

ABU DHABI ISLAMIC BANK PJSC INVITATION TO THE SHAREHOLDERS TO SUBSCRIBE FOR A SHARE CAPITAL INCREASE

1. Decision to increase the share capital

The general assembly of the Bank in its meeting held on 19 August 2018 (the "General Assembly") resolved, through a special resolution, to increase the issued share capital of the Bank by an amount of AED 464,000,000 (four hundred sixty-four million dirhams), by way of a rights issue, in accordance with the Securities and Commodities Authority Chairman of the Board Resolution No. (11/R.M.) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies (the "Resolution") and Federal Law No. 2 of 2015 on Commercial Companies in the UAE (as amended) (the "Companies Law") (the "Rights Issue").

2. Amount and percentage of the share capital increase

The Rights Issue will increase the issued share capital of the Bank from AED 3,168,000,000 (three billion one hundred sixty-eight million dirhams) to AED 3,632,000,000 (three billion six hundred thirty-two million dirhams), with an increase of AED 464,000,000 (four hundred sixty-four million dirhams) and the issuance of 464,000,000 (four hundred sixty-four million) new shares (the "New Shares"), representing 14.65 per cent. of the total issued share capital. The New Shares will be issued at an issue price of AED 2.16 per New Share (the "Issue Price"), reflecting the nominal value of AED 1.00 per New Share and a share premium of AED 1.16 per New Share. The Issue Price reflects a discount of 45 per cent. per New Share when compared to the market price of the Bank's shares as at close of trading on 25 July 2018.

3. General information relating to the Bank

1	Bank name	Abu Dhabi Islamic Bank PJSC
2	Incorporation date	3 rd November 1997
3	Commercial licence number	CN-1001923
4	Head office	Abu Dhabi, United Arab Emirates
5	Objects of the Bank	A leading UAE Islamic Bank headquartered in Abu Dhabi, providing a diverse range of Shari'a-compliant financial products and services inside and outside of the UAE
6	Current authorised share capital	AED 4,000,000,000 (four billion dirhams)
7	Current issued share capital	AED 3,168,000,000 (three billion one hundred and sixty-eight million dirhams)
8	Current number of issued shares	3,168,000,000 (three billion one hundred and sixty-eight million) shares
9	Nominal value of each Share	AED 1.00 (one dirham)
10	Listing venue	Abu Dhabi Securities Exchange ("ADX")
11	Purpose of capital increase	ADIB intends to primarily use the rights issue funds to strengthen the capital base of ADIB and fund its banking operations and growth
12	Auditor	Ernst & Young Middle East
13	Receiving Bank	ADIB and its branches listed below (the "Receiving Bank")

4. Subscription conditions

4.1 Right to subscribe

The Rights Issue will be conducted through the issuance of tradable securities (the "Rights" and each a "Right"), pursuant to the Resolution and the Companies Law, to registered shareholders of the Bank (the "Shareholders" and each a "Shareholder") as at the close of business of the ADX on Thursday, 13 September 2018 (the "Eligibility Date") in the amount of 29 Rights for every 198 shares held by each shareholder on such date.

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

4.2 Trading in the Rights

The ADX will coordinate with brokerage firms to add the balance of the Shareholders' Rights in the amount of 29 Rights for every 198 shares held on the Eligibility Date to their respective accounts maintained by the respective brokerage firm. This will allow the Shareholders of the Bank to trade their Rights – selling or buying – within the below period (the "Trading Period"):

- (i) First day of trading the Rights on ADX: Tuesday, 18 September 2018
- (ii) Last day of trading the Rights on ADX: Tuesday, 2 October 2018

4.3 Subscription Period

The holders of Rights, which includes Shareholders and any persons who purchased the Rights during the Trading Period (the "Eligible Persons" and each an "Eligible Person"), will be allowed to exercise their Rights to subscribe for the New Shares at the Issue Price.

Subscription for the New Shares will take place within the below period (the "Subscription Period"):

- (i) Subscription opening date: Tuesday, 25 September 2018
- (ii) Subscription closing date: Tuesday, 9 October 2018

4.4 Subscription for Additional Shares

Pursuant to Article 8 of the Resolution, in addition to exercising their Rights to subscribe for one New Share for each Right held, Eligible Persons will also be allowed to apply for additional New Shares (the "Additional New Shares"), which will be allocated in the event that any unsubscribed for New Shares remain, either as a result of the consolidation of the unallocated fractional entitlements to New Shares, or the failure by Eligible Persons to exercise their Rights to subscribe for New Shares.

