealings. The integration process may also lead to a reduction or loss of the "brand equity" of one or both of the Companies.

If the Combined Group fails to manage the integration of the businesses of NBAD and FGB effectively, the growth strategy and future profitability of the Combined Group could be negatively affected and it may fail to achieve the anticipated benefits of the Merger, in particular those benefits set out under Sub-section 2.5 of this document. In addition, difficulties in integrating the businesses could harm the reputation of the Combined Group, which may result in the loss of customers and key employees.

(b) Risks relating to the costs of integration

The Combined Group expects to incur a number of non-recurring costs associated with the integration of the businesses of NBAD and FGB, including potentially costs associated with the rebranding of the companies, fees to financial, accounting and legal advisers and other related costs. If the integration is not successful, the Combined Group will not realise the anticipated benefits of the integration and may, therefore, fail to offset these integration costs over time.

4 Risks relating to the Combined Group's business

(a) Principal shareholder

The Combined Group's principal shareholder will be the Abu Dhabi Investment Council (**ADIC**, which is wholly owned by the Government of Abu Dhabi), holding approximately 33.35% of the Combined Group's share capital. By virtue of such shareholding, the Government of Abu Dhabi can influence the Combined Group's business significantly through its ability to control actions that require shareholder approval. If circumstances were to arise where the interests of the Government conflict with the interests of the Combined Group, the latter could be at a disadvantage.

(b) The Combined Group will face significant competition in its business

The banking business is highly competitive. The Combined Group will face competition from various local and multinational banks and financial institutions. This may affect the Combined Group's business and results of operations. The Combined Group's financial performance is affected by general economic conditions

Risks arising from changes in credit quality and the recoverability of amounts due from borrowers and counterparties are inherent in banking businesses. Adverse changes in global economic conditions, or arising from systemic risks in the financial systems, could affect the recovery and value of the Combined Group's assets and require an increase in the Combined Group's provisions. Each of NBAD and FGB currently use various hedging strategies to minimise risk, including securities, collateral and insurance that reduce the credit risk level to be within each of their respective strategy and risk appetite. However, there can be no guarantee that such measures will eliminate or reduce such risks of the Combined Group.

(c) The Combined Group's operational results may differ significantly from the unaudited pro forma financial information contained in this document

Part C of Section 6 of this document includes unaudited pro forma financial information giving a consolidated balance sheet in respect of the Combined Group had the Merger taken place on 30 June 2016. This pro forma balance sheet is presented for illustrative purposes only on the basis and subject to the limitations set out in Part C of Section 6 and does not necessarily indicate the results of operations or the combined financial position that would have resulted had the Merger taken place on 30 June 2016, nor is it indicative of the results of operations in future periods. Accordingly, the Combined Group's results and financial condition may differ significantly from those portrayed by the unaudited pro forma financial information included herein.

(d) The Combined Group's profitability and capital position could be affected by the adequacy of its impairment of irrecoverable and doubtful advances

The Combined Group will provide for risks of losses inherent in loans and advances through its impairment of irrecoverable and doubtful advances. Through a periodic review and consideration of its advances, the Combined Group will determine the impairment of irrecoverable and doubtful advances by considering, amongst other factors, general market conditions, credit quality of advances, the collateral supporting the advances and performance of its customers relative to their financial obligations with it. The amount of future losses is susceptible to change in economic, operating and other conditions, including changes in interest rates that may be outside the Combined Group's control, and these losses may exceed its original estimates. Although the Combined Group will aim to make a reasonable impairment of irrecoverable and doubtful advances, it cannot fully predict such losses or give assurances that its impairments will be adequate in the future. Excessive loan losses could have a material impact on the Combined Group's financial performance.

(e) Risks relating to the Combined Group's income and dividend paying capacity

The businesses and revenues of the Combined Group may be impacted by investments, capital expenditure and operating expenditure in respect of events both within and outside the control of the Combined Group. This may affect the profitability of the Combined Group, its distributable reserves and consequently dividends payable to shareholders. In addition, the capacity of the Combined Group to pay dividends may also be constrained by prevailing regulatory capital requirements and capital and risk-weighted ratios imposed on the Combined Group from time to time by the Central Bank, non-UAE regulators or other governmental agencies, together with prevailing rating agency considerations as to the rating of the Combined Group.

(f) Failure to attract and retain key personnel may adversely affect the Combined Group's ability to conduct its business

The Combined Group's future success depends, in large part, upon its ability to attract and retain highly qualified professional personnel. Competition for key personnel in the various localities and business segments in which the Combined Group will operate is intense. The Combined Group's ability to attract and retain key personnel, in particular senior officers, will be dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. There is no guarantee that the Combined Group will have the continued service of key employees who will be relied upon to execute its business strategy and identify and pursue strategic opportunities and initiatives. In particular, the Combined Group may have to incur costs to replace senior executive officers or other key employees who leave, and the Combined Group's ability to execute its business strategy could be impaired if it is unable to replace such persons in a timely manner.

(g) Risks related to the Combined Group's business being dependent on its information and technology systems which are subject to potential cyber-attack

Cyber-security has become an increasingly important consideration for financial institutions. The quantity of sensitive information stored by financial institutions makes them potential targets of cyber-attacks. Risks to technology and cyber-security change rapidly and require continued focus and investment and the Combined Group will need to act accordingly and take appropriate steps on an on-going basis to combat such threats and minimise such risks. Given the increasing sophistication and scope of potential cyber-attack, it is however possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could adversely affect the Combined Group's reputation, business, results of operations, financial condition and prospects.

(h) Employee misconduct could harm the Combined Group and is difficult to detect

Misconduct by employees of the Combined Group could result in binding the Combined Group to transactions that exceed authorised limits or present unacceptable risks, or concealing from the Combined Group unauthorised or unsuccessful activities which, in each case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use or disclosure of confidential information which could result in regulatory and legal sanctions and significant reputational and/or financial harm and could have a material adverse effect on the Combined Group's results, operations or financial condition. It is not always possible to deter employee misconduct, and the precautions the Combined Group will take to prevent and deter any such activity may not be effective in all cases.

(i) The Combined Group's business will entail operational risks

The Combined Group will be exposed to operational risks, which is the risk of loss resulting from inadequacy or failure of internal processes or systems or from external events. The Combined Group will be susceptible to, amongst other things, fraud by employees or outsiders including unauthorised transactions, operational errors and clerical and record keeping errors resulting from faulty computer or telecommunications systems. Although the Combined Group will maintain a system of controls designed to monitor and control operational risk, there is no guarantee that the Combined Group will not suffer losses from any failure of these controls to detect or contain operational risk in the future. Consequently, any inadequacy of the Combined Group's internal processes or systems in detecting or containing such risks could result in unauthorised transactions and errors, which may have a material adverse effect on the Combined Group's business, financial condition and results of operations.

(j) Risks relating to interest rates

The interest rates the Combined Group will earn on its interest-earning assets and the interest rates it pays on its interest-bearing liabilities could be affected differently by changes in market interest rates. This difference could result in an increase in interest expense relative to interest income, which would reduce the Combined Group's net interest income. Furthermore, an increase in interest rates may reduce the demand for loans from the Combined Group and its ability to originate loans.

A decrease in the general level of interest rates could affect the Combined Group through, amongst other things, increased pre-payments on its loan portfolio and increased competition for deposits. Interest rates are highly sensitive to many factors beyond the Combined Group's control, including monetary policies and domestic and international economic and political conditions.

If the Combined Group is unable for any reasons to re-price or adjust its deposit rates in an expedited or an effective manner or if interest rates rise as a result of economic or other reasons, the Combined Group's interest income margins will be affected, which could have a material adverse effect on its business, financial condition and results of operations.

(k) Risks relating to credit

Risks arising from adverse changes and recoverability of loans, securities and amounts due from counterparties are inherent in a wide range of the Combined Group's activities principally in its lending and investment activities. Credit risks could arise from a deterioration in the credit quality of specific borrowers, issuers and counterparties of the Combined Group, or from a general deterioration in local or global economic conditions which could affect the recoverability and value of the Combined Group's assets and require an increase in the Combined Group's provisions for the impairment of loans, securities and other credit exposures.

(l) Liquidity risk

Liquidity risk could arise from the inability of the Combined Group to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on the Combined Group's ability to meet its obligations when they fall due.

5 Risks relating to the MENA region and the UAE

(a) The UAE has a commodity and services economy based in the Middle East and is developing its other industries

The majority of each of NBAD and FGB's operations are in the UAE and accordingly their business and results of operations are, and will continue to be, generally affected by the financial, political and general economic conditions prevailing from time to time in the UAE and/or the Middle East generally.

These markets are subject to risks similar to other developed and developing markets, including in some cases significant legal, economic and political risks. While Abu Dhabi is actively promoting tourism and real estate and undertaking several large scale development projects, the oil and gas industry dominates Abu Dhabi's economy and, according to the Statistics Center Abu Dhabi (SCAD), contributed approximately 51.0 per cent. to its nominal GDP in 2014.

Declines in international prices for hydrocarbon products, such as those seen since mid 2014, could therefore adversely affect the UAE's economy which, in turn, could have an adverse effect on Combined Group's business, financial condition and results of operations.

(b) Continued instability and unrest in the MENA region may adversely affect the economies in which NBAD and FGB operate

Although the UAE has enjoyed significant economic growth in recent years, there can be no assurance that such growth or stability will continue. This is particularly so in light of significant adverse financial and economic conditions experienced worldwide commencing in early 2008. Since that time, there has been a slowdown or reversal of the high rates of growth that had been experienced by many countries within the GCC and the UAE. Consequently, certain sectors of the GCC economy such as financial institutions that had benefitted from such high growth rates, have been adversely affected by the crisis.

These challenging market conditions have historically resulted in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit and capital markets. The Combined Group's businesses and financial performance may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and the Middle East.

While the UAE economy has shown resilience, with real GDP growth in the UAE at 4.6 per cent. in 2014, 4.3 per cent. in 2013 and 7.2 per cent. in 2012 (source: IMF World Economic Outlook (October 2015)), the financial performance of the Combined Group may be materially and adversely affected by a worsening of general economic conditions in the markets in which it will operate, as well as by United States, European and international trading market conditions and/or related factors. Moreover, while the UAE Federal Government's policies have generally resulted in improved economic performance, there can be no assurance that such policies or level of performance will be sustained.

No assurance can be given that the UAE Federal Government will not implement regulations or fiscal or monetary policies or new legal interpretations of existing regulations, relating to, or affecting taxation, interest rates or exchange controls, or otherwise take actions which could have a material adverse effect on the Combined Group's business, financial condition, or prospects.

Each of NBAD and FGB currently has a significant proportion of their operations and interests in the UAE, with a particular focus on Abu Dhabi. While the UAE has stable political environment with distinct international relations, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could adversely impact the economy of the UAE.

The Combined Group's business may be affected by the financial, political and general economic conditions prevailing from time to time in the Middle East. Though the effects of the political uncertainty have been varied, no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur in the region. Consequently, the business, financial condition and results of operations of the Combined Group may be materially adversely affected by such instability, including if such regional volatility leads to an outflow of expatriate residents or capital.

(c) Risks arising from uncertainties relating to the legal and regulatory systems in certain of the countries in which the Combined Group will operate after the Merger

Some of the countries in which NBAD and FGB currently operate (and where the Combined Group will operate after the Merger takes place) are in various stages of developing institutions and legal and regulatory systems. Some of these countries are also in the process of transitioning to a market economy and, as a result, are experiencing changes in their economies and their government policies (including, without limitation, policies relating to foreign ownership, repatriation of profits, property and contractual rights) that may affect the Combined Group's investment in those countries.

The procedural safeguards of the legal and regulatory regimes in these countries are still developing and, therefore, existing laws and regulations may be applied inconsistently. There may be ambiguities, inconsistencies and anomalies in the interpretation and enforcement of laws and regulations. All of these factors could affect the Combined Group's ability to enforce its rights under its contracts or to defend itself against claims by others.

(d) Risks arising from unlawful or arbitrary governmental action

Governmental authorities in many of the countries in which the Combined Group will operate may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law or influenced by political or commercial considerations. Such governmental action could include, amongst other things, the withdrawal of certain exemptions and dispensations granted by various regulatory authorities in connection with the Merger, the expropriation of property without adequate compensation or limitations on repatriation of profits and/or dividends. Any such action taken could have an adverse effect on the Combined Group's business, financial condition and results of operations.

