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Neither the Joint Lead Managers, the Delegate, the Agents nor any of their respective affiliates accepts any responsibility whatsoever for the contents of the document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Trustee, DIB or the offer. The Joint Lead Managers, the Delegate, the Agents and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Lead Managers, the Delegate, the Agents or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in the document and none of the Joint Lead Managers, the Delegate, the Agents or their respective affiliates accepts any responsibility for any acts or omissions of the Trustee, DIB or any other person in connection with the document or issue and offering of the Certificates.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Joint Lead Manager or any affiliate of the Joint Lead Manager is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of DIB and the Trustee in such jurisdiction.

Under no circumstances shall the document constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the document who intend to subscribe for or purchase the Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the final version of the document.

If you received the document by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on the e-mail software, will

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DIB TIER 1 SUKUK (6) LTD.

(incorporated with limited liability under the laws of the Cayman Islands)

U.S.\$500,000,000 Additional Tier 1 Capital Certificates

The U.S.\$500,000,000 Additional Tier 1 Capital Certificates (the **Certificates**) of DIB Tier 1 Sukuk (6) Ltd. (in its capacity as issuer and in its capacity as trustee, as applicable the **Trustee**) will be constituted by a declaration of trust (the **Declaration of Trust**) dated 16 October 2024 (the **Issue Date**) entered into between the Trustee, Dubai Islamic Bank PJSC (**DIB**) and HSBC Bank plc as (i) the donee of certain powers as set out in the Declaration of Trust and as (ii) the delegate of the Trustee (the **Delegate**). Pursuant to the Declaration of Trust, the Trustee will declare that it will hold the Trust Assets (as defined herein) upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the Declaration of Trust and the terms and conditions of the Certificates (the **Conditions**).

If a Non-Viability Event (as defined herein) occurs, a Write-down (as defined herein) shall occur on the relevant Non-Viability Event Write-down Date (as defined herein), as more particularly described in Condition 11. In such circumstances, the Certificateholders' rights to the Trust Assets (including the Mudaraba Assets (as defined herein)) shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the relevant Write-down Amount (as defined herein) and in the case of the relevant Write-down Amount corresponding to the full proportion of the Prevailing Face Amount (as defined herein) of each Certificate then outstanding, the Certificates shall be cancelled. See "**Risk Factors – Risks Relating to the Certificates – Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' right to any profit will be permanently written-down upon the occurrence of a Non-Viability Event**".

The Certificates will be limited recourse obligations of the Trustee. An investment in the Certificates involves certain risks. For a discussion of these risks, see "Risk Factors – Risks Relating to the Certificates – Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' right to any profit will be permanently written-down upon the occurrence of a Non-Viability Event**". In particular, there are risks inherent in the holding of the Certificates, including the risks relating to subordination of claims in connection therewith and the circumstances in which a Certificateholder may suffer losses as a result of holding the Certificates. See "**Risk Factors – Risks Relating to the Certificates – The circumstances triggering a Write-down are unpredictable and Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, or without, any losses being required to be borne by DIB's shareholders**".**

The payment obligations of DIB under the Mudaraba Agreement (as defined herein) (including all payments which are the equivalent of principal (being capital amounts, including the Mudaraba Capital (as defined herein), payable in accordance with the provisions of the Mudaraba Agreement) and profit) (the **Relevant Obligations**) will, subject to the Solvency Conditions (as defined herein) being satisfied at the relevant time and no bankruptcy order having been issued in respect of DIB by a court in the United Arab Emirates (the **UAE**), rank in priority only to all Junior Obligations (as defined herein). Payments in respect of the Relevant Obligations by DIB are conditional upon (i) DIB being Solvent (as defined herein) at all times from (and including) the first day of the relevant Periodic Distribution Period (as defined herein) (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable; (ii) DIB being capable of making payment of the Relevant Obligations and any other payment that is due to be made on the relevant date to a creditor in respect of all Senior Obligations and all *Pari Passu* Obligations (each, as defined herein) and still be Solvent immediately thereafter; and (iii) the total share capital (including, without limitation, retained earnings) of DIB being greater than zero at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable (together, the **Solvency Conditions**). **In addition, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of DIB has been issued by a court in the UAE, all claims of the Trustee in respect of the Relevant Obligations will be extinguished and the Certificates will be cancelled without any further payment to be made by DIB in respect of the Relevant Obligations.**

Periodic Distribution Amounts (as defined herein) shall be payable subject to and in accordance with the Conditions on the Prevailing Face Amount of the Certificates then outstanding from (and including) the Issue Date to (but excluding) 16 October 2030 (the **First Reset Date**) at a rate of 5.250 per cent. per annum. If the Certificates are not redeemed or purchased and cancelled in accordance with the Conditions on or prior to the First Reset Date, Periodic Distribution Amounts shall be payable from (and including) the First Reset Date subject to and in accordance with the Conditions at a fixed rate, to be reset on the First Reset Date and every six years thereafter, equal to the Relevant Six Year Reset Rate (as defined in the Conditions) plus a margin of 1.334 per cent. per annum. Periodic Distribution Amounts will, if payable pursuant to the Conditions, be payable semi-annually in arrear on 16 April and 16 October in each year, commencing 16 April 2025. Payments on the Certificates will be made free and clear of and without withholding or deduction for, or on account of, taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, imposed or levied by or on behalf of any Relevant Jurisdiction (as defined herein) (the **Taxes**) to the extent described under Condition 13. Each payment of a Periodic Distribution Amount will be made by the Trustee provided that DIB (in its capacity as Mudareb (as defined herein)) shall have paid Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit (as applicable) (each as defined herein) equal to such Periodic Distribution Amount pursuant to the terms of the Mudaraba Agreement (as defined in the Conditions). Payments of such profit amounts under the Mudaraba Agreement are subject to mandatory cancellation if a Non-Payment Event (as defined herein) occurs, and are otherwise at the sole discretion of DIB (as Mudareb). Any Periodic Distribution Amounts not paid as aforesaid will not accumulate and neither the Trustee nor the Certificateholders shall have any claim in respect thereof.

The Certificates are perpetual securities and have no fixed or final redemption date. Unless the Certificates have previously been redeemed or purchased and cancelled as provided in the Conditions, DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, redeem all but not some only of the Certificates on 16 April 2030 (the **First Call Date**) or on any date thereafter up to and including the First Reset Date or any Periodic Distribution Date following the First Reset Date in accordance with Condition 10.1(b). In addition, upon the occurrence of a Tax Event or a Capital Event (each as defined herein), DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall redeem all, but not some only, of the Certificates or vary the terms thereof, in each case at any time on or after the Issue Date in accordance with Conditions 10.1(c) or 10.1(d), respectively. Any redemption or variation is subject to the conditions described in Condition 10.1.

If a DIB Event (as defined in the Conditions) occurs, the Delegate shall (subject to Condition 12.1) give notice of the occurrence of such event to the Certificateholders in accordance with Condition 17 with a request to the Certificateholders to indicate to the Trustee and the Delegate in writing if they wish the Certificates to be redeemed and the Trust to be dissolved (a **Dissolution Request**). If so requested in writing by the Certificateholders of at least 20 per cent. of the aggregate face amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution of Certificateholders, the Delegate shall (but in each case subject to Condition 12.3(e)(i)), give notice (a **Dissolution Notice**) to the Trustee that the Certificates are immediately due and payable at the Prevailing Face Amount of the Certificates then outstanding together with any Outstanding Payments (as defined in the Conditions), whereupon the aggregate face amount of the Certificates then outstanding together with any Outstanding Payments shall become immediately due and payable and, upon receipt of such Dissolution Notice, the Trustee and/or the Delegate shall subject to Condition 12.3 take the actions referred to therein.

This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the **Central Bank of Ireland**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Trustee or DIB or of the quality of the Certificates. Investors should make their own assessment as to the suitability of investing in the Certificates.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Certificates to be admitted to the official list (the **Official List**) and trading on the regulated market (the **Euronext Dublin Regulated Market**) of Euronext Dublin. The Euronext Dublin Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, **MiFID II**). This Prospectus has been approved by the Dubai Financial Services Authority (the **DFSA**) under Rule 2.6 of the DFSA's Markets Rules (the **Markets Rules**) and is therefore an approved prospectus for the purposes of Article 14 of the DIFC Law No. 1 of 2012 (the **Markets Law**). Application has also been made to the DFSA for the Certificates to be admitted to the official list of securities maintained by the DFSA (the **DFSA Official List**) and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai. References in this Prospectus to Certificates being **listed** (and all related references) shall mean that such Certificates have been (a) admitted to listing on the Official List and the DFSA Official List and (b) admitted to trading on the Euronext Dublin Regulated Market and on Nasdaq Dubai.

This Prospectus is valid until the Certificates are admitted to trading on the Euronext Dublin Regulated Market of and to listing on the Official List of Euronext Dublin. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid. For the purposes of this Prospectus, **valid** means valid for admissions to trading on a regulated market by or with the consent of the Trustee and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Certificates or the time when trading on a regulated market begins, whichever occurs later.

The Certificates will be represented by interests in a global certificate in registered form (the **Global Certificate**) deposited on or before the Issue Date with, and registered in the name of a nominee for, a common depositary (the **Common Depositary**) for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Definitive Certificates evidencing holdings of interests in the Certificates will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein.

This Prospectus relates to an Exempt Offer in accordance with the Markets Rules of the DFSA. This Prospectus is intended for distribution only to persons of a type specified in the Markets Rules. It must not be delivered to, or relied on by, any other person. The DFSA does not accept any responsibility for the content of the information included in this Prospectus, including the accuracy or completeness of such information, nor has it determined whether the Certificates are Shari'a-compliant. The liability for the content of this Prospectus lies with the Trustee and DIB. The DFSA has also not assessed the suitability of the Certificates to which this Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Certificates to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

The transaction structure relating to the Certificates (as described in this Prospectus) and the Transaction Documents (as defined herein) have been approved by each of the Internal Sharia Supervision Committee of DIB and the Sharia Committee of Dar al Sharia Islamic Finance Consultancy LLC, the Internal Shariah Supervision Committee of Emirates NBD – Islamic, the Internal Shariah Supervision Committee of First Abu Dhabi Bank PJSC, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Global Shariah Supervisory Committee of Standard Chartered Bank as, in their view, complying with Shari'a principles as applicable to, and interpreted by, them. Prospective Certificateholders should not rely on the approvals referred to above in deciding whether to make an investment in the Certificates and should consult their own Shari'a advisers as to whether the proposed transaction described in the approvals referred to above, including tradability of the Certificates in the secondary market, is in compliance with Shari'a principles (including, without limitation, their individual standards of compliance relating thereto). Prospective Certificateholders are reminded that, as with any Shari'a views, differences in opinion are possible and different Shari'a standards may be applied by different Shari'a advisers.

The Certificates may only be offered, sold or transferred in registered form in minimum face amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Amounts payable on the Certificates following the First Reset Date will be calculated by reference to one or more U.S. Treasury rates. As at the date of this Prospectus, the administrator(s) of the relevant U.S. Treasury rate(s) are not included in the register of administrators of the European Securities and Markets Authority (**ESMA**) under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). As far as the Trustee is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the administrator(s) of the relevant U.S. Treasury rate(s) are not currently required to obtain authorisation/registration (or, if located outside the EU, recognition, endorsement or equivalence).

JOINT LEAD MANAGERS

Al Rajhi Capital

Dubai Islamic Bank

Emirates NBD Capital

First Abu Dhabi Bank

HSBC

Sharjah Islamic Bank P.J.S.C.

Standard Chartered Bank

CO-MANAGER

Arqaam Capital

The date of this Prospectus is 14 October 2024

This Prospectus complies with the requirements in Part 2 of the Markets Law and Chapter 2 of the Market Rules and comprises a prospectus for the purposes of Article 6 of the Prospectus Regulation.

The Trustee and DIB accept responsibility for the information contained in this Prospectus. To the best of the knowledge of each of the Trustee and DIB the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Certain information under the headings "*Risk Factors*", "*Description of the Group*" and "*The United Arab Emirates Banking Sector and Regulations*" has been extracted from information provided by or obtained from independent third party sources and, in each case, the relevant source of such information is specified where it appears under those headings. Each of the Trustee and DIB confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

None of Al Rajhi Capital Company, Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, Sharjah Islamic Bank P.J.S.C. and Standard Chartered Bank (together, the **Joint Lead Managers**) and Arqaam Capital Limited (the **Co-Manager** and together with the Joint Lead Managers, the **Managers**), nor any of their directors, affiliates, advisers, agents, the Delegate nor the Agents (as defined in the Agency Agreement) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or any other information provided by the Trustee or DIB in connection with the Certificates or for any acts or omissions of the Trustee, DIB or any other person in connection with this Prospectus or the issue and offering of the Certificates.

To the fullest extent permitted by law, the Managers, the Delegate and the Agents each accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by a Manager, the Delegate or an Agent or on its behalf in connection with the Trustee, DIB or the issue and offering of the Certificates. Each of the Managers, the Delegate and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

No person is or has been authorised by the Trustee, DIB, the Managers, the Delegate or the Agents to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the offering of the Certificates and, if given or made, such information or representation should not be relied upon as having been authorised by the Trustee, DIB, the Managers, the Delegate or any of the Agents.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Certificates shall, in any circumstances, constitute a representation or create any implication that the information contained in this Prospectus is correct subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or the financial or trading position of the Trustee or DIB since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Certificates is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No advice is given by the Trustee, DIB, the Managers, the Delegate or the Agents or, any of their directors, affiliates, advisers or agents in respect of taxation matters relating to the Certificates or the legality of the purchase of the Certificates by an investor under applicable or similar laws.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Certificates may be offered or sold solely to persons who are not U.S. persons outside the United States in reliance on Regulation S. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

DIB has been assigned ratings of "A" by Fitch Ratings Limited (**Fitch**) with a "stable" outlook and "A3" by Moody's Investors Service Cyprus Ltd. (**Moody's**) with a "stable" outlook.

Fitch is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (the **UK CRA Regulation**). Fitch is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited. Fitch Ratings Ireland Limited is established in the European Union and registered under the CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Moody's is established in the European Union and is registered under the CRA Regulation. As such Moody's is included in the list of credit rating agencies published by ESMA on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The rating issued by Moody's has been endorsed by Moody's Investors Services Ltd. Moody's Investors Services Ltd. is established in the United Kingdom and is registered under the UK CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency organisations.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, SHARI'A ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, LEGAL, SHARI'A, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF ANY CERTIFICATES.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Trustee, DIB, the Managers, the Delegate or the Agents makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

The distribution of this Prospectus and the offering, sale and delivery of the Certificates in certain jurisdictions may be restricted by law. None of the Trustee, DIB, the Managers, nor any of their directors, affiliates, advisers, agents, the Delegate or the Agents represents that this Prospectus may be lawfully distributed, or that Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, DIB, the Managers, nor any of their directors, affiliates, advisers, agents, the Delegate or the Agents which is intended to permit a public offering of the Certificates or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Accordingly, the Certificates may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Prospectus comes are required by the Trustee, DIB and the Managers to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Certificates in the United States, the European Economic Area (**EEA**), the United Kingdom, the UAE (excluding the Abu Dhabi Global Market (**ADGM**) and the Dubai International Financial Centre (**DIFC**)), the ADGM, the DIFC, the Cayman Islands, the Kingdom of Saudi Arabia, State of Kuwait, the Kingdom of Bahrain, Hong Kong, Singapore, Malaysia and Switzerland. For a description of the restrictions on offers, sales and deliveries of Certificates and on the distribution of this Prospectus and other offering material relating to the Certificates, see "*Subscription and Sale*".

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase Certificates, is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Trustee, DIB, the Managers, the Delegate, the Agents or any of their directors, affiliates, advisers, agents or any of them that any recipient of this Prospectus should subscribe for, or purchase, the Certificates. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and DIB. None of the Managers, the Delegate or the Agents undertakes to review the financial condition or affairs of the Trustee or DIB during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Certificates of any information coming to the attention of any of the Managers.

The Certificates are of high risk and may not be a suitable or appropriate investment for all investors (see, in particular, "*MIFID II Product Governance / Professional Investors and ECPS only Target Market*", "*UK MIFIR Product Governance / Professional Investors and ECPS only Target Market*", "*PRIIPS Regulation / Prohibition of Sales to EEA Retail Investors*" and "*UK PRIIPS Regulation / Prohibition of Sales to UK Retail Investors*" below). In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Certificates to investors. There are risks inherent in the holding of the Certificates, including the risks relating to subordination of claims in connection therewith and the circumstances in which a prospective investor may suffer loss as a result of holding the Certificates. For a discussion of these risks, see "*Risk Factors*".

Each prospective investor in the Certificates must determine the suitability of its investment in light of its own circumstances. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Prospectus;**
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;**
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency of payment is different from the prospective investor's currency;**
- (iv) understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets;**
- (v) be able to evaluate the compliance of the Certificates with Shari'a principles (including without limitation, their individual standards of compliance relating thereto); and**

- (vi) **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.**

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent: (a) the Certificates are legal investments for it; (b) the Certificates can be used as collateral for various types of financing; and (c) other restrictions apply to its purchase or pledge of any Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

The Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective investor should not invest in the Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the prospective investor's overall investment portfolio.

No comment is made or advice given by the Trustee, DIB, the Managers, the Delegate or the Agents in respect of taxation matters relating to the Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Prospectus may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning DIB's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Description of the Group*" and "*Risk Management*" and other sections of this Prospectus. DIB has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although DIB believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable, if any of DIB's underlying assumptions prove to be incomplete or inaccurate, DIB's actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "*Risk Factors*", "*Description of the Group*", "*Risk Management*" and "*The United Arab Emirates Banking Sector and Regulations*", which include a more detailed description of the factors that might have an impact on DIB's business development and on the industry sector in which DIB operates.

These forward-looking statements speak only as at the date of this Prospectus. Without prejudice to any requirements under applicable laws, DIB expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any forward-looking statement is based. Given the uncertainties of forward-looking statements, DIB cannot assure prospective investors that projected results or events will be achieved and DIB cautions prospective investors not to place undue reliance on these statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF FINANCIAL INFORMATION

The financial statements relating to the Group included in this document are as follows:

- the unaudited condensed consolidated interim financial information as at and for the six-month period ended 30 June 2024 (the **Interim Financial Information**);
- the audited consolidated financial statements as at and for the year ended 31 December 2023 together with comparative financial information for the year ended 31 December 2022 (the **2023 Financial Statements**); and
- the audited consolidated financial statements as at and for the year ended 31 December 2022 together with comparative financial information for the year ended 31 December 2021 (the **2022 Financial Statements** and, together with the 2023 Financial Statements, the **Annual Financial Statements**).

The Group's financial year ends on 31 December, and references in this Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (the **IASB**). The Annual Financial Statements were audited in accordance with International Standards on Auditing by Deloitte & Touche (M.E.), without qualification as stated in their audit reports appearing therein. The Interim Financial Information has been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*". The Interim Financial Information was reviewed by Deloitte & Touche (M.E.) in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", as stated in their review report appearing therein. The Interim Financial Information and the Annual Financial Statements are together referred to as the **Financial Statements**.

The Group publishes its financial statements in dirham (as defined below).

PRESENTATION OF OTHER INFORMATION

In this document, references to:

- **Abu Dhabi** and **Dubai** are to the Emirate of Abu Dhabi and the Emirate of Dubai, respectively;
- **Central Bank** are to the central bank of the UAE;
- **GCC** are to the Gulf Co-operation Council;
- **Group** are to DIB and its consolidated subsidiaries and associates taken as a whole;
- **MENA region** are to the Middle East and North Africa region;
- **UAE** are to the United Arab Emirates;
- **U.S.\$** and **U.S. dollars** are to the lawful currency of the United States;
- **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- **dirham** and **AED** are to the lawful currency of the UAE; and
- a **billion** are to a thousand million.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is a fixed rate of AED 3.6725 = U.S.\$1.00. All U.S. dollar translations of dirham amounts appearing in this Prospectus have been translated at this fixed exchange rate. Such translations should not be construed as representations that dirham amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments. For the purposes of calculating certain figures and percentages, the underlying numbers used have been extracted from the Financial Statements rather than the rounded numbers contained in this Prospectus. Accordingly figures

shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Information contained in any website referred to herein does not form part of this Prospectus.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Any Shari'a non-compliant term used in this Prospectus has been included to give the correct meaning to a particular statement or a Condition and does not impact the Shari'a compliant nature of the Transaction Documents.

ALTERNATIVE PERFORMANCE MEASURES

A number of the financial measures presented by DIB in "*Selected Financial Information – Key business ratios*" in this Prospectus are not defined in IFRS. However, DIB believes that these measures provide useful supplementary information to both investors and DIB's management, as they facilitate the evaluation of company performance. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be seen as a substitute for measures defined in IFR.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

There are no manufacturers for the purposes of MiFID II. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should consider (i) the target market for the Certificates to be eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients to be appropriate. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR, only; and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article

4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPS REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the Financial Services and Markets Act 2000 (as amended, **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Certificates or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS AMENDED OR MODIFIED FROM TIME TO TIME (THE SFA)

In connection with Section 309B of the SFA, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

VOLCKER RULE

THE VOLCKER RULE, WHICH BECAME EFFECTIVE ON 1 APRIL 2014, BUT WAS SUBJECT TO A CONFORMANCE PERIOD FOR CERTAIN ENTITIES THAT CONCLUDED ON 21 JULY 2015, GENERALLY PROHIBITS "BANKING ENTITIES" (WHICH IS BROADLY DEFINED TO INCLUDE U.S. BANKS AND BANK HOLDING COMPANIES AND MANY NON-U.S. BANKING ENTITIES, TOGETHER WITH THEIR RESPECTIVE SUBSIDIARIES AND OTHER AFFILIATES) FROM (I) ENGAGING IN PROPRIETARY TRADING, (II) ACQUIRING OR RETAINING AN OWNERSHIP INTEREST IN OR SPONSORING A "COVERED FUND", AND (III) ENTERING INTO CERTAIN RELATIONSHIPS WITH "COVERED FUNDS". THE GENERAL EFFECTS OF THE VOLCKER RULE REMAIN UNCERTAIN; ANY PROSPECTIVE INVESTOR IN THE CERTIFICATES AND ANY ENTITY THAT IS A "BANKING ENTITY" AS DEFINED UNDER THE VOLCKER RULE WHICH IS CONSIDERING AN INVESTMENT IN THE CERTIFICATES SHOULD CONSULT ITS OWN LEGAL ADVISERS AND CONSIDER THE POTENTIAL IMPACT OF THE VOLCKER RULE IN RESPECT OF SUCH INVESTMENT. IF INVESTMENT BY "BANKING ENTITIES" IN THE CERTIFICATES IS PROHIBITED OR RESTRICTED BY THE VOLCKER RULE, THIS COULD IMPAIR THE MARKETABILITY AND LIQUIDITY OF SUCH CERTIFICATES. NO ASSURANCE CAN BE MADE AS TO THE EFFECT OF THE VOLCKER RULE ON THE ABILITY OF CERTAIN INVESTORS SUBJECT THERETO TO ACQUIRE OR RETAIN AN INTEREST IN THE CERTIFICATES, AND ACCORDINGLY NONE OF THE TRUSTEE, DIB, THE MANAGERS, THE DELEGATE OR THE AGENTS, OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATION REGARDING (A) THE STATUS OF THE TRUSTEE UNDER THE VOLCKER RULE (INCLUDING WHETHER IT IS A "COVERED FUND" FOR THEIR PURPOSES) OR (B) THE ABILITY OF ANY

PURCHASER TO ACQUIRE OR HOLD THE CERTIFICATES, NOW OR AT ANY TIME IN THE FUTURE.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

The Certificates represent interests in a collective investment scheme (as defined in the FSMA) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, this Prospectus is not being distributed to and must not be passed on to the general public in the United Kingdom.

The distribution in the United Kingdom of this Prospectus and any other marketing materials relating to the Certificates: (A) if effected by a person who is not an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**); (ii) persons falling within any of the categories of persons described in Article 49(2)(a) – (d) (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if effected by a person who is an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the **Promotion of CIS Order**); (ii) persons falling within any of the categories of person described in Article 22(2)(a)-(d) (High net worth companies, unincorporated associations, etc.) of the Promotion of CIS Order; and (iii) any other person to whom it may otherwise lawfully be made. Persons of any other description in the United Kingdom may not receive and should not act or rely on this document.

Prospective investors in the United Kingdom in the Certificates are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Any prospective investor intending to invest in the Certificates should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and that he has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Certificates and this Prospectus shall not be construed as an invitation to any member of the public in the Cayman Islands to subscribe for the Certificates.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Saudi Arabian Capital Market Authority (the **Capital Market Authority**).

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial advisor.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Prospectus and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the **CBB**) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or the equivalent amount in any other currency or such other amount as the CBB may determine.

This Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document. No offer of Certificates will be made to the public in the Kingdom of Bahrain and this Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF MALAYSIA

The Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Certificates in Malaysia may be made, directly or indirectly, and this Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories of person set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or DIB and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus.

STABILISATION

In connection with the issue of the Certificates, Standard Chartered Bank (the **Stabilisation Manager**) (or persons acting on behalf of the Stabilisation Manager) may effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager shall act as principal and not as agent of the Trustee or DIB. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the Issue Date and, if begun, may cease any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Certificates. Any stabilisation action must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

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OVERVIEW OF THE OFFERING

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus. This overview does not contain all of the information that an investor should consider before investing in the Certificates. Each investor should read the entire Prospectus carefully, especially the risks of investing in the Certificates discussed under "Risk Factors".

Words and expressions defined in the Conditions shall have the same meanings in this overview.

Certificates:	U.S.\$500,000,000 Additional Tier 1 Capital Certificates.
Trustee:	DIB Tier 1 Sukuk (6) Ltd., an exempted company with limited liability incorporated on 20 August 2024 under the laws of the Cayman Islands and formed and registered in the Cayman Islands with registered number 413180 with its registered office at MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.
Trustee Legal Entity Identifier (LEI):	2549007YHGE9QNNXL07.
DIB Legal Entity Identifier (LEI):	5493003E7YRAQY3JGW88.
Ownership of the Trustee:	The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 ordinary shares of U.S.\$1.00 each, 250 of which are fully-paid and issued. The Trustee's entire issued share capital is held on trust for charitable purposes by MaplesFS Limited as share trustee under the terms of a declaration of trust.
Administration of the Trustee:	The affairs of the Trustee are managed by MaplesFS Limited (the Trustee Administrator), who has agreed to perform certain management functions and provide certain clerical, administrative and other services pursuant to a corporate services agreement dated 7 October 2024 between the Trustee and the Trustee Administrator (the Corporate Services Agreement). The Trustee Administrator's registered office is P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.
Mudareb:	Dubai Islamic Bank PJSC.
Rab-al-Maal:	DIB Tier 1 Sukuk (6) Ltd.
Risk Factors:	Certain factors may affect the Trustee's ability to fulfil its obligations under the Certificates and DIB's ability to fulfil its obligations under the Transaction Documents. In addition, certain factors are material for the purpose of assessing the market risks associated with the Certificates. These are set out under "Risk Factors".
Joint Lead Managers:	Al Rajhi Capital Company, Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, Sharjah Islamic Bank P.J.S.C. and Standard Chartered Bank.

Co-Manager:	Arqaam Capital Limited.
Delegate:	HSBC Bank plc. Pursuant to the Declaration of Trust, the Trustee shall delegate to the Delegate certain of the present and future powers, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being directed and indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Mudareb and/or DIB following a DIB Event.
Principal Paying Agent, Calculation Agent, Registrar and Transfer Agent:	HSBC Bank plc.
Summary of the transaction structure and Transaction Documents:	An overview of the structure of the transaction and the principal cashflows is set out under " <i>Structure Diagram and Cash Flows</i> " and a description of the principal terms of certain of the Transaction Documents is set out under "Summary of the Principal Transaction Documents".
Issue Date:	16 October 2024.
Issue Price:	100 per cent.
Periodic Distribution Dates:	16 April and 16 October in each year, commencing on 16 April 2025.
Periodic Distributions:	Subject to Condition 8, Periodic Distribution Amounts shall be payable on each Periodic Distribution Date up to and including the First Reset Date at a rate of 5.250 per cent. per annum. If the Certificates are not redeemed or purchased and cancelled in accordance with the Conditions on or prior to the First Reset Date, Periodic Distribution Amounts shall be payable on each Periodic Distribution Date after the First Reset Date (subject as aforesaid) at a fixed rate, to be reset on the First Reset Date and every six years thereafter, equal to the Relevant Six Year Reset Rate plus a margin of 1.334 per cent. per annum. If DIB makes a Non-Payment Election (as defined herein) or a Non-Payment Event occurs (as defined herein), the Trustee shall not pay the corresponding Periodic Distribution Amounts and neither DIB nor the Trustee shall have any obligation to make any subsequent payment in respect of any unpaid Periodic Distribution Amount as more particularly described in Condition 8.
Form of Certificates:	The Certificates will be issued in registered form as described in " <i>Global Certificate</i> ". The Certificates will be represented on issue by ownership interests in a Global Certificate which will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg.

Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. Definitive Certificates evidencing a holding of Certificates will be issued in exchange for interests in the Global Certificate only in limited circumstances.

Clearance and Settlement:

Certificateholders must hold their interest in the Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing systems.

Denomination of the Certificates:

The Certificates will be issued in registered form in face amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Status of the Certificates:

Each Certificate will represent an undivided ownership interest in the Trust Assets, will be a limited recourse obligation of the Trustee and will rank *pari passu* without any preference or priority with all other Certificates. See Condition 4.1.

The Relevant Obligations will: (a) constitute Additional Tier 1 Capital of DIB; (b) constitute direct, unsecured, conditional and subordinated obligations of DIB; (c) rank subordinate and junior to all Senior Obligations but not further or otherwise; (d) rank *pari passu* with all other Pari Passu Obligations, which, for the avoidance of doubt, includes and shall continue to include DIB's obligations under the Existing Tier 1 Securities; and (e) subject to the Solvency Conditions being satisfied at the relevant time and no bankruptcy order having been issued in respect of DIB by a court in the UAE rank in priority to all Junior Obligations. See Condition 4.2.

Payments in respect of the Relevant Obligations by DIB are conditional upon: (i) DIB (in its capacity as Mudareb or otherwise) being Solvent at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable; (ii) DIB (in its capacity as Mudareb or otherwise) being capable of making payment of the Relevant Obligations and any other payment that is due to be made on the relevant date to a creditor in respect of all Senior Obligations and all Pari Passu Obligations and still be Solvent immediately thereafter; and (iii) the total share capital (including, without limitation, retained earnings) of DIB being greater than zero at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant obligations that are due and payable (together, the **Solvency Conditions**).

To the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of DIB has

been issued by a court in the UAE, all claims of the Trustee in respect of the Relevant Obligations will be extinguished and the Certificates will be cancelled without any further payment to be made by DIB in respect of the Relevant Obligations.

Trust Assets:

The Trust Assets consist of:

- (a) the cash proceeds of the issue of the Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Mudaraba Assets;
- (c) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given by DIB (acting in any capacity) pursuant to any of the Transaction Documents and the covenant given to the Trustee pursuant to clause 12.1 of the Declaration of Trust); and
- (d) all amounts standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing which will be held by the Trustee upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each holder in accordance with the Declaration of Trust and the Conditions.

Redemption of Certificates and variation of their terms:

The Certificates are perpetual securities and accordingly do not have a fixed or final redemption date. All, but not some only, of the Certificates may be redeemed or the terms of the Certificates may be varied by the Trustee (but only upon the instructions of DIB (acting in its sole discretion)) only in accordance with the provisions of Condition 10.

Pursuant to Condition 10.1(b), DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, on any Call Date, redeem all, but not some only, of the Certificates at the Trustee Call Amount.

In addition (on any date on or after the Issue Date, whether or not a Periodic Distribution Date), upon the occurrence of a Tax Event or a Capital Event, all, but not some only, of the Certificates may be redeemed or the terms of the Certificates may be varied, in each case in accordance with Conditions 10.1(c) and 10.1(d). Any redemption of the Certificates is subject to the conditions described in Condition 10.1.

Write-down at the Point of Non-Viability (as prescribed by the Financial Regulator):

If a Non-Viability Event occurs, a Write-down (as defined herein) shall occur on the relevant Non-Viability Event Write-down Date, as more particularly described in Condition 11. In such circumstances, the Certificateholders' rights to the Trust Assets (including the Mudaraba Assets) shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the relevant Write-down Amount and in the case of the relevant Write-down Amount corresponding to the full proportion of the Prevailing Face Amount of each Certificate then outstanding, the Certificates shall be cancelled. See Condition 11.

Dissolution Events:

Subject to Condition 12, if a DIB Event occurs, and, if so requested in writing by the Certificateholders of at least 20 per cent. of the aggregate face amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution of the Certificateholders in accordance with Condition 12.1, the Trustee and/or the Delegate shall, subject to Condition 12.3, take the actions referred to therein.

Withholding Tax:

Subject to Condition 9.2 and Condition 13, all payments in respect of the Certificates shall be made free and clear of and without withholding or deduction for, or on account of, any Taxes (as defined in Condition 13), unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay, in respect of Periodic Distribution Amounts (but not, for the avoidance of doubt, in respect of Dissolution Distribution Amounts (other than any Outstanding Payments)), Additional Amounts as shall be necessary in order that the net amounts of Periodic Distribution Amounts received by the Certificateholders after such withholding or deduction shall equal the respective amounts of Periodic Distribution Amounts due and payable to any Certificateholder which would otherwise have been receivable in the absence of such withholding or deduction.

In addition, the Mudaraba Agreement provides that all payments thereunder by DIB (in its capacity as the Mudareb) shall be made without withholding or deduction for, or on account of, any Taxes, unless such withholding or deduction of the Taxes is required by law. In the event there is any such withholding or deduction in relation to any Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as the case may be, DIB shall pay such Additional Amounts as shall result in the receipt by the Trustee of such net amounts of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as the case may be, as would have been receivable by it if no such withholding or deduction had been required. To the extent that any such Additional Amounts are paid by DIB pursuant to the Mudaraba Agreement, DIB shall be entitled to recover amounts equal to such Additional Amounts from the amounts (if any) standing to the credit of the Mudaraba Reserve and if, following such recovery a shortfall remains between the amounts standing to the credit of the Mudaraba Reserve and such Additional Amounts paid by DIB

(such shortfall the **Additional Amounts Shortfall**), DIB shall be entitled to recover amounts equal to such Additional Amounts Shortfall from any Liquidation Proceeds (after taking into account amounts equal to the then applicable Dissolution Distribution Amount payable to the Trustee on the Mudaraba End Date pursuant to the Mudaraba Agreement).

Notwithstanding any other provision of the Conditions, in no event will the Trustee be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the **Code**) or otherwise imposed pursuant to Sections 1471 through to 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Trustee Covenants:

The Trustee has agreed to certain restrictive covenants as set out in Condition 6.

Ratings:

DIB has been assigned ratings of "A" by Fitch with a "stable" outlook and "A3" by Moody's with a "stable" outlook. The Certificates will not be rated by any rating organisation upon their issue.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Certificateholder Meetings:

A summary of the provisions for convening meetings of the Certificateholders to consider matters relating to their interests as such is set out in Condition 18.

Tax Considerations:

See "*Taxation*" for a description of certain tax considerations applicable to the Certificates.

Listing and Admission to Trading:

Application has been made to Euronext Dublin for the Certificates to be admitted to listing on the Official List and for such Certificates to be admitted to trading on the Euronext Dublin Regulated Market.

Application has been made to the DFSA for the Certificates to be admitted to listing on the DFSA Official List and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

Transaction Documents:

The Declaration of Trust, the Agency Agreement and the Mudaraba Agreement are referred to herein as the **Transaction Documents**.

Governing Law:

The Certificates, the Declaration of Trust, the Mudaraba Agreement, the Agency Agreement and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

The Corporate Services Agreement and the Share Declaration of Trust are governed by the laws of the Cayman Islands.

Waiver of Immunity:

To the extent that DIB may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, DIB will agree in the Transaction Documents not to claim and will irrevocably and unconditionally waive such immunity in relation to any legal proceedings. Further, DIB will irrevocably and unconditionally consent to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any legal proceedings. See Condition 20.7.

Limited Recourse:

Proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as otherwise provided in Condition 4.4, the Certificates do not represent an interest in any of the Trustee, DIB, the Delegate, any of their Agents, or any of their respective affiliates.

If the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets is not sufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of any of the Trustee (other than the Trust Assets in the manner contemplated in the Transaction Documents) or of the Delegate or the Agents or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets.

See Condition 4.4 for further details.

DIB is obliged to make certain payments under the Transaction Documents directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and/or the Delegate will, subject to Condition 4.2 and Condition 12.3, have recourse against DIB to recover payments due to the Trustee from DIB pursuant to such Transaction Documents notwithstanding any other provision of Condition 4.4. Such right of the Trustee and the Delegate shall constitute an unsecured claim against DIB. None of the Certificateholders, the Trustee and the Delegate shall be entitled to claim any priority right in respect of any specific assets of DIB in connection with the enforcement of any such claim.

Selling Restrictions:

There are restrictions on the distribution of this Prospectus and the offer or sale of Certificates in the United States, EEA, the United Kingdom, the UAE (excluding the ADGM and the DIFC), the ADGM, the DIFC, the Cayman Islands, the Kingdom of Saudi Arabia, State of Kuwait, the Kingdom of Bahrain, Hong Kong, Singapore, Malaysia and Switzerland. See "*Subscription and Sale*".

Use of Proceeds:

The net proceeds of the issue of the Certificates will be contributed by the Trustee (as Rab-al-Maal) to DIB (as Mudareb) as Mudaraba Capital pursuant to the terms of the Mudaraba Agreement and will be used by DIB to enhance its tier 1 capital as well as for general corporate purposes, all in accordance with the investment plan set out in the Mudaraba Agreement, as described in "*Use of Proceeds*".

RISK FACTORS

The purchase of the Certificates may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Certificates. Before making an investment decision, prospective purchasers of the Certificates should consider carefully, in light of their own financial circumstances and investment objectives, all of the information in this Prospectus.

Each of the Trustee and DIB believes that the factors described below represent the principal risks inherent in investing in the Certificates but the inability of the Trustee to pay any amounts on or in connection with any Certificate may occur for other reasons and neither the Trustee nor DIB represents that the statements below regarding the risks of holding any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustee or DIB or which the Trustee or DIB currently deems immaterial, that may impact any investment in the Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in the Conditions and "Global Certificate" shall have the same meanings in this section.

RISKS RELATING TO THE TRUSTEE

The Trustee has a limited operating history and no material assets and is dependent upon the performance by DIB of its obligations under the Transaction Documents

The Trustee is a newly formed entity and has no operating history. The Trustee will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets as described herein, acting in its capacity as a trustee and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which it will hold on trust for the Certificateholders, will be the Trust Assets, including its right to receive payments under the Mudaraba Agreement.

The Trustee's ability to pay amounts due on the Certificates will depend on its receipt from DIB (in its capacity as Mudareb), of all amounts due under the Mudaraba Agreement, which in aggregate may not be sufficient to meet all claims under the Certificates and the Transaction Documents. Therefore, the Trustee is subject to all the risks to which DIB is subject to the extent that such risks could limit DIB's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents. See "Risks relating to the Group " for a further description of these risks.

RISKS RELATING TO THE GROUP

The Group's business, financial condition, results of operations and prospects are and will continue to be affected by economic conditions

DIB, in common with other financial institutions, is susceptible to changes in the macro-economic environment and the performance of financial markets generally. In 2020 and to a lesser extent in 2021, the macro-economic environment (both globally and within the UAE) was materially adversely affected by the coronavirus disease 2019 (known as **COVID-19**) and the measures implemented around the world to try to contain it. The impact of COVID-19, coupled with a sustained fall in oil prices as demand fell in response to the COVID containment measures implemented, included significant volatility in financial markets and reduced global liquidity and investment, and resulted in significantly reduced economic growth in the GCC and globally in 2020. These factors particularly impacted the Group's assessment of its expected credit losses and resulted in comparatively high impairment charges, net of AED 4,552 million in 2020.

The UAE's economy generally recovered in 2021 as COVID containment measures were progressively relaxed and oil prices improved towards the end of the year. Reflecting this, the Group's impairment charges, net reduced to AED 2,448 million in 2021, although they remained 38.8 per cent. above the level in 2019. In 2022, the Russian invasion of Ukraine in February and the international sanctions imposed in response to it resulted in a sharp increase in oil prices, which also benefitted the UAE economy and banking sector. As a result, the Group's impairment charges, net reduced to AED 2,103 million in 2022, although they remained 19.2 per cent. above the level in 2019. In 2023, changes in the sanctions regime applied to Russia at the end of 2022 contributed to lower oil prices in 2023 compared to 2022. Inflation, both globally and in the UAE, which had increased towards the end of 2022 remained high during 2023 and, in consequence, interest rates around the world generally increased during the same period. During 2024, inflation began to decline and as a result interest rates have recently started to decrease in some jurisdictions.

Notwithstanding economic improvements since 2020, the Group remains exposed to a future economic downturn, whether caused by a sustained downturn in oil prices or other factors (including any escalation of regional geopolitical tensions and skirmishes into a war), which could negatively impact many of its customers and result in lower demand for its services as well as increased impairment charges, which would negatively affect its financial position and profitability.

The Group is exposed to credit risk

Risks arising from adverse changes in the credit quality and recoverability of financing, investment securities and amounts due from counterparties are inherent in a wide range of the Group's businesses, principally in its financing and investment activities. In particular, the Group is exposed to the risk that customers may not repay their financing according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. This risk is heightened in times of economic downturn, as was evidenced by the increase in the Group's impairment charges, net in 2020. The Group continuously reviews and analyses its loan portfolio and credit risks, and the Group's provision for credit losses is based on, among other things, its analysis of current and historical delinquency rates and Islamic financing asset management and the valuation of the underlying assets, as well as numerous other management assumptions. However, these internal analyses and assumptions may give rise to inaccurate predictions of credit performance, particularly in a volatile economic climate.

Credit losses could also arise from a deterioration in the credit quality of specific customers, issuers and other counterparties of the Group, or from a general deterioration in local or global economic conditions, or from systemic risks within financial systems, any or all of which could affect the recoverability and value of the Group's assets and require an increase in the Group's provisions for the impairment of Islamic financing, investment securities and other credit exposures.

As at 31 December 2023, the Group had provisions for impairment in relation to its Islamic financing and investing assets amounting to AED 8,903 million compared to provisions for impairment in relation to its Islamic financing and investing assets amounting to AED 8,793 million as at 31 December 2022 and AED 8,926 million as at 31 December 2021. Any failure by the Group to maintain the quality of its assets through effective risk management policies could lead to higher Islamic financing loss provisioning and result in higher levels of defaults and write-offs. In addition, the Central Bank may, at any time, amend or supplement its guidelines and require additional provisions to be made in respect of the Group's Islamic financing and investing assets if it determines (acting in its role as the prudential regulator for the UAE banking sector) that it is appropriate to do so. If any additional provisions were required to be made, then depending on the exact quantum and timing, such provisions could have an adverse impact on the Group's results of operations and financial condition.

The Group's Islamic financing and investing activities, its investments in sukuk and its customers' deposits have significant concentrations

Concentrations in the Group's financing, investing and deposit portfolios subject it to risks of default by its larger customers, to significant exposure to the UAE economy and to particular sectors of the UAE economy

(including the real estate sector, see "*The Group is exposed to adverse changes in the real estate market in the UAE*") that may underperform and to withdrawal of large deposits (see "*The Group is subject to the risk that liquidity may not always be readily available or may only be available at significant cost*"). The Group's financing and investment portfolios show country, industry and customer concentrations.

The Group's consolidated portfolio of Islamic financing and investing assets, net of impairment provisions, constituted 63 per cent. of its consolidated total assets, or AED 199,453 million, as at 31 December 2023. As at the same date, 91 per cent. of the Group's Islamic financing and investing assets, before impairment provisions, were concentrated in the UAE. In addition, the Group's investments in sukuk, net of impairment provisions, constituted a further 22 per cent. of its consolidated total assets, or AED 68,172 million, as at 31 December 2023. As at the same date, 35 per cent. of the Group's investments in sukuk (before provision for impairment) were also concentrated in the UAE.

The Group's customers' deposits are geographically concentrated, with 97 per cent. of its customers' deposits being UAE deposits as at 31 December 2023.

As a result, any deterioration in general economic conditions in the UAE or any failure by the Group to manage effectively its geographic risk concentration, or a default by any of the Group's larger financing and investment counterparties could lead to a deterioration in the credit quality of the Group's financing and investing portfolios. See "*The Group's business, financial condition, results of operations and prospects are and will continue to be affected by economic conditions*" above.

A significant decrease in the quality of the Group's Islamic financing and investing assets could materially adversely affect its business

The Group's IFRS stage 3 Islamic financing and investing assets (including purchased or originated credit impaired (**POCI**) assets), which together comprise its **impaired financing and investing assets**, were AED 11,497 million as at 31 December 2023 compared to AED 12,986 million as at 31 December 2022 and AED 13,784 million as at 31 December 2021. The Group's impaired ratio (defined as the ratio of its impaired financing and investing assets to the aggregate of gross Islamic financing and investing assets and investments in bilateral sukuk) amounted to 5.4 per cent. as at 31 December 2023 compared to 6.5 per cent. as at 31 December 2022 and 6.8 per cent. as at 31 December 2021.

The Group's IFRS stage 1, stage 2 and stage 3 (including POCI) expected credit loss amounted to AED 951 million, AED 1,273 million and AED 6,677 million, respectively, as at 31 December 2023 compared to AED 983 million, AED 1,117 million and AED 6,693 million, respectively, as at 31 December 2022 and AED 962 million, AED 1,022 million and AED 6,943 million, respectively, as at 31 December 2021. The Group's stage 2 expected credit loss as a percentage of its stage 2 gross exposure was 8.9 per cent. as at 31 December 2023, 7.2 per cent. as at 31 December 2022 and 5.2 per cent. as at 31 December 2021. The Group's stage 3 (including POCI) expected credit loss as a percentage of its stage 3 gross exposure was 58.1 per cent. as at 31 December 2023, 51.5 per cent. as at 31 December 2022 and 50.4 per cent. as at 31 December 2021.

Any significant deterioration in the Group's Islamic financing and investing assets in future periods could result in increased provisions for impairment and thus materially adversely affect its business.

The Group is exposed to adverse changes in the real estate market in the UAE

As at 31 December 2023, the Group's gross maximum exposure to credit risk (before taking into account collateral or other credit enhancements held) to customers operating in the real estate sector was AED 57,221 million, or 17 per cent. of its total gross maximum exposure to credit risk. In addition, the Group's gross maximum exposure to credit risk to consumer home finance customers and customers operating in the contracting sector was AED 24,258 million and AED 7,558 million, respectively, equal to 7 per cent. and 2 per cent., respectively, of its total gross maximum exposure to credit risk. The Group is exposed to the consumer home finance sector both directly and through its subsidiary, Tamweel P.S.C. (**Tamweel**), whose core business is the provision of Sharia-compliant home financing solutions within the UAE.

The Group has a secondary exposure to the real estate market where its Islamic financing and investing assets which are not advanced to customers in the sectors described above are secured by real estate collateral.

Any significant downturn in the UAE real estate market, which is cyclical, could weaken the credit quality of the Group's real estate and contracting clients resulting in increased provisions for impairment and reduced profitability and would also be likely to reduce the value of the real estate collateral securing the Group's consumer home financing or any of its other Islamic financing and investing assets secured by real estate collateral, again potentially resulting in increased provisions for impairment and therefore reduced profitability.

The Group has significant credit-related contingent liabilities and commitments that may lead to substantial potential losses

As part of the Group's financing and trade-related activities, the Group provides guarantees and letters of credit, which are commitments to make payments on behalf of customers contingent upon the failure of the customer to satisfy its obligations supported by the commitment, and also makes irrevocable commitments to make financing available to customers. Although these commitments are contingent and therefore off-balance sheet, they nonetheless subject the Group to related credit risk. Credit-related commitments are subject to the same credit approval and compliance procedures as financing advanced to customers and commitments to extend financing are contingent on customers maintaining specific credit standards. As at 31 December 2023, the Group had AED 28,598 million of credit-related contingent liabilities and commitments outstanding, being 9 per cent. of its total assets plus credit-related contingent liabilities and commitments. Although the Group anticipates that only a portion of its obligations in respect of these commitments will be triggered, it may become obliged to make payments in respect of a greater portion of such commitments than originally anticipated, which could have a material adverse effect on its business, results of operations and financial condition.

The 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 market, and given the high level of interdependence between financial institutions that became most evident following the bankruptcy of Lehman Brothers in 2008, the Group is 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 globally in 2008 and 2009, concerns about, or a default by, one institution could also lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions is closely related as a result of their 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 Group or other institutions. This risk, often referred to as "systemic risk", may also adversely affect other financial intermediaries, such as clearing agencies, clearing houses, securities firms and exchanges, with whom the Group interacts on a daily basis. Systemic risk, should it materialise, could have a material adverse effect on the Group's ability to raise new funding and on its business and prospects. The failures in the first half of 2023 of Silicon Valley Bank and Signature Bank in the United States and Credit Suisse in Europe also indicate the continued potential for systemic risk.

The Group is subject to the risk that liquidity may not always be readily available or may only be available at significant cost

Liquidity risk is the risk that the Group may be unable to meet its payment obligations when they fall due under normal and stressed circumstances. Liquidity risks could arise from the inability of the Group to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on the Group's ability to meet its obligations when they fall due.

The Group's customers' deposits, which are its principal source of funding, constituted 83 per cent. of its total liabilities, or AED 222,054 million, as at 31 December 2023, of which the majority were located in the UAE. As is the normal practice in the UAE banking industry, the Group accepts deposits from its customers which are mainly short-term and generally low cost in nature, to meet most of its funding needs. The availability of deposits is subject to fluctuation due to factors outside the 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 which may adversely impact the Group's financial position and its ability to meet Central Bank regulations relating to liquidity. Any such loss of deposits could require the Group to seek additional sources of funding (whether in the form of deposits or wholesale funding), which may not be available to the Group on commercially acceptable terms or at all. Any failure to obtain replacement funding would be likely to negatively impact the Group's ability to maintain or grow its Islamic financing portfolio or otherwise increase its overall cost of funding, each of which could have a material adverse effect on its business. Accordingly, there is a risk, which is heightened in periods where liquidity is constrained, that, if a significant number of the Group's customers did not choose to roll over their deposits at any time, the Group could experience difficulties in repaying those deposits.

An inability on the Group's part to access funds or to access the markets from which it raises funds may lead to the Group being unable to finance its operations adequately. A dislocated credit environment compounds the risk that the Group will not be able to access funds on favourable commercial terms (including profit payable thereon). These and other factors could also lead creditors to form a negative view of the Group's liquidity, which could result in less favourable credit ratings, higher funding costs and less accessible funds.

In addition, there are timing differences between the cash payments the Group owes on its liabilities and the cash payments due to it on its financing advanced and investments made. The Group's ability to overcome these cash mismatches may be adversely affected if the fixed income markets were to experience significant liquidity problems. Also, under certain market conditions, the Group could be unable to sell additional products or be unable to sell its portfolio investments in sufficient amounts to raise the cash required to fulfil its obligations under the Transaction Documents to which it is a party when due.

There can be no assurance that the Group will be able to obtain additional funding as and when required or at prices that will not affect the Group's ability to compete effectively and, if the Group is forced to sell assets to meet its funding requirements, it may suffer material losses as a result. In extreme cases, if the Group is unable to secure funding to meet its liquidity needs, through customers' deposits, interbank financing, capital markets or asset sales, this would have a material adverse effect on the Group's business and prospects and could, potentially, result in its insolvency.

