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 stockbroker, accountant or other appropriate independent financial adviser.

If you have sold or otherwise transferred all of your ADCB Shares or UNB Shares, please send this document as soon as possible to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into or to any Restricted Jurisdiction. If you have sold or transferred only part of your holding of ADCB Shares or UNB Shares, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document is not being published or distributed, and should not be forwarded or transmitted, in or into or to any Restricted Jurisdiction. Implementation of the Combination is conditional upon, amongst other things, each of special resolutions 1 to 6 (inclusive), and 8 set out in the notice of the ADCB GM (set out in Annex I to this document) receiving a vote in favour by holders of the requisite majority of ADCB Shares represented at the ADCB GM and each of special resolutions 1 to 5 (inclusive) set out in the notice of the UNB GM (set out in Annex II to this document) receiving a vote in favour by holders of the requisite majority of UNB Shares represented at the UNB GM (together the **Combination Resolutions**). The conditions to, and process for, implementing the Combination are set out in full in Section 10 of this document.

Shareholder Circular

in respect of the merger of Abu Dhabi Commercial Bank PJSC and Union National Bank PJSC

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

and the subsequent acquisition by Abu Dhabi Commercial Bank PJSC of the entire issued share capital of Al Hilal Bank PJSC

For a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the Combination Resolutions to be considered at the ADCB GM and the UNB GM, see Section 8 of this document.

Unless the context requires otherwise, 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 ADCB GM, to be held on the 23rd Floor, at ADCB Head Office Building (intersection of Sheikh Zayed Street with Electra Street), in Abu Dhabi at 12:00 pm on 21 March 2019, and the UNB GM, to be held at Four Seasons Hotel - Al Maryah Ballroom, in Abu Dhabi at 2:00 pm on 21 March 2019, are set out in Annex I and Annex II, respectively, to this document.

The approval of the Securities and Commodities Authority permitting the publication of this document does not constitute an endorsement of the merits of the Merger or Acquisition, or of the accuracy, completeness or adequacy of the information contained herein. The Securities and Commodities Authority accepts no responsibility or liability for any damages or losses suffered or incurred by any person as a result of reliance on this document or any part thereof. Members of the ADCB Board are jointly and severally responsible for the correctness of the information and data relating to ADCB contained in this document. Members of the UNB Board are jointly and severally responsible for the correctness of the information and data relating to UNB contained in this document. The ADCB Board and the UNB Board each confirm that, after due diligence and reviews, there is no omission of any facts or material information the inclusion of which may result in any statement contained herein to be misleading or which may adversely impact the investment decision with respect to the Merger or the Acquisition.

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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 ADCB, UNB or Al Hilal Bank 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 ADCB, UNB, Al Hilal Bank or the Combined Bank and no statement in this document should be interpreted to mean that earnings per share for current or future financial periods of ADCB, UNB, Al Hilal Bank or the Combined Bank 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 ADCB, UNB, Al Hilal Bank, Barclays, JPM or any of the other advisers in connection with the Combination.

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 ADCB Shareholders or UNB Shareholders but copies can be obtained (without charge) from the head office of ADCB and the head office of UNB, from the ADCB/UNB/Al Hilal Bank merger site at www.beyondambition.com and from each of ADCB's, UNB's or Al Hilal Bank's websites at www.adcb.com, www.unb.com and www.alhilalbank.ae respectively. Except in respect of the foregoing and each of ADCB's, UNB's and Al Hilal Bank's financial statements for the financial years ended 31 December 2017 and 31 December 2018, neither the content of any website of ADCB (at www.adcb.com), UNB (at www.unb.com) or Al Hilal Bank (at www.alhilalbank.ae) 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.

Barclays Bank PLC, acting through its Investment Bank (**Barclays**), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, and which is regulated in the DIFC by the Dubai Financial Services Authority, is acting exclusively as financial adviser to ADCB and for no one else in connection with the Combination and will not be responsible to anyone other than ADCB for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Combination, the content of this document or any other matter referred to in this document.

J.P. Morgan Securities plc, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively as financial adviser to UNB and for no one else in connection with the Combination and will not be responsible to anyone other than UNB for providing the protections afforded to clients of JPM or for providing advice in relation to the Combination, the content of this document or matters referred to in this document. JPMorgan Chase Bank N.A Dubai Branch is regulated by the Dubai Financial Services Authority.

None of the Financial Advisers have verified the information contained in this document. Accordingly, (a) no representation or warranty is made or implied by any of the Financial Advisers or any of their respective affiliates and (b) (other than Barclays in respect of the fairness opinion set out in Annex III to this document (which such fairness opinion is issued on the basis of the terms and assumptions set out therein) and JPM in respect of the fairness opinion set out in Annex IV to this document (which such fairness opinion is issued on the basis of the terms and assumptions set out therein)) none of the Financial Advisers or any of their respective affiliates accept 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. No reliance should be placed on this English translation which may not entirely reflect the official Arabic language shareholder circular, save in relation to the fairness opinions from Barclays and JPM which appear at Annex III and Annex IV to this document respectively, in relation to each of which the English language version is the binding version and will prevail over any Arabic or other translation of the same prepared for convenience purposes, whether in the event of inconsistency or otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to ADCB, UNB, Al Hilal Bank and the Combined Bank. 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 Combination, 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 ADCB, UNB or Al Hilal Bank. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of ADCB, UNB, Al Hilal Bank and the Combined Bank and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to ADCB, UNB, Al Hilal Bank or the Combined Bank 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 ADCB Board and UNB 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 ADCB, UNB and Al Hilal Bank;
- 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 USD and the AED.

ADCB and UNB 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 8 of this document, for a 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.

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

NOTICE TO UNB SHAREHOLDERS IN THE UNITED STATES

The Merger of ADCB and UNB 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 Companies Law 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 ADCB 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 ADCB 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 UNB 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 ADCB 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 UNB 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 ADCB 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 ADCB Shares to be issued in connection with the Merger, ADCB will submit to the US Securities and Exchange Commission any informational document it publishes or otherwise disseminates to holders of UNB Shares related to the Merger.

The receipt of New ADCB Shares pursuant to the Merger by a US UNB 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 UNB Shareholder is urged to consult an independent professional adviser immediately regarding applicable tax consequences of the Merger.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

ADCB's financial statements for the financial years ended 31 December 2017 and 31 December 2018 are available on ADCB's website at www.adcb.com and are incorporated into this document by reference. UNB's financial statements for the financial years ended 31 December 2017 and 31 December 2018 are available on UNB's website at www.unb.com and are incorporated into this document by reference. Al Hilal Bank's financial statements for the financial years ended 31 December 2017 and 31 December 2018 are (or will shortly be) available on Al Hilal Bank's website at www.alhilalbank.ae and are, or will when published be, incorporated into this document by reference.

ADCB's, UNB's and Al Hilal Bank's respective financial statements for the financial years ended 31 December 2017 and 31 December 2018 are prepared in accordance with IFRS. Save where expressly stated otherwise and, in particular, in Part D of Section 7 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 7 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 ADCB Shares constitute securities of a UAE company and you should be aware that this document and any other documents relating to the Combination and the New ADCB 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, amongst other things, on whether (and the dates on which) the conditions of the Combination (including, without limitation, the receipt of all applicable regulatory consents and the ADCB Shareholders and the UNB Shareholders as at the relevant Record Date approving the Combination at the ADCB GM and the UNB GM, respectively) are satisfied. The full conditions of the Combination are set out in Section 10 of this document.

Event	Time and/or Date
Record Date for the ADCB GM	20th March 2019
Record Date for the UNB GM	20th March 2019
ADCB GM[(1)]	21st March 2019
UNB GM[(2)]	21st March 2019
Filing of resolutions passed at the ADCB GM with the Commercial Registry	24th March 2019
Filing of resolutions passed at the UNB GM with the Commercial Registry	24th March 2019
Commencement of creditor objection period	24th March 2019
Expiry of creditor objection period	23rd April 2019
Effective Date of Merger	1st May 2019
Issue of New ADCB Shares to UNB Shareholders[(3)]	Effective Date or next Business Day
Issue of Convertible Instrument to Al Hilal Bank Shareholder	Effective Date
Conversion of Convertible Instrument into New ADCB Shares	Effective Date or next Business Day

Notes:

(1) The quorum for the ADCB GM is ADCB Shareholders representing at least 50% of ADCB's share capital. If this quorum is not achieved, the ADCB GM will be called to a second meeting to be held on 28 March 2019. The second meeting shall be considered valid irrespective of the number of present shareholders. If the ADCB GM is called to a second meeting, the remaining dates in this expected timetable will be extended accordingly.

(2) The quorum for the UNB GM is UNB Shareholders representing at least 50% of UNB's share capital. If this quorum is not achieved, the UNB GM will be called to a second meeting to be held on 28 March 2019. The second meeting shall be considered valid irrespective of the number of present shareholders. If the UNB 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 ADCB AND UNB

6 March 2019

Dear ADCB Shareholders and UNB Shareholders,

Recommended Merger of ADCB and UNB and subsequent acquisition by ADCB of the entire issued share capital of Al Hilal Bank

On 29 January 2019, the ADCB Board and the UNB Board announced that they had agreed the terms of a proposed merger between ADCB and UNB (the **Merger**) following which ADCB (as the Merged Bank) would acquire the entire issued share capital of Al Hilal Bank (the **Acquisition** and, together with the Merger, the **Combination**). 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 UNB will be assumed by ADCB in consideration for the issue of New ADCB Shares to existing UNB Shareholders. Upon the Merger becoming effective, UNB will be dissolved pursuant to the provisions of Article 291 of the Companies Law. Following completion of the Merger and subject to the satisfaction of the conditions under the Acquisition, ADCB will acquire the entire issued share capital of Al Hilal Bank from its sole shareholder, the Abu Dhabi Investment Council, in exchange, for the Acquisition Consideration.

The Combination, which has the unanimous support of both the ADCB Board and the UNB Board, will, if effected, create a bank with the financial strength, scale and expertise to play a central role in the next stage of the UAE's economic development.

Both the ADCB Board and the UNB Board believe that the Combined Bank is well positioned to provide support for UAE's economic vision, and to actively participate in the country's growth and diversification. The Combined Bank's increased productivity and economies of scale will contribute to greater profitability and allow the Combined Bank to be highly competitive in its offerings to corporate and individual customers, in both conventional and Islamic banking. Greater scale will also permit more investment in the Combined Bank's people, technology and infrastructure. Furthermore, the ADCB Board and the UNB Board believe that the Combination has a high potential for creating shareholder value, with an expected uplift in earnings per share for the shareholders of the three Banks in a steady state and double digit-returns on equity.

The Combination has the unanimous support and recommendation of the ADCB Board and the UNB Board. We urge you to attend the ADCB GM and the UNB GM (as applicable) (as described in Section 2 of this document) and recommend that you vote in favour of the resolutions proposed at those meetings.

H.E. Eissa Mohamed Al Suwaidi
Chairman of ADCB

H.H. Sheikh Nahayan Mabarak Al Nahayan
Chairman of UNB

2. GENERAL INFORMATION

2.1 INTRODUCTION

On 3 September 2018 (in the case of ADCB) and 4 September 2018 (in the case of UNB), ADCB and UNB announced that they had commenced discussions regarding the possibility of a merger of the two Banks and that similar and separate discussions had commenced with the Al Hilal Bank Shareholder. 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.

On 29 January 2019, ADCB announced that the ADCB Board had voted unanimously to recommend the Combination and UNB announced that the UNB Board had voted unanimously to recommend the Merger to their respective shareholders.

2.2 TERMS OF THE COMBINATION

2.2.1 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 10 of this document, upon the Effective Date the assets and liabilities of UNB will be assumed by ADCB in consideration for the issue of New ADCB Shares to UNB Shareholders that appear on the share register of UNB immediately after close of trading on the trading day before the Effective Date. On the Effective Date, all UNB Shares will be delisted from the Abu Dhabi Securities Exchange and UNB will be dissolved pursuant to the provisions of Article 291 of the Companies Law.

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

for each UNB Share: 0.5966 New ADCB Shares

corresponding to a total of 1,641,546,697 New ADCB Shares to be issued to existing UNB Shareholders. The Exchange Ratio implies a premium to existing UNB Shareholders of 0.6% against the closing price of UNB Shares on 28 January 2019 (being the date falling immediately prior to the formal announcement of the Combination) and 13.7% against the closing price of the UNB Shares on 2 September 2018 (being the date falling immediately prior to ADCB's initial announcement in respect of the Combination).

In the event that the Exchange Ratio calculation set out in this Sub-section 2.2.1 produces a fractional share, the resulting figure will be rounded down to the nearest share. For example, if a UNB Shareholder holds 100 UNB Shares, he or she will receive 59 New ADCB Shares on the Effective Date (and not 59.66 or 60 New ADCB Shares).

The terms of the Merger, including the Exchange Ratio, have been unanimously approved separately by the ADCB Board and the UNB Board in their respective meetings held on 29 January 2019. In approving the terms of the Merger, the ADCB Board and the UNB Board have, amongst other things, considered in detail the: (i) financial due diligence reports on ADCB and UNB prepared by KPMG for the ADCB Board (in respect of UNB) and Ernst & Young for the UNB Board (in respect of ADCB); (ii) vendor legal due diligence reports prepared by Allen & Overy LLP (in respect of ADCB) and Clifford Chance LLP (in respect of UNB); (iii) synergy estimates; (iv) the independent fairness opinion from Barclays (which has been considered solely by the ADCB Board) in relation to the fairness, from a financial point of view, of the Exchange Ratio to the ADCB Shareholders; and (v) the independent fairness opinion of JPM (which has been considered solely by the UNB Board) in relation to the fairness, from a financial point of view, of the Exchange Ratio to the UNB Shareholders. The full text of the Barclays fairness opinion and the JPM fairness opinion (including assumptions, limitations and qualifications on which each such opinion has been provided) appears at Annex III and Annex IV, respectively, to this document.

2.2.2 Terms of the Acquisition

Subject to the Merger becoming effective in accordance with its terms and satisfaction of the conditions to the Acquisition set out in Section 10 of this document, the Acquisition is intended to be effected by way of the purchase by ADCB of the entire issued share capital of Al Hilal Bank from the Al Hilal Bank Shareholder on the Effective Date for the Acquisition Consideration subject to the satisfaction of the conditions set out in Section 10 of this document.

The Acquisition Consideration will be satisfied by the issuance by ADCB to the Al Hilal Bank Shareholder of a Convertible Instrument, convertible into up to 117,647,058 New ADCB Shares (the **Conversion**).

Upon completion of the Combination, the total issued share capital of ADCB will be approximately 6,957,424,964 ADCB Shares, with the Government indirectly (through its ownership of ADIC) owning approximately 60.2% of the Combined Bank. The other ADCB Shareholders (other than ADIC) will own approximately 28.0% and the other UNB Shareholders (other than ADIC) will own 11.8% of the Combined Bank.

The terms of the Acquisition including the Acquisition Consideration, have been unanimously approved by the ADCB Board held on 29 January 2019. In approving the terms of the Acquisition, the ADCB Board has, amongst other things, considered in detail: (i) the financial due diligence reports on Al Hilal Bank prepared by KPMG for the ADCB Board; (ii) the vendor financial and legal due diligence reports prepared respectively by Deloitte and Freshfields Bruckhaus Deringer LLP; (iii) synergy estimates; and (iv) the independent fairness opinion from Barclays (which has been considered solely by the ADCB Board) in relation to the fairness, from a financial point of view, of the Acquisition Consideration to the ADCB Shareholders. The full text of the Barclays fairness opinion (including the assumptions, limitations and qualifications on which each such opinion has been provided) appears at Annex III to this document.

In unanimously approving the terms of the Merger, the UNB Board also considered in detail the terms of the Acquisition and the financial due diligence reports on Al Hilal Bank prepared by Ernst & Young for the UNB Board, financial and legal due diligence reports prepared, respectively, by Deloitte and Freshfields Bruckhaus Deringer LLP, and synergy estimates.

Upon completion of the Merger, the Merged Bank will have the name Abu Dhabi Commercial Bank PJSC with Al Hilal Bank retaining its existing name and operating as a separate wholly owned subsidiary of the Merged Bank.

2.3 EFFECT OF THE COMBINATION

2.3.1 Effect of the Merger

Upon the Merger becoming effective, UNB Shareholders that appear on the share register of UNB immediately after close of trading on the trading day before the Effective Date will receive on, or on the Business Day immediately following, the Effective Date (without any action required on the part of the UNB Shareholders) New ADCB Shares based upon the Exchange Ratio. If a UNB Shareholder has granted a pledge over all or part of his or her UNB Shares, the pledge registered with the Abu Dhabi Securities Exchange will automatically be replaced with a pledge of the New ADCB Shares received by that UNB Shareholder pursuant to the Merger, without any further action by that UNB Shareholder. It is recommended that UNB Shareholders who have granted a pledge over all or part of their UNB 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 UNB will be assumed by ADCB on the Effective Date in consideration for the issue of New ADCB Shares to UNB Shareholders. Following the Merger, UNB will be dissolved pursuant to the provisions of Article 291 of the Companies Law.

2.3.2 Effect of the Acquisition

Subject to the Merger becoming effective, upon completion of the Acquisition, the entire issued share capital of Al Hilal Bank will be transferred by the Al Hilal Bank Shareholder to ADCB in consideration of the issuance of the Convertible Instrument and, accordingly, Al Hilal Bank will become a direct, wholly owned subsidiary of the Merged Bank. Upon completion of the Conversion, the Al Hilal Bank Shareholder shall receive up to 117,647,058 New ADCB Shares.

2.4 RATIONALE OF THE DETERMINATION OF THE (i) MERGER EXCHANGE RATIO AND (ii) ACQUISITION CONSIDERATION

2.4.1 Rationale of the determination of the Exchange Ratio

The Exchange Ratio was agreed between ADCB and UNB following detailed commercial negotiations between the Banks. In negotiating the Exchange Ratio, ADCB and UNB referred 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, ADCB and UNB considered a number of valuation methodologies and other items, including: (a) relative historical share price analysis; (b) various market-based and fundamental valuation methodologies; (c) synergy estimates; and (d) the results of the Banks' respective financial and legal due diligence processes.

2.4.2 Rationale of the determination of the Acquisition Consideration

The Acquisition Consideration was agreed between ADCB, UNB and the Al Hilal Bank Shareholder following detailed commercial negotiations between the parties. In negotiating the Acquisition Consideration, ADCB and UNB referred to advice and assistance from their respective advisers and a review of due diligence information on Al Hilal Bank's business.

In establishing the Acquisition Consideration, ADCB and UNB considered a number of valuation methodologies and other items, including: (a) various market-based and fundamental valuation methodologies; (b) synergy estimates; and (c) the results of ADCB's and UNB's financial and legal due diligence processes.

2.5 BENEFITS OF THE COMBINATION

2.5.1 Cautionary note

This Sub-section 2.5 contains the views of the ADCB Board and the UNB Board on the benefits that they currently anticipate will result from the Combination becoming effective, including information and estimates compiled by the ADCB Board and the UNB 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 ADCB Board and the UNB Board, which may be revised following more detailed integration planning. ADCB and UNB 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 ADCB, UNB or Al Hilal Bank and no statement in this document should be interpreted to mean that earnings per share for current or future financial periods of ADCB or UNB would necessarily match or exceed historical published earnings per share.

2.5.2 Overview

Each of the ADCB Board and the UNB Board believes that the Combined Bank is well positioned to provide support for the UAE's economic vision, and to actively participate in the country's growth and diversification. The Combined Bank's increased productivity and economies of scale will contribute to greater profitability and allow the Combined Bank to be highly competitive in its offerings to corporate and individual customers, in both conventional and Islamic banking.

Furthermore, the ADCB Board and the UNB Board believe that the Combination has a high potential for creating shareholder value, with an expected uplift in earnings per share for the shareholders of the three Banks in a steady state and double digit-returns on equity.

2.5.3 Benefits to shareholders

(a) ***Creates the third largest bank in the UAE***

(i) Greater scale will permit larger scope for financing to support the UAE's economic agenda for diversification and growth, and more investment in the Combined Bank's people, technology and infrastructure.

(ii) The Combined Group is expected to have around one million customers, with a significant share of the UAE banking sector as follows:

15% of total assets;

21% of retail loans; and

16% of deposits.

(b) ***Higher value creation through significant cost and revenue synergy potential***

(i) Substantial cost savings opportunities through:

- enhanced productivity and economies of scale;
- a more efficient coverage and customer service through branch and ATM optimisation;
- integration of systems, applications and operations; and
- integration of IT platforms.

(ii) Substantial revenue synergy potential through:

- product cross-selling opportunities;
- opportunities for broadening relationships across sophisticated offerings (from structured finance to transaction banking and treasury services);
- leveraging its scale to achieve improved investment returns and lower cost of funding in the steady state; and
- enhanced capacity to service clients.

(c) ***Fit for changing regulatory environments***

(i) The Combined Group will have a strengthened and optimised balance sheet to face regulatory changes with pro forma capital ratios expected to be comfortably above regulatory minimum ratios.

(ii) The Combined Group will have a robust corporate governance structure and a disciplined approach to compliance and risk management with a leadership committed to stringent compliance with best international practices in the banking industry.

(d) ***Enhanced product offering and funding profile***

(i) The Combination will create a larger and more balanced customer portfolio with combined gross loans extended to a diversified customer base.

(ii) The Combined Bank will provide innovative services for an upgraded customer experience, including simple, convenient and high quality products and services, including cash management offerings and a state-of- the-art Islamic banking platform.

(e) ***Centre of excellence of talent***

The Combined Group will benefit from a differentiated culture with a strong focus on corporate values and a performance-orientated and merit-based working environment and will provide scope for investing further in capability-building programmes and development of a highly diverse employee base.

2.6 LISTING OF THE NEW ADCB SHARES AND DE-LISTING OF THE UNB SHARES

Applications will be made to the SCA and the Abu Dhabi Securities Exchange in due course for the New ADCB 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 of the New ADCB Shares to be issued in respect of the Merger will occur on, or on the Business Day immediately following, the Effective Date. It is expected that the UNB Shares will be delisted by the Abu Dhabi Securities Exchange on the Effective Date.

Subject to the conditions of the Acquisition having been satisfied, it is expected that the listing of the New ADCB Shares to be issued in respect of the Acquisition will occur on or on the Business Day immediately following the day on which the Conversion occurs.

2.7 GENERAL ASSEMBLY MEETINGS

The Combination is conditional upon, amongst other matters as set out in Section 10 of this document, separate approvals at the respective GMs by the ADCB Shareholders and the UNB Shareholders as follows:

(a) a vote “in favour” of each of the Combination Resolutions proposed at the ADCB GM by a requisite majority of the ADCB Shareholders represented in the ADCB GM; and

(b) a vote "in favour" of each of the Combination Resolutions proposed at the UNB GM by a requisite majority of the UNB Shareholders represented in the UNB GM.

Notices of the respective GMs of ADCB and UNB are set out in Annex I and Annex II, respectively, to this document.

2.7.1 ADCB GM

The ADCB GM has been convened for 12:00 pm on 21 March 2019 on the 23rd Floor, at ADCB Head Office Building (intersection of Sheikh Zayed Street with Electra Street), in Abu Dhabi, for reviewing and, if appropriate, approving the following

1. To hear and approve the Board of Directors' report on the Bank's activities and financial statements for the year ended 31 December 2018.
2. To hear and approve the report of the external auditors of the Bank for the year ended 31 December 2018.
3. To hear and approve the Internal Sharia Supervisory Board's report in respect of the Bank's Islamic banking window for the year ended 31 December 2018.
4. To discuss and approve the audited balance sheet and the profit and loss account of the Bank for the year ended 31 December 2018.
5. Appoint the members of the Internal Sharia Supervisory Board for the Bank's Islamic banking window.
6. To consider and approve the Board of Director's proposal to distribute cash dividends to shareholders for the year 2018 in a sum equal to 46% of the Bank's capital and amounting to AED 2,391,186,356.
7. To determine and approve the Board of Directors' remuneration for 2018.
8. To absolve the members of the Board of Directors of the Bank from liability for their work during the year ended 31 December 2018 or to dismiss them and pursue them as the case may be.
9. To absolve the external auditors of the Bank from liability for their work during the year ended 31 December 2018 or to dismiss them and pursue them as the case may be.
10. Appointment or reappointment of three members of the Board of Directors nominated, by the Abu Dhabi Investment Council, for the period up to the effective date of the Merger.

Special resolution agenda items

1. Approval of the proposed merger (the **Merger**) of Abu Dhabi Commercial Bank (**ADCB**) and Union National Bank PJSC (**UNB**) 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 0.5966 new shares in ADCB for every one share in UNB, subject to the terms and conditions of the Merger including the dissolution of UNB on the effective date of the Merger.
2. Approval of the terms of the Merger agreement entered into between ADCB and UNB in accordance with Article 285(1) of the Law.
3. Approval of the following resolutions and the consequential amendments to ADCB's Articles of Association upon the Merger being effective:
   (a) the increase of the issued share capital of ADCB from AED 5,198,231,209 to AED 6,839,777,906, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;
   (b) the amendment of Article 6(1) of ADCB's Articles of Association to reflect the increase of share capital of ADCB described in (a) above; and
   (c) subject to approval of the concerned authorities, the approval of the amended Articles of Association of ADCB as published on the Bank's website and uploaded to the Abu Dhabi Securities Exchange portal.
4. The approval of the appointment of 11 members to the Board of Directors of ADCB, subject to the terms and conditions of the Merger for a term of three years and with effect from the Merger becoming effective, such 11 members being:
   (a) H.E. Eissa Mohammed Al Suwaidi

(b) H.E. Mohammed bin Dhaen Al-Hamily

(c) Ala'a Mohammed Eraiqat

(d) Khaled Deemas Al Suwaidi

(e) Ayesha Al Hallami

(f) Khaled Haji Khouri

(g) Abdulla Khalil Al Mutawa

(h) Mohamed Hamad Al Muhairi

(i) Saeed Mohamed Al Mazrouei

(j) Carlos Antoine Obeid

(k) [*to be identified and disclosed to the shareholders through the ADX website before 19 March 2019*]

5. The approval of the issuance by ADCB of a mandatory convertible bond to the shareholder of Al Hilal Bank PJSC as the acquisition price to be paid by ADCB to acquire the entire issued share capital of Al Hilal Bank PJSC (the **Acquisition**). Such mandatory convertible bond shall be converted into up to 117,647,058 new shares in ADCB and the issued share capital of ADCB shall be increased up to AED 6,957,424,964 on conversion of such mandatory convertible bond.

6. To approve the re-appointment of Deloitte as auditors for the entity resulting from the merger for the financial year 2019.

7. Issue tier capital instruments (including additional tier 1 capital or subordinated tier 2 capital) notes/bonds or trust certificates with an aggregate face amount of up to U.S.$ 1 billion for the purposes of strengthening ADCB's capital adequacy ratio after obtaining the approval of the SCA. The capital instruments shall include the terms and conditions required by the UAE Central Bank of the United Arab Emirates, including, in relation to additional tier 1 capital instruments, the following features: subordination; coupon/profit non-payment events; and non-viability and write-down provisions.

8. The authorisation of the Board of Directors of ADCB, 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: (a) approach the Central Bank for confirmation and registration of the amendments to ADCB's Articles of Association as prescribed by Decretal Federal Law No. 14 of 2018; (b) apply for a certificate to be issued by the Securities and Commodities Authority to declare the merger of ADCB and UNB, the increase in share capital of ADCB in connection with the Merger and Acquisition (as contemplated in Special Resolutions 3(a) and 5 above); (c) apply for the listing of new ordinary shares of the Company on the Abu Dhabi Securities Exchange; and (d) correspond and negotiate with any person, entity (official or otherwise) within and outside the UAE, adopt such resolutions and take any such action as may be necessary to obtain the necessary approvals to effect the Merger and the Acquisition.

2.7.2 UNB GM

The UNB GM has been convened for 2:00 pm on 21 March 2019 at Four Seasons Hotel - Al Maryah Ballroom in Abu Dhabi to conduct the following business:

1. To consider and approve the report of the Board of Directors on the Bank's activities and its financial position for the financial year ended 31 December 2018.

2. To consider and approve the report of the external auditors of the Bank for the financial year ended 31 December 2018.

3. To consider and approve the consolidated financial statements for the financial year ended 31 December 2018.

4. To consider and approve the Board of Directors proposal for distribution of cash dividends of 20% of the issued share capital (20 fils per share) with total amount of AED 550,285/- to the shareholders for the financial year ended 31 December 2018.

5. To determine and approve the Board of Directors' remuneration for the financial year ended 31 December 2018.

6. To absolve the Board Directors from liability for the financial year ended 31 December 2018.
7. To absolve the external auditors of the Bank from liability for the financial year ended 31 December 2018.
8. To appoint/reappoint the external auditors of the Bank for the financial year 2019 and to fix their remuneration.

Special Resolutions:

1. Approval of the proposed merger (the **Merger**) of UNB and Abu Dhabi Commercial Bank PJSC (**ADCB**), 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 **Companies Law**) through the issuance of new shares in ADCB to the UNB shareholders in accordance with the Merger exchange ratio and subject to the terms and conditions of the Merger.
2. Approval of the terms of the Merger agreement relating to the Merger entered into between UNB and ADCB in accordance with Article 285(l) of the Companies Law.
3. Approval of special resolutions 1,2,3,4 and 6 adopted by the shareholders of ADCB at the general assembly meeting held by ADCB's shareholders during which the Merger was approved:
   - Resolution No. (1) Approval of the proposed merger (the **Merger**) of Abu Dhabi Commercial Bank (**ADCB**) and Union National Bank PJSC (**UNB**) 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 0.5966 new shares in ADCB for every one share in UNB, subject to the terms and conditions of the Merger including the dissolution of UNB on the effective date of the Merger.
   - Resolution No. (2) Approval of the terms of the Merger agreement entered into between ADCB and UNB in accordance with Article 285(1) of the Law.
   - Resolution No. (3) Approval of the following resolutions and the consequential amendments to ADCB's Articles of Association upon the Merger being effective:
     (a) the increase of the issued share capital of ADCB from AED 5,198,231,209 to AED 6,839,777,906, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;
     (b) the amendment of Article 6(1) of ADCB's Articles of Association to reflect the increase of share capital of ADCB described in (a) above; and
     (c) subject to approval of the concerned authorities, the approval of the amended Articles of Association of ADCB as published on the Bank's website and uploaded to the Abu Dhabi Securities Exchange portal.
   - Resolution No. (4) The approval of the appointment of 11 members to the Board of Directors of ADCB, subject to the terms and conditions of the Merger for a term of three years and with effect from the Merger becoming effective, such 11 members being:
     1. H.E. Eissa Mohammed Al Suwaidi
     2. H.E. Mohammed bin Dhaen Al-Hamily
     3. Ala'a Mohammed Eraiqat
     4. Khaled Deemas Al Suwaidi
     5. Ayesha Al Hallami
     6. Khaled Haji Khouri
     8. Abdulla Khalil Al Mutawa
     9. Mohamed Hamad Al Muhairi
     10. Saeed Mohamed Al Mazrouei
     11. Carlos Antoine Obeid
     12. [*to be identified and disclosed to the shareholders through the ADX website before 19 March 2019*]

- Resolution No. (6) To approve the re-appointment of Deloitte as auditors for the entity resulting from the Merger for the financial year 2019.