(e) Risks associated with regulatory changes

Each of NBAD and FGB are subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure its compliance with economic, social and other objectives and limit their exposure to risk. These regulations include UAE federal laws and regulations (particularly those of the UAE Federal Government and the Central Bank), as well as the laws and regulations of the other countries in which each of NBAD and FGB operate (and the Combined Group will operate after the Merger takes place). Such regulations may limit the Combined Group's ability to lend to a single borrower or group of related borrowers, increase its loan/financing receivable portfolios or raise capital or may increase its cost of doing business.

Any changes in such laws and regulations and/or the manner in which they are interpreted or enforced may have a material adverse effect on the Combined Group's business, results of operations, financial condition and prospects. In particular, changes in Central Bank regulations or policy may affect UAE banks' large exposure limits, reserves, provisions, impairment allowances and other applicable ratios.

In particular, by a circular dated 23 February 2011 (the **Retail Circular**) on retail banking and notice no. 31/2013 dated 28 October 2013 (which was published in the UAE official gazette (the **Official Gazette**) on 28 November 2013 and entered into force on 28 December 2013) (the **Mortgage Regulations**), the UAE Central Bank introduced regulations regarding bank loans and other services offered to individual customers. These regulations, among other things, limit the fees and interest rates which banks in the UAE can charge to retail customers and impose maximum loan/income and loan to value ratios for retail products such as residential mortgage loans. For example, the Retail Circular requires that the amount of any personal consumer loan shall not exceed 20 times the salary or total income of the borrower with the repayment period not exceeding 48 months. The Mortgage Regulations, which supersede Central Bank notice no. 3871/2012 dated 30 December 2012, provide that the amount of mortgage loans for non-nationals should not exceed 75 per cent. of the property value for a first purchase of a home with a value of less than or equal to AED 5 million and, for a first purchase of a home with a value greater than AED 5 million, should not exceed 65 per cent. of the property value. For the purchase of a second or subsequent home, the limit for non-nationals is set at 60 per cent. of the property value (irrespective of the value of the property in question). The corresponding limits for UAE nationals are set at 80 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5 million, 70 per cent. for a first home with a value greater than AED 5 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property).

Any further changes in the UAE Central Bank regulations or policy (including regulations such as Central Bank Notice No. 32/2013 on large exposures (the **Large Exposure Notice**) (which was published in the Official Gazette on 30 December 2013 and entered into force on 30 January 2014) and Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the UAE Central Bank on 27 May 2015 and which came into force with effect from 1 July 2015, replacing Central Bank Notice No. 30/2012) (the **Liquidity Notice**) may affect the Combined Group's reserves, revenues and performance. Furthermore, non-compliance with regulatory guidelines could expose the Combined Group to potential liabilities and fines. Although each of NBAD and FGB work closely with its regulators and continually monitor the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond their control.

(f) There is no certainty as to whether the Combined Group will continue to enjoy a favourable tax regime applicable to it

Common to other UAE national banks, NBAD and FGB are not currently taxed on their profits in the UAE which relies on a Government dispensation. Although the Combined Group envisages that the dispensation should continue to apply in respect of the UAE operations of the Combined Group, there is no guarantee that this will continue to be the case. If the UAE authorities or other authorities in the jurisdictions in which the Combined Group will operate should impose new tax regimes on the Combined Group, this could have an adverse effect on the Combined Group's operations and results.

(g) Foreign exchange movements may adversely affect the Combined Group's profitability

The Combined Group will maintain its accounts, and report its results, in AED. The UAE dirham has been pegged at a fixed exchange rate to the US dollar since 22 November 1980. However, there can be no assurance that the UAE dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects the Combined Group's results of operations and financial condition. The Combined Group will have among its portfolio US dollar-denominated assets and liabilities and any alteration to, or abolition of, this foreign exchange peg, particularly if the UAE dirham weakens against the US dollar, will expose the Combined Group to US dollar foreign exchange movements against the AED and could have an adverse effect on the Combined Group's business, results of operations, financial condition and prospects, and thereby affect the Combined Group's ability to perform its obligations.

(h) It may be difficult for foreign shareholders to enforce judgments against the Combined Group

NBAD is incorporated and has its headquarters in the United Arab Emirates and the majority of its operating assets will be held by companies (including itself) incorporated in, and governed by, the laws of the UAE. The majority of the assets of NBAD and FGB are currently located in the UAE. As such, it may be difficult or impossible to effect service of process in jurisdictions outside the UAE upon the Combined Group, or to recover on judgments of courts outside the UAE against the Combined Group.

(i) Risks relating to overseas shareholders

NBAD Shareholders who are not resident in the UAE or who are nationals or citizens of other jurisdictions (**overseas shareholders**) may face particular risks in relation to their shareholding. For example, if NBAD were in future to make an offer of its shares to existing shareholders, the ability of overseas shareholders to participate in such further offering may be affected by the laws of relevant jurisdictions as a result of NBAD's inability to guarantee compliance with all necessary requirements of those jurisdictions. In addition, non-UAE nationals are and will continue to be precluded by NBAD's articles of association from owning more than 25% of the issued share capital of NBAD which may affect the liquidity of the NBAD Shares.

8. ADDITIONAL INFORMATION

8.1 RESPONSIBILITY STATEMENTS

The directors of NBAD, whose names are set out in Sub-section 4.4 of Section 4 of this document, accept responsibility for the information contained in this document other than that relating to FGB. To the best of the knowledge and belief of these directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of FGB, whose names are set out in Sub-section 5.4 of Section 5 of this document, accept responsibility for the information contained in this document other than that relating to NBAD. To the best of the knowledge and belief of these directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

KPMG accepts responsibility for its report on the pro forma financial information which appears in Part C of Section 6 of this document.

8.2 ARTICLES OF ASSOCIATION OF NBAD ON COMPLETION OF THE MERGER

The NBAD Articles will contain, following the adoption of the amendments to be proposed at the NBAD GM, amongst other things, the following provisions:

8.2.1 Shareholding limits

The NBAD Articles require that the ownership of UAE nationals must not be less than 75% of the NBAD capital at any time.

8.2.2 Management, board and corporate governance

The management of NBAD vests in a board of directors comprised of nine members who, subject to Article (148) of the Companies Law, shall be elected by secret ballot by the general assembly using cumulative voting. The NBAD Board may allocate a number of seats to be filled by independent board members to be selected pursuant to criteria to be specified by a resolution of the NBAD Board. Such independent board members are to be elected by secret ballot by the general assembly using cumulative voting.

The NBAD Board may elect among its members one managing director (or more) for the management of NBAD and determine the managing director's powers and remuneration. The NBAD Board shall convene whenever necessary, by invitation from the chairman or upon the request of two directors. The board shall convene at least six times in any calendar year. A meeting of the board shall not be valid unless attended by a majority of its members. Attendance may be in person through physical presence or presence by any audible means such as telephone, or visible means such as teleconference.

Resolutions of the NBAD's Board shall be adopted by a majority of votes of members present or represented. In case of equality of votes, the chairman of the meeting shall have a casting vote.

The NBAD Board must form among its members an audit committee, a selection and remuneration committee and may form other committees whose functions shall be determined upon formation.

8.2.3 Share capital increase

NBAD's share capital following completion of the merger will be AED 10,897,545,318 divided into 10,897,545,318 NBAD Shares.

A share capital increase must be approved by a Special Resolution of the general assembly.

8.2.4 Director's conflict of interest

Each board member having a common or conflicting interest of his own, or the entity he represents in a deal or transaction submitted to the board for a resolution, shall inform the board of the same, and prove his approval within the minutes of the meeting, and may not participate in the voting on the resolution issued regarding this process.

8.2.5 General assemblies

All general assemblies shall be held in the city of Abu Dhabi. Every NBAD Shareholder shall have the right to attend general assemblies of the NBAD Shareholders and shall be entitled to a number of votes equal to the number of NBAD Shares which he holds. Invitations to shareholders to attend general assemblies shall be published in two local Arabic and one English newspaper, and shall be sent to shareholders by registered mail at least fifteen days prior to their convening. A meeting of the general assembly shall not be duly convened unless attended by shareholders representing at least 50% of the share capital of NBAD. The general assembly must convene at least once a year and within four months following the end of a financial year pursuant to the invitation of the NBAD Board.

A number of shareholders holding at least 20% of NBAD's share capital may request the NBAD Board to summon a general assembly.

A NBAD shareholder may designate a proxy by means of a special written proxy to attend on his behalf at the general assembly provided that the proxy is not a member of the board of directors. In all cases, a proxy may not hold in such capacity on behalf of more than one shareholder more than 5% of NBAD's share capital.

8.2.6 Dividends

The NBAD Articles provide for the net annual profits of NBAD to be distributed, after deducting all expenses and other costs, in the following manner:

(a) 10% to be contributed to the statutory reserve account (until such time that the reserve equates to at least 50% of NBAD's paid up capital);

(b) another 10% shall be deducted to be allocated to a special reserve pursuant to the requirements of the Central Bank Law until such reserve reaches 50% of NBAD's paid up capital;

(c) 5% of the paid up value of the shares shall be deducted to be distributed to the shareholders as a first portion of the profits provided that if the net profits of one of the years do not allow the distribution of this portion it may not be claimed from the profits of the following year;

(d) after deducting the aforementioned, a maximum of 10% of the remainder shall be allocated for payment as remuneration to the board of directors; and

(e) the remaining amount of the net profit shall be distributed to the shareholders as additional portion of the profits or transferred in accordance with the proposal of the board of directors to the following year or allocated for the creation of an extraordinary reserve as may be resolved by the board of directors.

8.2.7 Rights attaching to NBAD Shares

The NBAD Shares are indivisible. Each NBAD Share shall entitle its holder equal rights in NBAD's assets and dividends as well as rights to attend general assemblies and vote on any of its proposed resolutions.

8.2.8 Dissolution and liquidation of NBAD

NBAD is incorporated for a term of 100 calendar years, which term shall thereafter automatically continue for similar consecutive periods unless a resolution is passed at a general assembly to amend or terminate NBAD's term.

NBAD shall be dissolved for any of the following reasons: (a) adoption of a Special Resolution at the general assembly to terminate the term of NBAD; (b) merger of NBAD with another bank; and (c) issuance of a judicial order to liquidate NBAD in accordance with prevailing laws.

In the event NBAD's losses amount to half of the issued share capital, the board of directors shall within thirty days from the date of disclosure of the periodic or annual financial statements to the SCA call the general assembly to convene to pass a Special Resolution to either dissolve NBAD prior to the expiry of its term or to continue to proceed with its activities.

8.3 UAE NATIONAL AND NON-UAE NATIONAL SHAREHOLDINGS

If the Merger becomes effective, based on the shareholders of NBAD and FGB as at 9 October 2016 (being the last practicable date before the publication of this document), 91.02% of NBAD Shareholders would be UAE national investors and 8.98% would be foreign investors.

8.4 MATERIAL CONTRACTS

8.4.1 Material contracts of NBAD

The following agreements, being otherwise than contracts entered into in the ordinary course of business, have been entered into by NBAD within the two years immediately preceding the date of this document and are or may be material:

(a) ***Merger Agreement***

On 3 July 2016, NBAD and FGB entered into a merger agreement. The merger agreement sets out the terms and conditions of the Merger (including, without limitation, the terms and conditions of the Merger set out in Section 9 of this document and the composition of the board of directors of NBAD following the implementation of the Merger) and NBAD and FGB's obligations regarding implementation of the Merger. The merger agreement contains limited warranties given by NBAD and FGB on a reciprocal basis, restrictions on the conduct of business and restrictions in relation to seeking competing proposals from third parties, which are customary for agreements of this nature. The merger agreement may be terminated (and the rights and obligations of the parties under the merger agreement will cease) if: (i) notice to terminate is given by one party to the other party following breach by the other party of the merger agreement where such breach has a material adverse effect on the other party, the Merger or its implementation; (ii) the Effective Date does not occur on or before 30 June 2017 (or such later date as NBAD and FGB may agree in writing); or (iii) NBAD and FGB agree to do so in writing.

