Emirates Islamic Bank PJSC

Invitation to the Shareholders to Subscribe for new shares in a Rights Issue

Emirates Islamic Bank PJSC ("**EIB**" 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:

On 5 October 2016, the Board of Directors of the Bank resolved to increase (i) the authorised share capital of the Bank from AED 5,000,000,000.00 to AED 10,000,000,000.00 and (ii) the issued capital of the Bank by AED 1,500,000,000, by way of a rights issue (the "**Rights Issue**").

The General Assembly of the Bank in its meeting held on 20 October 2016 resolved to increase (i) the authorised share capital of the Bank from AED 5,000,000,000.00 to AED 10,000,000,000.00 and (ii) the issued capital of the Bank by AED 1,500,000,000.00 and authorised the Board of Directors of the Bank to determine the terms and date of the Rights Issue.

2. Amount of capital increase:

The Rights Issue will increase the capital of the Bank by AED 1,500,000,000 from AED 3,930,421,875.00 to AED 5,430,421,875.00, by creating 1,500,000,000 new shares (the "**New Shares**"). The New Shares will be issued at an issue price of AED 1.00 per New Share (the "**Issue Price**"), reflecting the nominal value of AED 1.00 per New Share.

3. General Information on the Bank:

- **Bank Name**: Emirates Islamic Bank PJSC
- **Registration Number and Date with the Competent Authority**: 65 on 3 April 2005.
- **Head office:** Dubai, United Arab Emirates
- **Purpose of the Bank**: To undertake full commercial and banking services and offer a variety of products through Islamic financing and investment instruments 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**: AED 3,930,421,875.00
- **Current Number of Shares**: 3,930,421,875 shares.
- **Listing Venue:** Dubai Financial Market ("**DFM**")
- **Nominal Value of each Share**: One Dirham (1.00 AED)
- **Purpose of capital increase**: The Bank intends to use the net proceeds from the Rights Issue to comply with the Central Bank capital adequacy requirements and to strengthen the capital base of the Bank to reflect the current and expected growth of the Bank.
- **Auditor**: Ernst & Young
- **Bookrunner:** Emirates NBD Capital PSC
- **Receiving Banks**: Emirates NBD Bank PJSC and Emirates Islamic Bank PJSC.

4. Subscription Conditions:

- **Right to Subscribe**:

The Rights Issue will be conducted through the issue of tradable securities (the "**Rights**" and each a "**Right**") pursuant to the Decree of the Authority's Board 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 5 December 2016 (the "**Eligibility Date**") in the amount of 1 Right for every 2.63 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 2.63 shares held on the Eligibility Date to their respective accounts maintained by the respective brokerage firms. This will allow those Shareholders to trade their Rights, whether selling or buying, within the below period (the "**Trading Period**"):

  - **First day of trading the Rights on DFM**: 7 December 2016
  - **Last day of trading the Rights on DFM**: 21 December 2016

- **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 includes 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**: 14 December 2016
  - **Subscription Closing Date**: 28 December 2016
- **Subscription for Additional New 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 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 in full to subscribe for New Shares.

The Additional New Shares will be allocated, on a *pro rata* basis, to those Eligible Persons who subscribed for such Additional New Shares, based on the number of Additional New Shares requested by such Eligible Persons. The Bank's principal shareholder, Emirates NBD PJSC, has committed to (i) exercise all its Rights and subscribe for its full entitlement to New Shares and (ii) subscribe for any Additional New Shares that are not subscribed for by other Eligible Persons. As a result, all the New Shares will be allocated to those Eligible Persons subscribing for New Shares and Additional New Shares (if any) and therefore there will be no requirement for the Bank to offer any remaining New Shares through a public offering.

- **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 Banks listed below.
- **Issue Price**: The New Shares will be issued at an issue price of AED 1.00 per New Share, reflecting the nominal value of AED 1.00 per New Share.
- **Payment percentage**: The total value of the New Shares subscribed for 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.
- **Receiving Banks**: Subscriptions shall be received by the Receiving Banks through their 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 five business days from the date of closing the Subscription Period.

