



بنك دبي الإسلامي
Dubai Islamic Bank

DIB Sukuk Limited

(incorporated in the Cayman Islands with limited liability)

U.S.\$7,500,000,000

Trust Certificate Issuance Programme

Under the U.S.\$7,500,000,000 trust certificate issuance programme described in this Base Prospectus (the **Programme**), DIB Sukuk Limited (in its capacities as issuer and as trustee, the **Trustee**), subject to compliance with all applicable laws, regulations and directives, may from time to time issue trust certificates (the **Certificates**) in any currency agreed between the Trustee and the relevant Dealer (as defined below).

Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$7,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

Each Series (as defined in the Conditions) of Certificates issued under the Programme will be constituted by (i) an amended and restated master trust deed (the **Master Trust Deed**) dated 7 November 2019 entered into between the Trustee, Dubai Islamic Bank PJSC (**DIB**) and Deutsche Trustee Company Limited as delegate of the Trustee (the **Delegate**, which expression shall include any co-Delegate or any successor) and (ii) a supplemental trust deed (the **Supplemental Trust Deed**) and, together with the Master Trust Deed, each a **Trust Deed**) in relation to the relevant Tranche (as defined in the Conditions). Certificates of each Series confer on the holders of the Certificates from time to time (the **Certificateholders**) the right to receive certain payments (as more particularly described herein) arising from a *pro rata* ownership interest in the assets of a trust declared by the Trustee in relation to the relevant Series (the **Trust**) over the Trust Assets (as defined below) which will include, *inter alia*, (i) the relevant Portfolio (as defined herein); and (ii) the relevant Transaction Documents (as defined below).

The Certificates may be issued on a continuing basis to one or more of the Dealers (each a **Dealer** and together the **Dealers**) specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Trustee and DIB, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Certificates.

The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors”.

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland (the **Irish Central Bank**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Irish Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Irish Central Bank 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 Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the **Official List**) and to 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 Directive 2014/65/EU (**MiFID II**). Such approval relates only to the Certificates which are to be admitted to trading on the Euronext Dublin Regulated Market or on another regulated market for the purposes of MiFID II and/or which are to be offered to the public in any member state of the European Economic Area (the **EEA**) in circumstances that require the publication of a prospectus.

This Base 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 Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities (the **DFSA Official List**) maintained by the DFSA and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with the Trustee and DIB. The DFSA has also not assessed the suitability of the Certificates to which this Base Prospectus relates to any particular investor or type of investor and has not determined whether they are Sharia compliant. If you do not understand the contents of this Base Prospectus or are unsure whether the Certificates to which this Base Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

References in this Base Prospectus to the Certificates being **listed** (and all related references) shall mean that such Certificates have been (a) admitted to listing on the Official List and admitted to trading on the Euronext Dublin Regulated Market or, as the case may be, another MiFID regulated market and/or (b) admitted to listing on the DFSA Official List and admitted to trading on Nasdaq Dubai.

The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, DIB and the relevant Dealer. The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Certificates which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate face amount of Certificates, profit (if any) payable in respect of the Certificates, the issue price of the Certificates and certain other information which is applicable to each Tranche will be set out in a final terms document (the **applicable Final Terms**) which will be delivered to the Irish Central Bank and, with respect to Certificates to be listed on Euronext Dublin and, with respect to Certificates to be listed on Nasdaq Dubai, the DFSA and Nasdaq Dubai. Copies of Final Terms in relation to Certificates to be listed on (i) Euronext Dublin will also be published on the website of the Irish Central Bank and (ii) Nasdaq Dubai will also be published on the website of the DFSA.

The Certificates have not been nor will be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) nor with any securities regulatory authority of any state or other jurisdiction of the United States and the Certificates 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 in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Accordingly, Certificates may be offered or sold solely to persons who are not U.S. persons (as defined in Regulation S) 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 long term 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. Each of Fitch and Moody’s is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Fitch and Moody’s 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. A Series to be issued under the Programme may be rated or unrated. Where a Series is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Fatwa and Sharia Supervisory Board of DIB and the Sharia Committee of Dar al Sharia Islamic Finance Consultancy LLC, First Abu Dhabi Bank Shariah Supervisory Board, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Shariah Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own Sharia advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Sharia principles.

Amounts payable on Certificates in respect of which the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable will be calculated by reference to one of EURIBOR, LIBID, LIBOR, LIMEAN, SHIBOR, HIBOR, SIBOR, KLIBOR, EIBOR, SAIBOR, BBSW, AUD LIBOR, JPY LIBOR, PRIBOR, CNH HIBOR, TRLIBOR or TRYLIBOR and TIBOR, as specified in the applicable Final Terms. As at the date of this Base Prospectus, the administrators of EURIBOR, LIBOR and SAIBOR are included in the register of administrators of ESMA under Article 36 of Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**). As at the date of this Base Prospectus, the administrators of LIBID, LIMEAN, SHIBOR, HIBOR, SIBOR, KLIBOR, EIBOR, BBSW, AUD LIBOR, JPY LIBOR, PRIBOR, CNH HIBOR, TRLIBOR, TRYLIBOR and TIBOR are not included in ESMA's register of administrators under the Benchmarks Regulation. As far as the Trustee is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Treasury Markets Association of Banks, the Association of Banks in Singapore, Bank Negara Malaysia, the UAE Central Bank, ASX Limited, the Czech Financial Benchmark Facility s.r.o., the Banks Association of Turkey, the JBA TIBOR Administration and the New Zealand Financial Markets Association, are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Arranger

Dubai Islamic Bank

Dealers

Dubai Islamic Bank

HSBC

First Abu Dhabi Bank

Standard Chartered Bank

The date of this Base Prospectus is 7 November 2019.

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. This Base Prospectus complies with the requirements in Part 2 of the Markets Law and Chapter 2 of the Markets Rules.

Each of the Trustee and DIB accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms for each Tranche issued under the Programme. To the best of the knowledge of each of the Trustee and DIB (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information under the headings “*Risk Factors*”, “*Description of Dubai Islamic Bank PJSC*” 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.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Final Terms.

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 Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Irish Central Bank.

No person is or has been authorised by the Trustee or DIB to give any information or to make any representation not contained in or not consistent with this Base Prospectus in connection with the Programme or the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, DIB, the Dealers (as defined under “*Overview of the Programme*”), the Delegate, the Agents (each as defined herein) or any other person. Neither the delivery of this document nor any sale of any Certificates shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Delegate and the Dealers expressly do not undertake to review the financial condition or affairs of the Trustee or DIB at any point, including during the life of the Programme, or to advise any investor in Certificates issued under the Programme of any information coming to their attention.

None of the Dealers, the Delegate or the Agents 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 Base Prospectus or any other information provided by DIB in connection with the Programme and no responsibility or liability is accepted for the acts or omissions of DIB or any other person in connection with the Programme or the issue and offering of Certificates thereunder.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF CERTIFICATES GENERALLY

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates is (i) intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Trustee, DIB, the Dealers, the Delegate or the Agents that any recipient of this Base Prospectus should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and DIB. None of the Dealers, the Trustee, the Delegate or the Agents accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Trustee and DIB in connection with the Programme.

The Certificates of any Series may not be a suitable investment for all investors. Each potential investor in Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Certificates, the merits and risks of investing in the relevant Certificates and the information contained in this Base Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Certificates and the impact the relevant Certificates will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where the currency of payment is different from the potential investor's currency;
- (d) understands thoroughly the terms of the relevant Certificates and is familiar with the behaviour of financial markets; and
- (e) is able to evaluate possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Certificates are legal investments for it, (2) Certificates can be used as collateral for various types of borrowing and (3) 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.

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

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, DIB, the Dealers, the Delegate or the Agents represents that this Base Prospectus may be lawfully distributed, or that any 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 Dealers, the Delegate or the Agents which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base 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 Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the EEA (including the United Kingdom), the Cayman Islands, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, Singapore, Hong Kong, Malaysia and the People's Republic of China, see "*Subscription and Sale*".

None of the Dealers, the Trustee, DIB or the Delegate 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF FINANCIAL INFORMATION

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

- unaudited condensed consolidated interim financial information as at and for the nine month period ended 30 September 2019 (the **2019 Interim Financial Statements**);
- audited consolidated financial statements as at and for the financial year ended 31 December 2018 (the **2018 Financial Statements**); and
- audited consolidated financial statements as at and for the financial year ended 31 December 2017 (the **2017 Financial Statements** and, together with the 2018 Financial Statements, the **Audited Financial Statements**).

DIB's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. Each of the Audited Financial Statements and the 2019 Interim Financial Statements (together, the **Financial Statements**) have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (the **IASB**). The Audited Financial Statements have been audited in accordance with International Standards on Auditing by KPMG Lower Gulf Limited, without qualification as stated in their audit reports appearing therein. The 2019 Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" (IAS 34). The 2019 Interim Financial Statements have been 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*" (ISRE 2410), as stated in their review report appearing therein. All information in this Base Prospectus as at, or for the nine month periods ended, 30 September 2018 and 30 September 2019 is unaudited.

DIB publishes its financial statements in UAE dirham.

PRESENTATION OF OTHER INFORMATION

In this document, references to:

- **Group** are to DIB and its consolidated subsidiaries and associates taken as a whole;
- **Abu Dhabi** and **Dubai** are to the Emirate of Abu Dhabi and the Emirate of Dubai, respectively;
- the **UAE** are to the United Arab Emirates;
- the **GCC** are to the Gulf Co-operation Council;
- the **MENA region** are to the Middle East and North Africa region;
- **U.S.\$**, **USD** and **U.S. dollars** are to the lawful currency of the United States;
- **£** and **Sterling** are to the lawful currency of the United Kingdom;
- **euro** and **€** 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**, **UAE Dirham** and **AED** are to the lawful currency of the UAE and references to **fil** are to the sub-unit of the dirham;
- **CNY**, **Renminbi** and **RMB** are to the lawful currency of the People's Republic of China (**PRC**) which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan; 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 at a fixed rate of AED 3.6725 = U.S.\$1.00. All U.S.\$ translations of dirham amounts appearing in this Base 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 Base 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 relevant financial statements rather than the rounded numbers contained in the Base 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 the Base 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 Base Prospectus.

ALTERNATIVE PERFORMANCE MEASURES

A number of the financial measures presented by DIB in this Base Prospectus are not defined in the IFRS accounting standards. 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 the IFRS. Unless otherwise stated, the list below presents alternative performance measures, along with their reconciliation to the extent that such information is not defined in the IFRS and not included in DIB's financial statements incorporated by reference into this Base Prospectus:

- provision coverage ratio: provision for impairment / non-performing investing and financing assets;
- overall coverage ratio: aggregate of provision for impairment and discounted value of collateral / non-performing investing and financing assets;
- impaired ratio: impaired financing and investing assets / gross financing and investing assets, and investments in bilateral sukuk;
- return on equity: net profit attributable to equity holders / average shareholders' equity, adjusted for estimated distribution;
- return on assets: net profit for the group / average total assets;
- cost to income ratio: total operating expenses / net income;
- net profit margin: net funded income (gross income from financing and investing transactions less depositors and sukuk holders' share of profit) / average earning assets (aggregate of financing and investing assets, investment in Islamic sukuk, due from banks and financial institutions and international murabaha with Central Bank); and
- financing / customer deposits: net Islamic financing and investing assets / customer deposits.

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 advisors 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 Arranger, the Delegate, the Agents or the Dealers, 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Certificates will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the target market assessment; 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 assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)

Unless otherwise stated in the applicable Final Terms all Certificates issued or to be issued under the Programme shall be 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).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base 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 Base 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*” and “*Description of Dubai Islamic Bank PJSC*” and other sections of this Base 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 one or more of the risks or uncertainties materialise, including those identified below or which DIB has otherwise identified in this Base Prospectus, or 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 Dubai Islamic Bank PJSC*” 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.

The risks and uncertainties referred to above include:

- macro-economic and financial market conditions and, in particular, the global financial crisis;
- credit risks, including the impact of a higher level of credit defaults arising from adverse economic conditions (in particular in relation to the real estate sector), the impact of provisions and impairments and concentration of DIB's portfolio of Islamic financing and investing assets;
- liquidity risks, including the inability of DIB to meet its contractual and contingent cash flow obligations or the inability to fund its operations; and
- changes in profit rates and other market conditions.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

These forward-looking statements speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws, DIB expressly disclaims any obligation or undertaking to disseminate after the date of this Base 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 potential investors that projected results or events will be achieved and DIB cautions potential investors not to place undue reliance on these statements.

NOTICE TO UK RESIDENTS

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" (AFIBs) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the FSMA)) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority (FCA). Accordingly, this Base 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 Base Prospectus, any Final Terms and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, 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 (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 the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, 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 CISs Order*); (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise be lawfully promoted. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to any Certificates.

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

Any prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it 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 any member of the public of the Cayman Islands to subscribe for any Certificates to be issued under this Programme and this Base Prospectus shall not be construed as an invitation to the public of the Cayman Islands to subscribe for any such Certificates.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus 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 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 adviser.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders 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 any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base 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 Base Prospectus and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Base 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 Base 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 Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of securities will be made to the public in the Kingdom of Bahrain and this Base 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

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base 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) read together with

Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia (*CMSA*), 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 Base Prospectus.

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF CERTIFICATES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF THE CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF THE CERTIFICATES. ANY STABILISATION ACTION MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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RISK FACTORS

The purchase of any 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 Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Base Prospectus.

Each of the Trustee and DIB believes that the factors described below represent the principal risks inherent in investing in Certificates, but the inability of the Trustee to pay any amounts on or in connection with any Certificate may occur for other reasons and none of the Trustee or 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 Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in “Structure Diagram and Cashflows”, “Form of the Certificates” and “Terms and Conditions of the Certificates” shall have the same meanings in this section.

FACTORS THAT MAY AFFECT THE TRUSTEE’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER CERTIFICATES ISSUED UNDER THE PROGRAMME

The Trustee will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee’s only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Certificates, including its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee of all amounts due from DIB under the relevant 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 their respective obligations under the Transaction Documents to which they are a party. See “*Risk Factors – A. Operational risks relating to DIB and its business*” below for a further description of these risks.

FACTORS THAT MAY AFFECT DIB’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY

A. OPERATIONAL RISKS RELATING TO DIB AND ITS BUSINESS

The risks described under this heading “A. Operational risks relating to DIB and its business” have been categorised as operational risks. Operational risks relate to losses resulting from inadequate or failed internal processes, people and systems, or due to external events which are beyond the control of DIB. Should an operational risk materialise without effective prevention or mitigation controls it would have a high level of impact. Operational risks are managed through policy, standards, procedure-based controls, active prevention and monitoring. Operational risks could adversely affect DIB’s business, financial condition, results of operations and prospects. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.

Further context on DIB’s operational risks is set out below:

General

Investors should note that DIB is a UAE company and is incorporated in, and has its operations and the majority of its assets located in, the UAE. Accordingly, DIB may not have sufficient assets located outside the UAE to satisfy in whole or part any judgment obtained from a foreign court relating to amounts owing

under the Certificates. If investors were to seek enforcement of a foreign judgment in the UAE or to bring proceedings in relation to the Certificates in the UAE, then certain limitations would apply (see “– *Risk factors relating to enforcement*”).

Majority of business in the UAE

As at 30 September 2019, approximately 87 per cent. of DIB’s assets were located in the UAE and accordingly its business may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and/or the Middle East generally.

The UAE and Middle East markets, being emerging markets, are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment is only suitable for sophisticated investors who fully appreciate the significance of the risks involved (see further “*Additional risk factors – Emerging markets*” and “*The United Arab Emirates Banking Sector and Regulations – Characteristics of the Banking System – Lack of Developed Capital Markets*”).

DIB’s business is subject to concentration risk

Concentrations in DIB’s financing and deposit portfolios subject it to risks of default by its larger customers, from exposure to particular sectors of the UAE economy that may underperform and from withdrawal of large deposits. DIB’s financing and deposit portfolios show country, industry and customer concentrations.

DIB’s Islamic financing and investing assets are concentrated, geographically, in the UAE, where certain industry sectors (including the real estate sector) and certain regions (including Dubai) have been more significantly affected than others by the global financial crisis that commenced in early 2008. See “– *Real estate exposure*” below for a description of the principal risks relating to the Dubai real estate sector. In addition, the composition of DIB’s financing portfolio will change from time to time and, in some circumstances, the portfolio may contain a concentration of exposure to particular industries or sectors, government entities, government-related entities or individuals (see further “*Description of Dubai Islamic Bank PJSC – Credit risk measurement – Portfolio Concentrations*”).

DIB’s consolidated portfolio of Islamic financing and investing assets, net of impairment provisions, constituted 66 per cent. of its consolidated total assets, or AED 152 billion (U.S.\$41 billion), as at 30 September 2019. Of such total portfolio, as at 30 September 2019, nearly 94 per cent. of DIB’s Islamic financing and investing assets were situated in the UAE.

DIB’s customers’ deposits constituted 83 per cent. of its total liabilities, or AED 163 billion (U.S.\$44 billion), as at 30 September 2019, of which the majority were located in the UAE. As a result of the concentration of DIB’s portfolio of Islamic financing and investment assets and customer deposit base in the UAE, any deterioration in general economic conditions in the UAE or any failure by DIB to manage effectively its risk concentrations could have an adverse effect on its business, financial condition, results of operations and prospects (see further “– *Political, economic and related considerations*”).

Business Risks

DIB is exposed to a number of business-related risks including credit risk, market risk (which can be subdivided into trading and non-trading risks), liquidity risk (see “– *Financial Risks*”), legal risk (see “– *C. Legal Risks*”) and operational risk. Any failure by DIB to manage and/or mitigate such risks and/or predict unexpected market events that are beyond the control of DIB could have an adverse effect on its business, financial condition, results of operations and prospects and, consequently, its ability to fulfil its obligations under the Transaction Documents.

Operational risk

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 DIB's respective counterparties or vendors) and the occurrence of natural disasters. DIB has developed a detailed operational risk framework which clearly defines the roles and responsibilities of individuals and units across different functions of DIB that are involved in performing various operational risk management tasks. The operational risk management framework established by DIB is also aimed at ensuring that operational risks within those areas are properly identified, monitored, managed and reported. DIB will, when appropriate, insure itself against operational risks. Notwithstanding insurance against operational risks, DIB might nonetheless be subject to losses arising from operational risk as a result of inadequate insurance coverage and delays in claim settlement.

There can be no assurance that such measures will continue to eliminate or reduce operational risk and, should any of these measures fail to operate as intended, DIB's business, financial condition, results of operations and prospects may be adversely affected.

DIB's business may be influenced by a principal beneficial shareholder

DIB's principal beneficial shareholder is the Government of Dubai, holding 28.4 per cent. of DIB's share capital as at 30 September 2019. By virtue of this shareholding, the Government of Dubai has the ability to influence DIB's business significantly through its ability to control certain actions that require shareholder approval. If circumstances were to arise where the interests of the Government of Dubai or any future major shareholder conflicts with the interests of the Certificateholders, Certificateholders could be disadvantaged by any such conflict.

DIB's business is influenced by growth in its portfolio of Islamic financing and investing assets

DIB's Islamic financing and investing assets and investments in bilateral *sukuk* after netting of impairment provisions, have grown from AED 54.8 billion (U.S.\$14.9 billion) as at 31 December 2011 to AED 155 billion (U.S.\$42 billion) as at 30 September 2019.

The increase in DIB's Islamic financing and investing assets portfolio size during this period has increased its credit exposure. In addition, DIB's strategy of continuing to grow its core banking activities organically within the UAE by offering a wider range of products (in particular in relation to its retail businesses) may also increase the credit risk exposure in DIB's Islamic financing and investing assets portfolio. Whilst DIB has adopted a more prudent and risk averse strategy in respect of new financings since late 2008, any failure to manage growth and development successfully and to maintain the quality of its assets could have an adverse effect on DIB's business, financial condition, results of operations and prospects.

DIB's ratings are subject to change

DIB is currently rated A by Fitch and A3 by Moody's. Both rating agencies have affirmed DIB's ratings at the current levels, with a "Stable" outlook. However, investors should be aware that any negative movement is likely to make it more expensive for DIB to raise financing in the future which could have an adverse effect on its business, financial condition, results of operations and prospects and could adversely affect the price at which the Certificates are traded in the secondary market.

B. FINANCIAL RISKS

The risks described under this heading "B. Financial Risks" have been categorised as financial risks. While all risks have a financial liability, financial risks are those which relate to financial controls and performance. Financial risks could adversely affect DIB's business, financial condition, results of operations and prospects. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.

Further context on DIB's financial risks is set out below:

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. DIB's policies and procedures and its trading limits are set to ensure the implementation of DIB's market risk policy in its day-to-day operations and such operations are reviewed periodically to ensure compliance with internal policies. However, there can be no assurance that such measures will continue to eliminate or reduce market risk and, should any of these measures fail to operate as intended, DIB's business, financial condition, results of operations and prospects may be adversely affected.

Liquidity risk

Liquidity risk is the risk that DIB 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 DIB to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on DIB's ability to meet its obligations when they fall due. As is the normal practice in the UAE banking industry, DIB accepts deposits from its customers which are short-term in nature. However, it is also normal in the UAE banking industry for these short-term deposits to be rolled over on their maturity such that, in practice, a significant portion of them have actual maturities of longer duration. By contrast, DIB's financings have more diversified maturities. Accordingly, there is a risk that, if a significant number of DIB's customers did not choose to roll over their deposits at any time, DIB could experience difficulties in repaying those deposits. In addition, DIB only has limited Sharia compliant products that could be used for short-term liquidity management.

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

In addition, there are always timing differences between the cash payments DIB owes on its liabilities and the cash payments due to it on its investments. DIB'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, DIB 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 when due.

All of the above-mentioned factors relating to liquidity risk could have an adverse effect on DIB's business, financial condition, results of operations and prospects.

Competition

DIB faces competition in all of its business areas from locally incorporated and foreign banks operating in the UAE. DIB also faces competition from both Islamic banks and conventional banks. According to the Central Bank's preliminary data, there were, as at 30 September 2019, 49 different banks (comprising 22 locally incorporated banks and 27 foreign 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 at 30 September 2019, there were seven 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, should some of these barriers be removed or eased in the future, either voluntarily or as a result of the UAE's obligations to the World Trade Organisation, the GCC or any other similar entities, this would likely lead to a more competitive environment for DIB and other domestic financial institutions and could have an adverse effect on DIB's business, financial condition, results of operations and prospects.

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

DIB maintains its accounts, and reports its results, in UAE dirham. The UAE 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 UAE dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects DIB’s results of operations and financial condition. Any such de-pegging, particularly if the UAE dirham weakens against the U.S. dollar, could have an adverse effect on DIB’s business, results of operations, financial condition and prospects.

Real estate exposure

Real estate exposure risk is the credit risk associated with providing financing to customers for the purpose of acquiring real estate, either for their own use or for investment, as well as where financing to the client is secured by real estate as collateral. Any downturn in the real estate market or default of DIB’s main real estate-related clients could have a material adverse effect on DIB’s business, reputation, financial condition, results of operations and prospects. While DIB seeks to manage this risk through its credit risk policies and procedures, including the carrying out of due diligence and the establishment of concentration limits, there is no guarantee that this will be successful.

As at 30 September 2019, the Group’s gross financing exposure (that is to say, before taking into account collateral held or other credit enhancements) to the commercial real estate and home financing sectors was 20 per cent. and 9 per cent., respectively. As at 30 September 2018, 19 per cent. and 9 per cent. of the Group’s gross Islamic financing and investing assets comprised financings made to the real estate and consumer home finance sectors, respectively.

DIB 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.

Following the financial crisis in 2008, the Dubai real estate market witnessed a recovery with the overall quarterly Dubai House Price Index increasing to 167 points in the first quarter of 2015 from 149 points in the third quarter of 2013, an increase of 10.8 per cent., according to Colliers International (a global real estate company offering services to investors, property owners, tenants and developers around the world). Between the first quarter of 2015 and the first quarter of 2016, however, the Dubai House Price Index decreased from 167 to 144. Market regulations have also been strengthened in an attempt to mitigate the risk of a repeat of Dubai’s real estate market crisis. The Group continues to have a portion of its financing assets within the real estate sector and any significant fluctuations in this sector may have a material adverse effect on DIB’s business, financial condition, results of operations and prospects. A real estate correction or default in DIB’s main real estate-related clients, may have a material adverse effect on DIB’s business, financial condition, results of operations and prospects.

C. LEGAL RISKS

The risks described under this heading “C. Legal Risks” have been categorised as legal risks. Legal risk is the risk of loss or reputational damage resulting from an inability to maintain compliance with the prevailing legal and regulatory environment established in the jurisdictions in which DIB operates. Legal risks could adversely affect DIB’s business, financial condition, results of operations and prospects. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.