(b) ***NBAD's Euro Medium Term Note Programme***

NBAD established a Euro Medium Term Note Programme (the **NBAD EMTN Programme**) in 2005. Under the base prospectus dated 16 June 2015 NBAD may issue bearer or registered medium term notes outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these notes outstanding at any time must not exceed USD7,500,000,000 (or equivalent in other currencies). Notes issued may be senior or subordinated unsecured obligations of NBAD and may be listed on the London Stock Exchange or unlisted.

Notes may be issued under the NBAD EMTN Programme in any currency agreed between NBAD and the relevant dealer(s) and at an issue price which is at par, or discount to, or at a premium over, par. Once issued the notes may bear interest at a fixed or floating rate or be zero coupon and bear no interest. The notes are governed by, and construed in accordance with, English law.

The arrangers for the NBAD EMTN Programme are Barclays Bank PLC and NBAD and the dealers are Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, National Bank of Abu Dhabi P.J.S.C., Société Générale, Standard Chartered Bank.

There are currently 41 issues outstanding with an outstanding principal amount of USD3.75bn under the NBAD EMTN Programme. Details of these issues are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing	Other relevant characteristics (if applicable)
USD 750,000,000	Interest payment date falling on or nearest to 27 March 2017	Fixed Rate—3.25% per annum	London Stock Exchange	
USD 25,000,000	Interest payment date falling on or nearest to 28 March 2017	Floating Rate—Three (3) month USD LIBOR + 0.40% per annum	Unlisted	
USD 25,000,000	Interest payment date falling on or nearest to 28 March 2017	Floating Rate—Three (3) month USD LIBOR + 0.40% per annum	Unlisted	

Aggregate nominal amount	Maturity date	Interest rate	Listing	Other relevant characteristics (if applicable)
USD 25,000,000	Interest payment date falling on or nearest to 28 March 2017	Floating Rate—Three (3) month USD LIBOR + 0.40% per annum	Unlisted	
USD 50,000,000	Interest payment date falling on or nearest to 26 June 2017	Floating Rate—Three (3) month USD LIBOR + 0.37% per annum	Unlisted	
USD 200,000,000	Interest payment date falling on or nearest to 20 November 2017	Floating Rate—One (1) month USD LIBOR + the applicable variable margin rate	London Stock Exchange	Puttable
HKD 316,000,000	Interest payment date falling on or nearest to 8 September 2017	Fixed Rate—3.4% per annum	Unlisted	
USD 30,000,000	Interest payment date falling on or nearest to 15 September 2017	Fixed Rate—3.71% per annum	London Stock Exchange	
HKD 303,000,000	Interest payment date falling on or nearest to 29 September 2017	Fixed Rate—4.32% per annum	Unlisted	
USD 200,000,000	Interest payment date falling on or nearest to 20 November 2017	Floating Rate—One (1) month USD LIBOR + the applicable variable margin	London Stock Exchange	Puttable
CNY 130,000,000	15 January 2018	Fixed Rate—4.55% per annum	London Stock Exchange	
USD 100,000,000	Interest payment date falling on or nearest to 31 January 2018	Floating Rate—One (1) month USD LIBOR + the applicable variable margin rate	Unlisted	Puttable
USD 50,000,000	Interest payment date falling on or nearest to 11 April 2018	Floating Rate—One (1) month USD LIBOR + the applicable variable margin rate	Unlisted	Puttable
CNY 130,000,000	15 March 2019	Fixed Rate—4.75% per annum	London Stock Exchange	
USD 750,000,000	13 August 2019	Fixed Rate—3.00% per annum	London Stock Exchange	
HKD 320,000,000	18 September 2019	Fixed Rate—4.45%	London Stock Exchange	
USD 750,000,000	11 February 2020	Fixed Rate—2.250% per annum	London Stock Exchange	
CNY 200,000,000	17 March 2020	Fixed Rate—4.79% per annum	London Stock Exchange	
EUR 25,000,000	16 April 2020	Fixed Rate—0.566% per annum	London Stock Exchange	
USD 50,000,000	Interest payment date falling on or nearest to 30 April 2020	Floating Rate—Three (3) month USD LIBOR + 0.68%	London Stock Exchange	
AUD 30,000,000	11 May 2020	Fixed Rate—3.37% per annum	Unlisted	
USD 5,000,000	5 January 2021	Floating Rate—Three (3) month LIBOR (subject to a minimum rate of interest of 1.8500% per annum)	Unlisted	Floored
HKD 335,000,000	4 May 2022	Fixed Rate—3.95% per annum	Unlisted	
HKD 160,000,000	11 May 2022	Fixed Rate—2.35% per annum	Unlisted	
HKD 400,000,000	18 July 2027	Fixed Rate—3.94% per annum	Unlisted	

Aggregate nominal amount	Maturity date	Interest rate	Listing	Other relevant characteristics (if applicable)
MXN 470,000,000	27 March 2028	Fixed Rate—0.50% per annum	Unlisted	Deeply discounted
USD 50,000,000	28 April 2030	Zero Coupon	Unlisted	Multi-Callable
USD 80,000,000	9 August 2032	Fixed Rate—4.365% per annum	London Stock Exchange	
USD 30,000,000	24 September 2032	Fixed Rate—4.10% per annum	London Stock Exchange	
USD 25,000,000	29 April 2035	Zero Coupon	Unlisted	Multi-Callable
USD 20,000,000	8 March 2036	Zero Coupon	Unlisted	Multi-Callable
USD 30,000,000	8 March 2036	Zero Coupon	Unlisted	Multi-Callable
USD 20,000,000	15 September 2036	Fixed Rate—4.8% per annum		
USD 25,000,000	22 May 2052	Fixed Rate—5.01% per annum	London Stock Exchange	
USD 30,000,000	23 April 2045	Zero Coupon	London Stock Exchange	Multi-Callable
USD 50,000,000	18 May 2045	Zero Coupon	London Stock Exchange	Multi-Callable
USD 25,000,000	7 July 2045	Zero Coupon	London Stock Exchange	Multi-Callable
USD 50,000,000	7 July 2045	Zero Coupon	London Stock Exchange	Multi-Callable
USD 50,000,000	15 July 2045	Zero Coupon	London Stock Exchange	
USD 25,000,000	16 July 2045	Zero Coupon	London Stock Exchange	
USD 25,000,000	03 August 2045	Zero Coupon	London Stock Exchange	
USD 25,000,000	8 October 2045	Zero Coupon	London Stock Exchange	

(c) ***NBAD's USD5,000,000,000 Euro Commercial Paper Programme***

NBAD established a euro commercial paper programme (the **ECP Programme**) in 2006. Under the information memorandum dated 9 July 2015, NBAD may issue bearer short term notes outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these notes outstanding at any time must not exceed USD5,000,000,000 (or equivalent in other currencies). Notes issued will be senior obligations of NBAD and will be unlisted.

Notes may be issued under the ECP Programme in one of the currencies specified in the information memorandum or in any other currency agreed between NBAD and the relevant dealer(s) and at an issue price which is at par or at a discount to par. Once issued the notes may bear interest at a fixed or floating rate or bear no interest. The notes are governed by, and construed in accordance with, English law.

The arranger under the ECP Programme is Citibank International Limited and the dealers are Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank International Limited, Citigroup Global Markets Limited, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank), ING Bank N.V. and the Royal Bank of Scotland.

(d) ***NBAD's AUD2,000,000,000 Australian and New Zealand Domestic Debt Issuance Programme***

NBAD established an Australian and New Zealand Domestic Debt Issuance Programme (the **AUSNZ Programme**) in 2010. Under the information memorandum dated 27 February 2013, NBAD may issue registered uncertificated debt instruments outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these debt instruments outstanding at any time must not exceed A$2,000,000,000 (or equivalent in other currencies). Debt instruments issued will be senior unsecured obligations of NBAD and may be listed on the Australian Securities Exchange operated by ASX Limited, the stock market operated NSX Limited or any other stock or securities exchange or be unlisted.

Debt instruments issued under the AUSNZ Programme will be denominated in (a) in respect of Australian domestic notes, Australian dollars, (b) in respect of New Zealand domestic notes, New Zealand dollars, or (c) in such other currencies agreed between NBAD and the relevant dealer(s). The debt instruments may be issued at an issue price which is at par, or discount to, or at a premium over, par and on a fully or partly paid basis. The debt instruments may or may not bear interest and any interest will be at a fixed, floating or other variable rate in accordance with the terms and conditions of the debt instruments. The debt issuances are governed by, and construed in accordance with, the laws of New South Wales, Australia, except for New Zealand domestic notes which will be governed by, and shall be construed in accordance with, the laws of New Zealand.

The dealers under the AUSNZ Programme are Australia and New Zealand Banking Group Limited, Merrill Lynch International (Australia) Ltd and UBS AG, Australia Branch.

There are currently two unlisted debt issuances outstanding under the AUDNZ Programme with a combined principal amount outstanding of AUD700,000,000 and details of these issues are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing
AUD 300,000,000	7 March 2018	Fixed Rate—5.00% per annum	Unlisted
AUD 400,000,000	19 March 2019	Fixed Rate—4.75% per annum	Unlisted

(e) ***NBAD's USD5,000,000,000 Commercial Paper Notes Programme***

NBAD established a commercial paper notes programme (the **US CP Programme**) in 2016. Under the private placement memoranda dated 2 June 2016, NBAD may issue registered short term notes within the United States in reliance on Rule 144A under the Securities Act 1933. The aggregate nominal amount of these notes outstanding at any time must not exceed USD5,000,000,000. Notes issued will be senior unsecured obligations of NBAD and will be unlisted.

The notes may be issued in USD and at an issue price which is at par or at a discount to par. The notes are governed by, and shall be construed in accordance with, New York law.

The dealers under the US CP Programme are Merrill Lynch, Pierce, Fenner & Smith Inc. and Citigroup Global Markets Inc.

(f) ***NBAD's French Certificates de Depot EUR 1,000,000,000 Programme***

NBAD, acting through its Paris branch, established a French Certificates de Depot Programme (the **French CD Programme**) in 2013. Under the information memorandum dated 28 May 2015, NBAD may issue bearer certificate de dépôt (French CDs) outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these French CDs outstanding at any time must not exceed EUR 1,000,000,000 or its equivalent in any other authorised currency. French CDs issued will be senior unsecured obligations of NBAD and may be admitted to trading on Euronext Paris or the Luxembourg Stock Exchange.

French CDs issued under the French CD Programme will be denominated in Euro or in any other currency authorised by relevant French regulations. French CDs may or may not bear interest and any interest will be at a fixed, floating or other rate in accordance with the terms and conditions of the French CDs. The French CDs are governed by, and shall be construed in accordance with, French law.

The arranger under the French CD Programme is Crédit Agricole Corporate and Investment Bank and the dealers are Crédit Agricole Corporate and Investment Bank, Société Générale, BRED Banque Populaire, BNP Paribas and National Bank of Abu Dhabi, acting through its Paris Branch.

(g) ***NBAD's HKD5,000,000,000 Certificate of Deposit Programme***

NBAD, acting by and through its Hong Kong branch, established a Certificate of Deposit Programme (the **HK CD Programme**) in 2010. Pursuant to an information memorandum dated 29 November 2010, NBAD may issue bearer short term certificates of deposit (the HK CDs) outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these HK CDs outstanding at any time must not exceed HKD5,000,000,000 (or equivalent in other currencies). HK CDs issued will be senior unsecured obligations of NBAD and will be unlisted.

HK CDs may be issued in Hong Kong dollars, United States dollars and Chinese Renminbi or any other currency agreed between NBAD and the relevant dealer(s) and agent(s). The HK CDs may be issued at an issue price which is at par, or discount to, or at a premium over, par and, once issued the notes may bear interest at a fixed or floating rate or be issued at a discount and bear no interest. The notes are governed by, and construed in accordance with, Hong Kong law.

The joint arranger with National Bank of Abu Dhabi, acting through its Hong Kong Branch is The Hongkong and Shanghai Banking Corporation Limited. The dealers are Australia and New Zealand Banking Group Limited, Barclays Capita, BNP Paribas, Hong Kong Branch, National Australia Bank Limited, Standard Chartered Bank (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited and the Royal Bank of Scotland.