IMPORTANT NOTE: We would like to bring to the attention of all Shareholders and investors/Eligible Persons that the Rights will not continue to be traded or held after the end of the Trading Period or the Subscription Period. In the event that any Shareholders or other Eligible Persons do not sell any Rights they hold prior to the end of the Trading Period, they will need to exercise such Rights to subscribe for the New Shares, as after the end of the Trading Period, Eligible Persons will not be able to sell or assign their Rights and their only remaining option will be to exercise their Rights. In the event that an investor/Eligible Person does not exercise such Rights by the end of the Subscription Period, he or she will suffer a loss in the amount equal to the value of such Rights.

4.5 Ownership limitations

The articles of association of ADIB (the "Articles of Association") impose foreign ownership restrictions on the shareholdings of ADIB. Article 7 of the Articles of Association provides that 75 per cent. of the

shares of ADIB must be owned by UAE nationals and while non-UAE nationals are permitted to own shares, they must not own more than 25 per cent. of the shares of ADIB. The General Assembly has authorised the Board of Directors to set a period of time to implement Article 7. As at the date of this invitation to the shareholders, the Board of Directors has not fixed a period of time by which it intends to implement Article 7.

The Articles of Association also provide that no dealing or assignment of any share of ADIB shall be registered if the transferee is, or would become as a result of such dealing, the owner, directly or indirectly, of more than 5 per cent. of the capital of ADIB, unless the transferee is Emirates International Investment Company LLC ("EIIC") in its capacity as the strategic shareholder of ADIB.

4.6 Subscription applications

Subscription applications are available at the branches of the Receiving Bank listed below.

4.7 Issue Price

Each of the New Shares will be issued at a price of AED 2.16 (two dirhams and sixteen fils) per New Share, reflecting the nominal value of AED 1.00 (one dirham) per New Share and a share premium of AED 1.16 (one dirham and sixteen fils). The Issue Price reflects a discount of 45 per cent. per New Share when compared to the market price of the Bank's shares as at close of trading on 25 July 2018.

4.8 Payment percentage

The total value of the subscribed for New Shares shall be paid upon submitting the subscription application.

4.9 Method of payment

Payment for the New Shares shall be made by way of a dirham-denominated banker's cheque, a bank transfer from a bank account held with the Receiving Bank or, for Eligible Persons who are not ADIB account holders, a bank transfer from a licensed bank operating in the UAE through the UAE Central Bank Fund Transfer System ("UAE FTS").

4.10 Receiving Bank

Subscriptions shall be received by the Receiving Bank through its branches listed below or through the UAE FTS. Detailed instructions for the subscription process through the UAE FTS are available on ADIB's dedicated Rights Issue website (rightsissue.adib.ae).

4.11 Refunds

Refunds will be given to Eligible Persons who did not receive the number of New Shares that they subscribed for or the number of Additional New Shares that they have applied for. Refunds shall be completed no later than five (5) business days from the date of allocation of the New Shares and the Additional New Shares (as applicable) to the subscribers.

Eligible Persons to whom a refund is due will receive such refund through a credit to the bank account specified on the subscription application or if they have indicated a preference to receive the refund by cheque, through a bank pay order (cheque) issued by the Bank and sent by registered mail to the address specified on the subscription application.

5. Allocation policy

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

5.1.1 to the Eligible Persons in an amount equal to the number of New Shares for which they have subscribed, to the extent that such number is equal to or less than the number of Rights they respectively hold at the end of the Trading Period;

5.1.2 to the extent that any New Shares remain unsubscribed thereafter, to the Eligible Persons in an amount equal to the number of Additional New Shares for which they have subscribed in excess of the number of Rights they respectively hold; and

5.1.3 to the extent that any New Shares remain unsubscribed thereafter, to EIIC which has agreed to subscribe for such New Shares in its capacity as the strategic shareholder of ADIB.

