

Dubai Islamic Bank PJSC

Invitation to the Shareholders to Subscribe for Capital Increase



بنك دبي الإسلامي

Dubai Islamic Bank

The better way to bank

Dubai Islamic Bank PJSC (the "DIB" or the "Bank") hereby invites its shareholders to subscribe for new shares, by way of a rights issue, as approved by the General Assembly of the Bank and the Securities and Commodities Authority (the "Authority").

1. Decision of the Increase:

The General Assembly of the Bank in its meeting held on Wednesday 21 February 2018 resolved to increase the issued capital of the Bank by up to One Billion, Six Hundred and Forty Seven Million, Three Hundred and Ninety Six Thousand and Two Hundred and Ninety Five Dirhams (AED 1,647,396,295) and delegated to the Board of Directors of the Bank to determine the date and amount of the capital increase.

On Wednesday 18 April 2018, the Board of Directors of the Bank resolved to increase the issued capital of the Bank by One Billion, Six Hundred and Forty Seven Million, Three Hundred and Ninety Six Thousand and Two Hundred and Ninety Five Dirhams (AED 1,647,396,295), by way of a rights issue (the "Rights Issue").

2. Amount of capital increase:

The Rights Issue will increase the capital of the Bank from Four Billion, Nine Hundred and Forty Two Million, One Hundred and Eighty Eight Thousand and Eight Hundred and Eighty Four Dirhams (AED 4,942,188,884) to Six Billion, Five Hundred and Eighty Nine Million, Five Hundred and Eighty Five Thousand and One Hundred and Seventy Nine Dirhams (AED 6,589,585,179), with an increase of One Billion, Six Hundred and Forty Seven Million, Three Hundred and Ninety Six Thousand and Two Hundred and Ninety Five Dirhams (AED 1,647,396,295), and the issuance of One Billion, Six Hundred and Forty Seven Million, Three Hundred and Ninety Six Thousand and Two Hundred and Ninety Five (1,647,396,295) new shares (the "New Shares"). The New Shares will be issued at an issue price of AED 3.11 per New Share, reflecting the nominal value of AED 1.00 per New Share and a share premium of AED 2.11 per share. The price of AED 3.11 per new share (the "Issue Price") reflects a discount of AED 2.54 per share when compared to the market price of the share as at close of trading on 17/04/2018.

3. General Information on the Bank:

- **Bank Name:** Dubai Islamic Bank PJSC
- **Date and Registration Number with the Competent Authority:** 208098 on 29/09/1979
- **Head office:** Dubai, United Arab Emirates
- **Purpose of the Bank:** To undertake banking, financing and investing activities through various Islamic products such as Murabaha, Mudaraba, Musharaka, Wakala, Sukuk, Istisna and Ijarah. The activities of the Bank are conducted in accordance with the Islamic Sharia principles and within the provisions of its Memorandum and Articles of Association.
- **Current Capital:** Four Billion, Nine Hundred and Forty Two Million, One Hundred and Eighty Eight Thousand and Eight Hundred and Eighty Four Dirhams (AED 4,942,188,884).
- **Current Number of Shares:** Four Billion, Nine Hundred and Forty Two Million, One Hundred and Eighty Eight Thousand and Eight Hundred and Eighty Four shares (4,942,188,884 shares).
- **Nominal Value of each Share:** One Dirham (1 AED)
- **Listing Venue:** Dubai Financial Market ("DFM")
- **Purpose of capital increase:** The Bank intends to use the net proceeds from the Rights Issue in order to strengthen the capital base of the Bank and to comply with the Central Bank capital adequacy requirements to meet business needs of the Bank's corporate and retail customers and for working capital for the business to generate cash flows.
- **Auditor:** KPMG
- **Receiving Bank:** The Bank and its branches listed below.

4. Subscription Conditions:

- **Right to Subscribe:**

The Rights Issue will be conducted through the issuance of tradable securities (the "Rights" and each a "Right") pursuant to the Decree of the Authority's Board Decree No. 38 of 2013 (the "Decree") to registered shareholders of the Bank (the "Shareholders" and each a "Shareholder") as at the close of business of the DFM on Sunday 13 May 2018 (the "Eligibility Date") in the amount of 1 Right for every 3 shares held on such date.