4. Approval of the dissolution of UNB, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective, and termination of the corporate personality of UNB and for ADCB to become the legal successor of the Bank in all its rights and obligations.

5. The authorisation of the Board of Directors of UNB, 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 ADCB and UNB, and the dissolution of UNB, effective. The Board of Directors be authorised to communicate with the Securities and Commodities Authority, the UAE Central Bank, the Minister of Economy and the competent authority to de-register UNB 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 ADCB shall become the legal successor in all rights and obligations of UNB.

2.8 ROLES OF ADVISERS

2.8.1 "Fairness Opinion" and Financial Advisers

Barclays is acting as exclusive financial adviser to ADCB and JPM is acting as exclusive financial adviser to UNB, in each case, in relation to the Combination.

Further, ADCB and UNB have each, in line with international best practice, obtained independent fairness opinions from Barclays and JPM (respectively), the full text of which (including the assumptions, limitations and qualifications on which such opinions have been provided) appears at Annex III and Annex IV, respectively, to this document. The Barclays fairness opinion is in relation to the fairness, from a financial point of view, of the Exchange Ratio and the Acquisition Consideration to the ADCB Shareholders and the JPM fairness opinion is in relation to the fairness, from a financial point of view, of the Exchange Ratio to the UNB Shareholders.

Each of the Barclays Group and the JPM Group, is a major global financial services provider, engaged in a wide range of commercial banking, investment banking, investment management and other activities. In the ordinary course of such activities, a member of the Barclays Group or JPM Group (or investment funds managed by them or in which they have financial interests) may trade, for their own account or the accounts of their customers, and, accordingly, may at any time hold a long or short position, in the debt and/or equity securities (and/or related derivative securities) of ADCB, UNB and/or the Al Hilal Bank Shareholder. Furthermore, members of the Barclays Group or the JPM Group may have maintained, and may from time to time continue to maintain, banking and other commercial relationships with ADCB, UNB and/or the Al Hilal Bank Shareholder (and/or the Combined Group following completion of the Combination). Specifically (and in addition to those roles already disclosed in the Barclays fairness opinion set out at Annex III), following the announcement of the Combination on 29 January 2019, Barclays was appointed to act as joint solicitation agent for UNB in relation to UNB obtaining the UNB consents and continues to act in such capacity as at the date hereof (for which see further detail under Section 10 of this document).

3. INFORMATION ABOUT THE COMBINED GROUP

3.1 DIRECTORS

The proposed members of the ADCB Board (as nominated by ADCB and UNB) upon the Merger becoming effective are listed below. The Chairman of ADCB will be H.E. Eissa Mohamed Al Suwaidi and the Vice Chairman will be H.E. Mohammed bin Dhaen Al-Hamily.

Position	Name
Chairman	H.E. Eissa Mohamed Al Suwaidi
Vice Chairman	H.E. Mohammed bin Dhaen Al-Hamily
Board member	Mr. Ala'a Eraiqat
Board member	Mr. Khalid Deemas Al Suwaidi
Board member	Mrs. Aysha Al Hallami
Board member	Mr. Khalid Haji Ali Khoori
Board member	Mr. Abdulla Khalil Al Mutawa
Board member	Mr. Mohamed Hamad Al Muhairi
Board member	Mr. Saeed Mohamed Al Mazrouei
Board member	Mr. Carlos Antoine Obeid

Brief biographical details of the proposed members of the ADCB Board following implementation of the Merger are set out below (except in relation to the eleventh proposed member whose identity and biography will be disclosed before 19 March 2019):

H.E. Eissa Mohamed Al Suwaidi was appointed by ADIC to join the ADCB Board of Directors and was elected chairman of ADCB in September 2008. At ADCB, he is additionally the chairman of the Risk and Credit Committee and a member of the Nomination, Compensation and HR Committee. He has more than 20 years of experience in asset management and banking and holds a Bachelor of Economics from Northeastern University, US. He is also: chairman of the Emirates Telecommunications Corporation; vice chairman of Maroc Telecom; Chief Executive Officer of ADIC; and is a board member of the Emirates Investment Authority.

H.E. Mohammed bin Dhaen Al-Hamily is the vice chairman of the UNB Board. From 2004 to 2013, he was the UAE Minister of Energy. He obtained his Higher National Diploma in Business Studies from Portsmouth University (UK). He is a member of the Association of Chartered Accountants and completed the Advanced Management Program at Harvard Business School. He is also: a member of the Supreme Petroleum Council Advisory Committee; vice chairman of the Abu Dhabi National Chemicals Company; a board member of Cosmo Oil in Japan; chairman of the Internal Audit Committee of ADIC; and chairman of the Internal Audit Committee of the Abu Dhabi National Oil Company.

Mr. Ala'a Eraiqat joined ADCB in January 2004 and since then has held numerous senior positions within ADCB. In February 2009, he was elected as the Chief Executive Officer of ADCB and as a member to the ADCB Board of Directors. Prior to joining ADCB, he held senior positions at Citibank and Standard Chartered Bank. He is also a board member of Abu Dhabi National Hotels PJSC; MasterCard Asia/Pacific, Middle East & Africa Regional Advisory Board and Mubadala Infrastructure Partners Advisory Board.

Mr. Khalid Deemas Al Suwaidi was appointed by ADIC to join the ADCB Board of Directors in March 2009. In 2012, he was nominated and elected by ADCB shareholders to act as a Director, and again in March 2015, he was appointed as a Director by ADIC. He has approximately 15 years of banking experience, having held senior management positions at the National Bank of Abu Dhabi and First Gulf Bank. He holds a Bachelor of Science/Computer Information Systems from Bethune Cookman College, US and a Master of Business Administration from the Widener University, US. He is also a board member of Manazel Real Estate Company, and Abu Dhabi National Takaful Company and the Group Chief Executive Officer of Das Holding.

Mrs. Aysha Al Hallami is a Research Specialist in the Fixed Income and Treasury Department at the Abu Dhabi Investment Authority. She was elected by ADIC to join the ADCB Board of Directors in April 2013. She holds a Bachelor of Science in Business Sciences from Zayed University, Abu Dhabi, UAE and a Master of Sciences in Finance & Banking from the British University in Dubai, UAE and is a registered Chartered Financial Analyst, with the CFA Institute.

Mr. Khalid Haji Ali Khoori was elected by ADCB shareholders to join ADCB's Board of Directors in April 2012. He holds a Bachelor of Civil Engineering and a Master of Civil Engineering from Northeastern University, US. Since January 2006, he has been the chairman of Orient House for Development &

Construction. He is also the chairman of Abu Dhabi National Hotels and a member of the: (i) Nomination, Compensation and HR Committee and (ii) Board Executive Committee of Abu Dhabi National Hotels.

Mr. Abdulla Khalil Al Mutawa has more than 35 years of experience working as an investment professional and joined the ADCB Board in March 1997. He holds a Bachelor degree in Business Administration from the University of North Carolina in the United States. He holds a number of other external appointments including being General Manager of the Private Office of Sheikh Suroor bin Mohammaed Al Nahyan, a member of the board of directors of Bank Al Falah Limited, the chairman of Makhazen Investment Company and a non executive member of the EFG Hermes board of directors.

Mr. Mohamed Hamad Al Muhairi joined the Board of Directors of Al Hilal Bank in November 2014. He holds a BA in Science, Business Administration and Finance from Suffolk University, Boston, US. He is currently the Chief Executive Officer of Aabar Investments PJS, where he has served as a board member since February 2009. Prior to joining Aabar Investments PJS, he was formerly the Director of the Investment Department at International Petroleum Investment Company in Abu Dhabi, a position which he held from August 2006 to August 2015. He also sits on the Board of other Aabar portfolio companies including UniCredit SpA in Italy.

Mr. Saeed Mohamed Al Mazrouei is the Group Deputy Chief Financial Officer and head of Mergers and Acquisitions in Mubadala Investment Company PJSC. He holds a BSc in Finance from Suffolk University, US, an MSc in International Securities Investment and Banking from the University of Reading, UK, and an MSc in National Security and Strategic Studies from National Defense College, UAE. Before his current position, he was seconded from Mubadala Investment Company PJSC to oversee the Debt Management Office within the Abu Dhabi Department of Finance. Before his appointment to the Abu Dhabi Department of Finance, he served in the Mubadala Acquisitions Unit and worked for The National Investor in the field of investment banking. He is currently a board member of Modon Properties and CEPSA Holding LLC.

Mr. Carlos Antoine Obeid is the Group Chief Financial Officer of Mubadala Investment Company PJSC. He holds a Master Business Administration from INSEAD, and a Bachelor of Electrical Engineering from AUB. He is also: a board member of Cleveland Clinic Abu Dhabi; a board member of Global Foundries; a board member of Waha Capital; chairman of Mubadala Infrastructure Partners; and a board member of Bank Audi SAL in Lebanon where he also chairs the AML/CFT Committee.

3.2 GROUP CHIEF EXECUTIVE OFFICER

The proposed Group Chief Executive Officer of ADCB following implementation of the Combination (with effect from the Effective Date) is Ala'a Eraiqat (the current Group Chief Executive Officer of ADCB). Ala'a Eraiqat joined ADCB in January 2004 and since then has held various senior posts before taking over as Group Chief Executive Officer of ADCB and also becoming an ADCB Board member in February 2009. He previously held senior positions at Citibank and Standard Chartered Bank, amongst others. His current responsibilities as Group Chief Executive Officer extend to chairing the following subsidiaries and committees of ADCB, amongst others: Abu Dhabi Commercial Properties; Abu Dhabi Commercial Engineering Services; the ADCB Management Executive Committee; and the ADCB Management Risk and Credit Committee.

3.3 THE COMBINED GROUP'S STRATEGIC PRIORITIES

The Combination accelerates the growth strategies of the Banks with the aim to serve customers better in a fast-changing global environment.

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

(i) ADCB has developed a market-leading wholesale proposition, offering a wide range of products and services. Its distinctive offerings include a state-of-the-art award-winning cash management proposition and leading trade and foreign exchange services. It has developed sizable access to wholesale funding, retains a large expat customer base and has recently revamped its information technology systems to provide an ideal platform for a cutting edge digital transformation.

(ii) UNB has developed an extensive branch network with a strong presence in strategic locations and has a proven track record in serving government and government related entity clients across loans and deposits combined with strong retail operations in the UAE and a selective international presence.

(iii) Al Hilal Bank has developed a strong brand equity in Islamic banking in the UAE and offers a wide range of Shari'ah compliant products.

The Combined Bank will play a central role in the UAE economic landscape, with a strong and optimised balance sheet that is well positioned to face global macro-economic challenges. Increased productivity and economies of scale will contribute to greater profitability and allow the Combined Bank to be highly competitive in its services to corporate and individual customers, in both conventional and Islamic banking. It will increase scope for customer financing and generate the capacity to invest efficiently in key drivers of future growth, including compliance systems, digital transformation, cyber security and next-generation branches.

The Combined Group will increase wholesale financing to large and growing corporate clients by leveraging its larger balance sheet and competitive cost of funds. It will boost deposit (including current account and savings account) business by delivering ADCB’s distinctive cash management proposition to a wider base and support UAE SMEs and mid-cap enterprises by cross selling its capabilities, especially digital capabilities, across a larger market share.

In respect of consumer banking, it will consolidate its leading retail position by offering innovative products, superior customer experience and omnichannel access. It will expand on loan, card and deposit market share using data-driven customer feedback and digital delivery. It will also expand its range of Shari’ah compliant products for retail and corporate customers (with an emphasis on digital solutions).

4. INFORMATION ABOUT ADCB

4.1 INTRODUCTION

4.1.1 Incorporation

ADCB is a public joint stock company that was incorporated on 2 May 1985 following the merger of Khalij Commercial Bank Limited, Emirates Commercial Bank Limited and Federal Commercial Bank. The merger was effected pursuant to Resolution No. 90 of the Executive Council of the Government of 1985. ADCB is registered in accordance with the Companies Law under registration number 4 and is licensed to operate as a commercial bank in the UAE by the Central Bank. ADCB's telephone number is +971 (0)2 621 0090.

4.1.2 Capital structure

The issued and fully paid-up share capital of ADCB, as at the date of this document, is 5,198,231,209 shares of AED l.00 each. The ADCB Shares are admitted to listing and trading on the Abu Dhabi Securities Exchange.

4.1.3 Major shareholders

As at 27 February 2019 (being the last practicable date before the publication of this document), the shareholders known by ADCB to own 5% or more of the share capital of ADCB were:

Shareholder	Number of shares	Percentage of total issued share capital of ADCB
Abu Dhabi Investment Council	3,250,079,887	62.523%

4.1.4 UAE national and non-UAE national shareholdings

As at 31 December 2018, Abu Dhabi Investment Council own an equivalent of 62.523% of the shares in ADCB while other UAE national investors own an equivalent of 21.927% and non-UAE national investors own an equivalent of 15.55% of the shares in ADCB.

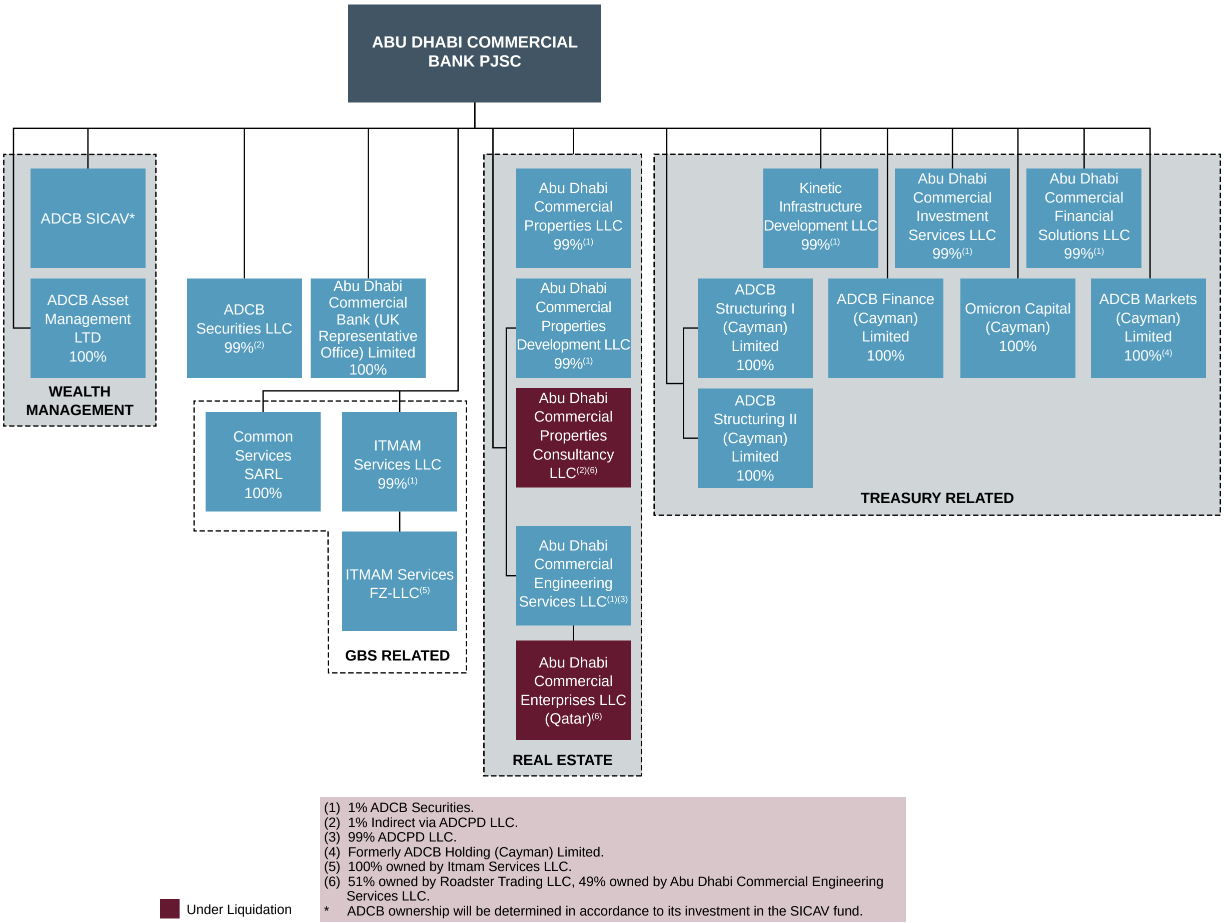
4.1.5 Financial year and auditors

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

The auditors of ADCB are Deloitte & Touche (M.E.) of Level 11, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 990, Abu Dhabi, United Arab Emirates.

4.2 ADCB GROUP STRUCTURE

A simplified structure chart of the ADCB Group as at 27 February 2019 (being the last practicable date before the publication of this document) is set out below. Please see Sub-section 9.6 of this document for further details as to the ADCB Group's legal structure.



4.3 DESCRIPTION OF BUSINESS

4.3.1 Background

ADCB is one of the leading commercial banks in the UAE, offering a wide range of retail, commercial, investment and Islamic banking, brokerage and asset management products and services. According to the financial statements for the financial year ended 31 December 2018 and the publicly available financial statements of ADCB's main domestic competitors for the financial year ended 31 December 2018, ADCB was the third largest bank in the UAE market in terms of net loans and advances to customers (AED 166 billion), the second largest bank in Abu Dhabi in terms of total assets (AED 280 billion) and the second largest bank in the Abu Dhabi market in terms of net loans and advances to customers (AED 166 billion).

As at 31 December 2018, ADCB had customer deposits of AED 177 billion. As at 31 December 2018, ADCB's total assets were AED 280 billion, representing an estimated 9.7% of the UAE market in terms of total assets according to Central Bank statistical records for December 2018. As at 31 December 2018, ADCB served more than 860,000 retail customers and more than 26,000 wholesale customers, primarily in its domestic UAE market.

ADCB has grown rapidly to become one of the largest full service commercial banks in the UAE. Since its incorporation, the Government has at all times held, indirectly, a controlling interest of at least 58.10% of the share capital of ADCB. As at 27 February 2019 (being the last practicable date before the publication of this document), the Government held, through ADIC, 62.523% of ADCB's issued and fully paid-up share capital.

As at 31 December 2018, ADCB had 49 branches, in addition to 2 Simplylife sales and service centre and 4 uBank centres and 376 automated teller machines (**ATMs**) in the UAE, with the majority in Abu Dhabi and Dubai, two branches in India (in Mumbai and Bengaluru), one offshore branch in Jersey and representative offices in London and in Singapore. ADCB also offers services to individuals and corporate customers through its internet banking, phone and SMS banking systems, the ADCB mobile application and through one of the largest point of sale networks in the UAE. In addition, ADCB provides a range of Shari'ah compliant Islamic products and services under its "*ADCB Islamic Banking*" brand.

4.3.2 The major divisions

ADCB's four principal areas of business of: (i) consumer banking; (ii) wholesale banking; (iii) treasury and investments; and (iv) property management are detailed below.

A. Consumer Banking Group

The consumer banking group (**CBG**) provides conventional and Shari'ah compliant products and services to retail clients, which include deposit and transactional accounts, personal and auto loans, mortgages, credit cards, third-party insurance and investment products. In addition, the CBG offers wealth management and brokerage services, and offshore banking services. CBG also provides financial support to businesses of high net worth individuals (**HNWIs**) and ultra-HNWIs through its private banking unit. The CBG comprises five businesses: (i) the retail banking business; (ii) the private client and wealth management business; (iii) the Islamic banking business; (iv) the private accounts business; and (v) the "new business" group. For the financial year ended 31 December 2018, AED 1,198 million or 25.0% of the ADCB Group's net profit for the year was attributable to the CBG. The CBG contributed 43% (or AED 3,918 million) to the Group's total operating income of AED 9,181 million for the financial year ended 31 December 2018. As at 31 December 2018, CBG had over 860,000 customers.

The principal businesses of the CBG are summarised below:

(i) Retail banking business

The retail banking business offers three sets of products and services, namely "Aspire", "Privilege Club" and "Excellency", which cater to the "mass", "emerging affluent" and "mass affluent" customer segments, respectively. As at 31 December 2018, CBG had over 645,000 "Aspire" clients, over 87,000 "Privilege Club" clients, over 12,000 "Excellency" clients and over 108,000 "SimplyLife" clients. The retail clients of ADCB's Islamic banking business (see paragraph (iii) below) are included within the "Aspire", "Privilege Club", "Excellency" and "SimplyLife" client numbers provided above.

(ii) Private client and wealth management business

The CBG's private client and wealth management business provides CBG customers with access to a global set of mutual funds. The business product offering combines traditional long-only equity fund management with more bespoke discretionary portfolio management and investment advisory solutions, along with execution and custody services covering equity, fixed income, mutual funds and structured products. Additionally, the business also manages a range of Luxembourg domiciled Undertakings for Collective Investments in Transferable Securities mutual funds. The ADCB Group's private client service, "ADCB Private", manages the relationships of the CBG's HNWIs. The "ADCB Private" business offers private clients bespoke products and services, including discretionary, non-discretionary and advisory wealth management solutions, capital markets products, succession planning, tailored lending, lifestyle solutions, premium payment solutions and transaction-based retail and business banking solutions.

(iii) Islamic banking business

The Islamic banking business offers Shari'ah compliant products and services to both retail and corporate customers. The suite of products and services available in Shari'ah compliant form are similar to its conventional offerings, including accounts, deposits, financing products, Islamic credit cards and investments. This business forms a part of the ADCB Group's Islamic banking platform. As at 31 December 2018, the ADCB Group's Islamic banking business had over 120,000 retail clients and approximately 3,000 corporate clients. Income from Islamic financing from the ADCB Group's Islamic banking business in the year ended 31 December 2018 was AED 1,277 million.

(iv) Private accounts

The private accounts division provides transaction banking, corporate loans and working capital finance to HNWIs and their businesses.

(v) New business group

The “new business” group is responsible for developing and exploiting new business opportunities within the UAE. In 2014, the “SimplyLife” product was the first new business line to be launched, to cater for the consumer finance needs of the lower tier of the “mass” customer segment. Additionally, in June 2017, the new business group launched the ’merchant acquiring services’ business which is designed to complement ADCB’s cards issuance business. ADCB offers merchant acquiring services through various channels, including point of sale, mobile point of sale and e-commerce. Since the launch of this new business line, ADCB has acquired more than 2,500 merchants.

Products and services

The principal products and services offered by the CBG include: (a) deposit and transactional accounts; (b) personal loans; (c) auto loans; (d) mortgages; (e) credit cards; (f) third-party bancassurance products; and (g) open architecture investment product suite.

Sales, service and distribution channels

The ADCB Group maintains a network of retail branches (including pay offices) in the UAE, principally in Abu Dhabi and Dubai, as well as a network of alternative distribution channels, including ATMs, cheque and cash deposit machines, contact centres, internet banking, phone banking, a mobile banking application, SMS banking and the “uBank” service.

B. Wholesale Banking Group

The wholesale banking group provides corporate lending, trade finance, working capital finance, liquidity management, transactional banking, capital markets and advisory services to SMEs, local, regional and multinational corporate entities, government and government-related entities and financial institutions, primarily in the UAE. The wholesale banking group’s product-focused divisions include the: (i) transactional banking division, which focuses on cash management (including a sophisticated automated platform), trade finance (including two strong online platforms and significant digitisation), bespoke client servicing and liability products such as fixed deposits; and (ii) the investment banking division, which focuses on conventional and Islamic debt capital markets instruments, including debt underwriting and distribution services, structured asset and acquisition financing, debt restructuring, corporate advisory and structuring services, oversees and monitors the ADCB Group’s strategic investments and infrastructure fund management and evaluates mergers, acquisitions and joint venture opportunities.

The Group’s Indian operations (which consist of two branches in Mumbai and Bengaluru) and the ADCB Group’s representative offices in: (a) the UK (which was opened in London in 2014); and (b) Singapore (which was opened in September 2015) are also managed by the wholesale banking group.

As at 31 December 2018, the wholesale banking group had more than 26,800 customers, the majority of which were based in the UAE. The wholesale banking group contributed 32.7% (or AED 3,005 million) to ADCB’s total operating income of AED 9,181 million for the financial year ended 31 December 2018.

Client-focused divisions

Commercial banking division

The commercial banking division provides SME customers (entities with annual revenue of less than AED 150 million) with products and services, including cash management, trade finance, business/commercial financing and deposit services.

Mid-corporate division

The mid-corporate division offers a range of products and services to mid-sized corporates, focused primarily on growing businesses (entities with annual revenue of between AED 150 million and AED 500 million). The division operates through a team of relationship managers who provide clients with asset and liability products and trade finance, cash management and corporate financing services.

Top tier corporate divisions

Each of the Dubai and the northern Emirates, the Abu Dhabi and Al Ain and wider GCC top tier corporate divisions offer a full range of banking products and services. In particular, the GCC business offers facilities to clients with linkages to India and clients in other GCC countries requiring the services of a UAE-based bank, with a current focus on the Kingdom of Saudi Arabia and the Sultanate of Oman.

Institutional clients division

The institutional clients division is responsible for managing the ADCB Group's relationships with approximately 750 financial institutions (including non-bank financial institutions) located around the globe. These financial institutions comprise banks, finance and investment companies, asset managers, broker dealers, commodity houses and insurance companies. The division provides a range of trade finance, treasury, financing and other products and solutions to these financial institutions. The division is also responsible for maintaining nostro (where the Bank holds an account with other financial institutions) and vostro (where other financial institutions hold an account with the Bank) client relationships. In addition, the institutional clients division is responsible for the allocation of exposure to other relevant areas of the Bank, including the treasury group.

Product-focused divisions

Transaction banking division

The transaction banking division provides corporate banking services to support the wholesale banking group's client-focused divisions. The division offers cash management, trade services and trade finance products as well as liability products such as call accounts, fixed deposits and money market-related deposits. The division's principal products and services include: (a) cash management; (b) trade finance; and (c) liability products. The division also manages ADCB's escrow and corporate trust services.

Investment banking division

The investment banking division primarily provides corporate advisory, origination, structuring, underwriting and syndication services to corporations, financial institutions and government controlled entities. The division also works with international banks as an arranger or lead manager in international debt offerings by GCC issuers. The division's principal investment banking products and services include: (a) asset based finance; (b) debt capital markets; (c) structured financing and debt restructuring; and (d) corporate advisory and structuring. The division also manages the ADCB Group's strategic investments and certain of the ADCB Group's proprietary investments.

Support team

Risk and support team

The risk and support team provides support to the wholesale banking group through analysis of initial business risk and credit analysis, portfolio monitoring, document exception management, quality controls and assurance over front office activities, as well as preparing financing documents before forwarding business proposals to the Bank's credit department. In addition, the risk and business support division provides support across the Bank's wholesale banking business, for intra-division change projects, bank-wide change initiatives, digitisation and management information.

ADCB overseas divisions

ADCB India operations

The wholesale banking group oversees the ADCB Group's Indian branch (**ADCB India**). The ADCB Group has two branches in India, located in Mumbai and Bengaluru. These branches primarily provide corporate banking products and services, including asset, liability and trade finance products, to ADCB's Indian and UAE corporate clients. ADCB's Indian operations include certain limited consumer banking operations.

Representative offices

These representative offices are primarily tasked with conducting research.

C. Treasury And Investments Group

The treasury and investments group manages the ADCB Group's commercial and proprietary financial markets operations and investment securities portfolios. For the financial year ended 31 December 2018, the treasury and investments group generated net profit of AED 1,830 million representing 37.8% of the ADCB Group's total net profit. The treasury and investments group contributed 22.2% (or AED 2,036 million) to the ADCB Group's total operating income of AED 9,181 million for the financial year ended 31 December 2018.

Treasury division

The treasury division offers a range of treasury services, including money market, interest rate, currency and commodity services as well as other structured treasury solutions and risk management products, together with their Islamic equivalents to domestic and foreign corporates, sovereign wealth funds, central banks, public sector and government entities, as well as to HNWI clients, international investors and financial institutions. Treasury is responsible for managing the ADCB Group's cash flow and liquidity as well as the ADCB Group's foreign exchange risks, investments and interest rate risks within delegated limits. It ensures that ADCB operates within a defined LCR and NSFR by performing daily cash flow analysis, and advances to deposit ratio tests (including loan to deposit ratio tests) and monitoring of internal liquidity/funding metrics. Treasury uses derivative financial instruments for balance sheet hedging purposes in order to reduce the Group's exposure to fluctuations in currency and interest rates. Additionally, in its trading activities, Treasury uses derivatives to offer hedging solutions to customers in order to enable them to transfer, modify or reduce current and expected risks. As at 31 December 2018, the total positive fair values and notional values of ADCB's derivative financial instruments were AED 4.447 billion and AED 695.6 billion, respectively. The treasury division has diversified its funding via active short-term liquidity management through repo trading and collateral swaps.

Investments division

The ADCB Group's investments division manages the Group's liquid assets portfolio. As part of its LCR liquidity reporting and compliance, the investments division invests in various short-term or medium-term assets in line with Basel III guidelines for HQLAs (such as certificates of deposit held with the Central Bank and investment grade bonds). As at 31 December 2018, the ADCB Group held a portfolio of HQLAs valued at AED 48.6 billion.