The Group is highly regulated and changes to applicable laws or regulations, the interpretation or enforcement of such laws or regulations or the failure to comply with such laws or regulations could have an adverse impact on the Group's business

The Group is subject to prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic, social and other objectives and limit their exposure to risk. Some of these controls are described further in “*The United Arab Emirates Banking Sector and Regulations*”. 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 the Group operates. In particular (but without limitation), the Group is subject to restrictions on credit limits in respect of real estate and construction financing, major shareholders and large exposures to a single customer or group of connected customers (based on the Group's customers' deposits and/or capital and reserves, as prescribed by the Central Bank).

These regulations may limit the Group's ability to increase its Islamic financing portfolio or may increase its cost of doing business. For example, since 1 January 2019, DIB, as a domestic systemically important bank, has been required to maintain an additional 50 basis points of capital which is to be met in its entirety by Common Equity Tier 1 capital.

Any future changes in laws or in Central Bank regulations or policy and/or the way they are interpreted or enforced may affect the Group's reserves, revenue and performance and may have a material adverse effect on its business, results of operations, financial condition and prospects, including its ability to compete successfully in the geographies where it operates. Furthermore, non-compliance with regulatory guidelines could expose the Group to potential liabilities and fines. Although the Group works closely with its regulators and continually monitors its compliance with Central Bank regulations and policy, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

The Group's financial condition and results of operations could be adversely affected by market risks, including volatility in profit rates, prices of securities and foreign exchange rates

The Group's financial condition and results of operations could be affected by market risks that are outside its control, including, without limitation, volatility in profit rates, prices of securities and foreign exchange rates. Fluctuations in profit rates could adversely affect the Group's financial condition and results of operations in many ways. For example, an increase in profit rates generally may decrease the value of the Group's fixed-income Islamic financing and investing assets and its investments in sukuk and may raise the Group's funding costs. As a result, the Group may experience a reduction in its net income. For an illustration of the possible scale of this risk, see note 47.4.2 to each of the Annual Financial Statements which contain sensitivity analyses in relation to changes in profit rates. Profit rates are sensitive to many factors beyond the Group's control, including the policies of central banks, such as the Central Bank and, given the fixed exchange rate between the dirham and the U.S. dollar, the U.S. Federal Reserve, political factors and domestic and international economic conditions.

The Group's financial condition and results of operations may also be affected by changes in the market value of its equity investment securities. The Group earns dividend income on these securities, realises gains and losses on the sale of securities and records unrealised gains and losses resulting from the fair valuation of these securities at each balance sheet date in its statement of comprehensive income. The level of the Group's income from its equity investment securities depends on numerous factors beyond the Group's control, such as overall market trading activity, interest rate levels, fluctuations in currency exchange rates and general market volatility.

Adverse movements in foreign exchange rates may also adversely impact the revenue and financial condition of the Group's depositors and customers, including those who are financed in, or make deposits in, foreign currencies or whose businesses have foreign currency exposures, which, in turn, may impact the Group's deposit base and the quality of its exposures to certain customers. For an illustration of the possible scale of this risk, see note 47.4.3 to each of the Annual Financial Statements which includes tables summarising the Group's exposure to foreign currency exchange rate risk as at 31 December in each of 2023, 2022 and 2021. In general, the Group aims to advance foreign currency financing on terms that are generally similar to its foreign currency funding, thereby naturally hedging its exposure. Where this is not possible, it generally relies on derivative instruments to match the currencies of its assets and liabilities. Any open currency position is maintained within the limits set by the Central Bank. However, where the Group is not hedged, it is exposed to fluctuations in foreign exchange rates and any hedging strategy that it uses may not always be effective. Adverse movements in foreign exchange rates also may impact the income recorded by the Group in dirham from its subsidiaries with different reporting currencies, see note 47.4.4 to each of the Annual Financial Statements.

The Group depends on complex information technology systems, the failure, ineffectiveness or disruption of which could have a material adverse effect on the Group

The Group is dependent on sophisticated information technology (IT) systems, the failure, ineffectiveness or disruption of which could materially adversely affect its business.

The proper functioning of the 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 its business and ability to compete effectively. The

Group's business activities would be materially disrupted if there is a partial or complete failure of any of these IT systems or communications networks. Such failures can be caused by a variety of factors, many of which are wholly or partially outside the Group's control including natural disasters, extended power outages and computer viruses or other malicious intrusions, see "*— The Group's business is dependent on its IT systems which are subject to potential cyber-attack*" below.

The proper functioning of the Group's IT systems also depends on accurate and reliable data and other system input, which are subject to human errors. Any failure or delay in recording or processing the Group's transaction data could subject it to claims for losses and regulatory fines and penalties.

The Group relies 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 Group's operations and could impact its reputation.

The Group has implemented and tested business continuity plans and processes as well as disaster recovery procedures, these remain under continuous evolution, optimisation and validation. Accordingly, there can be no assurance that these safeguards will be fully effective, and any failure may have a material adverse effect on the Group's business and reputation.

The Group's business is dependent on its IT systems which are subject to potential cyber-attack

DIB recognises the importance of technology in building the Group's business capabilities and achieving its objectives of growth, expansion and competitive market positioning. Technology is at the core of the Group's strategy and for that reason a digital technology roadmap is embedded within its business plans.

However, in common with other financial institutions globally, the threat to the security of the Group's information and customer data from security breaches and cyber-attacks presents a real and growing risk to its business. Activists, rogue states and cyber criminals are among those targeting IT systems around the world. Risks to technology and cyber-security evolve and change rapidly and require continued focus, monitoring and investment in preventative measures. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security.

A failure to adequately manage cyber-security risk and continually monitor, review and update current processes in response to new threats could have a material adverse effect on the Group, including disruption to its business, unauthorised disclosure of confidential information, significant financial and/or legal exposure and damage to its reputation.

The Group's ability to manage operational risks is dependent upon its internal control system, which might not be fully effective in all circumstances

Operational risks and losses can result from fraud, error by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements or conduct of business rules, failure of internal systems, equipment and external systems (including those of the Group's counterparties or vendors) and the occurrence of natural disasters. The Group has a detailed operational risk framework which defines the roles and responsibilities of individuals and units across different Group functions that are involved in performing operational risk management tasks. The operational risk management framework aims to ensure that operational risks areas across its business are properly identified, monitored, managed and reported.

The 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 Group is subject to external audit and oversight by regulatory authorities, including regular examination activity, and performs regular internal audits to monitor and test its compliance systems, the 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 Group. In the case of actual or

alleged non-compliance with applicable regulations, the Group could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages, which could have a material adverse effect on the Group's business.

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

The Group's risk management strategies and internal controls may not be effective in all circumstances and may leave the Group exposed to unidentified or unanticipated risks. There can be no assurance that the Group's risk management and internal control policies and procedures will adequately control, or protect the Group against, all credit, liquidity, market, operational and other risks. In addition, certain risks may not be accurately quantified by the Group's risk management systems. Some of the Group's methods of managing risk are based upon the use of historical market data which, as evidenced by events caused by the global financial crisis and the COVID-19 pandemic, 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 Group's empirical data would otherwise indicate.

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

The Group's business may be influenced by DIB's principal shareholder

DIB's principal shareholder is the Government of Dubai, which directly and indirectly held 27.97 per cent. of DIB's share capital as at 30 June 2024. By virtue of this shareholding, the Government of Dubai has the ability to appoint the chairman of DIB's Board of Directors (the **Board**) and influence the Group's business through its influence on the Board and its ability to control certain actions that require 75 per cent. shareholder approval. If circumstances were to arise where the interests of the Government of Dubai or any future major shareholder conflict with the interests of the Certificateholders, the Certificateholders could be disadvantaged.

A negative change in DIB's credit ratings could limit its ability to raise funding and may increase its funding costs

DIB is rated A by Fitch with a "stable" outlook and A3 by Moody's with a "stable" outlook. These ratings, which are intended to measure DIB's ability to meet its debt obligations as they mature, are an important factor in determining DIB's cost of wholesale funding.

According to Fitch's 30 October 2023 report on DIB, DIB's rating depends on Fitch's assessment of government support available to DIB. In addition, a material deterioration in DIB's asset quality metrics, affecting DIB's capitalisation or profitability, could also impact its rating. According to Moody's 3 June 2024 credit opinion on DIB, downward pressure on DIB's ratings could develop if (1) the UAE government rating is downgraded, which would lead to reduced support capacity; (2) Moody's reassesses the willingness of the UAE government to provide support; or (3) there is a significant deterioration in DIB's operating environment, which would lead Moody's to expect a weakening of DIB's financial metrics, particularly its solvency profile.

A downgrade of any of DIB's credit ratings, or a negative change in outlook, may limit the Group's ability to raise wholesale funding and increase its cost of wholesale funding, which could adversely affect its business, financial condition, results of operations and prospects. A downgrade of any of DIB's credit ratings (or announcement of a negative change in ratings outlook) may also limit the Group's ability to raise capital. Moreover, actual or anticipated changes in DIB's credit rating could adversely affect the price at which the Certificates are traded in the secondary market.

The Group may become subject to increasingly intense competition

The Group faces competition in all of its business areas from locally incorporated and foreign banks, including new digital banking platforms offered by many major UAE banks, operating in the UAE. The Group also faces competition from both Islamic banks and conventional banks. According to data published on the Central Bank's website, there were, as of April 2024, 62 banks (comprising 24 locally incorporated banks and 38 foreign banks (of which 11 were wholesale banks)) licensed to operate inside the UAE (excluding the DIFC). There are also an increasing number of institutions offering Islamic financial products and services within the UAE. As of April 2024, there were eight Islamic banks, in addition to a number of other financial institutions, offering Islamic products and solutions. Other financial institutions may also consider offering Shari'a-compliant products in the future.

The financial institutions market in the UAE has generally been a relatively protected market with high regulatory and other barriers to entry for foreign financial institutions. However, to the extent that these barriers are 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, this would create a more competitive environment for the Group and other domestic financial institutions and could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Any alteration to, or abolition of, the foreign exchange "peg" of the dirham at a fixed exchange rate to the U.S. dollar will expose the Group to U.S. dollar foreign exchange movements against the dirham

The Group maintains its accounts, and reports its results, in dirham. The dirham has been pegged at a fixed exchange rate to the U.S. dollar since 22 November 1980. However, there can be no assurance that the dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects the Group's results of operations and financial condition. Any such de-pegging or adjustment, particularly if the dirham weakens against the U.S. dollar as a result, could have an adverse effect on the Group's business, results of operations, financial condition and prospects. For example, the 2023 Financial Statements, in note 47.4.3, contain a sensitivity analysis that shows that a 2 per cent. change in the exchange rate of the U.S. dollar against the dirham (with all other variables held constant) in 2023 would have impacted the Group's statement of profit or loss (due to the changes in the fair values of currency sensitive non-trading monetary assets and liabilities) by AED 911 million.

The Group is party to litigation related to the terrorist attacks on New York City on 11 September 2001

In 2002, DIB was named as a defendant in eight civil lawsuits filed in various federal district courts in the United States that relate to the terrorist attacks on 11 September 2001. The plaintiffs in these lawsuits include victims of the terrorist attacks, the families or estates of deceased victims, the leaseholders of the World Trade Center properties, and certain insurance companies that suffered losses as a result of the attacks. In total, the lawsuits named hundreds of defendants. The defendants included, among other entities and organisations, Islamic charities, other major financial institutions in the Middle East and individuals. The complaints filed in these lawsuits made allegations against DIB, including that DIB provided material support and assistance to Al Qaeda and that it knew or should have known it was aiding and abetting, and enabling the terrorists that perpetrated the attacks. The plaintiffs have not enumerated all of their alleged damages that they are seeking to recover in these cases.

In December 2003, the United States Judicial Panel on Multi-District Litigation consolidated the actions against DIB and the other defendants in the Federal District Court in the Southern District of New York (the **New York Federal Court**). In May 2005, DIB filed a motion to dismiss all eight actions with the New York Federal Court. In June 2010, the New York Federal Court denied DIB's motion to dismiss due to the allegations by the plaintiffs that DIB intentionally and knowingly provided support to Al Qaeda.

On 9 March 2023, the New York Federal Court issued a judgment holding that all claims against DIB were dismissed. The Court held that the "facts are materially different from the allegations on which this Court premised personal jurisdiction in 2010", and concluded that the New York Federal Court had no personal jurisdiction over DIB.

The Plaintiffs have filed an appeal to the United States Second Circuit of Appeals, which will be heard in due course.

DIB believes that it has meritorious defences to all claims and will continue to defend itself vigorously during any appeals process.

Changes in applicable tax legislation may adversely affect the Group

In December 2022, the Ministry of Finance of the United Arab Emirates (the **MoF**) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses (the **Corporate Tax Law**) to enact a new corporate tax regime in the UAE. The new regime became effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the effective implementation date for the Group was 1 January 2024, with the first corporate tax return to be filed by it on or before 30 September 2025 in respect of calendar 2024. The Corporate Tax Law sets a rate of 9 per cent. to be applied to taxable income exceeding a specified threshold, although this is still subject to a cabinet decision. The Group may also be subject to the application of a global minimum tax rate of 15 per cent., which is dependent on the implementation of the Organisation for Economic Co-operation and Development's (**OECD**) Base Erosion Profit Shifting - Pillar Two rules by the countries where the Group operates and a top-up tax regime by the MoF. The Group is currently assessing the impact of these laws and regulations and will apply the requirements as they come into effect. As the Group does not currently pay any corporate tax in the UAE, these rules will negatively impact its net profit in future periods.

The Group conducts the majority of its business in a region which is subject to political, economic and related considerations

As at 31 December 2023, 79 per cent. of the Group's total assets were located in the UAE. Given that the Group has the majority of its operations in the UAE, its operations have previously been and may continue to be affected by economic and political developments impacting the UAE, in particular, the level of economic activity in the UAE.

DIB's business is, and will continue to be, affected by economic and political developments in or affecting the UAE and the MENA region and investors' reactions to developments in one country may affect securities of issuers in other markets, including the UAE. Following the significant fall in global crude oil prices in the middle of 2020 and the gradual recovery into 2021, the UAE and other major oil and gas producing countries in the region experienced slower economic growth, increased budget deficits and lower public spending.

Although Dubai and the UAE enjoy domestic political stability and generally healthy international relations, as they are located in the MENA region, there is a risk that regional geopolitical instability could impact them. In particular, since early 2011 there has been political unrest in a range of countries in the MENA region, including Algeria, Bahrain, Egypt, Iran, Iraq, Libya, Oman, Saudi Arabia, Syria, Tunisia, Turkey and Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL) and the war in Palestine between Israel and Hamas) and has given rise to increased political uncertainty across the region. In addition, DIB's wholly-owned subsidiary, DIB Pakistan Ltd., and its associate, the Bank of Khartoum, are, in common with all other industries in the Islamic Republic of Pakistan and Sudan, respectively, affected by ongoing political uncertainty, including an ongoing conflict between rival factions of the military government in Sudan that commenced in April 2023.

There have been numerous terrorist attacks affecting GCC countries, including Saudi Arabia which has experienced a drone attack on a Saudi Aramco refinery in Riyadh in March 2021 and attacks on Saudi Aramco refineries in Riyadh and Yasref and petroleum products distribution terminals in the Jeddah and Jizan regions in March 2022. There have also been airborne attacks targeted at UAE oil infrastructure in recent years.

Towards the end of 2023 and into 2024, tensions in the Gulf region again increased following numerous incidents, including a drone strike in December 2023 on a chemical tanker in the Indian ocean claimed by the United States to have been fired from Iran, the seizure of another oil tanker by Iran and strikes against Al

Houthi bases in Yemen conducted by U.S. and British military aircraft. In addition, the ongoing conflict involving Israel and Hamas in Gaza and increasing tensions between Israel and Hezbollah and Israel and Iran have the potential to further destabilise the region.

Whilst DIB's business has not been directly impacted by any political unrest to date, it is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that DIB would be able to sustain its current profit levels if adverse political events or circumstances were to occur in the UAE or any other country in which it had material operations at the time.

Investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments both within and outside the MENA region because of interrelationships within the global financial markets.

The economic and/or political factors which could adversely affect the Group's business, financial condition, results of operations and prospects include:

- regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- a material increase in costs of funds in the UAE resulting from a material reduction in liquidity in the UAE financial markets;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- an increase in inflation and the cost of living;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition of taxes in tax favourable jurisdictions such as the UAE;
- difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones; and
- inability to repatriate profits or dividends.

There can be no assurance that either the economic performance of, or political stability in, the countries in which the Group currently operates, or may in the future operate, can or will be sustained. To the extent that economic growth or performance in these countries or the MENA region as a whole slows or begins to decline, or political conditions deteriorate materially in any of those countries, the Group's business, financial condition, results of operations and prospects may be adversely affected.

RISKS RELATING TO THE CERTIFICATES

Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' right to any profit will be permanently written-down upon the occurrence of a Non-Viability Event

If a Non-Viability Event (as defined below) occurs at any time, the Prevailing Face Amount of the Certificates then outstanding will be permanently written-down in whole or, in exceptional cases, in part on a *pro rata* basis, in each case, as solely determined by the Financial Regulator. See "*– The circumstances triggering a Write-down are unpredictable and Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, or without, any losses being required to be borne by DIB's shareholders*". Pursuant to a Write-down, the rights of any Certificateholder for payment of any amounts under or in respect of the Certificates (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, a DIB Event) in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Periodic Distribution Amounts) shall be cancelled (and the face amount of the Certificates shall be reduced accordingly) and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event or notice in relation thereto and, in the case of a Write-down in whole, the Certificates shall be cancelled.

In exceptional cases in which a Write-down in part is required by the Financial Regulator, a Write-down may occur on one or more occasions as solely determined by the Financial Regulator provided, however, that the face amount of a Certificate shall never be reduced to below nil.

Furthermore, upon the occurrence of any Write-down in part pursuant to Condition 11, Periodic Distribution Amounts will accrue on the reduced face amount of the Certificates and the payment thereof is subject to a Non-Payment Event (including, without limitation, DIB having insufficient Distributable Items and, if applicable, any payment restrictions due to breach of any capital buffers imposed on DIB by the Financial Regulator) or a Non-Payment Election having occurred. See "*– Payments of Periodic Distribution Amounts are conditional upon certain events and may be cancelled and are non-cumulative*". Also, any amounts arising as a result of, or due and payable upon the occurrence of, a DIB Event, a Trustee Event (in the circumstances described in Condition 12.2) or any redemption at the option of the Trustee (upon the instructions of DIB (acting in its sole discretion)) (a) on the First Call Date or on any date thereafter up to and including the First Reset Date or on any Periodic Distribution Date following the First Reset Date (each a **Call Date**) or (b) upon the occurrence of a Tax Event or a Capital Event will be by reference to such reduced face amount of the Certificates.

The Conditions do not in any way impose restrictions on DIB following a Write-down, including restrictions on making any distribution or equivalent payment in connection with any Junior Obligations (including, without limitation, any common shares of DIB) or any Pari Passu Obligations or any Senior Obligations.

Certificateholders will lose all or some of their investment in the Certificates as a result of a Write-down and moreover, in such event, it is likely that Certificateholders will suffer losses in respect of their investment in the Certificates ahead of, or without, any losses being required to be borne by DIB's shareholders.

Investors should also be aware that the application of a non-viability loss absorption feature as contained in Condition 11 has not been tested in the UAE and therefore some degree of uncertainty exists in its application.

A **Non-Viability Event** means that the Financial Regulator has notified DIB in writing that it has determined that DIB is, or will become, Non-Viable without: (a) a Write-down; or (b) a public sector injection of capital (or equivalent support).

DIB shall be **Non-Viable** if (a) it is insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business or (b) any other event or circumstance occurs, which is specified as constituting non-viability by the Financial Regulator or in applicable banking regulations.

The circumstances triggering a Write-down are unpredictable and Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, or without, any losses being required to be borne by DIB's shareholders.

The occurrence of a Non-Viability Event is unpredictable and depends on a number of factors, many of which are outside of DIB's control. The occurrence of a Non-Viability Event is subject to a subjective determination by the Financial Regulator. As a result, the Financial Regulator may require a Write-down in circumstances that are beyond the control of DIB and with which DIB may not agree and regardless of whether or not the Solvency Conditions (as defined below) are satisfied at such time. Furthermore, although the Conditions provide that the Financial Regulator may require a Write-down in whole or in part upon the occurrence of a Non-Viability Event, the current stated position of the Financial Regulator is that a Write-down in whole will apply in all such cases save only in exceptional cases as determined by the Financial Regulator in its sole discretion. See "*–Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' right to any profit will be permanently written-down upon the occurrence of a Non-Viability Event*".

Prospective investors should also be aware that the application of a non-viability loss absorption feature similar to Condition 11 has not been tested in the UAE and therefore some degree of uncertainty exists in its application.

The Financial Regulator shall, in its sole discretion, determine the occurrence and scope of a Non-Viability Event and therefore the requirement for a Write-down. Accordingly, prospective investors should note that the Financial Regulator may require a Write-down, regardless of whether or not the Solvency Conditions are satisfied at such time, without also requiring the Ordinary Shares of DIB and/or Other Common Equity Tier 1 Instruments to absorb any losses. In such circumstances, Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, or without, any losses being required to be borne by DIB's shareholders.

The exercise (or perceived likelihood of exercise) of any such power by the Financial Regulator or any suggestion of such exercise could materially adversely affect the value of the Certificates and could lead to the Certificateholders losing some or all of their investment in the Certificates. As a result of a Write-down, a holder may suffer a loss in respect of its holding of the Certificates ahead of, or without, any loss being required to be borne by a shareholder of DIB in respect of its shareholding.

The financial viability of DIB will also depend in part on decisions made by DIB in relation to its business and operations, including the management of its capital position. In making such decisions, DIB subject to the requirements of the Conditions, may not have regard to the interests of Certificateholders and, in particular, the consequences for Certificateholders of any such decisions and there can be no assurance in any such circumstances that the interests of DIB, its shareholders and the Financial Regulator will be aligned with those of the Certificateholders.

Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' right to any profit will be fully and permanently written-down upon any of the Solvency Conditions not being satisfied at any time or a bankruptcy order in respect of DIB being issued.

If any of the Solvency Conditions (as defined below) is not satisfied on any date on which any payment obligation under the Mudaraba Agreement is due or a bankruptcy order in respect of DIB has been issued by a court in the UAE, all rights of the Certificateholders for payment of any amounts under or in respect of the Certificates (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, a DIB Event) shall be extinguished and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to such date. As a result, Certificateholders will lose the entire amount of their investment in the Certificates.

Furthermore, any indication or perceived indication that any of the Solvency Conditions may not be satisfied or that such a bankruptcy order may be issued may have a material adverse effect on the market price of the Certificates. The payment obligations of DIB under the Mudaraba Agreement are subordinated and unsecured obligations

Payments of Periodic Distribution Amounts and the Dissolution Distribution Amount will be made by the Trustee provided that DIB (as Mudareb) shall have paid to the Trustee amounts equal to such Periodic Distribution Amount and Dissolution Distribution Amount, respectively, pursuant to the terms of the Mudaraba Agreement. In this regard, prospective investors should note that the payment obligations of DIB under the Mudaraba Agreement are subordinated to the claims of the Senior Creditors and rank *pari passu* to the Pari Passu Obligations, as more particularly described in Condition 4.2. Potential investors should note that payment of all amounts by DIB under the Mudaraba Agreement (and consequently, the corresponding payments by the Trustee under the Conditions) are conditional upon:

- (i) DIB (in its capacity as Mudareb or otherwise) being Solvent at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable;
- (ii) DIB (in its capacity as Mudareb or otherwise) being capable of making payment of the Relevant Obligations and any other payment that is due to be made on the relevant date to a creditor in respect of all Senior Obligations and all Pari Passu Obligations and still be Solvent immediately thereafter; and
- (iii) the total share capital (including, without limitation, retained earnings) of DIB being greater than zero at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable,

(together, the **Solvency Conditions**).

Further, the payment obligations of DIB under the Mudaraba Agreement are unsecured and no collateral is or will be given by DIB in relation thereto.

Notwithstanding any other provision in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of DIB has been issued by a court in the UAE, all claims of the Trustee in respect of the Relevant Obligations will be extinguished and the Certificates will be cancelled without any further payment to be made by DIB in respect of the Relevant Obligations.

The Trustee may exercise its enforcement rights in relation to the Mudaraba Agreement only in the manner provided in Condition 12.3. If a DIB Event occurs and DIB has failed to satisfy any of the Solvency Conditions or if a bankruptcy order in respect of DIB has been issued by a court in the UAE, all claims of the Trustee in respect of the Relevant Obligations will be extinguished and the Certificates will be cancelled without any further payment to be made by DIB in respect of the Relevant Obligations and, accordingly, without any further payment to be made by the Trustee under the Certificates. As a result, Certificateholders would lose the entire amount of their investment in the Certificates.

No limitation on issuing senior securities; subordination

Other than the limitations in relation to the issue of further Tier 1 Capital by DIB as set out in Condition 4.3 which limits the circumstances in which Tier 1 Capital of DIB can be issued that ranks senior to the Certificates, there is no restriction in the Conditions or in the terms of the Transaction Documents on DIB (in its capacity as Mudareb or otherwise) incurring additional financing or issuing securities or creating any guarantee or contractual support arrangement which would rank senior to the Certificates and the obligations of DIB under the Mudaraba Agreement (**DIB Senior Obligations**). The issue of or the creation of any such

DIB Senior Obligations may reduce the likelihood of the Solvency Conditions being met and/or the amount recoverable by Certificateholders on a winding-up of DIB. See also "– *The payment obligations of DIB under the Mudaraba Agreement are subordinated and unsecured obligations*".

Payments of Periodic Distribution Amounts are conditional upon certain events and may be cancelled and are non-cumulative

DIB may elect, in its sole discretion and by instructing the Trustee to such effect, not to make payment of a Periodic Distribution Amount to Certificateholders on the corresponding Periodic Distribution Date including, without limitation, if DIB incurs a net loss during the relevant financial period, except that no such election may be made in respect of the Periodic Distribution Amount payable on the date on which the Certificates are, at DIB's discretion, to be redeemed.

In addition, if a Non-Payment Event (detailed below) occurs, DIB (in its capacity as Mudareb) shall be prohibited from paying Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit on any Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) pursuant to the Mudaraba Agreement, and as a result thereof the Trustee shall be prohibited from paying Periodic Distribution Amounts to the Certificateholders on the corresponding Periodic Distribution Date.

A **Non-Payment Event** is any of the following events:

- (i) the amount equal to the then applicable Periodic Distribution Amount (which for the purposes of the Conditions includes Additional Amounts as referred to in Condition 13) to be paid by DIB out of the Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as applicable (the **Relevant Rab-al-Maal Mudaraba Profit Amount**), when aggregated with any distributions or amounts payable by DIB (in its capacity as Mudareb or otherwise) on the same date (or otherwise due and payable on such date) on any other obligations in respect of Pari Passu Obligations, exceeds, on the relevant date for payment of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, Distributable Items; or
- (ii) DIB (in its capacity as Mudareb or otherwise) is, on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be), in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any capital buffers imposed on DIB by the Financial Regulator) or payment of the Relevant Rab-al-Maal Mudaraba Profit Amount (as applicable) to the Trustee would cause it to be in breach thereof; or
- (iii) the Financial Regulator requires (a) DIB not to pay the Relevant Rab-al-Maal Mudaraba Profit Amount to the Trustee on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) or (b) the Trustee not to pay the relevant Periodic Distribution Amount on that Periodic Distribution Date, in each case, for any reason as it may deem necessary; or
- (iv) the Solvency Conditions are not satisfied (or would no longer be met if the Relevant Rab-al-Maal Mudaraba Profit Amount was paid),

as more particularly provided in Condition 8.1.

In relation to limb (i) above, as at the Issue Date, **Distributable Items** means the amount of DIB's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable reserves, all as set out in its latest audited or (as the case may be) auditor reviewed consolidated financial statements, or any equivalent or successor term from time to time as prescribed by the Capital Regulations, including the applicable criteria for Tier 1 Capital that does not constitute Common Equity Tier 1 Capital. As at 30 June 2024, DIB's Distributable Items amounted to AED15,942,889.

However, current guidance issued by the Financial Regulator has indicated that the definition of "Distributable Items" may in the future be calculated by reference to the latest audited or (as the case may be) auditor reviewed non-consolidated financial statements. To the extent that this change comes into effect in the future, DIB may be required to prepare audited and auditor reviewed non-consolidated financial statements given that it currently only prepares audited and auditor reviewed consolidated financial statements and, in such circumstances the level of Distributable Items as so calculated might be lower than otherwise would be the case if the change does not take effect.

In relation to limb (ii) above, payment restrictions will also apply in circumstances where DIB does not meet certain capital buffer requirements, namely, payment restrictions in an amount equal to the Maximum Distributable Amount (as defined below) if the combined capital buffer requirement is not satisfied pursuant to the Capital Regulations. In the event of a breach of the combined buffer requirement, under the Capital Regulations, the restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of DIB's profits for the most recent relevant period. Such calculation will result in a maximum distributable amount (the **Maximum Distributable Amount**) in each relevant period. As an example, the scaling is such that in the lowest quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce payments that would, but for the breach of the combined buffer requirement, be discretionary, including Periodic Distribution Amounts in respect of the Certificates. In such circumstances, the aggregate amount of distributions which DIB can make on account of dividends, Periodic Distribution Amounts and redemption amounts on its Additional Tier 1 instruments (including the Certificates) and certain variable remuneration (such as bonuses) or discretionary pension benefits will be limited. Furthermore, there can be no assurance that the combined buffer requirement applicable to DIB will not be increased in the future, which may exacerbate the risk that discretionary distributions, including payments of Periodic Distribution Amounts in respect of the Certificates, are cancelled.

In the absence of notice of a Non-Payment Election or a Non-Payment Event, as the case may be, having been given in accordance with Condition 8.3, the fact of non-payment of the relevant Periodic Distribution Amount on the relevant Mudaraba Profit Distribution Date or Mudaraba End Date, as the case may be, shall be evidence of the occurrence of a Non-Payment Election or a Non-Payment Event, as the case may be. Accordingly, the Certificateholders shall have no claim in respect of any Periodic Distribution Amount not paid as a result of either a Non-Payment Election or a Non-Payment Event (irrespective of whether notice of such Non-Payment Election or Non-Payment Event, as the case may be, has been given in accordance with Condition 8.3) and the consequential non-payment of any Periodic Distribution Amount in such a circumstance shall not constitute a Dissolution Event. DIB shall not have any obligation to make any subsequent payment in respect of any such unpaid profit (whether from its own cash resources, from the Mudaraba Reserve or otherwise) (which shall be credited by DIB to the Mudaraba Reserve) and the Trustee will not have any obligation to make any subsequent payment in respect of any such Periodic Distribution Amounts.

If such a situation occurs, the Certificateholders shall not receive Periodic Distribution Amounts on their investment in the Certificates and neither the Trustee nor the Certificateholders shall have any claim in respect thereof. Any non-payment of Periodic Distribution Amounts or perceived risk of such non-payment may have a material adverse effect on the market value of the Certificates.

The Certificates are perpetual securities

The Certificates are perpetual securities which have no scheduled payment date. The Trustee is under no obligation to redeem the Certificates at any time and the Certificateholders have no right to call for their redemption unless a DIB Event occurs.

The DIB Events and Certificateholders' rights following a DIB Event are set out in Condition 12. See also "*The Conditions contain limited Dissolution Events and remedies*".

In certain circumstances DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, redeem the Certificates, including on any Call Date and if a Tax Event or a Capital Event occurs, as more particularly described in Condition 10, although there is no assurance that DIB will require it to do so.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Certificates indefinitely, unless:

- (i) the Trustee (upon the instructions of DIB (acting in its sole discretion)) redeems the Certificates in accordance with Condition 10;
- (ii) the Trustee is required by the Delegate (including as requested in writing by the Certificateholders of at least 20 per cent. of the aggregate face amount of the Certificates then outstanding or as directed by an Extraordinary Resolution of the Certificateholders), following a DIB Event to redeem the Certificates; or
- (iii) they sell their Certificates.

The exercise of (or perceived likelihood of exercise of) any such redemption feature of the Certificates may limit their market value, which is unlikely to rise substantially above the price at which the Certificates can be redeemed.

If the Certificates are redeemed, there can be no assurance that Certificateholders will be able to reinvest the amount received upon redemption in a comparable security at a rate that will provide the same expected rate of return as their investment in the Certificates. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Certificates will cease to accrue profit from the due date for redemption (if any)

Investors are advised that each Certificate will cease to accrue profit from the due date for redemption (following liquidation of the Mudaraba). Consequently, should payments owing to Certificateholders on the due date for redemption (if any) be received by them after the due date for any reason, no additional profit payment, late payment amount or other equivalent amount will be payable in respect of such delay. See Condition 7.3.

The Conditions contain limited Dissolution Events and remedies

The Certificates are perpetual instruments with no fixed redemption date and there is no obligation on the Trustee to pay the face amount of the Certificates other than in accordance with Condition 10.1(b), Condition 10.1(c), Condition 10.1(d) or following the occurrence of a DIB Event in accordance with Condition 12.1. In addition, the Trustee may be prohibited from making, or instructed by DIB not to make, payments of Periodic Distribution Amounts on the Certificates in accordance with Condition 8 and Periodic Distribution Amounts will not therefore be due other than in the limited circumstances described in the Conditions.

The Dissolution Events in the Conditions are limited to: (a) DIB Events (being (i) DIB failing to pay an amount which is equivalent to principal (being capital amounts, including the Mudaraba Capital, payable in accordance with the provisions of the Mudaraba Agreement) or profit (including Additional Amounts) due and payable by it pursuant to the Mudaraba Agreement and the failure continuing for a period (in the case of principal) of seven days or (in the case of profit) fourteen days (save in each case where such failure occurs solely as a result of the occurrence of a Non-Payment Election or a Non-Payment Event); (ii) a final determination being made by a court or other official body that DIB is insolvent or bankrupt or unable to pay its debts including any financing arrangement issued (or intended to be issued) in compliance with the principles of Shari'a and which is treated as debt for the purposes of applicable law, in each case whether entered into directly or indirectly by DIB; (iii) an administrator being appointed, an order being made or an effective resolution being passed for the winding-up or dissolution or administration of DIB or if DIB applies or petitions for a winding-up or administration order in respect of itself or ceases, or through an official action of its Directors threatens

to cease, to carry on all or substantially all of its business or operations, except, in each case (a) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution of the Certificateholders or (b) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or (iv) any event occurring which, under the laws of the UAE, has an analogous effect to any of the events referred to in (ii) or (iii) above); and (b) Trustee Events (being similar in nature to DIB Events in respect of the Trustee), all as more fully described in the Conditions.

Moreover, pursuant to Condition 12, upon the occurrence of any DIB Event and the delivery of a Dissolution Notice, the Mudaraba will be liquidated in accordance with the provisions of the Mudaraba Agreement and the remedies available to the Trustee, the Delegate and/or the Certificateholders (as applicable) are limited to giving notice to the Trustee and DIB that the Certificates are, and shall immediately become, due and payable at the applicable Prevailing Face Amount together with any Outstanding Payments and thereafter: (i) instituting any steps, actions or proceedings for the winding-up of DIB and/or (ii) proving in the winding-up of DIB and/or (iii) instituting any steps, actions or proceedings for the bankruptcy of DIB and/or (iv) claiming in the liquidation of DIB and/or (v) taking such other steps, actions or proceedings which, under the laws of the UAE, have an analogous effect to the actions referred to in (i) to (iv) above, in each case, for all amounts of Mudaraba Capital, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit and/or other amounts due to the Trustee on termination of the Mudaraba Agreement in accordance with its terms and the terms of the other Transaction Documents. Therefore, it will only be possible to enforce claims for payment of the applicable Dissolution Distribution Amount and/or Periodic Distribution Amounts in respect of the Certificates when the same have become due pursuant to the Mudaraba Agreement and the Conditions.

Furthermore, the claims of Senior Creditors of DIB will first have to be satisfied in any winding-up, bankruptcy, dissolution, liquidation or analogous proceedings before the Certificateholders may expect to obtain any amounts in respect of their Certificates and prior thereto Certificateholders will have only limited (if any) ability to influence the conduct of such winding-up, liquidation or analogous proceedings.

In addition, if a DIB Event occurs and DIB has failed to satisfy any of the Solvency Conditions or if a bankruptcy order in respect of DIB has been issued by a court in the UAE, all claims of the Trustee in respect of the Relevant Obligations will be extinguished and the Certificates will be cancelled without any further payment to be made by DIB in respect of the Relevant Obligations.

Resettable fixed rate instruments have a market risk

A holder of an instrument with a fixed profit (or equivalent) rate that will be reset during the term of the instrument (as will be the case for the Certificates with effect from each Reset Date if not previously redeemed and/or purchased and cancelled) is exposed to the risk of fluctuating profit rate levels and uncertain profit rate income. While the expected initial profit rate on the Certificates is fixed until the First Reset Date (with a reset of the expected initial profit rate on the First Reset Date as set out in the Conditions and every six years thereafter), the current investment return rate in the capital markets (the market return rate) typically changes on a daily basis. As the market return rate changes, the market value of the Certificates may also change, but in the opposite direction. If the market return rate increases, the market value of the Certificates would typically decrease. If the market return rate falls, the market value of the Certificates would typically increase. Certificateholders should be aware that movements in these market return rates can adversely affect the market value of the Certificates and can lead to losses for the Certificateholders if they sell the Certificates.

Variation upon the occurrence of a Capital Event or a Tax Event

Upon the occurrence and continuation of a Capital Event or a Tax Event, DIB may (acting in its sole discretion), instruct the Trustee to, whereupon the Trustee shall, subject as provided in Condition 10.1(c) or 10.1(d) (as the case may be) and without any requirement for consent or approval of the Certificateholders, vary the terms of the Mudaraba Agreement (subject to the approval of the Internal Sharia Supervision

Committee of DIB) and the Certificates such that the Certificates remain or become, as the case may be, Qualifying Tier 1 Instruments.

A **Capital Event** is deemed to have occurred if DIB is notified in writing by the Financial Regulator to the effect that the face amount (or the amount that qualifies as regulatory capital, if some amount of the Certificates are held by DIB or whose purchase is funded by DIB) of the Certificates outstanding would cease to be eligible to qualify, in whole or in part for inclusion in the consolidated Tier 1 Capital of DIB (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital), and provided that DIB satisfies the Financial Regulator that such non-qualification was not reasonably foreseeable at the time of the issuance of the Certificates. A **Tax Event** will arise if DIB or the Trustee (as the case may be) would, as a result of a Tax Law Change, in making any payments under the Mudaraba Agreement or on the Certificates (as the case may be) on the next due date for such payment, be required to pay Additional Amounts (and such requirement cannot be avoided by DIB or the Trustee (as the case may be) taking reasonable measures available to it), and provided that DIB satisfies the Financial Regulator that such Tax Law Change was not reasonably foreseeable at the time of the issuance of the Certificates. The consequences following the occurrence of each of a Tax Event and a Capital Event are more particularly described in Condition 10.1.

The tax and stamp duty consequences of holding the Certificates following variation as contemplated in Condition 10.1 could be different for certain Certificateholders from the tax and stamp duty consequences for them of holding the Certificates prior to such variation and none of the Trustee, the Delegate or DIB shall be responsible to any Certificateholder for any such consequences in connection therewith. Further, while the Conditions stipulate that the variation (as contemplated by the Conditions) must not be materially less favourable to the Certificateholders, no assurance can be given as to whether any of these changes will negatively affect any particular Certificateholder.

The Certificates are limited recourse obligations

The Certificates are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of the Certificates is limited to the Trust Assets and the proceeds of the Trust Assets are the sole source of payments on the Certificates. Upon receipt by the Trustee of a Dissolution Notice in accordance with the terms of Condition 12.1, the sole rights of each of the Trustee and/or the Delegate (acting on behalf of the Certificateholders), will be (subject to Condition 12.3) against DIB to perform its obligations under the Transaction Documents. Certificateholders will have no recourse to any assets of the Trustee (other than the Trust Assets in the manner contemplated in the Transaction Documents) or of the Delegate or the Agents or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets. DIB is obliged to make certain payments under the Transaction Documents directly to the Trustee, and the Trustee and/or the Delegate will have recourse against DIB to recover such payments due to the Trustee pursuant to the Transaction Documents.

After enforcing or realising the rights in respect of the Trust Assets and distributing the net proceeds of such Trust Assets in accordance with Condition 5.3, the obligations of the Trustee and/or the Delegate in respect of the Certificates shall be satisfied and neither the Trustee nor the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and DIB shall be (in accordance with Condition 12.3), to enforce their respective obligations under the Transaction Documents.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of the Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or

at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, may have a material adverse effect on the market value of the Certificates. The Certificates generally may have a more limited secondary market liquidity and may be subject to greater price volatility than conventional debt securities as they are perpetual securities (see "*The Certificates are perpetual securities*"), are subordinated (see "*The payment obligations of DIB under the Mudaraba Agreement are subordinated and unsecured obligations*"), will be permanently written-down upon the occurrence of a Non-Viability Event (see "*Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' right to any profit will be permanently written-down upon the occurrence of a Non-Viability Event*") and payments of Periodic Distribution Amounts may be restricted in certain circumstances (see "*Payments of Periodic Distribution Amounts are conditional upon certain events and may be cancelled and are non-cumulative*").

Application has been made for the Certificates to be admitted to the Official List and the DFSA Official List and for such Certificates to be admitted to trading on the Euronext Dublin Regulated Market and Nasdaq Dubai. However, there can be no assurance that any such listing or admission to trading will occur on or prior to the Issue Date or at all or, if it does occur, that it will enhance the liquidity of the Certificates.

Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates.

The Certificates may be redeemed early or purchased subject to certain requirements

At its option in connection with any Call Date or otherwise at any time upon the occurrence of a Tax Event or a Capital Event and subject to a Non-Viability Event not having occurred (or if a Non-Viability Event has occurred, a Write-down in part having taken place in accordance with the instructions of the Financial Regulator), DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall give not less than 10 nor more than 15 days' prior notice to the Certificateholders in accordance with Condition 17 and the Delegate in accordance with the Declaration of Trust and, provided that, any such notice has not been revoked by the Trustee (upon the instructions of DIB (acting in its sole discretion)) by giving notice of such revocation to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust and a Non-Viability Event has not occurred after the giving of such notice and, in each case prior to the redemption date specified in the initial notice, redeem in accordance with the Conditions, all, but not some only, of the Certificates at the applicable Prevailing Face Amount together with any accrued but unpaid Periodic Distribution Amounts (as more particularly described in Conditions 10.1(b), 10.1(c) and 10.1(d), respectively).

Any redemption of the Certificates is subject to the requirements in Condition 10.1(a), including obtaining the prior written consent of the Financial Regulator. There can be no guarantee that the consent of the Financial Regulator will be received on time or at all.

There is no assurance that the Certificateholders will be able to reinvest the amount received upon redemption at a rate that will provide the same expected rate of return as their investment in the Certificates. During any period when DIB may instruct the Trustee to redeem the Certificates, the market value of the Certificates generally will not rise substantially above the Trustee Call Amount, the Tax Redemption Amount or the Capital Event Amount (as applicable) payable. Potential investors should consider re-investment risk in light of other investments available at that time.

The exercise of (or perceived likelihood of exercise of) the redemption features of the Certificates may limit their market value, which is unlikely to rise substantially above the price at which the Certificates can be redeemed.

Any purchase of the Certificates by DIB or any of its Subsidiaries is subject to the requirements in Condition 10.2, including (to the extent then required by the Financial Regulator and/or the Capital

Regulations) obtaining the prior written consent of the Financial Regulator. There can be no guarantee that the written consent of the Financial Regulator will be received on time or at all, particularly as the current stated position of the Financial Regulator is that it will provide such written consent in exceptional cases only.

Investment in the Mudaraba Assets

Pursuant to the Mudaraba Agreement, the proceeds of the issuance of the Certificates will be contributed by the Trustee (as Rab-al-Maal) to the Mudareb which proceeds shall form the initial capital of the Mudaraba (the **Mudaraba Capital**). The Mudaraba Capital will be invested by DIB (as Mudareb) on an unrestricted co-mingling basis in its general business activities carried out through the General Mudaraba Pool and, following investment of the Mudaraba Capital in the General Mudaraba Pool, the Mudaraba Capital shall constitute *pro rata* undivided assets in the General Mudaraba Pool (the **Mudaraba Assets**), with a view to earning profit therefrom, which will in turn be applied towards payments due to Certificateholders in respect of the Certificates.

No investigation or enquiry will be made and no due diligence will be conducted in respect of any Mudaraba Assets. The investment activities of the Mudaraba will be carried out by DIB, and the Certificateholders shall have no ability to influence such activities. DIB shall be granted the express entitlement to co-mingle any of its own assets with the Mudaraba Assets on a basis proportionate to the rights and obligations of holders of equity of DIB and as a result it will not be possible to identify the Mudaraba Assets separately from the assets of DIB.

If any of the risks relating to the business of DIB mentioned above (see "*– Risks relating to the Group*") materialise or otherwise impact DIB's business, the value of and profit earned from the investment in such Mudaraba Assets may decrease which may, in turn, have a material adverse effect on DIB's ability to fulfil its payment obligations under the Mudaraba Agreement and consequently, the Trustee's ability to make payments in respect of the Certificates.

Furthermore, whilst the Mudareb has agreed in the Mudaraba Agreement to ensure that the Mudaraba Capital is invested in accordance with the Investment Plan (and with the degree of skill and care that it would exercise in respect of its own assets), the Mudaraba Agreement also provides that there is no guarantee of any return from the Mudaraba Assets. In addition, the Trustee and the Mudareb have agreed in the Mudaraba Agreement that the Mudareb shall not be responsible for any losses to the Mudaraba Capital suffered by the Trustee except to the extent such losses are caused by: (i) the Mudareb's breach of the Mudaraba Agreement; or (ii) the Mudareb's gross negligence, wilful misconduct or fraud.

Accordingly, potential investors are advised that any claim by or on behalf of the Trustee for the Mudaraba Capital following any Dissolution Event may be reduced if and to the extent that the Mudareb is able to prove that any losses to the Mudaraba Capital were not caused by: (i) the Mudareb's breach of the Mudaraba Agreement; or (ii) the Mudareb's gross negligence, wilful misconduct or fraud. If the Mudareb is able to provide such proof, Certificateholders may lose all or some of their investment. It is not possible to state with certainty what approach any court or arbitral tribunal with jurisdiction will take in such circumstances.

Limitation on gross-up obligation under the Certificates

The Trustee's obligation to pay Additional Amounts in respect of any withholding or deduction in respect of Taxes under Condition 13 applies only to payments of Periodic Distribution Amounts and not to payments of Dissolution Distribution Amounts (other than any Outstanding Payments) due and payable under the Certificates. As such, the Trustee will not be required to pay any Additional Amounts under the terms of the Certificates to the extent any withholding or deduction applied to payments of Dissolution Distribution Amounts (other than any Outstanding Payments). Accordingly, if any such withholding or deduction were to apply to any payments of Dissolution Distribution Amounts (other than any Outstanding Payments) under the Certificates, holders may receive less than the full amount due under the Certificates, and the market value of the Certificates may be adversely affected.

To the extent that DIB is required to pay Additional Amounts in respect of amounts corresponding to Periodic Distribution Amounts under the Mudaraba Agreement, DIB shall immediately recover such Additional Amounts from any amounts (if any) standing to the credit of the Mudaraba Reserve and if, following such recovery a shortfall remains between the amounts standing to the credit of the Mudaraba Reserve and such Additional Amounts paid by DIB (such shortfall, the **Additional Amounts Shortfall**), DIB shall be entitled to recover amounts equal to such Additional Amounts Shortfall from any Liquidation Proceeds (after taking into account amounts equal to the then applicable Dissolution Distribution Amount payable to the Trustee on the Mudaraba End Date pursuant to the Mudaraba Agreement).

RISKS RELATING TO ENFORCEMENT

Compliance with the UAE bankruptcy law may affect DIB's ability to perform its obligations under the Transaction Documents

In the event of DIB's insolvency, UAE bankruptcy laws may adversely affect DIB's ability to perform its obligations under the Mudaraba Agreement and, consequently, the Trustee's ability to make payments to Certificateholders. There is little precedent to predict how a claim on behalf of Certificateholders, the Trustee and/or the Delegate against DIB would be resolved, and therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances.

Investors may experience difficulties in enforcing arbitral awards and foreign judgments in Dubai

The payments under the Certificates are dependent upon DIB making payments to the Trustee in the manner contemplated under the Transaction Documents. If DIB fails to do so, it may be necessary to bring an action against DIB to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

DIB has agreed to refer any unresolved dispute in relation to the Transaction Documents to arbitration under the Arbitration Rules of the London Court of International Arbitration (the **LCIA**) (the **Rules**) with an arbitral tribunal with its seat in London. In addition, subject to the exercise of an option to litigate given to certain parties, the courts of England or the DIFC courts, at the option of the Trustee or the Delegate, are stated to have exclusive jurisdiction to settle any disputes in respect of the Transaction Documents. Notwithstanding that an arbitral award may be obtained from an arbitral tribunal in London or that a judgment may be obtained in an English court, there is no assurance that DIB has, or would at the relevant time have, assets in the UK against which such arbitral award or judgment could be enforced, and it is therefore likely that proceedings would need to be commenced for the enforcement of any such award or judgment in Dubai (where the substantial majority of DIB's assets are located).

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. Accordingly, it is expected that an arbitral award obtained in a London-seated arbitration should be enforceable in Dubai in accordance with the terms of the New York Convention. In this regard, it should be noted that recognition and enforcement of an arbitral award may be refused by the Dubai courts on the grounds set out in Article V of the New York Convention.

However, there is no established track record to demonstrate how the provisions of the New York Convention will be applied by the Dubai courts in practice and whether the Dubai courts will enforce a foreign arbitral award in accordance with the New York Convention (or any other applicable multilateral or bilateral enforcement treaties). 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, 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 have been refused.

Federal Decree Law No. 42 of 2022 regarding the Law of Civil Procedure (the **Civil Procedure Law**) also governs the enforcement of foreign arbitral awards in the UAE. Article 223 of the Civil Procedure Law provides that arbitral awards issued in a foreign state may be enforced in the UAE subject to the conditions provided under Article 222 of the Civil Procedure Law. Article 225 of the Civil Procedure Law provides that the rules on enforcement of foreign arbitral awards shall not prejudice the provisions of treaties for the enforcement of foreign judgments, orders and instruments with foreign states, which, by virtue of the operation of Article 223 of the Civil Procedure Law, should also apply in respect of arbitral awards, and accordingly, include the New York Convention. However, there is no established track record to demonstrate how the Dubai courts will apply the Civil Procedure Law alongside the provisions of such treaties in practice.

In addition, Federal Law No. 6 of 2018 (the **UAE Arbitration Law**) provides certain conditions to the enforcement of domestic arbitral awards in the UAE. There is no established track record to demonstrate how the Dubai courts will apply the UAE Arbitration Law in practice and there is a risk that, notwithstanding the Civil Procedure Law or the terms of applicable enforcement treaties, the Dubai courts may also apply such conditions to the enforcement of foreign arbitral awards in the UAE.

Accordingly, there is a risk that an arbitral award obtained in a London-seated arbitration will be refused enforcement by the Dubai courts.

Where an English judgment has been obtained, there is no assurance that DIB has or would at the relevant time have assets in the United Kingdom against which such a judgment could be enforced. DIB is incorporated in and has its operations and the majority of its assets located in the UAE. A judgment or order of a foreign court may be enforced in the UAE, subject to the conditions provided under Article 222 of the Civil Procedure Law. However, there is no established track record to demonstrate how the Dubai courts will apply the Civil Procedure Law in practice.

Under current UAE federal law, the courts in the UAE are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the parties' choice of English law as the governing law of the Transaction Documents or the Certificates. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law by a court in the UAE may not accord with the interpretation of an English 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.