The number of Rights will be rounded down to the nearest whole number of Rights and Shareholders will not receive a Right in respect of the fraction of any Rights, with such Rights being deposited into the clearing account or brokerage account of each such Shareholder where his or her existing Shares are held within one day of the Eligibility Date. Shareholders, who hold Rights to subscribe for New Shares but do not wish to exercise their Rights, may sell their Rights to other investors via brokers registered and licensed by the DFM.
- **Trading in the Rights Issue:**

The DFM will coordinate with brokerage firms to add the balance of the Shareholders' Rights in the amount of 1 Right for every 3 Shares held on the Eligibility Date (the "Eligible Persons") to their respective accounts maintained by the respective brokerage firm. This will allow the Shareholders of the Bank to trade their Rights - selling or buying - within the below period (the "Trading Period"):
- **First day of trading the Rights on DFM:** Wednesday 16 May 2018
- **Last day of trading the Rights on DFM:** Wednesday 30 May 2018
- **Subscription period:** Subscription for the New Shares will take place within the below period (the "Subscription Period"). During the Subscription Period, the holders of Rights which include Shareholders and any persons who purchased the Rights during the Trading Period (the "Eligible Persons") and each an "Eligible Person") will be allowed to exercise their Rights to subscribe for the New Shares at the Issue Price.
 - **Subscription Opening Date:** Wednesday 23 May 2018
 - **Subscription Closing Date:** Wednesday 6 June 2018

• Subscription for additional shares:

Pursuant to Article 6 of the Decree, in addition to exercising their Rights to subscribe for one New Share for each Right held, Eligible Persons will also be allowed to apply for additional New Shares ("Additional New Shares"), which will be allocated in the event that any unsubscribed for New Shares remain, either as a result of the consolidation of the unallocated fractional entitlements to New Shares, or the failure by Eligible Persons to exercise their Rights to subscribe for New Shares.

The Additional New Shares will be allocated, on a pro rata basis, to the Eligible Persons who subscribed for such Additional New Shares, based on the number of Additional New Shares requested by such Eligible Persons. If any unsubscribed New Shares still remain after the allocation of the Additional New Shares to the Eligible Persons who had subscribed for such Additional New Shares (the "Public Shares"), the Public Shares will be offered for sale through a public offering (the persons subscribing for the Public Shares being referred to as the "Public Subscribers").

- **Ownership limitations:** 51% of the issued share capital of the Bank must be owned by nationals of the United Arab Emirates.
- **Subscription applications:** Subscription applications are available at the branches of the Receiving Bank listed below.
- **Issue Price:** The New Shares will be issued at an issue price of AED 3.11 Dirhams per New Share, reflecting the nominal value of AED 1.00 per New Share and a share premium of AED 2.11 Dirhams. The price of AED 3.11 per new share (the "Issue Price") reflects a discount of AED 2.54 per share when compared to the market price of the share as at close of trading on 17/04/2018
- **Payment percentage:** The total value of the subscribed for New Shares shall be paid upon submitting the subscription application.
- **Method of payment:** By a Manager's Cheque to the order of the Receiving Bank, or by debiting the account of the Eligible Person with the Receiving Bank. Subscription applications may also be received through UAE Central Bank Fund Transfer System (UAE FTS) mode.
- **Receiving Bank:** Subscriptions shall be received by the Receiving Bank through its branches listed below.
- **Refunds:** Refunds will be given to holders of Rights who did not receive the number of New Shares that they subscribed for. Refunds shall be completed no later than 5 business days from the date of allocation.

The surplus amount shall be returned to the same subscriber's account through which the payment of the original application amount was made, or the account number mentioned in the application form. In the event that the subscriber asks for a refund of the excess amount, payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the subscriber at the address mentioned in the subscription application. Applications received by using the UAE FTS, will be refunded to the same account through the UAE FTS.

5. Allotment Policy

The allotment of the New Shares will be as follows, following the same chronological order:

- **First,** to the subscribers in an amount equal to the number of New Shares for which they have subscribed, to the extent that such number is equal to or less than the number of Rights they respectively hold at the end of the Rights Trading Period;
- **Second,** to the extent that any New Shares remain unsubscribed thereafter, to the subscribers in an amount equal to the number of Additional New Shares for which they have subscribed for in excess of the number of Rights they respectively hold;
- The allocation of Additional New Shares to the subscribers after allocations to the subscribers who have subscribed for a number of New Shares equal to or less than the number of Rights they hold will be on a pro rata basis, scaled back (if necessary) in accordance with the proportion that the number of Additional New Shares requested by the subscriber represents to the total number of Additional New Shares requested by all subscribers who subscribed for such Additional New Shares. There is, therefore, no guarantee that the Eligible Persons applying for Additional New Shares will receive the number of Additional New Shares applied for. No subscriber will receive more New Shares than what they have subscribed for during the Subscription Period.
- **Third,** to the extent that any New Shares remain unsubscribed thereafter, to the public in the UAE whereby allocations will be on a pro rata basis.