As at 31 December 2018, 85.9% of the ADCB Group's investment portfolio was invested in listed fixed income securities and 13.9% in unlisted government fixed income securities and 0.3% in unlisted banks and financial institutions. The remaining (AED 402.1 million) was invested in listed and unlisted equity and private equity funds, primarily based in the UAE.

As at 31 December 2018, the investments division had: (i) US Treasury and US agency securities of AED 4.2 billion; (ii) a portfolio of AED 371 million of investments in senior fixed income securities of systemically important banks in the US, the UK and Germany; and (iii) a portfolio of AED 3.17 billion of investments in senior fixed income securities issued by systemically important banks in India, the PRC, South Korea and Malaysia and AED 392 million of investments in Government of India securities and treasury bills. The carrying value of the total investment securities portfolio managed by the ADCB Group's investments division grew from AED 33,059 million as at 31 December 2016 to AED 52,362 million as at 31 December 2018. The ADCB Group's investment securities portfolio outside the UAE and GCC was 33.8% of its total portfolio as at 31 December 2018. As at 31 December 2018, the ADCB Group had bond investments carried at fair value through other comprehensive income of AED 51,960.2 million.

D. Property Management Division

The property management group comprises the real estate management operations of: (a) Abu Dhabi Commercial Properties LLC, whose principal activities consist of providing real estate property management and advisory services, including facilities management; and (b) Abu Dhabi Commercial Engineering Services LLC, whose principal activities consist of providing engineering services and project management and development services. For the financial year ended 31 December 2018, the property management group generated net profit of AED 104 million, representing 2.1% of the ADCB Group's total net profit. The property management group contributed 2.4% (or AED 222 million) to the ADCB Group's total operating income of AED 9,181 million for the financial year ended 31 December 2018.

4.3.3 Digitisation

ADCB's strategy was updated in 2017 to include the digitisation of many of ADCB's core business processes as a key organisation-wide strategic focus. However, ADCB has always been committed to adopting the latest banking and technological innovations in order to provide its customers with a convenient banking experience. In line with this strategic focus on digitisation, ADCB has dedicated significant resources to the development of its digital offerings. ADCB plans to continue to invest in digitisation as it strives to remain competitive and to provide its customers with access to banking services remotely and digitally.

The strategic focus on digitisation is reflected by the creation of the Digital Steering Committee, a working group with responsibility for overseeing ADCB's digitisation initiatives which is chaired by the GCEO and whose membership is comprised exclusively of the highest levels of ADCB's executive management.

ADCB's existing digitisation initiatives include the following:

- *uBank*: ADCB operates four fully digital banking centres, known as the "uBank", across locations in Abu Dhabi and Dubai. The "uBank" service uses biometric technology for authentication and interactive digital walls and surface tables along with video conferencing facilities through which customers can access financial guidance and support. In 2017, at the "The International Excellence in Retail Financial Services Awards 2017", hosted by "The Asian Banker" in Tokyo, ADCB received the "Branch of the Year" award, for its "uBank" initiative;

- *ADCB's customer applications*: ADCB's dedicated customer applications enable ADCB's customers to conduct certain basic transactions through their personal devices, such as account transfers, bill payments, enquiries, cash management and securities brokerage services, in addition to viewing location-based offers and searching residential and commercial properties for rentals. As at 31 December 2018, ADCB had nine customer applications, including: a mobile banking application; a watch application; a location-based offers application; an ADCP property search application; and an ADCB Securities LLC application;

- *ADCB's internet banking system*: ADCB's internet banking system provides ADCB's customers with the ability to conduct certain banking transactions online, such as account transfers, bill payments, opening of fixed deposits, booking credit card loans, viewing transaction history and conducting enquiries. As at 31 December 2018, over 520,000 customers had registered with ADCB's internet banking system; and

- *SMS alerts*: ADCB's customers can request information on transactions conducted through ADCB's mobile banking application and receive transaction alerts via SMS. As at 31 December 2018, over 780,000 customers had registered for SMS banking.

ADCB plans to continue to expand the range of its customer focused digitisation initiatives with various projects expected to be implemented across the organisation before 2020.

4.3.4 Group Business Services

ADCB's group business services (**GBS**) comprises a number of key support functions which operate across the ADCB network. Following the internal re-organisation that took place on 1 January 2016, when the Branch Operations team was transferred internally to the CBG, and a further re-organisation in February 2018, when the Information and Physical Security team was transferred to the Risk Management department, GBS is comprised of over 1,800 staff. Headed by the Group Chief Operations Officer, GBS is organised by the following four core functions.

Itmam Services LLC (Itmam)

Itmam is a wholly-owned subsidiary of ADCB which provides banking operational and processing services (such as lending, account and wealth, transaction and customer contact services) to all parts of the ADCB Group. Itmam forms part of the GBS organisational structure and is governed by its own board of directors, who are all ADCB executive staff members. Following an internal re-organisation in 2018, ADCB brought the GBS Group Operations division into Itmam, unifying ADCB's operational teams under single leadership. The Itmam structure includes a general manager and six key operational service divisions, including: (i) consumer banking operations; (ii) customer contact services; (iii) wholesale banking operations; (iv) treasury and syndication operations; (v) shared services; (vi) operations management which includes the "Tamooha" unit, ADCB's award-winning operations centre initiative, staffed entirely by UAE national females; and (vii) the corporate services team which manages facilities across ADCB's properties (branches and offices) throughout the UAE.

In 2018, the division continued to focus on service improvement and risk reduction. A robust risk posture and proactive management of risk ensured that operational losses and errors remained minimal in 2018.

In 2017, ADCB entered into a services agreement with Accenture to provide operational support to ADCB from Accenture's premises in India. The services are provided from one location in Mumbai, India. The purpose of the arrangement with Accenture is to supplement the existing services being provided to ADCB while achieving cost and efficiency benefits.

4.4 DIRECTORS

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

Position	Name
Chairman	H.E. Eissa Mohamed Al Suwaidi
Vice Chairman	H.E. Mohamed Sultan Ghannoum Al Hameli
Director	Mrs. Aysha Al Hallami
Director	Mr. Mohamed Darwish Al Khoori
Director	Mr. Abdulla Khalil Al Mutawa
Director	Mr. Mohamed Ali Al Dhaheri
Director	Sheikh Sultan bin Suroor Al Dhahiri
Director	Mr. Khaled Haji Al Khoori
Director	Mr. Ala'a Eraiqat
Director	Mr. Khalid Deemas Al Suwaidi
Director	Mr. Faisal Suhail Al Dhaheri
Adviser	Sir Gerry Grimstone
Secretary	Mr. Simon Copleston

5. INFORMATION ABOUT UNB

5.1 INTRODUCTION

5.1.1 Incorporation

UNB is a public joint stock company incorporated under the laws of the UAE. UNB was incorporated in the Emirate of Abu Dhabi, UAE on 29 November 1982 pursuant to Emiri Decree No. 29 of 1981. UNB is registered in accordance with the Companies Law under registration number 4941 and is licensed to operate as a commercial bank. UNB's head office is located at UNB Building, Sheikh Zayed Bin Sultan Street, P.O. Box 3865, Abu Dhabi, UAE, and its telephone number is +971 2 674 1600.

5.1.2 Capital structure

The issued and fully paid-up share capital of UNB, as at the date of this document, is 2,751,426,562 shares of AED l.00 each. The UNB Shares are admitted to listing and trading on the Abu Dhabi Securities Exchange.

5.1.3 Major shareholders

As at 27 February 2019 (being the last practicable date before the publication of this document), the UNB Shareholders known by UNB to own 5% or more of the share capital of UNB were:

Shareholder	Number of shares	Percentage of total issued share capital of UNB
Abu Dhabi Investment Council	1,375,918,536	50.0%
Investment Corporation of Dubai	275,143,203	10.0%
Total	1,651,061,739	60.0%

5.1.4 UAE national and non-UAE national shareholdings

As at 31 January 2019 (being the last practicable date before the publication of this document), 90.51% of UNB Shareholders were UAE national investors and 9.49% were non-UAE national investors.

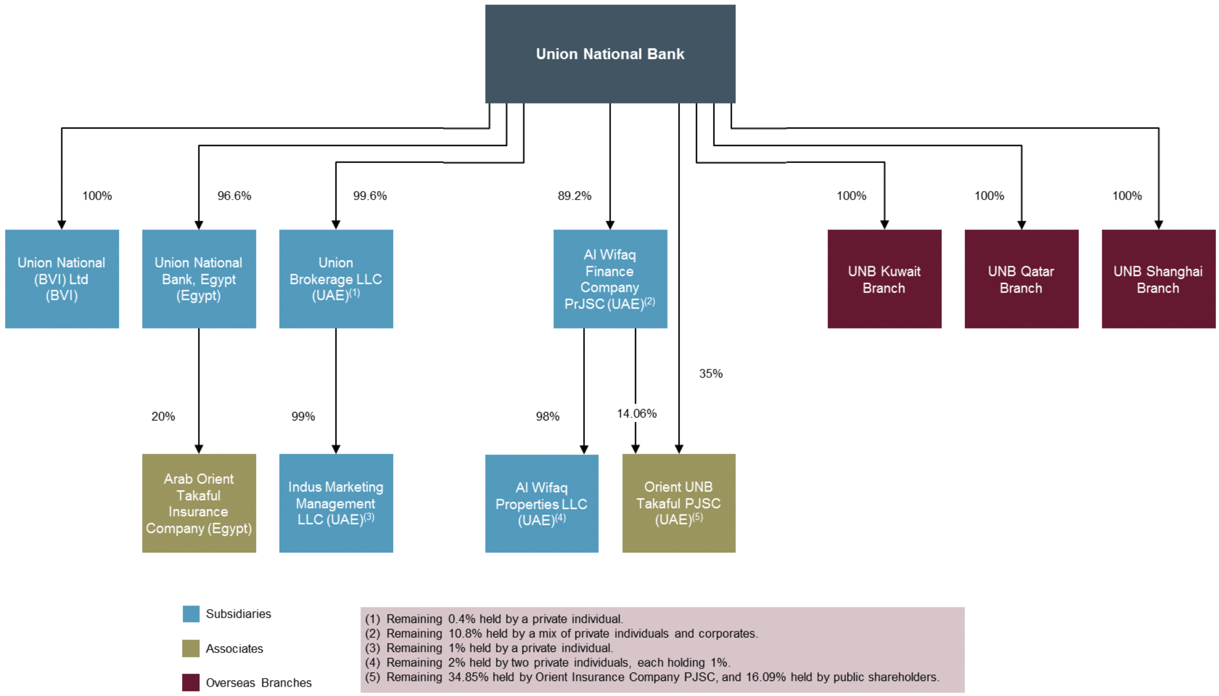
5.1.5 Financial year and auditors

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

The auditors of UNB are Deloitte & Touche (M.E.) of Level 11, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 990, Abu Dhabi, United Arab Emirates.

5.2 UNB GROUP STRUCTURE

A simplified structure chart of the UNB Group as at 27 February 2019 (being the last practicable date before the publication of this document) is set out below.



5.3 DESCRIPTION OF BUSINESS

UNB is one of the leading banks in the UAE, offering a wide range of retail and wholesale banking and financial services to clients throughout the UAE, Egypt, Qatar, Kuwait and the PRC. UNB is organised and managed within the following key segments, each representing a strategic business unit offering products and services to different markets:

A. Wholesale Banking

Wholesale Banking consists of Corporate Banking, International Banking, Treasury and Investment Banking and Islamic Banking.

B. Corporate Banking

The Corporate Banking segment consists of Corporate Business and Real Estate Finance and Secured Lending.

UNB offers a wide range of services and products to enterprises both in the governmental and private sectors and across a range of sizes and industrial sectors.

UNB's Real Estate Finance and Secured Lending division provides credit in relation to real estate and construction related projects. The products and services offered include medium to long-term loans to finance the purchase and construction of buildings, which are typically secured by rental assignments and mortgages over property.

Teams

Corporate Business is divided into market specific teams to provide specialised and expert services to a range of economic sectors in the UAE. These corporate teams are located across the UAE, servicing all the Emirates. Team structures are based on a combination of the geographical location of the customer as well as the industrial sector that it focuses upon. UNB corporate teams serve, for example, the following sectors: multinational contracting, local contracting, large corporates, real estate finance, and commercial banking.

Every corporate customer of UNB has a dedicated relationship manager who is trained and familiar with the entire range of products and services on offer. Additionally, these relationship managers are focused on delivering service to a select corporate segment, in order to demonstrate market awareness and specialised knowledge.

Accounts and Facilities

- *Accounts*: UNB's corporate customers are offered services denominated not only in AED but also in USD, Euro, Japanese Yen, Pound Sterling and other major currencies. These include corporate current accounts, term deposits, electronic funds services and foreign exchange services.
- *Facilities*: Facilities offered include secured loans (overdraft and short-term facilities for providing financing against products, including deposits, bank guarantees, rental assignments, progress payment certificates and approved invoices against local purchase orders) and term loans for financing the working capital and project financing requirement of UNB's corporate customers.
- UNB also offers trade finance facilities, including loans against trust receipts to enable companies to settle their import letters of credit, bill discounting facilities, foreign bills purchasing facilities, loans against packing credit, letters of credit and letters of guarantee (including bid bonds, performance bonds, advance payment guarantees, retention release guarantees, maintenance guarantees, labour guarantees, financial/ payment/purchase guarantees, shipping guarantees and customs guarantees).

C. International Banking

International Banking consists of the Financial Institutions Group and the Syndications and Structured Finance Group.

Financial Institutions Group: this group manages UNB's institutional relationships with over 250 financial institutions from around the world.

Syndications and Structured Finance Group: this division is engaged in arranging, underwriting, participating and acting as an agent in syndicated facilities and structured finance as well as handling all large corporate restructurings.

D. Treasury and Investments

The UNB Treasury and Investments Group (**TIG**) manages the Bank's liquidity, interest rate risk and foreign currency exposure on the Bank's balance sheet while minimising the various market risks along with other financial markets activities to support the Bank's clientele via corporates, sovereign wealth funds, government, high net worth individuals and retail segment. TIG also manages the Bank's proprietary investment book.

As at 31 December 2018, liquidity was efficiently managed with all liquidity parameters closing well above the minimum requirements. The Bank's liquidity position continued to remain strong with liquid assets constituting 28% of the total assets as at 31 December 2018.

TIG contributed 33.50% of the UNB Group's total net profit as at 31 December 2018. TIG continued to be a major provider of financial risk management solutions to its valued customers while tapping the global financial and risk solution providers with whom the Bank has developed robust relationships over the years.

With regard to investments, TIG manages the Bank's proprietary portfolio which comprises a broad range of investment products across market instruments globally. The investment portfolio which is in excess of USD 5.2 billion as at 31 December 2018, has been geared towards enhancing the Bank's balance sheet strength and returns while keeping liquidity transformation in balance. TIG invests in high quality liquid assets that are easily convertible into cash in case of any liquidity challenges. Expanding the activity of the repo desk has facilitated the efficient deployment of funds for balance sheet purpose and achieving the regulatory ratios while maximising returns.

E. Islamic Banking

Islamic Banking

Islamic Banking consists of UNB's Islamic Banking Division (**ISB**) and Al Wifaq Finance Company.

With the rapid growth in Islamic finance, UNB established ISB to meet the needs and demands of its customers in this area. ISB provides Shari'ah-compliant products and services extended to both corporate and retail customers. These services are complemented by those provided by Al Wifaq Finance Company, UNB's Islamic finance subsidiary company.

Al Wifaq Finance Company

Established in 2006 as an Islamic finance subsidiary, Al Wifaq Finance Company (89.2% owned by UNB) offers Shari'ah-compliant products and services to tap the growing market of Islamic finance in its domestic market. The services offered are mainly to corporate customers, as well as to SMEs.

F. Consumer Banking

Consumer Banking consists of Retail Banking, Small and Medium Enterprise Business and Private Banking and Wealth Management.

Retail Banking

UNB offers a range of retail banking products through its network of branches and other distribution channels.

Principal Channels

- *Branches and ATMs*: UNB has a network of 75 branches distributed across the UAE. The majority of the branches are located in the Emirates of Abu Dhabi and Dubai. UNB-E has also established 48 branches in Egypt. These branches reflect distributions of population and commercial activity.
- UNB has consistently upgraded its network of ATMs through the acquisition of the most technologically advanced ATMs. UNB is a member of the National and GCC ATM Switch. UNB had 305 ATMs in the UAE as at 31 December 2018.
- *Call Centre*: In 2000, UNB established a centralised call centre in Abu Dhabi, which caters for customers' day to day banking needs 24/7. In addition, UNB also re-introduced its telephone banking services under the brand "Unicall" in 2005, which offers a full suite of informational and transactional services to its customers with ease and convenience.
- *Internet Banking*: UNB provides its customers with internet banking services and, in 1997, became the first bank in the UAE to offer internet banking. A new internet banking platform was launched in 2015. Internet banking facilities include making utility and other payments, balance enquiries, foreign remittances and other services.
- *SMS Banking*: In 2002, UNB introduced its SMS banking services. In 2009, Pull and Push SMS Banking was introduced for its customers.
- *Mobile App*: In 2016, a UNB mobile banking application was launched for both Apple iOS and Android smart phones.

Small and Medium Enterprise Business Banking

UNB offers various financial solutions for SME customers ranging from parameterised products for companies to conventional working capital lines. The product offering includes commercial SME loans, commercial vehicle loans, point of sale loans and loans against rental assignment.

Private Banking and Wealth Management Division

UNB's private banking and wealth management division provides specialised services to existing UNB customers and prospective new customers through the following specialised units:

- *The Merchant Banking and Capital Markets Department*: this department provides integrated financial services and plays an advisory role to companies, banks and other institutions; and
- *The Private Banking and Wealth Management Department*: this department provides specialised services to wealthy individuals, industry leaders, senior corporate executives and others who seek quality investment and wealth management opportunities and solutions.

Accounts and Facilities

- *Accounts and Deposits*: UNB offers accounts in AED as well as USD, Euro, Japanese Yen, Pound Sterling and other major currencies. UNB offers a range of current accounts, savings, term deposits, savings certificates as well as remittance services. The offering includes various innovative award-winning and market-leading products such as everyday interest savings account, online saver account, value plus current account, interest in advance deposit and accelerating rate deposit. UNB also offers the Al Awwal Savings Certificate, where customers are given a chance to win prizes in monthly draws. Additionally, UNB has specific accounts and services targeting, women, young adults and children.

- *Loans*: UNB also provides various lending facilities such as loans to UAE nationals, loans to expatriates, auto loans and home mortgage loans.
- *Cards*: UNB offers a range of credit and debit cards with offerings which include co-branded reward and cash back cards.
- *Bancassurance*: In 2014, UNB entered into a strategic partnership with Orient Insurance for distributing Orient Insurance products through UNB branches across the UAE. Initially, UNB distributed Orient Insurance's "critical illness" products, however, the range of products offered has since expanded to include women care, children's education, savings and life insurance products. The underwriting and processing of the insurance products is undertaken by Orient Insurance, with UNB only providing distribution of the products.
- In addition, UNB has jointly promoted a new non-life insurance company, "Orient UNB Takaful PJSC", with Orient Insurance Company PJSC (part of Al-Futtaim Group). UNB has an effective ownership of 47.5% in Orient UNB Takaful PJSC. Following commencement of operations in 2017, Orient UNB Takaful PJSC provides a range of Shari'ah-compliant insurance products and services.

5.4 DIRECTORS

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

Position	Name
Chairman	H.E. Sheikh Nahayan Mabarak Al Nahayan
Vice Chairman	H.E. Mohammed bin Dhaen Al-Hamily
Director	H.E. Mattar Mohammed Al Tayer
Director	H.E. Abdul Wahed Al Fahim
Director	H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi
Director	H.E. Hussain Jasim Naser Mohamed Al Nowais
Director	H.E. Yousef Abdulaziz Al Harmoudi
Director	H.E. Ahmed Jasim Al Zaabi
Director	H.E. Khalfan Saeed Jumaa Al Kaabi

6. INFORMATION ABOUT AL HILAL

6.1 INTRODUCTION

6.1.1 Incorporation

Al Hilal Bank was incorporated in Abu Dhabi on 18 June 2007 as a public joint stock company pursuant to Emiri Decree No. 21 of 2007.

In accordance with Al Hilal Bank's articles of association, Al Hilal Bank is authorised to conduct Shari'ah-compliant banking, investment, commercial and service activities. Supervision of the activities of the Al Hilal Group and the review of such activities to ensure their compliance with Islamic principles and rules is the responsibility of Al Hilal Bank's Shari'ah Board, which is appointed by the Al Hilal Board. Al Hilal Bank's registered office is P.O. Box 63111, Abu Dhabi, UAE and its telephone number is +971 (0) 2 499 4444.

6.1.2 Capital structure

The authorised share capital of Al Hilal Bank is AED 4 billion and the issued share capital is AED 3,500,000,000, comprising of 3,500,000,000 shares of AED 1.00 each. The shares of Al Hilal Bank are not listed.

6.1.3 Major shareholders

Al Hilal Bank's sole shareholder is ADIC. ADIC made an initial capital contribution of AED 1 billion in 2008 for the commencement of Al Hilal Bank's operations, and invested a further AED 1 billion in 2009, AED 590 million in March 2011, AED 250 million in each of April and September 2012 and AED 410 million in June 2018. As of 31 January 2019, the total capital contributions of ADIC and the fully paid-up share capital of Al Hilal Bank was AED 3.50 billion.

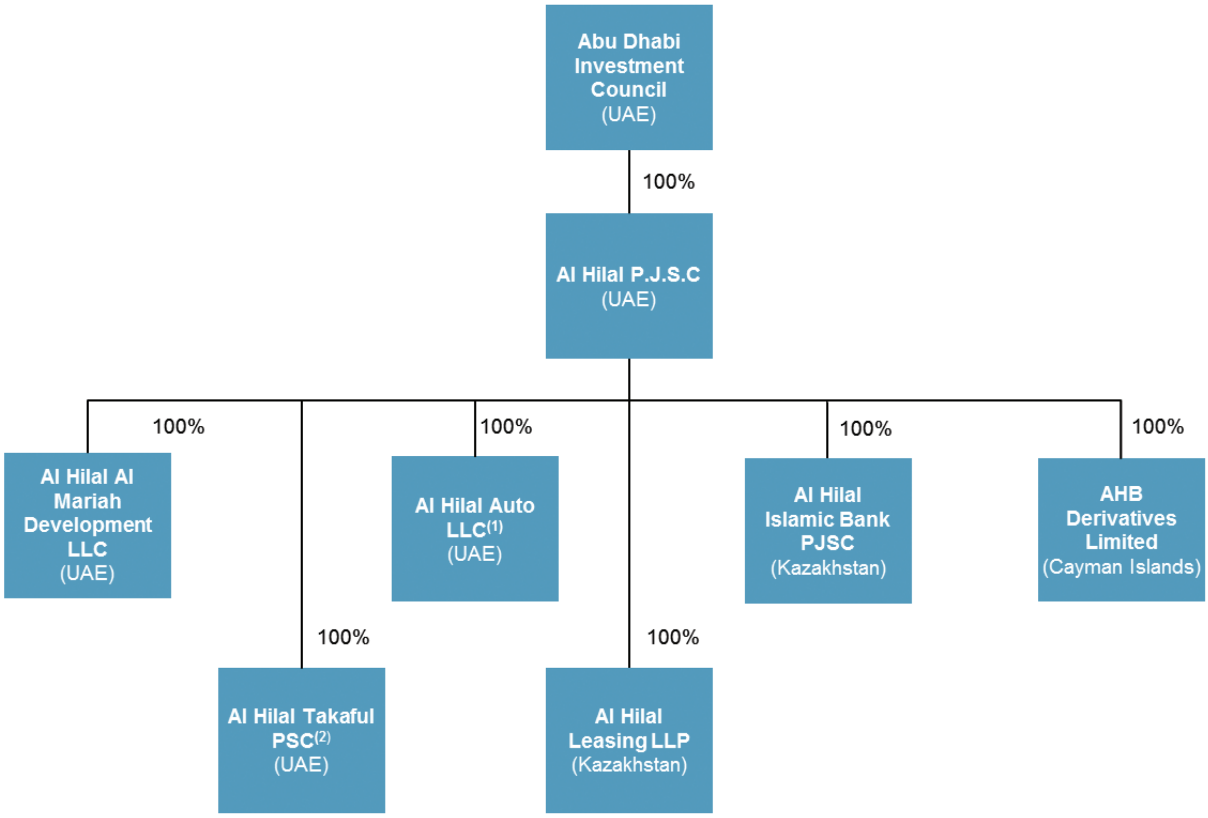
6.1.4 Financial year and auditors

The financial year of Al Hilal Bank is the calendar year ending on 31 December.

The auditors of Al Hilal Bank are Ernst & Young Middle East (Abu Dhabi branch) of Nation Tower 2, Corniche, P.O. Box 136, Abu Dhabi, UAE.

6.2 AL HILAL GROUP STRUCTURE

A simplified structure chart of the Al Hilal Group as 27 February 2019 (being the last practicable date before the publication of this document) is set out below.



Notes:

(1) Al Hilal Auto LLC is being wound down.

(2) Sale of Al Hilal Takaful PSC should be completed shortly.

(3) Al Hilal Sukuk Company Limited and Al Hilal Tier 1 Sukuk Limited are controlled but not owned by Al Hilal. MapleFS Limited is the shareholder of each entity.

6.3 DESCRIPTION OF BUSINESS

The three principal business groups through which the Al Hilal Group conducts its operations are the Wholesale Banking Group (**WBG**), the Personal Banking Group (**PBG**) and the Treasury Banking Group (**TBG**). These groups are managed from Al Hilal Bank's head office in Abu Dhabi and operate through Al Hilal Bank's branches across the UAE. As at 31 December 2018, Al Hilal Takaful, which commenced operations on 11 November 2008 and provided Islamic insurance and takaful services through the Group, was held for sale. Although the sale and purchase agreement relating to the sale of Al Hilal Takaful has been executed, completion is pending the satisfaction of certain regulatory conditions.

As at 31 December 2018, the Al Hilal Group had 18 branches and 116 ATMs across the UAE. Al Hilal Bank was the first Islamic bank to commence operations in Kazakhstan and did so on 17 March 2010 through its wholly owned subsidiary, Al Hilal Kazakhstan, which has its head office in Almaty and operates two additional branches in Astana and Shymkent. Al Hilal Kazakhstan undertakes retail and wholesale banking business only.

The Al Hilal Group's net profit for 2018 was AED 105.8 million. Its total assets as at 31 December 2018 were AED 43.6 billion and its total Basel III capital adequacy ratio as at the same date was 17.32%.

A. Wholesale Banking

WBG is broadly organised into *Client Coverage, Financial Institutions, Transaction Banking* and *Business Management* functionalities. In pursuing this given mandate, the client coverage relationship bankers are equipped with a suite of Shari'ah compliant products, which includes a multitude of financing offerings, transaction banking and treasury-related services to its local, regional and international customers. The in-house business management team serves as a dedicated support pillar in assisting the range of activities offered by WBG:

- the *Client Coverage* relationship bankers provide wholesale banking services to the large companies, SMEs and government related entities. The team offers a wide array of Shari'ah compliant financing solutions which are customisable to suit the bespoke financing requirements of customers, including (but not limited to) project finance, asset acquisition finance, contract finance and working capital. WBG also originates and distributes various types of capital market products and syndicated finance solutions, both domestically and internationally and offers liabilities solutions for certain customers.
- the *Financial Institutions* and *Global Markets* team is a unit within WBG which develops and coordinates relationships with commercial banks, central banks, pension funds, sovereign wealth funds, supranational agencies and asset managers, both domestically and internationally. The range of products and services on offer include correspondent banking relationships for trade finance products, short and medium term financing solutions and vostro services.
- the *Transaction Services* team is used to address the customers' transactional banking requirements. It offers expertise on structuring of trade transactions and provides solutions on various instruments and products in order to create value for the trading operations of customers.
- the *Business Management* services primarily support to WBG's business front, which includes products development, internal procedural governance, transaction management, office functionalities and internal MIS.

B. Personal Banking Group

The PBG has adopted a segmented approach to targeting its different retail banking customers (including by reference to different levels of income and personal wealth, as well as other demographic considerations that reflect differing demands for banking products and services), with a particular focus on high net worth individuals. The PBG has focused on growing its deposit base and increasing its range of Shari'ah-compliant deposit and financing products and services. The major retail banking products offered by the PBG include:

- ***Deposit accounts***

The Al Hilal Group provides current and saving accounts, including wakala and mudaraba term deposit accounts, each of which involves the Al Hilal Group investing on the customer's behalf the amounts deposited by a customer.

- ***Finance facilities***

The finance facilities provided by the Al Hilal Group include personal, real estate and vehicle financing products, as well as other tailored products to address the specific financing requirements of its customers using a variety of Islamic financing structures, including murabaha, musawamah, istisna'a and ijara.

- ***Credit cards***

The Al Hilal Group offers two different types of credit cards which are based on the Islamic financing structures of ujrah (a fixed fee is applied for the service provided) and commodity murabaha/tawarruq (which involves a related purchase and sale of commodities on a deferred payment basis with a profit element).

- ***Bancatakaful plan***

The Al Hilal Group has launched a Shari'ah-compliant takaful unit-linked savings plan in conjunction with FWU A.G. and Dubai Islamic Insurance and Reinsurance (Aman). Customers can invest in the plan by making regular or lump sum contributions. The plan offers 100% capital protection at maturity.

- ***Investment Funds***

The Al Hilal Group also offers three mutual funds to its customers: the GCC Equity Fund, the Global Sukuk Fund and the Global Balanced Fund. Each of these funds is managed by Al Hilal Bank's in-house Wealth & Investment advisory team. Invest AD acts as investment manager in relation to the GCC Equity Fund, CIMB-Principle Islamic Asset Management, Malaysia acts as investment manager in relation to the Global Sukuk Fund and Credit Suisse, Zürich provides investment advice in relation to the Global Balanced Fund.

- ***Joud rewards programme***

In November 2016, the PBG launched a group-wide loyalty programme to build customer engagement. The programme provides rewards points to customers for everyday spends on credit and debit cards. In addition, the Joud currency is being used as part of specific campaigns to increase savings balances and start salary transfer relationships. Joud points can be redeemed for an array of rewards such as Etihad Guest Miles instant conversion, flights and hotels booking, online shopping and paying utility bills. The Joud rewards programme won the "Best New Loyalty Programme" product award by the Banker Middle East in 2017.