5.2 The allocation of Additional New Shares to the Eligible Persons after allocations to the Eligible Persons who have subscribed for a number of New Shares equal to or less than the number of Rights they hold will be on a pro rata basis, scaled back (if necessary) in accordance with the proportion that the number of Additional New Shares requested by the subscriber represents to the total number of Additional New Shares requested by all Eligible Persons who subscribed for such Additional New Shares. There is, therefore, no guarantee that the Eligible Persons applying for Additional New Shares will receive the number of Additional New Shares applied for. No Eligible Person will receive more New Shares than they have subscribed for during the Subscription Period.

5.3 In the event that a subscriber (other than EIIC) applies for a number of New Shares that, if allocated, would result in that subscriber holding more than five (5) per cent. of the shares of ADIB following completion of the Rights Issue, then the number of New Shares allocated to that subscriber will be scaled back accordingly such that the subscriber's shareholding does not exceed five (5) per cent. of the shares following completion of the Rights Issue.

6 Required documents for subscribers

6.1 If an Eligible Person wishes to exercise some or all of his or her Rights to subscribe for the New Shares to which he or she is entitled during the Subscription Period, he or she will be required to attend (during normal banking business hours in the UAE) one of the participating branches of the Receiving Bank with the following documents and complete a subscription application:

6.1.1 the original Emirates ID of the subscriber and a copy thereof (when subscription is being made by an individual);

6.1.2 an original "family book" of the subscriber and a copy thereof (when subscription is being made by an individual); and

6.1.3 for a subscriber that is a legal entity:

- (i) an original certificate of commercial registration and a copy thereof and, if relevant, a copy of the relevant decree or resolution incorporating the company;
- (ii) a copy of the signatories' authority to bind the company;

6.1.4 his, her or its investor number on the ADX;

6.1.5 if the subscriber is a minor:

- (i) the original documents and copies thereof as listed above;
- (ii) the minor's guardian's valid original Emirates ID and a copy thereof;
- (iii) the guardian's investor number on the ADX; and
- (iv) if the guardian is the mother, an authority letter from the court.

6.2 Minors may subscribe in accordance with applicable law and the procedures adopted at the Receiving Bank and the guardian should sign the subscription application on behalf of the minor.

6.3 The subscription applications will:

6.3.1 request that the Eligible Person specify whether the New Shares will be registered through

ADX's clearing and settlement department or a designated brokerage account, once listed on the ADX;

6.3.2 request that the Eligible Person specify how many New Shares he or she would like to subscribe for (including any Additional New Shares that he or she would like to apply for in excess of the number of Rights that he or she holds); and

6.3.3 request that the Eligible Person multiply the total number of New Shares he or she would like to subscribe for (including any Additional New Shares that he or she would like to apply for in excess of the number of Rights that he or she holds) by the Issue Price to calculate the amount that the Eligible Person is required to pay for the total number of New Shares subscribed for.

6.4 If an Eligible Person cannot attend a participating branch of the Receiving Bank in person, he or she is entitled to appoint a duly authorised representative to complete, sign and submit a subscription application and make payment for the New Shares on his or her behalf. The authorized representative must bring with them, in addition to the documents specified above, the original power of attorney authenticated by a UAE-regulated notary public and a copy thereof.

7 Procedures of subscription

7.1 Subscription application and payment

Participating branches of ADIB will start receiving subscription applications from 8.00 a.m. on Tuesday, 25 September 2018. Subscription applications will be accepted at the participating branches of ADIB during the normal business hours of each such branch.

Eligible Persons who are not ADIB account holders may subscribe by visiting any branch of a licensed bank operating in the UAE at which they hold an account and request to subscribe through the UAE FTS. Please refer to ADIB's dedicated Rights Issue website (rightsissue.adib.ae) for further details on the subscription process and requirements through the UAE FTS.

The subscription application (together with payment) must be submitted by Eligible Persons (or their duly authorised representatives) at a participating branch of ADIB, or through the UAE FTS, by no later than 2.00 p.m. on Tuesday, 9 October 2018.

The Eligible Person is required to pay in full for all of the New Shares that they have subscribed for, including any Additional New Shares that they have applied for, by way of:

- (i) a dirham-denominated banker's cheque;
- (ii) a bank transfer from a bank account held with the Receiving Bank; or
- (iii) a bank transfer from a licensed bank operating in the UAE through the UAE FTS.