The UAE is a civil law jurisdiction and judicial precedents in the UAE have no binding effect on subsequent decisions. In addition, court decisions in Dubai are generally not recorded. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

In the case of any dispute under the Conditions and/or the Transaction Documents, which at the option of the Trustee or the Delegate has been referred to the DIFC courts under Article 7 of Law No. 16 of 2011 (as defined below), any final and unappealable judgment, order or award made by the DIFC courts in favour of the Delegate (on behalf of the Certificateholders) must, upon application by the Delegate to the Dubai Court of Execution, be enforced against DIB and/or its assets situated in Dubai by the Dubai Court of Execution without that court being able to reconsider the merits of the case provided that the conditions specified in Article 7(2) of Law No. 16 of 2011 are satisfied and the procedure for enforcement described in Article 7(3) of Law No. 16 of 2011 is adhered to.

Dubai Law No. 16 of 2011 on Amending Some Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts (**Law No. 16 of 2011**) came into force in Dubai on 31 October 2011 and

extended the jurisdiction of the DIFC courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the DIFC courts, even where such parties are unconnected to the DIFC. None of the Trustee, DIB or the Delegate are connected to the DIFC.

Prospective investors should note however that, as at the date of this Prospectus, Law No. 16 of 2011 remains relatively untested and there is therefore no certainty as to how the DIFC courts intend to exercise their jurisdiction under this law should any party dispute the right of the DIFC courts to hear a particular dispute where any party is unconnected to the DIFC, nor is there any certainty that the Dubai Court of Execution will enforce the judgment of the DIFC courts without reconsidering the merits of the case.

Compliance with UAE bankruptcy law may affect DIB's ability to perform its obligations under the Transaction Documents

In the event of DIB's insolvency, UAE bankruptcy law may adversely affect DIB's ability to perform its obligations under the Transaction Documents and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. There is little precedent to predict how claims by or on behalf of the Certificateholders and/or the Delegate would be resolved, and therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances.

Considerations relating to the non-recognition of trusts under the laws of the UAE

Notwithstanding the introduction of Federal Decree Law No. 31 of 2023 on trusts, UAE law does not recognise the concept of trust as commonly understood in common law jurisdictions and may construe a trust as an agency relationship. Accordingly, if a Dubai court were to consider the merits of a claim in respect of the Declaration of Trust and apply UAE law principles in doing so, there is no certainty that all of the terms of the Declaration of Trust (which is governed by English law) would be enforced by the Dubai courts and the trust arrangements set out therein may be re-characterised as an agency arrangement by the Dubai courts.

A court may not grant an order for specific performance

In the event that DIB fails to perform its obligations under any Transaction Document, the potential remedies available to the Trustee and the Delegate include (i) obtaining an order for specific performance of DIB's obligations, or (ii) a claim for damages.

There is no assurance that a court will provide an order for specific performance, as this is generally a matter for the discretion of the relevant court. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court may award in the event of a failure by DIB to perform its obligations set out in the Transaction Documents.

DIB's waiver of immunity may not be effective under UAE law

DIB has waived its rights in relation to sovereign immunity under the Transaction Documents. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Transaction Documents are valid and binding under the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Change of law

The structure of the issue of the Certificates is based on English law as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to or the interpretation of English law, or administrative practices after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the

Certificates or of the Trustee or DIB to comply with their respective obligations under the Transaction Documents.

ADDITIONAL RISK FACTORS

Certificateholders must rely on Euroclear and Clearstream, Luxembourg procedures

The Certificates will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the ownership interests in the Global Certificate.

While the Certificates are represented by the Global Certificate, investors will be able to trade their ownership interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Certificates are represented by the Global Certificate, the Trustee will discharge its payment obligation under the Certificates by making payments through the relevant clearing systems. A holder of an ownership interest in the Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, ownership interests in the Global Certificate.

Holders of ownership interests in the Global Certificate will not have a direct right to vote in respect of the Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Shari'a requirements in relation to interest awarded by a court

In accordance with applicable Shari'a principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by any arbitrator as a result of any arbitration and/or by any court in connection with any dispute under the Mudaraba Agreement. Should there be any delay in the enforcement of an arbitral award or a judgment given against DIB, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive all, or any part of, such interest.

Certificates with a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

As the Certificates have a minimum denomination consisting of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, it is possible that the Certificates may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case a Certificateholder who, as a result of trading such amounts, holds a face amount of less than U.S.\$200,000 would need to purchase an additional amount of Certificates with a face value of U.S.\$200,000 or more such that it holds an amount equal to at least U.S.\$200,000 to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

If a Certificateholder holds a face amount which is less than U.S.\$200,000 in his account with the relevant clearing system at the relevant time, such Certificateholder may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a face amount of Certificates such that its holding amounts to at least U.S.\$200,000 in order to be eligible to receive a Definitive Certificate.

If Definitive Certificates are issued, holders should be aware that Definitive Certificates which have a denomination that is not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

Consents are required in relation to the variation of Transaction Documents and other matters

The Conditions contain provisions for calling meetings of Certificateholders to consider matters affecting their interests generally and for obtaining written resolutions on matters relating to the Certificates from Certificateholders without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Declaration of Trust and whose Certificates are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Certificates are held in global form in the clearing systems, the Trustee, DIB and the Delegate will be entitled to rely upon:

- (i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Trustee, DIB or the Delegate or given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates for the time being outstanding; and
- (ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Trustee, DIB and/or the Delegate by accountholders in the clearing systems with entitlements to the Global Certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Trustee has obtained commercially reasonable evidence to ascertain the validity of such holding and taken reasonable steps to ensure such holding does not alter following the giving of such consent/instruction and prior to effecting such resolution.

A written resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Certificateholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Certificateholders satisfying the special quorum in accordance with the provisions of the Declaration of Trust, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

The Conditions also provide that the Delegate may, without the consent of Certificateholders, agree to the substitution of another company as obligor under the Certificates in place of the Trustee, in the circumstances described in Condition 12.2.

The Conditions also provide that the Delegate may, without the consent or approval of the Certificateholders, agree to the variation of the terms of the Certificates and (subject to the approval of the Internal Sharia Supervision Committee of DIB) the Mudaraba Agreement so that the Certificates remain or become, as the case may be, Qualifying Tier 1 Instruments, as provided in Condition 10.1(c) and Condition 10.1(d).

The Declaration of Trust also contains provisions permitting the Delegate from time to time and at any time without the consent or sanction of the Certificateholders to make any modification to the Declaration of Trust if, in the opinion of the Delegate, such modification: (a) is of a formal, minor or technical nature; or (b) is made to correct a manifest error; or (c) is not materially prejudicial to the interests of the holders of the Certificates then outstanding and is other than in respect of a Reserved Matter (as defined in the Declaration of Trust) or any provision of the Declaration of Trust referred to in the definition of Reserved Matter. Unless the Delegate otherwise agrees, any such modification shall as soon as practicable thereafter be notified to the Certificateholders and shall in any event be binding upon the Certificateholders.

Exchange rate risks and exchange controls

Subject to the terms of the Conditions, the Trustee will pay amounts due on the Certificates in U.S. dollars and DIB will make payments pursuant to the Transaction Documents in U.S. dollars. If the Certificateholders measure their investment returns by reference to a currency other than U.S. dollars (the **Investor's Currency**), an investment in the Certificates will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the U.S. dollar, as applicable, relative to the Investor's Currency because of economic, political and other factors over which the Trustee has no control and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Depreciation of the U.S. dollar, as applicable, against the Investor's Currency could cause a decrease in the effective yield of the Certificates below their stated Periodic Distribution Amount and could result in a loss to the Certificateholders when the return on the Certificates is translated into the Investor's Currency. Investment in the Certificates may also have important tax consequences as a result of any foreign currency exchange gains or losses.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less amounts under the Certificates than expected, or no such amounts.

Taxation risks on payments

Payments made by DIB to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to taxation. The Mudaraba Agreement requires DIB (acting in its relevant capacity thereunder), to pay Additional Amounts in the event that any withholding or deduction, for or on account of, any Taxes is required to be made in respect of payments made by it to the Trustee under such document. Condition 13 provides that the Trustee is required to pay Additional Amounts in respect of any withholding or deduction for, or on account of, any Taxes in certain circumstances. In the event that the Trustee fails to comply with any obligation to pay any such Additional Amounts pursuant to Condition 13, DIB has, pursuant to the Declaration of Trust, unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to or to the order of the Delegate an amount equal to the liability of the Trustee in respect of any and all Additional Amounts required to be paid by it in respect of the Certificates pursuant to Condition 13.

The circumstances described above may entitle DIB to be able to instruct the Trustee to redeem or vary the Certificates pursuant to Condition 10.1(c). See "*– The Certificates may be redeemed early or purchased subject to certain requirements*" and "*– Variation upon the occurrence of a Capital Event or a Tax Event*" for a description of the consequences thereof.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Prospectus:

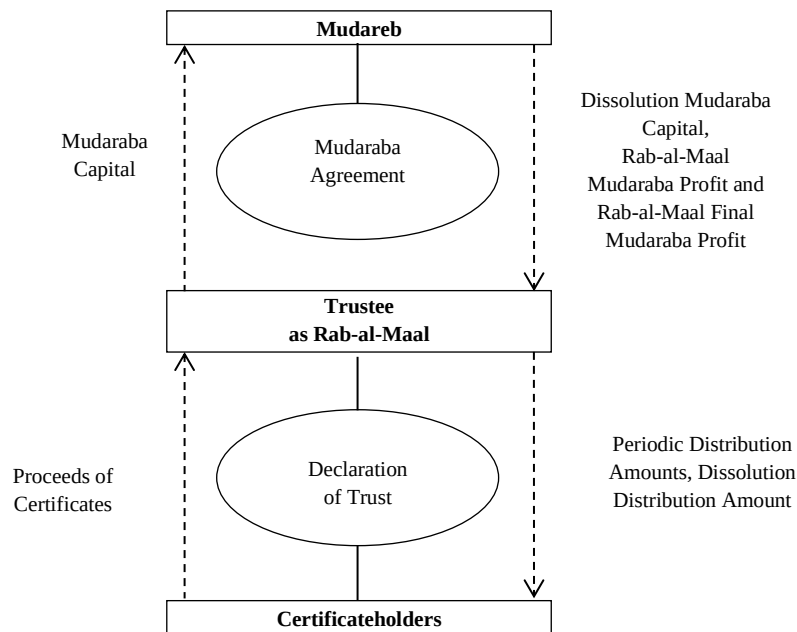
- (a) the auditors' review report and unaudited condensed consolidated interim financial information of DIB as at and for the six-month period ended 30 June 2024 (available at: https://www.dib.ae/docs/default-source/financial-reports/dib-h1-english-fs-jun-24-signed.pdf?sfvrsn=6dc30d85_2);
- (b) the auditors' report and audited consolidated financial statements of DIB as at and for the financial year ended 31 December 2023 (available at: https://www.dib.ae/docs/default-source/financial-reports/dib-fs-2023-fy-english.pdf?sfvrsn=4cda11a_4); and
- (c) the auditors' report and audited consolidated financial statements of DIB as at and for the financial year ended 31 December 2022 (available at: https://www.dib.ae/docs/default-source/financial-reports/dib_fs_e_25_01_2023.pdf?sfvrsn=2811d886_6).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Certificates. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus. Prospective investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read this entire Prospectus carefully, especially the risks of investing in the Certificates discussed under "Risk Factors".

STRUCTURE DIAGRAM



PRINCIPAL CASH FLOWS

Payments by the Certificateholders and the Trustee

On the Issue Date, the Certificateholders will pay the issue price in respect of the Certificates to the Trustee. Pursuant to the Declaration of Trust, the Trustee will declare a trust, in favour of the Certificateholders, over:

- (a) the cash proceeds of the issuance of the Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Mudaraba Assets (as defined below);
- (c) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given by DIB (acting in any capacity) pursuant to any of the Transaction Documents and the covenant given to the Trustee by DIB pursuant to clause 12.1 of the Declaration of Trust); and
- (d) all amounts standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing (together, the **Trust Assets**).

The proceeds of the issuance of the Certificates will be contributed by the Trustee (as Rab-al-Maal) to DIB (as Mudareb) and shall form the initial capital of the Mudaraba (the **Mudaraba Capital**) pursuant to the Mudaraba Agreement. The Mudareb will invest the Mudaraba Capital on an unrestricted co-mingling Mudaraba basis in its general business activities carried out through the General Mudaraba Pool, and following investment of the Mudaraba Capital in the General Mudaraba Pool, the Mudaraba Capital shall constitute *pro rata* undivided assets in the General Mudaraba Pool (the **Mudaraba Assets**).

Periodic payments by the Trustee

Unless a Non-Payment Event or a Non-Payment Election has occurred, prior to each Periodic Distribution Date, the Mudareb shall distribute the profit generated by the Mudaraba to both the Trustee and the Mudareb in accordance with an agreed profit sharing ratio (90 per cent. to the Trustee (as Rab-al-Maal) and 10 per cent. to the Mudareb). The Trustee shall apply its share of the profit (if any) generated by the Mudaraba on each Periodic Distribution Date to pay the Periodic Distribution Amount due to the Certificateholders on such date.

Payments of Rab-al-Maal Mudaraba Profit and Rab-al-Maal Final Mudaraba Profit (each as defined in the Mudaraba Agreement) by the Mudareb may only be made in circumstances where a Non-Payment Event has not occurred and, in the case of Rab-al-Maal Mudaraba Profit only, are at the sole discretion of the Mudareb. The Mudareb shall not have any obligation to make any subsequent payment in respect of such unpaid profit (whether from its own cash resources, from the Mudaraba Reserve or otherwise) (which shall be credited by the Mudareb to the Mudaraba Reserve). Under the terms of the Mudaraba Agreement, the Mudareb shall be expressly entitled to co-mingle the Mudaraba Assets with any of the other assets of the General Mudaraba Pool from time to time.

Dissolution payments, redemption and variation by the Trustee and the Mudareb

The Mudaraba is a perpetual arrangement with no fixed end date. Accordingly, the Certificates are perpetual securities in respect of which there is no fixed redemption date.

Subject to certain conditions set out in clause 7 of the Mudaraba Agreement, the Mudareb may at its option liquidate the Mudaraba in whole, but not in part, on the basis of a final constructive liquidation of the Mudaraba in the following circumstances:

- (i) on any Call Date, by giving not less than 15 nor more than 20 days' prior notice to the Trustee and the Delegate; or
- (ii) on any date on or after the Issue Date (whether or not a Periodic Distribution Date), by giving not less than 15 nor more than 20 days' prior notice to the Trustee and the Delegate:
 - (a) upon the occurrence of a Tax Event; or
 - (b) upon the occurrence of a Capital Event.

The Trustee (but only upon the instructions of DIB (acting in its sole discretion)) shall, upon receipt of notice and the associated liquidation of the Mudaraba in accordance with paragraph (i) above redeem all, but not some only, of the Certificates, and upon receipt of notice and, where applicable, the associated liquidation of the Mudaraba in accordance with paragraph (ii) above redeem all, but not some only, of the Certificates or vary the terms thereof, in each case by giving not less than 10 nor more than 15 days' prior notice to the Certificateholders, all as more particularly described in the Conditions, and in each case following actual liquidation of the Mudaraba, as described above.

The Mudareb and the Trustee undertake in the Mudaraba Agreement, in circumstances where the Certificates are required by DIB to be varied upon the occurrence of a Tax Event or a Capital Event, to make such variations as are necessary to ensure that the Certificates remain or become, as the case may be, Qualifying Tier 1 Instruments.

TERMS AND CONDITIONS OF THE ADDITIONAL TIER 1 CAPITAL CERTIFICATES

The following (except for the text in italics) is the text of the Terms and Conditions of the Certificates which (subject to modification and except for the text in italics) will be endorsed on each Certificate in definitive form (if issued) and will, save as provided in Global Certificate, apply to the Global Certificate:

DIB Tier 1 Sukuk (6) Ltd. (in its capacity as issuer and in its capacity as trustee, as applicable, the **Trustee**, which expression shall where the context allows include the Delegate (as defined below) acting pursuant to the powers delegated to it by the Trustee pursuant to the Declaration of Trust (as defined below)) has issued Additional Tier 1 Capital Certificates (the **Certificates**) in an aggregate face amount of U.S.\$500,000,000. The Certificates are constituted by a declaration of trust (the **Declaration of Trust**) dated 16 October 2024 (the **Issue Date**) made between the Trustee, Dubai Islamic Bank PJSC (**DIB**) and HSBC Bank plc (the **Delegate**, which expression shall include all persons for the time being appointed as the delegate or delegates under the Declaration of Trust) and will represent an undivided ownership interest in the Trust Assets (as defined in Condition 5).

Payments relating to the Certificates will be made pursuant to an agency agreement dated the Issue Date (the **Agency Agreement**) made between the Trustee, DIB, the Delegate, HSBC Bank plc as principal paying agent (in such capacity, the **Principal Paying Agent** and together with any further or other paying agents appointed from time to time in respect of the Certificates, the **Paying Agents**), HSBC Bank plc as registrar (in such capacity, the **Registrar**) and as transfer agent (in such capacity, the **Transfer Agent** and, together with the Registrar and any further or other transfer agents appointed from time to time in respect of the Certificates, the **Transfer Agents**) and HSBC Bank plc as calculation agent (the **Calculation Agent**, which expression includes the Calculation Agent for the time being). The Paying Agents, the Transfer Agents and the Calculation Agent are together referred to in these terms and conditions (the **Conditions**) as the **Agents**. References to the **Agents** or any of them shall include their successors.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents (as defined in Condition 1). Copies of the Transaction Documents are available for inspection and/or collection during normal business hours at the specified offices of the Principal Paying Agent. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders:

- (a) to contribute the sums paid by it in respect of its Certificate(s) to the Mudareb (as defined in Condition 5) in accordance with the Mudaraba Agreement (as defined in Condition 12.2);
- (b) to act as Rab-al-Maal (as defined in Condition 5) pursuant to the Mudaraba Agreement on its behalf (which authorisation and direction shall also apply to its successors in title and any Substituted Trustee (as defined in Condition 12.2)); and
- (c) to enter into each Transaction Document, subject to the provisions of the Declaration of Trust and these Conditions.

1. DEFINITIONS AND INTERPRETATION

Words and expressions defined in the Declaration of Trust and the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between any such document and these Conditions, these Conditions will prevail. In addition, in these Conditions the following expressions have the following meanings:

Additional Amounts has the meaning given to it in Condition 13;

Additional Tier 1 Capital means capital qualifying as, and approved by the Financial Regulator as, additional tier 1 capital in accordance with the Capital Regulations;

Applicable Regulatory Capital Requirements means any regulatory capital requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to DIB, including transitional rules and waivers granted in respect of the foregoing;

Assets means the consolidated gross assets of DIB as shown (if required by any relevant party) in the latest audited or (as the case may be) auditor reviewed consolidated balance sheet of DIB, but adjusted for subsequent events in such manner as the Directors, the Auditors or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of DIB) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

Auditors means, at any time, the statutory independent auditors to DIB at the relevant time or such other auditor as may be appointed for the purpose of the Transaction Documents or, failing such appointment, as may be nominated by the Delegate (subject to the Delegate being indemnified and/or secured and/or pre-funded to its satisfaction);

Authorised Denomination has the meaning given to that term in Condition 2.1;

Basel III Documents means the Basel Committee on Banking Supervision document "A global regulatory framework for more resilient banks and banking systems" released by the Basel Committee on Banking Supervision on 16 December 2010 and revised in June 2011 and the Annex contained in its document "Basel Committee issues final elements of the reforms to raise the quality of regulatory capital" on 13 January 2011;

Business Day means a day, other than a Saturday, Sunday or public holiday, on which registered banks settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Dubai, New York City and London;

Call Date means the First Call Date and any date thereafter up to and including the First Reset Date and any Periodic Distribution Date following the First Reset Date;

Capital Event is deemed to have occurred if DIB is notified in writing by the Financial Regulator to the effect that the face amount (or the amount that qualifies as regulatory capital, if some amount of the Certificates are held by DIB or whose purchase is funded by DIB) of the Certificates outstanding would cease to be eligible to qualify, in whole or in part, for inclusion in the consolidated Tier 1 Capital of DIB (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital), and provided that DIB satisfies the Financial Regulator that such non-qualification was not reasonably foreseeable at the time of the issuance of the Certificates;

Capital Event Amount means, in relation to a Certificate, its Prevailing Face Amount together with any Outstanding Payments;

Capital Regulations means, at any time, the regulations, requirements, standards, guidelines, guidance and policies relating to the maintenance of capital and/or capital adequacy then in effect in the UAE, including those of the Financial Regulator;

Central Bank means the Central Bank of the UAE or any successor thereto;

Certificateholder means a person in whose name a Certificate is registered in the Register (or in the case of joint Certificateholders, the first named thereof) and the expressions **holder** and **holder of Certificates** and related expressions shall (where appropriate) be construed accordingly;

Common Equity Tier 1 Capital means capital qualifying as, and approved by the Financial Regulator as, common equity tier 1 in accordance with the Capital Regulations;

Corporate Services Agreement means the corporate services agreement dated 7 October 2024 made between the Trustee and the Trustee Administrator;

Day-count Fraction means the actual number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed of the Periodic Distribution Period in which the relevant period falls (including the first such day but excluding the last));

Determination Date means, in respect of a Reset Period, the third Business Day prior to the commencement of such Reset Period;

DIB Event means:

- (a) **Non-payment:** DIB (acting in its capacity as Mudareb) fails to pay an amount which is equivalent to principal (being capital amounts, including the Mudaraba Capital, payable in accordance with the provisions of the Mudaraba Agreement) or profit (including Additional Amounts) due and payable by it pursuant to any Transaction Document and the failure continues for a period of (in the case of principal) seven days or (in the case of profit) 14 days (save in each case where such failure occurs solely as a result of the occurrence of a Non-Payment Election or a Non-Payment Event); or
- (b) **Insolvency:** a final determination is made by a court or other official body that DIB is insolvent or bankrupt or unable to pay its debts including any financing arrangement issued (or intended to be issued) in compliance with the principles of Shari'a and which is treated as debt for the purposes of applicable law, in each case whether entered into directly or indirectly by DIB; or
- (c) **Winding-up:** an administrator is appointed, an order is made or an effective resolution is passed for the winding-up or dissolution or administration of DIB or DIB applies or petitions, for a winding-up or administration order in respect of itself or ceases, or through an official action of its Directors threatens to cease, to carry on all or substantially all of its business or operations, except, in each case (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution of the Certificateholders; or (ii) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or
- (d) **Analogous Event:** any event occurs which under the laws of the UAE has an analogous effect to any of the events referred to in paragraphs (b) or (c) above;

Directors means the executive and non-executive directors of DIB who make up its board of directors;

Dispute has the meaning given to it in Condition 20.2;

Dissolution Distribution Amount means the Trustee Call Amount, the Capital Event Amount or the Tax Redemption Amount, as the case may be, or such other amount in the nature of a redemption amount as may be determined in accordance with these Conditions;

Dissolution Event means a DIB Event and/or a Trustee Event;

Dissolution Notice has the meaning given to it in Condition 12.1;

Dissolution Request has the meaning given to it in Condition 12.1;

Distributable Items means the amount of DIB's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable reserves, all as set out in its latest audited or (as the case may be) auditor reviewed consolidated financial statements, or any equivalent or successor term from time to time as prescribed by the Capital Regulations, including the applicable criteria for Tier 1 Capital that do not constitute Common Equity Tier 1 Capital;

Existing Tier 1 Securities means the Existing 2019 Tier 1 Securities, the Existing 2020 Tier 1 Securities and the Existing 2021 Tier 1 Securities;

Existing 2019 Tier 1 Securities means the U.S.\$750,000,000 perpetual additional tier 1 capital certificates issued by DIB Tier 1 Sukuk (3) Ltd. on 22 January 2019 in connection with a mudaraba agreement dated 22 January 2019 made between DIB Tier 1 Sukuk (3) Ltd. and DIB;

Existing 2020 Tier 1 Securities means the U.S.\$1,000,000,000 perpetual additional tier 1 capital certificates issued by DIB Tier 1 Sukuk (4) Ltd. on 19 November 2020 in connection with a mudaraba agreement dated 19 November 2020 made between DIB Tier 1 Sukuk (4) Ltd. and DIB;

Existing 2021 Tier 1 Securities means the U.S.\$500,000,000 perpetual additional tier 1 capital certificates issued by DIB Tier 1 Sukuk (5) Ltd. on 19 April 2021 in connection with a mudaraba agreement dated 19 April 2021 made between DIB Tier 1 Sukuk (5) Ltd. and DIB;

Extraordinary Resolution has the meaning given to it in the Declaration of Trust;

Final Mudaraba Profit has the meaning given to it in the Mudaraba Agreement;

Financial Regulator means the Central Bank or any successor entity having primary bank supervisory authority with respect to DIB in the UAE;

First Call Date means 16 April 2030;

First Mudaraba Profit Distribution Date means 16 April 2025;

First Reset Date means 16 October 2030;

General Mudaraba Pool has the meaning given to it in the Mudaraba Agreement;

H.15 means the statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System and **most recent H.15** means the H.15 published closest in time but prior to the applicable U.S. Government Securities Determination Date. The H.15 may be currently obtained at the following website: <https://www.federalreserve.gov/releases/h15/>;

Initial Period means the period from (and including) the Issue Date to (but excluding) the First Reset Date;

Initial Periodic Distribution Rate has the meaning given to it in Condition 7.4(a);

Junior Obligations means all claims of the holders of Ordinary Shares and all payment obligations of DIB in respect of its Other Common Equity Tier 1 Instruments and any other payment obligations that rank or are expressed to rank junior to the Certificates;

LCIA means the London Court of International Arbitration;

Liabilities means the consolidated gross liabilities of DIB as shown (if required by any relevant party) in the latest audited or (as the case may be) auditor reviewed consolidated balance sheet of DIB, but adjusted for contingent liabilities and for subsequent events in such manner as the Directors, the Auditors or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of DIB) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

Margin means 1.334 per cent. per annum;

Mudaraba has the meaning given to it in Condition 5;

Mudaraba Agreement has the meaning given to it in Condition 5;

Mudaraba Assets has the meaning given to it in Condition 5;

Mudaraba Capital has the meaning given to it in Condition 5;

Mudaraba End Date means the date on which the Mudaraba ends, being the date on which all, but not some only, of the Certificates are redeemed in accordance with these Conditions;

Mudaraba Profit has the meaning given to it the Mudaraba Agreement;

Mudaraba Profit Distribution Date means 16 April and 16 October in each year, starting on the First Mudaraba Profit Distribution Date;

Mudaraba Reserve has the meaning given to it in the Mudaraba Agreement;

Mudareb has the meaning given to it in Condition 5;

Non-Payment Election has the meaning given to it in Condition 8.2;

Non-Payment Event has the meaning given to it in Condition 8.1;

Non-Viability Event means that the Financial Regulator has notified DIB in writing that it has determined that DIB is, or will become, Non-Viable without (a) a Write-down; or (b) a public sector injection of capital (or equivalent support);

Non-Viability Event Write-down Date shall be the date on which the Write-down will take place as specified in the Non-Viability Notice, which date shall be as determined by the Financial Regulator;

Non-Viability Notice has the meaning given to it in Condition 11.2;

Non-Viable means (a) insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business or (b) any other event or circumstance which is specified as constituting non-viability by the Financial Regulator or in applicable banking regulations;

Ordinary Shares means issued ordinary shares of DIB, having on the Issue Date a par value of AED1.00 each;

Other Common Equity Tier 1 Instruments means securities issued by DIB that qualify as Common Equity Tier 1 Capital of DIB other than Ordinary Shares;

Outstanding Payments means, in relation to any amounts payable on redemption of the Certificates, an amount representing accrued and unpaid Periodic Distribution Amounts for the Periodic

Distribution Period during which redemption occurs to the date of redemption plus Additional Amounts thereon, if any;

Pari Passu Obligations means all subordinated payment obligations of DIB which rank, or are expressed to rank, *pari passu* with the Relevant Obligations;

Payment Business Day has the meaning given to it in Condition 9.3;

Periodic Distribution Amount has the meaning given to it in Condition 7.2;

Periodic Distribution Date means 16 April and 16 October in each year, starting on (and including) 16 April 2025;

Periodic Distribution Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

Potential Dissolution Event means an event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

Prevailing Face Amount means, in respect of a Certificate, the initial face amount of such Certificate as reduced by a Write-down of such Certificate (on one or more occasions) at or prior to such time pursuant to Condition 11;

Proceedings has the meaning given to it in Condition 20.5;

Profit Rate means, in respect of the Initial Period, the Initial Periodic Distribution Rate, and, in respect of each Reset Period thereafter, the rate calculated in accordance with the provisions of Condition 7.4(a);

Qualifying Tier 1 Instruments means instruments (whether securities, trust certificates, interests in limited partnerships or otherwise) other than Ordinary Shares or Other Common Equity Tier 1 Instruments, issued directly or indirectly by DIB that:

- (a) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital;
- (b) have terms and conditions not materially less favourable to a holder of the Certificates than the terms and conditions of the Certificates (as reasonably determined by DIB (*provided that* in making this determination DIB is not required to take into account the tax treatment of the new instrument in the hands of all or any Certificateholders, or any transfer or similar taxes that may apply on the acquisition of the new instrument) *provided that* a certification to such effect of two Directors shall have been delivered to the Trustee prior to the variation of the terms of the Certificates in accordance with Condition 10.1(c) or Condition 10.1(d) (as the case may be));
- (c) continue to be obligations of DIB, directly or indirectly or by a guarantee or equivalent support undertaking by DIB;
- (d) rank on a winding-up at least *pari passu* with the Relevant Obligations;
- (e) have the same face value amount, profit distribution dates and profit or distribution rate or rate of return as the Certificates;

- (f) (where the Certificates are varied prior to the First Call Date) have a first call date no earlier than the First Call Date and otherwise have the same optional redemption dates as the Certificates; and
- (g) if, immediately prior to the variation of the terms of the Certificates in accordance with Condition 10.1(c) or Condition 10.1(d) (A) the Certificates were listed or admitted to trading on a Regulated Market, have been listed or admitted to trading on a Regulated Market; or (B) the Certificates were listed or admitted to trading on a recognised stock exchange other than a Regulated Market, have been listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in each case as selected by the Trustee and approved by the Delegate,

and which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital under the Capital Regulations then applicable to DIB (including, without limitation, such technical changes as may be required in the adoption and implementation of the Basel III Documents);

Rab-al-Maal has the meaning given to it in Condition 5;

Rab-al-Maal Final Mudaraba Profit has the meaning given to it in the Mudaraba Agreement;

Rab-al-Maal Mudaraba Profit has the meaning given to it in the Mudaraba Agreement;

Record Date means, in the case of the payment of a Periodic Distribution Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of a Dissolution Distribution Amount, the date falling two Payment Business Days before the date for payment of the relevant Dissolution Distribution Amount, as the case may be;

Register has the meaning given to it in Condition 2.1;

Registered Account has the meaning given to it in Condition 9.1;

Regulated Market means a regulated market for the purposes of Directive 2014/65/EU, as amended;

Relevant Date in respect of a Certificate means (a) the date on which payment in respect of such Certificate first becomes due, or (b) if the full amount of the money payable has not been received by the Principal Paying Agent or the Delegate on or before the due date, the date on which, the full amount of the money having been so received, notice to that effect has been duly given to Certificateholders in accordance with Condition 17;

Relevant Six Year Reset Rate means, in respect of each Reset Period: (i) a rate (expressed as a decimal) determined on the relevant U.S. Securities Determination Date per annum equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of six years and trading in the public securities markets; or (ii) if there is no such published U.S. Treasury security with a maturity of six years and trading in the public securities markets, then the rate will be determined on the relevant U.S. Securities Determination Date by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market: (A) one maturing as close as possible to, but earlier than, the immediately following Reset Date; and (B) the other maturity as close as possible to, but later than the immediately following Reset Date, in each case as published in the most recent H.15. If the Trustee cannot procure the determination of the Relevant Six Year Reset Rate on the relevant Determination Date pursuant to the methods described in (i) and (ii) above, then the Relevant Six Year Reset Rate will be: (i) equal to the rate applicable to the immediately preceding Reset Period; or (ii) in the case of the Reset Period commencing on the First Reset Date, 3.916 per cent.;

Relevant Jurisdiction means the Cayman Islands (in the case of any payment made by the Trustee) and the UAE and/or the Emirate of Dubai (in the case of any payment made by DIB) or, in each case, any political sub-division or authority thereof or therein having the power to tax;

Relevant Obligations has the meaning given to it Condition 4.2(a);

Reserved Matter has the meaning given to it in the Declaration of Trust;

Reset Date means the First Reset Date and every sixth anniversary thereafter;

Reset Period means the period from (and including) the First Reset Date to (but excluding) the earlier of (a) the Mudaraba End Date and (b) the following Reset Date, and (if applicable) each successive period thereafter from (and including) such Reset Date to (but excluding) the earlier of (i) the Mudaraba End Date and (ii) the next succeeding Reset Date;

Rules has the meaning given to it in Condition 20.2;

Senior Creditors means creditors of DIB (including depositors (in respect of their due claims) and, for this purpose, holders of any instrument issued by, or other obligation of, DIB which ranks senior to the claims of the Trustee in respect of the Relevant Obligations) other than creditors in respect of obligations the claims in relation to which rank or are expressed to rank *pari passu* with, or junior to, the claims of the Trustee in respect of the Relevant Obligations;

Senior Obligations means all unsubordinated payment obligations of DIB (including payment obligations to DIB's depositors (in respect of their due claims)) and all subordinated payment obligations (if any) of DIB except *Pari Passu* Obligations and Junior Obligations;

Solvency Conditions has the meaning given to it in Condition 4.2(b);

Solvent means that: (a) DIB is able to pay its debts as they fall due and (b) its Assets exceed its Liabilities;

Subsidiary means any entity whose financial statements at any time are required by applicable law or in accordance with provisions of generally accepted accounting principles to be fully consolidated with those of DIB;

Substituted Territory has the meaning given to it in Condition 12.2;

Substituted Trustee has the meaning given to it in Condition 12.2;

Tax Event means DIB or the Trustee (as the case may be) would, as a result of a Tax Law Change, in making any payments under the Mudaraba Agreement (in the case of DIB (in its capacity as Mudareb)) on the next due date for a payment of Mudaraba Profit or the Certificates (in the case of the Trustee) on the next due date for payment of a Periodic Distribution Amount (as the case may be) (whether or not a Non-Payment Event has occurred or a Non-Payment Election has been made), be required to pay Additional Amounts (and such requirement cannot be avoided by DIB or the Trustee (as the case may be) taking reasonable measures available to it), and provided that DIB satisfies the Financial Regulator that such Tax Law Change was not reasonably foreseeable at the time of the issuance of the Certificates;

Tax Law Change means any change in, or amendment to, the laws, regulations or rulings affecting taxation of any Relevant Jurisdiction, or any change in the official application of such laws, regulations or rulings;

Tax Redemption Amount means, in relation to a Certificate, its Prevailing Face Amount together with any Outstanding Payments;

Taxes has the meaning given to it in Condition 13;

Tier 1 Capital means capital qualifying as, and approved by the Financial Regulator as, tier 1 capital in accordance with the Capital Regulations;

Transaction Account has the meaning given to it in Condition 5;

Transaction Documents means each of the Declaration of Trust, the Agency Agreement, the Mudaraba Agreement and any other agreements, deeds, undertakings or other documents designated as such by the parties thereto;

Trust Assets has the meaning given to it in Condition 5;

Trustee Administrator means MaplesFS Limited;

Trustee Call Amount means, in relation to a Certificate, its Prevailing Face Amount together with any Outstanding Payments;

Trustee Event means any of the following events:

- (a) **Non-Payment:** default is made in the payment of the Dissolution Distribution Amount on the due date for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of any Periodic Distribution Amount only, such default continues for a period of seven days; or
- (b) **Insolvency:** the Trustee is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Delegate) a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or
- (c) **Winding-up:** an administrator is appointed, an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the Trustee, or the Trustee applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution of the Certificateholders; or
- (d) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (b) or (c) above;

For the purpose of paragraph (a) above, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts calculated as being payable under Condition 7.4) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts including, without limitation, as a result of any failure by the Mudareb to comply with the matters described in Condition 4.4(c) (save in each case where such insufficient funds arise solely as a result of DIB making a Non-Payment Election or the occurrence of a Non-Payment Event);

Trustee's Territory has the meaning given to it in Condition 12.2;

UAE means United Arab Emirates;

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

U.S. Securities Determination Date means the second U.S. Government Securities Business Day before the commencement of the Reset Period for which the rate will apply;

Write-down means:

- (a) the Certificateholders' rights to the Trust Assets (including the Mudaraba Assets) shall automatically be deemed to be irrevocably, unconditionally and permanently written down in a proportion corresponding to the relevant Write-down Amount;
- (b) in the case of the relevant Write-down Amount corresponding to the full proportion of the Prevailing Face Amount of each Certificate then outstanding, the Certificates shall be cancelled; and
- (c) the rights of any Certificateholder for payment of any amounts under or in respect of the Certificates (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, a Dissolution Event) in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Periodic Distribution Amounts) shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date,

and all references to **Written-down** shall be construed accordingly; and

Write-down Amount means, in relation to any Non-Viability Event Write-down Date, the amount as determined by the Financial Regulator by which the aggregate Prevailing Face Amount of the Certificates then outstanding is to be Written-down on a *pro rata* basis and shall be calculated per Certificate by reference to the Prevailing Face Amount of each Certificate then outstanding which is to be Written-down.

All references in these Conditions to **U.S. dollars** and **U.S.\$** are to the lawful currency of the United States of America.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

The Certificates are issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, an **Authorised Denomination**). A Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the **Register**).

*Upon issue, the Certificates will be represented by a Global Certificate which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. These Conditions are modified by certain provisions contained in the Global Certificate.*

Except in certain limited circumstances, owners of interests in the Global Certificate will not be entitled to receive definitive Certificates representing their holdings of Certificates. See "Global Certificate".

2.2 Title

The Trustee will cause the Registrar to maintain the Register outside the United Kingdom in accordance with the provisions of the Agency Agreement. Title to the Certificates passes only by registration in the Register. The registered holder of any Certificate will (except as otherwise required by law) be treated as the absolute owner of the Certificates represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Certificate. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

3. TRANSFERS OF CERTIFICATES

3.1 Transfers

Subject to Conditions 3.4 and 3.5 and the provisions of the Agency Agreement, a Certificate may be transferred in an Authorised Denomination only by depositing the Certificate by which it is represented, with the form of transfer on the back duly completed and signed, at the specified office of any of the Transfer Agents together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

Transfers of interests in the Global Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

3.2 Delivery of New Certificates

Each new Certificate to be issued upon any transfer of Certificates will, within five business days of receipt by the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), be delivered at the specified office of the relevant Transfer Agent or mailed by uninsured mail at the risk of the holder entitled to the Certificate to the address specified in the form of transfer. For the purposes of this Condition, **business day** shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Certificates in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Certificates not so transferred will, within five business days of receipt by the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

3.3 Formalities Free of Charge

Registration of any transfer of Certificates will be effected without charge by or on behalf of the Trustee or any Transfer Agent but upon payment (or the giving of such indemnity as the Trustee or any Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax, or other governmental charges which may be imposed in relation to such transfer.

3.4 Closed Periods

No Certificateholder may require the transfer of a Certificate to be registered during the period of 15 days ending on a Periodic Distribution Date or any other date on which any payment of the face amount or payment of any premium or profit in respect of a Certificate falls due.

3.5 Regulations

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Certificates scheduled to the Declaration of Trust. The Regulations may be changed by the Trustee from time to time with the prior written approval of the Delegate and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

The holder of Certificates shall be entitled to receive, in accordance with Condition 3.2, only one Certificate in respect of his entire holding of Certificates. In the case of a transfer of a portion of the face amount of a Certificate, a new Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3.2.

4. STATUS, SUBORDINATION AND LIMITED RECOURSE

4.1 Status

The Certificates represent an undivided ownership interest in the Trust Assets and are limited recourse obligations of the Trustee. Each Certificate will constitute unsecured obligations of the Trustee and shall at all times rank *pari passu* without any preference or priority, with all other Certificates. The rights and claims of the Trustee and the Certificateholders against DIB in respect of the Relevant Obligations are subordinated as described in Condition 4.2.

4.2 Subordination

- (a) The payment obligations of DIB under the Mudaraba Agreement (including all payments which are the equivalent of principal (being capital amounts, including the Mudaraba Capital, payable in accordance with the provisions of the Mudaraba Agreement) and profit) (the **Relevant Obligations**) will (i) constitute Additional Tier 1 Capital of DIB, (ii) constitute direct, unsecured, conditional and subordinated obligations of DIB, (iii) rank subordinate and junior to all Senior Obligations but not further or otherwise, (iv) rank *pari passu* with all other *Pari Passu* Obligations, which, for the avoidance of doubt, includes and shall continue to include DIB's obligations under the Existing Tier 1 Securities, and (v) subject to the Solvency Conditions being satisfied at the relevant time and no bankruptcy order having been issued in respect of DIB by a court in the UAE, rank in priority only to all Junior Obligations.
- (b) The rights and claims of the Trustee against DIB in respect of the Relevant Obligations are subordinated in right of payment to the claims of all Senior Creditors and accordingly payments in respect of the Relevant Obligations by DIB are conditional upon the following conditions (together, the **Solvency Conditions**):
 - (i) DIB (in its capacity as Mudareb or otherwise) being Solvent at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable;
 - (ii) DIB (in its capacity as Mudareb or otherwise) being capable of making payment of the Relevant Obligations and any other payment that is due to be made on the relevant date to a

creditor in respect of all Senior Obligations and all Pari Passu Obligations and still be Solvent immediately thereafter; and

- (iii) the total share capital (including, without limitation, retained earnings) of DIB being greater than zero at all times from (and including) the first day of the relevant Periodic Distribution Period (or the Issue Date in the case of the first such period) to (and including) the time of payment of the Relevant Obligations that are due and payable.
- (c) The Trustee has agreed in the Mudaraba Agreement that DIB shall be entitled to utilise the Mudaraba Assets (or any part thereof) or utilise the Mudaraba Profit (or any part thereof) to make payments in respect of the claims of Senior Creditors and, for the avoidance of doubt, such entitlement shall apply both in circumstances (i) where DIB (in its capacity as Mudareb or otherwise) is Solvent and/or (ii) where an order has been made, or an effective resolution has been passed, for the winding-up, bankruptcy, dissolution or liquidation (or other analogous event) of DIB (in its capacity as Mudareb or otherwise).
- (d) Notwithstanding any other provision in these Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Mudareb has been issued by a court in the UAE, all claims of the Trustee in respect of the Relevant Obligations will be extinguished and the Certificates will be cancelled without any further payment to be made by the Mudareb in respect of the Relevant Obligations.
- (e) The Trustee may only exercise its enforcement rights in relation to any Relevant Obligation or in relation to any of its other rights under the Mudaraba Agreement or any other Transaction Document in the manner provided in Condition 12.3.
- (f) The Trustee will, in each relevant Transaction Document, unconditionally and irrevocably waive any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Relevant Obligations. No collateral is or will be given by DIB for the Relevant Obligations and any collateral that may have been or may in the future be given in connection with other obligations of DIB shall not secure the Relevant Obligations.

4.3 Other Issues

So long as any of the Certificates remain outstanding, DIB (in its capacity as Mudareb or otherwise) will not issue any securities (regardless of name or designation) or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes (whether on a solo, or a solo consolidated or a consolidated basis) Additional Tier 1 Capital of DIB if claims in respect of such securities, guarantee or contractual support arrangement would rank (as regards distributions on a return of assets on a winding-up or in respect of distribution or payment of dividends and/or any other amounts thereunder) senior to the Relevant Obligations. This prohibition will not apply if at the same time or prior thereto: (a) these Conditions and (to the extent applicable) the Transaction Documents are amended to ensure that the Trustee (on behalf of the Certificateholders) obtains and/or (b) the Relevant Obligations and DIB's obligations under the Relevant Obligations have, the benefit of, such of those rights and entitlements as are contained in or attached to such securities or under such guarantee or contractual support arrangement as are required so as to ensure that claims in respect of the Relevant Obligations rank *pari passu* with, and contain substantially equivalent rights of priority as to distributions or payments on, such securities or under such guarantee or contractual support arrangement.

4.4 Limited Recourse and Agreement of Certificateholders

Save as provided in this Condition 4.4, the Certificates do not represent an interest in any of the Trustee, DIB, the Delegate, any of the Agents or any of their respective affiliates. Each

Certificateholder, by subscribing for or acquiring the Certificates, acknowledges and agrees that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (a) no payment of any amount whatsoever shall be made by the Trustee (in any capacity) or any of its shareholders, directors, officers, employees or agents on its behalf except to the extent funds are available therefor from the Trust Assets;
- (b) the Trustee may not deal with the Mudaraba Assets or realise or deal with its interest, rights, title, benefit and entitlements, present and future, in to and under the Transaction Documents and the Trust Assets except in the manner expressly permitted by the Transaction Documents;
- (c) the proceeds of the Trust Assets are the sole source of payments on the Certificates. Payment by the Trustee of any Periodic Distribution Amount or any amount required to redeem the Certificates is subject to receipt by the Trustee of the amounts expected to be received by it from the Mudareb in accordance with the provisions of the Mudaraba Agreement. The Mudaraba Agreement provides that there is no guarantee of any return from the Mudaraba Assets and DIB's obligation to pay amounts thereunder are subject to the more detailed provisions set out therein, and references in these Conditions to "Periodic Distribution Amount", "profit" and "Profit Rate" should be construed accordingly;
- (d) if the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets are not sufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (in any capacity) or any of its shareholders, directors, officers, employees or agents (other than the Trust Assets in the manner contemplated in the Transaction Documents) or of the Delegate or the Agents, or any of their respective affiliates in respect of any such shortfall, and no recourse shall be had, and no holder will have any claim, for the payment of any amount due and owing hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee(in any capacity) or any of its shareholders, directors, officers, employees or agents to the extent the Trust Assets have been exhausted (following which all obligations of the Trustee (in any capacity) shall be extinguished) or the Delegate or the Agents;
- (e) it will not petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (in any capacity) or any of its shareholders, directors, officers, employees, agents or affiliates as a consequence of such shortfall or otherwise;
- (f) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee (in any capacity) arising under or in connection with these Conditions or the Transaction Documents by virtue of any customary law, statute or otherwise shall be had against any shareholder, member, director, officer, employee, agent or corporate services provider of the Trustee in their capacity as such. The obligations of the Trustee (in any capacity) under these Conditions and the Transaction Documents are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by any shareholders, members, officers, agents, directors or corporate services provider of the Trustee (in any capacity), save in the case of their wilful default or actual fraud. References in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party;

- (g) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of any sums due under such Certificate. No collateral is or will be given for the payment obligations under the Certificates; and
- (h) the Trustee and Mudareb have agreed in the Mudaraba Agreement that the Mudareb shall not be responsible for any losses to the Mudaraba Capital suffered by the Trustee unless such losses are caused by (i) the Mudareb's breach of the Mudaraba Agreement or (ii) the Mudareb's gross negligence, wilful misconduct or fraud.

DIB is obliged to make certain payments under the Transaction Documents directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and/or the Delegate will, subject to Condition 4.2 and Condition 12.3, have recourse against DIB to recover payments due to the Trustee from DIB pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4.4. Such right of the Trustee and the Delegate shall constitute an unsecured claim against DIB. None of the Certificateholders, the Trustee and the Delegate shall be entitled to claim any priority right in respect of any specific assets of DIB in connection with the enforcement of any such claim.

5. THE TRUST

- 5.1** DIB Tier 1 Sukuk (6) Ltd. (in its capacity as Trustee and in its capacity as rab-al-maal (in such capacity, the **Rab-al-Maal**)) will enter into a mudaraba agreement (the **Mudaraba Agreement**) to be dated the Issue Date with DIB (in its capacity as mudareb (in such capacity, the **Mudareb**)). Pursuant to the Mudaraba Agreement, the Rab-al-Maal will contribute the proceeds of the issue of the Certificates to the Mudareb, which proceeds will form the initial capital of the Mudaraba (as defined below) and which may be subject to change after the Issue Date in accordance with Condition 10.2 (the **Mudaraba Capital**). The Mudareb will invest the Mudaraba Capital on an unrestricted comingling basis in its general business activities carried out through the General Mudaraba Pool and following investment of the Mudaraba Capital in the General Mudaraba Pool, it shall constitute *pro rata* undivided assets in the General Mudaraba Pool (the **Mudaraba Assets**), in accordance with the Mudaraba Agreement, which shall include an investment plan prepared by the Mudareb and shall constitute a mudaraba (the **Mudaraba**).

The Trustee has opened a non-interest bearing transaction account in London (the **Transaction Account**) in its own name which shall be operated by the Principal Paying Agent on behalf of the Trustee and for the benefit of the Certificateholders, and into which the Mudareb will pay all amounts due to the Trustee under the Mudaraba Agreement. If the Trustee is substituted in accordance with Condition 12.2, the Substituted Trustee will be required to open and maintain a non-interest bearing transaction account in London in its name which shall be operated by the Principal Paying Agent on behalf of the Trustee and for the benefit of the Certificateholders and into which the Mudareb will pay all amounts due to the Trustee under the Mudaraba Agreement from the date of substitution onwards, and references in these Conditions to the **Transaction Account** will be construed accordingly.

- 5.2** Pursuant to the Declaration of Trust, the Trustee holds:

- (a) the cash proceeds of the issue of the Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) all of its rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Mudaraba Assets;
- (c) all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given by DIB (acting in any capacity)

pursuant to any of the Transaction Documents and the covenant given to the Trustee pursuant to clause 12.1 of the Declaration of Trust); and

- (d) all amounts standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing (together, the **Trust Assets**) upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each such holder in accordance with the Declaration of Trust and these Conditions.

5.3 On each Periodic Distribution Date and on any date fixed for payment of the Dissolution Distribution Amount, the Principal Paying Agent shall apply the monies standing to the credit of the Transaction Account in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (a) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate in accordance with the Declaration of Trust;
- (b) *second*, only if such payment is due on or before a Periodic Distribution Date (to the extent not previously paid) to pay *pro rata* and *pari passu*, (i) the Trustee in respect of all amounts owing to it under the Transaction Documents in its capacity as trustee; (ii) the Trustee Administrator in respect of all amounts owing to it under the Transaction Documents, the Corporate Services Agreement in its capacity as Trustee Administrator; and (iii) each Agent in respect of all amounts owing to such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;
- (c) *third*, only if such payment is due on a Periodic Distribution Date, and subject to Condition 8, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts (including Additional Amounts) due but unpaid;
- (d) *fourth*, only if such payment is due on a date fixed for payment of the Dissolution Distribution Amount, in or towards payment *pari passu* and rateably of the Dissolution Distribution Amount; and
- (e) *fifth*, only after all amounts required to be paid in respect of the Certificates have been discharged in full, in payment of any residual amount to DIB.

Any such residual amount shall be credited to the Mudaraba Reserve and the balance of amounts standing to the credit of the Mudaraba Reserve, after paying all amounts due to the Trustee pursuant to the Mudaraba Agreement, shall be paid to DIB as an incentive.

6. COVENANTS

The Trustee has covenanted in the Declaration of Trust that, *inter alia*, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate):

- (a) incur any indebtedness in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of Shari'a or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
- (b) secure any of its present or future indebtedness (whether structured in accordance with the principles of Shari'a or otherwise) by granting or permitting to be outstanding any lien, pledge,

charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) or under or pursuant to any of the Transaction Documents);

- (c) sell, transfer, assign, participate, exchange or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise), or permit such to occur or suffer such to exist, any part of its interest in any of the Trust Assets except pursuant to any of the Transaction Documents (other than those arising by operation of law);
- (d) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (e) amend or agree to any amendment to any Certificate or Transaction Document (other than in accordance with the terms thereof) in each case in a manner which is materially prejudicial to the rights of Certificateholders, without the prior approval of the Certificateholders by way of Extraordinary Resolution, save that it shall be permitted to make such variations to the Transaction Documents and these Conditions as are required pursuant to Condition 10.1;
- (f) act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (g) have any subsidiaries or employees;
- (h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up (except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution of the Certificateholders) or any resolution for the commencement of any other bankruptcy or insolvency proceedings with respect to it; and
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) as provided for or permitted in the Transaction Documents;
 - (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
 - (iii) such other matters which are incidental thereto.