In order to take advantage of Al Hilal Bank's strong relationship with government-related entities, in 2018 the PBG introduced an Executive Banking proposition with a clear focus on driving new to bank strategic relationships which will support the key objective of the Bank to drive new to bank salary transfer banking relationships and increase its cross sell ratio and customer-wallet share.

In addition, in 2018 Al Hilal Bank launched its Mastercard World series of credit cards, which are offered with travel-related privileges and promotions. Benefits include VIP terminal access at Abu Dhabi International Airport, free global wi-fi, bonus Joud rewards points redeemable for Etihad Guest Miles and other flight and shopping options, hotel discounts, complimentary airport lounge access, rewards and complimentary accommodation at five-star hotels and resorts, travel insurance and travel visa assistance.

As at 31 December 2018, Al Hilal Bank provided retail banking services to over 115,000 customers through a network of 16 branches and 115 ATMs/CCDMs in the UAE. In addition to its physical delivery network, Al Hilal Bank has also actively sought to expand its alternative distribution channels.

C. Treasury Banking Group

TBG has five roles:

- managing the Al Hilal Group's liquidity and funding requirements;
- executing and managing the Al Hilal Group's investment activities;
- providing Shari'ah-compliant fee-based treasury services to Al Hilal Bank's government and public sector, institutional and high net worth customers;
- managing the Al Hilal Group's market risk exposure; and
- developing new Shari'ah-compliant products and services.

The products and services provided by the TBG include, but are not limited to, foreign exchange forward/flexi forward transactions, commodity murabaha deposit, wakala deposit and investment solutions, profit rate swaps, cross currency swaps, and sukuk brokerage.

TBG is divided into three main departments:

- ***Treasury Dealing department***

This department manages Al Hilal Bank's foreign exchange, money market and treasury-related activities. It is responsible for ensuring compliance with all Central Bank regulatory requirements and all internal metrics. Treasury Dealing operates through two specialised desks:

(a) *Money markets desk*: this desk is responsible for monitoring and managing day-to-day liquidity; and

(b) *Foreign exchange desk*: this desk manages the Al Hilal Group's overall foreign exchange exposure in order to minimise currency risk.

- ***Investments department***

This department is responsible for managing the HQLA sukuk portfolio and sukuk brokerage services. The primary purpose of the Al Hilal Group's investment portfolio is to support the balance sheet liquidity profile. The majority of the investment portfolio consists of quoted sukuk investments (comprising Shari'ah-compliant trust certificates).

- ***Treasury Sales and Structuring department***

This department manages the Al Hilal Group's relationships with WBG and PBG customers by offering a range of risk mitigation solutions, plain vanilla and structured products.

6.4 DIRECTORS

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

Name	Position
Chairman	Mr. Ala'a Mohamed Eraiqat
Director	Mr. Mohamed Naji Jayyash
Director	Mr. Arup B. Mukhopadhyay
Director	Mr. Deepak Khullar
Director	Mr. Kevin Peter Taylor
Director	Ms. Siddiqa Abbas Qambar Jafar
Director	Mr. Saoud Mohammed Al Jassem

7. HISTORICAL FINANCIAL INFORMATION

PART A
HISTORICAL FINANCIAL INFORMATION OF ADCB

Two years ended 31 December 2017 and 31 December 2018

The consolidated financial statements of ADCB for the years ended 31 December 2017 and 31 December 2018 are available on ADCB's website at www.adcb.com and are incorporated into this document by reference. The financial statements have been prepared in accordance with IFRS and other mandatory reporting requirements. Deloitte 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 2017 and 31 December 2018. Each such audit report was unqualified.

PART B
HISTORICAL FINANCIAL INFORMATION OF UNB

Two years ended 31 December 2017 and 31 December 2018

The consolidated financial statements of UNB for the years ended 31 December 2017 and 31 December 2018 are available on UNB's website at www.unb.com and are incorporated into this document by reference. The financial statements have been prepared in accordance with IFRS and other mandatory reporting requirements. Deloitte 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 2017 and 31 December 2018. Each such audit report was unqualified.

PART C
HISTORICAL FINANCIAL INFORMATION OF AL HILAL

Two years ended 31 December 2017 and 31 December 2018

The consolidated financial statements of Al Hilal Bank for the years ended 31 December 2017 and 31 December 2018 are or will shortly be available on Al Hilal Bank's website at www.alhilalbank.ae and are (or will, when published, be) 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 2017 and 31 December 2018. Each such audit report was unqualified.

PART D
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 Abu Dhabi Commercial Bank PJSC and its subsidiaries (together referred to as ''ADCB'') and Union National Bank PJSC and its subsidiaries (together referred to as ''UNB'') along with the subsequent acquisition of Al Hilal Bank PJSC and its subsidiaries (together referred to as ''AHB''). The combined entity will retain ADCB's legal registrations.

The pro forma financial information consists of the unaudited pro forma condensed consolidated statement of financial position of ADCB, UNB and AHB (together referred to as the "Group") as at December 31, 2018, as if the merger has taken place as at December 31, 2018, and its unaudited pro forma condensed consolidated income statement for the year ended December 31, 2018, 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 ADCB and UNB with subsequent acquisition of AHB 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 December 31, 2018 and on the historical consolidated income statement for the year ended December 31, 2018.

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 condensed consolidated statement of financial position and condensed consolidated income statement addresses a hypothetical situation and, therefore, 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 ADCB, UNB and AHB as at and for the financial year ended December 31, 2018.

The pro forma financial information has been prepared on figures extracted from the audited consolidated financial statements of ADCB, UNB and AHB as at December 31, 2018, all three prepared in line with International Financial Reporting Standards.

The pro forma financial information has been compiled based on the accounting policies of ADCB being the accounting acquirer. Those accounting policies are disclosed in the consolidated financial statements as at December 31, 2018 of ADCB. The principles of compilation of these pro forma financial information and assumptions used are explained in this document (see notes to the pro forma financial information).

The purpose of the pro forma financial information is to illustrate the effect of the combination of ADCB, UNB and AHB businesses as at December 31, 2018. 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, ADCB has been identified as the acquirer and the Group has adopted the acquisition method of accounting for the merger and 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.

Under the terms of the merger, ADCB will issue 0.5966 ADCB shares for every UNB share, corresponding to a total of 1,641,546,697 new shares issued to UNB shareholders. At the announcement date of January 29, 2019, this exchange ratio implies a premium to UNB shareholders of 0.6% versus previous trading day's share price of AED 5.29. Based on ADCB's closing share price of AED 8.16 on December 31, 2018, this translates to a consideration of AED 13,395 million. As at December 31, 2018, UNB's carrying value of net assets was AED 16,807 million.

AHB will be acquired by the combined (ADCB and UNB) entity for a consideration of approximately AED 1,000 million by issuing mandatory convertible bonds convertible into 117,647,058 post-merger ADCB shares after the completion of statutory merger. As at December 31, 2018, AHB's carrying value of net assets was AED 3,653 million.

Pending the completion of full purchase price allocation exercise and based on an initial assessment of the management, the difference between book value and consideration has been allocated to various assets with the residual value treated as goodwill.

A full fair value exercise will be undertaken as on the date of acquisition, which 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 that may or may not result in significant variances.

The pro forma financial information has been prepared and compiled by ADCB, and reviewed by KPMG for inclusion in this document. As ADCB will be the surviving bank following the Merger (from which time ADCB's accounting policies and risk parameters will apply to the Combined Group), UNB has not affirmed the initial high level fair value adjustments contained in the pro forma financial information.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	ADCB AED '000	UNB AED '000	AHB AED '000	Pro forma adjustments AED '000	Notes	Pro forma consolidated AED '000
Assets						
Cash and balances with central banks, net	19,589,957	6,885,702	6,841,491	—		33,317,150
Deposits and balances due from banks, net	19,627,076	4,196,512	3,162,990	(44,833)	i	26,941,745
Reverse-repo placements, net	2,203,800	—	—	—		2,203,800
Trading securities	60,134	309,864	29,882	(22,587)	i	377,293
Derivative financial instruments	4,447,247	325,824	21,267	(21,298)	i	4,773,040
Investment securities	52,362,234	18,964,900	3,542,840	(928,008)	i	73,941,966
Loans and advances to customers, net	166,425,762	72,331,205	28,068,723	(6,486,121)	i, ii	260,339,569
Investment in associate	205,158	103,033	86,168	—		394,359
Investment properties	576,671	1,896,523	55,230	—		2,528,424
Other assets, net	13,330,894	1,578,785	384,513	(9,230)	i	15,284,962
Property and equipment, net	982,605	316,066	705,208	—		2,003,879
Goodwill and intangible assets	18,800	80,795	—	465,850	ii, iv	565,445
Assets held for sale	—	—	747,429	—		747,429
Total assets	**279,830,338**	**106,989,209**	**43,645,741**	**(7,046,227)**		**423,419,061**
Liabilities						
Due to banks	3,071,408	3,400,372	2,596,009	—		9,067,789
Derivative financial instruments	5,695,911	146,764	29,856	(21,298)	i	5,851,233
Deposits from customers	176,653,857	77,439,629	31,323,715	—		285,417,201
Euro commercial paper	3,279,302	—	—	—		3,279,302
Borrowings	43,027,749	5,115,605	3,023,059	(934,018)	i	50,232,395
Other liabilities	15,296,568	1,930,557	913,274	(9,230)	i	18,131,169
Liabilities related to assets held for sale	—	—	270,414	—		270,414
Total liabilities	**247,024,795**	**88,032,927**	**38,156,327**	**(964,546)**		**372,249,503**
Equity						
Share capital	5,198,231	2,751,426	3,500,000	(4,609,879)	iii, v	6,839,778
Share premium	2,419,999	—	—	11,753,474	iii, v	14,173,473
Other reserves, net of treasury shares	6,859,271	2,024,908	(46,977)	(1,971,921)	i, v	6,865,281
Retained earnings	14,328,042	12,030,627	200,141	(12,230,349)	i, v	14,328,461
Mandatory convertible bonds	—	—	—	1,000,000	iii	1,000,000
Capital notes	4,000,000	2,000,000	1,836,250	(23,006)	i, v	7,813,244
Equity attributable to equity holders of the Bank	**32,805,543**	**18,806,961**	**5,489,414**	**(6,081,681)**		**51,020,237**
Non-controlling interests	—	149,321	—	—	v	149,321
Total equity	**32,805,543**	**18,956,282**	**5,489,414**	**(6,081,681)**		**51,169,558**
Total liabilities and equity	**279,830,338**	**106,989,209**	**43,645,741**	**(7,046,227)**		**423,419,061**

Further explanatory information is available in notes to the pro forma financial information.

PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

	ADCB AED '000	UNB AED '000	AHB AED '000	Pro forma adjustments AED '000	Notes	Pro forma consolidated AED '000
Interest income	10,314,941	4,639,433	—	(32,008)	i	14,922,366
Interest expense	(4,202,662)	(1,998,936)	—	26,839	i	(6,174,759)
Net interest income	**6,112,279**	**2,640,497**	**—**	**(5,169)**		**8,747,607**
Income from Islamic financing	1,276,746	307,654	1,837,104	(3,098)	i	3,418,406
Islamic profit distribution	(169,901)	(149,897)	(754,747)	8,267	i	(1,066,278)
Net income from Islamic financing	**1,106,845**	**157,757**	**1,082,357**	**5,169**		**2,352,128**
Total net interest and Islamic financing income	**7,219,124**	**2,798,254**	**1,082,357**	**—**		**11,099,735**
Net fees and commission income	1,394,576	553,386	119,704	—		2,067,666
Net trading income	431,805	100,207	23,162	(1,259)	i	553,915
Net losses from investment properties	(56,459)	(231,832)	—	—		(288,291)
Other operating income	192,399	95,981	34,071	—		322,451
Operating income	**9,181,445**	**3,315,996**	**1,259,294**	**(1,259)**		**13,755,476**
Operating expenses	(3,083,501)	(1,242,033)	(725,074)	—		(5,050,608)
Operating profit before impairment allowances	**6,097,944**	**2,073,963**	**534,220**	**(1,259)**		**8,704,868**
Impairment allowances	(1,265,787)	(826,483)	(399,327)	—		(2,491,597)
Operating profit after impairment allowances	**4,832,157**	**1,247,480**	**134,893**	**(1,259)**		**6,213,271**
Share in profit/(loss) of associates	10,070	(3,944)	(2,723)	—		3,403
Profit before taxation	**4,842,227**	**1,243,536**	**132,170**	**(1,259)**		**6,216,674**
Overseas income tax expense	(2,373)	(57,957)	—	—		(60,330)
Net profit for the year from continuing operations	**4,839,854**	**1,185,579**	**132,170**	**(1,259)**		**6,156,344**
Discontinued operations						
Net loss from discontinued operations	—	—	(30,219)	—		(30,219)
Net profit for the year	**4,839,854**	**1,185,579**	**101,951**	**(1,259)**		**6,126,125**
Attributed to:						
Equity holders of the Bank	4,839,854	1,190,672	101,951	(1,259)		6,131,218
Non-controlling interests	—	(5,093)	—	—		(5,093)
Net profit for the year	**4,839,854**	**1,185,579**	**101,951**	**(1,259)**		**6,126,125**

Further explanatory information is available in 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, ADCB has been identified as the acquirer from an accounting point of view (since the shareholders of ADCB will become the holders of 76% of the shares in ADCB following the merger). The merger is to be effected by a capital issuance of circa 1,642 million shares of AED 1 each by ADCB to the shareholders of UNB, in a share swap transaction at the exchange rate of 0.5966 shares of ADCB for each share of UNB. Further, the merged entity will acquire 100% equity of AHB for a consideration of AED 1,000 million by issuing unsecured mandatory convertible bonds, which will be converted to ADCB shares immediately after the acquisition.

The pro forma consolidated financial information of the Group at December 31, 2018 has been extracted from the audited consolidated financial statements of ADCB, UNB and AHB as at December 31, 2018. The pro forma financial information has been prepared and are presented on the basis of accounting policies of ADCB as disclosed in its consolidated financial statements for the year ended December 31, 2018. The accounting policies used by UNB and AHB as described in their financial statements for the year ended December 31, 2018 do not materially differ from those used by ADCB.

The following reclassifications/regroupings have been made to harmonise presentation of the pro forma condensed consolidated statement of financial position among ADCB, UNB and AHB, in particular:

a. AHB's current account with banks have been reclassified from cash and balances with central banks to deposits and balances due from banks;

b. UNB and AHB's investments at fair value through profit and loss (trading securities) have been presented separately from investment securities;

c. UNB and AHB's derivative financial assets and liabilities have been presented separately from assets and other liabilities respectively;

d. UNB and AHB's investment in associates have been presented separately from other assets;

e. UNB's collaterals pending sale have been moved out of other assets to form part of investment properties;

f. AHB's investment properties have been presented separately from other assets; and

g. ADCB's goodwill has been presented separately from other assets

The following reclassifications/regroupings have been made to harmonise presentation of the pro forma condensed consolidated income statement among ADCB, UNB and AHB, in particular:

a. AHB's income from Islamic financing activities, income from Ijara, investment income and income from Wakala investments have been presented under income from Islamic financing;

b. AHB's dividend income has been reclassified from investment income to other operating income;

c. UNB's income from trading securities and investment securities have been reclassified from net investment income to net trading income and other operating income respectively;

d. UNB and AHB's share in profit or loss of associates have been presented separately from other income;

e. UNB's net gain from dealing in foreign currencies and derivatives have been presented under net trading income;

f. AHB's foreign exchange gain or loss has been reclassified from fees and commission to net trading income;

g. UNB's staff costs, depreciation and other operating expenses have been presented under operating expenses;

h. AHB's depreciation has been presented under operating expenses; and

i. AHB's directors' remuneration has been reclassified from other comprehensive income to operating expenses.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION

BASIS OF PRO FORMA FINANCIAL INFORMATION PRESENTATION (Continued)

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 and acquisition. 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.

For purposes of the pro forma financial information, it is assumed that the closing of the merger and acquisition occurred as of December 31, 2018. The pro forma financial information has not been adjusted for acquisition-related costs.

PRO FORMA ADJUSTMENTS

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

i. To record elimination of intercompany balances and transactions between ADCB, UNB and AHB: Intercompany balances and transactions for accounts under statements of financial position and income statements between ADCB, UNB and AHB have been reconciled against each other.

ii. To record the adjustments relating to the fair valuation of net assets of UNB and AHB acquired:

	UNB AED '000	AHB AED '000
Carrying value of net assets as at December 31, 2018*	16,956,282	3,653,164
Less: Equity items to be retained post-merger and acquisition:		
Non-controlling interest	(149,321)	—
Adjusted carrying value of net assets as at December 31, 2018	**16,806,961**	**3,653,164**
Less: Initial fair value adjustments**		
Loans and advances to customers, net (a)	(3,877,790)	(2,653,164)
Goodwill of UNB Egypt operations (b)	(80,795)	—
Total initial fair value adjustments	**(3,958,585)**	**(2,653,164)**
Adjusted fair value of net assets as at December 31, 2018	**12,848,376**	**1,000,000**

* The carrying value of net assets acquired has been computed by deducting Tier 1 capital notes of UNB and AHB and does not take into account any pre-existing relationship within the Group.

** Pending the results of purchase price allocation, the adjustments to the fair value of the assets and liabilities as required by IFRS 3 are based on acquirer's initial assessment. A full fair value exercise will be undertaken as on the date of acquisition, which may result in different values being attributed to the assets, liabilities and contingent liabilities acquired, which may or may not be material.

a. Loans and advances to customers, net

The fair value adjustments to loans and advances are mainly based on re-assessment of certain exposures within the credit portfolio.

b. Goodwill of UNB Egypt operations

The goodwill pertaining to UNB Egypt operations have been assumed to be at nil value.

iii. To record the issuance of shares of ADCB to UNB shareholders and mandatory convertible bonds to AHB 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 0.5966 shares in ADCB for each share in UNB while the consideration for the acquisition of AHB is AED 1,000 million, as shown below. The consideration could increase or decrease depending on the market price of ADCB's share on the date of acquisition resulting in corresponding change in goodwill.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION

BASIS OF PRO FORMA FINANCIAL INFORMATION PRESENTATION (Continued)

	UNB	AHB
Outstanding shares of UNB (units '000)	2,751,426	
Multiplied by: Swap ratio*	0.5966	
Number of shares to be issued by ADCB (units '000)**	1,641,547	
Multiplied by: ADCB closing share price as at December 31, 2018 (AED)	8.16	
Total consideration (AED '000)**	13,395,021	
Mandatory convertible bonds to be issued to AHB shareholder (AED '000)***		1,000,000
Total consideration as at December 31, 2018	**13,395,021**	**1,000,000**

* Rounded off to four decimals

** Rounded off

*** Mandatory convertible bonds are unsecured and bear no interest. These will be converted into post-merger ADCB shares immediately after the acquisition and have been accounted as equity instrument.

The consideration paid by issuance of the new shares and mandatory convertible bonds has been accounted as follows in the pro forma condensed consolidated statement of financial position:

	AED '000
Share capital	1,641,547
Share premium	11,753,474
Mandatory convertible bonds	1,000,000
	14,395,021

iv. To record AED 547 million excess of total consideration over the net assets of UNB as at December 31, 2018:

	UNB AED '000	AHB AED '000
Consideration as at December 31, 2018	13,395,021	1,000,000
Less: Adjusted initial fair value of assets acquired as at December 31, 2018	(12,848,376)	(1,000,000)
Goodwill/intangible assets (before complete measurement of fair value of net assets acquired)	**546,645**	—

This amount has not been bifurcated between goodwill and intangible assets pending the results of the purchase price allocation exercise.

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

   a. Tier 1 capital balances of UNB and AHB; and

   b. Non-controlling interests in relation to UNB's subsidiaries continuing in the Group.

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Independent Accountant's Assurance Report on the Compilation of Pro Forma Preliminary Condensed Consolidated Financial Information included in the Shareholder Circular Document

The Board of Directors
Abu Dhabi Commercial Bank
PJSC PO Box 939
Abu Dhabi, UAE

The Board of Directors
Union National Bank PJSC
PO Box 3865
Abu Dhabi, UAE

Report on the Compilation of Pro Forma Preliminary Condensed Consolidated Financial Information included in the Shareholder Circular Document

We have completed our assurance engagement to report on the compilation of pro forma preliminary condensed consolidated financial information ("pro forma financial information) of Abu Dhabi Commercial Bank PJSC ('the Bank') set out in Section 7 of Part D of the Shareholder Circular Document (the "Document") to be issued on or around 4 March 2019 in connection with the proposed combination (the "Combination") by way of a merger between the Bank and Union National Bank PJSC ("UNB") and the subsequent acquisition by the Bank of Al Hilal Bank PJSC ("Al Hilal"). The pro forma financial information consists of pro forma statement of consolidated financial position and income statement as at 31 December 2018 and related notes. The applicable criteria on the basis of which the Bank's management has compiled the pro forma condensed consolidated financial information are described in Section 7 of Part D of the Document.

The pro forma financial information has been compiled by the Bank's management to illustrate the impact of the Combination set out in in Section 7 of Part D on the Bank's financial position as at 31 December 2018, as if the Combination had taken place on 31 December 2018. As part of this process, information about the Bank's, UNB's and Al Hilal's financial position and income statement has been extracted by the Bank's management from the issued financial statements of the Bank, UNB and Al Hilal for the year ended 31 December 2018, on which an audit report has been published.

The Bank's Management Responsibility for the Pro Forma Financial Information

The Bank's management is responsible for compiling the pro forma financial information on the basis of the criteria described in Section 7 of Part D.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Accountant's Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Bank's management on the basis of the criteria described in Section 7 of Part D.

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 plan and perform procedures to obtain reasonable assurance about whether the Bank's management has compiled, in all material respects, the pro forma financial information on the basis of the criteria described in Section 7 of Part D.

For the purpose of this engagement, we are not responsible for updating or re- issuing any reports or opinions on any historical financial information used in compiling the pro forma 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 financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction upon the legal combination would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Bank's management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Accountant's judgment, having regard to the Accountant's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the criteria described in Section 7 of Part D to the pro forma financial information.

Basis of restriction on distribution

Our report is provided to the Directors of the Bank and UNB on the basis that it can only be included as part of the 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
6 March 2019

8. RISK FACTORS

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

1 Risks relating to the Combination

(a) Whether or not the Combination takes place, the announcement of the proposed Combination could cause disruptions in the businesses of ADCB, UNB and Al Hilal Bank which could have an adverse effect on their financial results

Whether or not the Combination takes place, the announcement of the proposed Combination could cause disruptions in the businesses of ADCB, UNB and Al Hilal Bank, specifically:

- the attention of the management teams of ADCB, UNB and Al Hilal Bank may be diverted from the operations of the businesses toward finalising the Combination;
- current and prospective employees may experience uncertainty about their future roles within the Combined Group, which might adversely affect ADCB's, UNB's and Al Hilal Bank'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 ADCB, UNB and Al Hilal Bank until such time as the Combination is implemented or the anticipated benefits of the Combination are realised.

If ADCB, UNB and Al Hilal Bank fail to manage these risks effectively, their businesses and financial results could be adversely affected.

(b) Regulatory authorities may delay or prevent the Combination taking place or place additional conditions on the Combination, which may diminish the anticipated benefits of the Combination

The Combination is subject to certain risks and uncertainties, including the inability of ADCB, UNB and Al Hilal Bank to obtain the necessary resolutions, approvals and other relevant consents (regulatory, governmental or otherwise) as necessary for the implementation of the Combination. Any delay in obtaining the required approvals may also postpone the execution of the Combination, which ADCB and UNB currently expect to take place during the course of the first half of 2019. The failure to consummate the Combination as currently planned could result in ADCB, UNB and/or Al Hilal Bank not obtaining the anticipated benefits of the Combination. The Combination 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 Jersey Financial Services Commission, the Qatar Financial Centre Regulatory Authority, the China Banking and Insurance Regulatory Commission and the Central Bank of Egypt). Although ADCB, UNB and Al Hilal Bank 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, may be delayed or additional conditions may be placed. Any delay or prevention in the consummation of the Combination or additional conditions being placed on the Combination may diminish anticipated benefits or may result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the Combination.

(c) The Combined Group may experience difficulties in integrating the existing businesses carried on by ADCB, UNB and Al Hilal Bank

The Combination involves the integration of three 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 and addressing differences in the business cultures of the three companies;
- the task of integrating the management and personnel of ADCB, UNB and Al Hilal Bank, maintaining employee morale and retaining and incentivising key employees;
- accurately evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with ADCB's, UNB's and Al Hilal Bank's investments (particularly in relation to Al Hilal Bank (which is a Shari'ah-compliant undertaking)), including the appropriate implementation of

financial oversight and internal controls and the timely preparation of financial statements that are in conformity with ADCB'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 ADCB's and/or UNB's and/or Al Hilal Bank's businesses and the loss of key personnel. The diversion of both ADCB's, UNB's and Al Hilal Bank's management's attention and any delays or difficulties encountered in connection with the Combination 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 Combination. Moreover, if the management of ADCB, UNB and Al Hilal Bank are unable to integrate the operations of the companies successfully, the growth strategy and future profitability of the Combined Group could be negatively affected and the anticipated benefits of the Combination may not be realised, 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. Also, the Combined Group expects to incur a number of non-recurring costs associated with the integration of the businesses of ADCB, UNB and Al Hilal Bank, 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. In particular, integration of Al Hilal Bank operations and businesses may be more difficult to achieve as a result of the requirement to ensure that such operations and businesses remain Shari'ah-compliant where applicable. Furthermore, the regulatory landscape and regulators' attitude to Shari'ah-compliant functions of banks remains in flux and any requirement to establish further separation of Shari'ah-compliant functions from those of conventional banking functions could have a material adverse effect on the Combined Bank's ability to leverage resources and benefit from synergies associated with the Acquisition.

(d) If the conditions to, and the procedural requirements of, the Combination (set out in Section 10 of this document) are not satisfied, the Combination may not take place or may be delayed

The Combination is conditional on a number of conditions as set out in Section 10 of this document, the Merger Agreement and the Share Sale and Purchase Agreement. If any of these conditions are not satisfied, then there is a risk that the Combination 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 10 of this document) must be satisfied. If any such requirement is not satisfied, then the Combination will not take place (or, in certain circumstances, the implementation of the Combination may be delayed). Any of the foregoing events may have a negative impact on the existing value of the ADCB Shares and UNB Shares.

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

The Combined Group may fail to achieve the synergies that it anticipates will arise from the Combination. The success of the Combination 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 ADCB, UNB and Al Hilal Bank. 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 realisation 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 ADCB's, UNB's and Al Hilal Bank's corporate and regional offices;
- the difficulty of implementing its cost saving plans;
- the challenges associated with the combination of ADCB's, UNB's and Al Hilal Bank'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;

- the challenges associated with the integration of an Islamic business; and
- unforeseeable events, including major changes in the markets in which ADCB, UNB and Al Hilal Bank operate.

The Combined Group may incur higher than expected integration, transaction and Combination-related costs. ADCB, UNB and Al Hilal Bank expect to incur implementation costs of approximately AED 800 million in order to deliver the anticipated operating synergies. In addition, ADCB, UNB and Al Hilal Bank will incur legal, accounting and transaction fees and other costs related to the Combination. Some of these costs are payable irrespective of whether the Combination is completed and such costs may be higher than anticipated. The projected cost savings from integrating the businesses of ADCB, UNB and Al Hilal Bank included in this document are based on highly preliminary estimates compiled by the ADCB Board and the UNB 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 ADCB or UNB 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 ADCB and UNB believe that the elimination of costs, as well as the realisation 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 Combination and impact the Combined Group's financial condition and/or results of operations. Also, although the Combined Bank will have access to higher single obligor/group limits under applicable Central Bank regulations, with some of key customers of ADCB also being customers of UNB and/or Al Hilal Bank, it may not allow the Combined Bank to further increase its exposure with respect to these borrowers.

Although work has been done on the development of plans for achieving synergies and other benefits from the Combination, 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, UNB Shareholders will receive ADCB 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 ADCB 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 ADCB and UNB in the ordinary course, including, without limitation, the entry into new material contracts).

(g) Trading prices of the ADCB Shares and the UNB Shares may be volatile until the Combination takes place

Given the awareness in the market of the Combination, it is likely that there will be increased volatility in the share price of the ADCB Shares and the UNB Shares until the Combination is finalised.

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

ADCB, UNB and Al Hilal Bank expect to incur a number of non-recurring costs associated with the Combination, including fees to financial, accounting and legal advisers and other related costs. If the Combination does not take place or is delayed, the aggregate anticipated costs incurred in connection with the Combination may not reflect the actual costs which ADCB, UNB and Al Hilal Bank 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 certain pro forma effects of the Combination 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 prospects, estimates, pro forma effects and calculations of synergies have been reasonably prepared on a basis reflecting the best currently available estimates and judgements 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 synergies 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 ADCB Shares

(a) The market price of the ADCB Shares may decline as a result of the Merger and/or Acquisition

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

- the integration of the ADCB, UNB and Al Hilal Bank businesses is unsuccessful;
- the Combined Group does not achieve the expected benefits of the Combination as rapidly or to the extent anticipated by financial analysts or investors; or
- the effect of the Combination on financial results is not consistent with the expectations of financial analysts or investors.

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

The trading price of the ADCB Shares following implementation of the Combination 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 ADCB Shares regardless of the Combined Group's operating performance. ADCB Shareholders and UNB Shareholders should be aware that the value of the ADCB Shares (including the New ADCB 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 ADCB Shares relative to historic trends

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

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

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

3 Risks relating to the Combined Group's business

(a) The Combined Group may experience a higher level of customer and counterparty defaults arising from adverse changes in credit and recoverability that are inherent in its business

Adverse economic and political developments in recent years, adverse changes in consumer confidence levels, consumer spending, liquidity levels, bankruptcy rates and commercial and residential real estate prices, amongst other factors, have historically impacted the Banks' customers and counterparties and, in certain cases, adversely affected their ability to repay their loans or other obligations. This along with increased market volatility and decreased pricing transparency, has historically adversely affected the Banks' credit risk profile.