(h) ***NBAD's GBP5,000,000,000 Certificate of Deposit Programme***

NBAD, acting through its London Branch established a certificate of deposit programme (the **UK CD Programme**) in 2015. Under the Information Memorandum dated 21 September 2015,NBAD may issue bearer short terms certificates of deposits (the UK CDs) outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these UK CDs outstanding at any time must not exceed GBP5,000,000,000 (or equivalent in other currencies). UK CDs issued will be senior unsecured obligations of NBAD and will be unlisted.

The UK CDs may be issued in one of the currencies listed in the information memorandum or in any other currency agreed between NBAD and the relevant dealer(s). The UK CDs may be issued at a discount or may bear a fixed or floating rate of interest. The CDs are governed by, and construed in accordance with, English law.

The arranger is Barclays Bank PLC and the dealers are the Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank International Limited, Citigroup Global Markets Limited, ING Bank N.V. and the Royal Bank of Scotland plc.

(i) ***NBAD Americas N.V.'s Certificate of Deposit Programme***

NBAD Americas N.V. (formerly Abu Dhabi International Bank Inc.) established a certificate of deposit programme (the **NBAD Americas Programme**) in 2009. Under this programme, NBAD may issue registered short term certificates of deposit (NBAD NV CDs) within the United States in reliance on Rule 144A under the Securities Act 1933. Each issuance of NBAD NV CDs must have a minimum principal amount of USD 1 million.

The NBAD NV CDs are governed by, and shall be construed in accordance with, New York law.

(j) ***NBAD's AED 4,000,000,000 6 per cent. Fixed/Floating Rate Tier One Capital Notes (March 2009)***

On 17 March 2009, NBAD issued AED4,000,000,000 6.00% Fixed/Floating Rate Tier One Capital Notes (the **Capital Notes**) to the Department of Finance, Government of Abu Dhabi of which USD4bn in principal amount is outstanding. There are no joint lead managers involved. The Capital Notes constitute subordinated unsecured obligations of NBAD. So long as the Capital Notes remain outstanding, NBAD may not issue any securities, or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes Tier 1 Capital of NBAD if claims in respect of such securities, guarantee or contractual support arrangement would rank senior to the Capital Notes. The Capital Notes are governed by the laws of the Emirate of Abu Dhabi, and to the extent applicable in Abu Dhabi, the federal laws of the UAE and are not listed.

The Capital Notes were issued in registered form, in principal amounts of AED10,000,000 each and integral multiples in excess thereof. As the Capital Notes are perpetual securities there is no fixed redemption date. However, subject to the relevant terms and conditions, NBAD may redeem the Capital

Notes provided that the prior consent of the relevant regulator has been obtained and both at the time when the notice of redemption is given and immediately following such redemption, NBAD is or will be (as the case may be) in compliance with the Applicable Regulatory Capital Requirements described in the terms and conditions.

(k) ***NBAD's Programme for the issue of up to MYR3,000,000,000 in nominal value of Notes***

NBAD established a conventional medium term notes and Islamic securities programme (the **NBAD MYR Programme**) in 2008. Under the information memorandum dated 5 July 2012, NBAD may issue bearer medium term notes (MTNs) and bearer Islamic securities (Sukuk and, together with the MTNs, the Notes) outside of the United States to non-US persons (subject to certain exceptions). The aggregate nominal amount of these Notes outstanding at any time must not exceed MYR3,000,000,000. MTNs and Sukuk issued may be senior or subordinated unsecured obligations of NBAD and will be unlisted.

Notes issued under the NBAD MYR Programme will be denominated in Malaysian Ringgit and may be issued at an issue price which is at par, or discount to par. MTNs may or may not bear interest and any interest will be at a fixed, floating or other variable rate in accordance with the terms and conditions of the MTNs. Sukuk will bear a rate of profit which is compliant with the principles of Islamic law. The Notes are governed by, and shall be construed in accordance with, the laws of Malaysia.

The arranger under the NBAD MYR Programme is Standard Chartered Bank Malaysia Berhad and the joint lead managers are Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, Maybank Investment Bank Berhad, HSBC Bank Malaysia Berhad, HSBC Amanah Malaysia Berhad and National Bank of Abu Dhabi Malaysia Berhad.

There are two issues outstanding with an outstanding principal amount of MYR1bn under the NBAD MYR Programme. Details of these issues are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing
RM500,000,000 (Subordinated Sukuk)	9 December 2027	4.75% per annum	Unlisted
RM500,000,000 (Senior Sukuk)	28 December 2020	4.90% per annum	Unlisted

(l) ***NBAD's JPY10,000,000,000 2.60 per cent. Bonds due 2026***

On 15 July 2011, NBAD issued JPY10,000,000,000 2.60% bonds due 15 July 2026 (the **JPY Bonds**) of which USD94m[2] in principal amount is outstanding. The JPY Bonds constitute senior unsecured obligations of NBAD.

The JPY Bonds were issued in uncertificated form, in principal amounts of JPY100,000,000 each. The Notes are governed by, and shall be construed in accordance with, the laws of Japan and are unlisted.

The joint lead managers for the issuance were HSBC Securities (Japan) Limited, Tokyo Branch and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

(m) ***NBAD's USD500,000,000 1.00 per cent. Convertible Bonds due 2018***

On 5 June 2013 NBAD issued USD500,000,000 1.00 per cent Convertible Bonds due 12 March 2018 (the **Convertible Bonds**) of which USD500m in principal amount is outstanding. The Convertible Bonds constitute senior unsecured obligations of NBAD.

The Convertible Bonds were issued in registered form, in principal amounts of USD200,000 each. Subject to the terms and conditions of the Convertible Bonds, each Convertible Bond entitles the holder to convert the Convertible Bond into new and/or existing fully paid shares in the capital of NBAD, as determined by NBAD. The initial conversion price is USD 4.2497 per share. The Convertible Bonds are governed by, and shall be construed in accordance with, English law and are unlisted.

The joint lead managers for the issuance were Barclays Bank PLC, J.P. Morgan Securities plc, Merrill Lynch International and NBAD.

2 Exchange rate as at 25 July 2016.

(n) ***NBAD's USD750,000,000 Perpetual Tier 1 Capital Securities***

On 17 June 2015, NBAD issued USD750,000,000 Perpetual Tier 1 Capital Securities (the **Capital Securities**) of which USD750m in principal amount is outstanding. The Capital Securities constitute subordinated unsecured obligations of NBAD. So long as the Capital Securities remain outstanding, NBAD may not issue any securities, or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes Tier 1 Capital of NBAD if claims in respect of such securities, guarantee or contractual support arrangement would rank senior to the Capital Securities.

The Capital Securities were issued in registered form, in principal amounts of USD200,000 each and integral multiples of USD1,000 in excess thereof. As the Capital Securities are perpetual securities there is no fixed or final redemption date. However, subject to the terms and conditions of the Capital Securities, NBAD may redeem the Capital Securities in whole but not in part, provided that NBAD is solvent, the prior consent of the relevant regulator has been obtained and both at the time when the notice of redemption is given and immediately following such redemption, NBAD is or will be (as the case may be) in compliance with the Applicable Regulatory Capital Requirements described in the terms and conditions. The Capital Securities are governed by, and shall be construed in accordance with, English law and are listed on the London Stock Exchange.

The joint lead managers for the issuance were Citigroup Global Markets Limited, HSBC Bank plc, Morgan Stanley & Co. International plc, NBAD and Société Générale.

8.4.2 Material contracts of FGB

The following agreements, being otherwise than contracts entered into in the ordinary course of business, have been entered into by FGB within the two years immediately preceding the date of this document and are or may be material:

(a) ***Merger Agreement***

Please see the summary of the Merger Agreement set out in sub-section 8.4.1(a).

(b) ***FGB's Euro Medium Term Note Programme***

FGB established a Euro Medium Term Note Programme (the **FGB EMTN Programme**) in 2007. Under the base prospectus dated 18 April 2016, FGB may issue medium term notes in bearer or registered form outside of the United States to non-US persons (subject to certain exceptions) in accordance with Regulation S of the United States Securities Act of 1933 (as amended). The aggregate nominal amount of these notes outstanding at any time must not exceed USD5,000,000,000 (or equivalent in other currencies). Notes issued may be senior or subordinated, unsecured obligations of FGB and may be listed on the London Stock Exchange or unlisted.

Notes may be issued under the FGB EMTN Programme in any currency agreed between FGB and the relevant dealer(s) and at an issue price which is at par, or discount to, or at a premium over, par. Once issued the notes may bear interest at a fixed or floating rate or be zero coupon and bear no interest. The notes are governed by, and construed in accordance with, English law.

The arrangers for the FGB EMTN Programme are Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, FGB, HSBC Bank plc, NBAD and Standard Chartered Bank and the dealers are Australia and New Zealand Banking Group Limited, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Daiwa Capital Markets Europe Limited, DBS Bank Ltd., Deutsche Bank AG, London Branch, FGB, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, NBAD, Natixis, Nomura International plc, Standard Chartered Bank and Wells Fargo Securities International Limited.

There are currently 28 series outstanding with an outstanding principal amount of USD3.176bn[3] under the FGB EMTN Programme. Details of these series are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing	Other relevant characteristics (if applicable)
USD 25,000,000 . . .	12 December 2016	Floating Rate—Three (3) month USD LIBOR + 1.23% annum	Unlisted	
USD 650,000,000 . . .	9 October 2017	Fixed Rate—2.862% per annum	London Stock Exchange	
EUR 15,000,000 . . .	26 February 2018	Floating Rate—Three (3) month EUR LIBOR + 0.36% per annum	Unlisted	
CNH 400,000,000 . .	9 April 2018	Fixed Rate—5.00% per annum	London Stock Exchange & Taipei	
SGD 11,000,000 . . .	15 June 2018	Fixed Rate—2.10% per annum	Unlisted	
CNH 230,000,000 . .	18 August 2018	Fixed Rate—4.50% per annum	London Stock Exchange	
USD 500,000,000 . . .	14 January 2019	Fixed Rate—3.25% per annum	London Stock Exchange	
AED 50,000,000 . . .	11 April 2019	Floating Rate—Three (3) month EIBOR + 0.80% per annum	Unlisted	
CNH 65,000,000 . . .	13 May 2019	Fixed Rate—4.60% per annum	London Stock Exchange	
CNH 516,000,000 . .	3 June 2019	Fixed Rate—4.55% per annum	London Stock Exchange & Taipei	
JPY 10,000,000,000 .	3 July 2019	Fixed Rate—0.863% per annum	Tokyo Stock Exchange	
AUD 20,000,000 . . .	22 July 2019	Floating Rate—BBSW+ 1.42%	Unlisted	
USD 30,000,000 . . .	2 October 2019	Floating Rate—Three (3) month USD LIBOR + 0.73%% annum per annum	Unlisted	
HKD 160,000,000 . .	17 February 2020	Fixed Rate—2.43%	Unlisted	
USD 900,000,000 . . .	24 February 2020	Fixed Rate—2.625% per annum	London Stock Exchange	
HKD 160,000,000 . .	11 May 2020	Fixed Rate—2.37% per annum	Unlisted	
USD 10,000,000 . . .	13 June 2021	Floating Rate—Three (3) month USD LIBOR + 1.40% (subject to a Maximum rate of interest of 7.00% per annum)	Listed	Capped
USD 10,000,000 . . .	15 June 2021	Floating Rate—Three (3) month USD LIBOR + 1.40% (subject to a Maximum rate of interest of 7.00% per annum)	Listed	Capped
USD 10,000,000 . . .	21 June 2021	Floating Rate—Three (3) month USD LIBOR + 1.40% (subject to a Maximum rate of interest of 7.00% per annum)	Listed	Capped

[3] Exchange rate as at 1 Aug 2016

Aggregate nominal amount	Maturity date	Interest rate	Listing	Other relevant characteristics (if applicable)
USD 10,000,000 . . .	23 June 2021	Floating Rate—Three (3) month USD LIBOR + 1.40% (subject to a Maximum rate of interest of 7.00% per annum)	Listed	Capped
CHF 200,000,000 . . .	27 May 2022	Fixed Rate—0.625% per annum	Swiss Exchange Ltd	
HKD 800,000,000 . .	8 August 2023	Fixed Rate—4.18% per annum	Unlisted	
EUR 100,000,000 . .	1 July 2025	Fixed Rate—3.00% per annum	London Stock Exchange	
USD 25,000,000 . . .	7 July 2045	Zero Coupon	London Stock Exchange	Multi Callable
USD 20,000,000 . . .	30 December 2045	Zero Coupon	London Stock Exchange	Multi Callable
USD 50,000,000 . . .	31 March 2046	Zero Coupon	London Stock Exchange	Multi Callable
USD 50,000,000 . . .	12 May 2046	Zero Coupon	London Stock Exchange	Multi Callable

(c) ***FGB's USD3,500,000,000 Trust Certificate Issuance Programme***

FGB Sukuk Company Limited established a Trust Certificate Issuance Programme (the **FGB Sukuk Company Programme**) in 2011. Under the base prospectus dated 21 April 2016, FGB Sukuk Company Limited may issue certificates in registered form outside of the United States to non-US persons (subject to certain exceptions) in accordance with Regulation S of the United States Securities Act of 1933 (as amended). The aggregate nominal amount of these certificates outstanding at any time must not exceed USD3,500,000,000 (or equivalent in other currencies). Certificates issued will be senior, unsecured obligations of FGB and may be listed on the London Stock Exchange or unlisted.