Further context on DIB’s legal risks is set out below:

9/11 Litigation

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 over 520 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 substantially identical allegations against DIB, including that DIB provided material support and assistance to Al Qaeda and that all defendants knew or should have known they were providing material support, 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 and transferred those actions to 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.

Subsequently, the plaintiffs in two of the civil lawsuits against DIB have abandoned their claims against DIB (one in August 2010 and the other in March 2011). Accordingly, six civil lawsuits against DIB remain pending as of the date of this Base Prospectus. DIB is currently in the discovery phase of this litigation. During the first part of the discovery phase, the document discovery phase, the parties exchanged relevant documents (this was completed by DIB in late 2012, but was subsequently extended a number of times as the plaintiffs then asked for further documentation). The document discovery phase has now concluded for DIB but remains open for some co-defendants. Concurrently, the parties have moved to the next step in the discovery phase, being the deposition phase, where the parties identify and take testimony of relevant witnesses in depositions under oath. Once discovery is completed, DIB can seek its dismissal from all of the civil lawsuits by moving for summary judgment. To obtain such summary judgment, DIB must show that it is entitled to dismissal because the evidence uncovered during discovery would not permit a fact finder to hold DIB liable for damages.

In addition to the civil lawsuits mentioned above, in 2016 DIB was named as co-defendant in five additional civil lawsuits, the plaintiffs in four of which brought claims under the Justice Against Sponsors of Terrorism Act (JASTA) relating to the terrorist attacks on 11 September 2001. However, all these five lawsuits against DIB have been dismissed in 2017. DIB believes that it has meritorious defences to the remaining pending claims, has defended itself and intends to continue to defend itself vigorously. No provision has been made in respect of any outstanding 9/11 legal proceedings against DIB as professional advice indicates that it is unlikely that any significant or material costs or loss, other than legal costs in connection with the defence, are expected to be incurred, although U.S. litigation is by its nature uncertain and it is therefore not always possible to accurately predict any outcome in terms of withdrawals, dismissal or ultimate liability.

Adverse publicity in relation to the 9/11 claims could affect DIB's reputation, particularly outside the UAE. In addition, if such claims, either in aggregate or individually, were to be successful, and substantial damages and/or penalties were to be assessed against DIB, these could have a material adverse effect on DIB's business, results of operations, financial condition and prospects.

D. MACROECONOMIC AND GEOPOLITICAL RISKS

The risks described under this heading "D. Macroeconomic and Geopolitical Risks" have been categorised as macroeconomic and geopolitical risks. Macroeconomic and geopolitical risk is the risk of loss which arises as a result of changes in the prevailing macroeconomic environment and the performance of financial markets generally or as a result of a deterioration in geopolitical conditions in the jurisdictions in which DIB operates. Macroeconomic and geopolitical risks could adversely affect DIB's business, financial condition, results of operations and prospects. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.

Further context on DIB's macroeconomic and geopolitical risks is set out below:

Political, economic and related considerations

DIB's business is, and will continue to be, affected by economic and political developments in or affecting the UAE and the Middle East and North Africa (MENA) region and investors' reactions to developments in one country may affect securities of issuers in other markets, including the UAE. Since the fall in global crude oil prices from the middle of 2014 and slower economic growth during this time, the economies of the oil-revenue dependent GCC countries have been adversely affected with greater budget deficits, a decrease in fiscal revenues and consequent lower public spending. As at the date of this Base Prospectus, the GCC economy continues to experience generally unfavourable economic conditions. Consequently, certain sectors of the GCC economy, such as financial institutions, that had benefitted from previous high rates of growth have been materially adversely affected. As at 30 September 2019, approximately 87 per cent. of DIB's operations and assets were located in the UAE, with a particular focus on Dubai. Given that DIB 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, see "*Financial performance is affected by general economic conditions*".

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 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 the ongoing political uncertainty and civil unrest in those countries. Additionally, in June 2017 a number of MENA countries including the UAE, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the Arab Republic of Egypt severed diplomatic relations with the State of Qatar. The termination of diplomatic relations included the withdrawal of ambassadors and imposing trade and travel bans. 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.

Although over the past few years the UAE federal government has tried to diversify away from oil and gas, a significant portion of the UAE federal government's revenue is still dominated by oil and gas, contributing approximately U.S.\$393 billion, or 25.9 per cent., of nominal gross domestic product in 2018. As such, there remain particular concerns around the ongoing impact of the volatility of global crude oil prices (which were approximately 42 per cent. lower in September 2019 as compared to June 2014, according to the monthly OPEC basket price of oil), the effects of the risks posed by an economic downturn in emerging markets generally and the broader impact this may have on global debt and equity markets, and the current uncertainty surrounding levels of interest rates across global markets (including the decision of the U.S. Federal Reserve in December 2015 to raise interest rates for the first time since 2006, followed by a second increase in December 2016, a third increase in March 2017, a fourth increase in June 2017, a fifth increase in December 2017, a sixth increase in March 2018, a seventh increase in June 2018, an eighth increase in September 2018 and a ninth increase in December 2018, followed by a decrease in July 2019 and a second decrease September 2019). These challenging market conditions have resulted, at times, in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. DIB could be adversely affected in the future by any deterioration of general economic conditions in the markets in which it operates, as well as by United States, European and international trading market conditions and/or related factors.

Investors should also note that DIB'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 DIB'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 DIB 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, DIB's business, financial condition, results of operations and prospects may be adversely affected.

Financial performance is affected by general economic conditions

Risks arising from changes in credit quality and the recoverability of amounts due from customers and counterparties are inherent in banking and financial institution businesses. In common with other banks and financial institutions in the GCC region, DIB suffered a deterioration in its financing portfolio (in DIB's case between 2008 and 2012), principally manifested in the form of increases in the level of non-performing financings as a result of such adverse economic conditions. As at 30 September 2019, approximately 87 per cent. of DIB's assets were in the UAE and, consequently, its operations have been and may continue to be affected by economic developments impacting the UAE, in particular, the level of economic activity in the UAE. Moreover, while the UAE federal government's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained. Traditionally, the oil and gas industry has been the basis of the development in the GCC regional economy, which means that economic development has been impacted by the general level of oil and gas prices.

DIB uses different hedging strategies to minimise risk, including collateral and insurance that are intended to bring the credit risk level to within its strategy and risk appetite. However, there can be no guarantee that

such measures will continue to eliminate or reduce such risks and, consequently, DIB's business, financial condition, results of operations and prospects may be adversely affected.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH CERTIFICATES ISSUED UNDER THE PROGRAMME

Risks relating to the Assets

Ownership of the Assets

In order to comply with the requirements of Sharia, an ownership interest in the Assets comprised within the relevant Portfolio will pass to the Trustee under the relevant Purchase Agreement. The Trustee will declare a trust in respect of such Portfolio and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the relevant Trust Deed. Accordingly, Certificateholders will, through the ownership interest of the Trustee, have an undivided ownership interest in the relevant Portfolio unless the transfer of the Portfolio is prohibited by, or ineffective under, any applicable law (see "*Transfer of the Assets*" below).

No investigation or enquiry will be made and no due diligence will be conducted in respect of any Assets comprised within any Portfolio. Such Assets will be selected by DIB and the Certificateholders, the Trustee and the Delegate will have no ability to influence such selection. Only limited representations will be obtained from DIB in respect of the Assets of any Series. In particular, the precise terms of the Assets will not be known (including whether there are any restrictions on transfer or any further obligations required to be performed by DIB to give effect to the transfer of the Assets). No steps will be taken to perfect the transfer of the ownership interest (including registration) in the Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee or obligor in respect thereof.

In addition, if and to the extent that a third party is able to establish a direct claim against the Trustee, the Delegate or any Certificateholders on the basis of any ownership interest in the Assets of any Series, DIB has agreed in the Master Trust Deed to indemnify the Trustee, the Delegate and the Certificateholders against any such liabilities. In the event that DIB is unable to meet any such claims then the Certificateholders may suffer losses in excess of the original face amount invested.

Transfer of the Assets

No investigation has been or will be made as to whether any interest in any Assets may be transferred as a matter of the law governing the contracts (if any) underlying such Assets, the law of the jurisdiction where such assets are located or any other relevant law. No investigation will be made to determine if any Supplemental Purchase Contract will have the effect of transferring an interest in the relevant Assets.

However, DIB has undertaken in the Purchase Undertaking and the Master Trust Deed that if the Portfolio Exercise Price is not paid in accordance with the provisions of the Purchase Undertaking, whether as a result of a dispute or challenge in relation to the rights, benefits and entitlements of the Trustee in, to and under the Portfolio or any of the assets comprising the Portfolio, or for any other reason, DIB shall (as an independent, severable and separately independent obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates and, accordingly, the amount payable under any such indemnity claim will equal the Portfolio Exercise Price.

If DIB fails to purchase the Assets in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 14 and the terms of the Master Trust Deed, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Trust Deed against DIB by commencing proceedings in the courts of the Dubai International Financial Centre (the **DIFC Courts**). The DIFC Courts should respect the choice of English law as the governing law of the Purchase Undertaking and the Master Trust Deed. See "*– Risk factors relating to enforcement – Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Dubai*".

Risks Relating to the Certificates

The Certificates are limited recourse obligations

Certificates to be issued under the Programme are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the relevant Trust Assets. Recourse to the Trustee in respect of each Series is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders of the relevant Series will be against DIB to perform its obligations under the Transaction Documents to which it is a party. Certificateholders will have no recourse to any assets of the Trustee or DIB in respect of any shortfall in the expected amounts due under the relevant Trust Assets. DIB is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against DIB to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to DIB and there is no assurance that the net proceeds of the realisation of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing DIB's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the relevant Certificates. After enforcing or realising the rights in respect of the Trust Assets of a Series (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 4.2, the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such 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 except pursuant to the Transaction Documents (which includes the Purchase Undertaking). The sole right of the Trustee, the Delegate and the Certificateholders against DIB shall be to enforce the obligation of DIB to perform its obligations under the Transaction Documents to which it is a party.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates of any Series 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 those 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 Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. Accordingly, the purchase of Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the relevant Certificates and the financial and other risks associated with an investment in the relevant Certificates. An investor in Certificates must be prepared to hold the relevant Certificates for an indefinite period of time or until their maturity. Application has been made for the listing of certain Series to be issued under the Programme on Euronext Dublin and/or Nasdaq Dubai, as the case may be, but there can be no assurance that any such listing will occur or will enhance the liquidity of the Certificates of the relevant Series.

The Certificates may be subject to early redemption

In the event that the amount payable on the Certificates of any Series is required to be increased to include additional amounts in certain circumstances and/or DIB is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the Cayman Islands (in the case of the Trustee) or the UAE (in the case of DIB), or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Certificates upon giving notice in accordance with the Terms and Conditions of the relevant Certificates.

If so provided in the applicable Final Terms, a Tranche may be redeemed early at the option of the Trustee. Any such early redemption feature of any Certificate is likely to limit its market value. During any period when the Trustee may elect to redeem Certificates, the market value of those Certificates generally will not

rise substantially above the dissolution amount payable. This also may be true prior to any redemption period. The Trustee may be expected to redeem Certificates when DIB's cost of borrowing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

The regulation and reform of “benchmarks” may adversely affect the value of Certificates linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” (including LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark.

The Benchmarks Regulation was published in the Official Journal of the European Union on 29 June 2016 and the majority of its provisions have applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Certificates linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in subsequent speeches by FCA officials, the FCA confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcements**). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**€STR**) as the new risk-free rate. €STR is expected to be published by the ECB by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including trust certificates). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the European financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR or any other benchmark will continue to be supported going forwards. This may cause LIBOR, EURIBOR or such other benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark; (b) triggering changes in the rules or methodologies used in the benchmark; and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Certificates linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the Rate (or the relevant component part thereof) on Certificates which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Certificates set out in the Conditions. Depending on the manner in which the Rate is to be determined under the Conditions, this may, if Screen Rate Determination applies, result in the Rate (or the relevant component part thereof) being set by reference to a Successor Rate or an Alternative Reference Rate which may be determined by an Independent Adviser or DIB or lead to the effective application of a fixed rate based on the Rate which applied for the last preceding Return Accumulation Period when the relevant benchmark was available, as further described below. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Certificates which reference a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event occurs, including, if an original Reference Rate and/or any page on which an original Reference Rate may be published, becomes unavailable, or if the Trustee, DIB, the Calculation Agent or any other party responsible for the calculation of the Rate (as specified in the applicable Final Terms) is no longer permitted lawfully to calculate profit on any Certificates by reference to such an original Reference Rate under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the Rate (or the relevant component thereof) could be set by reference to a Successor Rate or an Alternative Reference Rate, with or without the application of an Adjustment Spread, and may include amendments to the Conditions, the Master Trust Deed and/or any other Transaction Document to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser, acting in good faith and following consultation with the Trustee and DIB, or DIB (acting in good faith and in a commercially reasonable manner), as applicable, and without the requirement for the consent or sanction of Certificateholders. An Adjustment Spread, if applied, is (a) the spread, formula or methodology which is formally recommended in relation to the replacement of the original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (b) if no such recommendation has been made, or in the case of an Alternative Reference Rate, the spread, formula or methodology which the Independent Adviser (following consultation with the Trustee and DIB) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the original Reference Rate, or (c) if the Independent Adviser (following consultation with the Trustee and DIB) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate, as the case may be. Accordingly, the application of an Adjustment Spread may result in the Certificates performing differently (which may include payment of a lower Rate) than they would do if the original Reference Rate were to continue to apply in its current form. If no Adjustment Spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate (or the relevant component thereof). The use of a Successor Rate or Alternative Reference Rate (including with the application of an Adjustment Spread) will still result in any Certificates linked to or referencing an original Reference Rate performing differently (which may include payment of a lower Rate) than they would if the original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of the calculation of the Rate (or the relevant component part thereof) for the relevant immediately following Return Accumulation Period may result in the use of a Rate (or the relevant component part thereof) equal to the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Certificates in making any investment decision with respect to any Certificates referencing a benchmark.

Risks relating to Certificates denominated in Renminbi

A description of risks which may be relevant to an investor in Certificates denominated in Renminbi (**Renminbi Certificates**) are set out below.

Renminbi is not completely freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Certificates

Renminbi is not completely freely convertible at present. The government of the PRC (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Currently, participating banks in Hong Kong and a number of other jurisdictions (the **Applicable Jurisdictions**) have been permitted to engage in the settlement of current account trade transactions in Renminbi. However, remittance of Renminbi by foreign investors into and outside of the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities or the relevant banks on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although, starting from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China (**PBOC**) in 2018, there is no assurance that the PRC Government will liberalise its control over cross-border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside of the PRC. In the event that funds cannot be repatriated outside of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Trustee to source Renminbi to finance its obligations under Certificates denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Certificates and the Trustee's ability to source Renminbi outside the PRC to service Renminbi Certificates.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBOC has established Renminbi clearing and settlement mechanics for participating banks in the Applicable Jurisdictions through settlement agreements (the **Settlement Agreements**) on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (each a **RMB Clearing Bank**)

and these RMB Clearing Banks have been permitted to engage in the settlement of Renminbi trade transactions.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended so as to have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Certificates. To the extent the Trustee is required to source Renminbi in the offshore market to service its Renminbi Certificates, there is no assurance that the Trustee will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described in the Conditions applicable to the Renminbi Certificates, the Trustee can make payments in U.S. dollars.

Investment in the Renminbi Certificates is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The Trustee will make all payments of profit and dissolution amounts with respect to the Renminbi Certificates in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment made by a holder of the Renminbi Certificates in U.S. dollar or other applicable foreign currency will decline.

In the event that access to Renminbi becomes restricted to the extent that, by reason of RMB Inconvertibility, RMB Non-transferability or RMB Illiquidity (as defined in the Conditions), the Trustee is unable, or it is impractical for it, to pay profit or any dissolution amount in Renminbi, the Conditions allow the Trustee to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in more detail in the Conditions. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a Certificateholder's investment in U.S. dollar or other foreign currency terms will decline.

Payments with respect to the Renminbi Certificates may be made only in the manner designated in the Renminbi Certificates

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

All payments to investors in respect of the Renminbi Certificates will be made solely (i) for so long as the Renminbi Certificates are represented by global certificates held with the common depository for Clearstream Banking S.A. (**Clearstream, Luxembourg**) and Euroclear Bank SA/NV (**Euroclear**) or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or (ii) for so long as the Renminbi Certificates are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the Conditions, the Trustee cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

There may be PRC tax consequences with respect to investment in the Renminbi Certificates

In considering whether to invest in the Renminbi Certificates, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Certificateholder's investment in the Renminbi Certificates may be materially and adversely affected if the Certificateholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Certificates.

Risk factors relating to enforcement

Investors may experience difficulties in enforcing arbitration 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.

The parties to the Transaction Documents have 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 Delegate, are stated to have exclusive jurisdiction to settle any disputes in respect of the Transaction Documents (other than the Master Purchase Agreement and the Sale Undertaking). 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 United Kingdom 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. In the absence of any other multilateral or bilateral enforcement convention, any arbitration award rendered in London should therefore be enforceable in Dubai in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Dubai courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE.

How the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention), remains largely untested. This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems independent of the federal system, and whose rulings may have no more than persuasive force crossborder. 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, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign awards under the UAE Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of Federal Law No. 11 of 1992 (as amended by Federal Law No. 30 of 2005) (the Law of Civil Procedure). Federal Cabinet Resolution No. 57 of 2018 (the **Resolution**) governs the enforcement of foreign arbitral awards. The Resolution confirms that arbitral awards issued in a foreign state may be enforced in the UAE and that the conditions for enforcement of foreign arbitral awards set out in the

New York Convention take precedence over the Resolution. There remains a risk that notwithstanding the Resolution or the terms of an applicable multilateral or bilateral enforcement convention, the UAE courts may in practice still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the **UAE Arbitration Law**) related to the enforcement of domestic arbitral awards (as provided in Articles 52 to 57 of the UAE Arbitration Law) to the enforcement of any non-UAE arbitral award. The UAE Arbitration Law and the Resolution are both new and it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

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 relevant 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, or to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in Dubai 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 relevant Transaction Documents, which at the option of 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 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 DIFC Courts (**Law No. 16 of 2011**) came into force in the Emirate of 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 Dubai International Financial Centre (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 Base 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 to which it is a party

In the event of DIB's insolvency, UAE bankruptcy law may adversely affect DIB's ability to perform its obligations under the Transaction Documents to which it is a party 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.

A court may not grant an order for specific performance

In the event that DIB fails to perform its obligations under any Transaction Document to which it is a party, 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 to which it is a party.

Change of law

The structure of each issue of Certificates under the Programme is based on English law, the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to, or interpretation of, English, Dubai or UAE law or administrative practices in such jurisdiction after the date of this Base 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 DIB, to comply with its obligations under the Transaction Documents to which it is a party.

Additional risk factors

Emerging markets

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

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 to which it is a party 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 to which it is a party are valid and binding under the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Certificates of each Series will be represented on issue by a Global Certificate that will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each 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 Global Certificates. While the Certificates of any Series are represented by a Global Certificate, investors will be able to trade their ownership interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

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

Holders of ownership interests in a 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.

Sharia rules

The Fatwa and Sharia Supervisory Board of DIB and the Sharia Committee of Dar al Sharia Islamic Finance Consultancy LLC, First Abu Dhabi Bank Shariah Supervisory Board, the Internal Shariah Supervision

Committee of HSBC Bank Middle East Limited and the Shariah Supervisory Committee of Standard Chartered Bank have confirmed that the Transaction Documents are, in their view, Sharia compliant. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be Sharia compliant by any other Sharia board or Sharia scholars. None of the Trustee, DIB, Dar Al Sharia Islamic Finance Consultancy LLC, the Delegate or the Dealers makes any representation as to the Sharia compliance of any Series and potential investors are reminded that, as with any Sharia views, differences in opinion are possible. Potential investors should obtain their own independent Sharia advice as to the compliance of the Transaction Documents and the issue and trading of any Series with Sharia principles.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents would, if in dispute, either be the subject of arbitration (or, in the case of the Purchase Undertaking, court proceedings) under English law or court proceedings under the laws of (i) Dubai and, to the extent applicable in Dubai, the federal laws of the UAE or (ii) England and Wales. In such circumstances, the arbitrator or, as the case may be, judge may apply the relevant law of the Transaction Document in determining the obligation of the parties.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Certificates. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms. If the status of the rating agency rating the Certificates changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Certificates may have a different regulatory treatment. This may result in European regulated investors selling the Certificates which may impact the value of the Certificates and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

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

In relation to any issue of Certificates which have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Certificateholder holds an amount which is less than the minimum Specified Denomination 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 a Specified Denomination 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 the minimum Specified Denomination may be illiquid and difficult to trade.

Consents to variation of Transaction Documents and other matters

The Conditions of the Certificates contain provisions for calling meetings of Certificateholders to consider matters affecting their interests generally. 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 Master Trust Deed contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Master Trust Deed 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 relevant Certificateholders and is other than in respect of a Reserved Matter (as defined in the Master Trust Deed). Unless the Delegate otherwise agrees, any such modification shall as soon as practicable thereafter be notified to the relevant Certificateholders and shall in any event be binding upon the relevant Certificateholders.

Exchange rate risks and exchange controls

The Trustee will make all payments on the Certificates. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Trustee does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Certificates, (2) the Investor's Currency equivalent value of the principal payable on the Certificates and (3) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of any Periodic Distribution Amount or Dissolution Amount on a Certificate. As a result, investors may receive less amounts under the Certificates than expected, or no such amounts. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

Risk factors relating to taxation

Taxation risks on payments

Payments made by DIB to the Trustee under the Transaction Documents and payments by the Trustee in respect of the Certificates could become subject to taxation. The Service Agency Agreement requires the Service Agent, each of the Purchase Undertaking and the Sale Undertaking requires DIB, and the Master Trust Deed requires DIB to pay additional amounts in the event that any withholding or deduction is required by applicable law to be made in respect of payments made by it to the Trustee which are intended to

fund Periodic Distribution Amounts and Dissolution Amounts. Condition 11 provides that the Trustee is required to pay additional amounts in respect of any such withholding or deduction imposed by Cayman Islands law in certain circumstances. In the event that the Trustee fails to pay any such additional amounts in respect of any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, DIB has unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 11 in respect of any withholding or deduction in respect of any tax as set out in that Condition.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the auditors' review report and unaudited condensed consolidated interim financial information of DIB as at and for the nine month period ended 30 September 2019 (available at: https://www.dib.ae/docs/default-source/financial-reports/dib-financial-statements-q3-2019-english.pdf?sfvrsn=b55ae32f_4);
- (b) the auditors' report and audited consolidated financial statements of DIB as at and for the financial year ended 31 December 2018 (available at: https://www.dib.ae/docs/default-source/financial-reports/dib-fs-ye-2018-english-final.pdf?sfvrsn=2a6100f9_4); and
- (c) the auditors' report and audited consolidated financial statements of DIB as at and for the financial year ended 31 December 2017 (available at: https://www.dib.ae/docs/default-source/financial-reports/2017_annualreport_en.pdf?sfvrsn=4069ce97_24);
- (d) the Terms and Conditions of the Certificates contained on pages 54 to 82 (inclusive) in the base prospectus dated 2 February 2017 prepared by DIB in connection with the Programme (available at: https://www.ise.ie/debt_documents/Base%20Prospectus_14dea23f-94b7-4980-845d-f585e59b1e06.PDF); and
- (e) the Terms and Conditions of the Certificates contained on pages 55 to 83 (inclusive) in the base prospectus dated 7 November 2017 prepared by DIB in connection with the Programme (available at: https://www.ise.ie/debt_documents/Final%20Base%20Prospectus%2007.11_e7d435b6-9d4b-4222-a1ec-2798366a5349.PDF).