As at the date of this document, the global macroeconomic climate remains volatile. While international prices for hydrocarbon related products have begun to recover from the record-low prices seen in January 2016, investor confidence in international debt and equity markets (and, in turn, the performance of those markets) remains volatile. In particular, the UK's "leave" vote in the June 2016 referendum on its membership of the EU and the election of Donald J. Trump as President of the United States has resulted in periods of significant under and (as applicable) over performance in financial markets, including, for example, the strong performance of US equities in the period since the Trump administration came into office. Additionally, the impact of "Brexit" on the general political and macro-economic conditions in the UK and across the EU is expected to continue to be significant until the precise terms of the UK's exit from the EU become clearer.

At a regional level, and notwithstanding the partial correction in global crude oil prices between 2016 and 2018, the oil-producing economies of the GCC states, including the UAE, have continued to be affected with greater budget deficits, a decrease in fiscal revenues and consequent lower public spending seen between 2016 and 2018.

(b) Principal shareholder

The Combined Group's principal shareholder will be ADIC (which is wholly owned by the Government), holding approximately 60.2% of the Combined Group's share capital. By virtue of such shareholding, the Government 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.

In addition, many of the Combined Group's largest customers will include Government-related entities whose businesses depend, in large part, on Government spending and policy. Although it is currently ADCB's policy that transactions with parties related to, or affiliated with, its controlling shareholder are priced at market rates, are otherwise undertaken on an arm's length basis and are subject to the same loan or account approval procedures and limits as applied by ADCB to transactions with parties not related to or affiliated with the Government, there can be no assurance that any and all such credit or credit support will be extended to related parties on the above basis and terms. In some cases, the Combined Group may enter into transactions with such entities with a view to long-term, mutually beneficial relationships, even if the Combined Group may not achieve short-term profit maximisation from such transactions. Moreover, although ADCB has not experienced pressure from its controlling shareholder to date to conduct transactions upon more favourable terms with Government-owned or controlled legal entities or to deviate from its credit and lending policies and procedures, there is no guarantee that the Combined Group may not come under pressure to pursue certain non-core activities, engage in activities with a lower profit margin than it would otherwise pursue or to provide financing to certain companies or entities on favourable or non-market terms. Such activities could have a material adverse effect on the Combined Group's business, results or operations and financial condition.

(c) 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. The Combined Group also faces competition from both Islamic banks and conventional banks. According to the Central Bank, as at 30 September 2017, there were 48 different commercial banks (comprising 22 locally incorporated banks and 26 foreign banks) licensed to operate inside the UAE (excluding the DIFC). The banking market in the UAE has generally been a relatively protected market with high regulatory and other barriers to entry for foreign financial institutions. However, should some of these barriers be removed or eased in the future, either voluntarily or as a result of the UAE's obligations to the World Trade Organisation, the GCC or any other similar entities, it is likely to lead to a more competitive environment for the Combined Group and other domestic financial institutions. This could have an adverse effect on the Combined Group's business, financial condition, results of operations and prospects. 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. Various hedging strategies are used 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.

The Combined Group will face competition with a number of international banks in investment advisory, investment banking, corporate advisory, finance and other services. In the large corporate and Government client segments, the Combined Group will face competition from international banks and such competition is expected to increase in the UAE over time. Although the Combined Group will seek to cooperate with some of the top-tier international banks, especially in securities underwriting and distribution, it will also compete with them in other areas, particularly in corporate advisory and treasury operations in which these banks have a long history of successful operations in other regions.

If the Combined Group is unable to compete successfully, it could adversely impact the Combined Group's business, results of operations and financial condition.

(d) The Combined Group's operational results may differ significantly from the unaudited Pro Forma Financial Information contained in this document

Part D of Section 7 of this document includes unaudited Pro Forma Financial Information giving a consolidated balance sheet in respect of the Combined Group had the Combination taken place on 31 December 2018. 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 7 and does not necessarily indicate the results of operations or the combined financial position that would have resulted had the Combination taken place on 31 December 2018, 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.

(e) 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.

(f) 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.

(g) 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. Further, the inability to retain key personnel may result in: (i) a loss of organisational focus; (ii) poor execution of operations; and (iii) an inability to identify and execute potential strategic initiatives. This could, amongst other things, reduce potential revenue, which could materially adversely affect the Combined Groups business, financial condition, results of operations, or prospects.

The Combined Group will be guided in its human resources decisions by the UAE Federal Government's minimum threshold for Emirati employees, as set out in the UAE federal policy on emiratisation (the **Emiratisation Circular**). If the Combined Group is not able to meet or exceed the minimum threshold for Emirati employees set out in the Emiratisation Circular, it may be subject to legal penalties, calculated in accordance with the Emiratisation Circular.

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

The Combined Group will be dependent on sophisticated information technology (**IT**) to process a large number of transactions on an accurate and timely basis, as well as store and process business and operating data. The proper functioning of the Combined Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other IT systems, as well as the communication networks between its branches and main data processing centres, are critical to the Combined Group's business and ability to compete effectively. Any failure, ineffectiveness or disruption of such IT, including as a result of a cyber-attack, could materially adversely affect the Combined Group. The Banks have implemented security and control measures to attempt to secure their IT capabilities through assessing various types of events or incidents and analysing the predicted impacts or consequences should they occur. They have also established business continuity and disaster recovery plans to ensure their ability to conduct business critical operations on an ongoing basis and limit losses in the event of severe business disruption.

Although the Banks believe they have adequate security and continuity of business programs and protocols in place, they cannot be certain that these will be sufficient to prevent problems or to ensure that operations are not significantly disrupted as a consequence. Any such problems or consequences could have a material adverse effect on the Combined Group's business, financial condition, results of operations or prospects.

In common with other financial institutions based in the GCC and elsewhere in the world, the threat to the security of the Combined Group's information and customer data from cyber-attacks continues to increase. Activists, rogue states and criminals are amongst those targeting computer systems around the world. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security.

In addition, the Combined Group's IT systems and communications networks can fail for other reasons, many of which are wholly or partially outside the Combined Group's control, including hardware and software failures, natural disasters, extended power outages and computer viruses or other malicious intrusions.

The Combined Group will rely on third-party service providers for certain aspects of its business operations. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of the Combined Group's operations and could impact its reputation.

In addition, no assurance can be given that the third-party service and system providers selected by the Combined Group will be able to provide the services for which they have been contracted, for example, as a result of failing to have the relevant capabilities or services or due to changed regulatory requirements. Any failure of third-party service and system providers to deliver the contracted services in a timely manner or at all or to deliver contracted services in compliance with applicable laws and regulations and at an adequate and acceptable level could result in reputational damage, claims, losses and damages and have a material adverse effect on the Combined Group's business, results of operations and financial condition.

(i) If the Combined Group fails to comply with applicable anti-money laundering, anti-terrorism financing, sanctions and other related regulations, it could face fines and damage to its reputation

The Combined Group will be required to comply with applicable anti-money laundering, anti-terrorism financing laws, sanctions and other regulations. These laws and regulations require the Combined Group, amongst other things, to adopt and enforce KYC policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. The Banks have adopted KYC/AML policies and procedures and review them regularly in light of any relevant regulatory and market developments. To the extent the Combined Group may fail to fully comply with applicable laws and regulations, the relevant government agencies to which it reports have the power and authority to impose fines and other penalties on the Combined Group. In addition, the Combined Group's business and reputation could suffer if customers use the Combined Group for money laundering or other illegal purposes. Furthermore, the three Banks' compliance policies and systems have historically differed and will require harmonising as part of the Combined Group's integration. Additionally, a relatively weak compliance environment has been identified at Al Hilal Bank compared to the approach adopted at ADCB. Consequently, this could have a detrimental impact on the Combined Group's harmonisation of its policies and procedures which, in turn, may adversely affect the Combined Group's compliance with applicable law and regulations.

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

The Combined Group's employees could engage in misrepresentation, misconduct or improper practice that could expose it to direct and indirect financial loss and damage to its reputation. Such practices may include embezzling clients' funds, engaging in corrupt or illegal practices to originate further business, intentionally or inadvertently releasing confidential information about clients or failing to follow internal procedures. In respect of Al Hilal Bank's historically relatively weak compliance environment, evidence of previous misconduct and improper practice by past employees of Al Hilal Bank has been identified and remediated. Furthermore, there can be no assurance that measures undertaken to combat employee misconduct will be successful in the future.

Such actions by employees could expose the Combined Group to financial losses resulting from the need to reimburse clients, co-investors or other business partners who suffered loss or as a result of fines or other regulatory sanctions, and could damage the Combined Group's reputation, which would in turn materially adversely affect the Combined Group's business, results of operations and financial condition.

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

The Combined Group's ability to manage operational risk, including its ability to comply with all applicable regulations, is largely dependent on its maintenance of compliance, audit and reporting systems and procedures, and its ability to attract and retain personnel qualified to manage and monitor such systems and procedures. Although the Combined Group will be subject to oversight by regulatory authorities, including regular examination activity, and performs regular internal audits, the Combined Group cannot be certain that these systems and procedures will be fully effective in all circumstances, particularly in the case of deliberate employee misconduct or other frauds perpetrated against the Combined Group. In the case of actual or alleged non-compliance with applicable regulations, the Combined Group could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages. Any of these could have a material adverse effect on the Combined Group's business.

(l) Risks relating to interest rates

Interest rate risk is the risk that arises from a timing difference in the maturity and/or repricing of the Combined Group's assets, liabilities and derivative financial instruments. Repricing mismatches expose the Combined Group to the unanticipated fluctuations in interest income or underlying economic value. Changes in interest rates, changes in the relationship between short-term and long-term interest rates or changes in the relationship between different types of interest rates can affect the interest rate charged on interest-earning assets to different degrees from the interest rate paid on interest-bearing liabilities. This impact may be increased if the Combined Group is unable to adjust to rate changes with respect to the fixed rate portions of its loan portfolio. In an increasing interest rate environment, the Combined Group's ability to earn higher returns on its fixed rate interest-earning assets is limited by the maturity periods of such assets. How the Combined Group manages interest rate volatility will determine, to a certain extent, the impact of such volatility on the Combined Group's net interest and dividend income.

Any shortage of liquidity in markets that are sources of funding for the Combined Group could contribute to an increase in the Combined Group's marginal borrowing costs. Similarly, any increase in interbank reference rates could also affect the value of certain assets that are subject to changes in applicable interest rates.

Interest rates are sensitive to many factors beyond the Combined Group's control, including the policies of central banks, such as the Central Bank and the US Federal Reserve, political factors and domestic and international economic conditions. For example, the US Federal Reserve raised interest rates in December 2015 for the first time since 2006. In December 2016, a further 0.25% rate increase was announced by the US Federal Reserve with further 0.25% increases announced in March 2017, June 2017 and December 2017. Since December 2017, the interest rate has risen further, increasing from a range of 1.25%-1.50% in December 2017 to 2.25-2.50% in December 2018. The US Federal Reserve has projected further interest rate increases for 2019 with a projected interest rate range of 2.9-3.4% by the end of Q3 2019.

If the pace of US interest rate movements develops as expected, it will adversely impact the Combined Group's borrowing costs. Additionally, in a rising interest rate environment, the Combined Group's interest expense can increase significantly as a result of the higher interest rates payable on any of the Banks' existing time deposits and a propensity amongst customers to convert their lower interest bearing current and savings account deposits to time deposits. The Combined Group's marginal cost of funding may increase as a result of a variety of factors, including further deterioration of conditions in the financial markets or loss of confidence by and between financial institutions. If the Combined Group fails to pass on such increase in funding cost to its customers in a timely manner or at all due to market, competitive or other conditions, it could have a material adverse effect on its business, results of operations and financial condition.

The Banks manage their interest rate risk by monitoring the interest rate mismatch and using various derivative instruments (for example, interest rate swaps and cross currency interest rate swaps) to manage this risk. The Combined Group's operations will be subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Combined Group is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices. The Banks proactively manage their interest rate sensitivity position, based on anticipated and actual interest rate movements, in order to maximise net interest income.

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. 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.

(m) 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, and 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.

The Combined Group's credit risk may also be increased by the fact some of its debtors are unable or unwilling to provide the quality and quantity of financial data sought by the Combined Group. Although the Combined Group will require regular disclosure of its customers' financial information, some customers, especially retail customers and small to medium-sized enterprises, do not, or are unable to, provide the quality and quantity of information sought by the Combined Group. Furthermore, such financial data may not always present a complete and comparable picture of each such customer's financial condition. For example, the financial statements of the Combined Group's customers are not (unless publicly listed) required to be presented in accordance with IFRS or audited in accordance with International Standards on Auditing. Unavailability of adequate quantity or quality of financial data in respect of some of its customers may result in the Combined Group's failure to accurately assess the financial condition and creditworthiness of those customers, leading to an increase in impairment allowances, particularly at times when economic conditions deteriorate. Moreover, the Combined Group's credit risk may also be increased as a result of its application of the accounting standard IFRS 9 (effective as of 1 January 2018), which has introduced an 'expected credit loss' model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

(n) Liquidity risk

Liquidity or funding risk is the risk that the Combined Group will encounter difficulty in meeting all foreseeable funding commitments and deposit withdrawals that may arise. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame in order to meet funding requirements.

The Banks manage liquidity risk by having access to a diverse funding base. Funds are raised using a broad range of instruments, including customer deposits, money market deposits, acceptances, bilateral facilities, syndicated medium term borrowings and capital. The management monitors the maturity profiles of the Banks to ensure that adequate liquidity is maintained. This enhances funding flexibility, limits dependence on one source of funds and also lowers the cost of funds. The Combined Group's ALCO will be responsible for review and approval of liquidity policies and procedures.

An inability on the Combined Group's part to access funds or to access the markets from which it raises funds may put the Combined Group's positions in liquid assets at risk and lead to the Combined Group being unable to finance its operations adequately.

This risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Credit markets worldwide experienced a severe reduction in liquidity in the final quarter of 2008 and the first half of 2009. Since then, markets have exhibited increased volatility, and financial institutions have continued to experience periods of reduced liquidity.

The perception of counterparty risk between financial institutions has also increased significantly since the final quarter of 2008, which has led to reductions from time to time in certain traditional sources of liquidity, such as the debt markets, asset sales and redemption of investments. The Combined Group's access to these traditional sources of liquidity may be restricted or available only at a higher cost.

In addition, uncertainty or volatility in the capital and credit markets may limit the Combined Group's ability to refinance maturing liabilities with long-term funding or may increase the cost of such funding. The Combined Group's access to any additional financing it may need will depend on a variety of factors, including market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Combined Group's financial condition, credit ratings and credit capacity.

The Banks have historically relied on customer deposits, which are mainly short-term in nature, to meet most of their funding needs. The availability of deposits is subject to fluctuation due to factors outside the Combined Group's control, including possible loss of confidence and competitive pressures, and this could result in a significant outflow of deposits within a short period of time.

If a substantial portion of the Combined Group's depositors withdraw their demand deposits or do not roll over their time deposits at maturity, the Combined Group may need to seek other sources of funding or may have to sell assets to meet its funding requirements. There can be no assurance that the Combined Group will be able to obtain additional funding as and when required or at prices that will not affect the Combined Group's ability to compete effectively. If the Combined Group is forced to sell assets to meet its funding requirements, it may suffer material losses as a result. In extreme cases, if the Combined Group is unable to refinance or replace customer deposits with alternative sources of funding to meet its liquidity needs, through deposits, the interbank markets, the international capital markets or through asset sales, this would have a material adverse effect on the Combined Group's business and prospects and could, potentially, result in its insolvency.

Further, the Combined Group's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations.

If the Combined Group's cash flow from its operations is not sufficient to meet its short- and medium-term contractual and contingent payment obligations coming due, it could experience liquidity issues. Such liquidity issues could occur if the Combined Group's available liquidity is not sufficient to enable it to service its debt, fulfil loan commitments or meet other on- or off-balance sheet payment obligations on specific dates, even if the Combined Group continues to receive new deposits from customers, proceeds from new financings or its future revenue streams. Such liquidity issues could also arise if there is an unexpected outflow of customer deposits, if there is a material decline in the value of the Combined Group's liquid securities portfolio or if the Combined Group is unable to secure short-term funding at commercially acceptable rates to bridge this funding gap.

The Combined Group's ALCO will set and monitor liquidity ratios, regularly revise and update the Combined Group's liquidity management policies and will seek to ensure that the Combined Group is in a position to meet its obligations as they fall due. Further, the Combined Group will conduct analysis of maturities of assets and liabilities on a periodic basis to determine its on-going funding needs and to ensure adequate liquidity is maintained across the defined time horizon. The Combined Group's BRCC will receive regular updates on the Combined Group's liquidity under both normal and stressed market conditions, as well as develop strategies to ensure liquidity is available for defined time horizons under stress scenarios.

The Central Bank has adopted a policy of a gradual, phased introduction of the capital and liquidity standards for credit institutions, approved by the Basel Committee on Banking Supervision (the **Basel Committee**) in response to the 2008 global financial crisis (the **Basel III Reforms**). As part of this gradual introduction of Basel III in the UAE, the Central Bank has informed certain banks in the UAE (which would include the Combined Group) that they are subject to the Basel III, LCR and the NSFR, which they are obliged to report to the Central Bank.

LCR is a metric introduced by the Basel Committee on Banking Supervision as part of the Basel III Reforms to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. The ratio is calculated by taking a financial institution's stock of HQLAs—which include low-risk, highly marketable asset classes, designed to provide significant sources of liquidity in such a stress scenario—and dividing it by its projected net cash outflows over the immediately following 30-day period. LCR requires that banks have sufficient HQLAs in their liquidity buffer to cover the difference between expected cash outflows and expected capped cash inflows over a 30-day stressed period. The Basel III Reforms require that the minimum value of the ratio is 100% (i.e. an institution's stock of HQLAs should at least equal total net cash outflows) while the Central Bank has introduced LCR for the relevant UAE banks in a phased manner, setting an initial benchmark of 60% upon commencement of LCR compliance, with a minimum value of 100% required as of 1 January 2019.

As per the Basel III Reforms, the NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an on-going basis. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such stable funding required of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. Accordingly, and in line with Central Bank direction, the Combined Group will monitor its liquidity and stability positions through LCR and NSFR compliance and reporting.

In respect of LCR, in particular, the associated requirement to maintain a significant buffer of HQLAs may adversely affect a few of the Combined Group's core businesses, including consumer and wholesale banking, particularly given the inherent cost of maintaining a HQLA portfolio of sufficient size and quality to cover regulatory outflow assumptions embedded in LCR. If the Combined Group were to choose to mitigate against these additional costs by introducing selective deposit fees or minimum lending rates, this may also impact on the Combined Group's other businesses (including consumer and wholesale) and may result in a loss of customer deposits, a key source of the Combined Group's funding, net new money outflows and/or a declining market share in its domestic loan portfolio. By virtue of the inherent costs associated with LCR compliance and maintaining a sufficient portfolio of HQLAs, the Combined Group may be at a competitive disadvantage to its peer UAE, based financial institutions who do not monitor liquidity through LCR, which may have a material adverse effect on its business, results of operations and financial condition. Additionally, if the Combined Group defaults on any contractual or contingent payment obligation, such default would have a material adverse effect on its business, results of operations and financial condition.

In respect of compliance with the NSFR, there are certain sources of "Available Stable Funding" which are treated more favourably than others. Examples of these include customer deposits and long term retail loans (with a residual maturity of more than one year) and exclude, for example, short term wholesale funding (with residual maturity of less than one year) and funding from non-HQLA assets (such as derivative trading assets). As more banks adhere to such ratios, their adherence may inadvertently distort the market in the UAE which may have a material adverse effect on the business, results of operations and financial condition of the Combined Group. Furthermore, ADCB is the only Bank amongst the three that the Central Bank has required to adhere to the NSFR. Accordingly, the integration of UNB's and Al Hilal Bank's respective businesses may increase the risk of failure on the part of ADCB to remain in compliance with the applicable funding ratios. Lastly, the Combined Group's compliance with the NSFR may lead to challenges in funding at profitable levels which could also have a detrimental impact on the financial condition of the Combined Group.

(o) Legal risk

Legal risk is the risk of losses occurring due to legal or regulatory action that invalidates or otherwise precludes performance by the Combined Group or any of its counterparties under the terms of its contractual agreements. The Banks currently seek to mitigate this risk through the use of properly reviewed standardised documentation and obtaining appropriate legal advice in relation to its non-standard documentation. Although measures are taken to mitigate legal risk, the risk cannot be extinguished altogether; especially in respect of mitigating against regulatory action which could invalidate, for example, certain of the Combined Group's counterparties' payment obligations. Such regulatory action, if taken, could have a material adverse effect on the financial condition of the Combined Group.

(p) Currency risk

The Combined Group will be exposed to foreign currency risk through transactions in foreign currencies (particularly in connection with the Egyptian pound and the Kazakhstani tenge). The Combined Group's transactional exposures give rise to foreign currency gains and losses which will be recognised in the consolidated statement of income. The Banks currently ensure that net foreign currency exposure is kept at an acceptable level by buying and selling foreign currencies at spot rates or by hedging when appropriate.

However, the Banks cannot alleviate all risk in connection with foreign currency exposure. For example, in respect of UNB and Al Hilal Bank (which Banks are exposed to the Egyptian pound and the Kazakhstani tenge, respectively), if there is a significant, unforeseen detrimental change in the value of those particular foreign currencies, this may have a material adverse effect on the Combined Group's consolidated statement of income.

(q) Market risk

Market risk is the risk that movement in market risk factors (for example, interest rates, foreign exchange rates, credit spreads and equity prices) will affect the Combined Group's income or the value of its financial instruments.

The banks currently separate their exposure for market risk purposes into trading and non-trading portfolios. Exposure to market risk is managed in accordance with risk limits set by the ALCO and the BRCC in response to changing market conditions. There can be no assurance, however, that such measures mitigate or eliminate market risk or will continue to do so, and, consequently, market risk may have an adverse effect on the Combined Group's business, financial condition, results of operations or prospects.

(r) The Combined Group has significant credit-related contingent liabilities and commitments that may lead to potential losses

As part of its normal banking business, the Banks issue guarantees and letters of credit which will be accounted for off the Combined Group's statement of financial position until such time as they are actually funded or cancelled. In addition, the Banks make revocable and irrevocable commitments to advance credit to their customers. Although these commitments are contingent, they nonetheless subject the Combined Group to both credit and liquidity risks.

Although it is anticipated that only a portion of its obligations in respect of these commitments will be triggered, the Combined Group may need to make payments in respect of a greater portion of such commitments, particularly in cases where there has been a general deterioration in market conditions. This would result in the Combined Group needing to obtain additional funding, potentially at relatively short notice, which may not be readily available or may be significantly more expensive. This would reduce the Combined Group's margins and adversely impact its operating income and profitability.

(s) The Combined Group could be adversely affected by the weakness or the perceived weakness of other financial institutions and counterparties, which could result in significant systemic liquidity problems, losses or defaults

Against the backdrop of constraints on liquidity and the high cost of funds in the interbank lending market, and given the high level of interdependence between financial institutions that became most evident following the bankruptcy of Lehman Brothers in 2008, the Combined Group will be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial institutions. Within the financial services industry, the default of any one institution could lead to significant losses, and potentially defaults, by other institutions. As was experienced in 2008 and 2009, concerns about, or a default by, one institution could also lead to significant liquidity shortages, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions is closely related as a result of their interbank placement, credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Combined Group or other institutions. This risk, often referred to as "systemic risk", may also adversely affect other financial intermediaries, such as clearing houses, securities firms and exchanges, with whom the Combined Group interacts on a daily basis. This "systemic risk", should it materialise, could have a material adverse effect on the Combined Group's ability to raise new funding and on its business and prospects.

(t) The Combined Group's risk management policies and procedures may not be effective in all circumstances and may leave it exposed to unidentified or unanticipated risks

There can be no assurance that the Combined Group's risk management and internal control policies and procedures will adequately control, or protect the Combined Group against, all credit, liquidity, market, operational and other risks. In addition, certain risks may not be accurately quantified by the Combined Group's risk management systems. Some of the Combined Group's methods of managing risk may be based upon the use of historical market data which, as evidenced by events caused by the global financial crisis, may not always accurately predict future risk exposures, which could be significantly greater than historical measures indicate. In addition, certain risks could be greater than the Combined Group's empirical data may otherwise suggest.

Stress testing techniques using forward-looking scenarios assist the Combined Group in analysing the impact of risk on the Combined Group's capital, profitability, liquidity and funding position, which in turn helps to shape the Combined Group's strategy. These methods assist in predicting possible impacts on the Combined Group's risk exposures, but actual outcomes may vary and could be significantly greater than stress tests envisage.

Other risk management methods depend upon evaluation of information regarding the markets in which the Combined Group operates, its clients or other matters that are publicly available or information otherwise accessible to the Combined Group. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Any material deficiency in the Combined Group's risk management or internal control policies or procedures may expose it to significant credit, liquidity, market, operational, or other risks which may in turn have a material adverse effect on the Combined Group's business and reputation.

(u) The Combined Group may need to raise further capital in the future for a variety of reasons and such capital may be difficult to raise when needed

A variety of factors could affect the Combined Group's capital adequacy levels, including, in particular, changes in its risk weighted assets and its profitability from period to period. A significant increase in financing in the future is likely to reduce the Combined Group's capital adequacy ratios, and any losses experienced by it would have a similar effect. In addition, regulatory requirements in relation to the calculation of capital adequacy and required levels of capital adequacy change from time to time. In particular, the grandfathering of certain of ADCB's and UNB's instruments as Additional Tier 1 capital instruments may be withdrawn by the Central Bank or detrimentally adjusted. The Combined Group may also need to increase its capital as a result of market perceptions of adequate capitalisation levels and the perceptions of rating agencies. In particular, as a result of on-going implementation of Basel III standards in the UAE, the regulatory required CET1 ratio has increased to 9.25% in 2018 and will increase to 10% in 2019, and the total capital adequacy ratio will also increase when the Central Bank introduces a countercyclical capital buffer requirement. Furthermore, as a result of ADCB's status as a domestic systemically important bank, it is required to adhere to even higher capital ratios set by the Central Bank.

As a result, the Combined Group may need to obtain additional capital in the future. Such capital, whether in the form of financing or additional capital contributions from its shareholders, may not be available on commercially favourable terms, or at all. Moreover, should the Combined Group's capital ratios fall close to regulatory minimum levels, the Combined Group's own internal minimum levels or the levels required to maintain its ratings at the desired level, the Combined Group may need to adjust its business practices, including reducing the risk and leverage of certain activities. If the Combined Group is unable to maintain satisfactory capital adequacy ratios, its credit ratings may be lowered and its cost of funding may therefore increase.

Additionally, the Combined Group's capital adequacy levels may be materially impacted if decisions are made to incur impairment changes on any of UNB's or Al Hilal Bank's assets as part of the Combined Group's integration processes. Also, the Combined Group may find that any fair value assessments of its assets undertaken in connection with the purchase price accounting processes applicable to the Combination may have a detrimental impact on its capital adequacy levels.

Further, if the Combined Group's capital position becomes constrained, this may negatively affect management's ability to deliver on the Combined Group's growth strategy.

(v) If the Combined Group is unable to anticipate and develop or provide new digital services for its customers and/or keep pace with the digitisation of the banking market, the Combined Group's business, results of operations and financial condition could be materially adversely affected

The banking markets in which the Combined Group will operate have been characterised in recent times by rapid technological change, evolving industry standards, changing customer service preferences and dynamics and new product and service innovations. Areas of significant change include the development of systems and processes to cater for customer mobility, including the offering of mobile banking platforms and other digitised distribution channels. The fields of cloud-based computing, artificial intelligence, process digitisation and data analytics are continuing to alter the cost and competitive landscape for financial institutions. The Combined Group's future success will depend in part on its ability to anticipate these advances and to develop or provide new product and service offerings to meet dynamic customer requirements in the digital age. The Combined Group may fail to anticipate or respond to these advances on a timely basis, or, if it does respond, the services or technologies that it develops may not be successful in the marketplace as compared to its principal competitors.

The digitisation of many of ADCB's core business processes has been a key strategic focus for ADCB. In line with this organisation-wide strategic focus on digitisation, ADCB has dedicated significant resources to the development of its digital offering and will continue to make such investment as it strives to remain competitive. However, such investment and resource commitment may not provide the Combined Group with the competitive advantage, cost savings or anticipated performance improvements expected. Additionally, cyber-security risks for financial institutions have significantly increased because of the proliferation of new technologies and the use of the Internet and telecommunications technologies to conduct financial transactions.

Failure by the Combined Group to anticipate and effectively respond to changes in the markets in which it operates and develop new or enhanced technologies or processes that are competitive in the market could materially adversely affect the Combined Group's business, results of operations and financial condition.

(w) ADCB, UNB and Al Hilal Bank have historically had a portfolio of restructured or rescheduled loans and there is no guarantee that future renegotiations of such loans will not be required

As a consequence of adverse market conditions, the three Banks have historically focused on rescheduling or restructuring their loans with debtors in financial distress. Rescheduled loans represent loans whose terms have been rescheduled resulting in certain loan repayment concessions (such as re-scheduling principal payments until later periods and/or to set interest payments at a relatively low level for a certain time frame followed by larger interest payments in later periods) but where the new terms do not result in a present value loss to a Bank. Restructured loans represent loans which have been renewed entirely or materially altered (to a greater degree than loans which have simply been rescheduled) and causes a loss to a Bank as a result of reduced profit rate and/or principal amount. Rescheduled loans are not delinquent but an impairment is recognised where necessary, in accordance with IFRS 9 and is written back to the income statement as and when interest or principal (as appropriate) on the debt is received.

However, there is no guarantee that such rescheduling or restructuring will be successful in mitigating the Combined Group's credit risk. Additionally, due to the lack of publicly available information and financial data regarding debtors' credit and payment histories in the GCC (primarily due to borrowers' limited credit histories and inability (and, in certain cases, unwillingness) to provide the quality and quantity of information sought by lenders and the fact that the credit bureau in the UAE has only been implemented), the Combined Group is required to make certain assumptions when assessing the financial condition and creditworthiness of its debtors.

If the Combined Group fails to appropriately reschedule or restructure loans or any assumptions made in order to effect such reschedulings or restructurings fail to materialise or a debtor counterparty defaults on the terms of the rescheduled or restructured loan, such loans may need to be rescheduled or restructured again or the Combined Group may need to make further impairment charges and its business, results of operations and financial condition could be materially adversely affected.