The amount to be refunded shall be returned to the subscriber's bank account with the Receiving Bank or if payment of the subscription amount was made by manager's cheque, by sending a cheque to the subscriber at the address stated in the subscription application.

5. Allotment Policy

The allotment of the New Shares will be as stated, and in the same order of priority, below:

- **First**, to Eligible Persons who subscribe for New Shares in an amount equal to the number of New Shares applied for, 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 Eligible Persons who subscribe for Additional New Shares in an amount equal to the number of Additional New Shares applied for in excess of the number of Rights they respectively hold;
- The allocation of Additional New Shares to Eligible Persons who have subscribed for Additional New Shares will be after allocations to Eligible Persons 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, reduced (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 Eligible Persons who subscribed for Additional New Shares. There is, therefore, no guarantee that the Eligible Persons subscribing for Additional New Shares will receive the number of Additional New Shares applied for. No Eligible Person will receive more New Shares than the number they subscribed for during the Subscription Period. As noted above, Emirates NBD PJSC has committed to subscribe for any Additional New Shares that are not subscribed for by other Eligible Persons. Accordingly, there will be no requirement for the Bank to offer any remaining New Shares through a public offering.

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:
  - the duly notarised power of attorney held by that signatory or a certified copy by UAE-regulated persons or bodies, such as a notary public, or as otherwise duly regulated in the relevant country;
  - the original passport of the signatory for verification of signature and a copy of the original passport; and
  - 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 must be submitted:

  - the original and a copy of the guardian's passport for verification of signature;
  - the original and a copy of the minor's passport; and
  - if the guardian is appointed by the court, the original and a copy of the guardianship deed attested by the court and/or 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 UAE-regulated persons or bodies; such as a notary public, or as otherwise duly regulated in the relevant 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 of 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 the branches of the Receiving Banks listed below and the Eligible Person's bank account number must be provided, together with the payment for the amount it wishes to use 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 Emirates Islamic Bank PJSC; or
- debiting the Eligible Person's account with one of the Receiving Banks.

Last date for manager's cheques will be one business day before the last day of the Subscription Period.

The subscription amount may not be paid, and will not be 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.

Electronic Subscription

Electronic subscription is not being made available by the DFM or by using iVestor Cards or the UAE FTS.

8. Contact Centre:

For any queries, please contact our call centre on +971 4 387 4047.

9. Important dates:

- **Date of publication of the invitation to subscribe for New Shares by way of Rights Issue**: 30 November 2016.
- **Eligibility Date of Rights (record date)**: 5 December 2016
- **First day of trading in Rights on the DFM**: 7 December 2016
- **Last day of trading in Rights on the DFM**: 21 December 2016
- **Subscription Opening Date**: 14 December 2016
- **Subscription Closing Date**: 28 December 2016
- **Date of allocation**: 29 December 2016
- **Refund**: On or before 29 December 2016
- **Dealings in the New Shares**: On or before 1 January 2017.

Important Note: The dates for the Rights Issue set out in this Invitation are expected dates and are subject to change, including if any date falls on an official holiday in the UAE. In such circumstances, details of the new dates will be notified to investors in two UAE daily Arabic language newspapers and on EIB's website (*www.emiratesislamic.ae*).

10. Receiving Banks:

Emirates NBD Bank PJSC Head Office and Main Office Branch Baniyas Road Deira Dubai UAE Contact: [04 387 4047]	Emirates Islamic Bank PJSC Dubai Health Care City Branch Building No. 16 Dubai Health Care City Dubai UAE Contact: 04 415 2267

Participants:

Bookrunner	Receiving Banks
Emirates NBD Capital PSC	*Emirates NBD Bank PJSC and Emirates Islamic Bank PJSC*

Legal Adviser to EIB

Clifford Chance LLP