If the information submitted on the application turns out to be incomplete or incorrect, the subscription application may be considered void. The subscription application may not be amended or withdrawn after submission to the Receiving Bank, and it shall be considered a binding contract between the subscriber and ADIB once approved by ADIB. The subscription application and all related terms, conditions and covenants shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs; provided that, except as specifically contemplated therein, neither the subscription application nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

Eligible Persons who are also account holders with the Receiving Bank and who have access to smartphone banking or online banking may also subscribe using these platforms and submit their subscription application electronically. Any subscription applications submitted through the smartphone banking application or through online banking must be submitted no later than 2.00 p.m. on Tuesday, 9 October 2018 (the last time and date for acceptance and payment in full).

7.2 If a Shareholder as at the Eligibility Date:

7.2.1 **does not wish to exercise any of his or her Rights**, he or she does not need to do anything. If he or she does not submit his or her completed subscription application for the New Shares for which he or she is entitled (together with payment) by 2.00 p.m. on Tuesday, 9 October 2018 (the last time and date for acceptance and payment in full), the number of New Shares for which he or she is entitled to subscribe will be subscribed for by those Eligible Persons who have applied for Additional New Shares and/or EIIC, in its capacity as the strategic shareholder of ADIB. If a Shareholder does not wish to exercise any of his or her Rights and has not sold the Rights during the Trading Period, the Rights will expire without value, he or she will not be entitled to any compensation and his or her shareholding in ADIB will be diluted;

7.2.2 **only wishes to exercise some of his or her Rights**, he or she will be required to either attend (during normal office hours) one of the participating branches of ADIB with the documents specified in section 6.1 and sign and submit a subscription application and make payment in full for the New Shares he or she wishes to subscribe for in accordance with the procedure set out above or subscribe through the ADIB smartphone banking application or online banking; or

7.2.3 **wishes to exercise all of his or her Rights (or wishes to exercise all of his or her Rights and apply for Additional New Shares)**, he or she will be required to either attend (during normal office hours) one of the participating branches of ADIB with the documents specified in section 6.1 and to complete, sign and submit a subscription application and make payment in full for the New Shares (including the Additional New Shares they would like to apply for) in accordance with the procedure set out above or subscribe through the ADIB smartphone banking application or online banking.

8 Important dates

- Date of publication of the invitation to subscribe for the New Shares by way of the Rights Issue: Sunday, 26 August 2018.
- Eligibility Date of Rights (record date): Thursday, 13 September 2018 for the registered shareholders of the Bank on this date.
- Last day to purchase the shares for entitlement: Two (2) business days prior to the Eligibility Date (record date), Monday, 10 September 2018.
- First day of trading in Rights on the ADX: Tuesday, 18 September 2018.
- Last day of trading in Rights on the ADX: Tuesday, 2 October 2018.
- Subscription opening date: Tuesday, 25 September 2018.
- Subscription closing date: Tuesday, 9 October 2018.
- Date of allocation: on or before Tuesday, 16 October 2018.
- Refund: on or before Tuesday, 23 October 2018.

IMPORTANT NOTE: If the last day for subscription occurs on an official holiday, the Subscription Period shall be extended to the next business day.

9 Investor relations

For any queries or questions please contact our call centre on 600 543 216 or, if calling from outside the UAE, +971 2 610 0600. Shareholders who have not received an invitation letter to subscribe may obtain a copy of the invitation by contacting an investor relations officer on +971 2 652 0878 or at investor.relations@adib.com.