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Irish Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

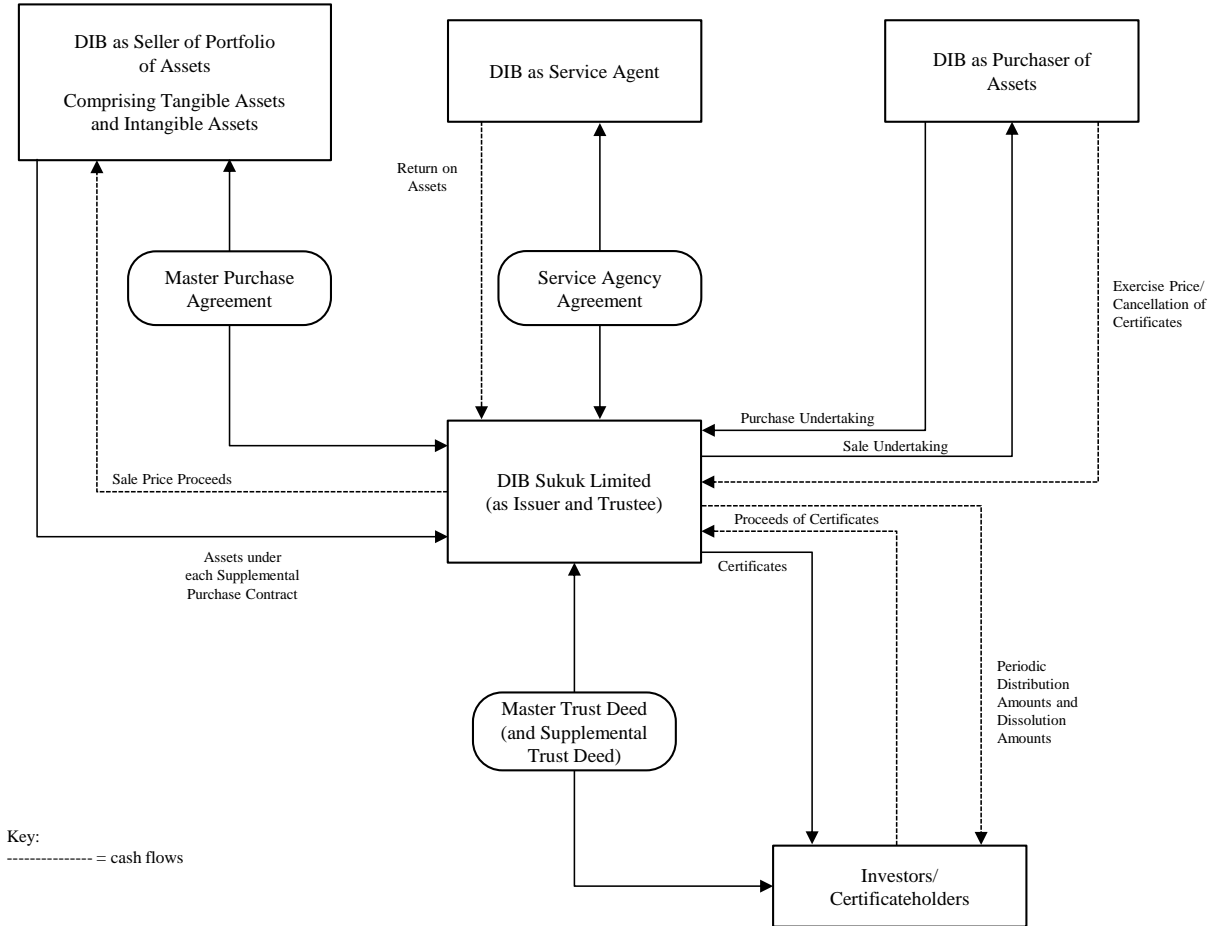
Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The Trustee and DIB will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Certificates, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Certificates.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series issued. Potential investors are referred to the terms and conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents and the Terms and Conditions of the Certificates set out elsewhere in this Base Prospectus for a fuller description of certain cashflows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Principal cash flows

Payments by the Certificateholders and the Trustee

On the Issue Date of the first Tranche of any Series, the Trustee will use the proceeds for the relevant Series to purchase from DIB a portfolio (the **Initial Portfolio**) of (i) real estate assets (**Real Estate Ijara Assets**) (including the related real estate *ijara* contracts and all rights thereunder; provided, however, that such real estate asset is in existence on the date on which it enters the relevant Initial Portfolio), (ii) non-real estate Ijara assets (each such asset, a **Non-Real Estate Ijara Asset** and, together with the Real Estate Ijara Assets, each an **Ijara Asset**) (including the related non-real estate *ijara* contracts and all rights thereunder; provided, however, that such non-real estate asset is in existence on the date on which it enters the relevant Initial Portfolio); (iii) any asset, other than an Ijara Asset, which is an income generating asset (including, without limitation, any *sukuk* or trust certificates) that has associated with it underlying tangible assets and which is originated, held or owned by DIB in accordance with the Sharia principles laid down by DIB's Fatwa and Sharia Supervisory Board (including any agreements or documents relating to such asset) (each such asset, an **Other Tangible Asset** and, together with the Ijara Assets, each a **Tangible Asset**); and (iv) *murabaha* receivables under a *murabaha* (sale of commodities or goods on a cost plus basis) contract, outstanding deliverable assets under *salam* financing (commodities or goods or assets of a specified quality and quantity)

and *ijara mousoofah fizzaimah* (forward *ijara*) real estate and non-real estate) assets (each such asset, an **Intangible Asset** and, together with the Tangible Assets, each an **Asset** or an **Income Generating Asset**).

In the case of any subsequent Tranche of Certificates of a Series, the relevant Certificateholders will pay the issue price (as set out in the applicable Final Terms) in respect of the issuance of additional Certificates to the Trustee, and the Trustee will use such proceeds to purchase from DIB the relevant Additional Portfolio pursuant to the terms of the Master Purchase Agreement.

The Assets which comprise the portfolio from time to time are together referred to in this Base Prospectus as the **Portfolio**. The Service Agent will be appointed as service agent to service each Portfolio under the terms of the Service Agency Agreement.

Periodic Distribution Payments

Prior to each Periodic Distribution Date, the Service Agent will pay to the Trustee (by way of a payment into the relevant Transaction Account) an amount reflecting returns generated (other than returns in the nature of sale, capital or principal payments) by the relevant Portfolio (**Portfolio Income Revenues**) during the relevant Distribution Period, which is intended to be sufficient to fund the Periodic Distribution Amounts payable by the Trustee under the relevant Series and shall be applied by the Trustee for that purpose.

In the event that the Portfolio Income Revenues to be paid by the Service Agent into the relevant Transaction Account on any Distribution Determination Date are greater than the Required Amount (as defined below) (having first repaid (i) any Liquidity Facility and/or (ii) any Service Agency Liability Amounts for the relevant Distribution Period) for the relevant Series on the immediately following Periodic Distribution Date, the amount of any excess shall be retained by the Service Agent as a reserve and credited to a separate book-entry ledger account (in respect of each Series, the **Income Reserve Collection Account**) maintained by the Service Agent.

If there is a shortfall on any Distribution Determination Date (after transfer of the Portfolio Income Revenues into the relevant Transaction Account as described above) between (i) the amounts standing to the credit of the relevant Transaction Account and (ii) an amount (the **Required Amount**) equal to the aggregate of the Periodic Distribution Amounts and any other amounts payable by the Trustee in respect of the relevant Certificates on the immediately following Periodic Distribution Date (a **Shortfall**), the Service Agent shall first apply the amounts standing to the credit of the relevant Income Reserve Collection Account (if any) towards such Shortfall by transferring into the relevant Transaction Account from such Income Reserve Collection Account on that Distribution Determination Date an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of such Income Reserve Collection Account). If, having applied such amounts standing to the credit of the relevant Reserve Collection Account (if any) and after payment to the relevant Transaction Account of all other amounts payable pursuant to any other Transaction Document, any part of the Shortfall still remains, the Service Agent may either:

- (a) provide Sharia compliant funding to the Trustee itself; or
- (b) procure Sharia compliant funding from a third party to be paid to the Trustee,

in each case in the amount required to ensure that there is no Shortfall and on terms that such funding is repayable from Portfolio Income Revenues in the future or on the date on which the Certificates of the relevant Series are redeemed in full (each a **Liquidity Facility**).

Dissolution Payments

On each Scheduled Dissolution Date, the Trustee will have the right under the Purchase Undertaking to require DIB to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the relevant Portfolio. The exercise price payable by DIB is intended to fund the Final Dissolution Amount payable by the Trustee under the relevant Certificates.

The Trust in relation to any Series may be dissolved prior to the relevant Scheduled Dissolution Date for the following reasons: (i) redemption following a Dissolution Event, (ii) an early redemption for tax reasons,

(iii) if so specified in the applicable Final Terms, at the option of the Trustee (following the receipt of an Exercise Notice from DIB in accordance with the terms of the Sale Undertaking) on an Optional Dissolution Date and (iv) if so specified in the applicable Final Terms, at the option of the Certificateholders on any Certificateholder Put Option Date.

In the case of sub-paragraphs (i) to (iii) above inclusive, the amounts payable by the Trustee on the due date for dissolution will be funded in a similar manner as for the payment of the Final Dissolution Amount. Upon the exercise by Certificateholders of the option described in sub-paragraph (iv), the Trustee will redeem the relevant Certificates on the Certificateholder Put Option Date at the Optional Dissolution Amount (Certificateholder Put). Any such redemption shall be funded through the exercise by the Trustee of its right under the Purchase Undertaking to require DIB to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the relevant Portfolio with an aggregate Value (as defined below under "*Summary of the Principal Transaction Documents – Service Agency Agreement*") no greater than the aggregate face amount of the Certificates to be redeemed.

OVERVIEW OF THE PROGRAMME

The following is an overview of the principal features of the Programme. This overview does not contain all of the information that an investor should consider before investing in Certificates and is qualified in its entirety by the remainder of this Base Prospectus and the applicable Final Terms. Each investor should read the entire Base Prospectus and the applicable Final Terms carefully, especially the risks of investing in Certificates issued under the Programme discussed under “Risk Factors”.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Words and expressions defined in “*Structure Diagram and Cashflows*”, “*Form of the Certificates*” and “*Terms and Conditions of the Certificates*” shall have the same meanings in this overview.

Issuer and Trustee:	DIB Sukuk Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands with registered number 268522 and its registered office at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Legal Entity Identifier (LEI) of the Trustee:	549300U3ZMUHC2JQLL56
Legal Entity Identifier (LEI) of DIB:	5493003E7YRAQY3JGW88
Seller and Service Agent:	Dubai Islamic Bank PJSC
Risk Factors:	There are certain factors that may affect the Trustee’s ability to fulfil its obligations under Certificates issued under the Programme, and DIB’s obligations under the Transaction Documents to which it is a party. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme. All of these factors are set out under “ <i>Risk Factors</i> ” above.
Ownership of the Trustee:	The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1 each, of which 250 shares are fully paid up and issued. The Trustee’s entire issued share capital is held by MaplesFS Limited on trust for charitable purposes.
Administration of the Trustee:	The affairs of the Trustee are managed by MaplesFS Limited (the Trustee Administrator), who will provide, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to a Corporate Services Agreement dated on 10 May 2012 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.
Arranger:	Dubai Islamic Bank PJSC
Dealers:	Dubai Islamic Bank PJSC First Abu Dhabi Bank PJSC HSBC Bank plc Standard Chartered Bank

and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Certificates.

Delegate:	Deutsche Trustee Company Limited
	Pursuant to the Master Trust Deed, the Trustee shall delegate to the Delegate certain of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by certain provisions of the Master Trust Deed. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being 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 Seller and/or the Service Agent and/or DIB following a Dissolution Event.
Principal Paying Agent:	Deutsche Bank AG, London Branch
Registrar and Transfer Agent:	Deutsche Bank Luxembourg S.A.
Certain Restrictions:	Each Series denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”). The proceeds of each Series will not be accepted in the United Kingdom except in compliance with applicable law, including article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Programme Size:	Up to U.S.\$7,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Trustee and DIB may increase the size of the Programme in accordance with the terms of the Programme Agreement.
Issuance in Series:	The Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Certificates of each Series will have the same terms and conditions (which will be completed in the applicable Final Terms) or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Distribution:	Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Certificates may be denominated in any currency agreed between the Trustee, DIB and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, DIB and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the relevant Specified Currency.
Issue Price:	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be

issued under the Programme will be determined by the Trustee, DIB and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

- Form of Certificates:** The Certificates will be issued in registered form as described in “*Form of the Certificates*”. The Certificates of each Tranche 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 each Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. See “*Form of the Certificates*”. Definitive Certificates evidencing holdings of Certificates will be issued in exchange for ownership interests in a Global Certificate only in limited circumstances.
- Clearance and Settlement:** Holders of the Certificates must hold their interest in the relevant 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 clearance systems.
- Face Amount of Certificates:** The Certificates will be issued in such face amounts as may be agreed between the Trustee, DIB and the relevant Dealer save that the minimum face amount of each Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions*” above, and save that: (i) the minimum face amount of each Certificate admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Certificates are issued in a currency other than euro, the equivalent amount in such currency); and (ii) the minimum face amount of each Certificate listed on the DFSA Official List will be U.S.\$100,000 (or, if the Certificates are issued in a currency other than United States dollars, the equivalent amount in such currency, as calculated on the Issue Date of such Tranche).
- Status of the Certificates:** Each Certificate will evidence an undivided ownership interest of the Certificateholders in the Trust Assets of the relevant Series, will be a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without any preference or priority, with all other Certificates of the relevant Series issued under the Programme.
- Trust Assets:** The Trust Assets of the relevant Series will be all of the Trustee’s rights, title, interest and benefit, present and future, in, to and under (i) the relevant Portfolio, (ii) the Transaction Documents (other than (A) in relation to any representations given to the Trustee by DIB pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to Clause 13.1 of the Master Trust Deed), (iii) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of the foregoing listed (i) to (iii) (the **Trust Assets**), and such Trust Assets will be held upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder for the relevant Series.

Periodic Distributions:	Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.
Redemption of Certificates:	Unless the Certificates are previously redeemed or purchased and cancelled, the Certificates shall be redeemed by the Trustee at the relevant Dissolution Amount and on the relevant Scheduled Dissolution Date specified in the applicable Final Terms and the Trust in relation to the relevant Series will be dissolved by the Trustee.
Dissolution Events:	Upon the occurrence of any Dissolution Event, the Certificates may be redeemed in full on the Dissolution Date at the relevant Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amount and the relevant Return Accumulation Period may be adjusted accordingly. See Condition 14.
Early Dissolution for Tax Reasons:	Where (i) DIB has determined that the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 11 or (ii) DIB has or will become obliged to pay any additional amounts under the Service Agency Agreement, the Purchase Undertaking and/or the Sale Undertaking, in each case as a result of a change in the laws of a Relevant Jurisdiction (as defined in the Conditions) and such obligation cannot be avoided by the Trustee or DIB, as applicable, taking reasonable measures available to it, the Trustee may, following receipt of an exercise notice from DIB pursuant to the Sale Undertaking, redeem the Certificates in whole but not in part at an amount equal to the relevant Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable, the Dissolution Date must be a Periodic Distribution Date.
Optional Dissolution Right:	<p>If so specified in the applicable Final Terms, the Trustee may, following receipt of an exercise notice from DIB pursuant to the Sale Undertaking, redeem in whole but not in part the Certificates of the relevant Series at the relevant Optional Dissolution Amount (Call) on the relevant Optional Dissolution Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable, the Optional Dissolution Date must be a Periodic Distribution Date.</p> <p>If applicable to the relevant Series, the Optional Dissolution Date(s) will be specified in the applicable Final Terms.</p> <p>For Sharia reasons, the Optional Dissolution (Call) and the Certificateholder Put Option cannot both be specified as applicable in any single Series.</p>
Certificateholder Put Option:	<p>If so specified in the applicable Final Terms, Certificateholders may elect to redeem their Certificates on any Certificateholder Put Option Date(s) specified in the applicable Final Terms at an amount equal to the relevant Optional Dissolution Amount (Certificateholder Put) together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 10.4. Following the payment by DIB of the relevant exercise price under the Purchase Undertaking, the Trustee will redeem the relevant Certificates on the relevant Certificateholder Put Option Date.</p> <p>For Sharia reasons, the Certificateholder Put Option and Optional Dissolution (Call) cannot both be specified as applicable in any single Series.</p>

Cancellation of Certificates held by DIB and/or any of its Subsidiaries:

Pursuant to Condition 13, DIB and/or any of its Subsidiaries may at any time purchase Certificates in the open market or otherwise. If DIB wishes to cancel such Certificates purchased by it and/or any of its Subsidiaries, DIB will deliver those Certificates to the Principal Paying Agent for cancellation. DIB may also exercise its option under the Sale Undertaking to require the Trustee to transfer to DIB an undivided ownership interest (each a **Cancellation Interest**) in the relevant Portfolio with an aggregate Value no greater than the aggregate face amount of the Certificates so delivered to the Principal Paying Agent for cancellation and, upon such cancellation, the Trustee will transfer those Assets to DIB, all as more particularly described in the Sale Undertaking. Each Cancellation Interest will be calculated as the ratio, expressed as a percentage, of the aggregate outstanding face amount of the relevant Certificates to be cancelled to the aggregate face amount of the Certificates outstanding immediately prior to the cancellation of such Certificates.

Asset Substitution:

The Service Agent may substitute Assets in accordance with the relevant provisions of the Service Agency Agreement and the Sale Undertaking, provided that no Dissolution Event has occurred and is continuing, the substitute assets are Assets and the Value of such substitute assets shall have an aggregate Value which is not less than the aggregate Value of the Assets to be so substituted.

Withholding Tax:

All payments by DIB under, or pursuant to, the Purchase Undertaking and Sale Undertaking and all payments by the Service Agent under the Service Agency Agreement shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction unless the withholding is required by law. In the event that any such withholding or deduction is made, DIB and/or the Service Agent, as the case may be, will be required to pay additional amounts so that the Trustee will receive the full amounts that it would have received in the absence of such withholding or deduction.

All payments in respect of Certificates by the Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Trustee will, save in the limited circumstances provided in Condition 11, be required to pay additional amounts so that the holders of the Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.

Negative Pledge:

The Purchase Undertaking contains a negative pledge given by DIB. See "*Summary of the Principal Transaction Documents – Purchase Undertaking*".

Cross Default:

The Purchase Undertaking contains a cross default provision in relation to DIB. See "*Summary of the Principal Transaction Documents – Purchase Undertaking*".

Trustee Covenants:

The Trustee has agreed to certain restrictive covenants as set out in Condition 5.

Ratings:

DIB has been assigned long term 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.

A Series to be issued under the Programme may be rated or unrated. Where a Series of Certificates is to be rated, its rating will be specified in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme.

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

Certificateholder Meetings: A summary of the provisions for convening meetings of Certificateholders of each Series 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 for Certificates issued under the Programme to be listed on the Official List and admitted to trading on the Euronext Dublin Regulated Market.

Application has also been made to the DFSA for Certificates issued under this Programme during the period of 12 months after the date hereof to be admitted to the DFSA Official List and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, DIB and the relevant Dealer in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Transaction Documents: The Transaction Documents are the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Contract, the Service Agency Agreement, the Purchase Undertaking and the Sale Undertaking.

Governing Law and Dispute Resolution: The Certificates of each Series and any non-contractual obligations arising out of or in connection with the Certificates of each Series will be governed by, and construed in accordance with, English law.

The Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking and any non-contractual obligations arising out of or in connection with the same will be governed by English law. In respect of any dispute under any such agreement or deed to which it is a party, DIB has consented to arbitration in London under the Rules. Any dispute may also be referred to the courts in England or the courts of the DIFC (who shall have exclusive jurisdiction to settle any dispute arising from such documents).

Each of the Master Purchase Agreement, each Supplemental Purchase Contract, each Sale Agreement entered into under the Purchase

Undertaking and each Sale Agreement or Transfer Agreement entered into under the Sale Undertaking will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. In respect of any dispute under any such agreement to which it is a party, DIB has agreed to submit to the exclusive jurisdiction of the Dubai courts.

The Corporate Services Agreement will be governed by the laws of the Cayman Islands and will be subject to the non-exclusive jurisdiction of the courts 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 to which it is a party 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.

Limited Recourse:

Each Certificate represents solely an undivided ownership interest in the relevant Trust Assets. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available for the relevant Trust Assets.

Certificateholders will otherwise have no recourse to any assets of the Trustee or DIB in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished.

Selling Restrictions:

There are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the EEA (including the United Kingdom), the Cayman Islands, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, Kingdom of Saudi Arabia, Kingdom of Bahrain, the State of Kuwait, Singapore, Hong Kong, Malaysia and the People's Republic of China.

United States Selling Restrictions:

Regulation S, Category 2.

FORM OF THE CERTIFICATES

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

Each Tranche of Certificates will initially be represented by a global certificate in registered form (a **Global Certificate**). Global Certificates will be deposited with a common depository for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the common depository. Persons holding ownership interests in Global Certificates 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.

Payments of any amount in respect of each Global Certificate will, in the absence of any provision to the contrary, be made to the person shown on the relevant Register (as defined in Condition 1.2) as the registered holder of the relevant Global Certificate. 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 Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Certificates in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date (as defined in Condition 8.1) immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Global Certificate will be exchangeable (free of charge), 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 Dissolution Event (as defined in Condition 14) has occurred and is continuing, or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available. In the event of the occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the relevant 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 within 15 days following the request for exchange for completion and dispatch to the relevant Certificateholders. A person having an interest in a 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.

General

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the 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 treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates in accordance with and

subject to the terms of the relevant Global Certificate and the expressions **Certificateholder** and **holder of Certificates** and related expressions shall be construed accordingly.

Pursuant to the Agency Agreement (as defined herein), the Principal Paying Agent shall arrange that, where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Certificates of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche issued under the Programme.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the/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 and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; 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 manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”)] - *[Notice to be included if classification of the Certificates is not “prescribed capital markets products”, pursuant to Section 309B of the SFA.]*

[Date]

DIB SUKUK LIMITED

Legal Entity Identifier (LEI): 549300U3ZMUHC2JQLL56

Issue of [Aggregate Face Amount of Tranche] [Title of Certificates] [to be consolidated and form a single series with the existing [Aggregate Face Amount of Tranche] [Title of Certificates] issued on [] (the *Original Certificates*)]¹

**under the
U.S.\$7,500,000,000
Trust Certificate Issuance Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 November 2019 [and the Supplement to the Base Prospectus dated [] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) (the **Base Prospectus**). This document constitutes the Final Terms of the Certificates described herein [for the purposes of the Prospectus Regulation]² and must be read in conjunction with the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus has been published on the websites of Euronext Dublin at <http://www.ise.ie> and Nasdaq Dubai at <http://www.nasdaqdubai.com>. The Base Prospectus is available for viewing during usual business hours at the registered office of the Trustee at P.O. Box 1093, Queensgate House, George Town, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the specified office of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated [original date]. This document constitutes the Final Terms of the Certificates described herein [for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**)]³ and must

¹ Include only for an issue of further Certificates in accordance with Condition 20.

² All references to the Prospectus Regulation, including this reference, to be included only if the Certificates are to be admitted to listing on the official list, and to trading on the regulated market, of Euronext Dublin or other regulated market for the purposes of MiFID II.

³ All references to the Prospectus Regulation, including this reference, to be included only if the Certificates are to be admitted to listing on the official list, and to trading on the regulated market, of Euronext Dublin or other regulated market for the purposes of MiFID II.

be read in conjunction with the base prospectus dated 7 November 2019 [and the Supplement to the Base Prospectus dated [] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**) including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus has been published on the websites of Euronext Dublin at <http://www.ise.ie> and Nasdaq Dubai at <http://www.nasdaqdubai.com>. The Base Prospectus is available for viewing during usual business hours at the registered office of the Trustee at P.O. Box 1093, Queensgate House, George Town, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the specified office of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[If the Certificates have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

- | | | |
|----|---|--|
| 1. | Issuer and Trustee: | DIB Sukuk Limited |
| 2. | Service Agent: | Dubai Islamic Bank PJSC (DIB) |
| 3. | Series Number: | [] |
| | (a) Tranche Number: | [] |
| | (b) Date on which the Certificates will be consolidated and form a single Series: | [The Certificates will be consolidated and form a single Series with <i>[identify earlier Tranche(s)]</i> on <i>[insert date/ the Issue Date]</i>] [Not Applicable] |
| 4. | Specified Currency: | [] |
| 5. | Aggregate Face Amount: | [] |
| | (a) Series | [] |
| | (b) Tranche | [] |
| 6. | Issue Price: | [] per cent. of the Aggregate Face Amount [plus <i>specified currency</i> [] in respect of [] days of accrued Periodic Distribution Amounts from (and including) <i>the issue date of the Original Certificates</i> to (but excluding) <i>the Issue Date</i>] ⁴ |
| 7. | (a) Specified Denominations:
<i>(this means the minimum integral face amount in which transfers can be made)</i> | []
<i>(N.B. If an issue of Certificates is (i) NOT admitted to trading on an EEA regulated market; and (ii) only offered in the EEA in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the €100,000 minimum denomination is not required.)</i>

<i>(N.B. If an issue of Certificates is NOT listed on Nasdaq Dubai, the U.S.\$100,000 minimum denomination is not required.)</i> |

⁴ Include only for an issue of further Certificates in accordance with Condition 20.