Certificates may be issued under the FGB Sukuk Company Programme in any currency agreed between FGB Sukuk Company Limited and the relevant dealer(s) and at an issue price which is at par, or discount to, or at a premium over, par. Once issued the certificates may only bear interest at a fixed rate . The certificates are governed by, and construed in accordance with, English law.

The arrangers for the FGB Sukuk Company Programme are Citigroup Global Markets Limited, HSBC Bank plc, NBAD and Standard Chartered Bank. The dealers are Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, HSBC Bank plc, NBAD and Standard Chartered Bank.

There is currently 1 series outstanding with an outstanding principal amount of USD500mn under the FGB Sukuk Company Programme. Details of this series are as follows:

Aggregate nominal amount	Maturity date	Profit rate	Listing	Other relevant characteristics (if applicable)
USD 500,000,000	18 January 2017	Fixed Rate—4.046% per annum	London Stock Exchange	

(d) ***FGB's USD3,000,000,000 Euro Commercial Paper Programme***

FGB established a euro commercial paper programme (the **FGB ECP Programme**) in 2015. Under the information memorandum dated 14 March 2016, FGB may issue short term notes in bearer form outside of the United States to non-US persons (subject to certain exceptions) in accordance with Regulation S of the United States Securities Act of 1933 (as amended). The aggregate nominal amount of these notes outstanding at any time must not exceed USD3,000,000,000 (or equivalent in other currencies). Notes issued will be senior, unsecured obligations of FGB and will be unlisted.

Notes may be issued under the FGB ECP Programme in one of the currencies specified in the information memorandum or in any other currency agreed between FGB and the relevant dealer(s) and at an issue price which is at par or at a discount or premium to par. Once issued the notes may bear interest at a fixed or floating rate or bear no interest. The notes are governed by, and construed in accordance with, English law.

The arranger under the FGB ECP Programme is Barclays Bank PLC and the dealers are Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank International Limited, FGB, ING Bank N.V. and UBS Limited.

(e) ***FGB's AUD2,000,000,000 Medium Term Note Programme***

FGB established an A$ Medium Term Note Programme in 2014. Under the information memorandum dated 5 February 2014, FGB may issue uncertificated debt instruments in registered form outside of the United States to non-US persons (subject to certain exceptions) in accordance with Regulation S of the United States Securities Act of 1933 (as amended). The aggregate nominal amount of these debt instruments outstanding at any time must not exceed A$2,000,000,000 (or equivalent in other currencies). Debt instruments issued will be senior, unsecured obligations of FGB and may be listed on the Australian Securities Exchange operated by ASX Limited, or any other stock or securities exchange or be unlisted.

Debt instruments issued under the A$ Medium Term Note Programme may be denominated in any such currency agreed between FGB and the relevant dealer(s). The debt instruments may be issued at an issue price which is at par, or discount to, or at a premium over, par and on a fully or partly paid basis. The debt instruments may or may not bear interest and any interest will be at a fixed, floating or other variable rate in accordance with the terms and conditions of the debt instruments. The debt issuances are governed by, and construed in accordance with, the laws of New South Wales, Australia.

The arrangers under A$ Medium Term Note Programme are Australia and New Zealand Banking Group Limited and FGB The dealers under the A$ Medium Term Note Programme are Australia and New Zealand Banking Group Limited, FGB, The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and Nomura International plc.

There is currently one unlisted debt issuance outstanding under the A$ Medium Term Note Programme with an outstanding principal amount outstanding of A$250,000,000 and details of this series are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing
AUD 250,000,000	1 April 2019	Fixed Rate—5.00% per annum	Unlisted

(f) ***FGB's USD1,000,000,000 Certificate of Deposit Programme***

FGB, acting by and through its Singapore branch, established a Certificate of Deposit Programme (the **Singapore CD Programme**) in 2014. Pursuant to an information memorandum dated 8 April 2014, FGB may issue short term certificates of deposit in bearer form (the Singapore CDs) outside of the United States to non-US persons (subject to certain exceptions) in accordance with Regulation S of the United States Securities Act of 1933 (as amended). The aggregate nominal amount of these Singapore CDs outstanding at any time must not exceed USD1,000,000,000 (or equivalent in other currencies). Singapore CDs issued will be senior, unsecured obligations of FGB and will be unlisted.

Singapore CDs may be issued in United States dollars or any other alternate currency agreed between FGB and the relevant dealer(s) and agent(s). The Singapore CDs may be issued at an issue price which is at par, or discount to, or at a premium over, par and, once issued the Singapore CDs may bear interest at a fixed or floating rate or be issued at a discount and bear no interest. The notes are governed by, and construed in accordance with, English law.

The joint arranger with FGB, acting through its Singapore Branch is Standard Chartered Bank. The dealers are Australia and New Zealand Banking Group Limited, BNP Paribas Singapore Branch, Commerzbank AG, Singapore Branch, DBS Bank Ltd., FGB, Singapore Branch, Nomura Singapore Limited, Standard Chartered Bank and the Westpac Banking Corporation.

(g) ***FGB's AED 4,000,000,000 6 per cent. Fixed/Floating Rate Tier One Capital Notes (February 2009)***

On 26 February 2009, FGB issued AED4,000,000,000 6.00% Fixed/Floating Rate Tier One Capital Notes (the **FGB Capital Notes**) to the Department of Finance, Government of Abu Dhabi of which AED4bn in principal amount is outstanding. There are no joint lead managers involved. The FGB Capital Notes constitute subordinated unsecured obligations of FGB. So long as the FGB Capital Notes remain outstanding, FGB may not issue any securities, or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes Tier 1 Capital of FGB if claims in respect of such securities, guarantee or contractual support arrangement would rank senior to the FGB Capital Notes. The FGB Capital Notes are governed by the laws of the Emirate of Abu Dhabi, and to the extent applicable in Abu Dhabi, the federal laws of the UAE and are not listed.

The FGB Capital Notes were issued in registered form, in principal amounts of AED10,000,000 each and integral multiples in excess thereof. As the FGB Capital Notes are perpetual securities there is no fixed redemption date. However, subject to the relevant terms and conditions, FGB may redeem the FGB Capital Notes provided that the prior consent of the relevant regulator has been obtained and both at the time when the notice of redemption is given and immediately following such redemption, FGB is or will be (as the case may be) in compliance with the Applicable Regulatory Capital Requirements described in the terms and conditions.

8.5 LITIGATION

Neither NBAD nor any member of the NBAD Group is involved in any legal or arbitration proceedings which may have, or have had during the twelve months preceding the date of this document, a significant effect on the NBAD Group's financial position nor (so far as NBAD is aware) are any such proceedings pending or threatened against any member of the NBAD Group.

Neither FGB nor any member of the FGB Group is involved in any legal or arbitration proceedings which may have, or have had during the twelve months preceding the date of this document, a significant effect on the FGB Group's financial position nor (so far as FGB is aware) are any such proceedings pending or threatened against any member of the FGB Group.

8.6 SUBSIDIARIES, ASSOCIATE COMPANIES AND BRANCHES

If the Merger takes place, it is anticipated that NBAD will own (directly or indirectly) the subsidiaries, associate companies and branches listed below (which are currently members of the NBAD Group or the FGB Group):

8.6.1 Existing subsidiaries of NBAD

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
Abu Dhabi National Leasing LLC*	100%	UAE	Leasing activities
Abu Dhabi National Property Company PJS	100%	UAE	Property management activities
NBAD Private Bank (Suisse) SA	100%	Switzerland	Banking activities
NBAD Securities LLC*	100%	UAE	Brokerage activities
Abu Dhabi National Islamic Finance Pvt.JSC*	100%	UAE	Islamic finance activities
National Bank of Abu Dhabi Malaysia Berhad*	100%	Malaysia	Banking activities
NBAD Americas N.V.	100%	Curacao	Operating a branch in the United States of America
NBAD Financial Markets (Cayman) Limited	100%	Cayman Islands	Banking activities
Ample China Holdings Limited	100%	Hong Kong	Leasing activities
Abu Dhabi Brokerage Egypt+	96%	Egypt	Brokerage activities
NBAD Employee Share Option Limited	100%	UAE	Dealing with shares and securities
SAS 10 Magellan	100%	France	Leasing activities
NBAD (Cayman) Limited(1)+	100%	Cayman Islands	Fund management
Abu Dhabi Inc Holding	100%	Channel Islands	Fund management
One Share PLC(1)	100%	Republic of Ireland	Investment activities
NBAD Private Equity 1(1)	58%	Cayman Islands	Fund management activities
NBAD Global Multi-Strategy Fund(1)+	100%	Cayman Islands	Fund management activities

\+ Subsidiary under liquidation

* Nominee arrangement ownership

(1) Special Purpose Entity

8.6.2 Existing associate companies of NBAD

Name of associate	Ownership interest	Country of incorporation	Principal activity
National Takaful PJSC	15.74%	UAE	Insurance activities
Misr Iran Office & Touristic Buildings Co	20%	Egypt	Leasing activities

8.6.3 Existing branches of NBAD

Name of branch	Ownership interest	Country of incorporation	Principal activity
NBAD	100%	Bahrain	Banking activities
NBAD	100%	Egypt	Banking activities
NBAD	100%	France	Banking activities
NBAD	100%	Hong Kong	Banking activities
NBAD	100%	India	Banking activities
NBAD	100%	Jordan	Banking activities
NBAD	100%	Kuwait	Banking activities
NBAD	100%	Labuan	Banking activities
NBAD	100%	Oman	Banking activities
NBAD	100%	Sudan	Banking activities
NBAD	100%	United Kingdom	Banking activities
NBAD Americas N.V.	100%	United States of America	Banking activities
NBAD	100%	Brazil	Representative office
NBAD	100%	China	Representative office
NBAD	100%	Lebanon	Representative office
NBAD	100%	Switzerland	Representative office

8.6.4 Existing subsidiaries of FGB

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
Mismak Properties Co. LLC*	100%	UAE	Property estate investments
First Gulf Information Technologies*	100%	UAE	Information technology services
First Merchant International LLC*	100%	UAE	Merchant Banking Services
First Gulf Libyan Bank	50%	UAE	Banking Services
FGB Sukuk Company Limited	100%	UAE	Special Purpose Vehicle
FGB Sukuk Company II Limited	100%	UAE	Special Purpose Vehicle
Aseel Finance PJSC	100%	UAE	Islamic Finance
First Gulf Properties LLC*	100%	UAE	Property management activities
Dubai First PJSC*	100%	UAE	Credit Card Finance
FGB Global Markets Cayman Limited	100%	Cayman Islands	Special Purpose Vehicle

* Nominee arrangement ownership

8.6.5 Existing associate companies of FGB

Name of associate	Ownership interest	Country of incorporation	Principal activity
Green Emirates Properties PJSC	40%	UAE	Property management activities
Midmak Properties LLC	16%	UAE	Property management activities
Moora Properties LLC	67%	UAE	Dormant company

8.6.6 Existing branches of FGB

Name of branch	Ownership interest	Country of incorporation	Principal activity
FGB	100%	Qatar	Banking activities
FGB	100%	Singapore	Banking activities
FGB	100%	South Korea	Representative Office
FGB	100%	United Kingdom	Representative Office
FGB	100%	India	Representative Office
FGB	100%	Hong Kong	Representative Office

8.7 TAXATION

The following comments are general in character and are based on the current applicable tax laws, regulations, interpretations and tax authority practice in the UAE as at the date of this document. Such laws, regulations, interpretations and practice may change in the future, which may impact the comments set out in this Sub-section 8.7. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all shareholders and are not a substitute for formal tax advice. If you are in any doubt as to your own tax position, it is recommended that you seek independent professional advice.