7. PERIODIC DISTRIBUTIONS

7.1 Distribution of Mudaraba Profit

The Trustee has agreed in the Mudaraba Agreement that DIB shall be entitled to utilise the Mudaraba Assets (and the proceeds thereof) in respect of the Certificates to make payments in respect of the claims of Senior Creditors and that such entitlement shall apply at any time before an order has been made, or an effective resolution has been passed, for the winding-up, dissolution or liquidation (or other analogous event) of DIB (in its capacity as Mudareb or otherwise).

7.2 Periodic Distribution Amounts

Subject to Conditions 4.2(d), 4.4, 7.3, 8, 9 and 11, the Trustee shall distribute to Certificateholders, *pro rata* to their respective holdings, out of amounts transferred into the Transaction Account, a distribution in relation to the Certificates on each Periodic Distribution Date equal to the Periodic Distribution Amount. The **Periodic Distribution Amount** payable on each Periodic Distribution Date (a) falling prior to and including the First Reset Date shall be equal to the product of: (A) the Initial Periodic Distribution Rate; and (B) the Prevailing Face Amount of the Certificates then outstanding and (b) falling after the First Reset Date shall be the relevant amount calculated pursuant to Condition 7.4.

7.3 Cessation of Accrual

Subject to Conditions 4.2(d), 8 and 11, each Certificate will cease to be eligible to earn Periodic Distribution Amounts from the due date for redemption, following liquidation of the Mudaraba in accordance with these Conditions and the Mudaraba Agreement.

7.4 Periodic Distributions

Subject to Condition 8, the Certificates are entitled to profit (to be paid out of the Rab-al-Maal Mudaraba Profit or the Rab-al Maal Final Mudaraba Profit, as applicable, payable by DIB pursuant to the terms of the Mudaraba Agreement) at the applicable Profit Rate from (and including) the Issue Date in accordance with the provisions of this Condition 7. Periodic Distribution Amounts will not be cumulative and any Periodic Distribution Amount which is not paid will not accumulate or compound and Certificateholders will have no claim in respect of any such Periodic Distribution Amount at any time, even if Periodic Distribution Amounts are paid in the future.

If DIB makes a Non-Payment Election or a Non-Payment Event occurs, any Periodic Distribution Amount which is not paid to the Certificateholders shall be credited by DIB to the Mudaraba Reserve.

Subject to Condition 8, Periodic Distribution Amounts shall be payable on the Certificates semi-annually in arrear on each Periodic Distribution Date, in respect of the Periodic Distribution Period ending on such date, in each case as provided in this Condition 7.

If a Periodic Distribution Amount is required to be calculated in respect of a period of less than a full Periodic Distribution Period and other than the first Periodic Distribution Period (the **Relevant Period**), it shall be calculated as an amount equal to the product of: (a) the applicable Profit Rate; (b) the Prevailing Face Amount of the relevant Certificate then outstanding; and (c) the applicable Day-count Fraction for the Relevant Period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(a) Periodic Distribution Rate

For the Initial Period, the Certificates are entitled to profit (to be paid out of the Rab-al-Maal Mudaraba Profit or the Rab-al Maal Final Mudaraba Profit, as applicable, payable by DIB pursuant to the terms of the Mudaraba Agreement) at the Profit Rate of 5.250 per cent. per annum (the **Initial Periodic Distribution Rate**).

The Profit Rate will be reset on each Reset Date on the basis of the aggregate of the Margin and the Relevant Six Year Reset Rate procured by the Trustee on the relevant Determination Date, and notified to the Calculation Agent on such Determination Date.

The Calculation Agent will, as soon as practicable upon determination of the Profit Rate which shall apply to the Reset Period commencing on the relevant Reset Date but in no event later than the second Business Day thereafter, cause the applicable Profit Rate and the

corresponding Periodic Distribution Amount to be notified to each of the Paying Agents, the Irish Stock Exchange plc trading as Euronext Dublin or any other stock exchange on which the Certificates are for the time being listed (if then required by such stock exchange) and to be notified to Certificateholders in accordance with Condition 17.

(b) **Calculation Agent**

With effect from the U.S. Securities Determination Date prior to the First Reset Date, and so long as any Certificates remain outstanding thereafter, the Trustee will maintain a Calculation Agent.

The Trustee may, with the prior written approval of the Delegate, from time to time replace the Calculation Agent with another leading investment, merchant or commercial bank or financial institution in London. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or (without prejudice to Condition 7.4(c)) fails duly to determine the Profit Rate in respect of any Reset Period as provided in Condition 7.4(a), the Trustee shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in London approved in writing by the Delegate to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid.

(c) **Determinations of Calculation Agent or Trustee Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7, whether by the Calculation Agent or the Trustee (or its agent), shall (in the absence of manifest error) be binding on the Trustee, DIB, the Calculation Agent, the Paying Agents, the Delegate and all Certificateholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Certificateholders, the Trustee, any Agent or the Delegate shall attach to the Calculation Agent, the Trustee (or its agent) in connection with the exercise or non-exercise by them of any of their powers, duties and discretions.

8. PERIODIC DISTRIBUTION RESTRICTIONS

8.1 Non-Payment Event

Notwithstanding Condition 7.4, if any of the following events occurs (each, a **Non-Payment Event**), DIB (as Mudareb) shall not pay Mudaraba Profit (and, as a result, Rab-al-Maal Mudaraba Profit) or Final Mudaraba Profit (and, as a result, Rab-al-Maal Final Mudaraba Profit) on any Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be), and as a result thereof the Trustee shall not pay Periodic Distribution Amounts on the corresponding Periodic Distribution Date:

- (a) the amount equal to the then applicable Periodic Distribution Amount (which for the purposes of these Conditions includes Additional Amounts as referred to in Condition 13) to be paid by DIB out of the Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as applicable (the **Relevant Rab-al-Maal Mudaraba Profit Amount**), when aggregated with any distributions or amounts payable by DIB (in its capacity as Mudareb or otherwise) on the same date (or otherwise due and payable on such date) on any other obligations in respect of Pari Passu Obligations, exceeds, on the relevant date for payment of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, Distributable Items; or
- (b) DIB (in its capacity as Mudareb or otherwise) is, on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be), in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any capital buffers

imposed on DIB by the Financial Regulator) or payment of the Relevant Rab-al-Maal Mudaraba Profit Amount (as applicable) to the Trustee would cause it to be in breach thereof; or

- (c) the Financial Regulator requires (i) DIB not to pay the Relevant Rab-al-Maal Mudaraba Profit Amount to the Trustee on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) or (ii) the Trustee not to pay the relevant Periodic Distribution Amount on that Periodic Distribution Date, in each case, for any reason as it may deem necessary; or
- (d) the Solvency Conditions are not satisfied (or would no longer be met if the Relevant Rab-al-Maal Mudaraba Profit Amount was paid).

8.2 Non-Payment Election

Notwithstanding Condition 7.4, DIB may in its sole discretion elect that Rab-al-Maal Mudaraba Profit will not be paid to the Trustee (in its capacity as Rab-al-Maal) on any Mudaraba Profit Distribution Date, including, without limitation, if DIB incurs a net loss during the relevant financial period and DIB shall, in such case, instruct the Trustee not to make payment of a Periodic Distribution Amount to Certificateholders on such Periodic Distribution Date provided that the foregoing in this Condition 8.2 shall not apply in respect of Rab-al-Maal Final Mudaraba Profit payable on any Mudaraba End Date (any such election being a **Non-Payment Election**).

8.3 Effect of Non-Payment Event or Non-Payment Election

If a Non-Payment Election or a Non-Payment Event occurs, then DIB shall (a) in the case of a Non-Payment Election, no later than seven calendar days prior to such event, and (b) in the case of a Non-Payment Event, as soon as practicable thereafter but in any case no later than five Business Days prior to the relevant Mudaraba Profit Distribution Date or Mudaraba End Date, as the case may be, give notice to the Trustee and the Principal Paying Agent in accordance with the Mudaraba Agreement, the Delegate in accordance with the Declaration of Trust and Certificateholders in accordance with Condition 17, which notice shall be revocable, in each case providing details of the Non-Payment Election or Non-Payment Event, as the case may be. In the absence of notice of such Non-Payment Election or Non-Payment Event, as the case may be, having been given in accordance with this Condition 8.3, the fact of non-payment of the relevant Periodic Distribution Amount on the relevant Mudaraba Profit Distribution Date or Mudaraba End Date, as the case may be, shall be evidence of the occurrence of a Non-Payment Election or a Non-Payment Event, as the case may be. Certificateholders shall have no claim in respect of any Periodic Distribution Amount due but not paid as a result of either a Non-Payment Election or a Non-Payment Event (in each case, irrespective of whether notice of such Non-Payment Election or Non-Payment Event, as the case may be, has been given in accordance with this Condition 8.3) and any non-payment of Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit (in the case of a Non-Payment Event only) or a Periodic Distribution Amount in such circumstance shall not constitute a Dissolution Event. DIB shall not have any obligation to make any subsequent payment in respect of any such unpaid profit (whether from its own cash resources, from the Mudaraba Reserve or otherwise) (which shall be credited by DIB to the Mudaraba Reserve). The Trustee shall not have any obligation to make any subsequent payment in respect of any such Periodic Distribution Amounts.

8.4 Dividend and Redemption Restrictions

If any amount of Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit or Periodic Distribution Amount is not paid as a consequence of a Non-Payment Election or a Non-Payment Event pursuant to Condition 8.1 or 8.2 (as the case may be), then, from the date of such Non-Payment Election or Non-Payment Event (the **Dividend Stopper Date**), DIB will not, so long as any of the Certificates are outstanding:

- (a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, Ordinary Shares (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or
- (b) declare or pay profit or any other distribution on any of its Other Common Equity Tier 1 Instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, junior to or *pari passu* with the Relevant Obligations (excluding securities the terms of which do not at the relevant time enable DIB to defer or otherwise not to make such payment), only to the extent such restriction on payment or distribution is permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time; or
- (c) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Ordinary Shares; or
- (d) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Other Common Equity Tier 1 Instruments or any securities issued by DIB ranking, as to the right of repayment of capital, junior to or *pari passu* with the Relevant Obligations (excluding securities the terms of which stipulate a mandatory redemption or conversion into equity), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time,

in each case unless or until the next following payment of Rab-al-Maal Mudaraba Profit or (as the case may be) Rab-al-Maal Final Mudaraba Profit following the Dividend Stopper Date has been made in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the Trustee in accordance with the Mudaraba Agreement).

9. PAYMENTS

9.1 Payments in respect of the Certificates

Subject to Condition 9.2, payment of the Dissolution Distribution Amount and any Periodic Distribution Amount will be made by or on behalf of the Trustee in U.S. dollars by wire transfer in same day funds to the Registered Account (as defined below) of the Certificateholder. Payments of the Dissolution Distribution Amount will only be made against presentation and surrender of the relevant Certificate at the specified office of any of the Paying Agents. The Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition 9, a Certificateholder's **Registered Account** means the U.S. dollar account maintained by or on behalf of such Certificateholder with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the relevant Record Date.

9.2 Payments subject to Applicable Laws

Payments in respect of Certificates are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13.

9.3 Payment only on a Payment Business Day

Where payment is to be made by transfer to a Registered Account, payment instructions (for value the due date or, if that is not a Payment Business Day (as defined below), for value the first following day which is a Payment Business Day) will be initiated by the Principal Paying Agent on the due date for payment or, in the case of a payment of the Dissolution Distribution Amount, if later, on the Payment

Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent for value as soon as practicable thereafter.

Certificateholders will not be entitled to any additional payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day or if the relevant Certificateholder is late in surrendering its Certificate (if required to do so).

If the amount of the Dissolution Distribution Amount or, subject to Conditions 8.1 and 8.2, any Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount in fact paid.

In this Condition 9.3, **Payment Business Day** means a day on which commercial banks and foreign exchange markets in Dubai, London and New York City settle payments and are open for general business and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

9.4 Agents

The names of the initial Agents are set out at the end of these Conditions. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) it will at all times maintain a Principal Paying Agent and a Registrar (which may be the same entity); and
- (b) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, it will at all times maintain a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any termination or appointment and of any changes in specified offices will be given to Certificateholders promptly by the Trustee in accordance with Condition 17.

10. REDEMPTION AND VARIATION

10.1 Redemption and variation

(a) No Fixed Redemption Date and Conditions for Redemption and Variation

The Certificates are perpetual securities in respect of which there is no fixed redemption date and the Trustee shall (subject to the provisions of Condition 4.2, Condition 11) and without prejudice to the provisions of Condition 14) only have the right to redeem the Certificates or vary the terms thereof in accordance with the following provisions of this Condition 10.

The redemption of the Certificates or variation of these Conditions, in each case pursuant to this Condition 10, is subject to the following conditions (in addition to those set out elsewhere in this Condition 10.1) (to the extent then required by the Financial Regulator and/or the Capital Regulations):

- (i) DIB having obtained the prior consent of the Financial Regulator;
- (ii) at the time when the relevant notice of redemption or variation is given, DIB is in compliance with the Applicable Regulatory Capital Requirements;
- (iii) immediately following such redemption or variation (as applicable), DIB will be in compliance with the Applicable Regulatory Capital Requirements;

- (iv) the Solvency Conditions are satisfied; and
- (v) (in the case of a redemption or variation pursuant to Conditions 10.1(c) or 10.1(d) only) the Tax Law Change or Capital Event, as the case may be, becomes, or would become, effective on or after the Issue Date.

If the Trustee (upon the instructions of DIB (acting in its sole discretion)) gives a notice of redemption in accordance with this Condition 10 and, after giving such notice but prior to the relevant redemption date specified in such notice, a Non-Viability Event occurs, the relevant notice of redemption shall be automatically rescinded and shall be of no force and effect, the Certificates will not be redeemed on the scheduled date of redemption and instead a Write-down shall occur in accordance with Condition 11.

Following the occurrence of a Non-Viability Event, the Trustee (upon the instructions of DIB (acting in its sole discretion)) shall not be entitled to give a notice of redemption in accordance with Condition 10 prior to the Non-Viability Event Write-down Date.

(b) Trustee's Call Option

Subject to Condition 10.1(a), DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall give not less than 10 nor more than 15 days' prior notice to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust, and, provided that any such notice has not been revoked by the Trustee (upon the instructions of DIB (acting in its sole discretion)) by giving notice of such revocation to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust prior to the redemption date specified in the initial notice, redeem all, but not some only, of the Certificates at the Trustee Call Amount.

Redemption of the Certificates pursuant to this Condition 10.1(b) may only occur on a Call Date.

(c) Redemption or Variation due to Taxation

- (i) Subject to Condition 10.1(a) and the provisions of this Condition 10.1(c), if a Tax Event occurs, DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, by giving not less than ten nor more than 15 days' prior notice to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust, and, provided that any such notice has not been revoked by the Trustee (upon the instructions of DIB (acting in its sole discretion)) by giving notice of such revocation to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust prior to the redemption date specified in the initial notice (A) redeem all, but not some only, of the Certificates at the Tax Redemption Amount; or (B) vary the terms of the Mudaraba Agreement (subject to the approval of the Internal Sharia Supervision Committee of the Mudareb) and the Certificates such that the Certificates remain or become, as the case may be, Qualifying Tier 1 Instruments, in each case without any requirement for consent or approval of the Certificateholders, and in the case of (B) only provided that such modifications or any document giving effect to such modifications do not impose, in the Delegate's sole opinion, more onerous obligations or duties upon it or expose it to liabilities or reduce its protections, and that such modifications or any document giving effect to such modifications are approved by the Trustee and the Delegate. If DIB does not instruct the Trustee to so redeem or vary in accordance with this Condition 10.1(c)(i) in respect of such Tax Event then the Certificates shall continue to be perpetual securities in respect of which there is no fixed redemption date unless the Trustee shall otherwise (subject to the provisions of Condition 4.2, Condition and Condition 12.3 and without prejudice to the provisions of

Condition 14) redeem the Certificates or vary the terms thereof in accordance with the provisions of this Condition 10.

- (ii) Redemption of the Certificates, or variation of these Conditions, pursuant to this Condition 10.1(c) may occur on any date on or after the Issue Date (whether or not a Periodic Distribution Date).
- (iii) At the same time as the delivery of any notice of redemption or variation, as the case may be, pursuant to this Condition 10.1(c), DIB shall give to the Trustee and the Delegate a certificate signed by two Directors (upon which the Delegate may rely without liability to any person) stating that (A) the conditions set out in Condition 10.1(a) have been satisfied; (B) a Tax Event has occurred; and (C) in the case of a variation only, the Certificates, as so varied, are Qualifying Tier 1 Instruments and that the Financial Regulator has confirmed that they satisfy limb (a) of the definition of Qualifying Tier 1 Instruments. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out above in this Condition 10.1(c)(iii) and the Delegate shall be entitled to accept and rely on such certificate as sufficient evidence of the satisfaction of such conditions precedent without liability to any person. Upon expiry of such notice and provided that it has not been revoked, the Trustee shall redeem or vary the terms of the Certificates, as the case may be.

(d) **Redemption or Variation for Capital Event**

- (i) Subject to Condition 10.1(a) and the provisions of this Condition 10.1(d), if a Capital Event occurs, DIB may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, by giving not less than ten nor more than 15 days' prior notice to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust, and, provided that any such notice has not been revoked by the Trustee (upon the instructions of DIB (acting in its sole discretion)) by giving notice of such revocation to the Certificateholders in accordance with Condition 17 and to the Delegate in accordance with the Declaration of Trust prior to the redemption date specified in the initial notice, (A) redeem all, but not some only, of the Certificates at the Capital Event Amount; or (B) solely for the purpose of ensuring compliance with the Applicable Regulatory Capital Requirements vary the terms of the Mudaraba Agreement (subject to the approval of the Internal Sharia Supervision Committee of the Mudareb) and the Certificates such that the Certificates remain or become, as the case may be, Qualifying Tier 1 Instruments without any requirement for consent or approval of the Certificateholders, and in the case of (B) only provided that such modifications or any document giving effect to such modifications do not impose, in the Delegate's sole opinion, more onerous obligations or duties upon it or expose it to liabilities or reduce its protections, and that such modifications or any document giving effect to such modifications are approved by the Trustee and the Delegate. If DIB does not instruct the Trustee to so redeem or vary in accordance with this Condition 10.1(d)(i) in respect of such Capital Event then the Certificates shall continue to be perpetual securities in respect of which there is no fixed redemption date unless the Trustee shall otherwise (subject to the provisions of Condition 4.2, Condition 11 and Condition 12.3 and without prejudice to the provisions of Condition 14) redeem the Certificates or vary the terms thereof in accordance with the provisions of this Condition 10.
- (ii) Redemption of the Certificates, or variation of these Conditions, pursuant to this Condition 10.1(d) may occur on any date on or after the Issue Date (whether or not a Periodic Distribution Date).
- (iii) At the same time as the delivery of any notice of redemption or variation, as the case may be, pursuant to this Condition 10.1(d), DIB shall give to the Trustee and the Delegate a certificate signed by two Directors (upon which the Delegate may rely without liability to any person)

stating that (A) the conditions set out in Condition 10.1(a) have been satisfied; (B) a Capital Event has occurred; and (C) in the case of a variation only, the Certificates, as so varied, are Qualifying Tier 1 Instruments and the Financial Regulator has confirmed that they satisfy limb (a) of the definition of Qualifying Tier 1 Instruments. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out above in this Condition 10.1(d)(iii) and the Delegate shall be entitled to accept and rely on such certificate as sufficient evidence of the satisfaction of such conditions precedent without liability to any person. Upon expiry of such notice and provided that it has not been revoked, the Trustee shall redeem or vary the terms of the Certificates, as the case may be.

(e) Taxes upon Variation

In the event of a variation in accordance with Conditions 10.1(c) or 10.1(d), none of the Trustee, the Delegate and DIB will be obliged to pay and will not pay any liability of any Certificateholder to corporation tax, corporate income tax or tax on profits or gains or any similar tax arising in respect of the variation of the terms of the Certificates provided that (in the case of a Tax Event) or so that (in the case of a Capital Event) the Certificates remain or become, as the case may be, Qualifying Tier 1 Instruments, including in respect of any stamp duty or similar other taxes arising on any subsequent transfer, disposal or deemed disposal of the Qualifying Tier 1 Instruments by such Certificateholder.

10.2 Purchase

Subject to DIB (to the extent then required by the Financial Regulator and/or the Capital Regulations) (a) obtaining the prior written consent of the Financial Regulator, (b) being in compliance with the Applicable Regulatory Capital Requirements immediately following such purchase, and (c) being Solvent at the time of purchase, DIB or any of its Subsidiaries may purchase the Certificates in the open market or otherwise at such price(s) and upon such other conditions as may be agreed upon between DIB or the relevant Subsidiary (as the case may be) and the relevant Certificateholder(s). Upon any purchase, DIB shall deliver such Certificates to any Paying Agent for cancellation and upon such cancellation, the Mudaraba Capital shall be reduced by the Prevailing Face Amount of the Certificates so cancelled.

10.3 Cancellation

All Certificates that are redeemed and all Certificates that are purchased pursuant to Condition 10.2 and which DIB delivers for cancellation in accordance with Condition 10.2 will forthwith be cancelled and accordingly may not be held, reissued or resold.

11. WRITE-DOWN AT THE POINT OF NON-VIABILITY (AS PRESCRIBED BY THE FINANCIAL REGULATOR)

11.1 Non-Viability Event

If a Non-Viability Event occurs, a Write-down will take place in accordance with Condition 11.2.

11.2 Non-Viability Notice

On the third Business Day following the date on which such Non-Viability Event occurs (or on such earlier date as determined by the Financial Regulator), the Mudareb will notify the Trustee in writing thereof in accordance with the Mudaraba Agreement and the Trustee will then notify the Delegate, the Certificateholders and the Principal Paying Agent in writing thereof in accordance with Condition 17 (a **Non-Viability Notice**). A Write-down will occur on the Non-Viability Event Write-down Date. In the case of a Write-down resulting in the reduction of the Prevailing Face Amount of each Certificate then outstanding to nil, the Mudaraba Agreement will be automatically terminated with effect from the Non-Viability Event Write-down Date and the Trustee shall not be entitled to any claim for any

amounts in connection with the Mudaraba Assets.

12. DISSOLUTION EVENTS AND WINDING-UP

The Declaration of Trust contains provisions entitling the Delegate to claim from the Trustee and DIB, *inter alia*, the fees, expenses and liabilities incurred by it in carrying out its duties under the Declaration of Trust. The restrictions on commencing proceedings described below will not apply to any such claim.

12.1 DIB Events

If a DIB Event occurs, the Delegate (provided it shall have been given notice in writing thereof by the Trustee or DIB or otherwise upon becoming aware of such DIB Event through actual knowledge or express notice) shall as soon as practicable give notice of the occurrence of such DIB Event to the Certificateholders in accordance with Condition 17 with a request to such Certificateholders to indicate to the Trustee and the Delegate in writing if they wish the Certificates to be redeemed and the Trust to be dissolved (a **Dissolution Request**). The Delegate may, and if so requested in writing by the Certificateholders of at least 20 per cent. of the aggregate face amount of the Certificates then outstanding, or if so directed by an Extraordinary Resolution of Certificateholders, the Delegate shall (but in each case subject to Condition 12.3(e)(i)), give notice (a **Dissolution Notice**) to the Trustee that the Certificates are immediately due and payable at the Prevailing Face Amount of the Certificates then outstanding together with any Outstanding Payments, whereupon the aggregate face amount of the Certificates then outstanding together with any Outstanding Payments shall become immediately due and payable. A Dissolution Notice may be given whether or not a Dissolution Request has been given to Certificateholders.

12.2 Trustee Events

- (a) DIB has undertaken in the Declaration of Trust that, as soon as practicable following the occurrence of a Trustee Event, it will procure, subject to such amendment of the Declaration of Trust and such other conditions as the Delegate may require and subject to the consent of the Financial Regulator, the substitution of any newly formed special purpose company in form substantially the same as that of the Trustee, in place of the Trustee (the **Substituted Trustee**), or of any previous substituted company, as trustee and issuer under the Declaration of Trust and the Certificates provided that:
 - (i) a deed is executed or undertaking given by the Substituted Trustee to the Delegate, in form and manner satisfactory to the Delegate, agreeing to be bound by the Declaration of Trust, the Certificates and the Transaction Documents (with consequential amendments as the Delegate may deem appropriate) as if the Substituted Trustee had been named in the Declaration of Trust, the Certificates and the other Transaction Documents as trustee and issuer in place of the Trustee;
 - (ii) if the Substituted Trustee is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the **Substituted Territory**) other than the territory of the taxing jurisdiction to which (or to any such authority of or in which) the Trustee is subject generally (the **Trustee's Territory**), the Substituted Trustee shall (unless the Delegate otherwise agrees) give to the Delegate an undertaking satisfactory to the Delegate in terms corresponding to Condition 13 with the substitution for or the addition to the references in that Condition and the definition of Relevant Jurisdiction to the Trustee's Territory of references to the Substituted Territory whereupon the Declaration of Trust and the Certificates shall be read accordingly (and DIB shall also be required to give to the Delegate an undertaking satisfactory to the Delegate in terms corresponding to the last paragraph of Condition 13, extending its obligations thereunder to the Substituted Territory);

- (iii) if any two directors of the Substituted Trustee certify that it will be solvent immediately after such substitution, the Delegate need not have regard to the Substituted Trustee's financial condition, profits or prospects or compare them with those of the Trustee; and
 - (iv) the Trustee, the Substituted Trustee and DIB comply with such other requirements as the Delegate may direct in the interests of the Certificateholders.
- (b) Subject to this Condition 12.2, the Delegate may agree to the substitution of the Substituted Trustee without obtaining the consent of the Certificateholders (it being acknowledged that each Certificateholder has by virtue of the last paragraph of the preamble to these Conditions authorised each Substituted Trustee to act as Rab-al-Maal pursuant to the Mudaraba Agreement on its behalf).
- (c) If DIB fails to comply with the foregoing provisions of this Condition 12.2 within 60 days of the occurrence of the relevant Trustee Event, Conditions 12.1 and 12.3 shall apply to the relevant Trustee Event as if it was a DIB Event.

12.3 Winding-up, dissolution or liquidation

(a) Proceedings for Winding-up

If a DIB Event occurs and a Dissolution Notice is delivered pursuant to Condition 12.1, the Mudaraba will be liquidated in accordance with the provisions of the Mudaraba Agreement, and either the Trustee or the Delegate may at its discretion, and the Delegate shall if so requested in writing by the Certificateholders holding at least 20 per cent of the aggregate face amount of the Certificates then outstanding (subject in each case to Condition 12.3(e)(i)), (i) institute any steps, actions or proceedings for the winding-up of DIB and/or (ii) prove in the winding-up of DIB and/or (iii) institute any steps, actions or proceedings for the bankruptcy of DIB and/or (iv) claim in the liquidation of DIB and/or (v) take such other steps, actions or proceedings which, under the laws of the UAE, have an analogous effect to the actions referred to in (i) to (iv) above, in each case, for (subject as set out below) all amounts of Mudaraba Capital, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit and/or other amounts due to the Trustee on termination of the Mudaraba Agreement in accordance with its terms and the terms of the other Transaction Documents, provided, however, that the Trustee or the Delegate may only take such steps, actions or proceedings as described in this Condition 12.3(a), but may take no further or other steps, actions or proceedings to enforce, prove or claim for any payment and provided further that neither the Trustee nor the Delegate may take any steps, actions or proceedings against DIB with respect to any sum that DIB has paid into the Transaction Account in accordance with the Transaction Documents in circumstances where the Trustee has failed to pay that amount to Certificateholders in accordance with these Conditions. No payment in respect of the Transaction Documents may be made by DIB as a result of any steps, actions or proceedings taken pursuant to Condition 12.1, nor will the Trustee or the Delegate accept the same, otherwise than during or after a winding-up (or analogous event) of DIB, unless DIB has given prior written notice (with a copy to the Trustee and the Delegate) to, and received no objection from, the Financial Regulator (which DIB shall confirm in writing to the Trustee and the Delegate).

(b) Enforcement

Without prejudice to Condition 12.1 and the remaining provisions of this Condition 12.3, the Trustee (or the Delegate) may at its discretion and the Delegate shall if so requested in writing by the Certificateholders holding at least 20 per cent. of the aggregate face amount of the Certificates then outstanding and without further notice (subject in each case to Condition 12.3(e)(i)) institute such steps, actions or proceedings against DIB, and the Delegate may at its discretion and without further notice institute such steps, actions or proceedings against the Trustee, as it may think fit to enforce any term or condition binding on DIB or the Trustee (as the case may be) under the Transaction Documents (other than any payment obligation of DIB under or arising from the Transaction Documents,

including, without limitation, payment of any principal or satisfaction of any payments in respect of the Transaction Documents, including any damages awarded for breach of any obligations), including, without limitation, any failure by DIB to procure the substitution of the Trustee in the circumstances described in Condition 12.2. However, in no event shall DIB, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it in accordance with the Transaction Documents. Nothing in this Condition 12.3 shall, however, prevent the Trustee (or the Delegate) from taking such steps, actions or proceedings as described in Condition 12.3(a) in respect of any payment obligations of DIB arising from the Mudaraba Agreement or any other Transaction Document (including any damages awarded for breach of any obligations).

(c) Non-Viability and Solvency Conditions

All claims by the Delegate and/or the Certificateholders against the Trustee under the Certificates and all claims by the Trustee (or the Delegate) against DIB under the Transaction Documents (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Trustee and/or DIB under the Certificates or the Transaction Documents, as the case may be) shall be subject to, and shall be superseded by: (i) the provisions of Condition 11, irrespective of whether the relevant Non-Viability Event occurs prior to or after the event which is the subject matter of the claim and (ii) the provisions of Condition 4.2(d), irrespective of whether the breach of a Solvency Condition at the relevant time or the issue of a bankruptcy order in respect of DIB occurs prior to or after the event which is the subject matter of the claim, in each case provided that nothing in these Conditions or the Transaction Documents shall affect or prejudice the payment of the actual costs, charges, expenses, liabilities or remuneration of the Delegate or the rights and remedies of the Delegate in respect thereof, all of which shall accordingly remain unsubordinated.

(d) Extent of Certificateholder remedy

No remedy against DIB, other than as referred to in this Condition 12, shall be available to the Delegate, the Trustee or the Certificateholders, whether for the recovery of amounts owing in respect of the Transaction Documents or in respect of any breach by DIB of any of its other obligations under or in respect of the Transaction Documents.

(e) Realisation of Trust Assets

- (i) Neither the Trustee nor the Delegate shall be bound to take any steps, actions or proceedings to enforce or to realise the Trust Assets or any of the steps, actions or proceedings referred to in these Conditions in respect of DIB or, in the case of the Delegate only, the Trustee to enforce the terms of the Transaction Documents or give a Dissolution Notice (including, without limitation, pursuant to this Condition 12), unless (A) it shall have been so requested by an Extraordinary Resolution of the Certificateholders or in writing by Certificateholders holding at least 20 per cent. of the aggregate face amount of the Certificates then outstanding and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction provided that the Delegate shall not be liable for the consequences of exercising its discretion or taking such steps, actions or proceedings and may do so without having regard to the effect of such action on individual Certificateholders.
- (ii) No Certificateholder shall be entitled to proceed directly against the Trustee or DIB or to take the steps, actions or proceedings referred to in Conditions 12.3(a) and 12.3(b) above, unless the Delegate, having become bound so to proceed, (A) fails to do so within a reasonable period, or (B) is unable by reason of an order of a court having competent jurisdiction to do so, and such failure or inability shall be continuing, in which case the Certificateholders shall have only such rights against DIB as those which the Trustee or the Delegate is entitled to exercise as set out in this Condition 12.3.

- (iii) Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and DIB shall be to enforce their respective obligations under the Transaction Documents.
- (iv) The foregoing paragraphs in this Condition 12.3(e) are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the net proceeds thereof in accordance with these Conditions and the Declaration of Trust, the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates and the right to receive any such sums remaining unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

13. TAXATION

All payments in respect of the Certificates shall be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction (**Taxes**), unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay, in respect of Periodic Distribution Amounts (but not, for the avoidance of doubt, in respect of Dissolution Distribution Amounts (other than any Outstanding Payments)), additional amounts (**Additional Amounts**) as shall be necessary in order that the net amounts of Periodic Distribution Amounts received by the Certificateholders after such withholding or deduction shall equal the respective amounts of Periodic Distribution Amounts due and payable to any Certificateholder which would otherwise been receivable in the absence of such withholding or deduction, except that no such Additional Amount shall be payable in relation to any payment in respect of any Certificate:

- (a) the holder of which is liable for such Taxes in respect of such Certificate by reason of having some connection with any Relevant Jurisdiction other than the mere holding of such Certificate; or
- (b) presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day.

In these Conditions, references to any **Periodic Distribution Amounts** (and related expressions including, without limitation, **Rab-al-Maal Mudaraba Profit**, **Rab-al-Maal Final Mudaraba Profit** and **Outstanding Payments**) shall be deemed to include any Additional Amounts payable under this Condition 13 or any undertaking given in addition to or in substitution for it under the Declaration of Trust.

Notwithstanding any other provision in these Conditions, in no event will the Trustee be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

The Mudaraba Agreement provides that all payments made thereunder by DIB (in its capacity as the Mudareb) to the Trustee shall be made without any withholding or deduction for, or on account of,

any present or future Taxes, unless such withholding or deduction is required by law. In the event there is any such withholding or deduction in relation to any Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as the case may be, DIB shall pay such Additional Amounts as shall result in the receipt by the Trustee of such net amounts of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as the case may be, as would have been receivable by it if no such withholding or deduction had been required. To the extent that any such Additional Amounts are paid by DIB pursuant to the Mudaraba Agreement, DIB shall be entitled to recover amounts equal to such Additional Amounts from any amounts (if any) standing to the credit of the Mudaraba Reserve and if, following such recovery a shortfall remains between the amounts standing to the credit of the Mudaraba Reserve and such Additional Amounts paid by DIB (such shortfall, the **Additional Amounts Shortfall**), DIB shall be entitled to recover amounts equal to such Additional Amounts Shortfall from any Liquidation Proceeds (after taking into account amounts equal to the then applicable Dissolution Distribution Amount payable to the Trustee on the Mudaraba End Date pursuant to the Mudaraba Agreement).

14. PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within periods of ten years (in the case of the Dissolution Distribution Amount) and five years (in the case of Periodic Distribution Amounts or Outstanding Payments) from the Relevant Date in respect thereof. Any amounts in respect of which claims have been prescribed under this Condition 14 shall be promptly donated by the Trustee to a registered or otherwise officially recognised charitable organisation.

15. DELEGATE

15.1 Delegation of Powers

The Trustee will in the Declaration of Trust irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deed, to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Declaration of Trust, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, (a) exercise all of the rights of the Trustee under the Mudaraba Agreement and any of the other Transaction Documents and (b) make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the Declaration of Trust (together, the **Delegation of the Relevant Powers**), provided that: (i) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of the Delegation; (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust or managing the Trust Assets; and (iii) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve the trusts constituted by the Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

15.2 Indemnification

The Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking any action, step or proceeding unless indemnified and/or secured and/or pre-funded to its satisfaction. In particular, but without limitation, in connection with the exercise of any of its rights in respect of the Trust Assets or any other right it may have pursuant to the Declaration of Trust or the other Transaction Documents, the Delegate shall in no circumstances be bound to take any action, step or proceeding unless directed to do so in accordance with Condition 12, and then only if it shall also have been indemnified and/or secured and/or pre-funded to its satisfaction.

15.3 No Liability

- (a) The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of DIB or the Trustee under the Transaction Documents and shall not under any circumstances have any liability or be obliged to account to the Certificateholders in respect of any payments which should have been paid by DIB or the Trustee but are not so paid and shall not in any circumstances have any liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.
- (b) Each of the Trustee and the Delegate is exempted from: (i) any liability in respect of any loss or theft of the Trust Assets or any cash; (ii) any obligation to insure the Trust Assets or any cash; and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of actual fraud, wilful default or gross negligence by the Trustee or the Delegate, as the case may be.

15.4 Reliance on Opinions, Certificates, Reports and/or Information

The Delegate may rely on any opinion, certificate, report or information of the auditors or insolvency officials (as applicable) of the Trustee or DIB or any other expert or other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Declaration of Trust or the other Transaction Documents and such opinion, certificate, report or information may be relied upon by the Delegate (without liability to any person) as sufficient evidence of the facts stated therein notwithstanding that such opinion, certificate, report, information and/or any engagement letter or other document entered into by the Delegate or any other person in connection therewith contains a monetary or other limit on the liability of the auditors or insolvency officials of the Trustee or DIB or such other expert or other person in respect thereof and notwithstanding that the scope and/or basis of such opinion, certificate, report or information may be limited by an engagement or similar letter or by the terms of the opinion, certificate, report or information itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability, delay or inconvenience that may be occasioned by its failure to do so.

15.5 Proper performance of duties

Nothing shall, in the case of the Trustee (having regard to the provisions of the Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or actual fraud of which either of them may be guilty in relation to their duties under the Declaration of Trust.

15.6 Notice of Events

The Delegate shall not be responsible for monitoring or ascertaining whether or not a Non-Payment Event, Capital Event, Tax Event, Non-Viability Event, Dissolution Event or Potential Dissolution Event has occurred or exists or is continuing or will occur or exist and, unless and until it shall have received express written notice to the contrary, it will be entitled to assume that no such event or circumstance exists or has occurred or is continuing (without any liability to the Certificateholders or any other person for so doing).

16. REPLACEMENT OF CERTIFICATES

If a definitive Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar (and if the Certificates are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee, DIB, the Registrar, the Paying Agent or the Transfer Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17. NOTICES

Notices to Certificateholders will be deemed to be validly given if mailed to Certificateholders by pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the Register. The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Certificates are for the time being admitted to listing, trading and/or quotation. Any notices shall be deemed to have been given on the day after being so mailed (or on the date of publication, or if so published more than once or on different dates, on the date of the first publication).

Notices to be given by any Certificateholder shall be in writing and given by lodging the same, together with evidence of entitlement to the relevant Certificates, with the Principal Paying Agent.

18. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

- 18.1** The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Transaction Documents. Such a meeting may be convened by Certificateholders holding not less than 10 per cent. in face amount of the Certificates then outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more Certificateholders, proxies or representatives holding or representing in aggregate more than 50 per cent. in face amount of the Certificates then outstanding, or at any adjourned such meeting one or more Certificateholders, proxies or representatives present whatever the face amount of the Certificates held or represented, except that any meeting the business of which includes consideration of proposals, *inter alia*, (a) to modify any date for payment in respect of the Certificates, (b) to reduce or cancel or vary the method for calculating the amount of any payment due in respect of the Certificates, (c) to amend any of the Trustee's and/or DIB's covenants set out in the Transaction Documents, (d) to amend the covenant given by the Trustee and the Delegate in clause 14 of the Declaration of Trust, (e) to alter the currency of payment or the denomination of the Certificates, (f) to modify the provisions concerning the quorum required at any meeting of Certificateholders or

the majority required to pass an Extraordinary Resolution, (g) to sanction any such substitution as is described in paragraph 5.9(i) of Schedule 4 to the Declaration of Trust, or (h) to amend the above list or the proviso to paragraph 4.6 of Schedule 4 to the Declaration of Trust, in which case the quorum shall be one or more Certificateholders, proxies or representatives holding or representing in aggregate not less than two-thirds, or at any adjourned such meeting not less than one-third, in face amount of the Certificates for the time being outstanding. To be passed, an Extraordinary Resolution requires (i) a majority in favour consisting of not less than 75 per cent. of the votes cast, (ii) a Written Resolution (as defined in the Declaration of Trust) or (iii) Electronic Consent (as defined in the Declaration of Trust). Any Extraordinary Resolution, if duly passed, will be binding on all Certificateholders, whether or not they were present at the meeting at which such resolution was passed and whether or not they voted.

- 18.2** The Declaration of Trust provides that a Written Resolution or an Electronic Consent shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders. Such a Written Resolution and/or Electronic Consent will be binding on all Certificateholders whether or not they participated in such Written Resolution or Electronic Consent.
- 18.3** The Delegate may (but shall not be obliged to), without the consent of the Certificateholders: (a) agree to any modification to these Conditions or any provisions of the Transaction Documents which, in the sole opinion of the Delegate, is of a formal, minor or technical nature or is made to correct a manifest error; (b) agree to any modification (other than in respect of a Reserved Matter) of these Conditions, the Declaration of Trust or any other Transaction Document, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Declaration of Trust or the other Transaction Documents; or (c) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, provided in the case of limbs (b) and (c) above that such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and that such waiver, authorisation or determination is not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 20 per cent. of the aggregate face amount of the Certificates then outstanding.
- 18.4** In connection with the exercise by it of any of its powers, authorities and discretions (including, without limitation, those referred to in this Condition 18), the Delegate shall have regard to the interests of the Certificateholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof) and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Delegate or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders except to the extent provided in Condition 13.
- 18.5** Any modification, waiver, authorisation or determination shall be binding on all of the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 17.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. GOVERNING LAW AND DISPUTE RESOLUTION

20.1 Governing Law

The Declaration of Trust (including these Conditions) and the Certificates, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

20.2 Arbitration

Subject to Condition 20.3, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Declaration of Trust (including these Conditions) and the Certificates (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity of any of them or a dispute relating to any non-contractual obligations arising out of or in connection with them) (a **Dispute**) shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the **Rules**), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 20.2. For these purposes:

- (a) the seat of arbitration shall be London;
- (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall nominate a further arbitrator who shall be the presiding arbitrator of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly, shall each nominate one arbitrator. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the nomination of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
- (c) the language of the arbitration shall be English.

20.3 Option to Litigate

Notwithstanding Condition 20.2 above, the Delegate may in the alternative, and at its sole discretion, by notice in writing to the Trustee and DIB (as applicable):

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) if no arbitration has commenced,

require that a Dispute be heard by a court of law. If such notice is given, the Dispute to which such notice refers shall be determined in accordance with Condition 20.5 and any arbitration commenced under Condition 20.2 in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the Trustee, failing which DIB), each of the parties to the terminated arbitration will bear its own costs in relation thereto.

20.4 Notice to Terminate

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate must promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (a) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (b) his entitlement to be paid his proper fees and disbursements; and
- (c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

20.5 Submission to Jurisdiction

If a notice is issued pursuant to Condition 20.3, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England or the courts of the Dubai International Financial Centre (the **DIFC**), at the option of the Delegate, shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and DIB submits to the exclusive jurisdiction of such courts;
- (b) each of the Trustee and DIB agrees that the courts of either England or the DIFC, as the case may be, at the option of the Delegate, are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 20.5 is for the benefit of the Delegate only. As a result, and notwithstanding paragraphs (a) and (b) above, the Delegate may take proceedings relating to a Dispute (the **Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

20.6 Appointment of Process Agent

Each of the Trustee and DIB has, in the Declaration of Trust, appointed Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London EC1A 4HD as its agent for service of process in England and has undertaken that, in the event of Maples and Calder ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes and notify the Delegate and the Certificateholders of such appointment in accordance with this Condition 20.6. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

20.7 Waiver of Immunity

Under the Declaration of Trust, DIB has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment, proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity in relation to any Proceedings or Disputes. Further, DIB has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment, proceedings and injunctions in connection with any Proceedings or Disputes.

20.8 Waiver of Interest

- (a) Each of the Trustee, DIB and the Delegate has irrevocably agreed in the Declaration of Trust that no interest will be payable or receivable under or in connection therewith and in the event that it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest

is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.

- (b) For the avoidance of doubt, nothing in this Condition 20.8 shall be construed as a waiver of rights in respect of Mudaraba Profit, Final Mudaraba Profit, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit, Indemnity Payment, Periodic Distribution Amounts, Outstanding Payments or profit of any kind howsoever described payable by DIB (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Certificates whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Unless otherwise defined, terms defined in the Conditions have the same meaning below.

FORM OF THE CERTIFICATES

The Certificates will be in registered form and will be issued outside the United States to persons who are not U.S. persons in reliance on Regulation S.

The Certificates will be represented by beneficial interests in a global certificate in registered form the Global Certificate. The Global Certificate will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the common depositary. Persons holding ownership interests in the Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Certificates in fully registered form.

HOLDERS

For so long as the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, the registered holder of the Global Certificate shall, except as ordered by a court of competent jurisdiction or as required by law, be treated as the owner thereof (the **Registered Holder**). Each of the persons (other than another clearing system) who is for the time being shown in the records of either such clearing system as the holder of a particular aggregate face amount of such Certificates (the **Accountholders**) (in which regard any certificate or other document issued by a clearing system as to the aggregate face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, other than for the purpose of payments in respect thereof, the right to which shall be vested solely in the Registered Holder, as against the Trustee and an Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Registered Holder (and such payment obligations of the Trustee will be discharged by payment to the Registered Holder in respect of each amount so paid), and the expressions **Certificateholder** and **holder of Certificates** and related expressions shall be construed accordingly. In addition, holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the relevant Certificates. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

CANCELLATION

Cancellation of any Certificate represented by the Global Certificate will be effected by reduction in the aggregate face amount of the Certificates in the Register.

PAYMENTS

Payments of any amount in respect of the Certificate represented by the Global Certificate will, in the absence of any provision to the contrary, be made to, or to the order of, the person shown on the Register as the registered holder of the Global Certificate at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the due date for payment (where **Clearing System Business Day** means Monday to Friday inclusive except 25 December and 1 January). Upon payment of any amount in respect of the Certificates represented by the Global Certificate, the details of such payment shall be entered by the Registrar in the Register.

None of the Trustee, the Delegate, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payments of the Dissolution Distribution Amount in respect of Certificates represented by the Global Certificate will be made upon presentation and surrender of the Global Certificate at the specified office of the Registrar or such other office as may be specified by the Registrar subject to and in accordance with the Conditions and the Declaration of Trust. Distributions of amounts with respect to book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of participants in the relevant clearing system in accordance with the relevant clearing system's rules and procedures. A record of each payment made in respect of the Certificates will be entered into the Register by or on behalf of the Registrar and shall be *prima facie* evidence that payment has been made.

NOTICES

For so long as all of the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices may be given by delivery of the relevant notice to those clearing systems for communication to entitled Accountholders in substitution for notification as required by the Conditions except that, so long as the Certificates are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the Certificateholders on the day on which such notice is delivered to the relevant clearing systems.

Whilst any of the Certificates held by a Certificateholder are represented by the Global Certificate, notices to be given by such Certificateholder may be given (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

REGISTRATION OF TITLE

The Registrar will not register title to the Certificates in a name other than that of a nominee for the Common Depositary for a period of seven calendar days preceding the due date for any payment of any Periodic Distribution Amount or the Dissolution Distribution Amount in respect of the Certificates.

Record dates will be determined in accordance with the standard practices of Euroclear and Clearstream, Luxembourg.

TRANSFERS

Transfers of book-entry interests in the Certificates will be effected through the records of Euroclear or Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

EXCHANGE FOR DEFINITIVE CERTIFICATES

Interests in the Global Certificate will be exchangeable (free of charge to the holder), in whole but not in part, for Definitive Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 if an Exchange Event occurs. For these purposes, **Exchange Event** means that: (i) a DIB Event (as defined in the Conditions) has occurred and a Dissolution Notice has been delivered pursuant to Condition 12.1; or (ii) Certificates represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system, and any such clearing system has been closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor or alternative clearing system satisfactory to the Delegate is available. If an Exchange Event occurs, any of the Trustee, the Delegate or Euroclear and/or Clearstream, Luxembourg (acting on the

instructions of any holder of an interest in the Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the Global Certificate shall be exchanged in full for Definitive Certificates and the Trustee will, at the cost of the Trustee (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion and dispatch to the Certificateholders. Any exchange shall occur no later than ten days after the date of receipt of the first relevant notice by the Registrar. A person having an interest in the Global Certificate must provide the Registrar with a written order containing instructions (and such other information as the Trustee and the Registrar may require) to complete, execute and deliver such Definitive Certificates.

In this Prospectus, **Definitive Certificate** means a trust certificate in definitive registered form issued by the Trustee in accordance with the provisions of the Declaration of Trust in exchange for the Global Certificate, such trust certificate substantially in the form set out in the Schedules to the Declaration of Trust.

ELECTRONIC CONSENT AND WRITTEN RESOLUTION

While any Global Certificate is registered in the name of any nominee for Euroclear or Clearstream, Luxembourg, then:

- (a) approval of a resolution proposed by the Trustee, DIB or the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates then outstanding (an **Electronic Consent** as defined in the Declaration of Trust) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum (as specified in the Declaration of Trust) was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held, and shall be binding on all Certificateholders whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Declaration of Trust) has been validly passed, the Trustee, DIB and the Delegate shall be entitled to rely on consent or instructions given in writing directly to the Trustee, DIB and/or the Delegate, as the case may be, by Accountholders in the clearing system with entitlements to such Global Certificate or, where the Accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Trustee, DIB and/or the Delegate, as the case may be, have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting or implementation of such consent or instructions. Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, **commercially reasonable evidence** includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Certificates. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Certificates is clearly identified together with the amount of such holding. None of the Trustee, DIB

and/or the Delegate shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds of the Certificates will be contributed by the Trustee (as Rab-al-Maal) to DIB (as Mudareb) as Mudaraba Capital pursuant to the terms of the Mudaraba Agreement and will be used by DIB to enhance its tier 1 capital as well as for general corporate purposes, all in accordance with the investment plan set out in the Mudaraba Agreement.

DESCRIPTION OF THE TRUSTEE

General

DIB Tier 1 Sukuk (6) Ltd., a Cayman Islands exempted company with limited liability, was incorporated on 20 August 2024 under the Companies Act (as revised) of the Cayman Islands with company registration number 413180. The Trustee has been established as a special purpose vehicle for the sole purpose of issuing the Certificates and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands and its telephone number is +1 345 945 7099.

The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 par value each, 250 of which have been issued. All of the issued shares (the **Shares**) are fully-paid and are held by MaplesFS Limited as share trustee (the **Share Trustee**) under the terms of a share declaration of trust dated 7 October 2024 (the **Share Declaration of Trust**) under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Qualified Charities (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from its holding of, the Shares.

Business of the Trustee

The Trustee has no prior operating history or prior business other than in connection with the Certificates to be issued and will not have any substantial liabilities other than in connection with the Certificates. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 20 August 2024.

Financial Statements

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Directors of the Trustee

The directors of the Trustee are as follows:

Name:	Principal Occupation:
Phillip Hinds	Senior Vice President at MaplesFS Limited
Jamie Sanford	Vice President at MaplesFS Limited

The business address of Phillip Hinds and Jamie Sanford is MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

There are no potential conflicts of interest between the private interests or other duties of the directors listed above and their duties to the Trustee.

The Trustee Administrator

MaplesFS Limited acts as the administrator of the Trustee (in such capacity, the **Trustee Administrator**). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement, the Trustee Administrator has agreed to perform in the Cayman Islands and/or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Trustee Administrator will also provide registered office services to the Trustee in accordance with its standard terms and conditions for the provision of registered office services as published at <http://www.maplesfiduciaryservices.com/terms> (the **Registered Office Terms**). In consideration of the foregoing, the Trustee Administrator receives various fees payable by the Trustee at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement and the Registered Office Terms provide that either the Trustee or the Trustee Administrator may terminate such appointments upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Terms provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

The Trustee Administrator is subject to the overview of the Trustee's Board of Directors.