- (b) Calculation Amount (in relation to the calculation of the Periodic Distribution Amount whilst the Certificates are in global form, see Conditions): [] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
8. (a) Issue Date: []
 (b) Return Accrual Commencement Date: [Issue Date][specify other]
9. Scheduled Dissolution Date: *[Specify date or (for Floating Periodic Distribution Certificates) Periodic Distribution Date falling in or nearest to the relevant month and year.]*
(Note that for Renminbi denominated Fixed Periodic Distribution Certificates where the Periodic Distribution Dates and the Periodic Distribution Amount to be paid on such Periodic Distribution Dates are subject to modification in accordance with a Business Day Convention, it will be necessary to use the following wording: "Periodic Distribution Date falling in or nearest to [specify month and year]")
10. Periodic Distribution Amount Basis: [[] per cent. Fixed Periodic Distribution Amount] [[] month *EURIBOR/LIBID/LIBOR//LIMEAN/SHIBOR/HIBOR/SIBOR/KLIBOR/EIBOR/SAIBOR/BBSW/AUD LIBOR/JPY LIBOR/PRIBOR/CNH HIBOR/TRLIBOR or TRYLIBOR/TIBOR*] +/- [] per cent. Floating Periodic Distribution Amount] (see paragraph [17]/[18] below)
11. Dissolution Basis: Subject to any purchase and cancellation or early redemption, the Certificates will be redeemed on the Scheduled Dissolution Date at [] per cent. of their Aggregate Face Amount
12. Change of Periodic Distribution Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 17 and 18 below and identify these] [Not Applicable]*
13. Put/Call Options: [Not Applicable]
 [Certificateholder Put Option]
 [Optional Dissolution (Call)]
 [(see paragraph [19]/[20] below)]
14. Status: Unsubordinated
15. Date of Trustee's board approval and date of DIB's board approval for issuance of Certificates: [] and [], respectively

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

16. Notice periods for Condition 10.2: Minimum period: [30] days
Maximum period: [60] days
17. Fixed Periodic Distribution Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate[s]: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Periodic Distribution Date]
- (b) Periodic Distribution Date(s): [[] in each year up to and including the Scheduled Dissolution Date]
- (NB: This will need to be amended in the case of long or short return accumulation periods)*
- (For Renminbi denominated Fixed Periodic Distribution Certificates where the Periodic Distribution Dates and the Periodic Distribution Amount to be paid on such Periodic Distribution Dates are subject to modification, specify a Business Day Convention in paragraph 17(g) below (which is expected to be the Modified Following Business Day Convention) and add the words “, subject to adjustment in accordance with the Business Day Convention. For these purposes, “Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and []” after “Scheduled Dissolution Date” in this subparagraph (b))*
- (c) Fixed Amount(s) for Certificates in definitive form (and in relation to Certificates in global form, see Conditions): [] per Calculation Amount

(For Renminbi denominated Fixed Periodic Distribution Certificates where the Periodic Distribution Dates and the Periodic Distribution Amount to be paid on such Periodic Distribution Dates are subject to modification in accordance with a Business Day Convention, the following alternative wording is appropriate: “Each Fixed Amount shall be calculated by multiplying the product of the Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards.)

- (d) Broken Amount(s) for Certificates in [[] per Calculation Amount, payable on the definitive form (and in relation to Periodic Distribution Date falling [in/on] []) Certificates in global form, see [Not Applicable] Conditions):
- (Insert particulars of any initial or final broken Periodic Distribution Amounts which do not correspond with the Fixed Amount(s) specified under paragraph 17(c))*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed) (Applicable for Renminbi denominated Fixed Periodic Distribution Certificates)]
- (f) Determination Date(s): [] in each year
- (Insert regular periodic distribution dates, ignoring issue date or scheduled dissolution date in the case of a long or short first or last return accumulation period N.B. This will need to be amended in the case of regular periodic distribution dates which are not of equal duration*
- N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*
- (g) Business Day Convention (for the purposes of Condition 6.3): [Not Applicable] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
18. Floating Periodic Distribution Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Periodic Distribution Dates: [] [Not Applicable]
- (Specified Period and Specified Periodic Distribution Dates are alternatives. If the Business Day Convention is the Floating Rate Convention, insert "Not Applicable")*
- (b) Specified Period: [] [Not Applicable]
- (Specified Period and Specified Periodic Distribution Dates are alternatives. A Specified Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the Floating Rate Convention. Otherwise, insert "Not Applicable")*
- (c) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / [Not Applicable]]
- (d) Additional Business Centre(s): [Not Applicable/give details]

- (e) Manner in which the Rate(s) is/are to be determined: Screen Rate Determination (Condition 7.3) applies
- (f) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Reference Rate: [] month
 [EURIBOR/LIBID/LIBOR//LIMEAN/SHIBOR/HIBOR/SIBOR/KLIBOR/EIBOR/SAIBOR/BBSW/AUD LIBOR/JPY LIBOR/PRIBOR/CNH HIBOR/TRLIBOR or TRYLIBOR/TIBOR]
- (ii) Periodic Distribution Determination Date: []
(Second London business day prior to the start of each Return Accumulation Period if LIBOR (other than Sterling or euro LIBOR), first day of each Return Accumulation Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Return Accumulation Period if EURIBOR or euro LIBOR)
- (iii) Relevant Screen Page: [For example, Reuters [LIBOR01/EURIBOR01]]
(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (iv) Relevant Time: []
- (g) Margin: [+/-][] per cent. per annum
- (h) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 30E/360 (ISDA)
(See Condition 7 for alternatives)
- (i) Calculation Agent: [Principal Paying Agent] [*specify other*]

PROVISIONS RELATING TO DISSOLUTION

19. Optional Dissolution (Call): [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph. N.B. For Sharia reasons, Optional Dissolution (Call) and Certificateholder Put Option cannot both be specified as applicable for a particular Series)

- (a) Optional Dissolution Amount (Call): [[] per Calculation Amount]
- (b) Optional Dissolution Amount (Call) [] per cent.
Percentage:
- (c) Optional Dissolution Date: [Any Periodic Distribution Date] [*specify other*]

(N.B. If the Floating Periodic Distribution Provisions are applicable, the Optional Dissolution Date must be a Periodic Distribution Date)

- (d) Notice periods
Minimum period: [30] days
Maximum period: [60] days

[]

(N.B. When setting notice periods, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Principal Paying Agent or Delegate)

20. Certificateholder Put Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph. N.B. For Sharia reasons, Certificateholder Put Option and Optional Dissolution (Call) cannot both be specified as applicable for a particular Series)

- (a) Optional Dissolution Amount (Certificateholder Put): [[] per Calculation Amount]
- (b) Optional Dissolution Amount (Certificateholder Put) Percentage: [] per cent.
- (c) Certificateholder Put Option Date(s): []
- (d) Notice Periods
Minimum period: [15] days
Maximum period: [30] days

[]

(N.B. When setting notice periods, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Principal Paying Agent or Delegate)

21. Final Dissolution Amount: [[] per Calculation Amount] [*Note: this must be par*]
22. Early Dissolution Amount (Tax): [[] per Calculation Amount] [*Note: this must be par*]
23. Dissolution Amount pursuant to Condition 14: [] per Calculation Amount [*Note: this must be par*]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

24. Form of Certificates: Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
25. Additional Financial Centres: [Not Applicable/*give details*]

(Note that this paragraph relates to the date of payment and not Return Accumulation Period end dates, to which sub-paragraph 18(d) relates)
26. Details of Transaction Account: DIB Sukuk Limited Transaction Account No: [] with [] for Series No.: []

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of

DIB SUKUK LIMITED

By:

Duly authorised

Signed on behalf of

DUBAI ISLAMIC BANK PJSC

By:

Duly authorised

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [Euronext Dublin’s regulated market and to be listed on the official list of Euronext Dublin][*Nasdaq Dubai or specify relevant regulated market and, if relevant, listing on an official list (for example, the Official List maintained by the Dubai Financial Services Authority)*] with effect from [].]

[Application is expected to be made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [Euronext Dublin’s regulated market and to be listed on the official list of Euronext Dublin][*Nasdaq Dubai or specify relevant regulated market and, if relevant, listing on an official list (for example, the Official List maintained by the Dubai Financial Services Authority)*] with effect from [].]

[Not Applicable.]

(Where documenting a fungible issue, it needs to be indicated that the original Certificates are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [The Certificates to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Certificates of this type issued under the Programme generally]:

[Fitch Ratings Limited (**Fitch**): []]

[Moody’s Investors Service Cyprus Ltd. (**Moody’s**): []]

Each of [[Fitch] and [Moody’s]] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and DIB is aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Managers/Dealers] 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, the Trustee and the DIB and their affiliates in the ordinary course of business – *Amend as appropriate if there are other interests.*]

[(When adding any other description, consideration should be given as to whether such matters

described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.])

4. **[PROFIT OR RETURN (Fixed Periodic Distribution Certificates only)**

Indication of profit or return:

[]

The profit or return is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.]

5. **USE OF PROCEEDS**

(i) Use of proceeds:

[See “Use of Proceeds” in the Base Prospectus]/[]

(ii) Estimated amount of net proceeds:

[]

6. **OPERATIONAL INFORMATION**

(i) ISIN:

[]/[Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN []. After that, the Certificates will have the same ISIN as the Original Certificates, which is [].

(ii) Common Code:

[]/[Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN []. After that, the Certificates will have the same ISIN as the Original Certificates, which is [].

(iii) CFI:

[[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]]

(iv) FISN:

[[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]/[Not Available]]

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

[Not Applicable/give name(s) and number(s)]

(vi) Delivery:

Delivery [against/free of] payment

(vii) Names and addresses of additional Paying

[]

Agent(s) (if any):

(viii) Stabilisation Manager(s): []

7. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, names of Managers: [Not Applicable/*give names*]

(iii) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]

(iv) U.S. Selling Restrictions: Regulation S, Category 2

TERMS AND CONDITIONS OF THE CERTIFICATES

The following 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 issued under the Programme and will apply to each Global Certificate.

DIB Sukuk Limited (in its capacities as issuer and trustee, the **Trustee**) has established a programme (the **Programme**) for the issuance of up to U.S.\$7,500,000,000 in aggregate face amount of trust certificates. In these Terms and Conditions (the **Conditions**), references to **Certificates** shall be references to the trust certificates which are the subject of the applicable Final Terms and references to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Certificate.

Certificates issued under the Programme are issued in Series (as defined below). The applicable Final Terms complete these Conditions.

In these Conditions:

Series means a Tranche (as defined below) of Certificates together with any additional Tranche or Tranches of Certificates which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined herein) thereon and the date from which Periodic Distribution Amounts start to accrue;

Tranche means Certificates which are identical in all respects (including as to listing and admission to trading); and

Transaction Account means, in relation to each Series, the non-interest bearing account maintained in London in the Trustee's name held with the Principal Paying Agent and into which DIB will deposit all amounts due to the Trustee under the Transaction Documents, details of which are specified in the applicable Final Terms.

The Certificates of each Series will represent an undivided ownership interest in the Trust Assets (as defined in Condition 4.1) which are held by the Trustee on trust (the **Trust**) for, *inter alia*, the benefit of the registered holders of the Certificates pursuant to (i) an amended and restated master trust deed (the **Master Trust Deed**) dated 7 November 2019 and made between the Trustee, Dubai Islamic Bank PJSC (**DIB**) and Deutsche Trustee Company Limited (the **Delegate** which expression shall include any co-Delegate or any successor) and (ii) in respect of each Tranche, a supplemental trust deed dated the issue date (the **Issue Date**) of such Tranche of Certificates (the **Supplemental Trust Deed** and, together with the Master Trust Deed, the **Trust Deed**).

Payments relating to the Certificates will be made pursuant to an amended and restated agency agreement dated 7 November 2019 (the **Agency Agreement**) made between the Trustee, the Delegate, DIB, Deutsche Bank AG, London Branch in its capacities as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression shall include any successor and, together with any further or other paying agents appointed from time to time in accordance with the Agency Agreement, the **Paying Agents**, which expression shall include any successors) and calculation agent (in such capacity, the **Calculation Agent**, which expression shall include any successor) and Deutsche Bank Luxembourg S.A. in its capacities as a registrar (in such capacity, the **Registrar**, which expression shall include any successor) and as transfer agent (in such capacity and together with the Registrar, the **Transfer Agents**, which expression shall include any successors). The Paying Agents, the Calculation Agent and the Transfer Agents are together referred to in these Conditions as the **Agents**.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Final Terms 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 inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions:

- (a) any reference to face amount shall be deemed to include the relevant Dissolution Amount (as defined in Condition 8.1), any additional amounts (other than relating to Periodic Distribution Amounts (as defined in Condition 6.2)) which may be payable under Condition 11, and any other amount in the nature of face amounts payable pursuant to these Conditions;
- (b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 11 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (c) references to Certificates being “outstanding” shall be construed in accordance with the Master Trust Deed; and
- (d) any reference to a Transaction Document (as defined below) shall be construed as a reference to that Transaction Document as amended and/or supplemented from time to time.

Subject as set out below, copies of the documents set out below are available for inspection and obtainable free of charge by the Certificateholders during normal business hours at the specified office for the time being of the Principal Paying Agent. The holders of the Certificates (the **Certificateholders**) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the documents set out below:

- (a) an amended and restated master purchase agreement between DIB Sukuk Limited (in its capacity as Trustee and in its capacity as purchaser, the **Purchaser**) and DIB (in its capacity as seller, the **Seller**) dated 7 November 2019 (the **Master Purchase Agreement**);
- (b) the supplemental purchase contract (the **Supplemental Purchase Contract** and, together with the Master Purchase Agreement, the **Purchase Agreement**) having the details set out in the applicable Final Terms;
- (c) the amended and restated service agency agreement between the Trustee and DIB (in its capacity as service agent, the **Service Agent**) dated 7 November 2019 (the **Service Agency Agreement**);
- (d) the amended and restated purchase undertaking made by DIB for the benefit of the Trustee and the Delegate dated 7 November 2019 (the **Purchase Undertaking**);
- (e) the amended and restated sale undertaking made by the Trustee for the benefit of DIB dated 7 November 2019 (the **Sale Undertaking**);
- (f) the Trust Deed;
- (g) the Agency Agreement; and
- (h) the applicable Final Terms.

The documents listed above are referred to in these Conditions as the **Transaction Documents**. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct DIB Sukuk Limited, on behalf of the Certificateholders, (i) to apply the sums paid by it in respect of its Certificates to the Purchaser in accordance with the Purchase Agreement and (ii) to enter into each Transaction Document to which it is a party, subject to the provisions of the Trust Deed and these Conditions.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Certificates are issued in registered form in the Specified Denominations and, in the case of Certificates in definitive form, are serially numbered.

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (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 face amount of such Certificates (in which regard any certificate or other document issued by a clearing system as to the 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 treated by the Trustee, the Delegate, DIB and the Agents as the holder of such face amount of such Certificates for all purposes other than with respect to payment in respect of such Certificates, for which purpose the registered holder of the Global Certificate shall be treated by the Trustee, the Delegate, DIB and any Agent as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions **Certificateholder** and **holder** in relation to any Certificates and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular face amount of Certificates as aforesaid, the Delegate may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Each holder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the registered holder of the Global Certificate. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

1.2 **Register**

The Registrar will maintain a register (the **Register**) of Certificateholders in respect of the Certificates in accordance with the provisions of the Agency Agreement. In the case of Certificates in definitive form, a definitive Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates.

1.3 **Title**

The Trustee, the Delegate, DIB and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Certificate is for the time being registered (as set out in the Register) as the holder of such Certificate or of a particular face amount of the Certificates for all purposes (whether or not such Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Delegate, DIB and the Agents shall not be affected by any notice to the contrary.

All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for moneys payable in respect of such Certificate or face amount.

2. **TRANSFERS OF CERTIFICATES**

2.1 **Transfers of interests in the Global Certificate**

Transfers of interests in the Global Certificate will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Certificates in definitive form

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Certificate in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer (a) the holder or holders must (i) surrender the definitive Certificate for registration of the transfer thereof (or the relevant part thereof) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such regulations as DIB Sukuk Limited, DIB, the Delegate and the Registrar may from time to time prescribe (the initial such regulations being scheduled to the Master Trust Deed).

Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request a new Certificate in definitive form of a like aggregate face amount to the Certificate (or the relevant part of the Certificate) transferred. In the case of the transfer of part only of a Certificate in definitive form, a new Certificate in definitive form in respect of the balance of the Certificate not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

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

2.3 Costs of registration

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Trustee may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS AND LIMITED RECOURSE

3.1 Status

Each Certificate evidences an undivided ownership interest in the Trust Assets, subject to the terms of the Trust Deed and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Certificate ranks *pari passu*, without any preference or priority, with the other Certificates.

3.2 Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of any of the Trustee, DIB, the Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that they will have no recourse to any assets of the Trustee (including, in particular, other assets comprised in other trusts, if any), DIB (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), or the Delegate, or the Agents, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

DIB is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate will have direct recourse against DIB to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 14, no holder of Certificates will have any claim against the Trustee, DIB (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), or the Delegate, or the Agents, or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee, DIB (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

3.3 **Agreement of Certificateholders**

By purchasing Certificates, each Certificateholder is deemed to have agreed 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 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 and further agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document to which it is a party, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon any Transaction Document, against the Trustee to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished;
- (b) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and
- (c) 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 arising under or in connection with these Conditions by virtue of any customary law, statute or otherwise shall be had against any shareholder, member, officer, agent, director or corporate services provider of the Trustee in their capacity as such and any and all personal liability of every such shareholder, member, officer, agent, director or corporate services provider in their capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law.

4. **THE TRUST**

4.1 **The Trust Assets**

Pursuant to the Purchase Agreement, the Seller will sell (i) on the Issue Date of the first Tranche of the relevant Series, an initial portfolio (the **Initial Portfolio**) and (ii) on the Issue Date of any further Tranche of such Series, an additional portfolio (the **Additional Portfolio**) and, together with the Initial Portfolio and, as modified from time to time, the **Portfolio**) of certain assets (the **Assets**) specified in the Supplemental Purchase Contract to the Trustee and the Trustee will purchase the Initial Portfolio or the Additional Portfolio, as the case may be, using the proceeds of the issue of the

relevant Tranche of Certificates. The Trustee has entered into the Service Agency Agreement with the Service Agent as service agent of the Portfolio.

DIB has entered into the Purchase Undertaking in favour of the Trustee and the Delegate to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Portfolio on the Scheduled Dissolution Date at the Final Dissolution Amount (each as defined in Condition 10.1) or, if earlier, on the due date for dissolution determined in accordance with Condition 14 at the Dissolution Amount specified in the applicable Final Terms. If Certificateholder Put Option is specified in the applicable Final Terms as being applicable, the Purchase Undertaking may also be exercised ahead of a Certificateholder Put Option Date (as specified in the applicable Final Terms) to fund the relevant Certificates being redeemed under Condition 10.4 through the purchase by DIB of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Portfolio with an aggregate Value (as defined in the Service Agency Agreement) no greater than the aggregate face amount of such Certificates being redeemed.

Pursuant to the Sale Undertaking, subject to the Trustee being entitled to redeem the Certificates early pursuant to Condition 10.2, DIB may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the Tax Dissolution Date (as defined in Condition 10.2), oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Portfolio on the Tax Dissolution Date at the Early Dissolution Amount (Tax). If Optional Dissolution (Call) is specified in the applicable Final Terms as being applicable, DIB may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the Optional Dissolution Date, oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Portfolio on the Optional Dissolution Date.

Following any purchase of Certificates by or on behalf of DIB or any of its Subsidiaries (as defined in Condition 13) pursuant to Condition 13, the Sale Undertaking may also be exercised in respect of the transfer to DIB of an ownership interest (a **Cancellation Interest**) in the Portfolio with an aggregate Value no greater than the aggregate face amount of the Certificates so purchased against cancellation of such Certificates by the Principal Paying Agent. The Cancellation Interest will be calculated as the ratio, expressed as a percentage, of the aggregate outstanding face amount of the relevant Certificates to be cancelled to the aggregate face amount of the Certificates outstanding immediately prior to the cancellation of such Certificates.

Pursuant to the Trust Deed, the Trustee holds the Trust Assets upon trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates held by each holder. The term **Trust Assets** means:

- (a) 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 Portfolio;
- (b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than (i) in relation to any representations given to the Trustee by DIB pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to Clause 13.1 of the Master Trust Deed); and
- (c) all monies standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing.

4.2 **Application of Proceeds from the Trust Assets**

On each Periodic Distribution Date and on the Scheduled Dissolution Date or any earlier Dissolution Date, the monies standing to the credit of the Transaction Account shall be applied in the following order of priority:

- (a) *first*, to the Delegate in respect of all amounts owing to it under the Transaction Documents

in its capacity as Delegate;

- (b) *second*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (c) *third*, only if such payment is made on the Scheduled Dissolution Date or a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Amount;
- (d) *fourth*, only if such payment is made on the Scheduled Dissolution Date or the final Dissolution Date, to the Service Agent to repay any amounts advanced by way of a Liquidity Facility (as defined in the Service Agency Agreement);
- (e) *fifth*, only if such payment is made on the Scheduled Dissolution Date or the final Dissolution Date, to the Service Agent in or towards payment of any outstanding Service Agency Liability Amounts (as defined in the Service Agency Agreement); and
- (f) *sixth*, only after all necessary payments above have been made in full, to DIB.

5. COVENANTS

The Trustee covenants that, for so long as any Certificate is outstanding, it will not (without the prior written consent of the Delegate):

- (a) incur any indebtedness in respect of borrowed money whatsoever (whether structured in accordance with the principles of the Sharia 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) or any other certificates except, in all cases, as contemplated in the Transaction Documents;
- (b) grant or permit 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);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, 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 ownership interest in any of the Trust Assets except pursuant to the Transaction Documents;
- (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 of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association;
- (f) act as trustee in respect of any trust other than a trust corresponding to any other Series issued under the Programme;
- (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) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; and

- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party 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 Trust Assets as provided in the Transaction Documents; and
 - (iii) such other matters which are incidental thereto.

6. FIXED PERIODIC DISTRIBUTION PROVISIONS

6.1 Application

This Condition is applicable to the Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

6.2 Periodic Distribution Amount

Subject to Condition 4.2 and Condition 8, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

In these Conditions:

Periodic Distribution Amount means, in relation to a Certificate and a Return Accumulation Period, the amount of profit distribution payable in respect of that Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with this Condition 6 or Condition 7; and

Return Accumulation Period means the period from (and including) a Periodic Distribution Date (or the Return Accrual Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date.

6.3 Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount or, if so specified in the applicable Final Terms, the Broken Amount so specified.

In the case of a Certificate where the Specified Currency is Renminbi and the applicable Final Terms specifies a Business Day Convention to be applicable (an **Adjusted Renminbi Fixed Periodic Distribution Certificate**), each Periodic Distribution Date (and, accordingly, the relevant Return Accumulation Period) will be adjusted (if required) in accordance with the relevant Business Day Convention. For this purpose, the provisions relating to the application of a Business Day Convention set out in Condition 7.2 below shall apply to this Condition 6, *mutatis mutandis*, save that, for the purposes of the Conditions relating to an Adjusted Renminbi Fixed Periodic Distribution Certificate, the term **Business Day** shall mean a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Hong Kong.

Except in the case of Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate shall be calculated by applying the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the

provisions of these Conditions and/or the applicable Final Terms (the **Rate**) applicable to the relevant Return Accumulation Period to:

- (a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or
- (b) in the case of Certificates in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the amount of profit distribution payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of Periodic Distribution Amount in accordance with this Condition:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accrual Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.4 Cessation of Profit Entitlement

No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, as a result of the failure of DIB to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be, unless default is made in the payment of the relevant Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition.

7. FLOATING PERIODIC DISTRIBUTION PROVISIONS

7.1 Application

This Condition is applicable to the Certificates only if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

7.2 Periodic Distribution Amount

Subject to Condition 4.2 and 8, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates on either:

- (a) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms; or
- (b) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Periodic Distribution Date, a **Periodic Distribution Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accrual Commencement Date.

In relation to each Periodic Distribution Date, the distribution payable will be equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur or (y) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 7.2(b) above, the Floating Rate Convention, such Periodic Distribution Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred; or
- (B) the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

Business Day means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open (**TARGET Settlement Day**); and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the specified currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively), (ii) in relation to any sum payable in euro, a TARGET Settlement Day; or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

7.3 Screen Rate Determination

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms (the **Rate**) is to be determined, the Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate specified in the applicable Final Terms is a composite^{2.3} quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (i) request each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Periodic Distribution Determination Date to prime banks in the London or Eurozone interbank market, as the case may be, in an amount that is representative for a single transaction in that market at that time; and
 - (ii) determine the arithmetic mean of such quotations; and
- (d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the principal financial

centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, the Rate applicable to the Certificates during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period.