(x) Some of the Combined Group's debtors are unable or unwilling to provide the quality and quantity of financial data sought by the Combined Group

Although regular disclosure of debtors' financial information is required, some debtors, especially HNWIs (including the controlled/affiliated entities of these individuals) and SMEs, do not, or are unable to, provide the quality and quantity of information sought. Furthermore, such financial data may not always present a complete and comparable picture of each such debtor's financial condition. For example, the financial statements of the Combined Group's debtors (including HNWIs) are not (unless publicly listed) required to be presented in accordance with IFRS or audited in accordance with International Standards on Auditing.

Unavailability of adequate quantity or quality of financial data in respect of its debtors may result in the Combined Group's failure to accurately assess the financial condition and creditworthiness of its debtors, leading to an increase in the rate of default for the Combined Group's loan portfolio. This could have a material adverse effect on the Combined Group's business, results of operations and financial condition.

(y) The Combined Group may be materially adversely affected by a loss of business from key clients that represent a significant portion of its loans and deposits

The Banks generate a significant proportion of their net operating income from certain key clients, including Government-controlled and Government-related entities, and members of the ruling family of Abu Dhabi and other HNWIs (including the controlled/affiliated entities of these individuals). The loss of all or a substantial portion of the business provided by one or more of these clients could have a material adverse effect on the Combined Group's business, results of operations and financial condition.

In addition, the financial condition and on-going profitability of Government-controlled or Government-related entities largely depends upon Government spending and policy. Therefore the Combined Group is exposed to shifts in Governmental spending and policy and its impact on the level of economic activity in Abu Dhabi and the UAE over which it has no control, and the effect of such shifts on the Combined Group may be difficult to predict. Challenging economic conditions since mid-2014 have resulted in larger budget deficits across the GCC economies, coupled with reduced fiscal budgets and public spending.

The Combined Group's failure to adequately foresee and assess such shifts may have an adverse effect on its business, results of operations and financial condition.

(z) Changes in equity and debt securities prices may affect the values of the Combined Group's investment portfolios

The Banks have historically held investment securities. Instability in the international debt and equity capital markets could have a material adverse impact on the Combined Group's investment portfolios and its financial condition and results of operations.

(aa) A substantial increase in new impairment allowances or losses greater than the level of previously recorded impairment allowances for doubtful loans and advances to customers would adversely affect the Combined Group's results of operations and financial condition

In connection with Banks' lending activities, the Banks have periodically established impairment allowances for loan losses, which are recorded in their income statements. The overall level of impairment allowances is based upon each Bank's assessment of prior loss experience, the volume and type of lending being conducted, collateral held, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although the Combined Group will endeavour to establish an appropriate level of impairment allowances based on its best estimate of the amount of incurred loss across all Banks, it may have to significantly increase its impairment allowances for loan losses in the future as a result of increases in non-performing assets, deteriorating economic conditions leading to increases in defaults and bankruptcies, or for other reasons.

Furthermore, IFRS 9 has been introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an 'expected credit loss' model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. Any changes to such impairment measurement models under IFRS 9 may adversely impact impairment allowances established by the Combined Group which would have an adverse effect on the Combined Group's business, results of operations and financial condition. In respect of ADCB, for example, the initial impact of IFRS 9 is recorded in its opening retained earnings of 31 December 2018 consolidated financial statements which provides that ADCB's capital adequacy ratio and common equity tier 1 ratio, although well above the minimum regulatory capital requirements, both fell by 1.83% and 0.56%, respectively, in the reporting period (which falls were partly due to the implementation of IFRS 9 in its impairment modelling).

Furthermore, in accordance with the anticipated timeline for the integration of the Combination, the unification of the Banks' IFRS 9 models is not expected to occur until December 2020 (due to the time and complexity involved in unifying such modelling). Accordingly, ADCB has sought the consent of the Central Bank to allow the Combined Group to continue using each of the IFRS 9 models currently utilised by each of the Banks until the unification process is implemented. As a result of the Combined Group running different models for measuring impairment of its financial assets under IFRS 9, it may be harder for the Combined Group to determine the correct measure of its impairment losses and, specifically, increase the risk of such determination being incorrect.

Any significant increase in impairment allowances for loan losses or a significant change in the Combined Group's estimate of the risk of loss inherent in its portfolio of non-impaired loans and advances to customers, as well as the occurrence of loan losses in excess of the impairment allowances allocated with respect thereto, would have an adverse effect on the Combined Group's business, results of operations and financial condition.

(bb) An increase in the Combined Group's exposure to development and construction risk and adverse real estate market conditions.

The Combined Bank will have a significant portfolio of real estate assets and, in some circumstances, commitments to develop such real estate. The real estate market in the UAE has historically been subject to significant volatility. Accordingly, any unexpected downturn in the real estate market could have a material impact on the value of the Combined Group's financial condition. Furthermore, UNB has from time to time certain obligations which limit its ability to divest itself of its interests in certain real estate financing arrangements until such time as the completion of the development of the real estate assets, subject to its financing arrangements, has occurred. Accordingly, as a result of UNB's inability to liquidate its position under such circumstances, the Combined Group would have exposure to development and construction risk as well as downturns in the real estate market generally.

(cc) Combined Group's exposure to risks associated with changes to the Central Bank's regulation in respect to banks' restructuring of their consumer loans to UAE nationals

The Central Bank has established that banks in the UAE, on an exceptions basis, (while consistent with applicable Central Bank regulations) have restructured debt of distressed clients by extending loan maturities beyond the maximum Central Bank mandated tenures, and that such exceptions have been misused by such banks. Accordingly, there is a risk that the Central Bank may implement regulations to address the compliance gaps in the consumer lending market as well as the excessive debt burden of indebted UAE nationals, especially in relation to personal loans, car loans, overdraft facilities and credit card balances.

4. Risks relating to the MENA region and the UAE

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

The UAE's economy, and the economy of Abu Dhabi in particular, is dependent upon oil revenue. 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 contributed approximately 50.9% to nominal GDP in 2014 and, reflecting the lower oil price environment from mid-2014 onwards, 35.1% in 2015, 31.7% in 2016 and 35.9% in 2017. However, the Government continues to implement strategies to ensure that the economy is derived from an increasingly diverse range of industry sectors.

The Banks have historically received significant funding and other support from the Government and the UAE Federal Government. In the case of the Government, such funding and other support has been largely derived from the Government's significant oil revenues.

The economies of both Abu Dhabi and the UAE are significantly impacted by international oil prices. Since mid-2014 and based on data published by OPEC, oil prices (based on OPEC's Reference Basket which is a notional blend of crudes from around the world, including Abu Dhabi's Murban crude oil) fell from an annual average of USD 96.29 per barrel in 2014 to USD 49.49 per barrel in 2015 and USD 40.76 per barrel in 2016. Prices then recovered in 2017, with the annual average price of the Reference Basket for that year being USD 52.43 and USD 69.78 in 2018. The monthly average prices for the OPEC Reference Basket in 2019 were USD 58.74 in January and USD 61.77 in February.

Oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which none of the Banks have control. Factors that may affect the price of oil include, but are not limited to:

- economic and political developments in oil producing regions, particularly in the Middle East;
- global and regional supply and demand, and expectations regarding future supply and demand, for hydrocarbon products;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude hydrocarbon producing or consuming countries;
- prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies using alternative fuels; and
- global weather and environmental conditions.

Declines in international prices for hydrocarbon products in the future could therefore adversely affect the UAE's economy which, in turn, could have an adverse effect on the Group's business.

(b) Instability and unrest in the MENA region may adversely affect the economies in which the Banks 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.

Based on IMF data (source: IMF Country Report No. 17/218 dated 14 July 2017), real GDP growth in the UAE is expected to have been 1.3% 2017, and was 3.0% in 2016, and 3.8% in 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 the Combined Group operates, 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.

(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 Combination

Some of the countries in which ADCB, UNB and Al Hilal Bank currently operate (and where the Combined Group will operate after the Combination 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 enhancement of Central Bank's regulatory powers

In the UAE, new legislation was adopted in 2018 in the form of Decretal Federal Law No. (14) of 2018 regarding the Central Bank & Organisation of Financial Institutions and Activities (the **Central Bank Law**), replacing prior legislation. This Central Bank Law includes an enhanced framework for monitoring, supervision and enforcement, setting out specific punitive powers that were previously not available to the Central Bank. Accordingly, the Combined Group may be at a heightened risk of regulatory intervention, especially as a consequence of the integration associated with the Combination.

(e) 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 Combination, 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.

(f) Risks associated with regulatory changes

Each of the Banks are subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure 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 the Banks operate (and the Combined Group will operate after the Combination takes place).

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, particularly in connection with the Central Bank's implementation of the Basel III requirements, which, due to the nature of the UAE market specifically, could result in the unexpected distortion of local deposits and loan markets (as banks change their funding profiles to adhere to the requirements).

(g) 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, the Banks 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.

None of the Banks are currently subject to corporation tax on their earnings within the UAE, however, with effect from 1 January 2018, certain of the GCC states (including the UAE) have implemented a VAT regime at a rate of 5%, with the remaining GCC states expected to implement VAT in 2019.

The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017), and, on 28 November 2017, the UAE Ministry of Finance published accompanying VAT implementing regulations.

The implementation of any future corporation tax regime which may be introduced in the UAE may have a material adverse effect on the Combined Group's business, results of operations and financial condition.

(h) 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 AED has been pegged at a fixed exchange rate to the US dollar since 22 November 1980. While the Central Bank has, as of June 2016, re-iterated its intention to retain the AED peg against the USD, there can be no assurance that the AED 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 AED 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.

Additionally, the following oil producing GCC countries have their currencies pegged to the USD as at the date of this shareholder circular: the Kingdom of Saudi Arabia; the Sultanate of Oman; and the Kingdom of Bahrain. In response to the volatility of oil prices internationally through 2015, oil producing countries with currencies that had been traditionally pegged to the USD, faced pressure to de-peg and, in certain cases, did de-peg their currencies. For example, Kazakhstan de-pegged the Kazakhstani tenge from the USD on 20 August 2015, which was followed on 21 December 2015 by the removal of the USD peg against the Azerbaijani manat.

There is a risk that additional countries may choose to unwind their existing currency peg to the USD, both in the GCC and the wider region. While the long-term impacts of such actions are uncertain, it is likely that any such de-pegged currency would face a de-valuation against the USD immediately post-removal of the peg.

Given the levels of exposure amongst regional financial institutions to other pegged currencies, it is also likely that such currency de-valuation(s) would adversely impact the banking systems in the UAE and across the wider GCC.

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

ADCB is incorporated and has its headquarters in the UAE 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 each of the Banks 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.

There is limited scope for self-help remedies under UAE law and, generally, enforcement of remedies in the UAE must be pursued through the courts. Under current UAE law, the UAE courts are unlikely to enforce an overseas court judgment without first re-examining the merits of the claim, to which they may simply apply UAE law; thus ignoring the choice by the parties of another law as the governing law of the transaction. In the unlikely event that the parties' choice was respected, it is important to note that in the UAE, foreign law is required to be established as a question of fact. Therefore, the interpretation of an overseas law by a court in the UAE may not accord with that of an overseas court.

In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or which is contrary to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in the UAE have no binding effect. In addition, court decisions in the UAE are generally not recorded. These factors create greater judicial uncertainty.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the **New York Convention**) entered into force in the UAE on 19 November 2006. In the absence of any other multilateral or bilateral enforcement convention, an arbitration award rendered in London should be enforceable in the UAE as a foreign award in accordance with the terms of the New York Convention.

Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the UAE courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement and would be contrary to the public policy of the UAE. There have been limited instances where the UAE courts, most notably the Fujairah Court of First Instance and the Dubai Court of Cassation, have ratified or ordered the recognition and enforcement of foreign arbitration awards under the New York Convention.

How the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention), remains largely untested. This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems independent of the federal system, and whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards has been refused, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign awards under UAE Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of the Law of Civil Procedure. Article 238 of the Law of Civil Procedure provides that Articles 235 to 237 (which deal with enforcement of foreign judgments, orders and instruments and which contain onerous requirements which must be satisfied before enforcement will be considered by the UAE courts) apply only in the absence of multilateral or bilateral conventions such as the New York Convention.

(j) Risks relating to overseas shareholders

ADCB 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 ADCB 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 ADCB'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 the Central Bank Law from owning more than 40% of the issued share capital of ADCB which may affect the liquidity of the ADCB Shares.

(k) Risks relating to a downgrade in Credit Ratings

The Combined Group's credit ratings will affect the cost and other terms upon which it is able to obtain funding. Rating agencies regularly evaluate the Banks, and their ratings of their long-term debt are based on a number of factors, including capital adequacy levels, quality of earnings, credit exposure, the risk management framework and funding diversification. These parameters and their possible impact on the Combined Group's credit rating will need to be monitored closely and incorporated into its liquidity risk management and contingency planning considerations.

Although Moody's Investors Service has confirmed that it considers the Combination will be credit neutral (given the similar and complimentary credit profiles of ADCB and UNB), there can be no assurance that the rating agencies will maintain the Banks' current ratings or outlooks or those of the UAE. A downgrade in the Combined Group's credit rating or the credit rating of the UAE could have a material adverse effect on the Combined Group's business, results, operations, financial condition and prospects and limits its ability to raise funding, increase its cost of borrowing and limit its ability to raise capital. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

(l) Neither the Government nor the UAE Federal Government is under any obligation to continue to invest in, or otherwise engage in business with, or otherwise support, the Combined Group, and either or both may alter their respective relationships with the Combined Group at any time and for any reason.

Despite the Government's and the UAE Federal Government's past investments in and deposits with the Banks and funding support during the financial crisis, the Government and the UAE Federal Government are under no obligation to continue to invest in, make deposits with, do business with or otherwise support the Combined Group. The Government and the UAE Federal Government may, whether directly or through government-owned entities, at any time and for any reason, dispose of its investments in, withdraw its deposits from, cease to do business with or otherwise cease to support the Combined Group. The reduction or elimination of government support could have a material adverse effect on the Combined Group's business, financial condition, results of operations or prospects.

9. ADDITIONAL INFORMATION

9.1 RESPONSIBILITY STATEMENTS

The directors of ADCB, whose names are set out in Sub-section 4.4 of this document, accept responsibility for the information contained in this document other than that relating to UNB and Al Hilal Bank. 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 UNB, whose names are set out in Sub-section 5.4 of this document, accept responsibility for the information contained in this document other than that relating to ADCB and Al Hilal Bank. 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.

Any information contained in this document relating to Al Hilal Bank has been sourced from publicly available information and the financial and legal due diligence reports prepared by Deloitte and Freshfields Bruckhaus Deringer LLP respectively.

KPMG accepts responsibility for its report on the Pro Forma Financial Information which appears in Part C of Section 7 of this document.

9.2 ARTICLES OF ASSOCIATION OF ADCB ON COMPLETION OF THE MERGER

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

9.2.1 Share capital increase

ADCB's share capital following completion of the Merger will be AED 6,839,777,906 divided into 6,839,777,906 Shares.

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

9.3 UAE NATIONAL AND NON-UAE NATIONAL SHAREHOLDINGS

If the Combination becomes effective, based on the shareholders of ADCB and UNB as at 25 February 2019 (being the last practicable date before the publication of this document), 85.60% of ADCB Shareholders would be UAE national investors and 14.40% would be non-UAE national investors.

9.4 MATERIAL CONTRACTS

9.4.1 Material contracts of ADCB

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

(a) ***Merger Agreement***

On 29 January 2019, ADCB and UNB entered into the 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 10 of this document) and ADCB and UNB's obligations regarding implementation of the Merger. The Merger Agreement contains limited warranties given by ADCB and UNB 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) there is a Material Adverse Effect (as defined in the Merger Agreement); (iii) the Effective Date does not occur on or before 30 September 2019 (or such later date as ADCB and UNB may agree in writing); or (iv) ADCB and UNB agree to do so in writing.

(b) ***Share Sale and Purchase Agreement***

On 29 January 2019, ADCB and the Al Hilal Bank Shareholder entered into the Share Sale and Purchase Agreement. The agreement sets out the terms and conditions of the Acquisition (including, without limitation, the terms and conditions of the Acquisition set out in Section 10 of this document).

Completion of the Acquisition under the Share Sale and Purchase Agreement is conditional on the satisfaction or waiver of a number of conditions, including, but not limited to, the implementation of the Merger, the Central Bank's and the SCA's approval of the Acquisition and there being no material adverse effect having occurred or continuing prior to or at completion. Under the Share Sale and Purchase Agreement, the Al Hilal Bank Shareholder provides a number of fundamental warranties to ADCB, including those relating to its title and capacity to sell the Al Hilal Bank Shares.

The Acquisition Consideration is satisfied by means of the issuance by ADCB to the Al Hilal Bank Shareholder of the Convertible Instrument on completion of the Acquisition.

(c) ***ADCB's Global Medium Term Note Programme***

ADCB Finance has established a Global Medium Term Note Programme, unconditionally and irrevocably guaranteed by ADCB (the **ADCB GMTN Programme**). Under the base prospectus, dated 12 March 2018, ADCB Finance may issue bearer or registered medium term notes outside of the United States to non-US persons (subject to certain exceptions) and certain qualified US persons. The aggregate nominal amount of these notes outstanding at any time must not exceed USD 9,000,000,000 (or equivalent in other currencies). Notes issued may be senior or subordinated unsecured obligations of ADCB and may be listed on the Euronext Dublin (formerly the Irish Stock Exchange) or unlisted. ADCB may also prepare a listing prospectus to list any series of notes on another stock exchange such as the Taipei Stock Exchange or the SIX Swiss Exchange.

Notes may be issued under the ADCB GMTN Programme in any currency agreed between ADCB 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 arranger for the ADCB GMTN Programme is Merrill Lynch International and the dealers are ADCB, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc and Standard Chartered Bank.

As at 26 February 2019, there are currently 82 issues outstanding with an outstanding principal amount of USD 8.393 billion under the ADCB GMTN Programme. Details of these issues are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing
USD 750,000,000 . . .	4-Mar-2019	Fixed Rate—3.00% per annum	Euronext Dublin
JPY 1,500,000,000 . .	24-Jul-2019	Fixed Rate—0.68% per annum	Unlisted
CNH 130,000,000 . . .	23-Aug-2019	Fixed Rate—3.85% per annum	Unlisted
CNH 130,000,000 . . .	30-Aug-2019	Fixed Rate—3.98% per annum	Euronext Dublin
USD 600,000,000 . . .	16-Sep-2019	Fixed Rate—2.750% per annum	Euronext Dublin
EUR 40,000,000	26-Sep-2019	Floating Rate—3 month EURIBOR + 0.46% per annum	Euronext Dublin
CNH 190,000,000 . . .	3-Oct-2019	Fixed Rate—4.50% per annum	Euronext Dublin
CNH 260,000,000 . . .	11-Oct-2019	Fixed Rate—4.40% per annum	Euronext Dublin
USD 50,000,000	6-Nov-2019	Floating Rate—3 month USD LIBOR + 0.61% per annum	Euronext Dublin
USD 50,000,000	30-Dec-2019	Floating Rate—3 month USD LIBOR + 0.50% per annum	Unlisted
USD 90,000,000	3-Feb-2020	Floating Rate—3 month USD LIBOR 0.73% per annum	Unlisted

Aggregate nominal amount	Maturity date	Interest rate	Listing
USD 75,000,000	5-Feb-2020	Floating Rate—3 month USD LIBOR + 0.63% per annum	Unlisted
EUR 12,100,000	8-Mar-2020	Floating Rate—3 month EURIBOR + 0.59% per annum	Unlisted
USD 750,000,000 . . .	10-Mar-2020	Fixed Rate—2.625% per annum	Euronext Dublin
HKD 160,000,000 . . .	16-Mar-2020	Fixed Rate—2.46% per annum	Unlisted
USD 20,000,000	27-Apr-2020	Floating Rate—3 month USD LIBOR + 0.65% per annum	Euronext Dublin
USD 25,000,000	13-Jun-2020	Floating Rate—3 month USD LIBOR + 0.82% per annum	Unlisted
EUR 20,000,000	26-Jun-2020	Floating Rate—3 month EURIBOR + 0.50% per annum	Euronext Dublin
USD 25,000,000	23-Oct-2020	Floating Rate—3 month USD LIBOR + 0.90% per annum	Unlisted
HKD 160,000,000 . . .	28-Oct-2020	Fixed Rate—2.30% per annum	Unlisted
EUR 20,000,000	29-Dec-2020	Floating Rate—3 month EURIBOR + 0.50% per annum	Euronext Dublin
USD 25,000,000	1-Feb-2021	Floating Rate—3 month USD LIBOR + 0.85% per annum	Unlisted
CNH 120,000,000 . . .	22-Feb-2021	Fixed Rate—4.85% per annum	Euronext Dublin
CNH 120,000,000 . . .	5-Mar-2021	Fixed Rate—5.02% per annum	Euronext Dublin
HKD 160,000,000 . . .	13-Apr-2021	Fixed Rate—2.69% per annum	Unlisted
HKD 160,000,000 . . .	4-May-2021	Fixed Rate—2.86% per annum	Unlisted
USD 20,000,000	18-May-2021	Floating Rate—3 month USD LIBOR + 0.80% per annum	Unlisted
JPY 2,500,000,000 . .	24-May-2021	Fixed Rate—0.445% per annum	Unlisted
AUD 30,000,000	7-Jun-2021	Fixed Rate—3.73% per annum	Unlisted
CHF 80,000,000	27-Oct-2021	Fixed Rate—0.0% per annum	Euronext Dublin
AUD 30,000,000	1-Feb-2022	Fixed Rate—3.92% per annum	Unlisted
HKD 160,000,000 . . .	3-Feb-2022	Fixed Rate—3.20% per annum	Unlisted
HKD 300,000,000 . . .	19-Feb-2022	Fixed Rate—3.05% per annum	Unlisted
USD 20,000,000	17-Apr-2022	Floating Rate—3 month USD LIBOR + 0.88% per annum	Euronext Dublin
CNH 120,000,000 . . .	25-Apr-2022	Fixed Rate—4.82% per annum	Euronext Dublin
USD 30,000,000	18-Jul-2022	Floating Rate—3 month USD LIBOR + 1.05% per annum	Euronext Dublin
USD 10,000,000	12-Sep-2022	Floating Rate—3 month USD LIBOR + 1.00% per annum	Unlisted
USD 20,000,000	19-Sep-2022	Floating Rate—3 month USD LIBOR + 1.05% per annum	Unlisted
USD 10,000,000	18-Oct-2022	Floating Rate—3 month USD LIBOR + 1.05% per annum	Euronext Dublin
USD 15,000,000	21-Nov-2022	Floating Rate—3 month USD LIBOR + 1.15% per annum	Euronext Dublin

Aggregate nominal amount	Maturity date	Interest rate	Listing
CHF 175,000,000 . . .	23-Jan-2023	Fixed Rate—0.3850% per annum	SIX Swiss Exchange
USD 750,000,000 . . .	6-Mar-2023	Fixed Rate—4.50% per annum	London Stock Exchange
USD 750,000,000 . . .	29-Mar-2023	Fixed Rate—4.00% per annum	Euronext Dublin
HKD 230,000,000 . . .	21-Nov-2023	Fixed Rate—2.84% per annum	Unlisted
CNH 200,000,000 . . .	17-Jan-2024	Fixed Rate—4.60% per annum	Euronext Dublin
USD 125,000,000 . . .	28-Jan-2024	Floating Rate—3 month USD LIBOR + 1.55% per annum	Euronext Dublin
CHF 100,000,000 . . .	15-Feb-2024	Fixed Rate—0.7350% per annum	SIX Swiss Exchange
HKD 155,000,000 . . .	8-Apr-2024	Fixed Rate—2.87% per annum	Unlisted
EUR 20,000,000	1-Aug-2024	Fixed Rate—0.75% per annum	Euronext Dublin
USD 50,000,000	2-Apr-2027	Fixed Rate—5.10% per annum	London Stock Exchange
USD 20,000,000	9-Aug-2028	Floating Rate—3 month USD LIBOR + 1.40% per annum	Euronext Dublin
USD 30,000,000	6-Jul-2032	Fixed Rate—5.00% per annum	London Stock Exchange
USD 30,000,000	18-Jan-2033	Fixed Rate—4.7% per annum	Unlisted
USD 22,000,000	24-Mar-2036	Fixed Rate—4.65% per annum	Euronext Dublin
USD 30,000,000	6-Dec-2037	Fixed Rate—4.75% per annum	London Stock Exchange
USD 30,000,000	17-Dec-2037	Fixed Rate—4.70% per annum	Unlisted
USD 80,000,000	9-Sep-2044	Zero Coupon—Accrual yield 5.12% per annum	Euronext Dublin
USD 50,000,000	18-Sep-2044	Zero Coupon—Accrual yield 5.09% per annum	Euronext Dublin
USD 50,000,000	16-Dec-2044	Zero Coupon—Accrual yield 4.80% per annum	Euronext Dublin
USD 50,000,000	21-Jan-2045	Zero Coupon—Accrual yield 4.52% per annum	Euronext Dublin
USD 50,000,000	15-Apr-2045	Zero Coupon—Accrual yield 4.59% per annum	Euronext Dublin
USD 50,000,000	26-Aug-2045	Zero Coupon—Accrual yield 4.72% per annum	Euronext Dublin
USD 50,000,000	30-Sep-2045	Zero Coupon—Accrual yield 4.87% per annum	Euronext Dublin
USD 30,000,000	23-Feb-2046	Zero Coupon—Accrual yield 5.00% per annum	Euronext Dublin
USD 50,000,000	7-Apr-2046	Zero Coupon—Accrual yield 5.10% per annum	Euronext Dublin
USD 100,000,000 . . .	11-Aug-2046	Zero Coupon—Accrual yield 4.30% per annum	Euronext Dublin
USD 750,000,000 . . .	7-Feb-2047	Zero Coupon—Accrual yield 4.85% per annum	Taipei Exchange
USD 50,000,000	16-Feb-2047	Zero Coupon—Accrual yield 5.13% per annum	Euronext Dublin
USD 230,000,000 . . .	5-Apr-2047	Zero Coupon—Accrual yield 5.03% per annum	Taipei Exchange

Aggregate nominal amount	Maturity date	Interest rate	Listing
USD 320,000,000 . . .	26-Jul-2047	Zero Coupon—Accrual yield 4.80% per annum	Taipei Exchange
USD 220,000,000 . . .	29-Sep-2047	Zero Coupon—Accrual yield 4.70% per annum	Taipei Exchange
USD 10,000,000	6-Nov-2047	Zero Coupon—Accrual yield 4.75% per annum	Unlisted
USD 10,000,000	6-Nov-2047	Zero Coupon—Accrual yield 4.80% per annum	Unlisted
USD 540,000,000 . . .	18-Jan-2048	Zero Coupon—Accrual yield 4.75% per annum	Taipei Exchange
USD 30,000,000	25-Jan-2048	Zero Coupon—Accrual yield 4.86% per annum	Euronext Dublin
USD 20,000,000	25-Jan-2048	Zero Coupon—Accrual yield 4.805% per annum	Euronext Dublin
USD 50,000,000	9-Mar-2048	Zero Coupon—Accrual yield 5.14% per annum	Euronext Dublin
USD 30,000,000	15-Aug-2048	Zero Coupon—Accrual yield 5.51% per annum	Euronext Dublin
USD 30,000,000	20-Sep-2048	Zero Coupon—Accrual yield 5.45% per annum	Euronext Dublin
USD 30,000,000	31-Oct-2048	Zero Coupon—Accrual yield 5.765% per annum	Euronext Dublin
USD 50,000,000	25-Jan-2049	Zero Coupon—Accrual yield 5.785% per annum	Euronext Dublin
USD 100,000,000 . . .	25-Jan-2049	Zero Coupon—Accrual yield 5.78% per annum	Taipei Exchange

(d) ***ADCB's USD 4,000,000,000 Euro Commercial Paper Programme***

ADCB has established a euro commercial paper programme (the **ECP Programme**). Under the information memorandum dated 13 April 2017, ADCB 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 USD 4,000,000,000 (or equivalent in other currencies). Notes issued 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 ADCB 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 Bank of America Merrill Lynch International Limited and the dealers are ADCB, Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citigroup Global Markets Limited, UK Branch, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, ING Bank N.V. and UBS Limited.

(e) ***ADCB's AUD 2,000,000,000 Australian Debt Issuance Programme***

ADCB Finance has established an Australian Dollar Debt Issuance Programme, unconditionally and irrevocably guaranteed by ADCB (the **AUD Programme**). Under the information memorandum dated 20 November 2013, ADCB Finance 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 AUD 2,000,000,000 (or equivalent in other currencies). Debt instruments issued will be unsecured obligations of ADCB 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 AUD Programme will be denominated in (a) Australian dollars or (b) subject to any applicable legal or regulatory requirements, in such other currencies agreed between ADCB Finance and the relevant dealer(s) and at an issue price which is at par, or discount to, or at a premium over, par. The debt issuances are governed by, and construed in accordance with, the laws of New South Wales, Australia.

The arranger under the AUD Programme is UBS AG, Australia Branch, and the dealers are Australia and New Zealand Banking Group Limited, Citigroup Global Markets Australia Pty Limited, National Australia Bank Limited and UBS AG, Australia Branch.

As at 26 February 2019, there are 4 issues outstanding with an outstanding principal amount of AUD 650 million under the AUD Programme. Details of these issues are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing
AUD 250,000,000 . . .	28 May 2019	Fixed Rate—4.75% per annum	Unlisted
AUD 150,000,000 . . .	25 October 2022	Floating Rate—3 month USD BBSW + 1.38% per annum	Unlisted
AUD 100,000,000 . . .	25 October 2022	Fixed Rate—3.75% per annum	Unlisted
AUD 150,000,000 . . .	25 October 2027	Fixed Rate—4.50% per annum	Unlisted

(f) ***ADCB's USD 3,000,000,000 Certificate of Deposit Programme***

ADCB has established a Certificate of Deposit Programme. Pursuant to an information memorandum dated 13 April 2017, ADCB may issue bearer short term certificates of deposit (the **CDs**). The aggregate nominal amount of these CDs outstanding at any time must not exceed USD 3,000,000,000 (or equivalent in other currencies). CDs issued will be unsecured obligations of ADCB and will be unlisted.