The Trustee Administrator's principal office is P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands.

The directors of the Trustee are all employees or officers of the Trustee Administrator (or an affiliate thereof). The Trustee has no employees and is not expected to have any employees in the future.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Annual Financial Statements and the other information contained in this Prospectus. The Annual Financial Statements have been prepared in accordance with IFRS.

The following table sets forth selected consolidated financial information and business ratios for the Group as at 31 December in, and for each of, 2023, 2022 and 2021. The statement of profit or loss data and statement of financial position data have been extracted from the Annual Financial Statements or the Group's management accounts and have been presented in separate tables in AED and, for convenience only, in U.S. dollars.

Statement of profit or loss highlights	For the year ended 31 December		
	2023	2022	2021
		<i>(AED millions)</i>	
Income from Islamic financing and investing transactions	17,227	11,739	9,013
Total income.....	20,143	14,101	11,795
Depositors' and sukuk holders' share of profit.....	(8,477)	(3,634)	(2,373)
Impairment charges, net	(1,396)	(2,013)	(2,448)
Profit for the year before income tax expense	7,108	5,631	4,444
Net profit for the year.....	7,010	5,552	4,406
Net profit attributable to owners of the Bank	6,798	5,474	4,391

Statement of financial position highlights	As at 31 December		
	2023	2022	2021
		<i>(AED millions)</i>	
Total assets	314,292	288,238	279,082
Total liabilities	266,857	244,264	237,617
Total equity	47,434	43,975	41,465
Gross financing and investing assets and investments in bilateral sukuk ⁽¹⁾	213,017	200,637	201,419
Impaired financing and investing assets ⁽²⁾	11,497	12,986	13,784
Collateral held relating to facilities individually determined to be impaired ⁽³⁾	7,996	9,040	9,034
Provisions for impairment ⁽⁴⁾	8,903	8,793	8,926
Customers' deposits	222,054	198,637	205,845

Statement of profit or loss highlights	For the year ended 31 December		
	2023	2022	2021
		<i>(U.S.\$ millions)</i>	
Income from Islamic financing and investing transactions	4,691	3,196	2,454
Total income.....	5,485	3,840	3,212
Depositors' and sukuk holders' share of profit.....	(2,308)	(990)	(646)
Impairment charges, net	(380)	(548)	(667)
Profit for the year before income tax expense	1,935	1,533	1,210
Net profit for the year.....	1,909	1,512	1,200
Net profit attributable to owners of the Bank	1,851	1,491	1,196

Statement of financial position highlights	As at 31 December		
	2023	2022	2021
		<i>(U.S.\$ millions)</i>	
Total assets	85,580	78,486	75,992
Total liabilities	72,664	66,512	64,702
Total equity	12,916	11,974	11,291
Gross financing and investing assets and investments in bilateral sukuk ⁽¹⁾	58,003	54,632	54,845
Impaired financing and investing assets ⁽²⁾	3,131	3,536	3,753

Statement of financial position highlights	As at 31 December		
	2023	2022	2021
	(U.S.\$ millions)		
Collateral held relating to facilities individually determined to be impaired ⁽³⁾	2,177	2,461	2,460
Provisions for impairment ⁽⁴⁾	2,424	2,394	2,430
Customers' deposits	60,464	54,088	56,050

Key business ratios	As at and for the year ended 31 December		
	2023	2022	2021
		(%)	
Impaired ratio ⁽⁵⁾	5.4	6.5	6.8
Provision coverage ratio ⁽⁶⁾	90	78	72
Overall coverage ratio ⁽⁷⁾	121	110	102
Total capital adequacy ratio ⁽⁸⁾	17.3	17.6	17.1
Common Equity Tier 1 ratio ⁽⁸⁾	12.8	12.9	12.4
Return on tangible equity ⁽⁹⁾	20	17	13
Return on assets ⁽¹⁰⁾	2.3	2.0	1.5
Net profit margin ⁽¹¹⁾	3.1	3.0	2.6
Financing /customers' deposits ⁽¹²⁾	90	94	91
Cost to income ratio ⁽¹³⁾	27.1	26.1	26.8

Notes:

- (1) Comprises total Islamic financing and investing assets amounting to AED 208,356 million (31 December 2023), AED 194,835 million (31 December 2022) and AED 195,617 million (31 December 2021) and investments in bilateral sukuk amounting to AED 4,661 million (31 December 2023), AED 5,762 million (31 December 2022) and AED 5,802 million (31 December 2021). See note 9.1 to each of the Annual Financial Statements (for Islamic financing and investing assets) and note 10.1 to the each of Annual Financial Statements for investments in bilateral sukuk).
- (2) Impaired financing and investing assets comprises the sum of the gross book value of Stage 3 and POCI Islamic financing and investing assets, net as shown in note 9.2 to each of the Annual Financial Statements.
- (3) See note 9.4 to each of the Annual Financial Statements.
- (4) See note 9.1 to each of the Annual Financial Statements.
- (5) Impaired ratio is the ratio of impaired Islamic financing and investing assets (including POCI assets) to gross financing and investing assets and investments in bilateral sukuk.
- (6) Provision coverage ratio is the ratio of provisions for impairment to impaired investing and financing assets.
- (7) Overall coverage ratio is the ratio of the aggregate of (i) provisions for impairment and (ii) the discounted value of collateral (which amounted to AED 3,580 million (31 December 2023), AED 4,128 million (31 December 2022) and AED 4,153 million (31 December 2021)) to impaired investing and financing assets.
- (8) Calculated according to Central Bank methodology.
- (9) Return on tangible equity is the ratio of (i) net profit attributable to owners of the Bank after deduction of profit distribution on Tier 1 Sukuk to (ii) average equity, with the result adjusted for estimated distribution (with average equity for each of 2023, 2022 and 2021 calculated as the sum of equity excluding Tier 1 Sukuk as at 31 December immediately preceding the relevant year plus equity excluding Tier 1 Sukuk as at 31 March, 30 June, 30 September and 31 December in the relevant year divided by five and estimated distribution amounting to AED 3,252 million (31 December 2023), AED 2,168 million (31 December 2022) and AED 1,807 million (31 December 2021)).
- (10) Return on assets is the ratio of net profit for the year to average total assets, with the result adjusted for estimated distribution (with average total assets for each of 2023, 2022 and 2021 calculated as the sum of total assets as at 31 December immediately preceding the relevant year plus total assets as at 31 March, 30 June, 30 September and 31 December in the relevant year divided by five).
- (11) Net profit margin is the ratio of net funded income (being income from Islamic financing and investing transactions less depositors and sukuk holders' share of profit) to average earning assets (being the aggregate of Islamic financing and investing assets, net, investment in Islamic sukuk measured at amortised cost (as identified in note 46.1 to each of the Annual Financial Statements), due from banks and financial institutions and international murabaha with Central Bank (as identified in note 8.1 to each of the Annual Financial Statements), with the average calculated as the sum of the respective totals as at 31 December immediately preceding the relevant year plus average earning assets as at 31 March, 30 June, 30 September and 31 December in the relevant year divided by five).
- (12) Financing/customers' deposits is the ratio of Islamic financing and investing assets, net to customers' deposits.
- (13) Cost to income ratio is the ratio of total operating expenses to net income.

DESCRIPTION OF THE GROUP

OVERVIEW

DIB is the world's first full service Islamic bank and is one of the largest Islamic banks in the world, in terms of assets. As at 30 June 2024, the Group's total assets were AED 322,651 million (U.S.\$87,856 million). DIB was established in the Emirate of Dubai on 12 March 1975, with the objective of providing banking and other financial services tailored to adhere to the principles of Islamic Sharia.

The core business areas of the Group are Consumer Banking, Corporate Banking, Real Estate & Contracting Finance, Investment Banking and Treasury. The Group offers a wide range of Sharia-compliant retail and wholesale banking, treasury, investment banking and capital markets products and services to more than five million retail, corporate and institutional clients through a network of 55 branches across the UAE and approximately 450 branches internationally across six countries outside the UAE. In addition to its main office and branches in Dubai, the Group operates across all the other Emirates of the UAE, namely Abu Dhabi, Ajman, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain. Outside the UAE, the Group has operations through subsidiaries in Pakistan and Kenya, and associates in Indonesia, Sudan and Bosnia. The Group also has a representative office in Turkey and acquired a 20 per cent. shareholding in a Turkish digital financial services group in 2023.

The head office of DIB is located on Al Maktoum Street, Deira, P.O. Box 1080, Dubai, UAE and its telephone number is +971 4 295 3000. DIB is regulated by the Central Bank. DIB's licence number, as set out in its commercial license and commercial registration certificate, is 208098.

The Group has received numerous awards in recent years in recognition of its leading position within the markets in which it operates, including:

- DIB being ranked 13th amongst the Middle East's 50 Most Valuable Banks 2023, by Forbes Middle East.
- DIB being ranked 14th amongst the Middle East's 30 Most Valuable Banks 2024 and 21st amongst the Middle East's Top 100 Listed Companies 2024, by Forbes Middle East.
- "Best Islamic Bank in the UAE", "Best Islamic Retail Bank", "Social Impact, SRI ESG Deal" and "Best Islamic Bank in Kenya", by Islamic Finance News Awards 2024.
- "UAE's Best Bank for Diversity & Inclusion", by Euromoney Awards for Excellence 2024.
- "Best Innovation in Retail Banking" for eVolve, a green auto finance solution, and "Best Digital Innovation in Islamic Banking of the Year" for DIB alt, by MEA Finance Banking Technology 2024.

HISTORY

DIB was incorporated in 1975, in Dubai, by a decree issued by the then Ruler of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum. In March 2000, DIB was registered as a public joint stock company under the Commercial Companies Law No. 8 of 1984 (which was replaced with UAE Federal Law No. 2 of 2015 regarding the Law of Commercial Companies, with effect from 1 July 2015).

In 1998, following the discovery of a significant fraud, the Government of Dubai enhanced its shareholding to become DIB's largest shareholder (increasing its stake from 6 per cent. to 30 per cent.). DIB subsequently recruited a number of professional managers from international and large local financial institutions to improve its management and processes. As at 30 June 2024, the Government of Dubai's direct and indirect stake in DIB was 27.97 per cent.

In 2001, the Group acquired a 27.3 per cent. stake in Bosna Bank, the first Sharia-compliant bank in Europe, which was established in 2000.

As part of its then current strategy to expand in select niche Islamic markets in the Middle East, Africa and Asia, the Group acquired a 60 per cent. stake in the Bank of Khartoum (**BoK**) in 2005, one of the largest banks in Sudan (measured by the number of branches and ATMs), which stake was subsequently reduced to 52.3 per cent. in 2006 and further reduced to 28.4 per cent. in 2008. As at 30 June 2024, the Group's stake in BoK stood at 29.5 per cent.

Following approval obtained in January 2005 from the Banking Regulation & Supervision Agency in Turkey, the Group established a representative office in Turkey in April 2005 to assist in marketing and promoting the Group's business in Turkey. Since its establishment, the representative office has been referring new customers and transactions to various business groups within the Group.

In 2006, the Group established DIB Pakistan Ltd (**DIB Pakistan**), a 100 per cent. owned subsidiary, to offer Islamic banking services in Pakistan.

In addition, the Group has incorporated several subsidiaries in real estate development (including, Deyaar Development P.J.S.C. (**Deyaar Development**) in 2002 in which it had a 44.9 per cent. shareholding as at 30 June 2024 and which is a fully consolidated subsidiary), other related financial services companies and Dar Al Sharia Islamic Finance Consultancy LLC (**Dar Al Sharia**) in 2007.

In November 2010, the Group increased its stake in Tamweel to 58.3 per cent. to acquire a controlling interest in the company. In 2013 and 2015, the Group increased its shareholding to 86.5 per cent. and 92.0 per cent., respectively, through tender offers made to minority shareholders. The Group's shareholding in Tamweel stood at 92.0 per cent. as at 30 June 2024.

In May 2014, the Group acquired a 24.9 per cent. stake in PT Bank Panin Dubai Syariah Tbk (**Bank Panin Syariah**) of Indonesia. In 2015, the Group increased its shareholding in Bank Panin Syariah to 38.3 per cent. and, as at 30 June 2024, its shareholding was 25.1 per cent.

In April 2017, the Group obtained a banking licence from the Central Bank of Kenya to operate its wholly-owned subsidiary, DIB Bank Kenya Ltd. (**DIB Bank of Kenya**), which commenced commercial operations on 5 June 2017.

In January 2020, the Group completed the acquisition of 99.999 per cent. of Noor Bank through a share swap which led to DIB issuing 651,159,198 new shares to increase its issued share capital from 6,589,585,179 shares to 7,240,744,377 shares. During September 2020, the remaining minority percentage shareholding in Noor Bank was acquired and it became a wholly-owned subsidiary of DIB.

In September 2023, DIB acquired a 20 per cent. shareholding in the T.O.M. group of companies (the **T.O.M. Group**), an integrated, comprehensive financial services group with expertise in digital solutions. The T.O.M. Group includes T.O.M. Katilim Bankasi Anonim Sirketi (Turkey's first licensed digital retail bank), T.O.M. Pay Elektronik Para Ve Odeme Hizmetleri Anonim Sirketi (a licensed e-money company with a fast-growing customer base in Turkey), and T.O.M. Finansman Anonim Şirketi (a licensed financing company specialised in developing innovative digital products) and their subsidiaries.

STRATEGY

DIB's primary objective is to maintain its position as the leading Islamic financial institution in the Middle East region as well as in other selected strategic markets. DIB unveiled its five-year Group strategy, DRIVE, for the period 2022-2026 in December 2021. DRIVE stands for:

- DIGITAL Transformation;
- ROBUST Foundation;
- INCREASE Value;
- VERSATILE Operation; and

- **ENGAGING Experience.**

Within the overarching strategic guidance, a strategic theme for each year focuses on short-term strategic and tactical areas to recalibrate direction and efforts with respect to the five year strategy.

During the early 2000s, the Group had expanded its strategy from being primarily a retail bank into providing Sharia-compliant solutions to major corporates as well. This was also a period in which the Group saw a qualitative jump in the services being offered as a result of upgrading its computer systems and the introduction of internet services. The mid-2000s saw DIB venturing into new international markets such as Pakistan and Sudan and launching the Sharia consultancy firm (Dar Al Sharia) and the DIB Foundation. When the global financial crisis began, DIB decided to focus on growth within the retail sector and began to run-off its corporate real estate finance portfolio in order to protect itself from the downturn in the UAE real estate sector. During this decade, DIB saw its total assets increase from AED 11.7 billion (U.S.\$3.2 billion) in 2000 to AED 90.1 billion (U.S.\$24.5 billion) by the end of 2010.

Following a consolidation exercise between 2009 and 2013 and the appointment of a new Group chief executive officer (**CEO**) in mid-2013, who had previously served as Deputy CEO, the Group embarked on a new “growth” strategy from 2014 to 2018, which aimed at redefining the way the Group operated its business, positioning it as a global leader in the world of Islamic finance.

Subsequent to the successful acquisition of Noor Bank and the significant global events that unfolded in 2020 and against the economic backdrop of a recovering economy based on higher oil prices, government support and reform policies and easing COVID-19 pressures, DIB reset its strategy in 2021 to cover the five years from 2022 through 2026.

The Group's strategy is continually monitored and reviewed by its management and is formally approved by the Board. The Balance Scorecard (**BSC**) approach is used to integrate the strategic plans into individual and departmental goals, and helps the Group manage and monitor its performance.

The BSC enables the Group to identify goals, manage and measure performance, and report on achievements with respect to the priorities of each key stakeholder group. The Group implements quantitative measures wherever feasible, but tracks both qualitative and quantitative indicators of performance in terms of both financial and non-financial outcomes. The BSC framework forms an integral part of the Group's performance management system.

DIGITAL Transformation

DIB launched DIB alt in 2023, a digital banking solution that integrates DIB's digital offerings and capabilities into one platform which brings together more than 135 digital services via the DIB Mobile App, Online Banking, WhatsApp, and ATMs. DIB alt caters to the growing demand of a segment of customers who require digital-only models that address their financial needs and DIB believes that these customers' engagement with DIB on its new digital proposition will lead to higher loyalty and advocacy (in the form of improved net promoter scores).

DIB also intends to optimise its existing channels to reduce foot traffic at touchpoints by enhancing digital channels and capabilities and achieving an appropriate mix of physical and digital interactions to address the full array of its customers' needs and provide them with a seamless and intuitive customer journey. In addition, it plans to establish a suite of artificial intelligence and machine learning models and a real time decision making and communication engine to generate predictive insights that allow it to anticipate customer needs.

DIB expects these initiatives will help it achieve its ultimate goal of reducing costs and increasing revenue, particularly as it offloads and migrates non-value generating services and transactions from physical to digital channels and increases the contribution of digital channels to new-to-bank customers and improves its cross-selling and up-selling efforts to significantly.

ROBUST Foundation

With increased global and business risk, DIB intends to enhance its asset quality by arresting non-performing financing growth through reducing its exposure to, and mitigating risks from, stressed sectors (such as real estate) and customer segments and expanding its market coverage, in part by utilising data and analytics to inform business decision making. It also plans carefully calibrated exposure to newer sectors and risk segments to help diversify its risk weighted assets. This is expected to help the business achieve more sustainable profit growth in the future.

In addition, DIB continues to strengthen its capital base and enhance operational efficiencies as reflected in its market-leading cost to income ratio.

DIB is overhauling its technology backbone by upgrading its core banking system and modernising legacy platforms such as its card management system, payment switch and general ledger system. During the first half of 2024, DIB implemented a major upgrade of its core banking system platform following months of development. The new system aims to strengthen DIB's ecosystem, integrating a wide range of specialised upgrades giving access to more product features and enhanced customer experience. It will also facilitate the implementation of modern business models and leverage the use of advanced technologies.

DIB's asset quality continued to improve in 2023 and the first half of 2024, with its impaired ratio improving from 6.5 per cent. in 2022 to 5.4 per cent. in 2023 and 5.0 per cent. as at 30 June 2024. Cash coverage also continues to improve with DIB's overall coverage ratio increasing from 110 per cent. in 2022 to 121 per cent. in 2023 and 127 per cent. in the first six months of 2024. Operating expenses continue to be controlled in line with DIB's growth ambitions.

DIB continues to upgrade its technology across systems and processes to make it agile and efficient with a focus on business growth, improvement of customer experience and strengthening of controls and regulatory posture.

INCREASE Value

DIB aims to increase value through attracting new to bank customers and increasing its market share in earning assets (such as financing and sukuk), as well as from ancillary business and identifying new revenue streams from existing product and services.

DIB also aims to enhance the profitability of its international operations and to explore international opportunities through acquisitions (such as the acquisition of a significant shareholding in the T.O.M. Group in 2023), establishing subsidiaries and branches, pursuing strategic partnerships and/or co-operation agreements with local partners in Asia, Africa and the Gulf.

DIB has attracted more than 66,000 new to bank customers in 2024, of which 47 per cent. were sourced from digital channels. Furthermore, a broad array of transaction banking initiatives were launched, including UAE Trade Connect (a blockchain-enabled consortium for offering trade-enabled solutions to the Group's customers) and Trade Club Alliance (a unique global network of banks aiming to make international trade simpler and better) to nurture corporate banking customers.

VERSATILE Operation

In addition to stabilising and improving its IT infrastructure to ensure uninterrupted connectivity, accessibility and security and ensuring compliance with a wide spectrum of regulatory-driven changes, DIB will focus on managing efficiencies by maintaining its robust cost to income ratio and ensuring high quality and timely execution of key business priorities, including capitalising on economies of scale from its resources (such as its human resources, physical footprint, channels and working models) as it grows and leveraging modern technology to automate and streamlines processes.

Further, DIB is in the process of embedding its environmental, social and governance (**ESG**) philosophy across the Group following a newly-developed ESG strategy and roadmap in alignment with UAE aspirations and regulatory direction.

Overall, DIB intends to maintain a paramount focus on customer service and experience in alignment with its customer service charter and ICARE values which emphasise simplicity and convenience whilst prioritising customers and clients.

DIB's ESG ambitions continue to progress strongly with continued growth of the ESG asset portfolio and the launch of sustainable auto and home finance solutions as well as social initiatives that promote social well-being and support people of determination. The team has been strengthened to bring in more resources to support DIB's various on-going ESG initiatives.

In early 2024, DIB successfully priced its third sustainable sukuk, a landmark U.S.\$1 billion five- year senior issue with a profit rate of 5.24 per cent. per annum representing a spread of 95 basis points over five-year US Treasuries. The issuance was 2.5 times oversubscribed.

ENGAGING Experience

DIB plans to foster better internal collaboration in order to deliver a customer-centric organisation that inspires its staff to focus on customer needs while delivering a seamless experience to customers. As part of this, DIB will focus on customer interactions across touchpoints ensuring that they are simple, transparent and unified and intends also to ensure that the voice of customers is actively considered and incorporated into wider business decisions. The success of this element of the strategy is expected to be evidenced through achieving a brand positioning that is the best in class for customer experience.

The Group's branch network continues to be recalibrated to drive superior customer service and experience. Geographic coverage has been optimised by the successful relocation of two branches with two branches in Dubai being identified for renovation to improve customer experience.

With a view to further enhancing customer experience, DIB initiated a business process re-engineering and the onboarding of new-to-bank customers has been updated and will be launched soon under the umbrella of the newly launched core banking system. Other initiatives included the digitalisation of know your customer and Foreign Account Tax Compliance Act and Common Reporting Standard procedures to ensure regulatory compliance while reducing the risk of errors or omissions.

COMPETITION AND COMPETITIVE ADVANTAGES

The Group faces competition from both Islamic and conventional banks operating in the UAE. Within its investment banking and capital market activities, DIB also competes with major international banks and investment firms for transaction mandates.

DIB believes that the Group enjoys a number of key competitive advantages, including the following:

Strong and trusted brand

DIB believes that the Group has a strong and trusted brand, built around its vision as a progressive and innovative player and the modern face of Islamic banking and finance. Management believes that the Group's market position and strong brand recognition reflect the Group's focus on high-quality customer service (see below), its established track record in both consumer and wholesale banking, its targeted marketing to consumers and its involvement in a number of the UAE's most prominent infrastructure and other development projects.

Established track record and knowhow

As the first Islamic bank in the UAE, the Group has a proven track record in developing and offering Islamic finance products to meet the increasingly sophisticated needs of its customers.

Innovative and extensive product range

The Group endeavours to provide its customers with a wide range of innovative products, which allows it to meet their diversified and sophisticated needs. DIB believes that the Group is able to offer its customer base all of the banking products that they may require and, accordingly, that there is little need for them to approach the Group's competitors for alternative products.

Sharia-compliance credibility

DIB maintains a highly reputed Internal Sharia Supervisory Committee (the **Sharia Board**). DIB aims for high levels of Sharia compliance by offering all its products and services in strict conformity with the parameters approved by the Sharia Board. This helps to ensure that DIB's reputation as a premier Islamic bank is maintained at all times.

Stable funding base

The Group has a diversified deposit base that includes retail and corporate customers, government bodies and public sector agencies which, taken together, are regarded by the Group as a relatively stable and low-cost source of funding.

Strong financial performance

The Group has consistently benefitted from strong financial performance and robust financial metrics (see “*Selected Financial Information*” for further information).

Quality of service and speed of response time

DIB believes that the high quality of customer service which the Group provides distinguishes the Group from its principal competitors. Employees are trained regularly in managing clients, new products and market developments so as to provide a better service to clients and to enable new products and services to be introduced to the market. Furthermore, the Group continues to make enhancements to its systems and platforms in order to provide clients with a seamless experience.

Experienced and committed management

The majority of DIB's senior management team have been with DIB for several years and, prior to joining DIB, have had many years of regional and global experience with other leading international banks. The team has considerable experience in the Islamic finance industry and knowledge of the requirements relating to the operation of Islamic finance institutions, see “*Management and Employees*” below.

Strength in staff training

The Group provides regular and comprehensive training to staff at all levels to enable them to improve their skills. This is done through a dedicated training division within the Group. The Group regularly sends its staff on courses, conferences and workshops on Islamic banking products to ensure that they are well informed about international and regional developments.

Systematic approach to developing strategy

The Group adopts a systematic approach in developing its strategy through comprehensive analyses of the domestic and international macroeconomic and business environments and aligning its strategy with any major trends identified. This formalised approach is then used to link the overall strategic plan and agenda to the BSC performance management system (which is the primary tool used to measure individual and departmental performance) and thus to ensure that the Group meets its short-, medium- and long-term strategic objectives.

Links with the Government of Dubai

DIB has a good relationship with the Government of Dubai which enables it to be at the forefront of the ongoing financing of the development of Dubai.

Links with the community

DIB has always maintained strong links with the local community and intends to continue to promote the development of society in the UAE. It sees this as an important feature in enhancing its position as a premier Islamic bank. For example, it has been active in promoting “Emiratisation”, the process of employing and nurturing UAE nationals with a view to encouraging them to participate in and improve the economy of the UAE.

SHAREHOLDERS AND CAPITAL STRUCTURE

Shareholders

As at 30 June 2024, the Government of Dubai held directly and indirectly 27.97 per cent., of the share capital of DIB. DIB is not aware of any other significant holdings in its shares. DIB's articles of association provide that no single shareholder other than the Government of Dubai is entitled to own more than 10 per cent. of the share capital of DIB and that the maximum foreign ownership level in DIB is 40 per cent.

The Government of Dubai's shareholding is held through Investment Corporation of Dubai (**ICD**). The Chairman of DIB is a representative of ICD and the other members of the Board are independent of ICD. Decisions are made by voting whereby each board member, including the Chairman, has an equal vote. Some of the key corporate governance functions have been delegated to board committees such as the Board Credit & Investment Committee, Board Audit Committee, Board Risk Management Committee and Board Remuneration Committee. The Chairman is not represented in any of these committees and each of these committees acts independently.

Capital structure

During 2020, DIB issued 651,159,198 new shares in consideration for the acquisition of Noor Bank, bringing its paid up share capital from AED 6.6 billion to its current level of AED 7.2 billion (U.S.\$2.0 billion). DIB's shares have been listed on the Dubai Financial Market (the **DFM**) since March 2000.

See “– *Capital Adequacy*” below for a description of the Group's capital adequacy ratios as at 31 December 2023, 31 December 2022 and 31 December 2021.

BUSINESS ACTIVITIES

Business and reporting segments

The principal activities of the Group are focused around five core business areas: (i) Consumer Banking; (ii) Corporate Banking; (iii) Real Estate & Contracting Finance; (iv) Investment Banking; and (v) Treasury.

For accounting purposes, the Group divides its business into the following primary reporting segments: (a) consumer banking (which reflects the consumer banking and home finance business lines); (b) corporate banking (which reflects the corporate banking, institutional and contracting finance business lines); (c) real estate development (which reflects real estate investment by subsidiaries such as Deyaar Development); (d) treasury (which reflects the treasury-related business line); and (e) others (comprising the Group's investments (including subsidiaries not specifically allocated to other segments), certain investment banking activities and unallocated internal assets and liabilities of the Group which are not related to those of its external customers).

The table below shows a breakdown of certain statement of profit or loss information for each of the Group's reporting segments for each of the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

	Consumer banking	Corporate banking	Treasury (AED millions)	Real estate development	Others
2023					
Net operating revenue	5,323	2,882	2,006	476	977
Operating expenses	(1,440)	(641)	(101)	(257)	(722)
Net operating income	3,883	2,241	1,905	218	255
2022					
Net operating revenue	4,875	2,844	1,495	345	907
Operating expenses	(1,214)	(494)	(88)	(211)	(726)
Net operating income	3,662	2,350	1,407	134	181
2021					
Net operating revenue	3,819	2,662	1,806	230	907
Operating expenses	(1,123)	(419)	(94)	(193)	(699)
Net operating income	2,695	2,243	1,712	37	206

Note:

In 2023, the Bank updated its reporting segments in line with a change in its funds transfer pricing policy. As a result, comparative figures for 2022 in the 2023 Financial Statements were changed to align with the equivalent figures for 2023. Figures for 2021 in the table above have also been changed to be consistent with the figures for 2023 and 2022.

The table below shows a breakdown of certain statement of financial position information for each of the Group's reporting segments as at 31 December 2023, 31 December 2022 and 31 December 2021.

	Consumer banking	Corporate banking	Treasury (AED millions)	Real estate development	Others
As at 31 December 2023					
Segment assets	56,059	141,581	71,323	6,149	39,179
Segment liabilities	88,180	136,180	2,769	1,123	38,605
As at 31 December 2022					
Segment assets	52,150	132,351	55,342	5,747	42,650
Segment liabilities	78,669	123,695	3,233	840	37,827
As at 31 December 2021					
Segment assets	49,123	135,572	45,305	5,567	43,513
Segment liabilities	79,063	128,397	2,284	632	27,240

Consumer Banking

Consumer Banking is the largest business area within the Group in terms of net operating income as at 31 December 2023. The Group offers its retail and business banking services through a network of 55 branches spread across all of the Emirates and nearly 530 automated teller machines (ATMs) and cash and cheque deposit machines across the UAE (each as at the date of this Prospectus) as well as through online and phone banking services (including mobile banking).

The Group offers its consumer banking customers a broad range of retail products and services, including:

- **Auto finance**

The Group's auto finance product finances vehicle purchasing for individuals and businesses in a Sharia-compliant manner. The Group has established itself as one of the leading providers of auto financing in the UAE, introducing “Evolve” auto finance, a holistic solution aiming to contribute to a cleaner environment by providing solutions around buying electric and hybrid cars, encouraging the Group's customers to invest in environmentally friendly vehicles.

- ***Sharia-compliant cards***

In pursuit of its strategy of growth through key strategic alliances, the Group continues to expand its product offerings through the expansion of its Sharia-compliant cards product portfolio, with a number of new offerings in the pipeline including those built around ESG.

In early 2024, DIB launched its “SHAMS” credit card in partnership with Visa. The SHAMS Visa credit card is tailored for the diverse needs of every segment, including the affluent and emerging affluent. The card offers benefits including 5 per cent. cashback on dining spends, 5 per cent. cashback on travel expenditure, complimentary Fitness First access, Costa Coffee, golf rounds and valet parking. SHAMS cardholders can also collect Wala’a rewards on their spends, with the flexibility to redeem them against flights, hotels, cash, retail transactions and other options.

- ***Green offerings***

In line with its commitment to sustainability and sustainable finance, DIB also provides sustainable products such as Green Auto Finance (eVolve) and sustainable home finance solutions (NEST).

- ***Personal finance***

The Group's personal finance product caters to the personal financing needs of individuals, and is provided in the form of *murabaha* and *ijara* products to cater to all personal financing needs of customers. The Group also offers NBC sukuk-based deferred sale, which provides customers with an upfront cash payment. The product is based on a fixed price sale contract whereby the customer gets the full price as a cash payment upfront and delivers the relevant goods on a deferred basis.

- ***Retail home finance***

As the leading home finance provider for both residential and commercial properties in the UAE, DIB's Home Finance provides the most comprehensive, unique and transparent offering across all seven Emirates. Customers can avail home finance for both freehold and non-freehold properties and can finance either ready or under-construction properties as well as obtain financing to self-construct their properties either themselves or through tie-ups with Government housing schemes.

Building on the momentum of COP28 and DIB's commitment to sustainability, ‘Nest’ - a sustainable home finance programme is a tangible embodiment of DIB's pledge to support the creation of sustainable communities. ‘Nest’ offers a suite of financial products tailored to empower customers to invest in green homes, as well as ancillary finance for solar panels and sustainable construction materials, fostering an environmentally conscious lifestyle.

- ***SME Business Solutions***

The Group’s “SME Business Solutions” suite of Sharia-compliant products and services support the growth of small- and medium-sized enterprises. The solutions offered are based on a combination of *murabaha* and *sukuk*-based structures.

- ***Investment funds***

The Group offers a range of Sharia-compliant investment products to suit its clients' investing needs across various asset classes, including cash, commodities, fixed income securities and equities. Along with structures developed in-house, the Group has also partnered with leading investment houses to provide a range of investment choices with varied currencies and maturities, exposures to different markets and capital protection options.

- ***IPO/capital markets subscription services***

The Group offers subscription services on selected IPOs. The Group provides this service to companies approved for investment in accordance with Sharia law.

- ***Wajaha private banking***

Wealth management services are provided through four exclusive *Wajaha* centres in Abu Dhabi, Al Ain, Dubai and Sharjah. These centres offer personal relationship managers, financial planning services and tailor-made products, as well as offering other benefits which are exclusive to the Group's *Wajaha* clients, including international concierge services, travel insurance, ticket exchange and travel desk and cash services.

- ***Ayaan exclusive banking***

Ayaan exclusive banking targets high net worth customers, catering to their specific investment and financial needs. There are 11 *Ayaan* centres located across the UAE.

- ***Additional retail segments***

Consumer Banking also has additional business segments (broadly based on customer deposits) named *Mumayyaz* (effectively the upper mass segment), the mass segment and the lower mass segment. Specific offerings have been developed to cater to these segments.

In addition to its branches in the UAE, the Group also offers self-service electronic delivery channels such as online banking, phone banking and mobile application to its consumer banking customers, giving customers greater flexibility to deal with their accounts through a range of account enquiry and payment services. DIB's mobile app offers over 130 services in both English and Arabic. The app is integrated with advanced customer-centric technologies.

Corporate Banking

Corporate Banking is the second largest business area within the Group in terms of net operating income as at 31 December 2023. The Group offers a range of Sharia-compliant solutions to its corporate banking clients in the UAE, the GCC and other markets. Corporate Banking comprises the following teams (which are organised on both a geographical and product-specific basis):

- private sector (Dubai, Jebel Ali and Northern Emirates), which supports the Group's corporate clients based in and around Dubai and the Northern Emirates;
- public sector (Dubai region and Northern Emirates), which supports the Group's public sector clients based in and around Dubai and the Northern Emirates;
- corporate banking unit (Abu Dhabi), which supports and manages business from clients based in Abu Dhabi as well as adjoining areas and cities in the southern and eastern region (including Al Ain); and
- transaction banking unit, which provides specialist product advice (through the Ahlan Banking Service) to cater to clients' daily banking needs and handles customer queries, auto faxing and electronic reporting. Internet banking solutions for cash management and trade finance are also available on the Al Islamic connect platform.

The Group believes that the strengths of Corporate Banking are:

- its in-depth specialisation within the UAE and GCC sectors;
- its deep understanding of its customers' businesses;
- the comprehensive and innovative range of services and strategic, solution-driven capabilities offered to its corporate clients (see below); and
- innovative financial solutions covering corporate finance, investment banking, capital markets and syndications products, project finance, trade and commodity finance, treasury and corporate banking, international banking services and securities.

The Group has designed and implemented a range of modern, Islamic financing instruments which are intended to meet the needs of its corporate clients. The products offered by Corporate Banking include goods financing and specific Islamic financing products such as *ijara* financing, *mudaraba* financing and *wakala/wakala murabaha* financing to cater to its clients' trade, working capital and medium- to long-term financing requirements. The categories of products and services offered by Corporate Banking are:

- financial products and solutions, which include *murabaha*, *mudaraba* and *musharaka* products tailored to the needs of the Group's wholesale banking customers;
- trade finance services, which provide an extensive range of trade-related services covering sectors such as manufacturing, services, construction, retail and transportation; and
- Transaction Banking Solutions, covering the cash management and trade products described below to address the needs of the Group's corporate customers across the working capital cycle. Value addition from these products is achieved through increased profitability, process efficiencies, risk mitigation and enhanced controls:
 - liquidity and investment management (including a separate institutional liabilities unit with dedicated relationship managers);
 - payments and collections (delivered through electronic and physical channels with a focus on customised solutions such as escrow and structured receivables management);
 - information services (customised integrated enterprise resource planning (ERP) solutions and an online platform, Al Islami Connect, to perform online account management, electronic payments and generate reports);
 - trade services (a full range of import and export services as well as structured solutions); and
 - the Ahlan Banking Service, a dedicated customer service unit to handle all day-to-day operating account transactions.

Corporate Banking manages various relationships (including middle market, contracting finance and real estate finance companies) and is instrumental in leveraging its client relationships to cross-sell other products offered by the Group, including investment banking and treasury services.

Real Estate & Contracting Finance

Real estate finance

The Group provides real estate finance services in the UAE and supports corporate real estate developments, including the construction of commercial property and residential estates. The real estate finance group is managed by a specialist team with extensive experience in this field.

Standard Islamic financing products offered include *istisna* financing, *murabaha* acquisition finance, diminishing *musharaka* and *ijara* lease financing.

Contracting finance

The contracting finance group provides financing to contractors executing building, electrical and mechanical infrastructure works across a range of sectors (including the oil, gas, power and water sectors). The contracting finance group's customer base includes local, regional and international construction groups, and the contracting finance group supports its customers in executing projects within the UAE and regionally in the GCC and in other Arab countries.

The product range offered by the contracting finance group includes Islamic financing products such as *mudaraba*, *murabaha*, *Ijara*, letters of guarantee and letters of credit (LCs). DIB believes that the Group's

large underwriting capability and its close association with other local and international banks allows it to support the majority of its clients' projects.

Investment Banking

DIB's Investment Banking division is a leading regional and global participant in the Islamic finance markets, assisting its clients, which include sovereigns, government-related entities, corporates and financial institutions, with every aspect of their funding requirements.

The division's dedicated professionals provide innovative Sharia-compliant capital raising and structured financing solutions in line with evolving customer requirements and market conditions. Its diversified product suite includes a wide range with particular focus on sukuk structuring and execution and syndicated and club financing transactions that are configured and documented in accordance with the principles of Sharia. The division also offers a comprehensive suite of structured finance services, such as mezzanine and structured equity, asset monetisation, leveraged recapitalisation and advisory.

The Investment Banking division has pioneered the Islamic debt capital markets and has been involved in the capacity of joint lead manager and bookrunner in most of the landmark international sukuk issuances, with DIB consistently ranking within the top five globally in the Bloomberg sukuk league tables. DIB has also been a significant player in the Islamic syndicated financing market, acting as mandated lead arranger and bookrunner on many major transactions in the region and working closely with local and international banks.

Treasury

Treasury forms an essential part of the Group's commitment to the Sharia-compliant banking industry. Treasury offers a comprehensive range of products backed by the Group's expert understanding of domestic and international financial markets. Treasury works closely with Corporate Banking, Consumer Banking and Investment Banking to address their client's foreign exchange, Islamic derivatives, fixed income (sukuk), structured investment products, liabilities and funding requirements. Its principal customers are the Group's corporate customers, financial institutions, high net worth individuals, small and medium size companies and similar businesses. The products offered to these customers include plain vanilla currency contracts, flexible delivery currency contracts, profit-enhanced products, multi-currency hedging instruments and other bespoke Sharia-compliant financial solutions.

Treasury is also responsible for building and maintaining relationships with the financial institutions sector across the globe to assist with smooth trade inflows and outflows. Relations range from authenticated communication links by way of SWIFT RMA to trade, treasury and account maintenance in different currencies. The Group's network of correspondent banks comprises leading financial institutions which provide trade services, which add value and service to the Group's branches and business units. The Group's correspondent banks offer one or more of the following services: remittance and payments, advisory and confirmations.

Treasury also manages the Group's liquidity requirements, sukuk investment portfolio and funding through the capital markets, and acts under the supervision of the Asset and Liability Management Committee (**ALCO**). Asset and liability management is conducted by Treasury in accordance with Central Bank liquidity ratios. Treasury is also responsible for the implementation of risk management initiatives as directed by ALCO.

SUBSIDIARIES AND ASSOCIATES

As at 31 December 2023, the Group had 17 consolidated material subsidiaries (and 11 special purpose vehicles) details of which are set out in note 17 to the 2023 Financial Statements. As at 31 December 2023, the Group also had 10 significant associates and joint ventures. Of these, the Group considers the following to be its most important subsidiaries and associates in terms of revenue and future growth potential:

Tamweel P.S.C.

Tamweel was established in Dubai in November 2000 and is the specialist mortgage financing institution for the Group. Tamweel's core business is the provision of Sharia-compliant home financing solutions to real estate buyers in the UAE. Tamweel is licensed by the Central Bank to operate as an Islamic finance company. As at 31 December 2023, the Group owned 92.0 per cent. of the share capital in Tamweel.

DIB Pakistan

DIB Pakistan was incorporated as a wholly owned subsidiary of the Group in 2006. It currently has 235 branches and express centres in 60 cities across Pakistan. DIB Pakistan's team comprises experienced professionals with previous experience at leading banks (situated within and outside Pakistan). DIB Pakistan offers a full range of Sharia-compliant banking products in consumer banking, corporate and investment banking and wealth management. DIB Pakistan had share capital of Pakistani Rupee (**PR**) 11,652 million (U.S.\$42 million) as at 31 December 2023. As at 31 December 2023, DIB Pakistan's net assets were PR 37,165 million (U.S.\$133 million) compared to PR 30,107 million (U.S.\$133 million) as at 31 December 2022. For the year ended 31 December 2023, DIB Pakistan's profit after taxation was PR 6,719 million (U.S.\$24 million) compared to its profit after taxation of PR 3,916 million (U.S.\$17 million) for the year ended 31 December 2022. For the purposes of this paragraph: (i) DIB Pakistan's financial information has been extracted from the audited financial statements of DIB Pakistan as at and for the year ended 31 December 2023 (which are available on its website at <https://www.dibpak.com/index.php/financials/>); and (ii) PR amounts have been converted into U.S. dollars based on the closing rates on dates stated.

Deyaar Development

Deyaar Development was incorporated as a wholly owned subsidiary of the Group in 2002 and engages in real estate development and property management business in the UAE. As at 31 December 2023, the Group owned 44.9 per cent. of the share capital in Deyaar Development (which is a fully consolidated subsidiary). As at 31 December 2023, Deyaar Development's total assets were AED 6,495 million (U.S.\$1,768 million) compared to AED 6,162 million (U.S.\$1,678 million) as at 31 December 2022. For the year ended 31 December 2023, Deyaar Development's net profit was AED 376 million (U.S.\$102 million) compared to a net profit of AED 136 million (U.S.\$36 million) for the year ended 31 December 2022. Deyaar Development's authorised and paid up capital was AED 4,376 million (U.S.\$1,192 million) as at 31 December 2023. For the purposes of this paragraph, Deyaar Development's financial information has been extracted from the audited consolidated financial statements of Deyaar Development as at and for the year ended 31 December 2023 (which are available on its website at <https://www.deyaar.ae/en/financial-results/>).

Dar Al Sharia Islamic Finance Consultancy LLC

Dar Al Sharia was incorporated as a subsidiary of the Group in 2007 and has expertise in all types of Sharia advisory, certification, product structuring, restructuring and documentation, conversion of conventional financial institutions as well as providing a full range of products for new Islamic financial institutions and specialising in the structuring and documentation of Sukuk, Islamic syndications and Islamic funds to the market in general (see “– *Fatwa and Sharia Supervisory Board*” below). As at 31 December 2023, the Group owned 100 per cent. of the issued share capital of Dar Al Sharia.

Bank Panin Syariah

The core principle behind the Group's growth strategy in key strategic international markets is to connect East Asia and South Asia with East Africa through Dubai. In accordance with this principle, known internally as 'PIK', which stands for 'Pakistan, Indonesia, Kenya', the Group has established hubs in Pakistan, Indonesia and Kenya and is looking to strengthen these hubs in the coming years and connect them to other regions and countries that fall within the PIK triangle.

As part of the PIK strategy, the Group acquired a 24.9 per cent. stake in Bank Panin Syariah in May 2014 which, as at 31 December 2023, was 25.1 per cent. The Group provides technical assistance to Bank Panin

Syariah in a bid to increase Sharia banking in Indonesia through the introduction of new and innovative products and services. As at 31 December 2023, Bank Panin Syariah operates through a network of 10 branches and 60 Sharia bank windows at conventional bank branches (with its head office located at Panin Life Center Building, Jakarta, Indonesia) that offer Islamic banking services in the country.

DIB Bank Kenya

As part of the PIK strategy, the Group obtained an 'in principal' approval from the Central Bank of Kenya in December 2014 to establish a Sharia-compliant bank in Kenya, and accordingly, expand its business to cover East Africa. In April 2017, the Group obtained a banking licence from the Central Bank of Kenya to operate DIB Bank Kenya as a wholly owned subsidiary and DIB Bank Kenya commenced commercial operations on 5 June 2017. DIB Bank Kenya offers an extensive range of Sharia-compliant products and services. With its head office in Nairobi, DIB Bank Kenya operates through a network of six branches in Kenya.

T.O.M. Group

In December 2023, DIB acquired a 20 per cent. shareholding in the T.O.M. Group, an integrated, comprehensive financial services group established in the digital space, with an option to increase its shareholding to 25 per cent. in December 2024.

Aydın Group, the T.O.M. Group's founding shareholder with its new partner DIB, aims to make the T.O.M. Group a national leader with an aspiration to grow regionally in the digital banking and financial technology sector. The shareholders core mandate is to promote financial inclusion by facilitating, easing and enhancing access to digital financial services in Turkey.

IMPACT OF COVID-19

DIB's strategic response to COVID-19 focussed on protecting its franchise through preserving the Group's asset quality, concentrating on low-risk assets and sectors and maximising the integration synergies following its acquisition of Noor Bank. In 2020, DIB shifted its focus towards sovereign-backed transactions, typically by quasi-government or government-related entities. This shift in strategy ensured that the risk profile was appropriately managed while protecting DIB's franchise.

DIB supported its eligible retail customers through special finance postponement schemes as well as waivers and benefits on various consumer products. It also supported its eligible SME and corporate customers through deferment of finance with no additional charges for existing customers, low profit rates, reduced processing fees and simplified documentation processes.

In addition, DIB provided relief measures of nearly AED 9.7 billion across more than 55,000 customers as part of the Central Bank's Targeted Economic Support Scheme (TESS) programme.

RECENT DEVELOPMENTS

On 23 July 2024, the Group published the Interim Financial Information.

The Group's total income in the six-month period ended 30 June 2024 amounted to AED 11,292 million compared to AED 9,309 million in the corresponding period of 2023. The AED 1,983 million, or 21.3 per cent., increase in the Group's total income in the 2024 period compared to the 2023 period principally reflected an AED 1,505 million, or 18.8 per cent., increase in income from Islamic financing and investing transaction which was driven primarily by the higher interest rate environment.

The Group's operating expenses in the six-month period ended 30 June 2024 amounted to AED 1,685 million compared to AED 1,471 million in the corresponding period of 2023. The AED 214 million, or 14.5 per cent., increase principally reflected an AED 160 million, or 19.8 per cent., increase in personnel expenses which was driven by an enhanced focus on risk, compliance and ESG capacity building.

The Group's impairment charges, net in the six-month period ended 30 June 2024 amounted to AED 652 million compared to AED 959 million in the corresponding period of 2023. The AED 307 million, or 32.0 per cent., decrease principally reflected (i) an AED 194 million lower net impairment charge on Islamic financing and investing assets in the six months ended 30 June 2024 compared to the corresponding period of 2023 which mainly reflected credit quality improvements and (ii) a net release of impairment on other financial assets of AED 4 million in the six months ended 30 June 2024 compared to a net impairment charge on other financial assets of AED 152 million in the corresponding period of 2023. The impact of these factors was partly offset by an AED 43 million net impairment charge on non-financial assets in the six months ended 30 June 2024 (which related to the investment portfolio) compared to no charge in the corresponding period of 2023.

The Group's income tax expense increased to AED 343 million in the six months ended 30 June 2024 compared to AED 39 million in the corresponding period of 2023. This principally reflected the introduction of a 9 per cent. corporate tax in the UAE which applies, in the Group's case, to its accounting period commencing 1 January 2024.

Reflecting the above factors, the Group reported a net profit for the six-month period ended 30 June 2024 of AED 3,378 million (U.S.\$920 million) compared to AED 3,111 million (U.S.\$847 million) for the six-month period ended 30 June 2023.

ISLAMIC FINANCING AND INVESTING ASSETS

The table below shows a breakdown of the Group's gross Islamic financing and investing assets by product type as at 31 December in each of 2023, 2022 and 2021.

	As at 31 December					
	2023		2022		2021	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Islamic financing assets						
Commodity murabaha (long term)	47,072	24	27,707	15	30,847	17
Vehicles murabaha	10,761	5	8,663	5	8,312	4
Other murabaha	3,367	2	5,105	3	5,436	3
Total murabaha	61,199	31	41,475	22	44,594	24
Istisna'	635	0	733	0	798	0
Ijarah.....	45,466	23	52,640	28	58,171	31
Home finance – Ijarah	23,856	12	22,999	12	21,497	12
Islamic credit cards.....	2,796	1	2,321	1	2,077	1
Personal finance.....	22,860	11	21,116	11	20,285	11
	156,810	79	141,285	76	147,422	79
Less: deferred income.....	(4,472)	(2)	(3,852)	(2)	(3,552)	(2)
Less: contractors and consultants' istisna' contracts.....	(5)	(0)	(7)	(0)	(7)	(0)
Total Islamic financing assets	152,333	76	137,426	74	143,862	77
Islamic investing assets						
Musharaka	5,066	3	5,758	3	6,401	3
Mudaraba.....	8,241	4	10,184	5	9,919	5
Wakala.....	42,715	21	41,468	22	35,434	19
Total Islamic investing assets.....	56,023	28	57,409	31	51,754	28
Total Islamic financing and investment assets	208,356	104	194,835	105	195,617	105
Less: provisions for impairment	(8,903)	(4)	(8,793)	(5)	(8,926)	(5)
Total Islamic financing and investment assets, net	199,453	100	186,043	100	186,691	100

The Group's total portfolio of Islamic financing and investing assets (net of provisions) was AED 199,453 million (U.S.\$54,310 million) as at 31 December 2023, an increase of 7 per cent. from AED 186,043 million

(U.S.\$50,658 million) as at 31 December 2022, which was flat compared to AED 186,691 million (U.S.\$50,835 million) as at 31 December 2021. The increase as at 31 December 2023 compared to 31 December 2022 principally reflected. The distribution of the Group's total portfolio of Islamic financing assets across economic sectors is oriented towards consumer financing (including consumer home financing), services, real estate, aviation, government, trade, financial institutions and contracting, which is in line with the domestic economy.

A description of the concentrations in the Group's Islamic financing and investing assets portfolio is set out below under “– Risk Management – Credit Risk – Portfolio concentrations”.

As at 31 December 2023, 9 per cent. of the Group's total Islamic financing and investing assets portfolio was located outside the UAE. The Group has implemented risk management methods to mitigate and control the risks associated with this portfolio and other market risks to which the Group is exposed, see “– Risk Management” below.

INVESTMENTS IN ISLAMIC SUKUK AND OTHER INVESTMENTS MEASURED AT FAIR VALUE

The Group maintains a sukuk portfolio of high credit quality. This portfolio is concentrated in the GCC (see further note 10 to each of the Annual Financial Statements) and, in particular, 35 per cent. of the sukuk portfolio (before provisions for impairment) was concentrated in the UAE as at 31 December 2023.

The table below shows a breakdown of the Group's investment portfolio (including its sukuk portfolio) as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December					
	2023		2022		2021	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Investments in sukuk						
Amortised cost.....	67,951	100	51,779	99	41,287	99
Fair value through other comprehensive income	221	0	429	1	507	1
	68,172	100	52,228	100	41,794	100
Other investments						
Investments carried at FVTPL ⁽¹⁾	-	-	-	-	-	-
Investments carried at FVTOCI ⁽²⁾	847	100	1,025	100	1,229	100
	847	100	1,025	100	1,229	100

Notes:

(1) Fair value through profit or loss.

(2) Fair value through other comprehensive income.