The UAE is a federation of seven Emirates. There is currently no federal corporate income tax imposed on the income of companies in the UAE. Whilst the majority of the seven Emirates forming the UAE (including Abu Dhabi) have issued corporate tax decrees which, in theory, apply to all businesses in the UAE, in practice these tax decrees are typically applied only to oil and gas production and exploration companies (i.e. upstream hydrocarbon companies with actual production in the UAE) and branches of foreign banks. Although this is the current practice, there is no guarantee that corporate income tax will not be introduced to other industry sectors in the future.

In accordance with the above practice, NBAD and FGB are not currently subject to corporate income tax in the UAE.

There is also currently no personal tax levied on individuals in the UAE.

Accordingly, based on the current tax laws and practices within the UAE, the Merger should not result in any UAE tax liabilities for individual or corporate shareholders of NBAD and FGB.

Individual or corporate shareholders who are tax resident in another jurisdiction, outside the UAE, should consider the tax laws of that jurisdiction and it is recommended that such shareholders seek professional tax advice to confirm the tax implications of the exchange of shares under the relevant applicable local laws in those jurisdictions.

Based on the same principles outlined above, UAE resident shareholders (both corporate and individual) should not be subject to tax in the UAE on the receipt of any dividend income. Shareholders who are tax resident outside the UAE should seek professional tax advice to confirm the tax treatment of that dividend income under the relevant applicable local laws in those jurisdictions.

There is currently no withholding tax in the UAE and as such any dividend payments made by NBAD should be made free of withholding tax under the current tax laws.

8.8 GENERAL

Credit Suisse has given and has not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears.

UBS has given and has not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears, and has authorised the contents of its opinion.

KPMG has given and has not withdrawn its written consent to the inclusion in this document of its report and the references to its name in the form and context in which they appear.

8.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the head office of each of NBAD and FGB during normal business hours on any Business Day prior to the Effective Date of the Merger:

(a) the draft articles of association of NBAD proposed to be adopted at the NBAD GM to be effective upon completion of the Merger;

(b) the audited financial statements of NBAD for the financial years ended 31 December 2014 and 31 December 2015;

(c) the audited financial statements of FGB for the financial years ended 31 December 2014 and 31 December 2015;

(d) the interim financial statements of NBAD for the three-month period ending 31 March 2015 and the three-month period ending 31 March 2016;

(e) the interim financial statements of NBAD for the six-month period ending 30 June 2015 and the six-month period ending 30 June 2016;

(f) the interim financial statements of FGB for the three-month period ending 31 March 2015 and the three-month period ending 31 March 2016; and

(g) the interim financial statements of FGB for the six-month period ending 30 June 2015 and the six-month period ending 30 June 2016.

9. TERMS AND CONDITIONS OF THE MERGER

PART A
CONDITIONS

The implementation of the Merger is conditional upon:

1. each of the resolutions set out in the notice of the NBAD GM (set out in Annex I to this document) receiving a vote in favour by holders of the requisite majority of NBAD Shares represented at the NBAD GM;
2. each of the resolutions set out in the notice of the FGB GM (set out in Annex II to this document) receiving a vote in favour by holders of the requisite majority of FGB Shares represented at the FGB GM;
3. all consents that have been identified by the NBAD Board as necessary to the implementation of the Merger having been obtained;
4. all consents that have been identified by the FGB Board as necessary to the implementation of the Merger having been obtained; and
5. the Merger Agreement not having been terminated in accordance with its terms,

(the ***Conditions Precedent***).

Following satisfaction of all of the Conditions Precedent the NBAD Board and the FGB Board shall apply for a certificate of the Securities and Commodities Authority (the ***SCA Certificate***) approving:

(a) the Merger;

(b) the dissolution of FGB;

(c) the increase in the share capital of NBAD; and

(d) the amendments to NBAD's Articles.

The NBAD Board shall apply to the SCA for the listing of the New NBAD Shares on the Abu Dhabi Securities Exchange.

The Merger shall become effective upon the issuance of the SCA Certificate.

PART B
PROCEDURAL REQUIREMENTS

Pursuant to the Companies Law, the directors of each of the Banks shall submit the conditional Merger Agreement to the general assembly to obtain approval by Special Resolution. The invitation of the general assembly to convene to consider the Merger shall meet the following conditions:

(a) it shall be accompanied by a copy or summary of the Merger Agreement; and

(b) the Merger Agreement shall clearly state the right of any one or more shareholders holding at least 20% of the share capital of the Bank, who objected to the Merger, to appeal the Merger before the competent court within thirty working days from the date of approval of the Merger Agreement by the general assembly.

Each Bank shall notify its creditors within ten working days of the date of the approval of the general assembly on the Merger and the following conditions shall govern such notification:

(a) It shall indicate that the intention of the Bank is to merge with the other Bank.

(b) It shall be sent in writing to every creditor of the Bank notifying such creditor of the Merger.

(c) It shall be published in two local daily newspapers issued in the UAE, one of which is issued in Arabic.

(d) It shall stipulate the right of any of the creditors of both Banks and holders of debenture bonds or sukuk and any person concerned to object the Merger at the Bank's main office and to hand over a copy of the objection to the SCA, providing that such actions shall be carried out within thirty days of the date of notification.

A creditor that notifies the Bank of the objection thereof in accordance with paragraph (d) above and has not been paid back by the Bank within thirty days of the date of notification may appeal to the competent court to obtain an order for the suspension of the Merger.

If it is proved to the court, upon submitting to it an application for the suspension of the Merger, that the Merger shall unrightfully damage the interests of the applicant, the court may issue an order for the suspension of the Merger subject to any other conditions deemed appropriate thereby.

The Merger shall remain suspended if the objector has not waived his objection or the court rules on the dismissal thereof by a conclusive judgment or if the Bank pays the debt if it is mature or provides sufficient guarantees if it is deferred.

The relevant records shall be amended at the registrar of companies at the Ministry after the approval of the SCA.

The competent authority shall record the dissolution of the merged Bank (FGB) and notify the SCA to that effect.

The Merger shall lead to the expiry of the corporate personality of the merged Bank (FGB) and the substitution thereof by the merging Bank (NBAD) in all rights and obligations and the merging Bank (NBAD) shall be the legal successor of the merged Bank (FGB).

APPENDIX I
DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

AED	UAE dirhams
Banks	NBAD and FGB
Business Day	any day, other than a Friday, Saturday or a public holiday in the UAE
Central Bank	the Central Bank of the UAE
Central Bank Law	Federal Law No. 10 of 1980 in respect of the Central Bank, the Monetary System and Organisation of Banking (as amended)
Combined Group/ Combined Bank	NBAD or, as the context may require, the combined businesses of the NBAD Group and the FGB Group following the implementation of the Merger
Commercial Registry	the commercial registry of the Department of Economic Development in the Emirate of Abu Dhabi
Companies Law	UAE Federal Law No. 2 of 2015 Concerning Commercial Companies
Credit Suisse	Credit Suisse (Hong Kong) Limited
Effective Date	the date on which the Merger becomes effective in accordance with its terms
Exchange Ratio	the exchange ratio set out in Sub-section 2.2 of Section 2 of this document
FGB	First Gulf Bank PJSC
FGB Articles	the articles of association of FGB
FGB Board	the board of directors of FGB
FGB GM	the general assembly meeting of FGB convened for the purpose of, amongst other things, approving the Merger and the subsequent dissolution of FGB
FGB Group	FGB and its subsidiaries and branches
FGB Shareholders	holders of FGB Shares
FGB Shares	shares of AED1.00 each in the capital of FGB
Financial Advisers	Credit Suisse and UBS
GCC	Gulf Co-operation Council
GM	general assembly meeting
Government	the Government of Abu Dhabi
IFRS	International Financial Reporting Standards
KPMG	KPMG Lower Gulf Limited
Listing	the listing of the New NBAD Shares on the Abu Dhabi Securities Exchange
Merger	the proposed merger of NBAD and FGB pursuant to Article 283(1) of the Companies Law
Merger Agreement	the agreement dated 3 July 2016 between NBAD and FGB setting out the terms and conditions of, and the parties' rights and obligations in connection with, the implementation of the Merger

Ministry	the UAE Ministry of Economy
NBAD	National Bank of Abu Dhabi PJSC
NBAD Articles	the articles of association of NBAD
NBAD Board	the board of directors of NBAD
NBAD GM	the general assembly meeting of NBAD convened for the purpose of, amongst other things, approving the Merger and the increase in the share capital of NBAD
NBAD Group	NBAD and its subsidiaries and branches
NBAD Shareholders	holders of NBAD Shares
NBAD Shares	shares of AED1.00 each in the capital of NBAD
New NBAD Shares	the new NBAD Shares to be issued, credited as fully paid, to FGB Shareholders pursuant to the Merger
Record Date	close of business (Abu Dhabi time) on 6 December 2016, being the last trading day prior to the GMs of NBAD and FGB
Restricted Jurisdiction	any jurisdiction outside the UAE where the issue of the New NBAD Shares would or may violate the law of, or regulation applicable to, that jurisdiction (for the avoidance of doubt, the United States is not a Restricted Jurisdiction)
SCA	the Securities and Commodities Authority of the UAE
SCA Certificate	the certificate of the SCA approving the Merger, the dissolution of FGB, the increase in the share capital of NBAD and the amendment to NBAD's articles
Special Resolution	a resolution issued by a majority of votes of shareholders owning at least three quarters of the shares represented at the relevant GM
UAE	the United Arab Emirates
UBS	UBS AG (London Branch)
US *or* ***United States***	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Securities Act	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

ANNEX I
NBAD NOTICE OF GENERAL ASSEMBLY MEETING

The Board of Directors of National Bank of Abu Dhabi PJSC (the **Company**) is pleased to invite the shareholders of the Company (the **Shareholders**) to attend the General Assembly Meeting (**GAM**) to be held on 7 December 2016 at 4.00 pm at The St. Regis Abu Dhabi, Nation Tower, Corniche, Abu Dhabi, United Arab Emirates in Abu Dhabi, to consider:

(1) The approval of the proposed merger (the **Merger**) of the Company and First Gulf Bank PJSC (**FGB**) to be effected by way of a merger pursuant to Article 283(1) of UAE Federal Law No. 2 of 2015 Concerning Commercial Companies (the **Law**), through the issuance of 1.254 new NBAD shares for every 1 share in FGB subject to the terms and conditions of the Merger.

(2) The approval of the merger agreement entered into between the Company and FGB in connection with the Merger.

(3) The approval of the following resolutions and the consequential amendments to the Company's Articles of Association upon the Merger becoming effective:

(a) the increase of share capital of the Company from AED 5,254,545,318 to AED 10,897,545,318, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;

(b) the amendment of Article 1 of the Company's Articles of Association to include the following definitions:

"Transaction": means dealings, contracts, or agreements entered into by the Bank, and which do not fall within the main activity of the Bank or that includes preferential conditions which the Bank does not usually grant to parties dealing with its clients, or any other transactions specified by the Authority from time to time by resolutions, instructions, or circulars it issues.

"Related Party": means Chairman and members of the Board of Directors of the Bank, members of the senior executive management of the Bank, employees of the Bank, and companies in which any of these including at hold 30% or more of its capital, as well as subsidiaries or sister companies or affiliate companies;

(c) the amendment of Article 6 of the Company's Articles of Association to increase the share capital of the Company by AED 5,643,000,000 from AED 5,254,545,318 to AED 10,897,545,318, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;

(d) the amendment of Article 17 of the Company's Articles of Association in respect of the number of members of the Board of Directors of the Company, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective such that Article 17 will read as follows:

"(1) The management of the Bank shall vest in a board of directors comprising nine (9) board members who, subject to Article (148) of the Companies Law, shall be elected by secret ballot using Cumulative Voting. In all cases the majority of the board members, including the Chairman, shall be nationals of the United Arab Emirates.