In this Condition the following expressions have the following meanings:

Reference Banks means the principal London office of each of four major banks engaged in the London or Eurozone inter-bank market selected by or on behalf of the Trustee, provided that once a Reference Bank has first been selected by or on behalf of the Trustee, such Reference Bank shall not be changed unless it ceases to be capable of acting as such;

Reference Rate means one of the following benchmark rates (as specified in the applicable Final Terms) in respect of the currency and period specified in the applicable Final Terms:

- (A) Euro interbank offered rate (**EURIBOR**);
- (B) London interbank bid rate (**LIBID**);
- (C) London interbank offered rate (**LIBOR**);
- (D) London interbank mean rate (**LIMEAN**);
- (E) Shanghai interbank offered rate (**SHIBOR**);
- (F) Hong Kong interbank offered rate (**HIBOR**);
- (G) Singapore interbank offered rate (**SIBOR**);
- (H) Kuala Lumpur interbank offered rate (**KLIBOR**);
- (I) Emirates interbank offered rate (**EIBOR**);
- (J) Saudi Arabia interbank offered rate (**SAIBOR**);
- (K) Bank Bill Swap Rate (**BBSW**);
- (L) Australian dollar LIBOR (**AUD LIBOR**);
- (M) Japanese Yen LIBOR (**JPY LIBOR**);
- (N) Prague interbank offered rate (**PRIBOR**);
- (O) CNH Hong Kong interbank offered rate (**CNH HIBOR**);
- (P) Turkish Lira interbank offered rate (**TRLIBOR** or **TRYLIBOR**); and
- (Q) Tokyo interbank offered rate (**TIBOR**);

Relevant Screen Page means the page, section or other part of a particular information service specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each

case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

Relevant Time shall mean shall mean: (a) 11.00 a.m. (London time, in the case of a determination of LIBOR, LIMEAN, LIBID, AUD LIBOR, JPY LIBOR, Brussels time, in the case of a determination of EURIBOR, Shanghai time, in the case of a determination of SHIBOR, Hong Kong time, in the case of a determination of HIBOR, Singapore time, in the case of a determination of SIBOR, Kuala Lumpur time, in the case of a determination of KLIBOR, Dubai time, in the case of a determination of EIBOR, Riyadh time, in the case of a determination of SAIBOR, Sydney time, in the case of a determination of BBSW, Prague time, in the case of a determination of PRIBOR, Istanbul time, in the case of a determination of TRLIBOR or TRYLIBOR, or Tokyo time, in the case of a determination of TIBOR); or (b) 11.15 a.m. Hong Kong time in the case of a determination of CNH HIBOR.

7.4 **Benchmark Replacement**

Notwithstanding the other provisions of this Condition 7 if the Trustee and DIB determine that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any Rate (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

- (a) the Trustee and DIB shall use their reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than ten Business Days prior to the relevant Periodic Distribution Determination Date relating to the next succeeding Return Accumulation Period (the **IA Determination Cut-Off Date**), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate and, in either case, an Adjustment Spread for the purposes of determining the Rate (or the relevant component part thereof) applicable to the Certificates;
- (b) if (A) the Trustee and DIB are unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Trustee and DIB fails to determine a Successor Rate or, failing which, an Alternative Reference Rate and, in either case, an Adjustment Spread in accordance with this Condition 7.4 prior to the relevant IA Determination Cut-Off Date, then DIB (acting in good faith and in a commercially reasonable manner) may elect to determine the Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread itself for the purposes of determining the Rate (or the relevant component part thereof) applicable to the Certificates or, if applicable, any Benchmark Amendments, to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (with the relevant provisions in this Condition 7.4 applying *mutatis mutandis*) to allow such determinations to be made by DIB without consultation with the Independent Adviser;
- (c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Return Accumulation Periods in respect of such Certificates (subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.4);
- (d) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be);
- (e) if any Successor Rate, Alternative Reference Rate or Adjustment Spread is determined in accordance with this Condition 7.4 and the Independent Adviser (following consultation with the Trustee and DIB), or DIB (acting in good faith and in a commercially reasonable manner), as applicable, determines: (A) that amendments to these Conditions, the Master Trust Deed and/or any other Transaction Document (including, without limitation,

amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Periodic Distribution Determination Date or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then, at the direction and expense of DIB and subject to delivery of a notice in accordance with Condition 7.4(f) and the certificate in accordance with this Condition 7.4(e): (x) the Trustee and DIB shall vary these Conditions, the Master Trust Deed and/or any other Transaction Document to give effect to such Benchmark Amendments with effect from the date specified in such notice; and (y) the Delegate and the Agents shall (at DIB's expense), without any requirement for the consent or sanction of the Certificateholders, be obliged to concur with the Trustee and DIB in effecting such Benchmark Amendments, provided that none of the Delegate nor any Agent shall be required to effect any such Benchmark Amendments if the same would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.

Prior to any such Benchmark Amendments taking effect, DIB shall provide a certificate signed by two Authorised Signatories of DIB to the Trustee, the Delegate and the Principal Paying Agent, certifying that such Benchmark Amendments are: (x) in DIB's reasonable opinion (following consultation with the Trustee and the Independent Adviser), necessary to give effect to any application of this Condition 7.4; and (y) in each case, have been drafted solely to such effect, and the Trustee, the Delegate and the Agents shall be entitled to rely on such certificates without further enquiry or liability to any person. For the avoidance of doubt, none of the Delegate or any Agent shall be liable to the Certificateholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such Certificateholder or person;

- (f) the Trustee (failing which, DIB) shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Delegate, the Agents and, in accordance with Condition 17, the Certificateholders confirming: (A) that a Benchmark Event has occurred; (B) the Successor Rate or Alternative Reference Rate (as applicable); (C) any applicable Adjustment Spread; and (D) the specific terms of the Benchmark Amendments (if any);
- (g) if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate (or the relevant component thereof) on the immediately following Periodic Distribution Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this provision, then the Rate (or the relevant component part thereof) applicable to the Certificates during the relevant Return Accumulation Period will be the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period. For the avoidance of doubt, this Condition 7.4(g) shall apply to the relevant Return Accumulation Period only and any subsequent Return Accumulation Periods are subject to the subsequent operation of and to adjustment as provided in, this Condition 7.4; and
- (h) the Independent Adviser appointed pursuant to this Condition 7.4 shall act and make all determinations pursuant to this Condition 7.4 in good faith and the Independent Adviser shall act as an expert. In the absence of bad faith, wilful default or fraud, none of the Independent Adviser, the Trustee and DIB shall have any liability whatsoever to the Certificateholders in connection with any determination made by it or, in the case of the Independent Adviser, for any advice given to DIB in connection with any determination made by DIB pursuant to this Condition 7.4.

For the purposes of this Condition:

Adjustment Spread means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in each case, to be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Trustee and DIB) determine is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or
- (c) (if the Independent Adviser (following consultation with the Trustee and DIB) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Trustee and DIB) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (d) (if the Independent Adviser (following consultation with the Trustee and DIB) determines that there is no such industry standard) the Independent Adviser (following consultation with the Trustee and DIB) or DIB (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate;

Alternative Reference Rate means an alternative benchmark or screen rate which the Independent Adviser (following consultation with the Trustee and DIB) determines, in accordance with this Condition 7.4, is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Certificates or, if the Independent Adviser or DIB (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or DIB (as applicable) determines in their sole discretion is most comparable to the relevant Reference Rate;

Benchmark Event means: (i) the relevant Reference Rate ceasing to be published or ceasing to exist for at least five Business Days; or (ii) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will be permanently or indefinitely discontinued; or (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Certificates; or (v) it has become unlawful for the Trustee, DIB, the Calculation Agent or any Paying Agent to calculate any payments due to be made to any Certificateholder using the relevant Reference Rate, provided that, in the case of (ii), (iii) and (iv) above, the Benchmark Event shall occur on the date of the cessation of publication of the relevant Reference Rate, the discontinuation of the relevant Reference Rate, or the prohibition of use of the relevant Reference Rate, as the case may be, and not the date of the relevant public statement;

Financial Stability Board means the organisation established by the Group of Twenty (G20) in April 2009;

Independent Adviser means an independent financial institution of international repute or an independent adviser with appropriate expertise appointed by the Trustee and DIB at DIB's expense;

Relevant Nominating Body means, in respect of a Reference Rate: (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank for the currency to which the Reference Rate relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof; and

Successor Rate means the rate that the Independent Adviser (in consultation with the Trustee and DIB) or DIB, as applicable, determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body.

7.5 **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless default is made in the payment of the relevant Dissolution Amount, as a result of the failure of DIB to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition provided that, in respect of such accrual, no sale agreement has been executed in accordance with the terms of the Purchase Undertaking or the Sale Undertaking.

7.6 **Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period to:

- (a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or
- (b) in the case of Certificates in definitive form, the Calculation Amount;

and, in each case, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition:

- (a) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;

- (c) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (d) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;
- (e) if “30/360” “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D₂ will be 30;

- (g) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D₂ will be 30.

7.7 Calculation of Other Amounts

If the applicable Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent.

7.8 Publication

The Calculation Agent will cause each Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Trustee, DIB, the Delegate, the Paying Agents as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the fourth day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Certificateholders. The Calculation Agent will be required to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period and any such recalculation will be notified to the Trustee, DIB, the Delegate, the Paying Agents and the Certificateholders as soon as practicable after such determination.

7.9 Notifications, etc. to be final

All communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Calculation Agent will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Trustee, the Delegate, DIB, the Agents and all Certificateholders and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

7.10 Calculation Agent

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or (without prejudice to Condition 7.9) fails duly to determine any Rate, Periodic Distribution Amount and/or Periodic Distribution Date in accordance with the above provisions, the Trustee shall forthwith appoint another leading investment, merchant or commercial bank or financial institution to act as such in its place. The Calculation Agent may not be removed without a successor having been appointed as aforesaid.

8. PAYMENT

8.1 Payments in respect of the Certificates

Subject to Condition 8.2:

- (a) payment in a Specified Currency other than Renminbi of any Dissolution Amount and any Periodic Distribution Amount will be made by transfer to the registered account of each Certificateholder; and
- (b) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Certificateholder with a bank in Hong Kong.

Payments of any Dissolution Amount will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Each Dissolution 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:

- (a) **Dissolution Amount** means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Certificateholder Put), the Dissolution Amount for the purposes of Condition 14 or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;
- (b) **Payment Business Day** means:
 - (i) in the case where presentation and surrender of a definitive Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of the definitive Certificate are open for presentation and payment of securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account:
 - (A) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
 - (B) if the currency of payment is not euro or Renminbi, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre; or
 - (C) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or
 - (D) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open;

- (c) a Certificateholder's **registered account** means, in the case of payment in Renminbi, the Renminbi account maintained by or on behalf of the Certificateholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the relevant Record Date or, in the case of a payment in a specified Currency other than Renminbi, the account maintained by or on behalf of such Certificateholder with a bank that processes such payments, details of which appear on the Register at the close of business on the relevant Record Date;
- (d) a Certificateholder's **registered address** means its address appearing on the Register at that time; and
- (e) **Record Date** means (i) (where the Certificate is represented by a Global Certificate), at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the Periodic Distribution Date, Scheduled Dissolution Date or Dissolution Date, as the case may be; or (ii) (where the Certificate is in definitive form), in the case of the payment of a Periodic Distribution Amount, the date falling at the close of business on the fifth day (in the case of Renminbi) and on the fifteenth day (in the case of a specified currency other than Renminbi) (whether or not such fifth day fifteenth day is a business day) before the relevant Periodic Distribution Date and, in the case of the payment of a Dissolution Amount, the date falling two Payment Business Days before the Scheduled Dissolution Date or Dissolution Date, as the case may be.

8.2 **Payments subject to Applicable Laws**

Payments in respect of Certificates are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 11, and (ii) 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, any official interpretations thereof, or (without prejudice to the provisions of Condition 11) any law implementing an intergovernmental approach thereto.

8.3 **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment or, in the case of a payment of any Dissolution Amount, if later, on the Payment Business Day on which the relevant definitive 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 definitive Certificate (if required to do so).

If the amount of any Dissolution Amount or 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.

8.4 **RMB account**

All payments in respect of any Certificate or Periodic Distribution Amount in RMB will be made solely by credit to a registered RMB account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong).

RMB Currency Event

If the Specified Currency of the Certificates is RMB and an RMB Currency Event, as determined by

DIB or the Trustee acting in good faith, exists on a date for payment of any Dissolution Amount or Periodic Distribution Amount (in whole or in part) in respect of any Certificate, the Trustee's obligation to make a payment in RMB under the terms of the Certificates may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Trustee and the Paying Agents.

Upon the occurrence of an RMB Currency Event, the Trustee shall give notice as soon as practicable to the Certificates in accordance with Condition 17 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with a bank in New York City; and the definition of **Payment Business Day** in Condition 8.1 shall mean any day which (subject to Condition 12) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Certificates in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition 8:

Determination Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

Determination Date means the day which is two Determination Business Days before the due date of the relevant payment under the Certificates, other than where the Trustee properly determines that a RMB Currency Event has occurred at any time during the period from and including 10:01 a.m. (Hong Kong time) on the second Determination Business Day preceding the original due date to and including 11:59 p.m. (Hong Kong time) on the original due date, in which case the **Determination Date** will be the Determination Business Day immediately following the date on which the determination of the occurrence of a RMB Currency Event has been made;

Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

Relevant Currency means United States dollars;

RMB Currency Events means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

RMB Illiquidity means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Trustee cannot obtain sufficient RMB in order to satisfy its obligation to pay an Periodic Distribution Amount or Dissolution Amount (in whole or in part) in respect of the Certificates, as determined by DIB or the Trustee acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

RMB Inconvertibility means the occurrence of any event that makes it impossible for the Trustee to convert any amount due in respect of the Certificates into RMB on any payment date in the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

RMB Non-Transferability means the occurrence of any event that makes it impossible for the Trustee to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation); and

Spot Rate means the spot CNY/U.S.\$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8.4 by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Trustee, the Agents and all RMB Certificateholders.

9. AGENTS

9.1 Agents of Trustee

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

9.2 Specified Offices

The initial Agents are set out in the Agency Agreement. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. 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, however, that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Registrar;
- (c) if a Calculation Agent (other than the Principal Paying Agent) has been appointed in the applicable Final Terms, there will at all times be a Calculation Agent; and
- (d) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be 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; and

- (e) there will at all times be a Paying Agent (which may be the Principal Paying Agent) located in a jurisdiction within Europe other than the jurisdiction in which the Trustee or DIB is incorporated.

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

10. CAPITAL DISTRIBUTIONS OF THE TRUST

10.1 Scheduled Dissolution

Unless the Certificates are previously redeemed, or purchased and cancelled, in full, the Trustee will redeem each Certificate on the Scheduled Dissolution Date at the Final Dissolution Amount together with any Periodic Distribution Amounts payable. Upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.2 Early Dissolution for Tax Reasons

The Certificates may be redeemed by the Trustee in whole, but not in part:

- (a) at any time (if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable); or
- (b) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable),

(such date, the **Tax Dissolution Date**) on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Certificateholders in accordance with Condition 17 (which notice shall be irrevocable), at the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amount, if a Tax Event occurs where **Tax Event** means:

- (a) the determination by DIB that (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 11 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 11) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (b) the receipt by the Trustee of notice from DIB that (1) DIB has or will become obliged to pay additional amounts pursuant to the terms of the Service Agency Agreement, the Purchase Undertaking and/or the Sale Undertaking as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series and (2) such obligation cannot be avoided by DIB taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given unless an exercise notice has been received by the Trustee from DIB under the Sale Undertaking and no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due or (in the case of (b) above) DIB would be obliged to pay such additional amounts if a payment to the Trustee under the Service Agency Agreement was then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Trustee shall deliver to the Delegate (i) a certificate signed by one director of the Trustee (in the case of (a)

above) or two Authorised Signatories of DIB (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or DIB, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Certificateholders. Upon the expiry of any such notice as is referred to in this Condition 10.2, the Trustee shall be bound to redeem the Certificates at the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.3 **Dissolution at the Option of the Trustee**

If Optional Dissolution (Call) is specified in the applicable Final Terms as being applicable, the Certificates may be redeemed in whole but not in part on any Optional Dissolution Date, which must be a Periodic Distribution Date if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms, at the relevant Optional Dissolution Amount (Call) together with any accrued but unpaid Periodic Distribution Amounts on the Trustee giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Certificateholders in accordance with Condition 17 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on the relevant Optional Dissolution Date). Upon such redemption, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof; provided, however, that no such notice of redemption shall be given unless the Trustee has received an exercise notice from DIB under the Sale Undertaking.

Optional Dissolution (Call) and Certificateholder Put Option may not both be specified as applicable in the applicable Final Terms.

10.4 **Dissolution at the option of the Certificateholders**

If Certificateholder Put Option is specified in the applicable Final Terms as being applicable, upon the holder of any Certificate giving to the Trustee in accordance with Condition 17 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms the Trustee will, upon the expiry of such notice, redeem such Certificate on the Certificateholder Put Option Date and at the Optional Dissolution Amount (Certificateholder Put) together with any accrued but unpaid Periodic Distribution Amounts. Certificates may be redeemed under this Condition 10.4 in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Certificate the holder of this Certificate must, if this Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 10.4 and the face amount thereof to be redeemed and, if less than the full amount of the Certificates so surrendered is to be redeemed, an address to which a new Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the provisions of Condition 2.2.

If this Certificate is represented by a Global Certificate or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Certificate

the holder of this Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear, Clearstream, Luxembourg or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and if this Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificate pursuant to this Condition 10.4 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates to be redeemed pursuant to Condition 14, in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10.4.

Certificateholder Put Option and Optional Dissolution (Call) may not both be specified as applicable in the applicable Final Terms.

10.5 **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust, otherwise than as provided in this Condition, Condition 13 and Condition 14.

10.6 **Cancellations**

All Certificates which are redeemed, and all Certificates purchased by or on behalf of DIB or any of its Subsidiaries and delivered by DIB to the Principal Paying Agent for cancellation, will forthwith be cancelled and accordingly such Certificates may not be held, reissued or resold.

10.7 **Dissolution Date**

In these Conditions, the expression **Dissolution Date** means, as the case may be, (a) following the occurrence of a Dissolution Event (as defined in Condition 14), the date on which the Certificates are redeemed in accordance with the provisions of Condition 14, (b) the date on which the Certificates are redeemed in accordance with the provisions of Condition 10.2, (c) any Optional Dissolution Date or (d) any Certificateholder Put Option Date.

11. **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, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by the parties entitled thereto, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate:

- (a) presented for payment (where presentation is required) in a Relevant Jurisdiction; or
- (b) the holder of which is liable for such Taxes in respect of such Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Certificate; or
- (c) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day.

As used in these Conditions:

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received and notice to that effect has duly been given to the Certificate holders in accordance with Condition 17;

Relevant Jurisdiction means: (i) in the case of payments to be made by the Trustee, the Cayman Islands; or (ii) in the case of payments to be made by DIB (acting in any capacity), the United Arab Emirates or any Emirate therein or, in each case, any political subdivision or authority thereof or therein having the power to tax; and

Taxes means 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.

The Purchase Undertaking, the Sale Undertaking and the Service Agency Agreement provide that payments and transfers thereunder by DIB, shall be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment or transfer, as the case may be, by DIB of additional amounts so that the full amount which would otherwise have been due and payable or transferable, as the case may be, is received by the Trustee.

12. PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within a period of 10 years (in the case of Dissolution Amounts) and a period of five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof, subject to the provisions of Condition 8.

13. PURCHASE AND CANCELLATION OF CERTIFICATES

13.1 Purchases

DIB or any of its Subsidiaries may at any time purchase Certificates at any price in the open market or otherwise.

For the purposes of these Conditions, **Subsidiary** means, in relation to DIB, any entity whose financial statements at any time are required by law or in accordance with provisions of generally accepted accounting principles to be fully consolidated with those of DIB.

13.2 Cancellation of Certificates held by DIB and/or any of its Subsidiaries

Following any purchase of Certificates by or on behalf of DIB or any of its Subsidiaries pursuant to Condition 13.1, the Sale Undertaking may be exercised by DIB in respect of the transfer to DIB of a Cancellation Interest in the Portfolio with an aggregate Value not greater than the aggregate face amount of the Certificates so purchased against cancellation of such Certificates pursuant to Condition 10.6.

14. DISSOLUTION EVENTS

Upon the occurrence and continuation of any of the following events (**Dissolution Events**):

- (a) default is made in the payment of any Dissolution Amount or any Periodic Distribution Amount on the due date for payment thereof and such default continues unremedied for a period of seven days; or
- (b) the Trustee fails to perform or observe any of its other duties, obligations or undertakings under the Transaction Documents and (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days

following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or

- (c) a DIB Event (as defined in the Purchase Undertaking) occurs; or
- (d) the Trustee repudiates any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document; or
- (e) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Transaction Documents to which it is party or any of the obligations of the Trustee under the Transaction Documents to which it is a party are not or cease to be legal, valid, and binding; or
- (f) either (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made) or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraph (f) and (g) above,

the Delegate (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), if notified in writing of the occurrence of such Dissolution Event, shall give notice of the occurrence of such Dissolution Event to the holders of Certificates in accordance with Condition 17 with a request to such holders to indicate if they wish the Certificates to be redeemed and the Trust to be dissolved. If so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Certificates (each a **Dissolution Request**), the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice of the Dissolution Request to the Trustee, DIB and all the holders of the Certificates in accordance with Condition 17 whereupon the Certificates shall be immediately redeemed at the Dissolution Amount specified in the applicable Final Terms, together with any accrued but unpaid Periodic Distribution Amounts on the date of such notice. Upon payment in full of such amounts, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purpose of (a) above, amounts shall be considered due in respect of the Certificates (including any amounts calculated as being payable under Condition 6, Condition 7 and Condition 10) notwithstanding that the Trustee has, at the relevant time, insufficient funds or Trust Assets to pay such amounts.

15. ENFORCEMENT AND EXERCISE OF RIGHTS

15.1 Enforcement

Upon the occurrence of a Dissolution Event and the giving of notice of a Dissolution Request to the Trustee by the Delegate, to the extent that the amounts payable in respect of the Certificates have not been paid in full pursuant to Condition 14, subject to Condition 15.2 the Delegate shall (subject to

being indemnified and/or secured and/or prefunded to its satisfaction), take one or more of the following steps:

- (a) enforce the provisions of the Purchase Undertaking and/or the Service Agency Agreement against DIB; and/or
- (b) take such other steps as the Delegate may consider necessary in its absolute discretion to protect the interests of the Certificateholders.

Notwithstanding the foregoing but subject to Condition 15.2, the Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or DIB to enforce their respective obligations under the Transaction Documents, these Conditions and the Certificates.

15.2 Delegate not obliged to take Action

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action against the Trustee and/or DIB under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing provided that the Delegate shall not be liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

15.3 Direct Enforcement by Certificateholder

No Certificateholder shall be entitled to proceed directly against the Trustee and/or DIB or provide instructions (not otherwise permitted by the Trust Deed) to the Delegate to proceed against the Trustee and/or DIB under any Transaction Document unless the Delegate, having become bound 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 authority to do so, and such failure or inability is continuing. 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 pursuant to 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.

15.4 Limited Recourse

The foregoing paragraphs in this Condition are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 4.2 and the Trust Deed, the obligations of the Trustee in respect of the Certificates shall be satisfied and no holder of the Certificates may take any further steps against the Trustee, the Delegate or any other person to recover any further sums in respect of the Certificates and the right to receive any sums unpaid shall be extinguished. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of DIB Sukuk Limited.

16. REPLACEMENT OF DEFINITIVE CERTIFICATES

Should any definitive Certificate be 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 require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17. NOTICES

All notices to Certificateholders will be valid if:

- (a) published in a daily newspaper having general circulation in the Republic of Ireland (which is expected to be the *Irish Times*) approved by the Delegate or published on the website of Euronext Dublin (www.ise.ie) or, if in either case such publication is not practicable, in a leading English language newspaper having general circulation in Europe approved by the Delegate; or
- (b) mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective registered addresses.

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) by which the Certificates have then been admitted to listing, trading and/or quotation including publication on the website of the relevant listing authority, relevant stock exchange or relevant quotation system if required by those rules. Any notice 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.

Until such time as any definitive Certificates are issued, there may, so long as any Global Certificate representing the Certificates is held on behalf of one or more clearing systems, be substituted for such publication in such newspaper(s) or such website(s) the delivery of the relevant notice to the relevant clearing systems for communication by them to the Certificateholders and, in addition, for so long as any Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Certificateholders on the day after the day on which the said notice was given to the relevant clearing systems.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst any of the Certificates are represented by a Global Certificate held on behalf of one or more clearing systems, such notice may be given by any holder of a Certificate to the Principal Paying Agent through the clearing system in which its interest in the Certificates is held in such manner as the Principal Paying Agent and the relevant clearing system may approve for this purpose.

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

- 18.1 The Master Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more Eligible Persons (as defined in the Master Trust Deed) present holding or representing in the aggregate more than 50 per cent. of the then outstanding aggregate face amount of the Certificates, or at any adjourned such meeting one or more Eligible Persons present whatever the outstanding face amount of the Certificates held or represented by him or them, except that any meeting the business of which includes the modification of certain provisions of the Certificates (including modifying the Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates or altering the currency of payment of the Certificates or amending Condition 5 and certain covenants given by DIB in the Transaction Documents), the quorum shall be one or more Eligible Persons present holding or representing not less than two-thirds in the outstanding face amount of the Certificates, or at any

adjourned such meeting one or more Eligible Persons present holding or representing not less than one-third in the outstanding face amount of the Certificates. The expression **Extraordinary Resolution** is defined in the Master Trust Deed to mean any of (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than 75 per cent. of the votes cast, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Delegate) by or on behalf of not less than 75 per cent. in face amount of the Certificates for the time being outstanding.