The arranger is Bank of America Merrill Lynch International Limited and the dealers are ADCB, Bank of America Merrill Lynch International Limited, ING Bank N.V., Standard Chartered Bank and UBS Limited.

9.4.2 Material contracts of UNB

The following agreements, being otherwise than contracts entered into in the ordinary course of business, have been entered into by UNB 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 9.4.1(a) of this document.

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

UNB has established a Euro Medium Term Note Programme (the **UNB EMTN Programme**). Under the base prospectus dated 17 January 2018, UNB may issue medium term notes in bearer or registered form outside of the United States to non-US persons (subject to certain exceptions). The maximum aggregate nominal amount of these notes from time to time outstanding under the UNB EMTN Programme must not exceed USD3,000,000,000 (or equivalent in other currencies). Notes issued may be senior or subordinated, unsecured obligations of UNB and may be listed on the Luxembourg Stock Exchange or unlisted.

Notes may be issued under the UNB EMTN Programme in any currency agreed between UNB 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 UNB EMTN Programme are Citigroup Global Markets Limited and HSBC Bank plc and the dealers are Australia and New Zealand Banking Group Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Commonwealth Bank of Australia, Credit Suisse Securities (Europe) Limited, DBS Bank Ltd., Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc and Standard Chartered Bank.

There are currently three series outstanding with an outstanding principal amount of USD 1,400,000,000 under the UNB EMTN Programme. Details of these series are as follows:

Aggregate nominal amount	Maturity date	Interest rate	Listing
USD 500,000,000 . . .	13 March 2023	Fixed Rate—4.00% per annum	Luxembourg Stock Exchange
USD 300,000,000 . . .	28 February 2022	Floating Rate—3 month USD LIBOR + 1.40% per annum	Luxembourg Stock Exchange
USD 600,000,000 . . .	5 October 2021	Fixed Rate—2.75% per annum	Luxembourg Stock Exchange

9.4.3 Material contracts of Al Hilal Bank

(a) ***Al Hilal Bank's Global Sukuk Fund***

On 27 March 2012, Al Hilal Bank established its Global Sukuk Fund, an open ended income and capital growth fund (with the aim of generating periodic returns to its investors in addition to achieving long-term capital growth by investing in a diversified portfolio of Shari'ah compliant global fixed income securities (*Sukuk*) as regulated by the funds prospectus). The current net asset value of the fund is approximately USD 36 million with the bank's share equating to approximately USD 10 million. The fund's investment manager is Al Hilal Bank, CIMB-Principal Islamic Asset Management is engaged as the fund's investment adviser and HSBC Bank Middle East Limited is the fund's custodian and administrator. The fund is benchmarked against LIBOR + 100bps and has an average coupon amount of 4.25%.

(b) ***Al Hilal Bank's Senior Sukuk Issuance***

On 8 October 2013, Al Hilal Bank, through a Shari'ah compliant Sukuk arrangement raised Senior Sukuk amounting to USD 500,000,000 under the USD 2,500,000,000 trust certificate issuance programme (**Trust Issuance Programme**). The Sukuk was listed on the Irish Stock Exchange with a contractual maturity of five years and an expected profit rate of 3.267%.

On 7 June 2016, Al Hillal Bank raised Senior Sukuk amounting to USD 225,000,000 under the Trust Issuance Programme. The Sukuk had a contractual maturity of two years and seven months and an expected profit rate of 3 month LIBOR plus a margin of 1.60% per annum payable quarterly.

On 14 August 2017, Senior Sukuk was raised under the Trust Issuance Programme amounting to USD 100,000,000. The Sukuk with a contractual maturity of two years and bearing an expected profit rate of 3 month LIBOR plus a margin of 0.90% per annum payable quarterly.

Lastly, on 19 September 2018, Al Hilal Bank raised Senior Sukuk amounting to USD 500,000,000 under the Trust Issuance Programme (which was updated in August 2018). The Sukuk is listed on the Irish Stock Exchange. The issuance has a contractual maturity of five years and bears an expected profit rate of 4.375%.

The terms of arrangement relating to the Trust Issuance Programme include the transfer of certain assets (the **Co-Owned Assets**), from Al Hilal Bank to AHB Sukuk Company Ltd (a Sukuk company) the issuer and a subsidiary of Al Hilal Bank (specially incorporated for the Sukuk transaction). The assets are owned by the Sukuk investors; however, the assets are managed by Al Hilal Bank and continue to be serviced by the Bank as the managing agent.

9.5 LITIGATION

Neither ADCB nor any member of the ADCB Group is involved in any legal or arbitration proceedings which may have or have had, during the 12 months preceding the date of this document, a significant effect on the ADCB Group's financial position nor (so far as ADCB is aware) are any such proceedings pending or threatened against any member of the ADCB Group.

Neither UNB nor any member of the UNB Group is involved in any legal or arbitration proceedings which may have or have had, during the 12 months preceding the date of this document, a significant effect on the UNB Group's financial position nor (so far as UNB is aware) are any such proceedings pending or threatened against any member of the UNB Group.

Neither Al Hilal Bank nor any member of the Al Hilal Group is involved in any legal or arbitration proceedings which may have or have had, during the 12 months preceding the date of this document, a significant effect on Al Hilal Group's financial position nor (so far as Al Hilal Bank is aware) are any such proceedings pending or threatened against any member of the Al Hilal Group.

9.6 SUBSIDIARIES, ASSOCIATE COMPANIES AND BRANCHES

If the Combination takes place, it is anticipated that ADCB will own (directly or indirectly) the subsidiaries, associate companies and branches listed below (which are currently members of the ADCB Group, the UNB Group or the Al Hilal Group):

9.6.1 Existing subsidiaries of ADCB

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
ADCB Securities LLC	100%	UAE	Agent in trading of financial instruments and stocks
Abu Dhabi Commercial Properties LLC	100%	UAE	Real estate property management and advisory services
Abu Dhabi Commercial Finance Solutions LLC	100%	UAE	Financial investments
Abu Dhabi Commercial Investment Services LLC	100%	UAE	Financial investments
Kinetic Infrastructure Development LLC	100%	UAE	Financial investments
Abu Dhabi Commercial Property Development LLC*	100%	UAE	Property development
Abu Dhabi Commercial Engineering Services LLC	100%	UAE	Engineering services
ADCB Finance (Cayman) Limited	100%	Cayman Islands	Treasury financing activities
ADCB Markets (Cayman) Limited (formerly known as ADCB Holdings (Cayman) Limited)	100%	Cayman Islands	Treasury related activities
ACB LTIP (IOM) Limited	Controlling interest	Isle of man	Trust activities
Abu Dhabi Commercial Properties Consultancy LLC(*)(**)	100%	UAE	Real estate consultancy
Abu Dhabi Commercial Bank (UK Representative Office) Limited	100%	UK	UK representative office and process service agent
ITMAM Services FZ LLC (formerly known as ADCB Services FZ LLC)	100%	UAE	Transaction processing and back office support for the ADCB Group
ITMAM Services LLC	100%	UAE	Transaction processing and back office support for the ADCB Group
Abu Dhabi Commercial Enterprises LLC(*)(**)	100%	Qatar	Engineering services
Omicron Capital (Cayman) Limited	100%	Cayman Islands	Treasury financing activities
ADCB Structuring I (Cayman) Limited	100%	Cayman Islands	Treasury financing activities
ADCB Structuring II (Cayman) Limited	100%	Cayman Islands	Treasury financing activities
Common Services SARL	100%	Luxembourg	Acquisition holding, management and disposal of participations and interests
ADCB Asset Management Limited	100%	ADGM, UAE	Wealth management and private banking

* Dormant

** Under liquidation

9.6.2 Existing branches and representative offices of ADCB

Name of branch/ representative office	Ownership interest	Country of incorporation	Principal activity
ADCB	100%	India	Banking activities
ADCB	100%	Jersey	Banking activities
ADCB UK (Representative Office) Limited . . .	100%	London	Representative office
ADCB	100%	Singapore	Representative office

9.6.3 Existing subsidiaries of UNB

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
Union Brokerage LLC (UBC)	99%	UAE	Brokerage activities
Al Wifaq Finance Company PrJSC (AWFC) . . .	89.2%	UAE	Islamic finance
Union National Bank, Egypt SAE (UNB-E) . . .	96.6%	Egypt SA	Banking activities
Union National (BVI) Ltd	100%	British Virgin Islands	Treasury dealing activities

9.6.4 Existing branches of UNB

Name of branch	Ownership interest	Country of incorporation	Principal activity
UNB	100%	Qatar Financial Centre (Qatar)	Banking activities
UNB	100%	Kuwait	Banking activities
UNB	100%	China	Banking activities

9.6.5 Existing subsidiaries of Al Hilal Bank

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
Al Hilal Al Mariah Development LLC	100%	UAE	Holding company for Al Mariah Tower
Al Hilal Auto LLC*	100%	UAE	Selling and buying new and used vehicles—no longer operational
Al Hilal Islamic Bank PJSC	100%	Kazakhstan	Shari'ah-compliant banking activities
Al Hilal Takaful PSC*	100%	UAE	Provides insurance services
Al Hilal Leasing LLP	100%	Kazakhstan	Shari'ah-compliant leasing activities
AHB Derivatives Limited	100%	Cayman Islands	Treasury dealing activities
Al Hilal Tier 1 Sukuk Limited** . . .	—	Cayman Islands	Treasury dealing activities
Al Hilal Sukuk Company Limited** .	—	Cayman Islands	Treasury dealing activities

* These subsidiaries were held for sale as at 31 December 2017

** Al Hilal Bank does not have direct holding in this entity but it is considered to be a subsidiary by virtue of control.

9.7 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 9.7. 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.

There is currently in force, in the Emirates of Abu Dhabi and Dubai, legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, Abu Dhabi or Dubai taxation in respect of payments of interest or principal on debt securities.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into "double taxation arrangements" with certain other countries, but these are not extensive in number.

On 24 February 2016, the UAE Minister of State for Financial Affairs announced that, pursuant to a GCC-wide framework agreement on the implementation of UAE VAT, the UAE will implement VAT at a rate of 5% from 1 January 2018. The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017). On 1 October 2017, the Ministry of Finance also published executive legislation for the implementation of excise tax with immediate effect. Additionally, on 28 November 2017, the Ministry of Finance announced that the VAT implementing regulations were officially adopted and signed by Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, Ruler of Dubai. This is considered to be the first phase of the new tax system in the UAE.

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

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.

9.8 GENERAL

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

JPM 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.

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.

9.9 DOCUMENTS AVAILABLE FOR INSPECTION

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

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

(b) the audited financial statements of ADCB for the financial years ended 31 December 2017 and 31 December 2018;

(c) the audited financial statements of UNB for the financial years ended 31 December 2017 and 31 December 2018; and

(d) the audited financial statements of Al Hilal Bank for the financial years ended 31 December 2017 and 31 December 2018.

10. TERMS AND CONDITIONS OF THE MERGER AND ACQUISITION (THE COMBINATION)

PART A
CONDITIONS IN RESPECT OF THE MERGER

The implementation of the Merger is conditional upon:

1. obtaining the approval of the Central Bank for the Merger pursuant to the applicable provisions of Decretal Federal Law No. (14) of 2018 concerning the Central Bank and Organisation of Financial Institutions and Activities;
2. obtaining the approval of the SCA for the Merger;
3. the passing of the special resolutions 1 to 6 (inclusive) and 8 at the ADCB GM;
4. the passing of the special resolutions 1 to 5 (inclusive) at the UNB GM;
5. obtaining all of the consents that have been identified by the ADCB Board as necessary to the implementation of the Merger;
6. obtaining all of the consents that have been identified by the UNB Board as necessary to the implementation of the Merger;
7. the Egyptian Financial Governmental Body having confirmed in writing that the Merger will not result in ADCB or UNB being required to make a mandatory tender offer to acquire all of the issued shares of Union National Bank Egypt SAE;
8. all the conditions precedent to completion of the Share Sale and Purchase Agreement having been satisfied, except for the condition under the Share Sale and Purchase Agreement relating to the issuance of the SCA Certificate;
9. no material breach of the warranties given by the Banks in clause 15 of the Merger Agreement having occurred and, if a material breach of any such warranty has occurred and is capable of remedy, such breach having been remedied to the reasonable satisfaction of the non-breaching party;
10. no Material Adverse Effect (as defined in the Merger Agreement) having occurred and continuing (unless remedied to the satisfaction of the party not suffering the Material Adverse Effect); and
11. the Merger Agreement not having been terminated in accordance with its terms.

Following satisfaction of all of the foregoing conditions, the ADCB Board and the UNB Board shall apply for a certificate from SCA (the **SCA Certificate**) approving:

(a) the Merger;

(b) the dissolution of UNB;

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

(d) the amendments to the ADCB Articles.

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

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

PART B
PROCEDURAL REQUIREMENTS IN RESPECT OF THE MERGER

Pursuant to the Companies Law, the ADCB Board and the UNB Board shall submit the conditional Merger Agreement to the respective GMs to obtain approval by Special Resolution. The invitation to the GMs 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 such Bank, who objected to the Merger, to appeal the Merger before the competent court within 30 working days from the date of approval of the Merger Agreement by the general assembly.

Each of ADCB and UNB 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 such 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; and

(d) it shall stipulate the right of any of the creditors of both such Banks and holders of debentures, bonds or sukuk and any person concerned to object to 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 30 days of the date of notification.

A creditor that notifies ADCB or UNB of the objection thereof in accordance with paragraph (d) above and has not been paid back by such Bank within 30 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 ADCB or UNB (as applicable) 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 of Economy after the approval of the SCA.

The competent authority shall record the dissolution of the UNB and notify the SCA to that effect.

The Merger shall lead to the expiry of the corporate personality of UNB and the substitution thereof by the Merged Bank in all rights and obligations of UNB, and the Merged Bank shall be the legal successor of UNB.

PART C
CONDITIONS IN RESPECT OF THE ACQUISITION

Completion of the Acquisition is conditional upon:

1. obtaining approval from the Central Bank to the parties in writing that it approves, or has no objection to, the sale and purchase of the Al Hilal Bank Shares pursuant to the applicable provisions of the Central Bank Law;

2. obtaining approval from the SCA approving the acquisition by the Merged Bank of the Al Hilal Bank Shares pursuant to the applicable provisions;

3. the SCA and the Central Bank approving the issuance of the Convertible Instrument convertible into the New ADCB Shares;

4. the passing at a duly convened meeting of ADCB Shareholders of such resolution(s) as may be necessary to approve, implement and effect the purchase of the Al Hilal Bank Shares;

5. the completion of the Merger having occurred, as evidenced by the issuance of the SCA Certificate;

6. no Material Adverse Effect (as defined in the Share Sale and Purchase Agreement) having occurred after the signing of the Share Sale and Purchase Agreement and continuing at completion of the Acquisition;

7. no material breach of the warranties in clause 9 and schedule 4 of the Share Sale and Purchase Agreement having occurred and, if a material breach of any such warranty has occurred and is capable of remedy, such breach having been remedied to the reasonable satisfaction of ADCB; and

8. the Share Sale and Purchase Agreement not having been terminated in accordance with its terms.

PART D
PROCEDURAL REQUIREMENTS IN RESPECT OF THE ACQUISITION

Subject to the satisfaction or waiver of the conditions, completion under the Share Sale and Purchase Agreement takes place at ADCB's head office on the Business Day after the date on which the last of the conditions is satisfied or waived.

At completion, the entire issued share capital of Al Hilal Bank shall be transferred by the Al Hilal Bank Shareholder to ADCB in consideration for the payment by ADCB of the Acquisition Consideration.

The payment of the Acquisition Consideration shall be satisfied by the issuance by ADCB to the Al Hilal Bank Shareholder of the Convertible Instrument at completion. As soon as possible following completion, ADCB shall procure the mandatory convertible bonds issued to the Al Hilal Bank Shareholder pursuant to the Convertible Instrument are converted into up to 117,647,058 new ADCB shares. ADCB shall take all steps reasonably necessary to obtain approval from the SCA for the Conversion as soon as possible following completion.

At completion, the relevant records relating to Al Hilal Bank shall be amended at the Commercial Registry to cater for the changes to Al Hilal Bank's ownership and any other related corporate changes that may be required.

On completion occurring, the entire issued share capital of Al Hilal Bank shall be directly held by the Merged Bank and, accordingly, Al Hilal Bank shall become a direct, wholly owned subsidiary of ADCB.

APPENDIX I
DEFINITIONS

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

Acquisition	the proposed acquisition by the Merged Bank of the entire issued share capital of Al Hilal Bank following the Effective Date
Acquisition Consideration	approximately AED 1 billion which shall be paid through the issuance of the Convertible Instrument by ADCB convertible into shares in ADCB to the Al Hilal Bank Shareholder
ADCB	Abu Dhabi Commercial Bank PJSC
ADCB Articles	the articles of association of ADCB
ADCB Board	the board of directors of ADCB
ADCB Finance	ADCB Finance (Cayman) Limited
ADCB GM	the general assembly meeting of ADCB convened for the purpose of, amongst other things, approving the Merger and Acquisition and the increase in the share capital of ADCB
ADCB GMTN Programme	has the meaning provided in Sub-section 9.4.1(c) of this document
ADCB Group	ADCB and its subsidiaries and branches
ADCB India	has the meaning provided in Sub-section 4.3.2 (B) of this document
ADCB Shareholders	holders of ADCB Shares from time to time
ADCB Shares	shares of AED 1.00 each in the share capital of ADCB
ADIC	Abu Dhabi Investment Council
AED	UAE dirhams
ALCO	asset and liability committee
Al Hilal Bank	Al Hilal Bank PJSC
Al Hilal Board	the board of directors of Al Hilal Bank
Al Hilal Group	Al Hilal Bank and its subsidiaries and branches
Al Hilal Bank Shareholder	Abu Dhabi Investment Council
Al Hilal Bank Shares	the shares of AED 1.00 each in the share capital of Al Hilal Bank
AML	Anti-Money Laundering
AUD Programme	has the meaning provided in Sub-section 9.4.1(e) of this document
ATMs	has the meaning provided at Sub-section 4.3.1 of this document
Banks	as the context may require, any one or more of ADCB, UNB and Al Hilal Bank
Barclays	Barclays Bank PLC, acting through its Investment Bank
Barclays Group	Barclays Bank PLC together with its affiliates
Basel Committee	has the meaning provided in Sub-section 8.3 (n) of this document
Basel Reforms	has the meaning provided in Sub-section 8.3 (n) of this document
BRCC	Board Risk and Credit Committee
Business Day	any day, other than a Friday, Saturday or a public holiday in the UAE
CBG	has the meaning provided in Sub-section 4.3.2 (A) of this document
CDs	has the meaning provided in Sub-section 9.4.1(f) of this document
Central Bank	the Central Bank of the UAE

Central Bank Law	Decretal Federal Law No. 14 of 2018 regarding the Central Bank and Organisation of Financial Institutions and Activities
Combination	the Merger and the subsequent Acquisition
Combination Resolutions	has the meaning provided on the first page of this document
Combined Group or Combined Bank	ADCB or, as the context may require, the combined businesses of the ADCB Group and the UNB Group (following the implementation of the Merger) and Al Hilal Bank (following completion of the Acquisition)
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
Conversion	has the meaning provided in Sub-section 2.2.2. of this document
Convertible Instrument	means the convertible instrument convertible into shares to be entered into between ADCB and the Al Hilal Bank Shareholder on the Effective Date which governs the terms of the issuance of certain mandatory convertible bonds to, and Conversion by, the Al Hilal Bank Shareholder
Deloitte	Deloitte & Touche (M.E.)
DIFC	Dubai International Financial Centre
ECP Programme	has the meaning provided in Sub-section 9.4.1(d) of this document
Effective Date	the date on which the Merger becomes effective in accordance with its terms
Emiratisation Circular	has the meaning provided in Sub-section 8.3 (g) of this document
Exchange Ratio	the exchange ratio set out in Sub-section 2.2.1 of this document
Financial Advisers	Barclays and JPM
GBS	has the meaning provided in Sub-section 4.3.4 of this document
GCC	Gulf Co-operation Council
GDP	Gross domestic product
GM	as the context requires, the ADCB GM and/or the UNB GM
Government	the Government of Abu Dhabi
HQLA	high quality liquid asset
HNWI	has the meaning provided in Sub-section 4.3.2 (A) of this document
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ISB	has the meaning provided in Sub-section 5.3 (D) of this document
Itmam	Itmam Services LLC
JPM	J.P. Morgan Securities plc
JPM Group	J.P. Morgan Securities plc together with its affiliates
KPMG	KPMG Lower Gulf Limited
KYC	know your customer
LIBOR	London Inter-bank Offered Rate
LCR	liquidity coverage ratio
Listing	the listing of the New ADCB Shares to be issued in connection with the Merger on the Abu Dhabi Securities Exchange
MENA	Middle East and North Africa

Merged Bank	ADCB on and after the Effective Date
Merger	the proposed merger of ADCB and UNB pursuant to Article 283(1) of the Companies Law
Merger Agreement	the agreement dated 29 January 2019 between ADCB and UNB setting out the terms and conditions of, and the parties' rights and obligations in connection with, the implementation of the Merger
New ADCB Shares	as the context may require, the new ADCB Shares to be issued, credited as fully paid, to UNB Shareholders pursuant to the Merger and the new ADCB Shares to be issued and credited as fully paid, to the Al Hilal Bank Shareholder pursuant to the Conversion
NSFR	net stable funding ratio
OPEC	Organisation of the Petroleum Exporting Countries
Orient Insurance	Orient Insurance PJSC
Overseas Shareholders . . .	has the meaning provided in Sub-section 8.4 (j) of this document
PBG	has the meaning provided in Sub-section 6.3 of this document
PRC	the People's Republic of China
Pro Forma Financial Information	has the meaning provided in Part D of Section 7 of this document
Record Date	close of business (Abu Dhabi time) on 20 March 2019, being the last trading day prior to the GMs of ADCB and UNB
Restricted Jurisdiction . . .	any jurisdiction outside the UAE where the issue of the New ADCB 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	has the meaning provided in Part A of Section 10 of this document
Share Sale and Purchase Agreement	the agreement dated 29 January 2019 between ADCB and the Al Hilal Bank Shareholder setting out the terms and conditions of the parties' rights and obligations in connection with the Acquisition
SMEs	small and medium sized enterprises
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
TBG	has the meaning provided in Sub-section 6.3 of this document
TIG	has the meaning provided in Sub-section 5.3 (D) of this document
UAE	the United Arab Emirates
UAE Federal Government .	the federal government of the UAE
UK	United Kingdom
UNB	Union National Bank PJSC
UNB Board	the board of directors of UNB
UNB EMTN Programme .	has the meaning provided in Sub-section 9.4.2(b) of this document
UNB GM	the general assembly meeting of UNB convened for the purpose of, amongst other things, approving the Merger and the subsequent dissolution of UNB
UNB Group	UNB and its subsidiaries and branches
UNB Shareholders	holders of UNB Shares from time to time
UNB Shares	shares of AED 1.00 each in the share capital of UNB

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
USD	US dollars
VAT	has the meaning provided in Sub-section 9.7 of this document
WBG	has the meaning provided in Sub-section 6.3 of this document

ANNEX I
ADCB NOTICE OF GENERAL ASSEMBLY MEETING

Abu Dhabi Commercial Bank PJSC Notice of General Assembly Meeting

Abu Dhabi Commercial Bank's Board of Directors is pleased to invite you to attend the Bank's General Assembly which will be held on the 23rd Floor, at ADCB Head Office Building (intersection of Sheikh Zayed Street with Electra Street), at 12:00 pm on 21 March 2019 (registration will be open from 10:00 am) for reviewing and, if appropriate, approving the following:

1. To hear and approve the Board of Directors' report on the Bank's activities and financial statements for the year ended 31 December 2018.
2. To hear and approve the report of the external auditors of the Bank for the year ended 31 December 2018.
3. To hear and approve the Internal Sharia Supervisory Board's report in respect of the Bank's Islamic banking window for the year ended 31 December 2018.
4. To discuss and approve the audited balance sheet and the profit and loss account of the Bank for the year ended 31 December 2018.
5. Appoint the members of the Internal Sharia Supervisory Board for the Bank's Islamic banking window.
6. To consider and approve the Board of Director's proposal to distribute cash dividends to shareholders for the year 2018 in a sum equal to 46% of the Bank's capital and an amount of AED 2,391,186,356.
7. To determine and approve the Board of Directors' remuneration for 2018.
8. To absolve the members of the Board of Directors of the Bank from liability for their work during the year ended 31 December 2018 or to dismiss them and pursue them as the case may be.
9. To absolve the external auditors of the Bank from liability for their work during the year ended 31 December 2018 or to dismiss them and pursue them as the case may be.
10. Appointment or reappointment of three members of the Board of Directors, nominated by the Abu Dhabi Investment Council, for the period up to the effective date of the Merger.

Special resolution agenda items

1. Approval of the proposed merger (the **Merger**) of Abu Dhabi Commercial Bank (**ADCB**) and Union National Bank PJSC (**UNB**) 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 0.5966 new shares in ADCB for every one share in UNB, subject to the terms and conditions of the Merger including the dissolution of UNB on the effective date of the Merger.
2. Approval of the terms of the Merger agreement entered into between ADCB and UNB in accordance with Article 285(1) of the Law.
3. Approval of the following resolutions and the consequential amendments to ADCB's Articles of Association upon the Merger being effective:
   (a) the increase of the issued share capital of ADCB from AED 5,198,231,209 to AED 6,839,777,906, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;
   (b) the amendment of Article 6(1) of ADCB's Articles of Association to reflect the increase of share capital of ADCB described in (a) above; and
   (c) subject to approval of the concerned authorities, the approval of the amended Articles of Association of ADCB as published on the Bank's website and uploaded to the Abu Dhabi Securities Exchange portal.
4. The approval of the appointment of 11 members to the Board of Directors of ADCB, subject to the terms and conditions of the Merger for a term of three years and with effect from the Merger becoming effective, such 11 members being:
   (a) H.E. Eissa Mohammed Al Suwaidi
   (b) H.E. Mohammed bin Dhaen Al-Hamily

(c) Ala'a Mohammed Eraiqat

(d) Khaled Deemas Al Suwaidi

(e) Ayesha Al Hallami

(f) Khaled Haji Khouri

(g) Abdulla Khalil Al Mutawa

(h) Mohamed Hamad Al Muhairi

(i) Saeed Mohamed Al Mazrouei

(j) Carlos Antoine Obeid

(k) [*to be identified and disclosed to the shareholders through the ADX website before 19 March 2019*]

5. The approval of the issuance by ADCB of a mandatory convertible bond to the shareholder of Al Hilal Bank PJSC as the acquisition price to be paid by ADCB to acquire the entire issued share capital of Al Hilal Bank PJSC (the Acquisition). Such mandatory convertible bond shall be converted into up to 117,647,058 new shares in ADCB and the issued share capital of ADCB shall be increased up to AED 6,957,424,964 on conversion of such mandatory convertible bond.

6. To approve the re-appointment of Deloitte as auditors for the entity resulting from the Merger for the financial year 2019.

7. Issue tier capital instruments (including additional tier 1 capital or subordinated tier 2 capital) notes/bonds or trust certificates with an aggregate face amount of up to U.S.$ 1 billion for the purposes of strengthening ADCB's capital adequacy ratio after obtaining the approval of SCA. The capital instruments shall include the terms and conditions required by the UAE Central Bank of the United Arab Emirates, including, in relation to additional tier 1 capital instruments, the following features: subordination; coupon/profit non-payment events; and non-viability and write-down provisions.

8. The authorisation of the Board of Directors of ADCB, 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: (a) approach the Central Bank for confirmation and registration of the amendments to ADCB's Articles of Association as prescribed by Decretal Federal Law No. 14 of 2018; (b) apply for a certificate to be issued by the Securities and Commodities Authority to declare the merger of ADCB and UNB, the increase in share capital of ADCB in connection with the Merger and Acquisition (as contemplated in Special Resolutions 3(a) and 5 above); (c) apply for the listing of new ordinary shares of the Company on the Abu Dhabi Securities Exchange; and (d) correspond and negotiate with any person, entity (official or otherwise) within and outside the UAE, adopt such resolutions and take any such action as may be necessary to obtain the necessary approvals to effect the Merger and the Acquisition.

Board of Directors

Notes:

1. A person entitled to attend the Assembly may delegate any other person other than the members of the Board by a written proxy. The proxy holder should not hold in this capacity more than 5% of the Bank's share capital. Any minor or incapacitated person shall be represented by their legal guardian or representative. The proxy form can be collected from 21st Floor, ADCB Head Office, Sheikh Zayed Street, or downloaded from the Bank's website, provided that completed forms must be submitted for registration to the Bank's Strategic Relations Dept. at least three days before the Meeting.

2. A corporate person shall be entitled to delegate one of its representatives or officers by a Board resolution to represent it in the General Assembly Meeting of the Bank. The delegated person shall have the powers determined under the delegation decision.

3. The registered owners of shares as of close of trading on 20 March 2019 shall be deemed to be the holders of the right to vote at the Bank's General Assembly.

4. Subject to the General Assembly Meeting approving the Board's dividend proposals, dividends shall be paid or distributed to the shareholders registered with ADX on 31 March 2019 and the last day to participate is 27 March 2019.

5. The shareholders can access and review the financial statements of the Bank on the website of Abu Dhabi Securities Exchange www.adx.ae and on the Bank's website www.adcb.com.

6. The shareholders can access and review the guide to investors rights through the following link: www.sca.gov.ae/Arabic/Pages/Home.aspx.

7. The General Assembly Meeting shall be valid only if attended by shareholders or their representatives by proxy holding not less than 50% of the Bank's issued share capital. In the event that the required quorum for the General Meeting is not met, the second meeting shall be held on 26 March 2019 at the same time and place.

8. A Special Resolution is a resolution passed by majority vote of the shareholders who hold at least 75% of the shares represented in the General Assembly meeting of the Bank.

9. The shareholder circular (Shareholder Circular), which sets out a description of the Merger and the Acquisition and the combined businesses of ADCB, UNB and Al Hilal Bank following completion of the Merger and the Acquisition, together with the proposed Articles of Association of ADCB can be viewed at ADCB's website at www.adcb.com or, alternatively, hard copies of the Shareholder Circular can be obtained (without charge) from the office of ADCB at ADCB Tower, Head Office, Sheikh Zayed Street, Abu Dhabi, PO Box 939, United Arab Emirates.