FUNDING

The table below shows the sources of the Group's funding as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December					
	2023		2022		2021	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Customers' deposits	222,054	73	198,637	72	205,845	76
Due to banks and financial institutions.....	12,967	4	12,809	5	2,584	1
Sukuk issued.....	20,481	7	22,340	8	20,563	8
Total equity.....	47,434	16	43,975	16	41,465	15
Total funding.....	302,936	100	277,761	100	270,456	100

Customers' deposits and due to banks and financial institutions

The Group's customer's deposits and bank deposits (recorded as due to banks and financial institutions in its consolidated statement of financial position) together totalled AED 235,021 million (U.S.\$63,995 million), AED 211,446 million (U.S.\$57,576 million) and AED 208,429 million (U.S.\$56,754 million) as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively. The Group's customers' deposits represented 94 per cent., 94 per cent. and 99 per cent., respectively, of its total bank and customers' deposits as at those dates.

The Group's principal source of funding is its customers' deposits. The table below shows a breakdown of the Group's customer deposits as at 31 December 2023, 31 December 2022 and 31 December 2021.

	31 December		
	2023	2022	2021
	(AED millions)		
Customers' deposits			
Current accounts.....	40,936	48,493	49,074
Saving accounts.....	40,382	37,577	40,721
Investment deposits (term deposits based on mudaraba)	140,220	111,964	115,705
Margin accounts	434	504	289
Depositors' investment risk reserve.....	19	19	18
Depositors' share of profit payable.....	63	80	38
Total.....	222,054	198,637	205,845

SUKUK ISSUED

Sukuk issuance by DIB under the Programme

In May 2012, DIB, through a Sharia-compliant financing arrangement, established the Programme. As at 31 December 2023, DIB had six series of certificates outstanding under the Programme, with an aggregate outstanding amount of AED 20,386 million. The outstanding sukuk have expected profit rates of between 1.96 per cent. and 5.49 per cent. and mature between February 2025 and August 2028. In February 2024, DIB issued a thirteenth series of certificates under the Programme in an amount of AED 3,673 million with an expected profit rate of 5.24 per cent.

Sukuk issuance by DIB Pakistan

In 2018, DIB Pakistan issued its rated, unsecured, subordinated and privately placed Additional Tier 1 Mudaraba sukuk. The sukuk issue is rated A+ by VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited). The sukuk issue is a perpetual instrument and carries an expected profit rate of 1.75 per cent. per annum over the three-month Karachi Interbank Offered Rate.

In 2022, DIB Pakistan issued its rated, unsecured, subordinated and privately placed Tier-II Mudaraba sukuk. The sukuk issue is rated A+ by JCR-VIS Credit Rating Company Limited. The sukuk issue has a 10-year tenor and carries an expected profit rate of 70 basis points per annum over the six month Karachi Interbank Offered Rate. The sukuk issue is redeemable at maturity and has a call option which is exercisable after five years.

Total equity

The Group's equity funding takes the form of its share capital and reserves (including retained earnings) and its Tier 1 sukuk issued which are accounted as equity. As at 31 December 2023, the Group's share capital and reserves (including retained earnings) amounted to AED 36,293 million and its Tier 1 sukuk amounted to AED 8,264 million.

Tier 1 sukuk issuances

The Group has issued Tier 1 sukuk, which are accounted as equity, through Sharia-compliant structures. The outstanding Tier 1 sukuk as at 31 December 2023 are set out in the table below.

SPV (the Issuer)	Date of issuance	Issuance amount Equivalent AED '000	Discretionary profit rate	Callable period
DIB Tier 1 Sukuk (3) Limited..	January 2019	2,754,750 (U.S.\$ 750 million)	6.25% per annum to be paid semi-annually	On or after January 2025
DIB Tier 1 Sukuk (4) Limited	November 2020	3,673,000 (U.S.\$ 1 billion)	4.63% per annum to be paid semi-annually	On or after May 2026
DIB Tier 1 Sukuk (5) Limited..	April 2021	1,836,500 (U.S.\$500 million)	3.38% per annum to be paid semi-annually	On or after October 2026

The Tier 1 sukuk are perpetual securities in respect of which there are no fixed redemption dates and which constitute direct, unsecured, subordinated and conditional payment obligations (senior only to share capital), subject to the terms and conditions of the relevant mudaraba agreement. In the case of each issuance, at the relevant issuer's sole discretion, it may elect not to make any mudaraba profit distributions and the event is not considered a dissolution event. In such event, the mudaraba profit will not be accumulated but forfeited to the relevant issuer. Each Tier 1 sukuk issuance is listed on the regulated market of Euronext Dublin and the sukuk issued in January 2019 and April 2021 are also listed on Nasdaq Dubai.

The net proceeds of the Tier 1 sukuk are invested by way of mudaraba with DIB (as mudareb), on an unrestricted co-mingling basis, in DIB's general business activities carried out through its general mudaraba pool.

Repo facility

In the event of a liquidity crisis, the Group has a large portfolio of rated sukuk that could be used as collateral for repo facilities provided by the Central Bank as part of its measures intended to ensure that UAE banks have sufficient liquidity including through access to the Central Bank's Islamic-compliant CD repo facility.

CAPITAL ADEQUACY

The Group calculates its capital adequacy ratio in accordance with the capital adequacy regulations, standards and guidelines issued by the Central Bank in line with Basel III requirements (see further “*The United Arab Emirates Banking Sector and Regulations – Recent trends in Banking – Prudential Regulations*”). The Central Bank introduced the Basel III Regulations (as defined herein) introducing minimum capital requirements at three levels: common equity tier 1 (**CET1**), tier 1 and total capital. The Group must maintain a minimum CET1 ratio of 7 per cent. and a total capital ratio of at least 10.5 per cent.

The Central Bank has also introduced capital buffers which must be maintained in addition to the total capital ratio which are:

- (i) a capital conservation buffer (**CCB**) of 2.5 per cent. of risk weighted assets together with a domestic systemically important bank buffer (**D-SIBB**) of 0.5 per cent. of risk weighted assets; and
- (ii) a countercyclical capital buffer (**CCyB**), which must be maintained at a level determined by the Central Bank between 0 – 2.5 per cent. of risk weighted assets. The CCyB is not yet in effect and was not required to be maintained in 2023 or the first six months of 2024. Therefore, the combined buffer requirement applicable to the Group as at the date of this Prospectus comprises only the CCB and the D-SIBB.

With effect from 15 March 2020 until 31 December 2021, banks in the UAE were allowed to tap into their CCB up to a maximum of 60 per cent. and to use 100 per cent. of their D-SIBB without supervisory consequences, as part of the measures adopted by the Central Bank to help UAE banks deal with the COVID-

19 crisis. As the Group's regulatory capital ratios were comfortably higher than the required capital ratios, the Group did not utilise this facility.

The table below shows the Group's capital ratios determined in accordance with Basel III as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December		
	2023	2022	2021
	<i>(AED millions, except percentages)</i>		
Capital base	42,936	40,744	39,138
Risk weighted assets			
Credit risk	227,642	210,655	208,730
Market risk	2,292	2,618	3,100
Operational risk	18,689	18,313	16,991
Risk weighted assets	248,623	231,568	228,820
Capital ratios			
Tier 1 capital ratio	16.1%	16.5%	16.0%
Capital adequacy ratio	17.3%	17.6%	17.1%
Common equity tier 1 ratio	12.8%	12.9%	12.4%

RELATED PARTIES

Certain related parties (principally major shareholders, associated companies, directors and senior management of DIB and companies of which they are principal owners) are customers of the Group in the ordinary course of business. The transactions with these parties were made on substantially the same terms (including profit and commission rates and the requirements for collateral) as those prevailing at the same time for comparable transactions with unrelated parties and did not involve an amount of risk which was more than the amount of risk relating to such comparable transactions. No impairment allowances have been recognised against financing and investing assets extended to related parties.

The table below shows the amounts outstanding as at 31 December 2023, 31 December 2022 and 31 December 2021 in respect of transactions entered into by the Group with related parties:

	As at 31 December		
	2023	2022	2021
	<i>(AED millions)</i>		
Islamic financing and investing assets	1,249	1,304	1,678
Investment in sukuk	823	649	157
Customers' deposits	1,904	1,409	2,511
Contingent liabilities and commitments	96	99	47

The table below shows income earned from and profit paid to related parties in each of the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

	Year ended 31 December		
	2023	2022	2021
	<i>(AED millions)</i>		
Income from Islamic financing and investing	84	48	38
Income from investment in sukuk	33	17	7
Depositors' share of profits	68	40	24

See further, note 43 to each of the Annual Financial Statements.

SUSTAINABILITY

In 2022, DIB established its forward-looking 2030 ESG strategy which outlines its ambition and approach to a more sustainable future and supporting the UAE's sustainability agenda. DIB's ESG Vision to 'Own the

Space' is built on the framework of two main strategic pillars where it aims to focus its main ESG efforts to meet its ESG Vision. These pillars are:

- Lead by Example - to become a role model in sustainable practices and behaviours in DIB's own operations and towards its employees; and
- Finance a Sustainable Future - to embrace sustainable business practices in serving DIB's customers and communities.

Each pillar has four priority areas for which individual objectives and goals have been defined.

DIB's sustainability department develops and implements its ESG strategy and related sustainability initiatives. The Sustainability department also actively tracks progress against the objectives set in the ESG strategy and coordinates efforts across responsible departments.

The sustainability department is led by the Chief Sustainability Officer and a team of sustainability leads and professionals. Progress towards the ESG strategy is overseen by both the Management Sustainability Committee and the Board Sustainability Committee.

DIB's ESG efforts are also designed to contribute to the United Nations Sustainable Development Goals (**UN SDGs**).

In 2022, DIB was awarded 'Best Sustainable Finance Initiative' by the MEA Finance. In November 2022, DIB issued a U.S.\$750 million sustainable sukuk, becoming the first UAE bank to do so. DIB's sustainable sukuk was the largest sustainable sukuk issue in the GCC and highlights DIB's strong commitment to sustainable finance, the UAE's net zero agenda and the Dubai Clean Energy Strategy. Since then, DIB has issued two more sustainable sukuk which, together with its first sustainable sukuk, raised U.S.\$2.75 billion.

In 2023, DIB was an associate pathway partner for the COP 28 UAE event where DIB actively participated in the annual UN Climate Conference. Several ESG initiatives and products, such as "One Tree for Everyone" and "NEST (Sustainable Home Finance)", were launched during the year in line with the UAE's Year of Sustainability. In addition, DIB also committed on the UAE climate responsible companies pledge under which DIB will aim to strengthen its sustainability ambitions and reduce its carbon footprint to contribute to achieving the national net-zero target by 2050 or earlier.

DIB has arranged around U.S.\$20 billion of ESG-related capital market transactions and has become increasingly active in the issuance of sustainable sukuk since 2018. DIB is committed to driving sustainability by financing companies and projects that match with DIB's ESG sustainable finance ambitions, encompassing both environmental and social areas. Affordable housing and employment generation through SMEs are examples of DIB's social focus areas. As of August 2024, DIB had provided over U.S.\$400 million in funding for affordable housing, and over U.S.\$700 million in support for SMEs.

In 2023, DIB donated over AED 549 million of charitable contributions which impacted the lives of over 90,000 beneficiaries. Donations were directed toward charities and non-governmental organisations in the UAE focussing on various impact areas, including quality education; good health; affordable housing; and community support. DIB maps its impact to the following nine UNSDGs through its business activities and charitable contributions: zero hunger; good health and well-being; quality education; gender equality; decent work and economic growth; reduced inequalities; sustainable cities and communities; climate action; and peace, justice and strong institutions.

INFORMATION TECHNOLOGY

In the current era of artificial intelligence (**AI**)-driven innovation and disruption, DIB acknowledges the pivotal role of technology in enhancing the Group's business capabilities to achieve its objectives of growth, expansion and competitive market positioning. Technology is the cornerstone of the Group's strategic framework, underscored by the integration of a digital technology roadmap into its business plans. This

roadmap is dedicated to delivering enhanced customer experiences, resilient business architecture and growth opportunities through data monetisation and digital products.

Central to the Group's strategy is its IT infrastructure, designed to offer cutting-edge customer engagement platforms integrated with robust, scalable data analytics and core product processors. These capabilities are bolstered by advanced AI and machine learning technologies as discussed under "*Strategy – DIGITAL Transformation*" above and are hosted on resilient, cloud-enabled data centres prioritising sustainability. This infrastructure aims to ensure seamless customer experiences across all touchpoints.

Through its IT initiatives, the Group aims to secure a sustained competitive advantage for its businesses. To achieve this goal, it has formulated a robust transformation plan committed to deliver operational efficiencies, enhanced productivity and best-in-class risk management capabilities.

COMPLIANCE

The Group's compliance function is headed by an experienced chief compliance officer (the **GCCO**). The GCCO reports to the Group CEO of DIB, has direct access to the Board through the Board Risk, Compliance & Governance Committee and also has access to other board committees, as needed. The GCCO is responsible for coordinating and overseeing the effective implementation of the compliance programme and related policies across the Group.

The Group's compliance policies focus on meeting the requirements of applicable laws and regulations and adopting international best practices. The policies have been devised to prevent exposure to various risks (including money laundering, terrorist financing and proliferation financing). They also aim to ensure compliance with sanction programmes including those of the UAE, the United States, the United Nations and the EU.

The Group follows a risk-based approach and conducts risk-based assessments in respect of its activities and provides advice to its UAE-based branches and financial subsidiaries to ensure compliance with applicable laws and regulations. DIB requires that its anti-money laundering (**AML**), counter financing of terrorism (**CFT**), sanctions compliance, client acceptance, U.S. Foreign Account Tax Compliance Act (**FATCA**) and common reporting standard (**CRS**) policies and practices are adopted by all branches and financial subsidiaries within the Group to the extent relevant to their businesses.

The Group also carries out enhanced due diligence on customers who are classified as high risk (including politically exposed persons (PEPs)) at the time of onboarding and subsequently at the time of know your customer (KYC) renewals of existing customers. The Group also monitors transaction activity to detect unusual customer transactions.

DIB is committed to strengthening its compliance function in line with regulatory expectations.

INTERNAL AUDIT

Group Internal Audit, headed by the Group Chief of Internal Audit, is an independent, objective assurance and consultancy function, designed to support the Bank in accomplishing its objectives by bringing a systematic auditing approach to evaluate the effectiveness of risk management, control and governance processes.

Group Internal Audit, as a third line of defence function, is organisationally independent from all other functions in the Bank and accountable to provide independent assurance to the Board of Directors through the Board Audit Committee. To ensure organisational independence, the Group Chief of Internal Audit reports administratively to Group CEO and functionally to the Board Audit Committee.

The scope of the internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing an independent evaluation of the adequacy, efficiency and effectiveness of the internal control system, risk management and compliance activities, and governance systems and processes of the Bank, its subsidiaries and branches.

BUSINESS CONTINUITY PLANNING AND DISASTER RECOVERY

The Group has implemented business continuity planning (**BCP**) and disaster recovery (**DR**) framework to prepare for unexpected business disruption events. Business continuity testing is carried out on an annual basis for the Group's critical systems. In addition, each year a plan is put in place to perform DR drills for such critical systems. The Group reviews its BCP and DR capabilities on an ongoing basis and updates them to include the latest technologies and handle any new threats to the Group's business.

The Group's BCP policy is derived from BCP best practices, including the UAE local standard, ISO 22301 and the British standard. The Group has also adopted the BCP guidelines of the Central Bank.

The Group has set-up dedicated business continuity sites at different locations within the UAE. The Group's DR site is kept separate and distant from its primary IT systems site. The Group also complies with the UAE's local emergency management practices. The Group has enhanced its BCP capacity by adding a work from home framework as an additional tool to the business continuity infrastructure.

The Group's crisis management committee is responsible for managing BCP and DR within the Group. The committee also oversees the handling of any cyber incidents within DIB.

SUSTAINABLE FINANCE FRAMEWORK

Overview

In July 2022, DIB published its Sustainable Finance Framework (the **Framework**) on its website, which was created to facilitate the financing of green and social initiatives and projects. DIB was the first Islamic bank in the UAE to publish such a framework.

DIB believes the Framework supports its commitment to driving sustainability by financing companies and projects that are at the forefront of the energy transition in the UAE. Prior to the creation of the Framework, DIB had already launched innovative sustainable finance offerings, such as a green auto finance offering specifically for electric and hybrid vehicles and its bespoke housing financing solutions to provide affordable housing in the UAE. The Framework is expected to allow DIB to accelerate these efforts by permitting it to raise sustainable financing across multiple formats in the future.

Use of the Framework

DIB uses the Framework as the basis to issue Green, Social or Sustainability Sukuk and other Financing instruments (together "**Sustainable Financing Instruments**"). The Sustainable Financing Instruments fund Eligible Sustainable Projects (as defined below) that conform to the sustainable finance principles of:

- the ICMA GBPs 2021, SBPs 2021 and SBGs 2021; and/or
 - the LMA GLPs 2021 and SLPs 2021,
- each as updated from time to time.

In aligning with the above principles and guidelines, the Framework is presented through the four core components of the GBPs, SBPs, SBGs, GLPs and SLPs as well as their recommendation for external review, as discussed under the four headings below.

Use of proceeds

DIB will allocate an amount at least equivalent to the net proceeds of the Sustainable Financing Instruments issued under the Framework to finance and/or re-finance, in whole or in part, sustainable projects which meet the eligibility criteria of the eligible green project and/or eligible social project categories (**Eligible Sustainable Projects**) described below. A maximum three-year look-back period applies for refinanced

projects and DIB expects each issue under the Framework to be fully allocated within two years from the date of issuance.

<i>Eligible green projects</i>	<i>Eligibility criteria</i>
<i>Renewable energy</i>	Projects related to the production, transmission and storage of energy from (i) solar (PV and concentrated solar power (with a minimum 85 per cent. of power generation derived from solar sources), (ii) wind energy (including onshore and offshore), (iii) biofuels produced from waste sources, such as used cooking oil and (iv) biomass from sustainable sources of local raw material only (such as agricultural residues or forestry) which does not deplete existing terrestrial carbon pools or compete with food production. Also projects related to the production of green hydrogen projects with storage and distribution and research and development.
<i>Energy efficiency</i>	Projects that reduce energy consumption by at least 20 per cent. compared to the average of national energy consumption of an equivalent project or technology, such as (i) district cooling systems, (ii) upgrades in grid infrastructure to improve electricity transmission efficiency and reduce transmission losses and (iii) investment in smart energy grids, energy meters, management systems and battery storage facilities. Improvement activities that result in the lock in of fossil fuel technologies will be excluded.
<i>Clean transportation</i>	Financing related to electric and low carbon vehicles meeting defined criteria and associated infrastructure for public, passenger and freight transportation, including auto financing programmes. Also projects supporting the deployment of electric vehicles including charging infrastructure.
<i>Green buildings</i>	Projects related to the acquisition, development, construction and refurbishment of buildings that are either in the top 15 per cent. in terms of energy efficiency of their local market or have received, or are expected to receive based on their design, construction and operational plans, certification according to third-party verified green building standards, including (i) LEED “Gold” or above, (ii) BREEAM “Excellent” or above, (iii) Estidama Pearl Building Rating System (4 Pearl and above) and (iv) Global Sustainability Assessment System (GSAS) “4 star” or above.
<i>Pollution prevention and control</i>	Projects related to construction, upgrade and renovation of facilities for the collection, sorting, processing, conversion and treatment of waste, including (i) waste collection and storage, (ii) waste sorting, separation and material recovery, (iii) recycling and reuse, (iv) biological treatment facilities (including anaerobic digestion and composting facilities) and (v) waste to energy plants, where recyclables are sorted and there is bottom ash recovery.
<i>Sustainable water and wastewater management</i>	Projects related to the construction, operation, maintenance or upgrade of water collection, recycling, transportation and treatment technologies, including (i) water and wastewater treatment plants (WWTP) including reuse of WWTP effluents and (ii) sewer systems and pumping stations.

Also projects that increase water use efficiency by at least 20 per cent., such as water recycling and reuse projects, water saving systems, water saving technologies and water metering.

Also water desalination projects running on reverse osmosis technology with a maximum specified carbon intensity over the residual asset life.

Eligible social projects

Eligibility criteria

Employment generation and programmes designed to prevent and/or alleviate unemployment stemming from socio-economic crises

Financing and/or refinancing to SME and microfinance clients, as well as the provision of support measures to these clients, such as offering extension of payment periods and exemption of facility fees during natural disasters and pandemics.

Affordable housing

Financing and/or refinancing of government-supported or government-subsidised mortgages for the provision of affordable housing as well as projects related to the development and construction of homes covered under such programmes.

Access to essential services

Projects related to (i) the construction or expansion of public hospitals and schools for the provision of not-for-profit, free or subsidised healthcare and education, (ii) the provision / distribution of healthcare equipment and public healthcare services, (iii) the provision of infrastructure for emergency medical response and disease control services and (iv) the provision of child, youth or adult education and vocational training services.

Also projects related to provision of essential public services including manufacturing of firefighting and other emergency equipment.

Financing towards any expenditure or projects involving the following activities will be excluded:

- coal or gas fired power generation and distribution assets;
- coal mining and transportation;
- fossil fuel-related exploration and distribution;
- conflict minerals;
- extractive industries and mining;
- military contracting and weapons;
- nuclear power generation and distribution assets; and
- activities involving modern slavery or forced labour.

In addition, other projects and sectors are excluded as a result of being non-Sharia-compliant, including payday loans; gambling; adult entertainment, alcohol; and tobacco.

Process for project evaluation and selection

A working group will be established and will be responsible for governing and implementing the initiatives set out in the Framework.

The working group will comprise senior representatives from corporate, treasury, investment banking, finance, risk, credit and investor relations and will be established as a sub-committee of DIB's Management Credit Committee. It will also be monitored by the Risk Management Committee and Board Risk, Compliance and Governance Committee.

The working group will meet at least quarterly to ratify Eligible Sustainable Projects, which are initially identified during the credit approval process, and ensure that all Eligible Sustainable Projects have been assessed from an environmental and social risk management perspective. It will also undertake regular monitoring of the asset pool to ensure the continued eligibility of Eligible Sustainable Projects, whilst replacing any Eligible Sustainable Projects that cease to be eligible with new Eligible Sustainable Projects. The working group will also facilitate regular reporting on Sustainable issuance, manage future updates to the Framework and ensure that the approval of Eligible Sustainable Projects follows DIB's existing financing and investment approval processes.

Management of proceeds

The proceeds of each DIB Sustainable Financing Instrument will be deposited in DIB's sustainability-related funding accounts and earmarked for allocation towards the Eligible Sustainable Projects using the Sustainable Finance Register.

The Sustainable Finance Register will contain details of each Sustainable Financing Instrument issued, including pricing date, maturity date, principal amount of proceeds, coupon and ISIN number. Details of each Eligible Sustainable Project will also be listed in the Sustainable Finance Register, including the category of project, project description, project location, Bank's ownership percentage, total project cost, amount allocated and settled currency.

In addition, any proceeds temporarily unallocated will be invested according to DIB's standard liquidity policy into cash or cash equivalents with detail recorded in the Sustainable Finance Register.

Reporting

On an annual basis, DIB will publish an allocation report and an impact report on its Eligible Sustainable Projects. This reporting will be updated annually until full allocation of the net proceeds of any Sustainable Financing Instrument issued, or until the Sustainable Financing Instrument is no longer outstanding. For further details, see the Framework and any reports published on DIB's website.

External review

DIB has appointed ISS ESG to assess the Framework and its alignment with the Principles and to issue a Second Party Opinion (**SPO**) accordingly. The Second Party Opinion has been published on DIB's website. None of the Framework or the Principles or any of the above reports (including, without limitation, the Second Party Opinion from ISS ESG), verification assessments or the contents of any of the above websites are incorporated in or form part of this Prospectus.

RISK MANAGEMENT

OVERVIEW

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subjecting risk to limits and the implementation of other risk controls, as described below. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her particular responsibilities.

The Group is exposed to a number of risks, including credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. The Group is also subject to operating risks, as well as other risks such as Sharia risk, reputational risk, strategic risk, compliance risk and ESG risk.

The Group's independent risk control process does not include business risks such as changes in the environment, technology and industry. These risks are monitored through the Group's strategic planning process.

RISK MANAGEMENT STRUCTURE

The Board, supported by the Board Risk, Compliance & Governance Committee, the Management Risk Management Committee and the Risk Management Department, is ultimately responsible for identifying, monitoring and controlling risks within the Group. There are also other independent bodies and functions responsible for managing and monitoring risks.

Board of Directors

The Board is responsible for the Group's overall risk management approach and for approving its risk strategies and policies.

Board Risk, Compliance & Governance Committee

The Board Risk, Compliance & Governance Committee has overall responsibility for the development of the risk strategies, frameworks, policies and limits and for recommending these to the Board. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions.

Management Risk Management Committee

The day-to-day monitoring of risk has been delegated to the Management Risk Management Committee. This committee has the overall responsibility to support the Board Risk Management Committee in the development and formulation of risk strategies, frameworks, policies and limits. It is also responsible for ensuring compliance with all risk limits, monitoring risk exposures and implementing the regulatory guidelines issued by relevant regulatory bodies, such as the Central Bank.

Risk Management Department

The Risk Management Department is responsible for implementing and maintaining risk related procedures to ensure that risk remains within the acceptable range approved by the Board Risk, Compliance and Governance Committee and the Board. The Risk Management Department is responsible for credit administration, portfolio management, credit risk, market risk, operational risk, conduct risk and overall risk control.

Asset and Liability Management Committee

ALCO is responsible for managing the Group's assets and liabilities. It is also primarily responsible for the funding and liquidity risks of the Group.

PIRC Committee

With effect from 2024, the Provisioning and Impaired Assets Remedial Committee (**PIRC**) has combined the responsibilities of the former IFRS 9 committee and the provisioning responsibilities of the Collection & Remedial Management committee (**CRMC**). The former IFRS 9 committee was responsible for assisting management in fulfilling their responsibilities with respect to (i) compliance with IFRS 9 standards, related UAE Central Bank applicable regulatory rules, and the Group's policies; (ii) ensuring that the Group prudently recognises significant deterioration in credit quality and non-performance and carries the appropriate level of expected credit loss.

The former IFRS 9 committee's primary responsibilities comprised supervising, monitoring, applying and reviewing all impairment models in respect of use of ECL and related central bank guidelines including monitoring the staging of exposures and considering ordinary and extraordinary circumstances in determining ECL stage and ECL levels, which it reported to the Risk Management Committee.

Although the CRMC no longer has provisioning responsibilities, it still takes remedial decisions and monitors recovery activities within the discretionary authority delegated to it by the Executive Committee and the Board. In addition, the CRMC periodically reviews and provides constructive recommendations to the Executive Committee and/or the Board on the policies, guidelines and processes for remedial activities in the Group.

Management Credit Committee

The Management Credit Committee is a management level of authority responsible for taking credit decisions and monitoring credit activities within the discretionary authority delegated to it by the Board. In performing its role, the Management Credit Committee periodically reviews and provides constructive recommendations to the Board on the Group's credit policies, guidelines, processes and the future direction of credit/investment activities within the Group.

Internal Audit Department

Risk management processes throughout the Group are audited periodically by the Internal Audit Department which examines both the adequacy of the procedures and the Group's compliance with the procedures. The Internal Audit Department comments on the results of their assessments to management and reports its findings and recommendations to the Board Audit Committee.

RISK MEASUREMENT AND REPORTING SYSTEMS

The Group measures risks using qualitative as well as quantitative methods for credit, market, liquidity, operational and other relevant risks. Further, the Group also uses quantitative analysis and methods to support revisions in business and risk strategies when required. These analyses and methods reflect both the expected loss likely to arise in the normal course of business and unexpected losses resulting from unforeseen events, which are based on simple statistical techniques and probabilities derived from historical experience. The Group also runs stress scenarios that would arise if extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Board and management. These limits reflect the business strategy and market environment of the Group as well as the level of risk that it is willing to accept, with additional emphasis on selected industries.

Information compiled from all of the Group's businesses is examined and processed in order to analyse the risk profile and identify risks at an early stage. This information is presented and explained to the Board and management. Specialised reports are presented to the heads of business and are delivered with a frequency suited to the volatility of the risk. The reports include aggregate credit exposure, limit exceptions, liquidity, operational loss incidents and other risk profile changes. Detailed reporting of industry, customer and geographic risks takes place monthly. DIB's senior management assesses the appropriateness of its provisions for impairment losses quarterly.

MODEL RISK MANAGEMENT

The Group uses quantitative models in many of its financial and business activities, including when underwriting a credit facility, reporting expected credit losses under IFRS 9 and assessing liquidity risk and profit rate risk.

To manage the model risks, the Group has developed and implemented a model governance framework which contains Group-wide development, implementation and validation policies and practices. According to the framework, all internally or externally developed risk quantification models that directly affect the financial reporting on expected credit losses require validation periodically (internally or externally). The Model Risk Management Committee (**MRMC**) is responsible for overseeing all model-related development, implementation of framework and performance of the models. The MRMC reports to the Risk Management Committee.

The framework establishes a systematic approach to manage the development, implementation, approval, validation and ongoing use of models. It sets out an effective governance and management structure with clearly defined roles and responsibilities, policies and controls for managing model risk. The framework is reviewed on a regular basis to ensure it meets regulatory standards and international practices. Any major change to the framework is approved by the Risk Management Committee upon recommendation of the MRMC.

The Group has an independent validation function that performs independent model validation. It provides fit-for-purpose, conditional approval or not fit-for-purpose recommendations to the MRMC to approve the use of the new risk quantification or valuation models. In addition to new model validation, the validation function also evaluates the performance of existing models through an annual validation process.

RISK MITIGATION

As part of its overall risk management process, the Group uses various methods to manage exposures resulting from changes in credit risks, liquidity risks, market risks (including profit rate risks, foreign exchange risks and equity price risks), operational risks and other material risks.

The Group seeks to manage its credit risk exposures through diversification of financing and investment activities to avoid undue concentration of risk with individuals and groups of customers in specific locations or businesses. The Group actively uses collateral to reduce its credit risks. See “– *Credit Risk*” below for further details.

The Group's market risk is managed on the basis of predetermined asset allocation across various asset categories and a continuous appraisal of movements in market conditions. The Group also continuously monitors expected changes in foreign currency rates, benchmark profit rates and equity prices in order to mitigate market risk. See “– *Market Risk*” below for further details.

In order to mitigate against liquidity risk, the Group's management has access to diversified funding sources. The Group's assets are managed with its overall liquidity in mind as well as with a view to maintaining an appropriate balance of cash and cash equivalents in order to be able to meet its contractual liabilities at short notice.

To manage all other risks, the Group has developed a detailed risk management framework supported by dedicated policies intended to identify and apply resources effectively in order to mitigate against those risks occurring.

RISK CONCENTRATION

Concentrations of risk arise within the Group when a number of its counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to the Group to be similarly affected by changes in economic,

political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of credit risk, the Group's policies and procedures include specific guidelines which require it to focus on maintaining a diversified portfolio of Islamic financing and investment assets. Where concentrations of credit risks are identified, the Group aims to control and manage these accordingly (as described further below).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss and is inherent in a wide range of the Group's businesses. Credit risks could arise from a deterioration in the credit quality of specific counterparties of the Group, from a general deterioration in local or global economic conditions or from systemic risks with the financial system. The Group attempts to regulate credit risk by implementing a credit risk strategy and attempts to minimise credit risk by monitoring credit exposures (in particular, in relation to those counterparties falling within higher risk rating bands), limiting transactions with specific counterparties and continually assessing the creditworthiness of its counterparties. In addition to monitoring credit limits, the Group manages credit exposure relating to its trading activities by entering into collateral arrangements with counterparties in appropriate circumstances and limiting the duration of its exposure to those counterparties. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

Management of credit risk

The Group's credit risk management framework includes:

- establishment of an authorisation structure and limits for the approval and renewal of credit facilities;
- reviewing and assessing credit exposures in accordance with its authorisation structure and limits, prior to facilities being approved for advance to customers. Renewals and reviews of facilities are subject to the same review process as occurs in respect of an application for a new facility;
- limiting concentrations of exposure to industry sectors, geographic locations and counterparties; and
- reviewing compliance, on an ongoing basis, with agreed exposure limits relating to counterparties, industries and countries and reviewing limits in accordance with the risk management strategy and market trends.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of its counterparties. Counterparty limits are established using a credit risk classification system, which assigns each counterparty a risk rating. The Group's risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed.

Credit risk measurement

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties, including corporate, contracting, middle market and real estate. For sovereigns and financial institutions, external ratings are translated to internal mapped ratings. Models are developed with the external support of accredited consultants and are also subjected to external validation. Models are calibrated to the Group's internal rating scale, and are housed within the Moody's CreditLens platform.

The Group's rating tools are kept under review and upgraded as necessary. The Group regularly validates the performance of the rating tools and their predictive power with regard to default events.

Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional and commonly used policy is to take collateral against the amount advanced. The Group has implemented guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal types of collateral obtained in respect of the Group's Islamic financing and investing assets are:

- mortgages over residential and commercial properties;
- corporate guarantees;
- charges over business assets such as premises, machinery, vehicles and inventory; and
- charges over financial instruments such as deposits and equities.

The amount and type of collateral required by the Group depends on its assessment of the particular counterparty's credit risk.

Islamic derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the Group's consolidated statement of financial position.

Credit-related commitments risks

The Group makes available to its customers guarantees and letters of credit which require it to make payments in the event that its customer fails to fulfil certain obligations it owes to other parties. This exposes the Group to a similar credit risk to that faced by it in respect of its financing and investing assets, and these risks are mitigated by the same control processes and policies as described above.

Portfolio concentrations

As described above, concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, in activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. The Group's credit policies are structured to ensure that the Group is not over-exposed to a given client, industry or geographic area through diversification of financing and investment activities.

The table below shows the industry breakdown of the Group's total Islamic financing and investing assets (before provisions for impairment) as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December					
	2023		2022		2021	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Portfolio concentration total Islamic financing and investing assets – by industry sector						
Government	22,023	11	23,643	12	17,399	9
Financial institutions.....	7,557	4	3,820	2	4,841	2
Real estate.....	35,915	17	38,122	20	44,083	23
Contracting	4,522	2	5,357	3	5,705	3
Trade.....	8,842	4	8,956	5	8,340	4
Aviation.....	15,760	8	18,176	9	19,768	10
Services and others	56,897	27	44,209	23	44,273	23
Consumer home finance	24,671	12	23,787	12	22,267	11

	As at 31 December					
	2023		2022		2021	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Portfolio concentration total Islamic financing and investing assets – by industry sector						
Consumer financing.....	32,170	15	28,765	15	28,940	15
Total.....	208,356	100	194,835	100	195,617	100

The table below shows the concentration of the Group's gross total Islamic financing and investing assets by geography as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December					
	2023		2022		2021	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Portfolio concentration total Islamic financing and investing assets – by geographical area						
Within UAE.....	190,213	91	183,541	94	183,349	94
Outside UAE	18,143	9	11,294	6	12,268	6
Total.....	208,356	100	194,835	100	195,617	100

The table below shows the Group's non-performing assets ratio and provision coverage ratio as at 31 December 2023, 31 December 2022 and 31 December 2021.

	Portfolio outstandi ng net of future profits	Bilateral sukuk	Total (AED millions)	Non performing assets	Provisions held	Non performing/ portfolio outstanding net of future profits and bilateral sukuk (%)	Provisions/ non performing
31 December 2023	208,356	4,661	213,017	11,497	8,903	5.4	90
31 December 2022	194,835	5,802	200,637	12,986	8,793	6.5	78
31 December 2021	195,617	5,802	201,419	13,784	8,926	6.8	72 ⁽¹⁾

Note:

(1) The 31 December 2021 provision coverage ratio includes the impact of fair value adjustment on the Stage 1 and Stage 2 Islamic financing and investing portfolio acquired from Noor Bank and the provision coverage ratio as at 31 December 2021 includes the regulatory credit risk reserve created in accordance with the guidelines of the Central Bank.

Impairment assessment

The Group applies a three-stage approach to measure allowances for credit losses, using an Expected Credit Loss (ECL) model as required under IFRS 9, for the following categories of financial instruments that are measured at amortised cost:

- Islamic financing and investing assets and investment in Islamic sukuk;
- off-balance sheet instruments issued;
- financial guarantee contracts issued;
- due from banks and financial institutions;
- balances with Central Banks; and

- other financial assets.

The ECL model is based on the change in credit quality of financial assets since initial recognition. Expected credit losses reflect the present value of all cash shortfalls related to default events either: (i) over the following 12 months; or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The three stages are as follows:

- under stage one, where there has not been a significant increase in credit risk since initial recognition, an amount equal to 12 months ECL will be recorded;
- under stage two, where there has been a significant increase in credit risk since initial recognition but the financial instruments are not considered credit impaired, an amount equal to the default probability weighted lifetime ECL will be recorded; and
- under stage three, where there is objective evidence of impairment at the reporting date these financial instruments will be classified as credit impaired and an amount equal to the lifetime ECL will be recorded for the financial assets.

The ECL model is forward-looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk (SICR) and measurement of ECL. No impairment loss is recognised on equity investments.

For a discussion of the manner in which ECL is measured, see note 5.3.9 to the 2023 Financial Statements.

The table below shows the movements in the Group's provision for impairment in respect of its Islamic financing and investing assets for the years ended 31 December in each of 2023, 2022 and 2021.

	Year ended 31 December		
	2023	2022	2021
		(AED millions)	
Balance at 1 January	8,793	8,926	8,401
Impairment charge during the year, net.....	1,325	1,327	1,971
Write-off.....	(1,210)	(1,335)	(1,436)
Exchange and other adjustments	(5)	(125)	(10)
Balance at the end of the year.....	8,903	8,793	8,926

A more detailed table showing the split of the provision between IFRS 9 stages can be found in note 9.3 to each of the Annual Financial Statements.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to the Group's core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

DIB is required to have a robust liquidity risk framework in place to manage its liquidity position in accordance with the qualitative and quantitative requirements issued by the Central Bank. Pursuant to the qualitative requirements, DIB has been compliant with, and has adopted, the Basel III liquidity coverage ratio since June 2018. DIB is also compliant with both the liquidity coverage ratio (**LCR**) and net stable funding ratio (**NSFR**).

The Group maintains a portfolio of highly marketable and diverse assets that it believes can be liquidated easily in the event of an unforeseen interruption of its cash flows. The Group also has committed lines of credit that it can access to meet liquidity needs should the need arise. In addition, the Group maintains statutory deposits with certain central banks. The Group's liquidity position is assessed and managed under a variety of

scenarios, which give due consideration to stress factors relating to both the market in general and those specific to the Group.

The Group believes that the high quality of its asset portfolio ensures its liquidity, which, coupled with its own funds and stable customer deposits, help form a stable funding source. DIB is confident that, even under adverse conditions, the Group will have access to the funds necessary to cover customer needs and meet its funding requirements.

The Group also uses maturity mismatch analysis to monitor its liquidity, which is monitored over successive time bands and across functional currencies. See note 47.3.3 to the 2023 Financial Statements which summarise the maturity profile of the Group's assets and liabilities analysed according to when they are expected to be recovered or settled. Guidelines have been established by the Group for the cumulative negative cash flow over successive time periods.

In addition, note 47.3.4 to the 2023 Financial Statements shows the maturity profile of the contractual gross cash flows of the Group's financial liabilities (including its contingent liabilities and capital expenditure commitments) as at 31 December in each of 2023 and 2022.

Liquidity risk management process

The Group's liquidity risk management process which is monitored by separate teams in the Risk Management department and the Treasury department, includes:

- day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes the replenishment of funds as they mature or are financed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to the Group's cash flows;
- monitoring the Group's consolidated statement of financial position liquidity ratios against internal and regulatory requirements;
- managing the concentration and profile of the maturity dates of its investing and financing exposures; and
- monitoring critical liquidity ratios.

The ALCO and Liquidity Management Committee meet on a regular basis with particular focus on liquidity management. The Group has considered new options for expanding its liabilities base (through changed tenors and currencies) and has focused on its capital market funding plan. The Group is also strengthening its liquidity buffers by timing disbursements to customers along with a strict focus on enhancing deposit relationships across all customer segments.

The table below shows a number of liquidity ratios for the Group as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December		
	2023	2022	2021
		%	
Liquidity ratios:			
Liquid assets ⁽¹⁾ /customer deposits	7	9	14
Customers' deposits/total deposits ⁽²⁾	94	94	99
Net financing and investment assets/customers' deposits	90	94	91
Net financing and investment assets/total assets	63	65	67
LCR	189	150	136
NSFR	106	106	102

Notes:

- (1) Liquid assets comprise cash and balances with central banks and due from banks and financial institutions minus due to banks and financial institutions.
- (2) Total deposits comprise customers' deposits and due to banks and financial institutions.

MARKET RISK

Market risk arises from changes in market rates such as profit rates, foreign exchange rates and equity prices, as well as in their correlation and implied volatilities. Market risk management is designed to limit the amount of potential losses on the Group's open positions which may arise due to unforeseen changes in profit rates, foreign exchange rates or equity prices. The Group is exposed to diverse financial instruments including securities, foreign currencies, equities and commodities.

The Group pays considerable attention to market risk. It uses appropriate models, in accordance with standard market practice, to value its positions and receives regular market information in order to regulate its market risk.

The Group's market risk framework comprises the following elements:

- limits to ensure that risk-takers do not exceed aggregate risk and concentration parameters set by senior management;
- independent mark-to-market valuation, reconciliation of positions and tracking of stop-losses for trading positions on a timely basis;
- a comprehensive set of policies, procedures and limits; and
- monitoring a wide range of risk metrics appropriate for the respective trading activities - such as risk sensitivities, gross and net open positions, Value-at-Risk (**VaR**) and stop-loss limits.

The policies, procedures and limits are set to ensure the implementation of the Group's market risk policy in day-to-day operations. These are reviewed periodically to ensure they remain in line with the Group's general market risk policy. DIB's Group Chief Risk Officer ensures that the market risk management process is always adequately and appropriately staffed. In addition to its internal procedures and systems, the Group is required to comply with the guidelines and regulations of the Central Bank.

Profit margin risk

The Group is not significantly exposed to risk in terms of the repricing of its customer deposits since, in accordance with Sharia, the Group does not provide contractual rates of return to its depositors or investment account holders. The return payable to depositors and investment account holders is based on the principle of the Mudaraba by which the depositors and investment account holders agree to share the profit or loss made by the Group's common and wakala pool over a given period.

Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. The Group is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Group manages this risk through risk management strategies.

The effective profit rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current rate for a floating rate instrument or an instrument carried at fair value.

The Group manages profit rate risk in its banking book based on the Basel-defined framework, measuring delta of economic value of equity (delta EVE), the delta of net profit income (delta NPI) and other measures.

See further note 47.4.2 to the 2023 Financial Statements.

Foreign exchange risk

The Group is exposed to losses in value on financial instruments denominated in currencies other than the dirham due to its exposure to changes in currency rates. See note 47.4.3 to the 2023 Financial Statements.

The Group also has income recorded in its overseas subsidiaries and is therefore exposed to movements in the foreign currency rates used to convert this income into dirham, see further note 47.4.4 to the 2023 Financial Statements.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the level of equity indices and the value of individual stocks. Non-trading equity price risk exposure arises from the Group's investment portfolio. See further note 47.4.5 to the 2023 Financial Statements.

OPERATIONAL RISK

Operational risk is the potential exposure to financial or other damage arising from inadequate or failed internal processes, people or systems.

The Group has developed a detailed operational risk framework which defines the roles and responsibilities of individuals/units across different functions that are involved in performing various operational risk management tasks. The Group's operational risk management framework is intended to ensure that its operational risks are properly identified, monitored, managed and reported. Key elements of this framework include process mapping, setting up a loss database, establishing key risk indicators (**KRIs**), risk analysis and risk management reporting.

The Group currently utilises as the operational risk tracking system ORMS to track operational risk events across its businesses. The system houses more than five years of operational loss data. The system also records KRIs, risk control self-assessment and scenario-based fraud risk self-assessment. In addition to ORMS, the Group is also implementing the eGRC system (centralised governance framework) for all control activities.

Each new product introduced by the Group is subject to a risk review and sign-off process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product.

Variations of existing products are also subject to a similar process. The Group's business and support units are responsible for managing operations risk in their respective functional areas. They operate within the Group's operational risk management framework and ensure that risk is managed within their respective business units. The day-to-day management of operational risk is carried out through the maintenance of a comprehensive system of internal controls, supported by robust systems and procedures to monitor transaction positions and documentation, as well as maintenance of key backup procedures and business contingency planning.

REGULATORY / COMPLIANCE RISK

Regulatory/compliance risk is the risk of reputational and/or financial losses due to the failure to comply with applicable laws, regulations or sanctions. The Group has an independent compliance function, with the necessary mandate and authority to enforce and monitor compliance. See *"Description of the Group - Compliance"*.

REPUTATIONAL RISK

Reputational risk is the risk of potential loss of earnings and future revenue, loss in market value or lack of liquidity supply due to deterioration of reputation, including the Group's reputation with regard to the level of its Sharia compliance as discussed further below. It also includes the threat to the brand value of a financial institution.

Reputational risk can arise as a consequence of failures with a strong negative perception amongst clients, shareholders, creditors or the public. The Group has measures designed to ensure a positive perception of the Group and that overall risk management ensures appropriate management of reputational risk.

LEGAL RISK

The Group has a full-time team of legal advisers who deals with both routine and more complex legal cases. Situations of a particular complexity and sensitivity are referred to external firms of lawyers, either in the UAE or overseas, as appropriate. The Group also seeks to mitigate legal risk through the use of properly reviewed standard documentation and where necessary, seeking appropriate legal advice in relation to its non-standard documentation.

SHARIA NON-COMPLIANCE RISK

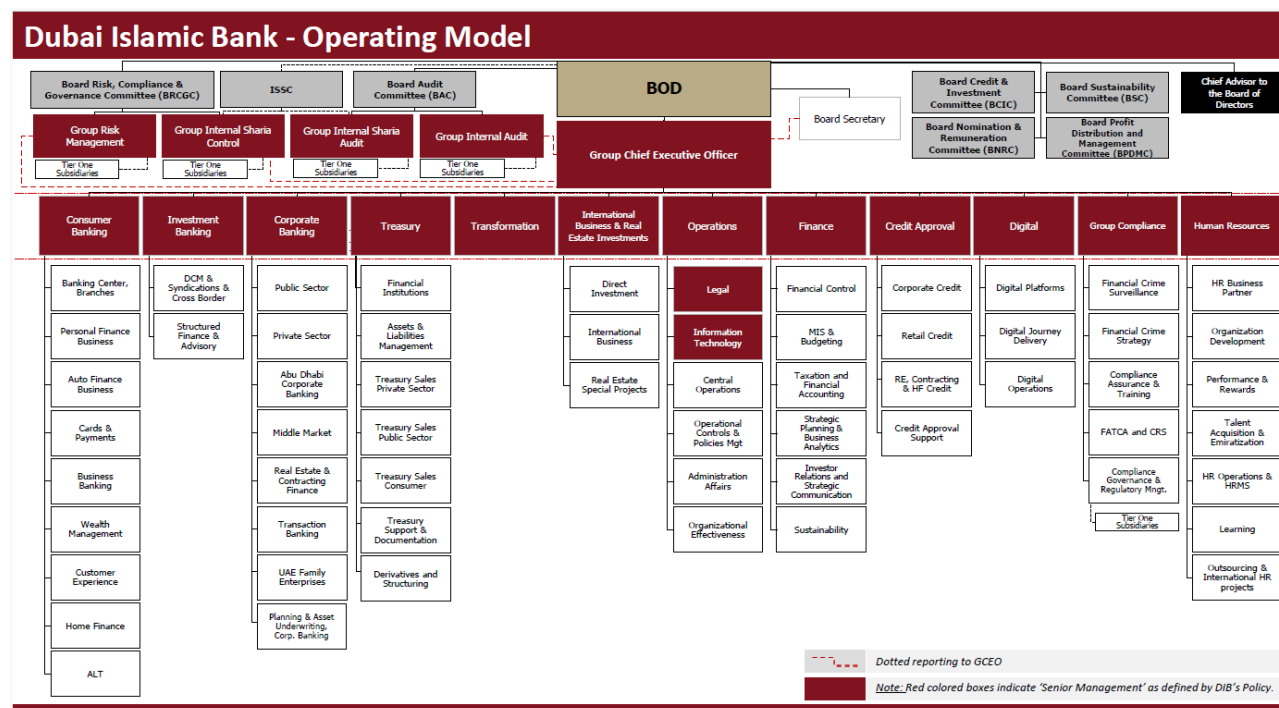
DIB is exposed to Sharia non-compliance risk, being the risk that arises from DIB's failure to comply with (a) resolutions, fatwas, regulations, and standards issued by the Higher Sharia Authority of the Central Bank of the UAE (the **HSA**) in relation to DIB's licensed activities and businesses; and (b) resolutions and fatwas issued by the Internal Sharia Supervisory Committee of DIB (the **ISSC**) in relation to DIB's licensed activities and businesses (provided these do not contradict any HSA resolutions).

DIB has an effective Sharia governance in place to manage and mitigate Sharia non-compliance risk. DIB's Board of Directors is ultimately responsible for DIB's compliance with the principles of Sharia with respect to all its licensed activities and businesses through the implementation of a robust Sharia governance framework that conforms to the resolutions of the HSA.

To ensure DIB's Sharia compliance, all products, services, transactions and matters are duly approved by the ISSC. DIB maintains effective internal Sharia controls comprising three distinct lines of defense, including (i) the business (which adopts robust policies, procedures and controls approved by ISSC), (ii) the internal Sharia control department (which supports the ISSC), and (iii) the internal Sharia audit department (which undertakes Sharia audits and monitors on-going compliance).

MANAGEMENT AND EMPLOYEES

The following chart summarises the principal features of the organisational structure within the Group:



BOARD OF DIRECTORS

The Board of Directors is elected by shareholders at a general meeting. DIB requires the majority of its Board to be UAE nationals. Each Director is appointed for a three-year term at the end of which the Board is re-elected. The Board has the necessary power to manage DIB and act on its behalf.

The following table sets out the names of the current members of DIB's Board of Directors:

Name	Designation
H.E. Mohammad Ibrahim Al Shaibani	Board Chairman
Mr. Yahya Saeed Ahmad Lootah	Vice Chairman
Mr. Hamad Abdulla Rashed Al Shamsi	Board Member
Mr. Ahmad Mohammad Bin Humaidan	Board Member
Mr. Abdulaziz Ahmed Rahma Al Mheiri	Board Member
H.E. Hamad Mubarak Buamim	Board Member
Mr. Javier Marin Romano	Board Member
Mr. Bader Saeed Abdulla Hareb Almheiri	Board Member
Dr. Cigdem Kogar	Board Member

The address of each member of the Board is P.O. Box 1080, Dubai, UAE. There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Group. All Board members are non-executive directors and the majority are also independent members.

Detailed below is brief biographical information on the members of the Board.

H.E. Mohammad Ibrahim Al Shaibani

H.E. Mohammad Ibrahim Al Shaibani is Chairman of the Board.

H.E. Al Shaibani is the Director General of H.H. the Dubai Ruler's Court, a prime government body of the Emirate. He is also the Managing Director of the ICD, the principal investment arm of the Government of Dubai. Since 1998, H.E. Al Shaibani has held the position of President at the Dubai Office, a Private Management office for the Royal Family of Dubai.

H.E. Al Shaibani serves as Vice Chairman of the Supreme Fiscal Committee of Dubai, which oversees Dubai's fiscal policies. H.E. Al Shaibani is a member of Dubai's Executive Council, an entity charged with supervising and supporting Dubai's government bodies. H.E. Al Shaibani is also Deputy Chairman of the Higher Committee of World Expo 2020.

H.E. Al Shaibani serves as Chairman of the Board of Directors at Nakheel Properties, the world-leading property developer with innovative landmark projects in Dubai, including the award-winning iconic "Palm Jumeirah" and "The World Jumeirah Islands". H.E. Al Shaibani is also a member of the board at several government-related organisations including Dubai World and is the Vice Chairman of Dubai Aerospace Enterprise Limited.