6. Required documents for subscribers:

Subscribers shall submit the following documents, along with their subscription applications:

a) For individuals who are UAE, GCC nationals or nationals of any other country:

- The original and a copy of a valid passport or Emirates identity card; and
- In the event that the signatory is different from the subscriber:
 - o the duly notarised power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the relevant country;
 - o the original passport of the signatory for verification of signature and a copy of the original passport; and
 - o the original passport of the subscriber for verification of signature and a copy of the original passport.

In case the signatory is a guardian of a minor, the following will be submitted:

- o original and copy of the guardian's passport for verification of signature;
- o original and copy of the minor's passport; and
- o if the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

b) Corporate bodies including banks, financial institutions, investment funds and other companies and establishments (i.e. juridical persons):

- The original and a copy of a trade licence or commercial registration for verification or a certified copy by one of the following UAE-regulated persons or bodies; a notary public or as otherwise duly regulated in the country;

- The original and a copy of the document that authorizes the signatory to sign on behalf of the subscriber and to represent the subscriber, to submit the application, and to accept the terms and conditions stipulated by the Rights Issue; and
- The original and a copy of the passport of the signatory.

7. Procedures of subscription:

The subscription application must be submitted by Eligible Persons to any participating branch of the Receiving Bank listed below and the Eligible Person's bank account number must be provided, together with the payment for the amount to be used to purchase or subscribe for the New Shares, which is to be paid in one of the following ways:

- certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favor of the Receiving Bank;
- debiting the Eligible Person's account with the Receiving Bank; or
- electronic subscriptions as described below.

Electronic Subscription

The DFM will make its official website (www.dfm.ae) available to subscribers with a NIN registered on the DFM website and holding a valid iVESTOR Card, for them to submit their electronic subscriptions to the Receiving Bank. By submitting the electronic subscription application, the customer submitting the application is accepting the Rights Issue terms and conditions on behalf of the investor and is authorising the iVESTOR Card issuing bank and the Receiving Bank to pay the total subscription amount by debiting the amount from the respective iVESTOR Card or the bank account of the customer and transferring the same to the Offering account in favour of Dubai Islamic Bank PJSC Rights Issue held at the Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out above will not apply to electronic applications.

Subscription applications may also be received through UAE FTS mode. The subscriber choosing the FTS method will be required to provide their valid NIN along with the number of shares subscribed for in the special instructions field. Detailed remittance instructions for the Rights Issue will be available on the DFM website.

The subscription amount may not be paid or accepted by the Receiving Bank using any of the following methods:

- in cash;
- cheques that are not certified; or
- any other mode of payment other than mentioned above.

8. Investor Relations:

For any queries, please contact our call centre on +9714 2075 454 or by email at investorrelations@dib.ae

9. Important dates:

- **Date of publication of the invitation to subscribe for New Shares by way of Rights Issue:** Thursday 19 April 2018
- **Eligibility Date of Rights (record date):** Sunday 13 May 2018
- **Last day to purchase the shares for entitlement:** 2 business days prior to the Eligibility Date (record date), Wednesday 9 May 2018
- **First day of trading in Rights on the DFM:** Wednesday 16 May 2018
- **Last day of trading in Rights on the DFM:** Wednesday 30 May 2018
- **Subscription Opening Date:** Wednesday 23 May 2018
- **Subscription Closing Date:** Wednesday 6 June 2018
- **Date of allocation:** On/before Wednesday 13 June 2018
- **Refund:** On/before Thursday 21 June 2018

Important Note: If the last day for subscription occurs on an official holiday, the Subscription Period shall be extended to the following business day.

Branches of Dubai Islamic Bank		
Emirate	Branch Name	Telephone
Dubai	Al Twar	046012516
Dubai	Nad Al Hamar	043089755
Dubai	Dubai Main Branch	042117131
Dubai	Umm Suqueim	044040888
Dubai	Sheikh Zayed Road	044051711
Dubai	Bur Dubai Branch	044040723
Dubai	Al Barsha - Al Ittihad Mall Branch	044051975
Dubai	Oud Metha Branch	042083455
Abu Dhabi	Abu Dhabi Main Branch	026148601
Abu Dhabi	Baniyas Branch	025048511
Abu Dhabi	Al Wahda Mall	026518355
Abu Dhabi	Al Salam Branch	022012256
Al Ain	Al Jimi Branch	037055283
Al Ain	Al Ain Main Branch	037055111
Sharjah	Sharjah Main Branch	065071111
Sharjah	Wasit Branch	065973630
Ajman	Ajman Main Branch	067110100
Ras Al Khaimah	Ras Al Khaimah Main Branch	072052272
Umm Al Quwain	Umm Al Quwain Main Branch	067068113
Fujairah	Fujairah Main Branch	092053100