10. Any Shareholder or Shareholders holding no less than 20% of the share capital of the Bank may appeal the merger at the competent court within 30 business days from the date of passing the special resolutions contemplated by this GAM in accordance with Article 285(2)(B) of the Law.

11. Shareholders must update their respective contact details and addresses with ADX in order to ensure that they receive dividends in the most appropriate manner, as dividends if any, shall be distributed by ADX.

ANNEX II
UNB NOTICE OF GENERAL ASSEMBLY MEETING

Union National Bank PJSC Notice of General Assembly Meeting

The Board of Directors of Union National Bank PJSC is pleased to invite the shareholders to attend the General Meeting of the Bank which will be held on Thursday March 21, 2019 at Four Seasons Hotel—Al Maryah Ballroom Abu Dhabi at 2.00 pm to conduct the following business:

1. To consider and approve the report of the Board of Directors on the Bank's activities and its financial position for the financial year ended 31 December 2018.
2. To consider and approve the report of the external auditors of the Bank for the financial year ended 31 December 2018.
3. To consider and approve the consolidated financial statements for the financial year ended 31 December 2018.
4. To consider and approve the Board of Directors proposal for distribution of cash dividends of 20% of the issued share capital (20 fils per share) with total amount of AED 550,285/- to the shareholders for the financial year ended 31 December 2018.
5. To determine and approve the Board of Directors' remuneration for the financial year ended 31 December 2018.
6. To absolve the Board Directors from liability for the financial year ended 31 December 2018.
7. To absolve the external auditors of the Bank from liability for the financial year ended 31 December 2018.
8. To appoint/reappoint the external auditors of the Bank for the financial year 2019 and to fix their remuneration.

Special Resolutions:

1. Approval of the proposed merger (the **Merger**) of UNB and Abu Dhabi Commercial Bank PJSC (**ADCB**), 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 **Companies Law**) through the issuance of new shares in ADCB to the UNB shareholders in accordance with the Merger exchange ratio and subject to the terms and conditions of the Merger.
2. Approval of the terms of the Merger agreement relating to the Merger entered into between UNB and ADCB in accordance with Article 285(1) of the Companies Law.
3. Approval of special resolutions 1,2,3,4 and 6 adopted by the shareholders of ADCB at the general assembly meeting held by ADCB's shareholders during which the Merger was approved:
   - Resolution No. (1) Approval of the proposed merger (the **Merger**) of Abu Dhabi Commercial Bank (**ADCB**) and Union National Bank PJSC (**UNB**) 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 0.5966 new shares in ADCB for every one share in UNB, subject to the terms and conditions of the Merger including the dissolution of UNB on the effective date of the Merger.
   - Resolution No. (2) Approval of the terms of the Merger agreement entered into between ADCB and UNB in accordance with Article 285(1) of the Law.
   - Resolution No. (3) Approval of the following resolutions and the consequential amendments to ADCB's Articles of Association upon the Merger being effective:
     (a) the increase of the issued share capital of ADCB from AED 5,198,231,209 to AED 6,839,777,906, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective;
     (b) the amendment of Article 6(1) of ADCB's Articles of Association to reflect the increase of share capital of ADCB described in (a) above; and
     (c) subject to approval of the concerned authorities, the approval of the amended Articles of Association of ADCB as published on the Bank's website and uploaded to the Abu Dhabi Securities Exchange portal.

- Resolution No. (4) The approval of the appointment of 11 members to the Board of Directors of ADCB, subject to the terms and conditions of the Merger for a term of three years and with effect from the Merger becoming effective, such 11 members being:

  1. H.E. Eissa Mohammed Al Suwaidi
  2. H.E. Mohammed bin Dhaen Al-Hamily
  3. Ala'a Mohammed Eraiqat
  4. Khaled Deemas Al Suwaidi
  5. Ayesha Al Hallami
  6. Khaled Haji Khouri
  8. Abdulla Khalil Al Mutawa
  9. Mohamed Hamad Al Muhairi
  10. Saeed Mohamed Al Mazrouei
  11. Carlos Antoine Obeid
  12. [*to be identified and disclosed to the shareholders through the ADX website before 19 March 2019*]

- Resolution No. (6) To approve the re-appointment of Deloitte as auditors for the entity resulting from the Merger for the financial year 2019.

4. Approval of the dissolution of UNB, subject to the terms and conditions of the Merger and with effect from the Merger becoming effective, and termination of the corporate personality of UNB and for ADCB to become the legal successor of the Bank in all its rights and obligations.

5. The authorisation of the Board of Directors of UNB, 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 ADCB and UNB, and the dissolution of UNB, effective. The Board of Directors be authorised to communicate with the Securities and Commodities Authority, the UAE Central Bank, the Minister of Economy and the competent authority to de-register UNB 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 ADCB shall become the legal successor in all rights and obligations of UNB.

Board of Directors

Notes:

1. A person entitled to attend the Assembly may delegate any other person other than the members of the Board by a written proxy. The proxy holder should not hold in this capacity more than 5% of the Bank's share capital. Any minor or incapacitated person shall be represented by their legal guardian or representative. The proxy form can be collected from 2nd Floor, Bank Head Office, Sheikh Zayed Bin Sultan Street, provided that completed forms must be submitted for registration to the Bank's Capital Market Services Department at least three days before the Meeting.
2. A corporate person shall be entitled to delegate one of its representatives or officers by a Board resolution to represent it in the General Assembly Meeting of the Bank. The delegated person shall have the powers determined under the delegation decision.
3. The registered owners of shares as of close of trading on 20 March 2019 shall be deemed to be the holders of the right to vote at the Bank's General Assembly.
4. Subject to the General Assembly Meeting approving the Board's dividend proposals, dividends shall be paid or distributed to the shareholders registered with Abu Dhabi Securities Exchange on 31 March 2019 and the last day to participate is 27 March 2019.
5. The shareholders are requested to update their addresses and communication information with Abu Dhabi Securities Exchange in order to ensure appropriate receiving of the dividends as the dividends distribution will be done by Abu Dhabi Exchange.
6. The shareholders can access and review the financial statements of the Bank on the website of Abu Dhabi Securities Exchange www.adx.ae and on the Bank's website www.unb.ae.
7. The General Assembly Meeting shall be valid only if attended by shareholders or their representatives by proxy holding not less than 50% of the Bank's issued share capital. In the event that the required quorum for the General Assembly Meeting is not met, the second meeting shall be held on 28 March 2019 at the same time and place.
8. 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

Capital Market Services Department, 2nd Floor UNB Building, Sheikh Zayed Bin Sultan Street, Abu Dhabi, PO Box 3865, Abu Dhabi, United Arab Emirates at least two days prior to the date of the meeting.

9. A Special Resolution is a resolution passed by majority vote of the shareholders who hold at least 75% of the shares represented in the General Assembly meeting of the Bank.

10. The shareholder circular (**Shareholder Circular**), which sets out a description of the Merger and the Acquisition and the combined businesses of ADCB, UNB and Al Hilal Bank following completion of the Merger and the Acquisition, can be viewed at UNB's website at www.unb.com or, alternatively, hard copies of the Shareholder Circular can be obtained (without charge) from the office of UNB at Capital Market Services Department, 2nd Floor, UNB Building, Sheikh Zayed Bin Sultan Street, Abu Dhabi, PO Box 3865.

11. Any Shareholder or Shareholders holding no less than 20% of the share capital of the Bank may appeal the merger at the competent court within 30 business days from the date of passing the special resolutions contemplated by this General Assembly Meeting in accordance with Article 285(2)(B) of the Companies Law.

12. The shareholders can view the Investors Right Guide on the following link:

    https://www.sca.gov.ae/English/Pages/Home.aspx

BARCLAYS FAIRNESS OPINION

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The Board of Directors
Abu Dhabi Commercial Bank PJSC
Sheikh Zayed Street
P.O. Box 939, Abu Dhabi
United Arab Emirates

28 January 2019

Dear Members of the Board,

Fairness opinion issued to the Board of Directors of Abu Dhabi Commercial Bank PJSC in relation to the proposed merger between Abu Dhabi Commercial Bank PJSC and Union National Bank PJSC and the subsequent acquisition by Abu Dhabi Commercial Bank PJSC of the entire issued share capital of Al Hilal Bank PJSC

1. Background and Scope

We understand that the respective Boards of Directors of Abu Dhabi Commercial Bank PJSC (the "**Company**"), Union National Bank PJSC (the "**Merger Partner**") and Abu Dhabi Investment Council ("**ADIC**") have each reached agreement on the terms of:

(i) the proposed merger between the Company and the Merger Partner, to be effected by way of a merger by affiliation pursuant to Articles 283-291 of the UAE Federal Law No. 2 of 2015 relating to Commercial Companies as amended from time to time (the "**Merger**"). Pursuant to the terms of the Merger set out in the draft merger agreement dated 27 January 2019 (the "**Merger Agreement**"), the assets and liabilities of the Merger Partner will be transferred to the Company and the Company will issue 0.5966 ordinary shares of nominal value AED 1 per share in the capital of the Company (each a "**Company Share**") in exchange for every 1 ordinary share of nominal value AED1 per share in the capital of the Merger Partner (each a "**Merger Partner Share**") (the "**Exchange Ratio**"); and

(ii) subject to completion of the Merger, the proposed acquisition by the Company of 100% of the issued share capital in Al Hilal Bank PJSC ("**Al Hilal**") from ADIC in exchange for which the Company will issue to ADIC a AED 1.0 billion convertible instrument, convertible into 117,647,058 ordinary shares of nominal value AED 1 per share in the capital of the Company (the "**Al Hilal Consideration**") (the "**Acquisition**"). The terms and conditions of the Acquisition are set out in more detail in the draft sale and purchase agreement dated 27 January 2019 (the "**Al Hilal SPA**").

The Board of Directors of the Company has requested our opinion as to whether:

(i) the Exchange Ratio is fair, from a financial point of view, to the holders of the Company Shares who appear on the shareholder register of the Company on the date hereof (the "**Company Shareholders**"); and

(ii) the Al Hilal Consideration proposed to be paid by the Company to ADIC pursuant to the Al Hilal SPA, is fair, from a financial point of view, to the Company Shareholders.

We have not been requested to opine on, and our opinion does not in any manner address, the underlying business decision of the Company's Board of Directors to recommend or proceed with the Merger or the Acquisition. Neither have we been asked to opine on whether the process of achieving the Merger or the Acquisition, including the Company's shareholders' approval of the Merger or the Acquisition, is fair or otherwise.

In arriving at our opinion contained in this letter, we:

(a) reviewed certain publicly available financial statements and other business and financial information relating to the Company and the Merger Partner and Al Hilal that we considered relevant to our analysis;

(b) reviewed certain internal financial statements and other financial and operating data relating to the Company provided to us by the Company;

(c) reviewed projections of independent equity research analysts on the Company and the Merger Partner and compared them with each other;

(d) reviewed a trading history of the Company Shares and the Merger Partner Shares between 1 January 2014 and 24 January 2019 and compared such trading history with those of certain other companies that we deemed relevant;

(e) reviewed the historical financial results and present financial condition of the Company and those of the Merger Partner, and compared them with each other and with those of certain other companies that we deemed relevant;

(f) discussed the Company's and the Merger Partner's past and current business, operations, assets, liabilities, financial condition and prospects with the Company's and the Merger Partner's senior management and their respective advisers, as appropriate;

(g) reviewed the historical financial results and present financial condition of Al Hilal and compared them with those of certain other companies that we deemed relevant;

(h) discussed Al Hilal's past and current business, operations, assets, liabilities, financial condition and prospects with Al Hilal's management and its respective advisers, as appropriate;

(i) assessed and discussed with the Company pro forma impacts of each of the Merger and the Acquisition;

(j) reviewed the draft Legal Vendor Due Diligence report prepared by Allen & Overy LLP on the Company and shared on 12 November 2018, the Legal Vendor Due Diligence report prepared by Clifford Chance LLP on the Merger Partner dated 10 November 2018, as well as the Legal Vendor Due Diligence report prepared by Zulficar & Partners Law Firm on the Merger Partner's Egyptian subsidiary dated 12 November 2018;

(k) reviewed and discussed findings of the Financial and Tax Due Diligence performed by KPMG on the Merger Partner;

(l) reviewed and discussed findings of the top-up Financial Due Diligence performed by KPMG on Al Hilal;

(m) reviewed the draft Financial and Tax Vendor Due Diligence reports prepared by Ernst & Young on the Merger Partner's Egyptian subsidiary dated 22 November 2018 and 27 November 2018;

(n) reviewed the summary of the synergy assessment in respect of the Merger and the Acquisition performed by a strategy consulting company dated 13 December 2018 and 8 January 2019;

(o) reviewed the Financial and Tax Vendor Due Diligence on Al Hilal dated 28 November 2018 prepared by Al Hilal's accounting and tax due diligence adviser;

(p) reviewed the Legal Vendor Due Diligence reports on Al Hilal dated 15 November 2018 prepared by Al Hilal's legal due diligence advisor and reviewed the Legal Vendor Due Diligence on Al Hilal's Kazakhstan subsidiary dated 13 November 2018 prepared by Al Hilal's legal due diligence advisor for Kazakhstan;

(q) reviewed the Merger Agreement, the Al Hilal SPA and certain related documents as we deemed relevant; and

(r) reviewed such other information, undertook such other studies and considered such other factors, as we deemed appropriate.

2. Qualifications, Assumptions and Limitations

We have assumed and relied upon the accuracy and completeness of the financial or other information reviewed by us for the purposes of this opinion, without any independent verification of such information, and have further relied upon the assurances of the Company's management that they are not aware of any facts or circumstances that would make any such information inaccurate or misleading. Upon the Company's advice, we have also relied upon, without independent verification, the assessment of the Company's management team with respect to certain applicable strategic, financial and operational benefits anticipated to result from the Merger and the Acquisition. Furthermore, upon the advice of the Company, we have assumed that the amounts and timing of the expected synergies in relation to the Merger and Acquisition are reasonable and that such synergies will be realised in accordance with such estimates. In addition, on the advice of the Company, we have assumed that Al Hilal will maintain levels of capital above minimum regulatory requirements. We therefore assume no liability or responsibility for and express no opinion with respect to such assessments of anticipated strategic, financial and operational benefits, such synergies, or such maintenance of capital levels by Al Hilal going forwards, or the assumptions on which each of these matters are based.

We have not been provided with, and did not have any access to, any financial projections of the Merger Partner (prepared by or on behalf of the Company or the Merger Partner). Accordingly, we have assumed that the published estimates of third party research analysts (which are the only third party estimates available to us) are a reasonable basis upon which to evaluate the future financial performance of the Company and the Merger Partner and that the Company and the Merger Partner will perform substantially in accordance with such estimates. In relation to Al Hilal, we have not been provided with, and did not have any access to, any financial projections prepared by or on behalf Al Hilal.

In arriving at our opinion, we have not conducted a physical inspection of the properties and facilities of the Company, the Merger Partner or Al Hilal and have not made or obtained any independent valuation or appraisal of the assets or liabilities (including any derivative or off-balance sheet assets and liabilities) of the Company, the Merger Partner or Al Hilal, nor have we evaluated the solvency or fair value of the Company, the Merger Partner or Al Hilal under any laws relating to bankruptcy, insolvency or similar matters. The Company has provided to us the Company's assessment of the quality of the Merger Partner's and Al Hilal's loan portfolios and their asset bases, which we have relied upon without independent verification. Our opinion is necessarily based on financial, economic, market and other conditions as they exist, and can be evaluated, on the date of this letter. We assume no obligation to update, revise or reaffirm our opinion based on circumstances that may occur after the date of this letter.

Save for the opinion given herein, our opinion does not address any impact of completion of the Merger or the Acquisition on the Company Shareholders and in particular our opinion does not address the performance, operations, trading or governance of the combined entity following completion of the Merger and the Acquisition.

Our opinion on the Al Hilal Consideration is expressed solely on the basis of the consideration that would be payable by the Company should closing of the Al Hilal SPA occur on the date of this opinion and we express no view on the fairness of the Al Hilal Consideration to the extent it may be subject to adjustment in the future.

We have assumed that the Merger and the Acquisition will be consummated in accordance with the terms of the last draft of the Merger Agreement and the Al Hilal SPA, respectively, reviewed by us. We have also assumed, upon the advice of the Company, that all material governmental, regulatory and third party approvals, consents and releases for the Merger and the Acquisition will be obtained within the constraints contemplated by the Merger Agreement and the Al Hilal SPA (as applicable) and that the Merger and the Acquisition will be completed in accordance with the terms and conditions set out in the Merger Agreement and the Al Hilal SPA, respectively, without waiver, modification or amendment of any material term or condition thereof. We do not express any opinion as to any tax or other consequences that might result from the Merger or the Acquisition, nor does our opinion address any legal, tax, regulatory or accounting matters, nor does it address the contractual terms of the Merger Agreement or the Al Hilal SPA, as to each of which we understand that the Company has obtained such advice as it deemed necessary from other qualified professionals.

The contractual protections in the Al Hilal SPA are limited, in particular the warranties provided by ADIC which only cover fundamental warranties. Therefore, we have assumed that:

(A) any due diligence findings in respect of Al Hilal either will (i) be remedied at no material cost to the Company or Al Hilal or (ii) have no material impact on the ongoing operations or financial prospects of the Company or Al Hilal; and

(B) the absence of more extensive contractual protections in the Al Hilal SPA will not materially impact the ongoing operations or financial prospects of the Company or Al Hilal,

in each case, to the extent such assumptions may impact our opinion in relation to the Al Hilal Consideration.

We have further assumed that the Acquisition will not be completed unless the Merger is completed simultaneously with, or prior to, the Acquisition.

3. General

Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority and Barclays Bank PLC (DIFC Branch) (Registered No. 0060) which is regulated by the Dubai Financial Services Authority, is acting exclusively as financial adviser for the Company and no one else in connection with the Merger and the Acquisition and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Merger and the Acquisition or any other matter referred to in this document. The Company has agreed to pay us a fee for our services, which is contingent upon completion of the Merger and the Acquisition. In addition, the Company has agreed pursuant to our signed engagement letter with the Company to reimburse our expenses and indemnify us against certain liabilities that could arise out of our engagement. We have provided various investment banking and financial services to the Company, ADIC and to ADIC's controlling shareholder in the past. Specifically, in the last two years we have acted as Joint Bookrunner of the Company's USD 750m 5-year bond issuance and Sole Structuring Agent and Sole Hedge Provider on the Company's 30-year Callable US$540mm Formosa. Furthermore, in the last two years we have acted as Joint Bookrunner on ADIC's controlling shareholder's $1.5bn dual-tranche bond issuance (April 2017) and we are currently mandated as Joint Bookrunner on the potential Initial Public Offering of one of ADIC's affiliates. We may also provide investment banking services to the Company and/or ADIC (as well as to any of their respective affiliates) following completion of the Merger and the Acquisition in the future, for which we would expect to receive fees. We would also note that Sir Gerry Grimstone is an adviser to the board of the Company and is also a non-executive director of Barclays PLC and is Chairman of Barclays Bank PLC.

Barclays, together with its affiliates, (the "**Barclays Group**") is a major global financial services provider, engaged in a wide range of commercial banking, investment banking, investment management and other activities. In the ordinary course of such activities, Barclays Bank PLC and other members of the Barclays Group (or investment funds managed by them or in which they have financial interests) may trade, for their own account or the accounts of their customers, and, accordingly, may at any time hold a long or short position, in the debt and/or equity securities (and/or related derivative securities) of the Company, ADIC and/or the Merger Partner. Furthermore, members of the Barclays Group may have maintained, and may continue to maintain, banking and other commercial relationships with the Company, ADIC, the Merger Partner and/or the combined entity following completion of the Merger and the Acquisition from time to time.

This opinion, the delivery of which has been approved by the Barclays Fairness Opinion Committee, is for the information of the Board of Directors of the Company for the sole purpose of its evaluation of the Merger and the Acquisition on the financial terms of the Merger Agreement and Al Hilal SPA respectively. This opinion is not intended to be relied upon or confer any rights or remedies upon any employee, creditor, shareholder or other equity holder of the Company. This opinion must not be disclosed or referred to publicly, or be communicated to, or be relied upon by, any other person or used for any other purpose without our prior written consent, provided that the Board of Directors may disclose that this opinion has been obtained from us and that a copy of this opinion may be included in its entirety in the shareholder circular to be issued by the Company and the Merger Partner if such inclusion is required by applicable law or regulation or expressly requested by any regulatory authority having jurisdiction over the Company.

Our opinion does not in any way constitute a recommendation as to whether or not the Company Shareholders should vote or act in relation to the Merger or the Acquisition. Furthermore, we express no opinion as to the prices at which the shares of the combined entity may trade following the announcement of or completion of the Merger or the Acquisition and our opinion should not be viewed as providing any assurance that the market value of the shares of the combined entity after the announcement or completion of the Merger will be in excess of the market value of the Company Shares or the Merger Partner Shares at any time prior to the announcement or completion of the Merger or the Acquisition.

We note that the English language version of this letter is the binding version and will prevail over any Arabic or other translation of the same prepared for convenience purposes, whether in the event of inconsistency or otherwise.

This letter is and all matters, disputes, claims or non-contractual obligations arising under or in connection with it are governed by and shall be construed in accordance with English law and the English courts will settle any dispute arising out of or in connection with this letter (including a dispute relating to any non-contractual obligations arising out of or in connection with this letter).

4. Conclusion

Based upon and subject to the foregoing, we are of the opinion on the date hereof that:

(i) the Exchange Ratio pursuant to the Merger is fair, from a financial point of view, to the Company Shareholders; and

(ii) the Al Hilal Consideration proposed to be paid by the Company to ADIC pursuant to the Al Hilal SPA is fair, from a financial point of view, to the Company Shareholders.

Yours faithfully

Barclays Bank PLC

ANNEX IV
JPM FAIRNESS OPINION

J.P.Morgan

29 January 2019

The Board of Directors
Union National Bank P.J.S.C.
Union National Bank Building
Salam Street,
P.O. Box 3865,
Abu Dhabi,
United Arab Emirates

Members of the Board of Directors:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of the ordinary shares of par value AED 1.0 per share (the "Bank Shares") in the share capital of Union National Bank P.J.S.C. (the "Bank") of the Exchange Ratio (as defined below) in the proposed merger (the "Merger") of the Bank with Abu Dhabi Commercial Bank P.J.S.C. (the "Counterparty").

Pursuant to the Merger Agreement (the "Merger Agreement"), between the Bank and the Counterparty, the Bank will merge with the Counterparty, and: (i) each outstanding Bank Share, will be converted into the right to receive 0.5966 ordinary shares (the "Exchange Ratio") of par value AED 1.0 per share in the Counterparty's share capital (the "Counterparty Shares"); and (ii) the Bank shall be dissolved and all of its assets and liabilities shall be transferred to the Counterparty by operation of law.

The Merger Agreement also confirms that the parties intend that the Counterparty will acquire the entire issued share capital of Al Hilal Bank PJSC (the "Target") from Abu Dhabi Investment Council (the "Seller") following the Merger subject to the terms of the Sale and Purchase Agreement (the "SPA") between the Counterparty and the Seller (the "Acquisition" and, together with the Merger, the "Transaction"). Pursuant to the SPA, the Counterparty shall purchase the outstanding ordinary shares of par value AED 1.0 per share in the share capital of the Target (the "Target Shares") in consideration of an amount of AED1,000,000,000, (which may be reduced by any Leakage (as defined in the SPA) occurring since 30 September 2018) (the "Final Price"). The Final Price shall be satisfied by the issuance of a convertible instrument (the "Convertible Instrument") which will convert into such number of Counterparty Shares as equals the Final Price divided by AED8.50 (with any fraction being rounded down) as soon as possible following completion of the Acquisition (the "Acquisition Consideration").

Please be advised that while certain provisions of the Merger and the Acquisition are summarised above, the terms of the Merger and the Acquisition are more fully described in the Merger Agreement and the SPA respectively. As a result, the descriptions of the Merger and the Acquisition and certain other information contained herein are qualified in their entirety by reference to the more detailed information appearing or incorporated by reference in the Merger Agreement and the SPA.

In arriving at our opinion, we have (i) reviewed execution versions provided on 28 January 2019 of each of the Merger Agreement and the SPA, which we have assumed will be identical in all material respects to the final, executed documents; (ii) reviewed certain publicly available business and financial information concerning the Bank, the Counterparty and the Target, the industries in which they operate and certain other companies engaged in businesses comparable to them; (iii) compared the proposed financial terms of the Merger and the Acquisition with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration paid and received for such companies; (iv) compared the financial and operating performance of the Bank, the Counterparty and the Target with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the Counterparty Shares and the Bank Shares and certain publicly traded securities of such other companies; (v) reviewed the audited financial statements of the Bank, the Counterparty and the Target for the fiscal year ended 31 December 2017 and draft financial statements of the Bank, the Counterparty and the Target for the fiscal year ended 31 December 2018; (vi) reviewed certain internal, unaudited financial analyses, projections, assumptions and forecasts prepared at the direction of and approved by the management of the Bank relating to the respective businesses of the Bank, the Counterparty, and the Target for the period ended 31 December 2027, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the Transaction (the "Synergies"); and (vii) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the management of the Bank, the Counterparty and the Target with respect to certain aspects of the Transaction, and the past and current business operations of the Bank, the Counterparty and the Target, the financial condition and future prospects and operations of the Bank, the Counterparty and the Target, the effects of the Transaction on the financial condition and future prospects of the Bank, the Counterparty and the Target, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Bank, the Counterparty and the Target or otherwise reviewed by or for us. We have not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with the Bank, we did not assume any obligation to undertake any such independent verification. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Bank, the Counterparty, or the Target, under any laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses, projections, assumptions and forecasts provided to us or derived therefrom, including the Synergies, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Bank, the Counterparty and the Target to which such analyses, projections, assumptions or forecasts relate. We express no view as to such analyses, projections or forecasts (including the Synergies) or the assumptions on which they were based and the Bank has confirmed that we may rely upon such analyses, projections, assumptions and forecasts (including the Synergies) in the delivery of this opinion. We have also assumed that the Transaction and the other transactions contemplated by the Merger Agreement and the SPA will have the tax consequences described in discussions with, and materials furnished to us by, representatives and advisors of the Bank, the Counterparty and the Target.

We have assumed that the Transaction and the other transactions contemplated by the Merger Agreement and the SPA will be consummated as described in the Merger Agreement and the SPA, without waiver or amendment of any material terms or conditions including, without limitation, in respect of the Merger Agreement, the condition that all of the conditions precedent to completion of the SPA have been satisfied, except for the condition under the SPA relating to the issuance of the SCA Certificate (as defined in the Merger Agreement).

We have also assumed that the representations and warranties made by the Bank and the Counterparty in the Merger Agreement, the Seller and the Counterparty in the SPA and the representations and warranties made in any related agreements are and will be true and correct in all respects material to our analysis, that there will be no exposure under any indemnification obligations or other obligations contained within the Merger Agreement, the SPA or the related agreements in any amount material to our analysis, that the terms of the Convertible Instrument will not include any other matter not described in the Merger Agreement or the SPA material to our analysis, that there will be no material change in the price of the Counterparty Shares between the date hereof and completion of the Acquisition, that there will be no material Leakage under the SPA and that there will be no material indebtedness of any kind owing on completion of the Acquisition between the Seller and any member of its group and the Target and any member of its group.

We are not legal, regulatory, actuarial or tax experts and have relied on, without independent verification, the assessments made by advisors to the Bank with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Bank, the Counterparty and the Target, or on the contemplated benefits of the Transaction. In giving our opinion, we have relied on the Bank's commercial assessments of the Transaction. The decision as to whether or not the Bank enters into the Transaction (and the terms on which it does so) is one that can only be taken by the Bank.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion.

Our opinion is limited to the fairness, from a financial point of view, to the holders of the Bank Shares of the Exchange Ratio and we express no opinion as to the fairness of the Merger or the Acquisition or the Transaction as a whole to, or any consideration to be paid to the holders of any other class of securities, creditors or other constituencies of the Bank or as to the underlying decision by the Bank to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons relative to the Exchange Ratio or the Acquisition Consideration or with respect to the fairness of any such compensation. We are expressing no opinion herein as to the price at which the Bank Shares or the Counterparty Shares will trade at any future time. As a result, other factors after the date hereof may affect the value of the business of the Bank, the Counterparty or the Target after consummation of the Transaction, including but not limited to (i) the total or partial disposition of the share capital of the Bank or Counterparty by shareholders of the Bank or Counterparty within a short period of time after the date hereof or after the effective date of the Transaction, (ii) changes in prevailing interest rates and other factors which generally influence the price of securities, (iii) adverse changes in the current capital markets, (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of the Bank, Counterparty or Target, (v) any necessary actions by or restrictions of governmental agencies or regulatory authorities, and (vi) timely execution of all necessary agreements to complete the Transaction on terms and conditions that are acceptable to all parties at interest. No opinion is expressed as to whether any alternative transaction might be more beneficial to the Bank. We note that we were not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of the Bank or any other alternative transaction.

We have acted as financial advisor to the Bank with respect to the proposed Transaction and will receive a fee from the Bank for our services which will become payable only if the proposed Merger is consummated. In addition, the Bank has agreed to indemnify us for certain liabilities arising out of our engagement. During the two years preceding the date of this letter, we and our affiliates have had commercial or investment banking relationships with the Counterparty and the Target for which we and such affiliates have received customary compensation. Such services during such period have included acting as bookrunner in bond offerings by the Counterparty and/or their affiliate in September 2017 and January, March and July 2018 and as bookrunner in a sukuk offering by an affiliate of the Target in September 2018. In the ordinary course of our businesses, we and our affiliates may actively trade the debt and equity securities of the Bank or the Counterparty for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities. On the basis of 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 the Bank Shares.

This letter is provided to the Board of Directors of the Bank in connection with and for the purposes of its evaluation of the Merger. This opinion does not constitute a recommendation to any shareholder of the Bank as to how such shareholder should vote with respect to the Merger or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval. This opinion may be reproduced in full in any proxy or information statement mailed to shareholders of the Bank but may not otherwise be disclosed publicly in any manner without our prior written approval.

Very truly yours,

J.P. MORGAN SECURITIES PLC

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