In 2009, he played a pivotal role in restructuring Dubai's debt.

H.E. Al Shaibani graduated in 1988 from the United States and holds a Bachelor's degree in Computer Science.

Mr. Yahya Saeed Ahmad Lootah

Mr. Lootah serves as Vice-Chairman of the Board. Mr. Lootah has over 20 years' experience with S.S. Lootah Group, a leading diversified business based in Dubai which is active across key business sectors ranging from construction, real estate, energy and financial services, applied research, ICT, education, hospitality, media and healthcare. He currently serves as the Chairman of the S.S. Lootah Group. Under his leadership, S.S. Lootah Group has received, amongst others, the Mohammed Bin Rashid Business Award and the Dubai Award for Sustainable Transport. In addition, Mr. Lootah served as a member of the Board of Directors of the Dubai Chamber of Commerce and Industry, as well as a member of the Board of Trustees of Dubai Medical College and the Advisory Board of the Faculty of Engineering at the American University in Dubai.

Mr. Lootah holds a degree in Civil Architectural Engineering as well as a Master's of Science degree in Engineering from University of Bridgeport, Connecticut.

Mr. Hamad Abdulla Rashed Al Shamsi

Mr. Al Shamsi serves as a member of the Board.

Mr. Al Shamsi served as the Chairman of Amanat Holding PJSC. He also served as the Chief Executive Officer of International Capital Trading LLC, an Abu Dhabi headquartered private investment company.

With a wealth of experience spanning several decades, he has run businesses across multiple disciplines, and has particular expertise in the area of financial services and investments.

He also served in the Abu Dhabi Investment Authority before moving to the Private Department of His Highness the late Sheikh Zayed Bin Sultan Al Nahyan.

He served on the Board of Directors of several leading private and government institutions engaged in commercial, financial and service-based activities in the UAE, including Etihad Airways. His former Board appointments include Abu Dhabi Securities Exchange, Media Zone Authority, Abu Dhabi Council for Economic Development, Al Qudra Holding, Finance House, Al Hilal Bank, Abu Dhabi Aviation, Etihad Airways and Abu Dhabi Airports Company.

Mr. Al Shamsi holds a Bachelor's degree in Business Administration from UAE University and a MBA majoring in Finance and Banking from the United States.

Mr. Ahmad Mohammad Bin Humaidan

Mr. Bin Humaidan serves as a member of the Board.

Mr. Bin Humaidan has over 28 years' experience in strategic thinking, strategic planning, projects management, leading improvement programmes and change management and also serves as Deputy Director General of H.H. The Ruler's Court, Government of Dubai and as the Vice Chairman of the Board of Smart Dubai. He has also previously served as the Director General for Dubai Smart Government and as the Director of Projects for The Executive Office of His Highness Sheikh Mohammad Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai. Mr. Bin Humaidan started his career with Emirates/Dnata Group of companies where he worked for five years.

Mr. Bin Humaidan holds a degree in Electrical Engineering from UAE University as well as a Business Administration diploma from Sheffield Hallam University, United Kingdom.

Mr. Abdulaziz Ahmed Rahma Al Mheiri

Mr. Al Mheiri serves as a member of the Board.

Mr. Al Mheiri also serves as a member of the Board of Directors of Bourse Dubai, Vice Chairman of the Support Fund and Chairman of the Supervisory Board of Bosna Bank International. He has previously served as the Managing Director of the ICD and as a member of the Board of Directors and Chief Executive Officer for Dubai Bank.

Mr. Al Mheiri holds a Science degree, specialising in Accounting and Finance, from the American College of Switzerland.

H.E. Hamad Mubarak Buamim

In addition to his role on the Board, H.E. Buamim serves as the Chairman of DMCC which is a government entity established in 2002 to enhance commodity trade flows through Dubai. H.E. Buamim also serves as the Chairman of the National General Insurance PJSC and Board Member of Amanat PJSC.

In previous roles, H.E. Buamim served as the President and CEO of Dubai Chamber of Commerce & Industry and the Chairman of the Paris-based World Chambers Federation – International Chamber of Commerce (ICC), the Chairman of Emirates Financial Services and the Chairman of Emirates NBD Capital. H.E. Buamim has also served as a Board member of a number of entities, including the Central Bank of the UAE, Dubai International Financial Center (DIFC), Emirates NBD, Network International, Kerzner International Holding and Union Properties.

H.E. Buamim holds a MBA with honours in Finance from the University of Missouri, Kansas City, United States. He also obtained a Bachelor of Science in Electrical Engineering from the University of Southern California, Los Angeles, United States.

Mr. Javier Marin Romano

Mr. Romano is an independent board member. He serves as the CEO of Singular Bank (Spain), part of Warburg Pincus which is a leading global investment group.

He is an entrepreneur and an investor in technology companies linked to financial services. He also serves as a director in each of the UCV (Spanish University), Instituto per le Opere di Religione (IOR) and Frontier Economics. Prior to this, Mr. Romano served as Chief Executive Officer of Banco Santander, senior executive vice-president of Banco Santander and head of private banking, asset management and insurance. He has also been a member of the European Banking Association and the European Financial Services Association and of the Board of Directors in different banks, insurance companies and asset managers in several countries in Europe (affiliates of Banco Santander).

Mr. Romano holds a degree in Law and a diploma in Business Administration from the Universidad Pontificia de Comillas in Madrid (Spain). He also obtained a Masters degrees in European law in Luxembourg, in banking administration from the Institute International d'Etudes Bancaires (La Joya, California) and taxes from the Universidad Pontificia de Comillas (Madrid) and completed the advanced programme of Singularity University (California).

Mr. Bader Saeed Abdulla Hareb Almheiri

Mr. Hareb is an independent board member. Mr. Hareb is a highly experienced real estate professional with over 20 years' experience in different areas of real estate development and investments. Mr. Hareb has held senior positions in large organisations within the real estate sector, including Emaar, Dubai Healthcare City, Majid Al Futtaim Properties, Nakheel and Etisalat.

Mr. Hareb serves as the Vice-Chairman of Sharjah Holding, which is a leading investment holding company based in Sharjah. Mr. Hareb is also the Vice-Chairman of the Wave in Muscat and a Board Member in Dubai Healthcare City.

In previous roles, Mr. Bader served as the Chief Executive Office of Emaar Development during 2017 - 2021, Chief Executive officer of Dubai Healthcare City during 2015 - 2017, Chief Property Officer of Majid Al Futtaim Properties in Dubai during 2011 - 2015 and Managing Director for Development & Procurement in Nakheel during 2007 - 2011.

Mr. Bader holds an Executive Master Degree of Business Administration from the American University of Sharjah and obtained a Bachelor Degree in Civil Engineering from United Arab Emirates University Al Ain in 2002.

Dr. Cigdem Kogar

Dr. Kogar is an independent board member. Dr. Kogar is an economist, a former central banker and a former diplomat specialising in financial markets and regulations. She is currently the founder and CEO of Izgi Global Consultancy, working on sustainable business development and providing consultancy to international institutions for partnership and enhancing relationship management amongst public authorities, foreign institutions and companies.

Dr. Kogar has extensive experience in central banking, banking regulation and supervision, Basel Committee, FSB, IFSB, G20 and other international platforms, banking and finance, risk analysis, financial stability, macro economy, monetary and financial policy and the payment system.

Over her 30 years at the Central Bank of the Republic of Türkiye, she had several executive roles at the Bank, including Chair of the Check Clearing Board and the Risk Center, and Executive Director of the Banking and Financial Institutions Department. Between 2014-2020, Dr. Kogar was Chief London Representative of the Central Bank and Economic Counsellor to the Turkish Embassy in London. She also served as a consultant to the OECD HQ in Paris, Economics Dept. Türkiye-Italy desk for two years.

During her central banking career, she was a Board Member of the Central Bank of the Republic of Northern Cyprus, responsible for licensing, regulating and supervising banks and other financial institutions. Alongside her responsibility for monetary policy and macroeconomic policy coordination, she took an active role in the strategic governance of the Central Bank between 2010-2021 in the region.

Dr. Kogar is an advocate of sustainable development and women empowerment and a speaker at United Nations HQ, New York, about "Inclusive Green Growth" and "Sustainability in Business and Industry" in 2019 and 2023, respectively, at the International Day of Women & Girls in Science Assembly. Dr. Kogar is the author of the chapter titled "Empowering Women in Science, Technology and Innovation in the Digital Economic Era" in the book "Women & Girls in Science for Socio-Economic Sustainable Development".

Dr. Kogar holds a PhD in Economics from Middle East Technical University with a thesis on "Fiscal & Current Account Sustainability, Banking Fragility & Balance Sheets: 2000-2001 Financial Crises in Turkey", an MA

in Economics from Boston College, USA and a B.Sc. in Economics from Middle East Technical University, Ankara, Türkiye. She has been a visiting lecturer in economics and finance at Bilkent University and Middle East Technical University in Türkiye.

KEY SENIOR MANAGEMENT

The following table sets out the names of the current senior management of DIB:

Name	Position
Dr. Adnan Chilwan.....	Group Chief Executive Officer
Mr. Obaid Al Shamsi.....	Chief Operating Officer
Mr. Naveed Ali.....	Chief of Corporate Banking
Mr. Saeed Ahmad Wajdi	Chief of Treasury
Mr. Mohamed Al Sharif	Chief of International Business and Real Estate Investments
Mr. Ali Ahmad	Chief of Investment Banking
Mr. Nagaraj Ramakrishnan	Chief Credit Officer
Mr. Chandra Mohan Ganapathy	Group Chief Risk Officer
Mr. Sanjay Malhotra.....	Chief Consumer Banking Officer
Mr. Musabbah Al Qaizi.....	Chief Digital Officer
Mr. John Macedo.....	Chief Financial Officer
Mr. Varun Sood.....	Chief Transformation Officer
Mr. Volkan Pekince.....	Group Chief of Internal Audit
Mr. Abdul Waheed Rathore	Group Chief Compliance Officer
Ms. Leya Al Damani	Chief Sustainability Officer
Mr. Kashif Moosa.....	Head of Investor Relations & Strategic Communications

The address of each member of the senior management of DIB is P.O. Box 1080, Dubai, UAE. There are no potential conflicts of interest between the private interests or other duties of the senior management of DIB listed above and their duties to DIB.

Detailed below is brief biographical information on the senior management of DIB.

Dr. Adnan Chilwan

Dr. Chilwan serves as the Group CEO of DIB. He has an extensive career spanning nearly three decades in both the conventional and Islamic banking sectors. His career spans prominent financial institutions including DIB, Dubai Bank, Commercial Bank of Qatar, Mashreq Bank, Abu Dhabi Islamic Bank, and HSBC.

In addition to his primary role, Dr. Chilwan holds board positions in key strategic investments, subsidiaries, and associates, including Noor Bank, Deyaar PJSC, Liquidity Management Centre, and Dar Al Shari'a. He is also known for his consultative role to governments and educational contributions.

In 2021, Dr. Chilwan received the MEA Finance Awards Lifetime Achievement Award. This honours him as an individual of long standing in the banking and financial industry whose career has benefitted the banking and finance industry in the Middle East. His achievements include being named among the 'Top CEOs in the Middle East' by Forbes Middle East, ranking in the 'Top 100 CEOs in the Middle East', and receiving accolades such as Banker of the Year at the MEA Finance Awards 2022, and featured by Forbes Middle East as one of the region's Top 100 Sustainability Leaders of 2023.

Dr. Chilwan's academic credentials include a PhD and an MBA in Marketing. He is a Certified Islamic Banker (CeIB), holds a postgraduate qualification in Islamic Banking and Insurance, and is an Associate Fellow Member of the Islamic Finance Professionals Board.

Mr. Obaid Al Shamsi

Mr. Al Shamsi has served as the Chief Operating Officer at DIB since May 2019.

Mr. Al Shamsi has over 25 years' multi-functional experience within DIB. Prior to his appointment as the Chief Operating Officer, Mr. Al Shamsi was Chief of HR & Admin where he oversaw the strategy development and deployment of human resource and administration.

Mr. Al Shamsi also serves as a board member of each of Emirates Institute for Banking and Financial Studies, Al Bustan Centre & Residence, BoK, Al Tanmyah Services and DIB Pakistan.

Mr. Al Shamsi holds a Master's degree in Business Administration from Middlesex University of London.

Mr. Naveed Ali

Mr. Ali has served as Chief of Corporate Banking at DIB since 2007.

Mr. Ali has more than 30 years' banking experience with both conventional and Islamic banks. Before joining DIB, Mr. Ali served in Bank of America in Pakistan and Mashreq Bank in Dubai, as Vice President in the Corporate Banking Group.

Mr. Ali holds a BSc degree from Karachi University in Pakistan.

Mr. Saeed Ahmad Wajdi

Mr. Wajdi was appointed Chief of Treasury at DIB with effect from January 2024.

Mr. Wajdi has held several senior executive positions over a span of 24 years with multinational banks, including First Abu Dhabi Bank (**FAB**) and HSBC in the UAE. Before joining DIB, Mr. Wajdi was 'Senior Managing Director – Head of Global Markets' with FAB, UAE.

Mr. Wajdi holds a Bachelor's degree in Applied Science, majoring in Business Administration from Higher Colleges of Technology.

Mr. Mohamed Al Sharif

Mr. Al Sharif has served as Chief of International Business & Real Estate Investments at DIB since March 2020.

Mr. Al Sharif has over 35 years' experience in banking and finance. Prior to DIB, he worked with the Central Bank of the UAE as Manager of the Banking Supervision & Examination Department, in addition to several other roles in the Finance Department.

Mr. Al Sharif also serves as Chairman of the Boards of DIB Pakistan and BoK and is a member of the Board of DIB Kenya, as well as serving on the Boards of other DIB subsidiaries.

Mr. Al Sharif is an MBA graduate from The Catholic University of America – USA, a Certified Public Accountant (CPA) from the American Institute of Certified Public Accountants – USA and a Registered Banking & Accounting expert recognised by the UAE Courts.

Mr. Ali Ahmad

Mr. Ahmad has served as Chief of Investment Banking at DIB since July 2024.

Mr. Ahmad is a seasoned investment banker with nearly 30 years' experience in capital markets and debt origination. Prior to DIB, he worked for Standard Chartered Bank as a Managing Director where, since 2008, he helped develop the Middle East debt capital markets, having led and advised on over U.S.\$150 billion of

debt transactions in more than 200 deals including various innovative and first transactions in different markets.

Mr. Ahmad holds a Bachelor's degree in Economics and Banking & Finance from Case Western Reserve University in the United States.

Mr. Nagaraj Ramakrishnan

Mr. Ramakrishnan has served as Chief Credit Officer at DIB since April 2019.

Mr. Ramakrishnan has over 30 years' banking experience across various functions including business management, credit, risk policy and process and operations. Before joining DIB, Mr. Ramakrishnan was Senior Vice President Group Credit with Emirates NBD (UAE) and previously with Standard Chartered Bank in India and Malaysia.

Mr. Ramakrishnan holds a Bachelor's degree in Commerce and a Chartered Accountant qualification from India.

Mr. Chandra Mohan Ganapathy

Mr. Ganapathy has served as the Group Chief Risk Officer of DIB since August 2020 overseeing the various risk management functions across the Group.

Mr. Ganapathy has over 30 years' experience in financial services including 24 years in risk management. Before joining DIB, Mr. Ganapathy held the position of Group Head of Risk Management at Ahli United Bank BSC and Chief Risk Officer at International Bank of Qatar and Commercial Bank of Kuwait.

He holds the CFA Charter from the CFA Institute, Financial Risk Manager (FRM) and Professional Risk Manager (PRM) certifications from Global Association of Risk Professionals (GARP) and Professional Risk Managers International Association (PRMIA), respectively, and holds a Certificate in Quantitative Finance (CQF) from Fitch Learning. He is also an Associate Chartered Accountant (ACA) with the Institute of Chartered Accountants in India.

Mr. Sanjay Malhotra

Mr. Malhotra was appointed as Chief Consumer Banking Officer in December 2021. Prior to this role, he was Chief Digital & Innovation Officer for DIB from March 2018 to November 2021 and Chief of Consumer Banking for DIB from February 2015 to February 2018.

Prior to joining DIB, Mr. Malhotra was General Manager – Retail and Private Banking at National Bank of Oman. He was previously Head of Retail Banking (International) at National Bank of Kuwait and has also worked with Citibank, ANZ Grindlays and Arab Bank in multiple geographies in Asia, the Middle East, Levant and North Africa.

Mr. Malhotra holds a Master of Management, an integrated MBA (Finance) & Engineering Degree Program from Birla Institute of Technology & Science, BITS Pilani. During his 30 years' experience, he has worked in India and the Middle East with prominent banks, including Citibank, ANZ Grindlays, National Bank of Kuwait, Arab Bank and National Bank of Oman. These engagements covered consumer banking, wealth management, business banking, regional strategy, merger & transformation, digital, technology and compliance.

Mr. Musabbah Al Qaizi

Mr. Al Qaizi has served as Chief Digital Officer at DIB since December 2021.

Mr. Al Qaizi has over 28 years' experience in the technology field and has been with DIB for 24 years. He is a member of the Board of Tamweel.

Mr. Al Qaizi holds a Bachelor's degree in Information Management System from the University of Arkansas in the United States.

Mr. John Macedo

Mr. Macedo was appointed as Chief Financial Officer of DIB in January 2016. Before joining DIB, Mr. Macedo was Chief Financial Officer of Saudi Hollandi Bank (Saudi Arabia) for 8 years and Director –Finance of Standard Bank (South Africa) for 7 years.

Mr. Macedo holds an Executive MBA, a Bachelor of Accounts degree (Honors with distinction), Bachelor of Accounts (Certificate in the Theory of Accounting) with distinction and is a Professional Chartered Accountant of South Africa. He has more than 25 years of experience in finance.

Mr. Varun Sood

Mr. Sood has served as Chief Transformation Officer at DIB since August 2021.

Mr. Sood has over 34 years' experience in leading banks. Prior to joining DIB, he was Regional Head, Consumer Credit Asia & Group Basel II Implementation at ABN AMRO Bank. He also worked with Mashreq Bank, Standard Chartered Bank and Ernst & Young in multiple geographies in Asia, the Middle East and Europe.

Mr. Sood holds a degree in Economics from Delhi University in India.

Mr. Volkan Pekince

Mr. Pekince has served as Group Chief of Internal Audit at DIB since November 2020. He has over 24 years' experience in the internal audit field in a range of multinational institutions across 13 countries.

Mr. Pekince has a BSc degree in Electrical & Electronics Engineering.

Mr. Abdul Waheed Rathore

Mr. Rathore has served as Group Chief Compliance Officer at DIB since January 2022. He has over 30 years' experience in banking.

Prior to joining DIB, Mr. Rathore was the Global Chief Compliance Officer at Habib Bank Ltd, Pakistan. He was also Executive Director Supervision - Banking and Insurance at the ADGM and previously worked with Abu Dhabi Commercial Bank as Executive Vice President – Group Chief Compliance and Anti Money Laundering Officer.

Mr. Rathore has a Global Executive MBA from INSEAD and an MSc degree in Finance and Financial Law from the University of London (SOAS).

Ms. Leya Al Damani

Ms. Al Damani has served as Chief Sustainability Officer at DIB since September 2023. She has over 20 years' experience in both the financial and business sectors as well as national and international professional services in the UK and the UAE.

Prior to joining DIB, Ms. Al Damani was Senior Vice President – Head of Sustainability at Aldar Projects. She was also the founder and chair of Aldar's Diversity & Inclusion Board, a non-executive board member at CESC, a vice chair at Society of Sustainability & Green Materials, a board member at Emirates Green Building Council, and a MOIAT ICV technical committee member.

Ms. Al Damani holds a Master's degree in Business Administration and professional qualifications from Cambridge Institute for Sustainability Leadership, Business Sustainability Management and INSEAD.

Mr. Kashif Moosa

Mr. Moosa has served as Head of Investor Relations & Strategic Communications at DIB since October 2018. He is a banking professional with over 30 years' diverse experience in retail, financial institutions, transactional banking, organisational transformation, debt and equity investor relations, internal and external communications, regulator interface, marketing and social media, ratings management and high-level reputational guidance.

Prior to DIB, Mr. Moosa gained multinational organisational experience, working at with Citibank, ABN AMRO and Standard Chartered across multiple geographies. Mr. Moosa has a Master's degree in Business Administration and is a Certified Investor Relations Officer.

Internal Sharia Supervisory Committee (ISSC)

The ISSC comprises scholars of high repute with extensive experience of and exposure to law, economics and banking systems in various jurisdictions. The ISSC is appointed by DIB's shareholders at a general assembly meeting and its responsibilities include supervising the development of new and innovative Sharia-compliant products, issuing Fatwas (Sharia edicts) on any matter proposed to it by business units of the Group through the Internal Sharia Control Division (the **ISCD**), ensuring through internal the Internal Sharia Audit Division that the transactions of the Group are carried out in compliance with the Fatwas issued by the ISSC, and providing guidance on any matter referred to it by DIB's management.

The ISSC undertakes Sharia supervision of all businesses, activities, products, services, contracts, documents, policies and procedures of DIB. The ISCD assists DIB in developing new Sharia-compliant products (including their structure, process and documentation), reviewing structure and documentation for sukuk, syndication and fund transactions, and obtaining ongoing guidance and approval from the ISSC. The ISCD is comprised of a number of highly qualified and experienced lawyers, bankers and Sharia scholars with expertise in Islamic banking and finance.

The ISSC submits an annual report to the General Assembly of DIB's shareholders and the Board summarising issues, if any, which have been referred to it, as well as its opinion on the Group's overall functioning during the fiscal year under review. The ISSC's annual Sharia report is included in the Group's annual audited financial statements.

The following table sets out the names of the current Sharia Board:

Name	Position
Dr. Muhammad Abdulrahim Sultan Al Olama	Chairman
Dr. Mohamed Ali Elgari.....	Member
Dr. Mohamad Akram Laldin	Member
Dr. Ibrahim Ali Al Mansoori.....	Member
Dr. Muhammad Qaseem.....	Member

Detailed below is brief biographical information on the members of the Sharia Board.

Sheikh Dr. Mohammad Abdul Rahim Sultan Al Olama

Dr. Al Olama is a member of the Grand Islamic Scholars Body in Dubai, an Associate Professor of the School of Sharia at the United Arab Emirates University in Al Ain and an acknowledged expert in Islamic finance. Dr. Al Olama is also the head of the Fatwa Committee of the Zakat Funds in the UAE.

He currently serves on a number of Sharia boards representing Islamic financial institutions and takaful companies.

Dr. Al Olama has written extensively on modern Islamic finance and has presented numerous research papers at various international conferences.

Dr. Al Olama holds a PhD in Comparative Islamic Law from Umm Al Qurra University in Mecca, Saudi Arabia.

Professor Dr. Mohamed Ali Elgari

Dr. Mohamed Ali Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in Saudi Arabia. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member of the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them Journal of the Jurisprudence Academy (of the IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London) and the advisory board of Harvard Series in Islamic Law, Harvard Law School.

Dr. Elgari is also an advisor to numerous Islamic financial institutions throughout the world and is notably on the Sharia board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and the Islamic Accounting & Auditing Organisation for Islamic Financial Institution (AAOIFI).

Dr. Elgari holds a PhD in Economics from the University of California, USA.

Professor Dr. Mohamad Akram Laldin

Professor Dr. Mohamad Akram Laldin is currently the Executive Director of the International Sharia Research Academy for Islamic Finance. He is a Member of Bank Negara Malaysia's Sharia Advisory Council (SAC), a Member of the Sharia Advisory Employees Provident Fund (EPF), a Member of HSBC Amanah's Global Sharia Advisory Board, a Member of the Yassar Limited (Dubai) Sharia Advisory Board, a Member of the EAB (London) Sharia Advisory Board, Chairman of the Islamic Advisory Board of HSBC Insurance Singapore, Sharia Advisor to ZI Syariah Advisory Malaysia, a Member of Sharia Advisory Council International Islamic Financial Market (IIFM), Bahrain, a Committee member of AAOIFI Sharia Standards, Bahrain and other Boards across the globe. He is also the Member of the Board of Studies of the Institute of Islamic Banking and Finance, IIUM.

Dr. Akram holds a B.A. Honours degree in Islamic Jurisprudence and Legislation from the University of Jordan, Amman, Jordan and a Ph.D. in Principles of Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh, Scotland, United Kingdom. He has presented many papers related to Islamic Banking and Finance and other Fiqh topics and has conducted many training sessions particularly on Islamic Banking and Finance for different sectors since 1999. He is also a prolific author of academic works specifically in the areas of Islamic Banking and Finance. He received the Zaki Badawi Award 2010 for Excellence in Sharia Advisory and Research. He has participated and presented papers in numerous local and international conferences.

Dr. Ibrahim Ali Al Mansoori

Dr Ibrahim Ali Abdullah Al-Mansoori is a prominent Sharia scholar from the UAE with an active focus on the Islamic banking and finance industry. He is Director of Sharjah Islamic Center for Economy & Finance Studies and is the Assistant Professor of Economy & Islamic Banks at the University of Sharjah.

Dr Al-Mansoori is the Chairman of Internal Sharia Supervision Committee of Al Hilal Bank and a member of various Sharia supervisory committees of Islamic financial institutions.

Dr Al-Mansoori holds a PhD in Economics & Islamic Banking, as well as two Master's degrees in Economics & Islamic Banking and Pedagogical Psychology. He has authored various research papers on contemporary matters relating to Islamic Banking.

Dr. Muhammad Qaseem

Dr. Qaseem holds a PhD in Islamic Studies from the Faculty of Usul ud Dinis, University of Karachi. He has been a member of the Sharia boards of many other institutions. Dr. Qaseem has taught various courses for a number of B.A. and M.A. programmes of the International Islamic University, Islamabad.

Dr. Qaseem has produced many academic contributions, articles and literary and translation works.

EMPLOYEES (EXCLUDES OUTSOURCED STAFF)

As at 31 December 2023, DIB had 2,040 employees compared to 1,920 employees as at 31 December 2022 and 1,831 employees as at 31 December 2021.

DIB places a significant focus in supporting the UAE's Emiratisation agenda that has a goal to increase UAE nationals working in the public and private sector by a factor of ten. DIB's Emiratisation ratio has grown over 45 years to make up almost half its total employees. As at 31 December 2023, the total number of Emiratis in DIB reached 905 compared to 864 Emiratis as at 31 December 2022 and 819 Emiratis as at 31 December 2021. DIB is compliant with the Emiratisation target set by the Central Bank, and is a strong believer in the fact that Emiratisation has had a positive impact on its growth and success, as well as the UAE's overall social and economic development.

THE UNITED ARAB EMIRATES BANKING SECTOR AND REGULATIONS

SUMMARY

Within the UAE as a whole, the financial and insurance activities sector was estimated to have contributed approximately 8.1 per cent. of nominal GDP in 2023, according to preliminary quarterly estimates for the year published by the Federal Competitiveness and Statistics Centre.

The table below provides a statistical analysis of the UAE banking sector as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 December		
	2023	2022	2021
Total number of banks ⁽¹⁾	61	51	49
Total number of branches ⁽¹⁾	561	571	588
Total credit facilities ⁽²⁾ (AED billion).....	1,992	1,879	1,794
Total deposits ⁽³⁾ (AED billion).....	2,523	2,223	1,998
Total assets (AED billion)	4,075	3,668	3,321

Notes:

(1) Excluding wholesale foreign banks, of which there were 11 as at 31 December 2023, 2022 and 2021.

(2) Includes credit to non-residents.

(3) Comprises demand deposits, quasi-monetary deposits, Government deposits and other domestic deposits plus other foreign deposits.

Source: Central Bank

THE CENTRAL BANK

The Central Bank, established in 1980, is the governing body that regulates and supervises all banks operating in the UAE. Federal Law No. 14 of 2018 (the **2018 Law**) empowers the Central Bank to license and regulate banks and non-banking financial institutions under the law's objective of safeguarding the stability of financial system in the UAE. The other objectives set out in the 2018 Law include maintaining stability of the dirham and prudently managing the Central Bank's foreign reserves.

The 2018 Law requires the Central Bank to, among other matters:

- draw up and implement monetary policy while considering the UAE's general strategy;
- exercise the privilege of currency issuance;
- organise licensed financial activities, establish the foundations for carrying them on and determine the standards required for developing and promoting prudential practices in accordance with the provisions of 2018 Law and international standards;
- establish appropriate regulations and standards for the protection of consumers of licensed financial institutions;
- monitor the credit condition in the UAE in order to contribute to the achievement of balanced growth in the national economy;
- manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base in accordance with the 2018 Law;
- regulate, develop, oversee and maintain the soundness of the financial infrastructure systems in the UAE, including electronic payment systems, digital currency and stored value facilities; and
- regulate, develop and oversee the insurance sector and business, and propose and implement regulating legislation in this regard.

SUPERVISION OF BANKS IN THE UAE

The Central Bank's supervisory objective, consistent with the Basel Committee for Banking Supervision's core principles for effective banking supervision, is to promote the safety and soundness of licensed institutions as well as the banking and financial market. In so doing, the Central Bank aims to protect the rights of depositors, promote transparency and fair dealing by financial institutions in relation to their customers and counterparties and ensure effective market discipline.

Using a risk-based supervision approach, the Central Bank assesses the risk management policies and practices used by licensed institutions to control, reduce and mitigate risk. Risk-based supervision focuses the level of supervisory attention on those risk areas that pose the greatest risk to the banks' safety and soundness. It also supports the Central Bank in achieving its regulatory objectives, while taking into account the need to employ its resources in the most efficient and effective manner.

Through a mix of on-site and off-site supervision, the Central Bank seeks to evaluate the condition of licensed institutions, their risk profile, their risk management processes, their internal control environment and the corrective measures necessary to address any supervisory concerns. The specific mix between on-site and off-site supervision is determined by the condition of the licensed institution, the quality of the prudential data reported for off-site supervision and the significance of the institution to the financial stability of the banking and financial market. As the maturity of the management and quality in reporting of the licensed institutions increases, the Central Bank aims to place increased reliance on off-site monitoring, although the overall supervision strategy is set for each individual licensed institution based on its complexity, risk profile and potential impact on the safety and soundness of the financial system as well as any impact on the supervisory objectives.

In April 2020, the Financial Action Task Force (the **FATF**) issued its Mutual Evaluation Report (**MER**) on the UAE's AML/CFT measures. Based on an assessment conducted in 2019, the MER analyses the level of the UAE's compliance with the FATF 40 recommendations and the effectiveness of its AML/CTF system and provides recommendations on how the system could be strengthened. Based on the MER, the UAE's National Strategy has been revised in line with the risks identified in the MER and the UAE's National Risk Assessment. As at July 2023, the UAE was compliant with 15 of the 40 recommendations, largely compliant with 24 recommendations and partially compliant with one recommendation. In February 2024, the FATF announced at its plenary meeting that the UAE had successfully been removed from its "grey" list.

The UAE ranks 27 on Transparency International's Corruption Perceptions Index 2022, which ranks 178 countries in terms of their perceived level of public sector corruption.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the Central Bank to issue UAE federal government debt. However, the Central Bank under its new Dirham Monetary Frameworks (**DMF**), now issues monetary bills (**M-Bills**) to UAE banks via auction, denominated in dirham, in order to absorb excess liquidity rather than to meet a specific funding need. The M-Bills programme was launched in January 2021 to replace Central Bank certificates of deposit. A secondary market in M-Bills is currently developing, but they can be used as collateral for dirham from the Central Bank at any time.

The dirham is linked to the IMF's Special Drawing Right. However, the U.S. dollar is the intervention currency and, in practice, the dirham is pegged to the U.S. dollar. This pegged exchange rate has been in place since the 1980s and has proved to be resilient both to political tensions in the region and to fluctuations in oil prices.

The Central Bank is also responsible for regulating financial institutions in relation to money laundering controls and enforcing Central Bank Notice No. 74/2019 concerning Procedures for Anti-Money Laundering, Central Bank Notice No. 79/2019 concerning standards on Anti-Money Laundering and Federal Decree Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations. The Central Bank has established a Financial Intelligence Unit and has launched an online filing system which provides an enhanced AML reporting mechanism. In addition, the Central Bank has issued detailed regulatory instructions in respect of AML and procedures. In June 2022, the Financial Action Task

Force, a global monitor for AML and counter-terrorism financing regulation, identified the UAE as a “jurisdiction under increased monitoring”, commonly referred to as the “grey list”. In January 2023, the Central Bank released new guidance on AML and counter-terrorism financing for financial institutions, containing new obligations for banks to conduct customer due diligence through digital identification systems.

Although the Central Bank is responsible for regulating all banks, exchange houses, investment companies and other financial institutions in the UAE, the DFSA regulates all banking and financial services activities in the DIFC, while the ADGM Financial Services Regulatory Authority regulates activity in the financial services sector in the ADGM.

CENTRAL BANK’S REFORM AGENDA

The Central Bank has a reform agenda based around five pillars: (i) risk management, (ii) Basel III, (iii) controls/compliance, (iv) bank recovery and resolution and (v) market development, along with an overarching governance framework.

As part of its strategy for 2023-2026, the Central Bank launched its Financial Infrastructure Transformation Programme (**FIT programme**) to accelerate the digital transformation in the financial services sector. The FIT Programme aims to support the financial services sector, promote digital transactions, and enable the UAE to become a financial and digital payment hub and a centre of excellence for innovation and digital transformation. The FIT Programme comprises the implementation of nine key initiatives, including a series of digital payment infrastructures and services such as the launch of a card domestic scheme, an instant payments platform, and the pilot issuance of central bank digital currency for cross-border and domestic uses. These digital infrastructures will improve regulatory compliance, reduce the cost of operation, enhance innovation and customer experience, and most importantly, strengthen security and operational resilience. Each transformation project under the FIT programme has clear, well-defined goals, targets and key performance indicator benchmarks, and aims to incorporate best-in-class technical solutions, and robust business cases and design principles.

Risk management

The risk management pillar was completed in 2018, see “- *Recent trends in Banking – Risk Management*” below.

Basel III

The Basel III pillar has been completed, see “- *Recent trends in Banking - Capital*” and “- *Recent trends in Banking - Liquidity*” below.

Controls/compliance

The controls and compliance pillar has also been completed. In 2018, new regulations on internal controls, compliance and internal audit, and on financial reporting and external audit were issued. In addition, a new regulation on dormant accounts establishing a general framework for the control of dormant accounts in banks and protection of customers’ rights has been put in place. In parallel, the AML/CFT regulatory framework for financial institutions was also updated with the issuance of the new UAE AML/CFT Law and implementing regulation which were issued in 2019. Regulations for banks on major acquisitions and significant ownership transfers were issued in early 2020. In 2021, a new regulatory framework for outsourcing activities by banks was established and a new regulation was issued covering this area.

Bank resolution and recovery

The Central Bank continues to work on a proposed recovery and resolution framework for banks operating in the UAE. A recovery planning regulation was issued in 2023 following significant consultation with banks. DIB’s recovery plan was submitted to the Central Bank in late June 2024.

Market development

Within the market development pillar, the Central Bank has published regulations relating to non-bank financial institutions and digital payments and is working on further regulations relating to payments and financial technology (fintech). A regulation covering short term credit products such as ‘buy now pay later’ products was issued in May 2023. A regulation covering guidance for licensed financial institutions on risks related to virtual assets and virtual asset service providers was published on 20 February 2023. A new stored value facilities regulation was issued in November 2020. Regulations on large value and retail payments systems and retail payment activities were issued in 2021. Regulatory guidance in relation to enabling technologies in the financial sector was also issued in conjunction with the other UAE on shore and financial free zone regulatory authorities. A new crowd lending regulation was issued in November 2020. In addition, in 2021 the Central Bank issued a new SME market conduct regulation to support the financing of SMEs within a holistic SME strategy in coordination with other UAE authorities. In the interest of further developing the financial sector in the UAE, the Central Bank issued a specialised bank regulation in 2021 to accommodate the establishment of new small banks in the UAE focusing on retail community banking services.

New consumer protection regulations were published in early 2021 and a Market Conduct Supervision Department was established in 2022 to ensure industry compliance with consumer protection regulations and standards. Consultation on a new regulatory framework for Islamic finance in the UAE was completed in 2020 and new regulations giving effect to the framework were issued in 2020. A new liquidity standard for Islamic banks was completed in 2021.

A new corporate governance framework for banks operating in the UAE was put in place in 2019. The new Corporate Governance Regulation and accompanying standards were published in August 2019. The framework introduces sector-wide policies in line with international best practices, such as the inclusion of independent directors in banks’ boards and mandatory committees, the reinforcement of the fit-and-proper process for members of boards and senior management and the introduction of minimum disclosure requirements in banks’ annual governance reports. In 2022, the Central Bank issued new corporate governance and risk management and internal controls regulations for the insurance sector.

In 2020, the Central Bank developed a fintech strategy to underpin the Federal government’s drive to establish the UAE as a leading global fintech hub. The strategy aims to stimulate innovation and collaboration within a culture of robust risk management. To ensure effective fintech strategy implementation, the Central Bank has launched a dedicated fintech office and initiatives including the development of a common fintech regulatory framework, the establishment of co-sandboxing arrangements among regulatory authorities to facilitate faster technological developments and streamline regulatory approval processes, the development of an electronic know your customer protocol to enable non-face-to-face and digital on-boarding processes, the implementation of a distributed ledger technology-based trade finance platform to reduce the risk of trade fraud and the creation of a fintech talent development programme.

STRUCTURE OF THE BANKING SYSTEM

Banking institutions in the UAE fall into a number of categories. As of April 2024, there were 51 national and foreign commercial banks, including one specialised Islamic bank, one specialised conventional bank and one investment bank (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head offices or other banks and the financial markets) classified as domestic banks, also known as “national” banks.

Licensed foreign banks, of which there were 27 commercial banks and 11 wholesale banks as of April 2024, function in a similar manner to commercial banks, except that they are prohibited from accepting deposits from individuals.

In addition, there are other financial institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities but are not permitted to accept funds in the form of deposits and financial and monetary intermediaries (such as money and stock brokers), known as finance companies.

CHARACTERISTICS OF THE BANKING SYSTEM

Limited progress towards consolidation

The UAE may be, and has historically been, seen as being over-banked with 62 banks (comprising 24 locally incorporated banks and 38 foreign banks (including 11 foreign wholesale banks)) licensed to operate inside the UAE as of April 2024 (source: the Central Bank), serving a population estimated to be in the region of approximately 10.7 million people at the end of 2023 (source: Federal Competitiveness and Statistics Centre). Traditionally there has been little impetus for consolidation. However, the merger between First Gulf Bank and National Bank of Abu Dhabi on 30 March 2017, the merger between Abu Dhabi Commercial Bank PJSC and Union National Bank PJSC and the combined entity's acquisition of Al Hilal Bank PJSC in May 2019 and the acquisition of Noor Bank by DIB in January 2020, may act as a catalyst for further consolidation amongst locally incorporated banks. The federal structure of the country has, to some extent, encouraged the fragmented nature of the banking sector, with the individual Emirates wishing to retain their own national banks. Rivalries between large local business families and a desire not to dilute shareholdings have also hampered the process of consolidation in the past.

If consolidation continues it may reduce the level of concentration in the domestic banking sector and lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as information technology system development.

Domestic focus

The UAE incorporated banks are predominantly focused on the domestic market but a number have small operations overseas and are showing growing interest in cross-border business, a trend which is likely to continue in the event of further merger activity in the sector. With a large number of banks competing for a limited number of wholesale lending opportunities, most banks have turned to retail banking.

Limited foreign ownership

In 1987, the UAE federal government placed a freeze on new foreign banks opening operations in the UAE. At the same time, existing foreign banks were limited to a maximum of eight branches, which restricted their ability to develop any retail potential. As of April 2024, there were 38 foreign banks (including 11 foreign wholesale banks) licensed to operate inside the UAE.

The opening of the DIFC and the ADGM enabled international banks to establish a presence and compete in the wholesale banking market and this has seen new entities entering the marketplace.

Federal Law No. 14 of 2018 amended the minimum permissible shareholding by UAE nationals in UAE banks to 60 per cent. Further to this, in August 2021 DIB announced the increase of its foreign ownership limit from 25 per cent. to 40 per cent. after receiving approval from the Central Bank and the Securities and Commodity Authority.

Exposure to the oil sector

With much of the economy directly or indirectly dependent on the oil sector, UAE banks are potentially vulnerable to business erosion during long periods of low oil prices. In particular, oil revenues tend to drive levels of liquidity and government infrastructure investment.

Islamic banking

Sharia law forbids the charging of interest on any financial transaction. A number of banks, including DIB, have developed in the Islamic world to serve customers who wish to observe this principle. These institutions offer a range of products which, whilst broadly corresponding with conventional banking transactions, are structured in a way which avoids the application of interest.

The UAE is home to numerous institutions offering Islamic banking and financial products. Such institutions include DIB, Abu Dhabi Islamic Bank, Emirates Islamic Bank, Al Hilal Bank, Sharjah Islamic Bank, Ajman Bank, Dubai Islamic Insurance & Reinsurance Company (AMAN), Islamic Arab Insurance Co., Tamweel and Amlak Finance. In addition, the majority of local and international conventional financial institutions that operate in the UAE also offer Sharia-compliant products. The number of Islamic finance institutions continues to rise, with both new entrants to the market and existing conventional banks recasting themselves as Islamic banks.

Legal environment

There are three primary sources of law in the UAE: federal laws and decrees, local laws and Sharia law. In addition, Emiri decrees can be issued by the Rulers of each of the Emirates which, when issued, have full legal effect and operation in such Emirate. The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler of a given Emirate or local government will apply their or its own rules, regulations and practices.

Lack of developed capital markets

The absence of mature bond or equity markets in the UAE means that banks have often shouldered the burden of long-term financing. This has tended to create a maturity mismatch in their balance sheets, as most of their liabilities are short-term customer deposits. Although the two stock markets, the DFM and the Abu Dhabi Securities Exchange (both of which were established in 2000), have grown rapidly over recent years and have benefitted from the inclusion of the UAE in the MSCI Emerging Markets Index in 2014, they continue to experience bouts of volatility.

Nasdaq Dubai is a securities exchange located in the DIFC which commenced operations on 26 September 2005. In May 2011, the DFM acquired two thirds of the shares in Nasdaq Dubai, in accordance with plans announced in December 2009 to consolidate markets. The two markets linked their platforms in July 2010, through the outsourcing by Nasdaq Dubai of its trading, clearing, settlement and custody functions for equities to DFM's systems. Responsibility for maintaining Nasdaq Dubai's Official List was transferred to the DFSA with effect from 1 October 2011.

Government involvement

Most of the larger banks in the UAE have some degree of government ownership. Privatisation, though advocated in principle, has been slow to happen in practice. The state and its related entities are also the banking sector's largest customer, in terms of both deposits and project financing.

Expatriate workforce

The UAE economy is reliant on overseas labour. The banking sector is no exception to this and expatriates are employed in the senior management of most of the major banks. This has brought expertise from more developed markets to the sector. However, to ensure increased representation of Emiratis in the UAE financial sector (overall as well as in critical roles) and to support their professional development, the Central Bank has introduced a point-based scoring system as part of its Emiratisation policy, which takes into account the employment and progression of Emirati employees in the organisation. The minimum threshold for Emirati employees for each institution is dependent on a number of factors. The Emiratisation Circular does not set any upper limit at which the policy would no longer be applicable. If UAE banks are not able to achieve their targets for recruiting and progressing UAE nationals through their organisation, they will be subject to penalties which are computed in accordance with a specific formula set out in the Emiratisation Circular.

Accounting standards

All UAE banks are required to prepare their financial statements in accordance with IFRS.

Shari'a compliance

Islamic banking regulations requires financial institutions licensed by the Central Bank to operate their business activities in compliance with the rules, standards and general principles established by the Higher Shari'a Authority and, in certain circumstances, requires such financial institutions to obtain the consent of the Higher Shari'a Authority before undertaking certain licensed financial activities.

RECENT TRENDS IN BANKING

Liquidity

The Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have adequate systems and controls to manage their liquidity positions, as well as contingency plans to cope with periods of liquidity stress. Banks must also adhere to a maximum loan to deposit ratio of 100 per cent. set by the Central Bank. In this context, loans comprise loans and advances to customers and interbank assets maturing after three months.

UAE banks are mostly funded principally through on demand or time/savings deposits made by private individuals or private companies in dirham. Together, these deposits constituted 59.0 per cent. of total domestic deposits with the banks in the UAE banking sector at 31 March 2024. Government deposits contributed 17.2 per cent. of the total domestic deposits with banks in the UAE banking sector at 31 March 2024.

There is currently no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number of banks were restructured by the authorities and, in May 2011, Dubai Bank was taken over by the Government of Dubai. In response to the global financial crisis, both the Central Bank and the UAE federal government provided assistance to UAE banks and further assistance was provided in response to the COVID-19 pandemic, see “- COVID-19” below.

In line with Basel III requirements, the Central Bank issued UAE Central Bank Notice No. 33/2015 on liquidity requirements (the **Liquidity Notice**) which entered into force in the UAE on 1 July 2015 and which includes a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements set out in the Liquidity Notice elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk framework. The new regulations are intended to ensure that liquidity risks are well managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices.

In addition, on 31 January 2022, the Central Bank issued the Standard Re Liquidity at Islamic Banks (the **Islamic Liquidity Standard**) under Notice No. 11/2022 which forms part of the Liquidity Notice, and applies to licensed banks that conduct all or part of their activities in accordance with the provisions of Islamic Sharia. The Islamic Liquidity Standard aims to ensure that Islamic Banks have a robust liquidity risk management and governance framework in place, while ensuring compliance with the provisions of Sharia, and that they are holding sufficient Sharia-compliant liquid assets to withstand a liquidity stress for a reasonable period of time.

Among other things, the Liquidity Notice requires each UAE bank to have a robust liquidity risk framework which comprises the following elements:

- sound processes and systems to identify, measure, monitor and control liquidity risk in a timely and accurate manner;
- a robust liquidity risk management framework (which must be shared with the Central Bank upon request) with limits, warning indicators, communication and escalation procedures;
- regular internal stress testing of the portfolio for a variety of scenarios (both institution-specific and market-wide); results being communicated to the board of directors and the Central Bank on request;

- incorporation of liquidity costs, benefits and risks into product pricing and approval processes;
- establishment of a forward-looking funding strategy with effective diversification of funding sources and tenors;
- setting of formal contingency funding plans which clearly set out strategies for addressing liquidity shortfalls in emergency situations (and which must be shared with the Central Bank upon request);
- establishment of an adequate cushion of unencumbered, highly liquid assets as insurance against a range of liquidity stress scenarios; and
- a transfer pricing framework (which is commensurate with the bank's liquidity risk tolerance and complexity) developed to reflect the actual cost of funding.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of liquid assets which allow it to sustain a short-term liquidity stress (in circumstances both specific to that bank and market-wide). These include the following:

	<u>Ratio</u>	<u>Applicability Period</u>
Basel III ratios:	Liquidity Coverage Ratio (LCR) $\geq$ 100%	1 January 2019 onwards
	Net Stable Funding Ratio (NSFR) $\geq$ 100%	1 January 2018 onwards

The LCR represents a 30-day stress scenario with combined assumptions covering both bank specific and market wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30-day stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with high quality liquid assets (**HQLAs**) at the minimum LCR determined by the Central Bank. The Basel III accord requires that this minimum is 100 per cent., however, under the temporary relief measures provided by the Central Bank under the TESS, the regulatory LCR limit was decreased from 100 per cent. to 70 per cent. until 30 June 2022. The Liquidity Notice describes in detail eligible HQLAs for this purpose.

The NSFR is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It also requires an amount of stable funding to cover a portion of the relevant UAE bank's contingent liabilities. It mirrors the Basel III NSFR standards. The NSFR identifies the key uses of funds and the different types of funding sources used by the UAE banks. It assigns available stable funding (**ASF**) factors to the sources of funds and required stable funding (**RSF**) (usage) factors to asset classes and off-balance sheet contingent exposures. The assigned ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned RSF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III standards. The NSFR minimum is 100 per cent.

Marginal lending facility (MLF) and Collateralized Murabaha Facility (CMF)

On 15 April 2014, the Central Bank introduced the interim MLF which allows non-Islamic UAE banks to use foreign exchange or certain rated securities to access Central Bank liquidity overnight in order to help their liquidity management during times of market stress.

On 1 April 2015, the Central Bank introduced the CMF which allows Islamic banks in the UAE, in accordance with Sharia rules, to use foreign exchange or certain rated securities to access Central Bank liquidity overnight to help their liquidity management during times of market stress.

Effective from 1 March 2022, the Central Bank, as part of the implementation plan of its new DMF, introduced new general terms and conditions for its standing credit and liquidity insurance facilities, where Eligible Counterparties (as defined under the DMF Standing Credit & Liquidity Insurance Facilities Terms & Conditions) can access Central Bank reserves on an overnight or term basis by posting eligible collateral. The objective of these general terms and conditions is to define the discretionary powers related to activation of these facilities, and the guidelines for collateral management.

Eligible Counterparties may, at their own discretion, access any of the standing credit facilities (MLF or CMF) to draw on the Central Bank reserves on an overnight basis through collateralised funding or murabaha transactions, in order to deal with temporary idiosyncratic liquidity imbalances. In addition, the Central Bank may, on a contingent basis and at its own discretion, activate the Contingent Liquidity Insurance Facility in response to any actual or prospective stress of an exceptional nature, which could be market-wide or idiosyncratic, where Eligible Counterparties are in need of ample reserves from the Central Bank for extended terms. The Central Bank accepts a range of tradeable securities and foreign exchange as eligible collateral for the purposes of accessing the MLF or CMF, including securities issued by sovereigns (originating in the UAE and outside the UAE) and securities issued by corporates and financials or supranational, municipal, or public sector issuers. In order to be eligible, collateral must meet minimum credit rating requirements specified in the terms and conditions of the MLF and CMF. Banks accessing the MLF or CMF must borrow a minimum of AED 10 million.

Prudential Regulations

The Central Bank has supervisory responsibility for banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from banks. The frequency of inspection depends on the perceived risk of the relevant bank, but inspections are carried out in all banks at least once every 18 months. Prudential returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they contain. An improved risk management framework has been implemented, aimed at providing the Central Bank with more up to date information on credit, market and operational risks within the banking sector.

Capital adequacy

The Central Bank requires that the capital adequacy of all banks operating in the UAE is in line with the rules outlined by the Basel Committee on Banking Supervision in Basel III, a global regulatory framework for more resilient banks and banking systems. The Basel III capital framework imposes a minimum Common Equity Tier 1 (**CET 1**) capital requirement of 7 per cent., a Tier 1 capital requirement of 8.5 per cent. and a total capital requirement of 10.5 per cent. Basel III also imposes three capital buffer requirements on top of the minimum capital requirements, that must be fulfilled with CET1 capital. These requirements are the capital conservation buffer at 2.5 per cent. of risk-weighted assets, surcharges for domestic systemically important banks and a countercyclical buffer. The calculation of capital adequacy ratios in the UAE follows the Bank for International Settlements minimum standards. In particular, claims on or guaranteed by GCC central governments and central banks are risk weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 100 per cent.

As noted under “- COVID-19”, as part of the TESS, banks were able to utilise 100 per cent. of their D-SIBB and 60 per cent. of their capital conservation buffer without supervisory consequences until 30 June 2022. Furthermore, the planned implementation of certain Basel III capital requirements was phased-in gradually in stages until 30 June 2022.

Reserve requirements

Reserve requirements are used by the Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements set a mandatory cash reserve of 1 per cent. for term deposits and 14 per cent. for all other customer balances.

Credit controls

Banks in the UAE are required by the Central Bank to establish credit policies and procedures commensurate with their size and activities. They must also have a proper credit assessment and approval process and adequate controls in place to monitor credit concentrations to, among others, individual borrowers, economic sectors and foreign countries.