10 Branches of ADIB

Abu Dhabi Islamic Bank PJSC Abu Dhabi, United Arab Emirates, 313 PO Box		
Emirate	Branch name	Location/Address
Abu Dhabi	Najda Street	Al Najda, Fatima Bint Mubarak Street
Abu Dhabi	Muroor	Al Muroor Street (near UNB)
Abu Dhabi	Al Wahda Mall	Al Wahda Mall (opposite to bus station)
Abu Dhabi	Sheikh Zayed HQ	Airport Road, Al Bateen Airport
Abu Dhabi	Baniyas	Al Marfaq Street (near Etisalat)
Abu Dhabi	Binal Jesrain	Binal Jesrain Co-operative Society (new extension), Al Maqta
Abu Dhabi	Abu Dhabi International Airport	Abu Dhabi International Airport
Abu Dhabi	Dalma Mall	Dalma Mall, Musafah Industry
Abu Dhabi	Khalifa A City	Villa of Sayiah Sultan Al Mansoori, Khalifa City (A), South West
Abu Dhabi	Bawabat Al Sharq Mall	Bawabat Al Sharq Mall, Baniyas
Abu Dhabi	Shahama	Ground Floor, Abu Dhabi Islamic Bank Building, 13th Street, Shahama
Abu Dhabi	Deerfields Townsquare	Unit G13C, Ground Floor, Deerfields Town Square, Al Bahiya
Abu Dhabi	Al Shamkha Mall	Makany Mall, Al Shamkha
Abu Dhabi	Yas Mall	Yas Mall, Yas Island
Abu Dhabi	Madinat Zayed	Dhafra Co-operative Society, Madinat Zayed
Abu Dhabi	Gayathi	Abu Dhabi Islamic Bank Building, Gayathi, Plot P96

Abu Dhabi Islamic Bank PJSC Abu Dhabi, United Arab Emirates, 313 PO Box		
Emirate	Branch name	Location/Address
Abu Dhabi	Ruwais Mall	Ruwais Mall, Ruwais
Abu Dhabi	Khalidiya Gents	Mubarak Bin Mohammed Street, Al (Khaldeiya (near Choithrams
Abu Dhabi	Al Bateen	Baynunah Street, Al Bateen
Abu Dhabi	Marina Mall	Marina Mall, Breakwater, Corniche
Abu Dhabi	Nation Towers	Nation Tower, Corniche Street
Dubai	Nad Al Hamar	Al Rebat Street, Nad Al Hammar
Dubai	Al Warqaa	2 Aswag, Al Geria Street, Al Warqaa
Dubai	Al Muhaisnah	Ethihad Mall, Muhaisnah Area
Dubai	Al Mamzar	Al Wahaida Street, Royal House Building
Dubai	Al Twar	Al Nahda Street, Al Twar Centre
Dubai	Sheikh Zayed Road	Emarat Atrium, Sheikh Zayed Road
Dubai	Dubai Mall	Dubai Mall, Zabeel, Mohamed bin Rashid Boulevard
Dubai	Al Barsha	23rd ,2 Al Barsha Mall, Al Barsha Street
Ras Al Khaimah	Ras Al Khaimah	Al Muntasir Street (opposite Al Manar Mall)
Ras Al Khaimah	Al Hamra Mall	E11, Sheikh Mohammad Bin Salem Road, Al Jazirah, Al Hamra
Fujairah	Fujairah City Centre	Masafi Road
Fujairah	Fujairah	Hamad Bin Abdulla Street

Abu Dhabi Islamic Bank PJSC Abu Dhabi, United Arab Emirates, 313 PO Box		
Emirate	Branch name	Location/Address
Fujairah	Khorfakkan	Khorfakkan Corniche
Al Ain	Al Ain	Mutawa (near clock tower)
Al Ain	Al Jimi	Hamdan Bin Mohammed Street, Al Jimi (near Immigration Office)
Al Ain	Al Murabbaa	Al Kuwaitat, Central District (opposite Al Ain Mall)
Al Ain	Al Hili Mall	Al Hili Mall, Al Hili (near Hili Rayhaan Rotana Hotel)
Al Ain	Al Bawadi Mall	Zayed Bin Sultan Street (137th Street), Al Kharair (near Zayed II Military College)
Sharjah	Sharjah	Al Musalla (opposite Etisalat)
Sharjah	Wasit Street	Wasit Street
Sharjah	Sahara Centre	Al Nahda Street (near Ramada Hotel Apartments)
Sharjah	Al Buhairah	Shera Al Emarat Building, Al Buhaira
Sharjah	Al Qarayan	Sharjah Cooperative Society, Al Qarayan
Ajman	Ajman	Ajman
Umm Al Qaiwain	Umm Al Qaiwain	King Faisal Street