(2) The Board of Directors may allocate a number of seats to be filled by independent board members to be selected pursuant to criteria to be specified by a resolution of the Board. Such independent board members are to be elected by secret ballot using Cumulative Voting.";

(e) the amendment of Article 18 of the Company's Articles of Association such that Article 18 will read as follows:

"The Board may at its absolute discretion and without prejudice to the relevant applicable legislation, issue any such resolution to regulate the corporate governance at the Bank.";

(f) the amendment of Article 58 of the Company's Articles of Association such that Article 58 will read as follows:

"The Bank must not enter into Transactions with Related Parties without the consent of the Board of Directors in cases where the value does not exceed (5%) of the Bank's capital, and with the approval of the general assembly where such percentage threshold is exceeded. The Bank is not allowed to conclude Transactions that exceed (5%) of the issued share capital unless it has obtained an evaluation of the Transaction by an assessor certified by the Authority. A party who has an interest in the Transaction may not participate in voting in terms of the decision taken by the Board of Directors or the general assembly in respect of this Transaction.".

(4) The approval of the appointment of nine members to the Board of Directors of the Company, subject to the terms and conditions of the Merger for a term of three years and with effect from the Merger becoming effective, such nine members being:

HH Sh Tahnoon Bin Zayed Al Nahyan

H E Nasser Ahmed Alsowaidi

H E Sh Mohammed Bin Saif Bin Mohammed Al Nahyan

H E Khaldoon Khalifa Al Mubarak

H E Sh Ahmed Mohammed Sultan Al Dhaheri

H E Mohammed Thani Al-Romaithi

Mr. Khalifa Sultan Al Suwaidi

Mr. Jassim Mohammed Al Siddiqi

Mr. Mohamed Saif Al Suwaidi

(5) The authorisation of the Board of Directors of the Company, or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions including, without limitation, to apply for: (a) a certificate to be issued by the Securities and Commodities Authority to declare the merger of the Company and FGB, the increase in share capital and the amendments to the Company's Articles of Association effective; (b) the listing of new shares of the Company on the Abu Dhabi Securities Exchange; and (c) correspond and negotiate with any person, entity (official and/or otherwise) within and outside the United Arab Emirates, adopt such resolutions and take any such action as may be necessary to obtain the necessary approvals to effect the Merger.

Board of Directors

Notes:

1. The shareholder circular (**Shareholder Circular**), which sets out a description of the Merger and the combined businesses of the Company and FGB following completion of the Merger, can be viewed at the Company's website at www.nbad.com or, alternatively, hard copies of the Shareholder Circular can be obtained (without charge) from the office of the Company at One NBAD Tower, Sheikh Khalifa Street, Abu Dhabi, P.O. Box 4, Abu Dhabi.
2. If a quorum for the first GAM is not present (being Shareholders representing at least 50 per cent. of the Company's capital), the GAM shall be adjourned to 14 December 2016 at the same place and time. The second GAM shall be valid irrespective of the number of present shareholders.
3. Each Shareholder who is registered in the Company's share book on 6 December 2016 has the right to attend the GAM.
4. A Shareholder may appoint a proxy in writing (as per the attached form) provided that the said proxy is not a member of the Board of Directors and not holding, in his capacity as a proxy on behalf of more than one Shareholder, more than 5 per cent. of the Company's share capital, unless the Shareholder is a body corporate. Persons lacking capacity shall be represented by their legal representatives.
5. In the event of a failure to attain a quorum for any of the GAMs, the proxies issued to attend the first meeting shall be considered valid and effective for any following meeting, unless they are expressly cancelled by the concerned Shareholder via a notice issued to the National Bank of Abu Dhabi—Securities & Funds Administration Services Department at NBAD Khalidiya Branch building, 9th Floor, P.O. Box 6865, Abu Dhabi at least two days prior to the date of the meeting.
6. The resolutions of the GAM shall be adopted by a special resolution entailing the consent of Shareholders representing three quarters of the shares represented in the meeting, except for the

resolution with respect to the appointment of directors to the Board of Directors of the Company, which requires the consent of the majority of the shares represented at the meeting.

7. Any Shareholder or Shareholders holding no less than 20% of the share capital of the Company may appeal the Merger at the competent court within 30 days from the date of passing the resolutions above.

8. On 3 July 2016, the Company and FGB entered into a merger agreement. The merger agreement sets out the terms and conditions of the Merger (including, without limitation, the conditions to the Merger becoming effective (including receipt of relevant regulatory approvals) and the composition of the board of directors of the Company following the implementation of the Merger) and the Company and FGB's obligations regarding implementation of the Merger. The merger agreement contains limited warranties given by the Company and FGB on a reciprocal basis, restrictions on the conduct of business and restrictions in relation to seeking competing proposals from third parties, which are customary for agreements of this nature. The merger agreement may be terminated (and the rights and obligations of the parties under the merger agreement will cease) if: (i) notice to terminate is given by one party to the other party following breach by the other party of the merger agreement where such breach has a material adverse effect on the other party, the Merger or its implementation; (ii) the effective date of the Merger does not occur on or before 30 June 2017 (or such later date as the Company and FGB may agree in writing); or (iii) the Company and FGB agree to do so in writing.

ANNEX II
FGB NOTICE OF GENERAL ASSEMBLY MEETING

The Board of Directors of First Gulf Bank PJSC (the **Company**) is pleased to invite the shareholders of the Company (the **Shareholders**) to attend the General Assembly Meeting (**GAM**) to be held on 7 December 2016 at 5.30 pm at St. Regis Abu Dhabi, Nation Tower, Corniche, Abu Dhabi, United Arab Emirates in Abu Dhabi, to consider:

(1) The approval of the proposed merger (the **Merger**) of the Company and National Bank of Abu Dhabi PJSC (**NBAD**), to be effected by way of a merger pursuant to Article 283(1) of UAE Federal Law No. 2 of 2015 Concerning Commercial Companies (the **Law**) through the issuance of 1.254 new NBAD shares for every 1 share in the Company subject to the terms and conditions of the Merger.

(2) The approval of the merger agreement entered into between NBAD and the Company in connection with the Merger.

(3) The approval of the resolutions adopted by the shareholders of NBAD at the General Assembly meeting held by NBAD's shareholders to approve the Merger.

(4) The approval of the following procedure upon the Merger becoming effective:

   (a) the approval of the dissolution of the Company, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective and termination of the corporate personality of the Company and for NBAD to become the legal successor of the Company in all its rights and obligations;

   (b) the authorisation of the Board of Directors, or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions including, without limitation, to apply for a certificate to be issued by the Securities and Commodities Authority to declare the merger between NBAD and the Company and the dissolution of the Company effective. The Board of Directors to be authorised to communicate with the Securities and Commodities Authority, the UAE Central Bank, the Ministry of Economy and the Competent Authority to de-register the Company and further to be authorised to take all necessary action to amend the records and register the Merger with all persons and entities whether official or otherwise including the registration that NBAD shall become the legal successor in all rights and obligations of the Company.

Chairman of the Board

Notes:

1. The shareholder circular (**Shareholder Circular**), which sets out a description of the Merger and the combined businesses of NBAD and the Company following completion of the Merger, can be viewed at the Company's website at *www.fgb.com* or, alternatively, hard copies of the Shareholder Circular can be obtained (without charge) from the office of the Company at Al Khubairah Zayed First Street, Khalidiya—Abu Dhabi, Abu Dhabi.

2. If a quorum for the first GAM is not present (being Shareholders representing at least 50 per cent. of the Company's capital), the GAM shall be adjourned to 14 December 2016 at the same place and time. The second GAM shall be valid irrespective of the number of present shareholders.

3. Each Shareholder who is registered in the Company's share book on 6 December 2016 has the right to attend the GAM.

4. A Shareholder may appoint a proxy in writing (as per the attached form) provided that the said proxy is not a member of the Board of Directors and not holding, in his capacity as a proxy on behalf of more than one Shareholder, more than 5 per cent. of the Company's share capital, unless the Shareholder is a body corporate. Persons lacking capacity shall be represented by their legal representatives.

5. In the event of a failure to attain a quorum for any of the GAMs, the proxies issued to attend the first meeting shall be considered valid and effective for any following meeting, unless they are expressly cancelled by the concerned Shareholder via a notice issued to FGB Legal Department at FGB Head Office P.O. Box 6316, 1-Khuberah Abu Dhabi, United Arab Emirates at least two days prior to the date of the meeting.

6. The resolutions of the GAM shall be adopted by a special resolution entailing the consent of Shareholders representing three quarters of the shares represented in the meeting, except for the resolution with respect to the appointment of directors to the Board of Directors of the Company, which require the consent of the majority of the shares represented at the meeting.

7. Any Shareholder or Shareholders holding no less than 20% of the share capital of the Company may appeal the Merger at the competent court within 30 days from the date of passing the resolutions above.

8. On 3 July 2016, NBAD and the Company entered into a merger agreement. The merger agreement sets out the terms and conditions of the Merger (including, without limitation, the conditions to the Merger becoming effective (including receipt of relevant regulatory approvals) and the composition of the board of directors of NBAD following the implementation of the Merger) and NBAD and the Company's obligations regarding implementation of the Merger. The merger agreement contains limited warranties given by NBAD and the Company on a reciprocal basis, restrictions on the conduct of business and restrictions in relation to seeking competing proposals from third parties, which are customary for agreements of this nature. The merger agreement may be terminated (and the rights and obligations of the parties under the merger agreement will cease) if: (i) notice to terminate is given by one party to the other party following breach by the other party of the merger agreement where such breach has a material adverse effect on the other party, the Merger or its implementation; (ii) the effective date of the Merger does not occur on or before 30 June 2017 (or such later date as NBAD and the Company may agree in writing); or (iii) NBAD and the Company agree to do so in writing.

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CREDIT SUISSE FAIRNESS OPINION

Board of Directors
National Bank of Abu Dhabi PJSC
One National Bank of Abu Dhabi Tower
Sheikh Khalifa Street 4
United Arab Emirates

July 2, 2016

Dear Sirs,

You have asked Credit Suisse (Hong Kong) Limited ("Credit Suisse", "us" or "we") to advise you with respect to the fairness, from a financial point of view, to the shareholders of National Bank of Abu Dhabi PJSC ("NBAD") of the Exchange Ratio (as defined below) pursuant to the terms of the draft merger agreement (the "Merger Agreement") to be entered into between NBAD and First Gulf Bank PJSC ("FGB"). This opinion, to the extent deemed appropriate, is solely to be used to aid your decision-making process and determining, in your independent judgment, the financial terms to propose to your shareholders in relation to the merger of NBAD and FGB (the "Merger").

The Merger Agreement sets out, amongst other things, the terms of the Merger. Pursuant to the Merger Agreement and, subject to certain conditions precedent (as set out in the Merger Agreement), the Merger shall be effected pursuant to Articles 283–291 of UAE Federal Law No. 2 of 2015 relating to Commercial Companies (as may be amended from time to time), which shall result in the dissolution of FGB and the assumption by NBAD of the assets and liabilities of FGB, in consideration for the issue of new shares of AED 1.00 each in the capital of NBAD (each an "NBAD Share") to the shareholders of FGB in the ratio of 1.254 new NBAD Shares for each share in FGB (each a "FGB Share") held by them (the "Exchange Ratio").

In arriving at our opinion, we have reviewed:

i. certain publicly available financial statements and other business and financial information of NBAD and FGB;

ii. certain publicly available financial projections prepared by research analysts in respect of NBAD and FGB;

iii. certain internal financial statements and other financial and operating data concerning NBAD and FGB;

iv. certain financial projections prepared by the management of NBAD;

v. financial due diligence reports prepared by Deloitte Corporate Finance Limited ("Deloitte") on NBAD and KPMG Lower Gulf Limited ("KPMG") on FGB;

vi. the legal due diligence report prepared by Allen & Overy LLP dated 26 June 2016 in connection with Project Car; and

vii. such other analyses and other factors as we have deemed relevant.

In addition, we have participated in discussions with certain members of the management of NBAD with respect to certain aspects of the Merger, the past and current business operations of NBAD and FGB, the financial condition and future prospects and operations of NBAD and FGB, and certain other matters we believed necessary or appropriate to our inquiry.