The Central Bank circular dated 23 February 2011 (the **Retail Circular**) on retail banking and Notice No. 31/2013 dated 28 October 2013 (which was published in the Official Gazette on 28 November 2013 and entered into force on 28 December 2013) (the **Mortgage Regulations**), introduced regulations regarding bank loans and other services offered to individual customers. These regulations, among other things, impose maximum loan/income and loan to value ratios for retail products. For example, the regulations require that the amount of any personal consumer loan shall not exceed 20 times the salary or total income of the borrower with the repayment period not exceeding 48 months. Additionally, the Mortgage Regulations specify that the amount of mortgage loans for non-UAE nationals should not exceed 80 per cent. of the property value for a first purchase of a home (with a value of less than or equal to AED 5 million), 70 per cent. of the property value for a first purchase of a home (with a value greater than AED 5 million) and 60 per cent. of the property value (irrespective of the value of the property) for second and subsequent homes. For UAE nationals, the corresponding limits are set at 85 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5 million, 75 per cent. for a first home with a value greater than AED 5 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property).

Additionally, under recent changes to Federal Decree by Law No. (50) of 2022 Promulgating the Commercial Transactions Law (the **CTL**), banks are required to obtain “adequate securities or collaterals” against loans granted by them. The amendments to the CTL have not defined what “adequate” means in a commercial context and nor have the amendments to the CTL specified the consequences for failing to comply.

Large exposures

The Central Bank has adopted certain rules designed to ensure that banks’ credit policies are sound and that undue risks do not arise from excessive concentration of credit to a single borrower or a group of related borrowers, thereby safeguarding the relevant bank’s solvency.

The Central Bank’s Large Exposures Notice sets percentage limits for banks’ maximum exposures relative to the size of their capital base to specified entities or groups. These specified entities or groups include the UAE federal and local governments and their commercial and non-commercial entities, single borrowers or groups of related borrowers and inter-bank exposures. Large exposures include funded and unfunded exposures and unused commitment lines (based on cash conversion factors) to a single borrower or group (including government-related entities) which exceed prescribed limits. A bank’s aggregate exposure to UAE local governments and their non-commercial entities is not allowed to exceed 150 per cent. of its Tier 1 capital base. Claims on the Central Bank, the IMF and other similar entities, highly rated marketable bonds and sukuk issued by an emirate and deposits under lien may be excluded from large exposure calculations. Large exposures are monitored by the UAE Central Bank through quarterly returns.

Provisions for loan losses

In order to ensure that banks correctly classify their loans and thus accurately report their profit or loss, the Central Bank issued Circular No 28/2010 in November 2010 (the **Loan Classification Circular**). Under the Loan Classification Circular, banks are required to classify their loans and advances into five main categories: normal loans, watch-list loans, sub-standard loans, doubtful loans and loss loans. Subject to the detailed guidelines in the Loan Classification Circular, the first two categories represent performing loans and generally no specific provisions are required in respect of them. Banks are required to make a specific provision of 25 per cent. of the balance outstanding for sub-standard loans, 50 per cent. for doubtful loans and 100 per cent. for loss loans. In order to strengthen the capital position of banks, they are additionally required to make a general provision of 1.5 per cent. of their total credit risk-weighted assets.

The Central Bank enhanced its reporting of non-performing loans for the UAE banking system in the first quarter of 2019, to align its methodology with international best practices. New credit risk management standards are being prepared and are expected to be issued by the end of 2024. These standards are expected to impose more stringent and rigorous requirements relating to the identification of default, non-performing loans and provisioning.

Banks in the UAE are also required to follow IFRS 9, which introduced an ECL 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. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. IFRS 9 provision uses a three-stage approach in recognising increased credit risk at each stage of risk (i.e., stage 1 for current facilities, stage 2 for significant increase in credit risk and stage 3 for impaired loans).

For each reporting period, provisions determined under IFRS 9 are required to be compared with those determined under the Loan Classification Circular. If provisions under IFRS 9 are lower, a regulatory credit risk reserve is required to be created for the amount by which the provisions determined in accordance with the Loan Classification Circular exceed the IFRS provisions, for both specific and general provisions as applicable.

The Central Bank is currently allowing banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter allows any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This allows IFRS 9 provisions to be gradually phased-in over a five-year period until 31 December 2024.

Risk management

In June 2018, the Central Bank published its “Risk Management Regulation” and “Risk Management Standards” for UAE banks. The purpose of these regulations and standards is to establish a prudential framework for risk management in banks and to strengthen risk management across the banking sector. The areas covered by these standards are (a) risk management function, (b) risk measurement and use of models, (c) stress testing, (d) information systems, (e) strategic and operational decisions, (f) group risk management, (g) disclosures, and (h) Islamic banking. For details of DIB's implementation of these regulations and standards, see “*Risk Management – Change in Risk Management Regulation*”.

Corporate governance

Banks in the UAE are subject to the Corporate Governance Regulations and the Corporate Governance Standards which were issued by the Central Bank in 2019 to a view to ensuring banks have a comprehensive approach to corporate governance. In addition, all Islamic financial institutions in the UAE are required to adhere to the Standard Re Shari'ah Governance for Islamic Financial Institutions promulgated by the HSA.

Commercial transactions

On 10 October 2022, the UAE Cabinet approved Federal Decree by Law No. 50 of 2022 (the **Commercial Transactions Law**) which came into effect on 2 January 2023. The Commercial Transactions Law covers a broad range of commercial and banking transactions and contains provisions which relate to, amongst others, commercial obligations, commercial pledges, commercial agency, commercial papers and bankruptcy and liquidation. In particular, it includes various provisions which specifically address and impact the Islamic finance industry such as a consideration of the common structures utilised in Islamic finance, including Murabaha, Istisna, Ijarah and Salam.

UAE Model Standards and Guidelines

On 23 December 2022, the Central Bank published the Model Standards and Guidelines which contain mandatory modelling practices to be implemented by banks operating in the UAE. The Model Standards and Guidelines aim to improve the quality of models used, increase model homogeneity across the UAE and

mitigate model risk. All UAE banks were required to submit a gap assessment of their current model management practices against the standard and the guidance in the Model Standards and Guidelines, together with a remediation plan, to the Central Bank by 21 June 2023. DIB complied with this requirement and a path has been defined with target dates to cure all the identified gaps.

ESTABLISHING A CREDIT BUREAU IN THE UAE

Al Etihad Credit Bureau (**AECB**) is a federal government organisation specialised in providing UAE-based credit reports and other financial information. AECB commenced operations in 2014 upon receiving formal approval from the UAE Cabinet of its regulations and its charges for producing credit reports. AECB has approached all UAE-based banks to sign data sharing agreements to enable the provision of customer credit information, with the majority having entered into such agreements (as DIB has done) and/or made successful initial data submissions to AECB by the time AECB commenced operations. The implementation of regulations for the sharing of credit report data and the commercial operation of the UAE's first credit bureau is expected to reduce the risk involved in the origination of customer lending and banking business generally.

COVID-19

Both the Federal government and the Central Bank announced COVID-19-related stimulus measures. The Federal government package totalled AED 26.5 billion and envisaged the acceleration of infrastructure projects, the reduction of government fees (notably a six-month suspension of work permit fees and the reduction of the fees at the Ministry of the Economy), in particular to support SMEs and a 50 per cent. rebate of the bank guarantee that firms provide for each expatriate employee.

On 14 March 2020, the Central Bank announced its TESS, at the time an AED 100 billion stimulus package to address the effects of the COVID-19 pandemic on the economy. The scheme was expanded to AED 256 billion on 4 April 2020, in response to the potential widening repercussions of the pandemic on the domestic economy.

The TESS consisted of the following measures:

- AED 50 billion of funds made available through collateralised loans at zero cost to all banks and finance companies operating in the UAE;
- AED 50 billion of funds freed up from banks' capital buffers;
- a reduction of the required reserve ratio on demand deposits by half, to 7 per cent., freeing up about AED 61 billion of liquidity for banks; and
- AED 95 billion equivalent in relief through reduced liquidity requirements for banks.

Additional TESS measures were introduced on 8 August 2020, in relation to stable funding relief, which further enhanced banks' lending capacity to support the UAE economy.

The TESS deferral programme provided eligible retail and private corporate bank clients with temporary relief from the payments of principal and/or interest during the period when their cash-flows were disrupted. In particular, the enhanced TESS supported micro, small and medium enterprises (**MSMEs**) by encouraging banks to provide small businesses with payment deferrals and access to new credit lines.

The first phase of the Central Bank's TESS exit strategy focused on the gradual unwinding of the TESS loan deferral programme which was phased down to 50 per cent. by 30 September 2021 and phased out fully by 31 December 2021. The phasing out of the deferral programme was aligned with the objectives of a timely exit from measures whose prolonged utilisation may increase vulnerabilities.

In ensuring continued support for the recovery, the precautionary TESS recovery programme remained in place until 30 June 2022. To provide banks with additional flexibility to support the UAE economy, TESS prudential relief measures on capital requirements, liquidity requirements and stable funding requirements also remained in place until 30 June 2022.

Furthermore, support measures that temporarily remain in place after 30 June 2022 include a decreased down-payment requirement for new mortgage loans and the prudential filter.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection and/or collection by Certificateholders at the specified office of the Principal Paying Agent (as defined in the Conditions).

DECLARATION OF TRUST

The Declaration of Trust will be entered into on 16 October 2024 between DIB, the Trustee and the Delegate and will be governed by English law.

Pursuant to the Declaration of Trust, the Trustee will declare a trust for the benefit of the Certificateholders over the Trust Assets.

The Trust Assets will comprise (i) the cash proceeds of the issuance of the Certificates pending application thereof in accordance with the terms of the Transaction Documents; (ii) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Mudaraba Assets; (iii) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given by DIB (acting in any capacity) pursuant to any of the Transaction Documents and the covenant given to the Trustee pursuant to clause 12.1 of the Declaration of Trust); and (iv) all amounts standing to the credit of the Transaction Account from time to time, and all proceeds of the foregoing.

The Declaration of Trust shall provide that the rights of recourse in respect of Certificates shall be limited to the amounts from time to time available therefor from the Trust Assets, subject to the priority of payments set out in Condition 5.3. After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with the Declaration of Trust, the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) or any other person to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished.

Pursuant to the Declaration of Trust, the Trustee will, *inter alia*:

- (a) hold the Trust Assets on trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the provisions of the Declaration of Trust and the Conditions; and
- (b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust and the Conditions.

In the Declaration of Trust, the Trustee shall irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed, to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), rights, authorities (including but not limited to the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the relevant provisions of the Declaration of Trust that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or a Potential Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, exercise all of the rights of the Trustee under the Mudaraba Agreement and any of the other Transaction Documents and make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the provisions of the Declaration of Trust and the Conditions. The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and, subject to certain provisions of the Declaration of Trust, shall not affect the Trustee's continuing role and obligations as trustee.

Pursuant to the Declaration of Trust:

- (a) if a DIB Event occurs and a Dissolution Notice is delivered by the Delegate to the Trustee, the Delegate may at its discretion, or shall, if so requested in writing by Certificateholders holding at least 20 per cent. of the aggregate face amount of the Certificates then outstanding, in each case subject to Condition 12.3(e)(i) take one or more of the following steps: (i) institute any steps, actions or proceedings for the winding-up of DIB and/or (ii) prove in the winding-up of DIB and/or (iii) institute steps, actions or proceedings for the bankruptcy of DIB; and/or (iv) claim in the liquidation of DIB and/or (v) take such other steps, actions or proceedings which, under the laws of the UAE, have an analogous effect to the actions referred to (i) to (iv) above, in each case for (subject to the provisos contained in Condition 12.3(a), all amounts of Mudaraba Capital, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit and/or other amounts due to the Trustee on termination of the Mudaraba Agreement in accordance with its terms and the terms of the other Transaction Documents); and
- (b) without prejudice to Conditions 12.1, 12.3 and the provisions of clause 17 of the Declaration of Trust, the Trustee (or the Delegate) may at its discretion or the Delegate shall if so requested in writing by Certificateholders holding at least 20 per cent. of the aggregate face amount of the Certificates then outstanding and without further notice (subject in each case to Condition 12.3(e)(i)) institute such steps, actions or proceedings against DIB, and the Delegate may at its discretion and without further notice institute such steps, actions or proceedings against the Trustee, as it may think fit to enforce any term or condition binding on DIB or the Trustee (as the case may be) under the Transaction Documents (other than any payment obligation of DIB under or arising from the Transaction Documents, including, without limitation, payment of any principal or satisfaction of any payments in respect of the Transaction Documents, including any damages awarded for breach of any obligations) including, without limitation, any failure by DIB to procure the substitution of the Trustee in the circumstances described in Condition 12.2, and in no event shall DIB, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it in accordance with the Transaction Documents.

A Transaction Account will be established in London in the name of the Trustee. Monies received in the Transaction Account will, *inter alia*, comprise payments of amounts due to the Trustee under the Mudaraba Agreement immediately prior to each Periodic Distribution Date (see "Summary of the Principal Transaction Documents – Mudaraba Agreement" below). The Declaration of Trust shall provide that all monies credited to the Transaction Account from time to time will be applied in the order of priority set out in Condition 5.3.

MUDARABA AGREEMENT

The Mudaraba Agreement will be entered into on 16 October 2024 between the Trustee (as Rab-al-Maal) and DIB (as Mudareb) and will be governed by English law.

The Mudaraba will commence on the date of payment of the Mudaraba Capital to the Mudareb and will end (i) on the date on which all, but not some only, of the Certificates are redeemed in accordance with the Conditions following the final constructive liquidation of the Mudaraba in accordance with the terms of the Mudaraba Agreement (the **Mudaraba End Date**) or (ii) (if earlier) (A) in the case of a Write-down resulting in the reduction of the Prevailing Face Amount of each Certificate then outstanding to nil, on the Non-Viability Event Write-down Date or (B) on the date on which any Relevant Obligation is due and on such payment date any of the Solvency Conditions are not satisfied or a bankruptcy order in respect of the Mudareb has been issued by a court in the UAE.

Pursuant to the Mudaraba Agreement the proceeds of the issue of the Certificates will be contributed by the Trustee to the Mudareb and shall form the Mudaraba Capital. The Mudaraba Capital shall be invested by the Mudareb on an unrestricted co-mingling basis in its general business activities carried out through the general mudaraba pool of DIB comprising: (i) DIB's shareholders' equity; (ii) proceeds of all current savings and investment deposit accounts with DIB; (iii) any other source of funds (howsoever generated or structured)

included in the General Mudaraba Pool by DIB from time to time; and (iv) following contribution of the Mudaraba Capital on the commencement date of the Mudaraba, the Mudaraba Capital (the **General Mudaraba Pool**) in accordance with the investment plan prepared by the Mudareb and scheduled to the Mudaraba Agreement (the **Investment Plan**). The Mudareb will acknowledge and agree in the Mudaraba Agreement that the Investment Plan was prepared by it with due skill, care and attention, and acknowledge that the Trustee has entered into the Mudaraba and the Mudaraba Agreement in reliance on the Investment Plan.

The Mudareb is expressly authorised to co-mingle the Mudaraba Assets with any of the other assets of the General Mudaraba Pool from time to time during the Mudaraba Term, provided that prior to the calculation of any Mudaraba Profit or Final Mudaraba Profit the Mudareb shall deduct a proportion of any profit earned from the co-mingled assets (excluding the Mudaraba Assets).

The Mudaraba Agreement provides that the profit (if any) generated by the Mudaraba will be distributed by the Mudareb on each Mudaraba Profit Distribution Date on the basis of a constructive liquidation of the Mudaraba by the Mudareb in accordance with the following profit sharing ratio:

- (a) the Trustee (as Rab-al-Maal) 90 per cent; and
- (b) the Mudareb 10 per cent.

If the Mudareb elects to make a payment of Mudaraba Profit or Final Mudaraba Profit is otherwise payable pursuant to the Mudaraba Agreement, and the Trustee's share of the Mudaraba Profit (the **Rab-al-Maal Mudaraba Profit**) or the Trustee's share of the Final Mudaraba Profit (the **Rab-al-Maal Final Mudaraba Profit**) (as applicable) payable to the Trustee is (i) greater than the then applicable Periodic Distribution Amount, the amount of any excess shall be credited to a reserve account (the **Mudaraba Reserve**) for and on behalf of the Rab-al-Maal and the Rab-al-Maal Mudaraba Profit or the Rab-al-Maal Final Mudaraba Profit (as applicable) payable to the Trustee shall be reduced accordingly; or (ii) less than the then applicable Periodic Distribution Amount, the Mudareb shall first utilise any amounts standing to the credit of the Mudaraba Reserve (after re-crediting amounts to the Mudaraba Reserve pursuant to the Mudaraba Agreement) and, if a shortfall still exists, it may (at its sole discretion) elect (but shall not be obliged) to make one or more payments from its own cash resources in order to cover such shortfall. If the Mudareb elects to make payments from its own cash resources in order to cover such shortfall, it shall be entitled to recover such amounts at a later date from (i) the monies (if any) standing to the credit of the Mudaraba Reserve and (ii) if, following such recovery, any amount remains outstanding for recovery (the **outstanding recovery amount**), the proceeds of the liquidation of the Mudaraba on the Mudaraba End Date.

The Mudareb shall be entitled (at its sole discretion) to deduct amounts standing to the credit of the Mudaraba Reserve at any time prior to the Mudaraba End Date and to use such amounts for its own purposes provided that such amounts shall be re-credited by it to the Mudaraba Reserve if so required to fund a shortfall pursuant to the circumstance referred to above.

The Mudaraba Agreement does not require the Mudareb to make payments to the Trustee of amounts equal to, or sufficient to enable the Trustee to pay, any amounts due under the Certificates irrespective of the amount of Mudaraba Profit generated by the Mudaraba Assets at the relevant time or (as the case may be) irrespective of the amount of Dissolution Mudaraba Capital generated by any liquidation of the Mudaraba, and the Trustee acknowledges in the Mudaraba Agreement that there is no guarantee of any return from the Mudaraba Assets.

If the Mudareb makes a Non-Payment Election or a Non-Payment Event occurs, then the Mudareb shall give notice to the Trustee, the Principal Paying Agent, the Delegate and the Certificateholders, in each case providing details of such Non-Payment Election or Non-Payment Event in accordance with the notice periods set out in the Mudaraba Agreement. In the absence of notice of such Non-Payment Election or a Non-Payment Event, as the case may be, having been given in accordance with the Mudaraba Agreement, the fact of non-payment of the relevant Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit on the relevant

Mudaraba Profit Distribution Date or Mudaraba End Date, respectively, shall be evidence of the occurrence of a Non-Payment Election or Non-Payment Event, as the case may be. The Trustee shall have no claim in respect of any Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit due but not paid as a result of either (in the case of Rab-al-Maal Mudaraba Profit only) a Non-Payment Election or (in the case of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit) a Non-Payment Event (in each case irrespective of whether notice of such Non-Payment Election or Non-Payment Event, as the case may be, has been given) and such non-payment in such circumstance will not constitute a Dissolution Event. Any such Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit which is not paid to the Trustee in such circumstances shall be credited by the Mudareb to the Mudaraba Reserve, and the Mudareb shall be entitled to (at its sole discretion) to deduct amounts standing to the credit of the Mudaraba Reserve at any time prior to the Mudaraba End Date and to use such amounts for its own purposes provided that such amounts shall be re-credited by it to the Mudaraba Reserve if so required to fund a shortfall pursuant to the circumstance referred to above.

If any amount of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit is not paid as a consequence of a Non-Payment Election or Non-Payment Event (the **Dividend Stopper Date**), the Mudareb shall be prohibited from declaring or paying certain distributions or dividends, declaring or paying profit or other distributions on certain of its securities, or redeeming, purchasing, cancelling, reducing or otherwise acquiring certain of its share capital and securities, in each case unless or until the next following payment of Rab-al-Maal Mudaraba Profit or, as the case may be, Rab-al-Maal Final Mudaraba Profit following a Dividend Stopper Date, is made in full to the Trustee following such Non-Payment Election or Non-Payment Event (or an amount equal to that amount has been duly set aside or provided for in full for the benefit of the Trustee).

Subject to certain conditions as set out in the Mudaraba Agreement, the Mudareb may (in its sole discretion) liquidate the Mudaraba in whole, but not in part, on the basis of a final constructive liquidation of the Mudaraba for the purposes of (i) firstly, returning capital (the **Dissolution Mudaraba Capital**) to the Trustee; and (ii) secondly, paying the Rab-al-Maal Final Mudaraba Profit to the Trustee (the aggregate of (i) and (ii) being the **Liquidation Proceeds**) on the Mudaraba End Date, in the following circumstances:

- (a) on any Call Date by giving not less than 15 nor more than 20 days' prior notice to the Trustee and the Delegate; or
- (b) on any date, on or after the Issue Date (whether or not a Periodic Distribution Date), by giving not less than 15 nor more than 20 days' prior notice to the Trustee and the Delegate:
 - (i) upon the occurrence of a Tax Event; or
 - (ii) upon the occurrence of a Capital Event.

If the Mudareb exercises its option to liquidate in accordance with paragraph (a) or (b) above and the Liquidation Proceeds are less than the aggregate of (i) the Mudaraba Capital, (ii) subject to a Non-Payment Event not having occurred and be continuing and provided that a Non-Payment Event will not occur as a result of such payment, the Rab-al-Maal Final Mudaraba Profit (being an amount equal to the Periodic Distribution Amount payable on the redemption of the Certificates in full), and (iii) any outstanding recovery amount pursuant to the paragraph above, the Mudareb shall either continue investing the Dissolution Mudaraba Capital in the Mudaraba, and accordingly no distribution of the Liquidation Proceeds shall occur, or shall, without duplication with any Rab-al-Maal Final Mudaraba Profit payable pursuant to the Mudaraba Agreement, indemnify the Trustee in respect of such shortfall and transfer the Liquidation Proceeds into the Transaction Account in which case there shall be a final constructive liquidation of the Mudaraba.

Under the terms of the Mudaraba Agreement, the Mudaraba will be liquidated in whole but not in part if at any time an order is made, or an effective resolution is passed, for the winding-up, bankruptcy, dissolution or liquidation (or other analogous event) of the Mudareb and/or if a DIB Event occurs and a Dissolution Notice is delivered pursuant to Condition 12.1. The Mudareb acknowledges under the Mudaraba Agreement that the Trustee shall in such case be entitled to claim for all amounts due in accordance with the terms of the Mudaraba

Agreement in such winding-up, bankruptcy, dissolution or liquidation (or analogous event) subject to certain conditions being satisfied.

The Mudaraba Agreement also provides that if a Non-Viability Event occurs at any time on or after the Effective Date, a Write-down will take place. In the case of a Write-down resulting in:

- (a) the partial reduction of the Prevailing Face Amount (corresponding to the *pro rata* share of the Mudaraba Capital) of each Certificate then outstanding, the Mudaraba Capital shall be reduced by the relevant Write-down Amount with effect from the Non-Viability Event Write-down Date; and
- (b) the reduction of the Prevailing Face Amount (corresponding to the *pro rata* share of the Mudaraba Capital) of each Certificate then outstanding to nil, the Mudaraba Agreement will be automatically terminated with effect from the Non-Viability Event Write-down Date and the Trustee shall not be entitled to any claim for any amounts in connection with the Mudaraba Assets.

The Mudareb and the Trustee undertake in the Mudaraba Agreement, in circumstances where the Certificates are required by DIB to be varied upon the occurrence of a Tax Event or a Capital Event pursuant to the Conditions, to take such steps and make such variations to the Mudaraba Agreement as are necessary to ensure that the Certificates become or, as appropriate, remain Qualifying Tier 1 Instruments.

The Mudareb shall not be responsible for any losses to the Mudaraba Capital suffered by the Trustee unless such losses are caused by (i) the Mudareb's breach of the Mudaraba Agreement or (ii) the Mudareb's gross negligence, wilful misconduct or fraud.

The Mudareb shall exercise its rights, powers and discretions under the Mudaraba Agreement and take such action as it deems appropriate in accordance with material applicable laws, with the degree of skill and care that it would exercise in respect of its own assets, in accordance with the Sharia'ah Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), from time to time, as interpreted by the Internal Sharia Supervision Committee of DIB and, to the extent applicable, the resolutions of the Higher Sharia Authority of the Central Bank and in a manner that is not repugnant to Shari'a.

Under the Mudaraba Agreement, the Trustee and the Mudareb agree that, on the Mudaraba End Date, the Mudareb will calculate and distribute the Final Mudaraba Profit (if any) in accordance with the Mudaraba Agreement and in doing so: (i) the Rab-al-Maal Final Mudaraba Profit payable to the Trustee will (if generated) be an amount equal to the final Periodic Distribution Amount, provided however that payment of the same shall be prohibited in circumstances where a Non-Payment Event has occurred or where a Non-Payment Event will occur as a result of such payment; and (ii) subject to the Mudaraba Agreement, the balance of amounts standing to the credit of the Mudaraba Reserve, after paying all amounts due to the Trustee pursuant to the Mudaraba Agreement, shall be paid to the Mudareb as an incentive for its performance under the Mudaraba Agreement.

Other than its share of profit from the Mudaraba and any incentive payable in accordance with the Mudaraba Agreement, the Mudareb shall not be entitled to receive any remuneration from the Mudaraba.

The Mudareb will agree in the Mudaraba Agreement that all payments by it under the Mudaraba Agreement will be made free and clear of and without any withholding or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, imposed or levied by or on behalf of any Relevant Jurisdiction unless required by law. In the event there is any such withholding or deduction in relation to any Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as the case may be, the Mudareb shall pay Additional Amounts as shall result in the receipt by the Trustee of such net amounts of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as the case may be, as would have been receivable by it if no such withholding or deduction had been required. To the extent that any such Additional Amounts are paid by the Mudareb, the Mudareb shall be entitled to recover amounts equal to such Additional Amounts from the amounts (if any) standing to the credit of the Mudaraba Reserve and if,

following such recovery a shortfall remains between the amounts standing to the credit of the Mudaraba Reserve and such Additional Amounts paid by the Mudareb (such shortfall, the **Additional Amounts Shortfall**), the Mudareb shall be entitled to recover amounts equal to such Additional Amounts Shortfall from any Liquidation Proceeds (after taking into account amounts equal to the then applicable Dissolution Distribution Amount payable to the Trustee on the Mudaraba End Date pursuant to the Mudaraba Agreement). Any taxes incurred in connection with the operation of the Mudaraba (including in connection with any transfer, sale or disposal of any Mudaraba Asset during the Mudaraba Term) will be borne by the Mudaraba itself.

AGENCY AGREEMENT

The Agency Agreement will be entered into on 16 October 2024 between the Trustee, DIB, the Delegate, the Principal Paying Agent, the Calculation Agent, the Registrar and the Transfer Agent.

Pursuant to the Agency Agreement, the Registrar has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to authenticate (or procure the authentication of) and deliver the Global Certificate and, if any, each Definitive Certificate; the Principal Paying Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to pay all sums due under such Global Certificate; the Calculation Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to calculate the Profit Rate in respect of each Reset Period commencing on the relevant Reset Date, subject to and in accordance with the Conditions; and the Transfer Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to effect requests to transfer all or part of the Definitive Certificate and issue Definitive Certificates in accordance with each request.

On the Issue Date, the Registrar will (i) authenticate (or procure the authentication of) the Global Certificate and, if any, each Definitive Certificate in accordance with the terms of the Declaration of Trust; and (ii) deliver the Global Certificate to the Common Depositary.

DIB shall cause to be deposited into the Transaction Account opened by the Trustee with the Principal Paying Agent in London, in same day freely transferable, cleared funds, any payment which may be due under the Certificates in accordance with the Conditions.

The Principal Paying Agent agrees that it shall, on each Periodic Distribution Date and on the date fixed for payment of the Dissolution Distribution Amount, or any earlier date specified for the liquidation of the Mudaraba, apply the monies standing to the credit of the Transaction Account in accordance with the order of priority set out in Condition 5.3.

SHARI'A-COMPLIANCE

Each Transaction Document provides that each of DIB Tier 1 Sukuk (6) Ltd. and Dubai Islamic Bank PJSC agrees that it has accepted the Shari'a-compliant nature of the Transaction Documents and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents (or any provision thereof) is *ultra vires* or not compliant with the principles of Shari'a;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the Shari'a-compliance of the Transaction Documents; and
- (c) none of its obligations under the Transaction Documents shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents are not compliant with the principles of Shari'a.

TAXATION

The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates and does not constitute legal or tax advice. Prospective purchasers of the Certificates should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes of acquiring, holding and disposing of Certificates and receiving payments under the Certificates. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

CAYMAN ISLANDS

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws, payments by the Trustee on the Certificates will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of principal or profit to any holder of the Certificates, nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

The Trustee has obtained an undertaking from the Governor in Cabinet of the Cayman Islands pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands that, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee, or (ii) by way of the withholding in whole or part, of any relevant payment (as defined in the Tax Concessions Act (As Revised)). Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. An instrument transferring title to any Certificates, if executed in or brought into the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised share capital. At current rates, this annual registration fee is approximately U.S.\$1,006.10.

UAE

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Certificates and pursuant to the Mudaraba Agreement is based on the taxation law and practice in force at the date of this Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Dubai taxation in respect of payments on debt securities (including in relation to the Certificates). In the event of the imposition of any withholding in the future, the Trustee has undertaken to gross-up any payments subject to certain limited exceptions, as described in Condition 13.

THE PROPOSED FINANCIAL TRANSACTIONS TAX

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transaction tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France,

Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, **established** in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Certificates are advised to seek their own professional advice in relation to the FTT.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Trustee may be a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Certificates, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the **Subscription Agreement**) dated 14 October 2024 between the Trustee, DIB and the Managers, the Trustee has agreed to issue and sell to the Managers (other than DIB in its capacity as such) U.S.\$500,000,000 in aggregate face amount of the Certificates and, subject to certain conditions, the Managers (other than DIB in its capacity as such) have jointly and severally agreed to subscribe for the Certificates.

The Subscription Agreement provides that the obligations of the Managers to pay for and accept delivery of the Certificates are subject to the approval of certain legal matters by their counsel and certain other conditions. The Managers (other than DIB in its capacity as such) will be paid certain commissions in respect of their services for managing the issue and sale of the Certificates. The Managers (other than DIB in its capacity as such) will also be reimbursed in respect of certain of their expenses, and each of the Trustee and DIB has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue and offering of the Certificates in accordance with the terms of the Subscription Agreement.

Certain of the Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to DIB and/or their affiliates in the ordinary course of business.

SELLING RESTRICTIONS

UNITED STATES

The Certificates have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Certificates (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Certificates and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Certificates during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons.

The Certificates are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Certificates, an offer or sale of Certificates within the United States by a dealer (whether or not participating in the offering of the Certificates) may violate the registration requirements of the Securities Act.

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates to any retail investor in the European Economic Area. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

UNITED KINGDOM

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates to any retail investor in the United Kingdom. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of FSMA and any rules and regulations made under FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

OTHER REGULATORY RESTRICTIONS

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or DIB; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

CAYMAN ISLANDS

Each Manager has represented and agreed that it has not made and will not make, whether directly or indirectly, any offer or invitation to the public in the Cayman Islands to subscribe for the Certificates.

UAE (EXCLUDING THE ABU DHABI GLOBAL MARKET AND THE DUBAI INTERNATIONAL FINANCIAL CENTRE)

Each Manager has represented and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

ABU DHABI GLOBAL MARKET

Each Manager has represented and agreed that it has not offered and will not offer the Certificates to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an "Exempt Offer" in accordance with the Market Rules Module of the Financial Services Regulatory Authority (the **FSRA**) Rules; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA Rules.

DUBAI INTERNATIONAL FINANCIAL CENTRE

Each Manager has represented and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (**DFSA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

KINGDOM OF SAUDI ARABIA

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017 as amended by the Capital Market Authority resolution number 3-6-2024 dated 17 January 2024 (the **KSA Regulations**), made through a capital market institution licensed by the Capital Market Authority, in each case, in accordance with the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to institutional and qualified clients under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by, the KSA Regulations. Each J Manager has represented and agreed that any offer of Certificates to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

The offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under the KSA Regulations.

STATE OF KUWAIT

Each Manager has represented and agreed that the Certificates have not been and will not be offered, sold, promoted or advertised by it in the State of Kuwait other than in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities.

No private or public offering of the Certificates is being made in Kuwait, and no agreement relating to the sale of the Certificates will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Certificates in the State of Kuwait.

KINGDOM OF BAHRAIN

Each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an **accredited investor** means:

- (a) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.\$1,000,000 excluding that person's principal place of residence;

- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

HONG KONG

Each Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong by means of any document, any Certificates other than: (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

SINGAPORE

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

MALAYSIA

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (the **SC**) under the Capital Markets and Services Act 2007 (the **CMSA**).

Accordingly, each Manager has represented and agreed that the Certificates have not been and will not be offered, sold or delivered and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed by it in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 (or Section 229(1)(b)), Part I of Schedule 7 (or Section 230(1)(b)) and Schedule 8 (or Section 257(3)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation, or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Managers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

SWITZERLAND

Each Manager has acknowledged, that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Certificates and has represented and agreed that the Certificates may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made by it to admit the Certificates to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Certificates constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Certificates may be publicly distributed or otherwise made publicly available in Switzerland.

GENERAL

None of the Trustee, DIB nor any Manager has made any representation that any action will be taken in any jurisdiction by the Managers or the Trustee or DIB that would permit a public offering of the Certificates, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Certificates (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers any Certificates or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other offering or publicity material relating to the Certificates, in all cases at its own expense.

GENERAL INFORMATION

LISTING

Application has been made to Euronext Dublin for the Certificates to be admitted to listing on the Official List and to trading on the Euronext Dublin Regulated Market. The Euronext Dublin Regulated Market is a regulated market for the purposes of MiFID II. It is expected that the listing of the Certificates on the Official List and admission of the Certificates to trading on the Euronext Dublin Regulated Market will be granted on or around 16 October 2024.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Trustee in relation to the Certificates and is not itself seeking admission of the Certificates to the Official List or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

The expenses in relation to the admission of the Certificates to trading on the Euronext Dublin Regulated Market will be approximately €7,790.

Application has also been made to the DFSA for the Certificates to be admitted to the DFSA Official List and to Nasdaq Dubai for the Certificates to be admitted to trading on Nasdaq Dubai. It is expected that the listing of the Certificates on the DFSA Official List and admission of the Certificates to trading on Nasdaq Dubai will be granted on or around 16 October 2024. The total expenses relating to the admission to trading of the Certificates on Nasdaq Dubai are estimated to be U.S.\$7,000.

AUTHORISATION

The issue of the Certificates has been duly authorised by a resolution of the Board of Directors of the Trustee dated 7 October 2024. DIB Tier 1 Sukuk (6) Ltd., in its capacity as issuer and trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of the Certificates and the execution and performance of the Transaction Documents. The entry by DIB into the Transaction Documents was authorised by the shareholders of DIB on 27 February 2024 and by the directors of DIB on 23 July 2024.

CLEARING SYSTEMS

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN is XS2913984568 and the common code is 291398456. The Financial Instrument Short Name (FISN) is DIB TIER 1 SUKU/ASST BKD 20301022 and the Classification of Financial Instruments (CFI) Code is DBFJPR, each as may be updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, LI 855 Luxembourg.

SIGNIFICANT OR MATERIAL CHANGE

There has been no significant change in the financial performance or financial position or trading position of the Trustee and no material adverse change in the prospects of the Trustee, in each case, since the date of its incorporation.

There has been no significant change in the financial performance or financial position or trading position of DIB and its subsidiaries since 30 June 2024 and there has been no material adverse change in the prospects of DIB and its subsidiaries, in each case, since 31 December 2023.

LITIGATION

The Trustee is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) since the date of its incorporation which may have or have in such period had a significant effect on the financial position or profitability of the Trustee.

Save as disclosed on pages 17 and 18 of this Prospectus in "*Risk Factors – Risks relating to the Group – The Group is party to litigation related to the terrorist attacks on New York City on 11 September 2001*", neither DIB nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the DIB is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of DIB or any of its subsidiaries.

AUDITORS

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

The auditors of DIB are Deloitte & Touche (M.E.) (**Deloitte**) of P.O. Box 4254, Building 2, Level 3, Emaar Square, Dubai, UAE. Deloitte is a registered audit firm in the UAE, operating under professional licenses issued by the Dubai Economic Department and the UAE Ministry of Economy. There is no professional institute of auditors in the UAE and accordingly, Deloitte is not a member of a professional body in the UAE. All Deloitte professionals and partners are members of the institutes from where they received their professional qualification.

The Financial Statements were audited in accordance with International Standards on Auditing by Deloitte, without qualification as stated in their audit reports incorporated by reference into this Prospectus.

DOCUMENTS AVAILABLE

For as long as any Certificates remain outstanding, copies of the following documents will, when published, be available for inspection from <https://www.dib.ae>:

- (a) the Memorandum and Articles of Association of the Trustee and the constitutional documents (with an English translation thereof) of DIB;
- (b) the Declaration of Trust and the Agency Agreement.

This Prospectus will be available for viewing on (i) the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>) and (ii) the website of Nasdaq Dubai (<http://www.nasdaqdubai.com>).

Managers transacting with DIB

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, DIB (and its affiliates) in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or, in the case of Managers other than DIB, related derivative securities) and financial instruments (including bank financings) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of DIB or DIB's affiliates (including the Certificates). Certain of the Managers

(other than DIB) or their affiliates that have a financing relationship with DIB routinely hedge their credit exposure to DIB consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of trading positions in securities, including potentially the Certificates. Any such trading positions could adversely affect future trading prices of the Certificates. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may, in the case of Managers other than DIB, hold, or recommend to clients that they acquire, trading positions in such securities and instruments. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Cayman Islands Data Protection

The Trustee has certain duties under the Data Protection Act (as Revised) of the Cayman Islands (the **DPA**) based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the Trustee with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates (including, without limitation, the Trustee Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Trustee Administrator, may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the Privacy Notice (a copy of which may be requested from the Trustee Administrator by email at dubai@maples.com), which provides an outline of investors' data protection rights and obligations as they relate to the investment in the Certificates.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

SHARI'A APPROVALS

Description of the members of the Internal Sharia Supervision Committee of DIB, the Internal Shariah Supervision Committee of Emirates NBD – Islamic, the Internal Shariah Supervision Committee of First Abu Dhabi Bank PJSC, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Global Shariah Supervisory Committee of Standard Chartered Bank

Internal Sharia Supervision Committee of DIB

Professor Dr. Mohamed Ali Elgari

Dr. Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in the Kingdom of Saudi Arabia. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member on the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them the Journal of the Jurisprudence Academy (of the IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of the Harvard Series in Islamic Law, Harvard Law School.

Dr. Elgari is also an advisor to numerous Islamic financial institutions throughout the world and is notably on the Shariah board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and the Islamic Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIFI).

Dr. Elgari holds a PhD in Economics from the University of California, United States of America.

Sheikh Dr. Mohammad Abdul Rahim Sultan Al Olama

Dr. Al Olama is a member of the Grand Islamic Scholars Body in Dubai, an Associate Professor of the School of Shari'a at the United Arab Emirates University in Al Ain and an acknowledged expert in Islamic finance. Dr. Al Olama is also the head of the Fatwa Committee of the Zakat Funds in the UAE.

He currently serves on a number of Shari'a boards representing Islamic financial institutions and Takaful companies.

Dr. Al Olama has written extensively on modern Islamic finance and has presented numerous research papers at various international conferences.

Dr. Al Olama holds a PhD in Comparative Islamic Law from Umm Al Qurra University in Mecca, Kingdom of Saudi Arabia.

Prof. Dr. Mohamad Akram Laldin

Prof. Dr. Laldin is currently the Executive Director of the International Sharia Research Academy for Islamic Finance. He is a member of Bank Negara Malaysia's Sharia Advisory Council (SAC), a member of Sharia Advisory Employees Provident Fund (EPF), a member of HSBC Amanah's Global Sharia Advisory Board, a member of Yassar Limited (Dubai) Sharia Advisory Board, a member of EAB (London) Sharia Advisory Board, Chairman of the Islamic Advisory Board of HSBC Insurance Singapore, Sharia advisor to ZI Syariah Advisory Malaysia, a member of Sharia Advisory Council International Islamic Financial Market (IIFM), Bahrain, Committee member of AAOIFI Sharia Standards, Bahrain and other Boards across the globe. He is also a member of the Board of Studies of the Institute of Islamic Banking and Finance, IIUM.

Prof. Dr. Laldin holds a B.A. honours degree in Islamic Jurisprudence and Legislation from the University of Jordan, Amman, Jordan and a PhD in Principles of Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh, Scotland, United Kingdom. He has presented many papers related to Islamic Banking and Finance and other Fiqh topics and has conducted many training sessions particularly on Islamic Banking and Finance for different sectors since 1999. He is also a prolific author of academic works specifically in the areas of Islamic Banking and Finance. He is the recipient of Zaki Badawi Award 2010 for Excellence in Sharia Advisory and Research. He has participated and presented papers in numerous local and international conferences.

Dr. Ibrahim Ali Al Mansoori

Dr. Al Mansoori is a prominent Shari'a scholar from the UAE with an active focus on the Islamic banking and finance industry. He is a Director of Sharjah Islamic Center for Economy & Finance Studies and the Assistant Professor of Economy & Islamic Banks at the University of Sharjah.

Dr. Al Mansoori is the Chairman of the Internal Shari'ah Supervision Committee (ISSC) of Al Hilal Bank and a member of various ISSCs of Islamic financial institutions.

Dr. Al Mansoori holds a PhD in Economics & Islamic Banking, as well as two Masters Degrees in Economics & Islamic Banking and Pedagogical Psychology. He has authored various research papers on contemporary matters relating to Islamic Banking.

Dr. Muhammad Qaseem

Dr. Qaseem holds a PhD (Islamic Studies) from the Faculty of Usul ud Dinis, University of Karachi. He has been a member of the Sharia boards of many other institutions. Dr. Qaseem has taught various courses for a number of B.A. and M.A. programmes of the International Islamic University, Islamabad.

Dr. Qaseem has produced many academic contributions, articles and literary and translation works.

Internal Shariah Supervision Committee of Emirates NBD – Islamic

Professor Dr. Mohamed Ali Elgari

See the description of Dr. Elgari set out above.

Sheikh Dr. Mohammad Abdul Rahim Sultan Al Olama

See the description of Dr. Al Olama set out above.

Dr. Salim Al-Ali

Dr. Salim Ali Al-Ali is an assistant professor at the Department of Shariah and Islamic Studies at the College of Law at the United Arab Emirates University where he teaches courses on Islamic law and Islamic banking. Dr. Al-Ali was also formerly a part-time lecturer for the LL.M programme at BPP Law School, London, United Kingdom. He is a member of the internal Shari'a supervisory committees of a number of financial institutions including HSBC Bank Middle East Limited, First Abu Dhabi Bank PJSC and Emirates NBD Bank PJSC. He has participated in a number of international conferences on the law of Islamic finance, Islamic financial products and legal and regulatory aspects of developing Islamic financial markets, including conferences at Harvard University and the University of Cambridge. He also authored a book entitled "Raising capital on sukuk markets: structural, legal and regulatory issues".

Dr. Muhammad Qaseem

See the description of Dr. Qaseem set out above.

Dr. Amin Fateh

Dr. Fateh is currently a member of many Shari'a boards and committees in the UAE and across the world, including those of AAOIFI, Salama Islamic Arab Insurance Company, Standard Chartered Bank and National Bank of Umm Al Quwain. He has over 23 years' experience in the Islamic banking industry and had led the Islamic Shariah advisory of Minhaj for over 10 years. Dr. Fateh has lectured on Islamic finance across the world and has also provided many training courses on the subject. He holds a bachelor's degree and a master's degree in honorable Hadith and a PhD in Islamic Studies.

Internal Shariah Supervision Committee of First Abu Dhabi Bank

Dr. Mohammed Daud Bakar

Dr. Mohammed Daud is the founder of Amanie Advisors, a global boutique Shari'a advisory firm with offices located in Kuala Lumpur, Dubai and other international locations. Prior to this, he was the Deputy Vice Chancellor at the International Islamic University, Malaysia.

He has a degree in Shari'a from University of Kuwait and PhD from University of St. Andrews as well as Bachelor of Jurisprudence at University of Malaya. Dr. Mohammed Daud is currently the chairman of the Shariah Advisory Council of the Central Bank of Malaysia and Securities Commission of Malaysia. He is also a member of the Shariah Board of Dow Jones Islamic Market Index (New York), Oasis Asset Management

(Cape Town, South Africa), The National Bank of Oman, Financial Guidance (U.S.), BNP Paribas (Bahrain), Morgan Stanley (Dubai), Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia), Bank of London and Middle East (London) and in other financial institutions both local and abroad.

Dr. Mohammed Daud received the Islamic Economy Award at the Global Islamic Economy Summit (GIES) 2015 from His Highness Sheikh Mohammed bin Rashid Al Maktoum on behalf of Amanie Advisors. Dr. Mohd Daud is currently the Chairman of the First Abu Dhabi Bank Internal Shariah Supervisory Committee.

Dr. Salim Al-Ali

See the description of Dr. Al-Ali set out above.

Dr. Salim Al-Ali holds a PhD from the University of London, United Kingdom.

Prof. Dr. Mohamad Akram Laldin

See the description of Dr. Laldin set out above.

Dr. Ahmed Rufai

Dr. Ahmed Rufai is currently the Head of Shari'ah Compliance to the International Islamic Financial Market (IIFM), Bahrain.

He has contributed significantly in the development and publication of thirteen comprehensive documentation and product confirmation standards as well as related guidance notes across Liquidity Management, Hedging, Sukuk and Trade Finance. He also contributed notably in preparing discussion papers for IIFM consultative meetings, as well as in the compilation of the IIFM Annual Sukuk Reports. In addition to the active roles he plays in seminars, workshops and consultative meetings organized by IIFM in many jurisdictions worldwide.

Dr. Ahmed Rufai holds a PhD in Islamic Law of Transactions from University of Malaya, Malaysia and Bachelor's Degree in Shari'a from Islamic University of Madinah, Kingdom of Saudi Arabia.

Internal Shariah Supervision Committee of HSBC Bank Middle East Limited

Dr. Mohamed Ali Elgari

See the description of Dr. Elgari set out above.

Dr. Aznan Hasan

Dr. Aznan Hasan is an Associate Professor in Shariah at Institute of Islamic Banking and Finance (IiBF), IIUM, Founding President, Association of Shariah Advisors in Islamic Finance (ASAS) and the Deputy Chairman, Shariah Advisory Council, Securities Commission. Dr. Hasan also sits on Shari'a boards of various regulatory bodies including AAOIFI, Bahrain and Higher Shariah Authority, Central Bank of UAE. Due to his experience and expertise, Dr. Aznan also serves on Shari'a boards of various regional and international financial institutions including FNB Bank (South Africa), HSBC Bank Middle East Limited (UAE), Standard Chartered Bank (DIFC, UAE), ABSA Islamic Bank (South Africa), Khalij Group (UK), Bank Nizwa (Oman), Employee Provident Fund (Malaysia), Amanah Raya Asset Management (Malaysia) and Waqf Foundation (Malaysia). Dr. Aznan is a registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic securities (Sukuk) with Securities Commission of Malaysia and is also invited by several Zakat Centres in Malaysia to give advice on zakat matters.

Dr. Hasan has conducted and published more than 50 researches and is a regular speaker and presenter at Islamic finance conferences and seminars.

Dr. Hasan received his first degree in Shari'a from University of Al-Azhar (1994), successfully completed his Master degree in Shari'a from Cairo University (1998) with distinction (his thesis was recommended for publication) and obtained his PhD from University of Wales, Lampeter, United Kingdom (2003).

Dr. Salim Al-Ali

See the description of Dr. Al-Ali set out above.

Mousa Adam Eisa Mohamed

Dr. Mousa has many years of experiences in Islamic Banking industry. He was Head of Shariah Advisory and Governance for more than 15 years at National Commercial Bank where his experiences cover whole spectrum of banking services from retail, wholesale banking and treasury activities. Dr. Mousa obtained Doctorate degree in Islamic Economics with Distinction from the College of Shariah and Islamic Studies, Um Al Qura University KSA (1990-1991). His professional experiences include advising The National Commercial Bank (NCB) in its Islamic convergent strategies structuring the new products, ensuring Shari'a compliance, providing creative ideas for NCB, providing Shari'a and Islamic banking advisory, and training.

Dr. Mousa is active member of the working group which prepared the IFSB Standard on Shariah Governance, Islamic Financial Services Board (IFSB) and member of the Shariah Standards Sub-Committee (Jeddah) The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

Global Shariah Supervisory Committee of Standard Chartered Bank

Dr. Mohamed Ali Elgari

See the description of Dr. Elgari set out above.

Dr. Nizam Yaquby

Dr. Nizam Yaquby studied traditional Islamic studies under the guidance of Islamic scholars from different parts of the world. He has a BA in Economics and Comparative Religions and an MSc in Finance from McGill University, Canada. He has a PhD in Islamic law from the University of Wales. In addition to advising Islamic finance institutions and funds, Dr. Nizam Yaquby is a member of the Islamic Fiqh Academy and AAOIFI. Since 1976, Dr. Nizam Yaquby has taught Tafsir, Hadith and Fiqh in Bahrain and is a Shariah adviser to several international and local financial institutions worldwide. He has published several articles and books on various Islamic subjects including banking and finance.

Dr. Aznan Hasan

See the description of Dr. Hasan set out above.

TRUSTEE AND RAB-AL-MAAL

DIB Tier 1 Sukuk (6) Ltd.
c/o MaplesFS Limited
P.O. Box 1093, Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

MUDAREB

Dubai Islamic Bank PJSC
P.O. Box 1080
Dubai
United Arab Emirates

DELEGATE

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

**PRINCIPAL PAYING AGENT, CALCULATION AGENT,
REGISTRAR AND TRANSFER AGENT**

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

JOINT LEAD MANAGERS

Al Rajhi Capital Company
Al Rajhi Capital Head Office
King Fahad Road
P.O. Box 5561, Riyadh 11432
Kingdom of Saudi Arabia

Dubai Islamic Bank PJSC
P.O. Box 1080
Dubai
United Arab Emirates

Emirates NBD Bank PJSC
c/o Emirates NBD Capital
Level 7-04, ICD Brookfield Place
Dubai International Financial Centre (DIFC)
P.O. Box 506710
Dubai
United Arab Emirates

First Abu Dhabi Bank PJSC
FAB Building
Khalifa Business Park – Al Qurm District
P.O. Box 6316
Abu Dhabi
United Arab Emirates

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Sharjah Islamic Bank P.J.S.C.
SIB Tower
PO Box 4
Al Khan, Sharjah
United Arab Emirates

Standard Chartered Bank
7th Floor Building One, Gate Precinct
Dubai International Financial Centre
P.O. Box 999
Dubai
United Arab Emirates

CO-MANAGER

Arqaam Capital Limited
Level 27, Index Tower
Dubai International Financial Centre
P.O. Box 506687
Dubai
United Arab Emirates

AUDITORS TO DIB

Deloitte & Touche (M.E.)
Building 2, Level 3
Emaar Square
P.O. Box 4254
Dubai
United Arab Emirates

LEGAL ADVISERS

*To the Trustee
as to Cayman Islands law*

Maples and Calder (Dubai) LLP
Level 14, Burj Daman Building
Dubai International Financial Centre
P.O. Box 119980
Dubai
United Arab Emirates

*To DIB
as to English law and UAE law*

Allen Overy Shearman Sterling LLP
11th Floor
Burj Daman Building
Al Mustaqbal Street
Dubai International Financial Centre
P.O. Box 506678
Dubai
United Arab Emirates

*To the Managers
as to English law and UAE law*

Clifford Chance LLP
Level 32
ICD Brookfield Place
Dubai International Financial Centre
P.O. Box 9705
Dubai
United Arab Emirates

*To the Delegate
as to English law*

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

IRISH LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2
Ireland