- 18.2 The Delegate may agree, without the consent or sanction of the Certificateholders, to any modification (other than in respect of a Reserved Matter) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or 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 shall not be treated as such if, in the opinion of the Delegate, (a) such modification is of a formal, minor or technical nature, (b) such modification is made to correct a manifest error or (c) such modification, waiver, authorisation or determination is not, in the opinion of the Delegate, materially prejudicial to the interests of the Certificateholders. No such direction or request will affect a previous consent, waiver, authorisation or determination.
- 18.3 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Delegate shall have regard to the general 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.
- 18.4 Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 17.

19. INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

- 19.1 The Trust Deed contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction as well as provisions entitling the Delegate to be paid its costs and expenses in priority to the claims of the Certificateholders.
- 19.2 Neither the Delegate nor the Trustee makes any representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of DIB 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 made by DIB but are not so made and shall not in any circumstances have any liability arising from or in relation to the Trust Assets other than as expressly provided in these Conditions or in the Trust Deed.
- 19.3 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 wilful default by the Trustee or the Delegate, as the case may be.

- 19.4 The Trust Deed also contains provisions pursuant to which the Delegate is entitled, *inter alia*, (a) to enter into business transactions with DIB and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to DIB and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

20. FURTHER ISSUES

In respect of any Series, the Trustee may from time to time (but subject always to the provisions of the Master Trust Deed) without the consent of the Certificateholders create and issue additional Certificates having the same terms and conditions as the outstanding Certificates of such Series or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue, and so that the same shall be consolidated and form a single Series with the outstanding Certificates of such Series. Any additional Certificates which are to form a single Series with the outstanding Certificates of a particular Series shall be constituted by a deed supplemental to the Trust Deed. References in these Conditions to the Certificates include (unless the context requires otherwise) any other Certificates issued pursuant to this Condition and forming a single Series with such Certificates.

21. 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.

22. GOVERNING LAW AND DISPUTE RESOLUTION

- 22.1 The Trust Deed, the Certificates and these Conditions (including the remaining provisions of this Condition 22) and any non-contractual obligations arising out of or in connection with the Trust Deed, the Certificates and these Conditions are governed by, and shall be construed in accordance with, English law.
- 22.2 Subject to Condition 22.3, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed, the Certificates and these Conditions (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Trust Deed, the Certificates and these Conditions or the consequences of the 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 under the Arbitration Rules of the London Court of International Arbitration (the **LCIA**) (the **Rules**), which Rules (as amended from time to time) are incorporated by reference into this Condition. 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, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and
 - (c) the language of the arbitration shall be English.

22.3 Notwithstanding Condition 22.2 above, the Delegate (or, but only where permitted to take action in accordance with the terms of the Trust Deed, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) in the event no arbitration is 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 22.4 and, subject as provided below, any arbitration commenced under Condition 22.2 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.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee 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.

22.4 In the event that a notice pursuant to Condition 22.3 is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England or the courts of the Dubai International Financial Centre, 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 England or the courts of the Dubai International Financial Centre, 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 22.4 is for the benefit of the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (a) above, the Delegate and any Certificateholder (where permitted so to do) may take proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the Delegate and the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

22.5 Each of the Trustee and DIB has in the Trust Deed appointed Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London EC1A 4HD as its agent for service of process 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 approved by the Delegate as its agent for service of process in England in respect of any Proceedings or Disputes. Nothing herein shall affect the right to serve proceedings in any matter permitted by law.

22.6 Under the Trust Deed, 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.

22.7 Each of the Trustee, the Delegate and DIB has agreed in the Trust Deed that if any arbitration is commenced in relation to a Dispute and/or any Proceedings are brought by or on behalf of a party under the Trust Deed, it will:

- (a) not claim interest under, or in connection with, such arbitration and/or Proceedings; and
- (b) to the fullest extent permitted by law, waive all and any entitlement it may have to interest awarded in its favour by an arbitrator as a result of such arbitration and/or by a court as a result of such Proceedings.

USE OF PROCEEDS

The net proceeds of each Tranche of Certificates issued will be paid by the Trustee (as Purchaser) to the Seller for the purchase from the Seller of all of its rights, title, interests, benefits and entitlements in, to and under (in the case of the first Tranche of the relevant Series of Certificates) the relevant Initial Portfolio, and (in the case of any subsequent Tranche of such Series) the relevant Additional Portfolio.

DESCRIPTION OF THE TRUSTEE

General

DIB Sukuk Limited, a Cayman Islands exempted company with limited liability, was incorporated on 30 April 2012 under the Companies Law (2011 Revision) of the Cayman Islands with company registration number 268522. The Trustee has been established as a special purpose vehicle for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at c/o 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 trust deed (the **Share Trust Deed**) dated 10 May 2012 under which the Share Trustee holds the Shares in trust until the termination of the period commencing on 10 May 2012 and ending 149 years from such date or such earlier date as the trustees of the Share Declaration of Trust may determine (the **Termination Date**). 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 Trust Deed). 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 issued thus far under the Programme and will not have any substantial liabilities other than in connection with the Certificates issued and, to be issued, under the Programme. 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 30 April 2012.

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:

<u>Name:</u>	<u>Principal Occupation:</u>
Norbert Neijzen.....	Regional Head of Fiduciary, Middle East at Maples Fund Services (Middle East) Limited
Stacy Bodden.....	Vice President at MaplesFS Limited

The business address of Norbert Neijzen is Maples Fund Services (Middle East) Limited, Unit C 1407, Level 14, Burj Daman, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates. The business address of Stacy Bodden is MaplesFS Limited, P.O. 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 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 and the Trustee Administrator has also entered into a registered office agreement (the **Registered Office Agreement**) for the provision of registered office facilities to the Trustee. 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 Agreement provide that either the Trustee or the Trustee Administrator may terminate such agreements 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 Agreement 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 Financial Statements and the other information contained in this Base Prospectus. The Financial Statements have been prepared in accordance with IFRS.

The following table sets forth selected financial information for DIB as at and for the nine month period ended 30 September 2019 and as at and for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016. The income statement data and statement of financial position data have been extracted from the Financial Statements or DIB's management accounts as detailed above and have been presented in AED and, for convenience only, in United States dollars using an exchange rate of U.S.\$1 = AED 3.6725 (being the rate at which the dirham has been pegged to the U.S. dollar since November 1997).

The following tables set out selected key consolidated financial information (in both AED and U.S.\$) and consolidated business ratios of DIB as at and for the nine months ended 30 September 2019 and as at and for the three financial years ended 31 December 2018, 31 December 2017 and 31 December 2016.

Income Statement Highlights	For the period ended 30 September		For the year ended 31 December		
	2019	2018	2018	2017	2016
			<i>(AED millions)</i>		
Income from Islamic financing and investing transactions.....	8,100	6,894	9,481	7,795	6,521
Total income.....	10,250	8,532	11,730	10,199	8,636
Impairment charges, net	1,056	570	833	823	392
Depositors' and sukuk holders' share of profit.....	3,373	2,477	3,528	2,512	1,875
Profit for the year before income tax expense	4,049	3,731	5,046	4,528	4,072
Net profit for the year.....	4,015	3,701	5,004	4,504	4,050
Net profit attributable to equityholders	3,967	3,619	4,916	4,322	3,597

Financial Statement Highlights	As at 30 September	As at 31 December		
	2019	2018	2017	2016
		<i>(AED millions)</i>		
Total assets	229,963	223,682	207,337	174,971
Total liabilities.....	195,733	189,555	178,456	147,701
Total equity	34,230	34,127	28,881	27,269
Gross financing and investing assets and investments in bilateral sukuk ⁽¹⁾	160,873	153,685	142,284	123,718
Impaired financing and investing assets	5,744	5,030	4,600	4,439
Non-performing investing and financing assets	5,863	5,251	4,861	4,768
Collateral held relating to facilities individually determined to be impaired ⁽²⁾	3,554	3,200	3,300	4,600
Provisions for impairment ⁽³⁾	5,983	5,727	5,733	5,559
Customer deposits	162,951	155,657	147,181	122,377

Income Statement Highlights	For the year ended 30 September		For the year ended 31 December		
	2019	2018	2018	2017	2016
	<i>(USD millions)</i>				
Income from Islamic financing and investing transactions.....	2,206	1,877	2,582	2,123	1,776
Total income.....	2,791	2,323	3,194	2,777	2,352
Impairment charges, net	288	155	227	224	107
Depositors' and sukuk holders' share of profit.....	918	674	961	684	511
Profit for the year before income tax expense	1,103	1,016	1,374	1,233	1,109
Net profit for the year	1,093	1,008	1,363	1,226	1,103
Net profit attributable to equityholders	1,080	985	1,339	1,177	979

Financial Statement Highlights	As at 30 September	For the year ended 31 December		
	2019	2018	2017	2016
	<i>(USD millions)</i>			
Total assets	62,618	60,907	56,457	47,643
Total liabilities.....	53,297	51,615	48,593	40,218
Total equity	9,321	9,293	7,864	7,425
Gross financing and investing assets and investments in bilateral sukuk ⁽¹⁾	43,805	41,848	38,744	33,688
Impaired financing and investing assets	1,564	1,370	1,253	1,209
Non-performing investing and financing assets	1,596	1,430	1,324	1,298
Collateral held relating to facilities individually determined to be impaired ⁽²⁾	968	871	899	1,089
Provisions for impairment ⁽³⁾	1,629	1,559	1,561	1,514
Customer deposits	44,371	42,384	40,077	33,323

Key Business Ratios	As at 30 September	As at 31 December	
	2019	2018	2017
	<i>(%)</i>		
Impaired ratio ⁽⁶⁾	3.6	3.3	3.2
Non-performing asset ratio.....	3.6	3.4	3.4
Provision coverage ratio ⁽⁴⁾	104	112	118
Overall coverage ratio ⁽⁵⁾	136	150	157
Total capital adequacy ratio ⁽⁷⁾	17.6	17.5	17.2
Common Equity Tier 1 ratio	13.1	12.4	11.5
Return on equity ⁽⁸⁾	17.6	18.1	18.7
Return on assets ⁽⁹⁾	2.36	2.32	2.34
Net profit margin ⁽¹⁰⁾	3.16	3.14	3.11
Financing /customer deposits ⁽¹¹⁾	93	93	91
Cost to income ratio ⁽¹²⁾	27.9	28.3	30.4

Notes:

- (1) Includes gross financing and investing assets amounting to AED 157,674 million (September 2019), AED 150,466 million (2018), AED 139,067 million (2017) and AED 120,526 million (2016), and investments in bilateral sukuk amounting to AED 3,199 million (September 2019), AED 3,219 million (2018), AED 3,217 million (2017) and AED 3,192 million (2016). See Notes 8 and 9 to the Financial Statements.
- (2) See Note 9 to the Financial Statements.

- (3) Balance at the end of the relevant period. See Note 7 to the 2019 Interim Financial Statements, Note 9 to the Financial Statements.
- (4) Being the ratio of provision for impairment to non-performing investing and financing assets.
- (5) Being the ratio of the aggregate of provision for impairment and discounted value of collateral to non-performing investing and financing assets.
- (6) Being the ratio of impaired financing and investing assets to gross financing and investing assets, and investments in bilateral sukuk.
- (7) Calculated according to Central Bank methodology.
- (8) Being the ratio of net profit attributable to equity holders to average shareholders' equity, adjusted for estimated distribution.
- (9) Being the ratio of net profit for the group to average total assets.
- (10) Being the ratio of net funded income (gross income from financing and investing transactions less depositors and sukuk holders' share of profit) to average earning assets (aggregate of financing and investing assets, investment in Islamic sukuk, due from banks and financial institutions and international murabaha with Central Bank).
- (11) Being the ratio of net Islamic financing and investing assets to customer deposits.
- (12) Being the ratio of total operating expenses to net income.

DESCRIPTION OF DUBAI ISLAMIC BANK PJSC

Overview

Dubai Islamic Bank PJSC (**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 September 2019, DIB's total assets were AED 229,963 billion. 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 DIB and its consolidated subsidiaries and associates (together, the **Group**) are Consumer Banking, Corporate Banking, Real Estate & Contracting Finance, Investment Banking and Treasury. The Group offers a wide range of Sharia compliant products and services to retail, corporate and institutional clients through a network of 71 branches across the UAE. In addition to its main office and branches in Dubai, DIB operates across all the other Emirates of the UAE, namely Abu Dhabi, Ajman, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain.

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.

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

- “Best Islamic Bank in the UAE”, “Best Islamic Retail Bank”, “Best Islamic Bank in Kenya” and “Overall Best Islamic Bank” by Islamic Finance News 2019.
- “Best Private Bank” and “Best Sukuk House in UAE” by EMEA Finance Middle East Banking Awards 2018.
- “Most Innovative Islamic Bank in the UAE” by International Finance Magazine Awards 2018.
- “Best Sukuk Dealer” by The Collaborative Market Data (CMD) Portal Awards 2018.

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 September 2019, the Government of Dubai's stake in DIB was 28.4 per cent. In 2001, DIB 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, DIB 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 September 2019, DIB's stake in BoK stood at 29.5 per cent.

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

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

DIB also acquired a 20.8 per cent. stake in Jordan Dubai Islamic Bank (**Jordan DIB**) in 2009. As part of an international expansion strategy focussing on key markets in the Far East, Indian Subcontinent and Central and East Africa, DIB decided to sell its entire stake in Jordan DIB in December 2016.

In addition to the above, DIB has incorporated several subsidiaries in real estate development (including, Deyaar Development P.J.S.C. (**Deyaar Development**) in 2002) and other related financial services companies and Dar Al Sharia Islamic Finance Consultancy LLC (**Dar Al Sharia**) in 2007).

In November 2010, DIB increased its stake in Tamweel to 58.3 per cent. to acquire a controlling interest in the company (see “– *Subsidiaries and Associates – Tamweel P.S.C. (UAE)*”). In January 2013, DIB’s Board of Directors approved a proposal to make an offer (the **Tender Offer**) to the minority shareholders in Tamweel to acquire their shares in consideration of new shares (the **New Shares**) in DIB. Under the Tender Offer, DIB offered 10 New Shares for every 18 shares in Tamweel held by a Tamweel minority shareholder (see “– *Subsidiaries and Associates – Tamweel P.S.C. (UAE)*”). The Tender Offer was accepted by the majority of the Tamweel minority shareholders and increased DIB’s shareholding in Tamweel from 58.3 per cent. to 86.5 per cent. On 1 April 2015, a further offer was announced by DIB to the minority shareholders to acquire the remaining 13.5 per cent. minority shares in Tamweel. DIB offered AED 1.25 per share to be paid in cash for each Tamweel share. 5.5 per cent. of offerees accepted this offer, and as a result DIB’s shareholding in Tamweel stood at 92.0 per cent. as at 30 September 2019.

In January 2013, in view of a new definition and guidance on subsidiaries, under IFRS 10, Consolidated Financial Statements, DIB’s management reassessed DIB’s control over its investees. As a result, DIB’s management concluded that, although DIB owns less than 50 per cent. of Deyaar Development, it has *de facto* control over the company (because DIB is exposed to significant variable returns from its involvement with Deyaar Development and has the ability to affect the amounts of its returns through its power over the company). As at 30 September 2019, DIB owned 44.9 per cent. of Deyaar Development. Deyaar Development is currently accounted for as a consolidated subsidiary of DIB whereas, prior to January 2013, Deyaar Development was treated as an associate in DIB’s accounts and was accounted for under an equity method of accounting.

BOK is treated as an associate in DIB’s accounts whereas DIB Pakistan and Dar Al Sharia are accounted for as consolidated subsidiaries in the 2019 Interim Financial Statements.

In May 2014, DIB acquired a 24.9 per cent. stake in PT Bank Panin Dubai Syariah Tbk (**Bank Panin Syariah**) of Indonesia. In October 2015, DIB increased its shareholding to 38.3 per cent. in Bank Panin Syariah. Bank Panin Syariah is treated as an associate in the Interim Financial Statements.

In October 2015, DIB obtained “Significant Shareholder Status” from the Indonesia Financial Services Authority (**OJK**) in respect of Bank Panin Syariah. Following confirmation of this status, DIB increased its stake in Bank Panin Syariah from 24.9 per cent. to 39.5 per cent. as at 31 December 2015. As at 30 September 2019, DIB’s stake in Bank Panin Syariah stood at 38.3 per cent.

Bank Panin Syariah offers Islamic banking services in Indonesia. As part of its growth strategy in key strategic international markets, DIB intends to continue assisting Bank Panin Syariah in order to promote the growth of Sharia banking in Indonesia. To achieve this, DIB will provide its well-established expertise in Islamic banking operations to Bank Panin Syariah, which will be bolstered by Bank Panin Syariah’s knowledge of the local market.

Bank Panin Syariah is currently controlled by PT Bank Panin and currently operates through a network of 10 branches (with its head office located at Panin Life Center Building, Jakarta). Bank Panin Syariah is listed on the Indonesia Stock Exchange.

During 2008, DIB received AED 3.75 billion of *wakala* deposits (the **Wakala Deposits**) from the UAE Ministry of Finance as part of a wider package of measures announced by the Central Bank aimed at ensuring that sufficient liquidity was available to all banks operating in the UAE. During 2009, DIB elected

to re-categorise the Wakala Deposits as Tier 2 qualifying finance, which was approved by DIB's shareholders at an extraordinary general meeting held in April 2009. DIB subsequently repaid the entire amount of the Wakala Deposits in April 2013, ahead of their scheduled maturity, using its own excess liquidity.

Shareholders and Capital Structure

Shareholders

As at 30 September 2019, the Government of Dubai held 28.4 per cent. of the share capital of DIB and the Saeed Ahmed Lootah family held 7.1 per cent. 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.

The Government of Dubai's shareholding is held through Investment Corporation of Dubai (**ICD**). The Chairman of DIB represents ICD and the other members of DIB's Board of Directors 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 various 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

As at 31 December 2012, DIB's authorised, issued and paid up share capital was AED 3.8 billion (U.S.\$1.0 billion). During the financial year ended 31 December 2013, DIB issued 156.7 million shares at a fair value of AED 2.02 per share to the minority shareholders of Tamweel, who accepted DIB's offer of exchanging 10 New Shares for every 18 Tamweel shares. This transaction increased DIB's shareholding in Tamweel to 86.5 per cent. and the difference of AED 327.0 million between the fair value of the 156.7 million New Shares and the carrying amount of the non-controlling interest acquired is recognised in DIB's financial statements as retained earnings.

On 1 March 2016, the shareholders at the annual general meeting approved an increase in DIB's authorised share capital from AED 3.9 billion to AED 7.9 billion. Furthermore, the shareholders also approved an increase in the paid-up capital of DIB, up to a maximum amount of AED 988,437,777 through a rights issue of up to 988,437,777 shares of AED 1 each at a premium of AED 2.2 per share. In June 2016, DIB completed the process of allocation of these shares and the shares were subsequently listed on the Dubai Financial Market (**DFM**) after obtaining all required regulatory approvals on 8 July 2016. As a result of this issuance, DIB's paid up share capital increased to AED 4.9 billion (U.S.\$1.3 billion).

On 21 February 2018, the shareholders at the annual general meeting approved an increase in the paid-up capital of DIB, up to a maximum amount of AED 1,647,396,295 through a rights issue of up to 1,647,396,295 shares of AED 1 each at a premium of AED 2.11 per share. In June 2018, DIB completed the process of allocation of these shares and the shares were subsequently listed on the DFM after obtaining all required regulatory approvals on 14 June 2018. As a result of this issuance, DIB's paid-up share capital increased to AED 6.6 billion (U.S.\$1.8 billion) and remains unchanged as at 30 September 2019. DIB's shares have been listed on the DFM since March 2000.

Pursuant to DIB's articles of association, non-UAE nationals can own, in aggregate, up to a maximum of 25 per cent. of the total share capital of DIB and this threshold can be increased from time to time upon approval by DIB's Board of Directors and a resolution by the competent authorities in the UAE.

See "*Capital Adequacy*" below for a description of DIB's capital adequacy ratios as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016.

Tier 1 issuances

DIB has issued Tier 1 sukuk through Sharia compliant structures as 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 (2) Limited	20 January 2015	3,673,000 (US\$ 1 billion)	6.75% per annum to be paid semi-annually	On or after January 2021
DIB Tier 1 Sukuk (3) Limited	22 January 2019	2,754,750 (US\$ 750 million)	6.25% per annum to be paid semi-annually	On or after January 2025

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) of DIB, 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 is 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.

Overall Performance

Overview

DIB reported net profits of AED 4,015 million (U.S.\$1,093 million) for the nine month period ended 30 September 2019, as compared to AED 3,701 million (U.S.\$1,008 million) for the nine month period ended 30 September 2018.

DIB's net funded income rose by 7 per cent. to AED 4,727 million (U.S.\$1,287 million) for the nine month period ended 30 September 2019 from AED 4,417 million (U.S.\$1,203 million) for the nine month period ended 30 September 2018. The major drivers of these increases were (i) the increase in the net Islamic financing and investing portfolio from AED 142.596 billion (U.S.\$38.82 billion) as at 30 September 2018 to AED 151.691 billion (U.S.\$41.30 billion) as at 30 September 2019 and the sukuk portfolio increasing from AED 30.466 billion (U.S.\$8.3 billion) as at 30 September 2018 to AED 34.062 billion (U.S.\$9.3 billion) as at 30 September 2019. However, net funded margin for the nine month period ended 30 September 2019 was 3.16 per cent. compared with 3.15 per cent. as at 30 September 2018.

DIB's non-funded income increased by 31 per cent. to AED 2,150 million (U.S.\$585 million) for the nine month period ended 30 September 2019 from AED 1,638 million (U.S.\$446 million) for the nine month period ended 30 September 2018. Operating income (comprising the aggregate of net funded income and non-funded income) was AED 6,877 million (U.S.\$1,873 million) and operating costs (comprising personnel expenses, general and administrative expenses and depreciation of investment properties) were AED 1,771 million (U.S.\$482 million) for the nine month period ended 30 September 2019, as compared to operating income of AED 6,055 million (U.S.\$1,649 million) and operating costs of AED 1,754 million (U.S.\$478 million) for the nine month period ended 30 September 2018. DIB's return on shareholders' funds was 17.6 per cent. and its operating cost to operating income ratio was at 27.9 per cent. for the nine month period ended 30 September 2019 compared to 18.2 per cent. and 29 per cent., respectively, for the nine month period ended 30 September 2018. The decrease in return on shareholders' funds is due to an increase in average shareholder equity resulting from the rights issue completed in June 2018 and an internal generation of capital. Effective cost controls kept operating expenses almost flat allowing for further improvement in the cost to income ratio which, as at 30 September 2019, was at 27.9 per cent.

For the purposes of the analysis set out above, **net funded income** is calculated as the aggregate of the following line items in DIB's consolidated income statement: (i) income from Islamic financing and investing transactions; (ii) income from investments in Islamic Sukuk and (iii) income from short-term international *murabahats* and *wakala* (line items (i), (ii) and (iii) together, **total funded income**) less

depositors' and Sukukholders' share of profits, and **non-funded income** is calculated by deducting net funded income from the net income line item set out in DIB's consolidated income statement.

The following tables show the breakdown, by the segments indicated, of DIB's total net profit before income tax expense for the nine month periods ended 30 September 2019 and 30 September 2018 and for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016:

	30 September				31 December					
	2019		2018		2018		2017		2016	
	(AED millions)	%	(AED millions)	%	(AED millions)	%	(AED millions)	%	(AED millions)	%
Segmental Information										
Consumer banking.....	999	25	898	24	1,098	22	1,105	24	883	22
Corporate banking.....	1,851	46	1,975	53	2,802	56	2,069	46	1,622	40
Real Estate Development.....	58	1	126	3	135	2	130	3	214	5
Treasury.....	595	15	414	11	620	12	945	21	667	16
Others.....	546	13	319	9	391	8	279	6	686	17
Total net profit before income tax expense.....	4,049	100	3,731	100	5,046	100	4,528	100	4,072	100

The following table sets out a breakdown of DIB's gross Islamic financing and investing assets by product type as at 30 September 2019:

	Retail		Non-Retail		Consolidated	
	(AED millions)	%	(AED millions)	%	(AED millions)	%
Financing Assets						
Commodities murabahat.....	796	2	3,285	3	4,081	3
International murabahat (long term).....	-	-	27,404	23	27,404	17
Vehicles murabahat.....	8,925	22	-	-	8,925	6
Real estate murabahat.....	313	1	348	-	661	-
Total murabahat.....	10,034	25	31,037	27	41,071	26
Istisna'a.....	215	1	825	1	1,040	1
Ijara.....	-	-	52,647	45	52,647	33
Home finance – Ijara.....	13,979	34	-	-	13,979	9
Islamic credit cards.....	1,425	4	-	-	1,425	1
Personal finance.....	18,640	46	-	-	18,640	12
Less: Deferred Income.....	(3,655)	(9)	(84)	-	(3,739)	-2
Less: Contractors and consultants' istisna contracts.....	-	-	(7)	-	(7)	-
Total.....	40,638	100	84,418	72	125,056	79
Investing Assets						
Musharakat.....	-	-	7,033	6	7,033	4
Mudaraba.....	-	-	12,159	10	12,159	8
Wakalat.....	-	-	13,426	11	13,426	9
Total.....	-	-	32,618	28	32,618	21
Total.....	40,638	100	117,036	100	157,674	100

For further information, see “– Business activities” below.

