FGB and NBAD boards recommend merger

On 3 July 2016, First Gulf Bank P.J.S.C. (**FGB**) and National Bank of Abu Dhabi P.J.S.C. (**NBAD**) jointly announced that their respective boards of directors have voted unanimously to recommend to shareholders a merger of the two banks.

The proposed transaction will be executed through a share swap, with FGB shareholders receiving 1.254 NBAD shares for each FGB share they hold. The exchange ratio implies a discount to FGB's shareholders of 3.9 per cent. based on closing share prices on 30 June 2016, and a discount of 12.2 per cent. to the three months' average pre-leak share price as on 16 June 2016.

Following the issue of the new NBAD shares, FGB shareholders will own approximately 52 per cent. of the combined bank and NBAD shareholders will own approximately 48 per cent. The Government of Abu Dhabi and related entities will own approximately 37 per cent.

On the effective date of the merger, FGB shares will be delisted from the Abu Dhabi Securities Exchange.

The combined bank will retain NBAD's legal registrations and the brand name of "National Bank of Abu Dhabi". Its board will include four nominated directors of FGB and four nominated directors of NBAD. His Highness Sheikh Tahnoon Bin Zayed Al Nahyan, who is currently Chairman of FGB, is the Chairman designate. His Excellency Nasser Ahmed Alsowaidi, who is currently Chairman of NBAD, is the Vice Chairman designate, and Mr. Abdulhamid M. Saeed, who is currently Board Member and Managing Director of FGB, is the Chief Executive Officer designate for the combined bank. New board and management will assume the new roles when the merger becomes effective; until then Mr. Andre Sayegh and Mr. Alex Thursby will continue to lead their banks independently as Group Chief Executive Officers of FGB and NBAD, respectively.

The merger is subject to a number of conditions, including the approval of the merger by at least 75 per cent. by value of the shares represented at quorate general assembly meetings of FGB and NBAD. The merger is also subject to receipt of all required regulatory approvals. Both entities will continue to operate independently until the merger becomes effective, which is expected in the first quarter of 2017.

For further information, please contact:

First Gulf Bank P.J.S.C.
P.O. Box 6316
Abu Dhabi
United Arab Emirates
Attention: Tim Burnell, Head of Corporate Affairs; Sofia El Boury, Head of Investor Relations
Telephone: +971 (0) 50 651 5393; +971 (0) 50 836 6031
Email: tim.burnell@fgb.ae; sofia.elboury@fgb.ae