In certain cases different and conflicting information, assumptions, methodologies or forecasts have been provided to us by parties described in this opinion and in such cases we have discussed such matters with the management of NBAD and have taken account of the different information, assumptions, methodologies or forecasts provided to us and have been instructed to assume that information, assumptions, methodologies or forecasts provided by NBAD represent the best currently available estimates and judgments of the future financial performance of NBAD and FGB and the merged entity following the consummation of the Merger. In performing our analysis, we used such valuation methodologies that we deem appropriate for the purposes of preparing this opinion. We assumed and relied upon, without independent verification by us, the accuracy and completeness of the information supplied or otherwise made available to us by NBAD, FGB and their advisers and/or consultants for the purposes of this opinion. With respect to NBAD financial projections, we have assumed that they have been reasonably prepared on basis reflecting the best currently available estimates and judgments of the future financial performance of NBAD and we have reviewed and discussed such projections with the management of NBAD. With respect to the publicly available financial projections prepared by research analysts in respect of NBAD and FGB referred to above, we have reviewed and discussed such projections with the management of NBAD and have assumed, with your consent, that such projections represent reasonable estimates and judgements with respect to the future financial performance of NBAD and FGB.

In addition, we have relied upon, without independent verification, the assessment of the management of NBAD as to (i) its ability to retain key employees, (ii) the strategic benefits and potential cost savings and other synergies (including the amount, timing and achievability thereof) anticipated as a result of the Merger, and (iii) its ability to integrate the businesses of NBAD and FGB. In relation to the estimates provided to us by the management of NBAD with respect to cost savings and synergies anticipated to result from the Merger, we have been advised by the management of NBAD, and we have assumed, that such forecasts have been reasonably prepared on basis reflecting the best currently available estimates and judgments of the management of NBAD as to such cost savings and synergies and will be realised in the amounts and the times indicated thereby. We are not legal, tax, regulatory or actuarial advisers. We are financial advisers only and have (subject to the foregoing) relied upon, without independent verification, the assessment of NBAD, and its legal, tax or regulatory advisers with respect to legal, tax or regulatory matters. Our opinion addresses only the fairness, from a financial point of view, to the shareholders of NBAD of the Exchange Ratio and does not address any other aspect or effect of the Merger, including, without limitation, performance, operations or governance of NBAD and FGB post-consummation of the Merger, or any other agreement, arrangement or understanding entered into in connection with the Merger or otherwise. Given the nature of the markets in which NBAD and FGB operate, it is not always possible or appropriate to apply valuation methodologies that may be applied in more established markets. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as, of the date hereof. The opinion expressed herein is being rendered during a period of volatility in the markets in which NBAD and FGB operate and it is necessarily subject to the absence of further material developments in the financial, economic and market conditions from those prevailing on the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing this opinion, and we do not assume any obligation to update, revise or reaffirm this opinion.

We have assumed, with your consent, that in the course of obtaining necessary regulatory approvals and consents for the Merger, no modification, delay, limitation, restriction or condition will be imposed that will have an adverse effect on NBAD or FGB or the contemplated benefits of the Merger, and that the Merger will be consummated in accordance with the terms of the Merger Agreement, substantially in the form of the draft provided to us on the date hereof, without waiver, modification or amendment of any material term, condition or agreement therein.

We have not made any independent valuation or appraisal of the assets or liabilities of NBAD and FGB. In certain cases we have been instructed to assume or apply book value to the valuation of certain assets and have taken such valuation into account when reaching our opinion. In arriving at our opinion, we are not authorised to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction, involving NBAD. Our opinion does not address the relative merits of the Merger as compared to alternative transactions or strategies that might be available to NBAD nor does it address the underlying business decision of NBAD to proceed with the Merger. We do not express an opinion as to whether any alternative transaction might be more beneficial to NBAD.

We have been engaged by NBAD to provide financial advice and to render a financial opinion in connection with the proposed Merger. We will receive a fee for our services, a substantial portion of which is contingent upon the rendering of this financial opinion. In addition, NBAD has agreed to indemnify us for certain liabilities and other items arising out of our engagement. From time to time, we and our affiliates may provide and may have in the past provided, investment banking and other financial services to NBAD, FGB or significant shareholders in either of NBAD or FGB for which we have received, and would expect to receive, compensation. We are a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. We and our affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for our own account or the accounts of customers, in debt, equity and other securities and financial instruments including bank loans and other obligations of NBAD, FGB, significant shareholders in either NBAD or FGB, or any other company or any currency or commodity that may be involved in this transaction.

It is understood that this letter is for the information of the Board of Directors of NBAD only in connection with its consideration of the Merger and may not be used for any other purpose without our prior written consent. In addition, this opinion does not in any manner address the prices at which shares in NBAD will trade following consummation of the Merger and we express no opinion or recommendation as to how NBAD or FGB shareholders should vote at any shareholders' meeting to be held in connection with the Merger. The Board of Directors of NBAD may disclose that this opinion was obtained from us and may disclose and publish the opinion in full where the opinion is legally required to be included in communications sent to shareholders of NBAD or in a written statement by the Board of Directors of NBAD in relation to the Merger. This opinion is not addressed to and (save as provided in the previous sentence) may not be used or relied upon by, disclosed to, referred to or communicated (in whole or in part) to, any third party (including, without limitation, any creditors, shareholders or employees of NBAD) or for any other purpose except with our prior written consent.

Based on and subject to the foregoing, it is our opinion that, as of the date hereof the Exchange Ratio is fair to the shareholders of NBAD from a financial point of view.

Yours faithfully

CREDIT SUISSE (HONG KONG) LIMITED

STRICTLY PRIVATE & CONFIDENTIAL

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The Board of Directors
First Gulf Bank PJSC
PO Box 6316
Abu Dhabi, United
Arab Emirates

30 June 2016

Dear Sirs,

We understand that First Gulf Bank PJSC ("**FGB**" or the **"Company"**) and National Bank of Abu Dhabi PJSC ("**NBAD**" or the **"Merger Partner"**) have agreed upon the key terms of the merger of FGB and NBAD (the **"Merger"** or the **"Transaction"**), that are reflected in the draft of the merger agreement in respect of the Merger dated 29 June 2016 (the "**Draft Merger Agreement**"). Pursuant to the Merger, the assets and liabilities of FGB will be transferred to NBAD, and each outstanding share of FGB, will be entitled to receive 1.254 shares of NBAD (the **"Exchange Ratio"**). The terms and conditions of the Merger are more fully described in the Draft Merger Agreement.

In connection with the Merger, you have requested UBS AG (London Branch) ("**UBS**") to provide an opinion as to the fairness, from a financial point of view, of the Exchange Ratio to the holders of FGB shares.

UBS has acted as financial adviser to FGB in connection with the Transaction and will receive a fee for its services, a substantial portion of which is contingent upon the consummation of the Transaction. UBS will also receive a fee upon delivery of this opinion.

From time to time, UBS, other members of the UBS Group (which for the purpose of this letter means UBS Group AG and any subsidiary, branch or affiliate of UBS Group AG) and their predecessors may have provided investment banking services to the Company and the Merger Partner or any of their affiliates un-related to the proposed Transaction and received customary compensation for the rendering of such services. In the ordinary course of business, UBS, UBS AG and their successors and affiliates may trade securities of the Company and the Merger Partner for their own accounts or for the accounts of their customers and, accordingly, may at any time hold long or short positions in such securities.

In determining our opinion, we have used a discounted cash flow analysis and reviewed the financial position and operating results of the Company and the Merger Partner and reviewed the impact of the proposed transaction on the Company.

Our opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Company or the underlying business decision of the Company to effect the Transaction. At your direction, we have not been asked to, nor do we, offer any opinion as to the material terms of the Transaction, other than the Exchange Ratio (to the extent expressly specified in this letter) under the Agreement, or the form of the Transaction. We express no opinion as to what the value of the shares in the Company will be when issued pursuant to the Transaction or the prices at which they will trade in the future. Our opinion does not constitute an offer by us, or represent a price at which we would be willing to purchase, sell, enter into, assign, terminate or settle any transaction. The valuation herein is not an indicative price quotation, in particular, it does not necessarily reflect such factors as hedging and transaction costs, credit considerations, market liquidity and bid-ask spreads, all of which could be relevant in establishing an indicative price for the Company's shares. A valuation estimate for any transaction does not necessarily suggest that a market exists for the transaction. In rendering this opinion, we have assumed, with your consent, that the Transaction as consummated will not differ in any material respect from that described in the Draft Merger Agreement, that we have examined, without any adverse waiver or amendment of any material term or condition thereof, and that the Company and the Merger Partner will comply with all material terms of the transaction documents.

In determining our opinion, we have, among other things:

i. reviewed certain publicly available business and historical financial information relating to the Company and the Merger Partner;

ii. reviewed audited financial statements of the Company and the Merger Partner;

iii. reviewed certain internal financial information and other data relating to the business and financial prospects of the Company and the Merger Partner, including estimates and financial forecasts prepared by management of the Company, that were provided to us by the Company and not publicly available and that you have directed us to use for the purposes of our analysis;

iv. conducted discussions with, and relied on statements made by, members of the senior managements of the Company and the Merger Partner concerning the businesses and financial prospects of the Company and the Merger Partner;

v. reviewed current and historic share prices for the Company and the Merger Partner and publicly available financial and stock market information with respect to certain other companies in lines of business we believe to be generally comparable to those of the Company;

vi. considered certain pro forma effects of the Transaction on the Company's financial statements and reviewed certain estimates of synergies prepared by the Company management;

vii. reviewed the Draft Merger Agreement;

viii. reviewed the Financial Due Diligence reports prepared by Deloitte Corporate Finance Limited (dated 27 June 2016) on NBAD and KPMG Lower Gulf Limited (dated 26 June 2016) on FGB, and the Legal Due Diligence report prepared by Freshfields Bruckhaus Deringer LLP on NBAD (dated 27 June 2016);

ix. conducted such other financial studies, analyses, and investigations, and considered such other information, as we deemed necessary or appropriate.

In connection with our review, at your direction, we have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or was furnished to us by or on behalf of the Company, or otherwise reviewed by us for the purposes of this opinion, and we have not assumed and we do not assume any responsibility or liability for any such information. In addition, at your direction, we have not made any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or the Merger Partner.

With respect to the financial forecasts, estimates, pro forma effects and calculations of synergies prepared by the Company and the Merger Partner as referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company and the Merger Partner as to the future performance of their respective companies and such pro-forma effects and synergies. In addition, we have assumed with your approval that the future financial forecasts and estimates, including synergies, referred to above will be realised in the amounts and time periods contemplated thereby.

To the extent we have relied on publicly available financial forecasts from various equity research analysts, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the analysts as to the expected future results of operations and financial condition of the Company and the Merger Partner.

We have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on the Company, the Merger Partner or the Transaction. Our opinion is necessarily based on the economic, regulatory, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof (or as otherwise specified above in relation to certain information). It should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

We accept no responsibility for the accounting or other data and commercial assumptions on which this opinion is based. Furthermore, our opinion does not address any legal, regulatory, taxation or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals.

Based on and subject to the foregoing, it is our opinion, as of the date hereof, that the Exchange Ratio is fair, from a financial point of view, to the holders of FGB shares

This letter and the opinion is provided solely for the benefit of the Board of Directors of the Company, in their capacity as Directors of the Company, in connection with and for the purposes of their consideration of the Merger. This letter is not on behalf of, and shall not confer rights or remedies upon, may not be relied upon, and does not constitute a recommendation by UBS to, any holder of securities of the Company or any other person other than the Board of Directors of the Company to vote in favour of or take any other action in relation to the Transaction or any form of assurance by UBS as to the financial condition of the Company or the Merger Partner.

This letter may not be used for any other purpose, or reproduced (other than for the Board of Directors, acting in such capacity, and, on a no-reliance basis, its advisers), disseminated or quoted at any time and in any manner without our prior written consent ,save that you may provide a copy of this letter upon express request or requirement of any regulatory or judicial authority having jurisdiction over the Company and save that upon the express request or requirement of any regulatory or judicial authority having jurisdiction over the Company it may be reproduced in its entirety in any circular sent to the Company's shareholders in connection with the Transaction.

This letter and the opinion is made without legal liability or responsibility on our part. We accept no responsibility to any person other than the Board of Directors of the Company in relation to the contents of this letter, even if it has been disclosed with our consent.

Yours faithfully
UBS AG (London Branch)

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