DIB's total portfolio of Islamic financing and investing assets (net of provisions) was AED 151,691 million (U.S.\$41,305 million) as at 30 September 2019, an increase of 4 per cent. from AED 144,739 million (U.S.\$39,412 million) as at 31 December 2018 (and AED 133,334 million (U.S.\$36,306 million) as at 31 December 2017). The distribution of DIB's total portfolio of Islamic financing assets across economic sectors is oriented towards government, trade, financial institutions, services, hospitality, logistics,

education, healthcare, tourism, aviation, construction, real estate and consumer banking, which is in line with the domestic economy.

A description of the concentrations in DIB's Islamic financing and investing assets portfolio is set out below under "– Risk Management – Portfolio Concentrations".

As at 30 September 2019, 6 per cent. of DIB's gross Islamic financing and investing assets portfolio was located outside the UAE. DIB has implemented risk management methods to mitigate and control the risks associated with this portfolio and other market risks to which DIB is exposed (see "– Risk Management" below).

DIB maintains a *sukuk* portfolio of high credit quality. The securities portfolios are concentrated in the GCC and MENA markets (see further Note 8 to the 2019 Interim Financial Statements and Note 10 to the 2018 Financial Statements incorporated by reference in this Base Prospectus) and, in particular, 44 per cent. of the securities portfolios was concentrated in the UAE as at 30 September 2019.

The following table provides a breakdown of DIB's investment portfolio as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively:

	As at 30 September		As at 31 December					
	2019		2018		2017		2016	
	(AED millions)	%	(AED millions)	%	(AED millions)	%	(AED millions)	%
Investments in Sukuk								
Amortised cost.....	34,062	100	31,179	100	24,023	100	23,409	100
	34,062	100	31,179	100	24,023	100	23,409	100
Other Equity Investments								
Investments carried at FVTPL ⁽¹⁾	-	-	-	-	2	-	3	-
Investments carried at FVTOCI ⁽²⁾	1,459	100	1,688	100	1,959	100	1,714	100
	1,459	100	1,688	100	1,962	100	1,717	100

Notes:

- (1) Fair value through profit and loss.
(2) Fair value through other comprehensive income.

Capital Adequacy

DIB calculates its capital adequacy ratio in accordance with capital adequacy guidelines established by the Basel Committee and adopted by the Central Bank (see further "The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Capital Adequacy").

As at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively, these ratios were as follows:

	As at 30 September		As at 31 December	
	2019	2018	2017	2016
	(AED millions, except percentages)			
Capital adequacy in accordance with Basel III (Basel II as at 31 December 2016)				
Capital base	33,550	30,816	27,785	25,614
Risk weighted assets				
Credit risk.....	173,203	161,738	148,075	129,748
Market risk	2,404	1,521	1,960	1,057

	As at 30 September	As at 31 December		
	2019	2018	2017	2016
	<i>(AED millions, except percentages)</i>			
Operational risk	14,488	13,267	11,935	10,590
Risk weighted assets	190,094	176,525	161,969	141,395
Risk asset ratio				
Tier 1 Ratio	16.5%	16.3%	16.0%	17.8%
Capital adequacy ratio	17.6%	17.5%	17.2%	18.1%
Common equity tier 1 ratio	13.1%	12.4%	11.5%	12.0%

See further “– Capital Adequacy” below.

Funding

DIB’s bank and customer deposits together totalled AED 175,131 million (U.S.\$47,688 million), AED 168,860 million (U.S.\$45,980 million), AED 162,059 million (U.S.\$44,128 million) and AED 132,795 million (U.S.\$36,159 million) as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively. Customer deposits amounted to AED 162,951 million (U.S.\$44,371 million), AED 155,657 million (U.S.\$42,384 million), AED 147,181 million (U.S.\$40,076 million) and AED 122,377 million (U.S.\$33,323 million) as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively, and represented 93.0 per cent., 92.2 per cent., 90.8 per cent. and 92.2 per cent., respectively, of total bank and customer deposits as at those dates.

The following table shows the sources of DIB’s funding as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively:

	As at 30 September		As at 31 December					
	2019		2018		2017		2016	
	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%
Customer deposits	162,951	70.9	155,657	69.5	147,181	71	122,377	69.9
Due to banks and financial institutions....	12,180	5.3	13,203	6	14,878	7	10,418	6.0
Sukuk financing instruments	12,355	5.3	12,371	5.5	8,659	4	7,695	4.4
Payables and other liabilities	8,247	3.6	8,019	3.6	7,459	4	6,969	4.0
Zakat payable	-	-	305	0.1	280	-	243	0.1
Equity	34,230	14.9	34,127	15.3	28,881	14	27,269	15.6
Total funding	229,963	100	223,682	100	207,337	100	174,971	100

See further “Risk Management – Liquidity risk and funding management” below.

Strategy

DIB’s primary objective is to maintain its position as the leading Islamic financial institution in the region as well as in other selected strategic markets. DIB defines its strategic objectives within a two - three year rolling period, which allows it to refine its long-term strategy and develop short-term specific strategic and business goals.

During the early 2000s, DIB had expanded its strategy from being primarily a retail bank into providing Sharia compliant solutions to major local and international companies as well. This was also a period wherein the bank saw a qualitative jump in the services being offered as a result of upgrading its computer systems and introduction of internet services. The mid-2000s saw the bank venturing into new international markets such as Pakistan, Sudan and launching of the *Sharia* consultancy firm (Dar Al Sharia) and the DIB Foundation. When the global crisis began, the bank decided to focus growth within the retail sector and

began to run-off its corporate real estate finance portfolio in order to attempt to protect itself from the downturn in the UAE real estate sector. During this decade, the bank 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 chief executive officer (CEO) in mid-2013, who previously served as Deputy CEO, DIB embarked on a new “growth” strategy from 2014 to 2018, which aimed at redefining the way DIB operates its business, positioning the bank as a global leader in the world of Islamic finance. DIB’s plan includes the following initiatives and goals:

- DIB’s principal theme from 2019 onwards is to continue its growth strategy through the “CARE” ideology, which stands for ‘customer experience, acquisition, retention and engagement’. In addition, DIB is focused on playing a part in promoting the Islamic finance sector as well as the growth agenda of Dubai and the UAE.
- The focus is to have sustainable profitability in the coming years through leveraging the DIB franchise within the UAE and key strategic international markets, which are Pakistan, Indonesia and Kenya. Growth of the business will also be supported by:
 - digital transformation and adopting the CARE ideology;
 - maintaining cost discipline and better profitability; and
 - quality credit growth.
- Further, DIB intends to expand its geographic footprint through acquisitions, establishing subsidiaries and branches, pursuing strategic partnerships and/or co-operation agreements with local partners in Asia, Africa and the Gulf.

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

The BSC enables DIB to identify goals, manage and measure performance, and report on achievements with respect to the priorities of each key stakeholder group. DIB 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 DIB’s performance management system.

In April 2019, DIB announced that it was exploring the potential acquisition of all of the shares of Noor Bank PJSC (**Noor Bank**). Noor Bank is an Islamic bank based in Dubai with approximately U.S.\$12 billion in total assets as at 30 June 2019. After completion of its assessment in June 2019, DIB decided to proceed with the potential acquisition, subject to the receipt of relevant approvals from all competent regulatory authorities. As at the date of this Base Prospectus, the potential acquisition is awaiting the necessary regulatory approvals. Following receipt of such regulatory approvals, the potential acquisition will be tabled at a general assembly meeting of DIB’s shareholders for their consideration.

Competition and Competitive Advantages

DIB 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 it enjoys a number of key competitive advantages, including the following:

Strong and trusted brand

DIB believes that it has a strong and trusted brand. Management believes that DIB’s market position and strong brand recognition reflect DIB’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. In 2016, the bank revealed its new identity built around its vision as a progressive and innovative player and the modern face of Islamic banking and finance.

Established track record and knowhow

As the first Islamic bank in the UAE, DIB 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

DIB 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 it 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 DIB's competitors for alternative products.

Sharia compliance credibility

DIB maintains a highly reputed Fatwa and Sharia Supervisory Board (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

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

Strong financial performance

DIB 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 it provides distinguishes it 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, DIB continues to make further enhancements to its systems and platforms in order to provide clients with a more seamless experience.

Experienced and committed management

The majority of DIB's senior management team have been with the bank 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

DIB 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 DIB. DIB 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

DIB 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 DIB 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, see “– *Shareholders and Capital Structure*” above.

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.

Business activities

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, DIB 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); (d) treasury (which reflects the Treasury-related business line); and (e) others (comprising DIB’s investments, certain investment banking activities and un-allocated internal assets and liabilities of DIB which are not related to those of its external customers).

The following table sets out a breakdown of certain income and profit information for each of DIB’s primary reporting segments for the nine month periods ended 30 September 2019 and 30 September 2018 along with the two years ended 31 December 2018 and 31 December 2017, respectively:

	Consumer Banking				Corporate Banking			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>							
Net operating revenue	2,367	2,432	3,397	3,320	2,713	2,333	3,216	2,562
Operating expenses	(846)	(876)	(1,380)	(1,422)	(369)	(374)	(367)	(358)
Net operating income	1,521	1,555	2,017	1,898	2,343	1,958	2,849	2,204
Impairment (loss)/reversal for the year	(522)	(657)	(919)	(793)	(493)	17	(47)	(134)
Net profit for the year before income tax expenses	999	898	1,098	1,105	1,851	1,975	2,802	2,069
	Real Estate Development				Treasury			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>							
Net operating revenue	186	217	262	285	666	501	666	873
Operating expenses	(120)	(118)	(157)	(155)	(67)	(57)	(56)	(42)

	Real Estate Development				Treasury			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>							
Net operating income	66	99	105	130	599	444	609	831
Impairment (loss)/reversal for the year	(8)	27	30	-	(4)	30	11	114
Net profit for the year before income tax expenses	58	126	135	130	595	414	620	945

	Others				Total			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>							
Net operating revenue	945	573	660	648	6,877	6,055	8,202	7,687
Operating expenses	(368)	(328)	(361)	(358)	(1,771)	(1,754)	(2,322)	(2,336)
Net operating income	576	244	299	290	5,105	4,301	5,880	5,351
Impairment (loss)/reversal for the year	(30)	75	92	(11)	(1,056)	(570)	(833)	(823)
Net profit for the year before income tax expenses	546	319	391	279	4,049	3,731	5,046	4,528
Income tax expense					(34)	(30)	(42)	(24)
Net profit for the year					4,015	3,701	5,004	4,504

The following table sets out a breakdown of DIB's segment assets, liabilities and capital expenditure (principally relating to expenditure on IT and opening new, and refurbishing existing, branches) for each of its primary reporting segments as at 30 September 2019, 30 September 2018, 31 December 2018 and 31 December 2017, respectively:

	Consumer Banking				Corporate Banking			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>				<i>(AED millions)</i>			
Segment assets	38,129	36,301	36,577	37,175	113,628	100,681	107,308	91,693
Segment liabilities	71,669	67,450	68,867	64,472	93,845	89,112	89,828	80,257

	Real Estate Development				Treasury			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>				<i>(AED millions)</i>			
Segment assets	6,029	5,704	5,836	6,276	37,148	31,741	33,637	25,041
Segment liabilities	1,299	1,170	1,307	1,216	881	1,099	828	576

	Other				Total			
	30 September		31 December		30 September		31 December	
	2019	2018	2018	2017	2019	2018	2018	2017
	<i>(AED millions)</i>				<i>(AED millions)</i>			
Segment assets	35,029	48,347	40,324	47,153	229,963	222,775	223,682	207,337
Segment liabilities	28,038	30,614	28,726	31,935	195,733	189,446	189,555	178,456

Set out below is an overview of the key business activities of the Group.

Consumer Banking

DIB's Consumer Banking Group (the **Consumer Banking Group**) is the largest business segment within the Group. DIB offers its retail and business banking services through a network of 71 branches spread across all of the Emirates, more than 564 automated teller machines (ATMs) and 154 cash deposit machines (CDMs) across the UAE (each as at the date of this Base Prospectus) as well as through internet and telephone banking services (including mobile banking). DIB offers customers a broad range of retail products and services under its "*Al Islami*" brand, including:

- *Auto finance*

DIB's auto finance product finances vehicle purchasing for individuals and businesses in a Sharia compliant manner. DIB has established itself as one of the leading providers of auto financing in the UAE.

- *Sharia compliant cards*

In pursuit of its strategy of growth through key strategic alliances, DIB has continued to expand its product offerings through the expansion of its Sharia compliant cards product portfolio.

In June 2016, in partnership with the Dubai Department of Economic Development, DIB launched the "Consumer Card", which allows customers to earn cashback on expenditure on certain "daily use" categories including supermarkets, utilities, fuel etc. The product enables customers to make savings on their daily spending.

In July 2018, DIB launched co-branded credit cards with Emirates. This partnership allows customers to earn Skywards reward points from Emirates on their card usage and redeem the points for services from Emirates, including, travel insurance, Emirates silver status and lounge access.

- *Personal finance*

DIB's personal finance product was launched in December 2005 to cater to the personal financing needs of individuals, and was originally provided in the form of *murabaha* and *ijara* products to cater to all personal financing needs of customers. In 2010, DIB launched *Al Islami Salam*, which provides customers with an upfront cash payment. The *Al Islami Salam* 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*

Retail home finance comprises freehold and non-freehold residential mortgages by DIB and its subsidiary, Tamweel (though since the acquisition of the majority stake in Tamweel, its operations have been integrated with DIB and all new mortgages originated are booked within DIB). DIB is one of the leading providers of retail home finance in the UAE.

- *SME Business Solutions*

In December 2012, DIB launched its "SME Business Solutions" suite of Sharia compliant products and services specifically developed to support the growth of small and medium sized enterprises. The solutions offered are based on a combination of *Murabaha* and *Salam*-based structures.

- *Investment funds*

DIB 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, DIB 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*

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

- *Wajaha*

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

- *Private banking – Ayaan – exclusive banking*

Private banking, "Ayaan", targets high net worth customers, catering to their specific investment and financial needs.

- *Additional Retail Segments*

Following an extensive customer relationship management exercise, the Consumer Banking Group identified key additional business segments (broadly based on customer deposits) named *Mumayaz* (effectively the upper mass segment), the mass segment and the lower mass segment. Specific offerings have been developed to cater to these segments leading to previously untapped profitability opportunities.

Other Delivery Channels

In addition to its 71 branches in the UAE, DIB has expanded into self-service electronic delivery channels by offering services such as internet banking, telephone banking and e-branches:

- *Internet and Phone banking*

DIB offers online and mobile telephone banking facilities, giving customers greater flexibility to deal with their accounts by offering a range of account enquiry and payment services. During April 2012, DIB introduced an Arabic online interface to its internet banking service in order to allow all of its online transactions to be conducted in the Arabic language. In August 2013, DIB launched the *Al Islami* Business Mobile Banking offering exclusively for its business customers. All customers enrolled for *Al Islami* Business Online will be able to carry out transactions through their mobile phone such as viewing statements and making transfers and payments. In 2018, both the online and mobile telephone banking offerings were significantly upgraded to provide customers with additional services and greater ease of use.

- *e-branches*

In DIB's virtual branches, customers can utilise banking services such as ATMs, CDMs and instant cheque machines, and an "internet kiosk" for secure online banking and phone banking which connects them to customer service agents. In addition, customers can make requests for manager cheques, demand drafts, SWIFT transfers, the issue of new cheque books, the re-issue of ATM cards, e-statement registrations, SMS banking registrations and applications for pre-designated fund transfers. DIB's e-branches also offer instant approvals for auto finance, personal finance and credit cards.

For a description of DIB's gross retail Islamic financing and investing assets by product type as at 30 September 2019, see "– Overall Performance" above.

Corporate Banking

DIB offers a range of Sharia compliant solutions to its corporate clients in the UAE, the GCC and in other

niche 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 DIB's corporate clients based in and around Dubai and the Northern Emirates;
- public sector (Dubai region and Northern Emirates), which supports DIB's public sector clients based in and around Dubai and the Northern Emirates;
- DCM and Syndication & Cross Border unit, which principally deals with all of DIB's cross-border activities relating to project finance, syndicated lending, structured trade finance and inventory financing. This unit provides plain vanilla financing, including bilateral facilities, to GCC sovereigns, quasi-sovereigns and private sector companies located outside the UAE. This unit also provides a range of debt capital market products to GCC customers (excluding the UAE), including syndications, straight and convertible Sukuk products;
- 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, which provides specialist product advice (through the Ahlan Banking Service) to cater for 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.

DIB 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.

DIB 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 DIB's wholesale banking customers;
- Trade Finance Services, which provides an extensive range of trade-related services covering sectors such as manufacturing, services, construction, retail and transportation; and
- Transaction Banking Solutions, covering:
 - liabilities and deposits management;
 - trade finance;
 - cash management products and services (including services in relation to payments, collections, escrow collections, account management and liquidity and receivables management); and

- an internet based platform for corporate clients (which allows them to perform online account management, make electronic payments and receive trade reports).

For a description of DIB’s gross non-retail Islamic financing and investing assets by product type as at 30 September 2019, see “– *Overall Performance*” above.

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 DIB, including investment banking and treasury services.

Real Estate & Contracting Finance

Real Estate Finance

Historically, DIB has been one of the leading providers of real estate finance services in the UAE. DIB played a significant role in supporting 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 well known local, regional and international construction groups, and has supported its customers in executing many prestigious projects within the UAE, regionally in the GCC and in many other Arab countries.

The product range offered by the Constructing Finance Group includes Islamic financing products such as *Mudaraba*, *Murabaha*, *Ijara*, letters of guarantee and letters of credit (LCs). DIB believes that its 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

The Investment Banking business group is primarily responsible for management of DIB’s proprietary investment portfolios, strategic stakes and international operations and expansion. The Investment Banking business group is also responsible for identifying and conducting due diligence on, new expansion opportunities and presenting proposals to DIB’s Board of Directors and management.

The Investment Banking team comprises professionals with previous experience from international financial institutions.

Treasury

The Treasury Group forms an essential part of DIB’s commitment to the Islamic-compliant investment banking industry. The Treasury Group offers a comprehensive range of products backed by DIB’s expert understanding of local and international markets. The Treasury Group works closely with Corporate Banking and the Consumer Banking Group and also engages in Islamic derivatives business. Its principal customers are DIB’s corporate customers, financial institutions, high net worth individuals, SME companies and similar businesses. The products offered to such customers include: plain vanilla currency contracts, flexible delivery currency contracts, profit-enhanced products, multi-currency hedging instruments and other bespoke Islamic-compliant financial solutions.

Treasury also includes FIs who primarily focuses on building and maintaining relationships with the FI sector across the globe in order 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. DIB's network of correspondent banks comprises leading financial institutions which provide trade services, which are intended to add value and service to DIB's branches and business units. DIB's correspondent banks offer one or more of the following services: remittance and payments, advisory and confirmations.

The Treasury Group is responsible for managing DIB'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 the Treasury Group in accordance with Central Bank liquidity ratios. The Treasury Group is also responsible for the implementation of risk management initiatives as directed by ALCO as explained further under "– Risk Management".

Subsidiaries and Associates

As at 30 September 2019, DIB had 15 consolidated material subsidiaries (and 19 special purpose vehicles) details of which are set out in Note 27 of the 2019 Interim Financial Statements. As at 30 September 2019, DIB also had 8 significant associates and joint ventures. Of these, DIB considers the following to be its most important subsidiaries and associates in terms of revenue and future growth potential:

Tamweel P.S.C. (UAE)

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 2012, DIB owned 58.3 per cent. of Tamweel's issued share capital, a controlling stake. In January 2013, DIB's Board of Directors approved a proposal to make the Tender Offer to the minority shareholders in Tamweel to acquire their shares in consideration of New Shares in DIB. Under the Tender Offer, DIB offered 10 New Shares for every 18 shares in Tamweel held by a Tamweel minority shareholder. The Tender Offer was widely accepted by the majority of the Tamweel shareholders and this increased DIB's shareholding from 58.3 per cent. to 86.5 per cent.

At an extraordinary general meeting held on 7 July 2013, Tamweel's shareholders approved the company's conversion to a Private Joint Stock Company and approved the delisting of its shares from the DFM, subject to receipt of relevant regulatory approval. On 26 September 2013, the UAE Securities and Commodities Authority (the **SCA**) approved the suspension of trading in Tamweel's shares on the DFM with effect from 1 October 2013. With effect from 27 August 2014, Tamweel was registered as a Private Joint Stock Company and its shares were delisted from the DFM during September 2014.

In September 2013, DIB settled all of Tamweel's *wakala* finance received from banks, amounting to AED 3.8 billion (U.S.\$1.0 billion), by providing a short-term *wakala* facility of an equivalent amount to Tamweel. On 1 April 2015, a further offer was announced by DIB to the minority shareholders to acquire the remaining 13.5 per cent. minority shares in Tamweel. DIB offered AED 1.25 per share to be paid in cash for each Tamweel share. 5.5 per cent. of offerees accepted this offer, and as a result DIB increased its stake in Tamweel from 86.5 per cent. to 92 per cent. in May 2015.

In January 2017, DIB fully redeemed the only outstanding senior sukuk of Tamweel (U.S.\$300 million).

DIB Pakistan (Pakistan)

DIB Pakistan was incorporated as a wholly-owned subsidiary of DIB in 2006. It currently has over 240 branches and express centres in over 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 11,652 million

(U.S.\$74 million) as at 30 September 2019. As at 30 September 2019, DIB Pakistan's net assets were Pakistani Rupee 19,587 million (U.S.\$125 million) compared to Pakistani Rupee 16,750 million (U.S.\$120 million) as at 31 December 2018. For the nine month period ended 30 September 2019, DIB Pakistan's profit after taxation was Pakistani Rupee 2,301 million (U.S.\$15 million) compared to its profit after taxation of Pakistani Rupee 2,509 million (U.S.\$18 million) for the year ended 31 December 2018. For the purposes of this paragraph: (i) DIB Pakistan's financial information has been extracted from the unaudited condensed interim financial information of DIB Pakistan as at and for the nine month period ended 30 September 2019 and the audited financial statements of DIB Pakistan as at and for the financial year ended 31 December 2018 (which are available on its website at <https://www.dibpak.com/index.php/financials/>); and (ii) Pakistani Rupees have been converted into U.S. dollars based on the closing rates on given dates.

Deyaar Development (UAE)

Deyaar Development was incorporated as a wholly-owned subsidiary of DIB in 2002 and engages in real estate development and property management business in the UAE. DIB currently owns 44.9 per cent. of Deyaar Development (which is consolidated with the Group's financial statements, see "*Description of Dubai Islamic Bank PJSC – Overview*" above for further information). As at 30 September 2019, Deyaar Development's total assets were AED 6,346 million (U.S.\$1,728 million) compared to AED 6,203 million (U.S.\$1,689 million) as at 31 December 2018. For the nine month period ended 30 September 2019, Deyaar Development's profit before taxation was AED 53 million (U.S.\$14 million) compared to AED 140 million (U.S.\$38 million) for the year ended 31 December 2018. Deyaar Development's authorised and paid up capital was AED 5,778 million (U.S.\$1,573 million) as at 30 September 2019. For the purposes of this paragraph, Deyaar Development's financial information has been extracted from the unaudited consolidated interim financial information of Deyaar Development as at and for the nine month period ended 30 September 2019 and the audited consolidated financial statements of Deyaar Development as at and for the financial year ended 31 December 2018 (which are available on its website at <https://www.deyaar.ae/en/financial-results>).

Dar Al Sharia Islamic Finance Consultancy LLC (UAE)

Dar Al Sharia was incorporated as a subsidiary of DIB 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 (the Sharia Board)*" below). As at 30 September 2019, DIB owned 60 per cent. of the issued share capital of Dar Al Sharia.

Bank Panin Syariah (Indonesia)

The core principle behind DIB's growth strategy in key strategic international markets is to connect East Asia and South Asia with East Africa through Dubai. This principle, known internally as 'PIK', which stands for 'Pakistan, Indonesia, Kenya', aims to establish banking hubs in these key geographies and to connect them through Dubai. In line with this strategy, DIB 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, DIB acquired a 24.9 per cent. stake in Bank Panin Syariah in May 2014.

In October 2015, DIB obtained "Significant Shareholder Status" from the OJK in respect of Bank Panin Syariah as DIB increased its shareholding to 38.3 per cent. in Bank Panin Syariah. In July 2016, the bank had changed its logo and name from PT Bank Panin Syariah Tbk to PT Bank Panin Dubai Syariah Tbk. DIB 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. Currently, Bank Panin Syariah operates through a network of 17 branches (with its head office located at Panin Life Center Building, Jakarta, Indonesia) that offer Islamic banking services in the country.

Going forward, DIB, as the significant shareholder in Bank Panin Syariah, will continue to assist PT Bank Panin in order to promote the growth of Sharia banking in Indonesia through Bank Panin Syariah's operations.

DIB Bank Kenya (Kenya)

As part of the PIK strategy, DIB obtained 'in principal' approval from the Central Bank of Kenya in December 2014 to establish a Sharia compliant bank in Kenya (**DIB Bank Kenya**) and accordingly, expand its business to cover East Africa. In April 2017, DIB obtained a banking licence from the Central Bank of Kenya to operate its wholly-owned subsidiary, DIB Kenya Ltd., and commenced commercial operations on 5 June 2017. DIB Bank Kenya's operations are now fully operational, offering an extensive range of Sharia compliant products and services. With its head office in Nairobi, DIB Bank Kenya operates through a network of five branches in Kenya; three in Nairobi and two in Mombasa. DIB Bank Kenya plans to further expand its operations to other parts of Kenya. DIB's Kenya operations will act as a hub for the East African region and will allow DIB to further implement its PIK strategy.

Risk Management

Overview

Risk is inherent in DIB'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 DIB's continuing profitability and each individual within DIB is accountable for the risk exposures relating to his particular responsibilities.

DIB 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. DIB is also subject to operating risks.

DIB's independent risk control process does not include business risks such as changes in the environment, technology and industry. These risks are monitored through DIB's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks within DIB; however, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for DIB's overall risk management approach and for approving its risk strategies and principles.

Risk Management Committee

DIB's Risk Management Committee has overall responsibility for the development of its risk strategy and implementing principles, frameworks, policies and limits. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions.

Risk Management Department

The Risk Management Department is responsible for implementing and maintaining risk related procedures within DIB in order to ensure that an independent control process is in place. The Risk Management Department is responsible for credit administration, portfolio management, credit risk, market risk, operational risk and overall risk control.

Asset and Liability Management Committee

ALCO is responsible for managing DIB's assets and liabilities and its overall financial structure. It is also primarily responsible for the funding and liquidity risks of DIB.

Collection & Remedial Management Committee (the CRMC)

The Collection & Remedial Committee is a management level of authority. The primary purpose of the CRMC is to take remedial decisions and monitor recovery activities within the discretionary authority delegated to it by the Executive Committee and the Board of Directors. In performing its role, the CRMC periodically reviews and provides constructive recommendations to the Executive Committee and/or the Board of Directors on the policies, guidelines and processes for remedial activities in DIB.

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 of Directors. In performing its role, the Management Credit Committee periodically reviews and provides constructive recommendations to the Board of Directors on DIB's credit policies, guidelines, processes and the future direction of credit/investment activities within DIB.

Risk measurement and reporting systems

DIB measures risks using conventional qualitative methods for credit, market and operational risks. Further, DIB 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. DIB also runs stress scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by DIB. These limits reflect the business strategy and market environment of DIB as well as the level of risk that it is willing to accept, with additional emphasis on the industries of selected borrowers. Information compiled from all of DIB's business units is examined and processed in order to analyse, control and identify risks at an early stage. This information is presented and explained to the Board of Directors, the Risk Management Committee and the head of each business division. The report includes aggregate credit exposure, limit exceptions, liquidity and other risk profile changes. Detailed reporting of industry, customer and geographic risks takes place on a monthly basis. DIB's senior management assesses the appropriateness of its provisions for impairment losses on a quarterly basis.

Risk mitigation

As part of its overall risk management process, DIB uses various methods to manage exposures resulting from changes in credit risks, profit rate risks, foreign currencies, equity risks and operational risks.

DIB 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. DIB actively uses collateral to reduce its credit risks. See "*– Credit risk*" below for further details.

DIB'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. DIB also continuously monitors expected changes in foreign currency rates, benchmark profit rates and equity indices in order to mitigate market risk. See "*– Market risk*" below for further details.

In order to mitigate against liquidity risk, DIB's management has access to diversified funding sources. DIB'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. See "*– Liquidity risk and funding management*" below for further details.

To manage all other risks, DIB has developed a detailed risk management framework intended to identify and apply resources effectively in order to mitigate against those risks occurring.

Risk concentration

Concentrations of risk arise within DIB 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 DIB to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of DIB's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, DIB'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, DIB 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 DIB's businesses. Credit risks could arise from a deterioration in the credit quality of specific counterparties of DIB, from a general deterioration in local or global economic conditions or from systemic risks with the financial system. DIB 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, DIB 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, DIB may also close out transactions or assign them to other counterparties to mitigate credit risk.

As described above under "*– Risk concentration*", concentrations of credit risk arise when a number of DIB's 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 be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of DIB's performance to developments affecting a particular industry or geographic location.

Management of credit risk

DIB'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 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.

DIB has established a credit quality review process to provide early identification of possible changes in the creditworthiness of its counterparties. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. DIB's risk ratings are subject to regular revision. The credit quality review process allows DIB to assess the potential loss as a result of the risks to which it is exposed.

Credit risk measurement

As described above, DIB assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties. Whilst some of the models for assessment of retail products, underwriting and real estate projects have been developed internally, those relating to DIB's corporate, contracting and SME businesses have been acquired from Moody's and are housed within the Moody's Risk Analyst rating tool (which was implemented by DIB during 2009).

DIB's rating tools are kept under review and upgraded as necessary. DIB regularly validates the performance of the rating tools and their predictive power with regard to default events.

Collateral

DIB 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. DIB has implemented guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal types of collateral obtained in respect of DIB's Islamic financing and investing assets are:

- mortgages over residential and commercial properties;
- corporate and financial guarantees;
- charges over business assets such as premises, machinery, inventory and accounts receivable; and
- charges over financial instruments such as financing securities and equities.

The amount and type of collateral required by DIB depends on its assessment of the particular counterparty's credit risk. DIB implements guidelines regarding the acceptability of particular types of collateral and the parameters put in place for valuing it.

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 DIB's consolidated statement of financial position.

Credit-related commitments risks

DIB 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 DIB 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 DIB's performance to developments affecting a particular industry or geographic location. DIB's credit policies are structured to ensure that DIB is not over-exposed to a given client, industry or geographic area through diversification of financing and investment activities. As at 30 September 2019, the breakdown of DIB's financing portfolio by sector was 26 per cent. consumer, 54 per cent. corporate and 20 per cent. real estate compared to 26 per cent. consumer, 55 per cent. corporate and 19 per cent. real estate, respectively, as at 31 December 2018.

The following table shows the concentration of DIB's gross Islamic financing and investing assets by industry sector as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016:

	30 September		31 December		31 December		31 December	
	2019		2018		2017		2016	
	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%
Portfolio Concentration Gross Islamic Financing and Investing Assets – by Industry Sector:								
Government.....	8,995	5.7	7,267	4.8	6,006	4	5,694	4.7
Financial institutions	7,134	4.5	6,475	4.3	6,335	5	5,586	4.6
Real estate	31,338	19.9	28,843	19.2	26,194	19	19,595	16.3
Contracting	6,292	4.0	6,764	4.5	7,362	5	7,080	5.9
Trade	9,187	5.8	8,247	5.5	8,218	6	7,393	6.1
Aviation.....	18,284	11.6	18,884	12.6	16,998	12	10,844	9.0
Services and manufacturing	35,770	22.7	34,399	22.9	27,849	20	25,661	21.3
Consumer home finance	14,174	9.0	13,647	9.1	13,455	10	13,138	10.9
Consumer financing	26,500	16.8	25,938	17.2	26,651	19	25,536	21.2
Total.....	157,674	100	150,466	100	139,067	100	120,526	100.0

	30 September		31 December		31 December		31 December	
	2019		2018		2017		2016	
	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%	<i>(AED millions)</i>	%
Portfolio Concentration Gross Islamic Financing and Investing Assets – by geographical areas:								
Within UAE	148,613	94	142,266	95	130,793	94.1	113,147	93.9
Outside UAE	9,062	6	8,200	5	8,274	5.9	7,380	6.1
Total.....	157,674	100	150,466	100	139,067	100	120,526	100

	Portfolio outstanding net of future profits	Bilateral sukuk		Non performing assets	Provisions held	Non performing/ portfolio outstanding net of future profits and bilateral sukuk (%)	Provisions/ non performing
		<i>(AED millions)</i>					
			Total				
30 September 2019.....	157,674	3,199	160,873	5,863	6,123	3.6	104.4
31 December 2018	150,466	3,219	153,685	5,251	5,857	3.4	111.5
31 December 2017	139,067	3,192	142,259	4,861	5,733	3.4	117.9
31 December 2016	120,526	3,192	123,718	4,768	5,559	3.9	116.6

Impairment assessment

Since 1 January 2018, DIB 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 not measured at FVTPL:

- financial assets that are financing instruments and investment in sukuk;
- off-balance sheet instruments issued; and
- financial guarantee contracts issued.

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 twelve 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 and measurement of ECL. No impairment loss is recognised on equity investments.

Individually assessed allowances

DIB determines the allowances appropriate for each individually significant Islamic financing or investing asset on an individual basis. Matters considered by DIB when determining impairment allowance amounts include:

- the sustainability of the counterparty's business plan;
- its ability to improve performance once a financial difficulty has arisen;
- projected receipts and the expected dividend payout should the counterparty become bankrupt;
- the availability of other financial support and the realisable value of collateral; and
- the timing of the expected cash flows under the Islamic financing or investing asset.

DIB's impairment losses are evaluated at each financial reporting date, unless unforeseen circumstances require more careful attention prior to the next financial reporting date.

Collectively assessed allowances

DIB's collective assessment takes account of impairment that is likely to be present in each portfolio even though there is no objective evidence of the impairment on the basis of an individual assessment. Impairment losses are estimated by taking into consideration each of the following factors: historical losses on the portfolio, current economic conditions, the approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance and expected receipts and recoveries once impaired. The impairment allowance is reviewed by the Risk Management Committee to ensure alignment with DIB's overall policy.

Provisions in relation to acceptances, letters of credit and guarantees are assessed and made by DIB in a similar manner as for its Islamic financing and investing assets.

In November 2010, the Central Bank published a set of rules making it mandatory for banks and financial institutions to make provisions for their impaired loans on a quarterly basis. The guidelines prescribe

specific provisions for three categories of impaired loans and stipulate that lenders should build up general provisions equal to 1.5 per cent. of credit risk-weighted assets over a period of four years. DIB is building provisions and reserves for general provisions accordingly and is ahead of the given Central Bank requirement.

The following table sets out the movements in DIB's provision for impairment of its financing and investing assets for the nine month period ended 30 September 2019 and the years ended 31 December 2018, 31 December 2017 and 31 December 2016:

	30 September	31 December		
	2019	2018	2017	2016
		<i>(AED millions)</i>		
Balance at the beginning of the year	5,727	5,732	5,559	5,048
Charge for the year.....	1,282	1,789	1,909	2,112
Release to consolidated statement of profit or loss	(322)	(869)	(1,074)	(1,149)
Write-off.....	(699)	(1,166)	(661)	(411)
Others	(5)	241	-	(41)
Balance at the end of the year	5,983	5,727	5,733	5,559
Gross amount of Islamic financing and investing assets, individually determined to be impaired	5,744	5,030	4,600	4,439

Liquidity risk and funding management

DIB 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. DIB also has committed lines of credit that it can access to meet liquidity needs should the need arise. In addition, DIB maintains statutory deposits with certain central banks. DIB'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 DIB. Sources of liquidity are regularly reviewed by management to maintain a wide diversification by currency, geography, provider, product and term.

DIB believes that the high quality of its asset portfolio ensures its liquidity, which, coupled with its own funds and "evergreen" customer deposits, help form a stable funding source. DIB is confident that, even under adverse conditions, it will have access to the funds necessary to cover customer needs and meet its funding requirements.

DIB's primary tool for monitoring its liquidity is the maturity mismatch analysis, which is monitored over successive time bands and across functional currencies. Guidelines have been established by DIB for the cumulative negative cash flow over successive time periods.

The following tables show the maturity profile of DIB's assets, liabilities and equity as at 31 December 2018 and 31 December 2017:

	As at 31 December 2018					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No maturity	
	<i>(AED millions)</i>					
Assets:						
Cash and balances with central banks	22,182	363	-	-	-	22,456
Due from banks and financial institutions	8,169	-	128	-	-	8,297
Islamic financing and investing assets, net.....	11,396	21,251	72,657	39,435	-	144,739
Investments in Islamic Sukuk measured	955	1,392	11,046	17,786	-	31,179

As at 31 December 2018

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No maturity	Total
	<i>(AED millions)</i>					
at amortised cost.....						
Other investments measured at fair value	-	718	970	-	-	1,688
Investments in associates and joint ventures	-	-	-	-	1,929	1,929
Properties held for development and sale	-	-	-	-	1,449	1,449
Investment properties	-	-	-	-	4,495	4,495
Receivables and other assets	719	3,973	1,353	3	-	6,048
Property and equipment.....	2	7	31	1	1,273	1,314
Total assets	43,422	27,704	86,186	57,224	9,145	223,682
Liabilities and equity:						
Customers' deposits	55,120	66,354	34,027	155	-	155,657
Due to banks and financial institutions	6,826	5,665	711	-	-	13,203
Sukuk issued.....	-	257	11,925	189	-	12,370
Payables and other liabilities	4,639	2,147	1,233	-	-	8,019
Zakat payable	-	305	-	-	-	305
Equity	-	-	-	-	34,127	34,127
Total liabilities and equity	66,586	74,729	47,896	345	34,127	223,682
Net maturities gap	(23,164)	(47,025)	38,290	56,879	(24,982)	-

As at 31 December 2017

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No maturity	Total
	<i>(AED millions)</i>					
Assets:						
Cash and balances with central banks	27,619	266	0	-	-	27,885
Due from banks and financial institutions	4,477	-	200	-	-	4,677
Islamic financing and investing assets, net.....	11,622	20,092	69,315	32,305	-	133,334
Investments in Islamic Sukuk measured at amortised cost.....	783	1,844	9,600	11,796	-	24,023
Other investments measured at fair value	-	960	1,001	-	-	1,962
Investments in associates and joint ventures	-	-	-	-	2,136	2,136
Properties held for development and sale	-	-	-	-	1,274	1,274
Investment properties	-	-	-	-	3,570	3,570
Receivables and other assets	875	5,099	1,365	1	-	7,339
Property and equipment.....	3	9	44	1	1,079	1,136
Total assets	45,379	28,271	81,524	44,103	8,060	207,337

As at 31 December 2017

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No maturity	Total
	<i>(AED millions)</i>					
Liabilities and equity:						
Customers' deposits	52,366	65,252	29,544	19	-	147,181
Due to banks and financial institutions	10,634	3,697	546	-	-	14,878
Sukuk issued.....	-	-	8,521	138	-	8,659
Payables and other liabilities	4,474	1,819	1,166	-	-	7,459
Zakat payable	-	280	-	-	-	280
Equity	-	-	-	-	28,881	28,881
Total liabilities and equity	67,474	71,048	39,777	157	28,881	207,337
Net maturities gap	(22,095)	(42,777)	41,747	43,946	(20,821)	-

Liquidity risk management process

DIB's liquidity risk management process, as carried out within DIB and monitored by a separate team in DIB's 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 DIB's cash flows;
- monitoring DIB's consolidated statement of financial position liquidity ratios against internal and regulatory requirements; and
- managing the concentration and profile of the maturity dates of its investing and financing exposures.

The following table sets forth a number of liquidity ratios for DIB as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016:

	30 September	31 December		
	2019	2018	2017	2016
	%			
Liquidity ratios:				
Liquid assets ⁽¹⁾ /customer deposits	7	11	12	9
Customer deposits/total deposits ⁽²⁾	93.0	92.2	90.8	92.2
Net financing and investment assets/customer deposits.....	93	93	91	94
Net financing and investment assets/total assets.....	66	65	64	66

Notes:

- (1) Liquid assets include cash and balances with central banks and the net inter-bank position.
(2) Total deposits include customers' deposits and due to banks and financial institutions.

The following table provides a breakdown of DIB's customer deposits as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016:

	30 September	31 December	
--	-------------------------	--------------------	--

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<i>(AED millions)</i>			
Customers' deposits:				
Current accounts.....	28,473	33,323	34,054	29,007
Saving accounts.....	21,831	20,023	18,872	17,848
Investment deposits.....	112,207	101,796	93,596	74,906
Margins (LC and guarantee margins).....	328	401	533	489
Depositors' investment risk reserve.....	14	10	16	19
Depositors' share of profit payable.....	96	103	110	108
Total	<u>162,951</u>	<u>155,657</u>	<u>147,181</u>	<u>122,377</u>

The following table provides a breakdown of DIB's contingencies and commitments as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016:

	<u>30 September 2019</u>	<u>31 December</u>		<u>2016</u>
		<u>2018</u>	<u>2017</u>	
	<i>(AED millions)</i>			
Contingent liabilities:				
Letters of guarantees.....	13,538	13,581	13,834	11,747
Letters of credit.....	1,524	1,852	1,852	2,610
Total	<u>15,062</u>	<u>15,433</u>	<u>15,686</u>	<u>14,357</u>

	<u>30 September 2019</u>	<u>31 December</u>		<u>2016</u>
		<u>2018</u>	<u>2017</u>	
	<i>(AED millions)</i>			
Commitments:				
Capital expenditure commitments.....	599	868	1,514	1,452
Irrevocable undrawn facilities and commitments.....	18,543	17,819	14,885	18,420
Total commitments	<u>19,142</u>	<u>18,687</u>	<u>16,398</u>	<u>19,872</u>
Total contingent liabilities and commitments	<u>34,204</u>	<u>34,119</u>	<u>32,084</u>	<u>34,229</u>

For a description of the maturity profile of DIB's derivative cash flows as at 31 December 2018, 31 December 2017 and 31 December 2016, please refer to Note 46 to the 2018 Financial Statements and Note 46 to the 2017 Financial Statements, incorporated by reference in this Base Prospectus.

In addition to customer deposits, DIB's other sources of funding over the last few years have been:

Sukuk issuance by DIB

U.S.\$7,500 million Trust Certificate Issuance Programme

In May 2012, DIB, through a Sharia compliant financing arrangement, established the Programme. Under the Programme, the first series of the trust certificates amounting to U.S.\$500 million (AED 1,836.5 million) was issued and listed on Euronext Dublin on 30 May 2012. The first series of trust certificates issued under the Programme matured in May 2017 and, at the time of issuance, were expected to pay a semi-annual profit to investors based on 6 months LIBOR plus 3.65 per cent. per annum. The second series of trust certificates issued under the Programme amounting to U.S.\$750 million (AED 2,754.8 million) was issued and listed on Euronext Dublin in June 2015 and matures in June 2020. Profit distributions under the second series are paid semi-annually at a profit to investors of 2.92 per cent. per annum. The third series of trust certificates issued under the Programme amounting to U.S.\$500 million (AED 1,836.5 million) was issued and listed on Euronext Dublin in March 2016 and matures in March 2021. Profit distributions under the third series are paid semi-annually at a profit rate to investors of 3.600 per cent. per annum. The fifth series of trust certificates issued under the Programme amounting to U.S.\$1,000 million (AED 3,673.0 million) was issued

and listed on Euronext Dublin in February 2017 and matures in February 2022. Profit distributions under the fifth series are paid semi-annually at a profit to investors of 3.66 per cent. per annum. The sixth series of trust certificates issued under the Programme amounting to U.S.\$1,000 million (AED 3,659.8 million) was issued and listed on Euronext Dublin and Nasdaq Dubai in February 2018 and matures in February 2023. Profit distributions under the sixth series are paid semi-annually at a profit to investors of 3.63 per cent. per annum.

The terms of the Programme include transfer of certain identified assets (the **Co-Owned Assets**) including original leased and *musharakat* assets, Sharia compliant authorised investments and any replaced assets of DIB to the Trustee. These assets are under the control of DIB and shall continue to be serviced by DIB.

The Trustee will pay the semi-annual distribution amount from returns received in respect of the Co-Owned Assets. Such proceeds are expected to be sufficient to cover the semi-annual distribution amount payable to the sukukholders on the semi-annual distribution dates. Upon maturity of the sukuk, DIB has undertaken to buy these assets at the exercise price from the Trustee.

Tier 1 issuance

DIB has issued Tier 1 Sukuk through Sharia compliant structures with details mentioned in “*Shareholders and Capital Structure – Tier 1 issuances*”.

Sukuk issuance by subsidiaries of DIB

Dubai Islamic Bank Pakistan Limited (DIBPL) PKR 4 billion Sukuk issue

In 2017, DIBPL issued its rated, unsecured, subordinated and privately placed Tier-II Mudaraba sukuk. The sukuk issue was oversubscribed by 1.7 times the issue size. 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 50 basis points per annum over the 6 month Karachi Interbank Offered Rate. The sukuk issue is redeemable at maturity and has a call option which is exercisable after 5 years.

In 2018, DIBPL issued its rated, unsecured, subordinated and privately placed Pakistani Rupee 3,12 billion 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 3 month Karachi Interbank Offered Rate. It also has a call option which is exercisable after 5 years.

Medium term wakala finance

During 2008, DIB received the Wakala Deposits from the UAE Ministry of Finance. During 2009, DIB elected to re-categorise the Wakala Deposits as Tier 2 qualifying finance, which was approved by DIB’s shareholders at an extraordinary general meeting held in April 2009. The Wakala Deposits were used for investments with a tenor of seven years and were scheduled to mature in December 2016. Profit on the Wakala Deposits was paid every three months. During the financial year ended 31 December 2013, DIB repaid the Wakala Deposits in full before their scheduled maturity (December 2016) after obtaining the necessary regulatory and government approvals.

Repo facility

In the event of a liquidity crisis, DIB 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, in particular, through access to the Central Bank’s Islamic-compliant CD repo facility (see “*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Liquidity*”).

General risk associated with the UAE Banking sector

Please see “*The United Arab Emirates Banking Sector and Regulations*” and “*Risk Factors*” for an overview of the general risks associated with the UAE Banking Sector.

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 DIB’s open positions which may arise due to unforeseen changes in profit rates, foreign exchange rates or equity prices. DIB is exposed to diverse financial instruments including securities, foreign currencies, equities and commodities.

DIB 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.

DIB’s trading 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; and
- independent mark-to-market valuation, reconciliation of positions and tracking of stop-losses for trading positions on a timely basis.

The policies and procedures and the trading limits are set to ensure the implementation of DIB’s market risk policy in day-to-day operations. These are reviewed periodically to ensure they remain in line with DIB’s general market risk policy. DIB’s Chief Risk Officer ensures that the market risk management process is always adequately and appropriately staffed. In addition to its internal procedures and systems, DIB is required to comply with the guidelines and regulations of the Central Bank.

Profit margin risk

DIB is not significantly exposed to risk in terms of the repricing of its customer deposits since, in accordance with Islamic *Sharia*, DIB 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 DIB’s Mudaraba asset 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. DIB 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. DIB 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.

DIB manages profit rate risk in its banking book using value at risk methodology and by stress testing parallel shifts of profit rate movements.

Foreign exchange risk

DIB has income recorded in its overseas subsidiaries and is therefore exposed to movements in the foreign currency rates used to convert this income into UAE dirham (see further Note 48.4.3 to the 2018 Financial Statements incorporated by reference in this Base Prospectus).

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 DIB's investment portfolio.

Operational Risk

Operational risk is the potential exposure to financial or other damage arising from inadequate or failed internal processes, people or systems.

DIB has developed a detailed operational risk framework which defines roles and responsibilities of individuals/units across different functions that are involved in performing various operational risk management tasks. DIB'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.

DIB currently utilises ORMIS, an operational risk tracking system used to track operational risk events across its businesses. The system houses four years of operational loss data. The subject system is currently enhanced to automate KRIs and risk control self-assessment.

Each new product introduced by DIB 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. DIB's business and support units are responsible for managing operations risk in their respective functional areas. They operate within DIB'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 procedure to monitor transaction positions and documentation, as well as maintenance of key backup procedures and business contingency planning.

Legal Risk

Overview

DIB 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. DIB 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.

Capital adequacy

DIB currently 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. 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. DIB must maintain a minimum CET1 ratio of 7 per cent. See "*Capital Adequacy*" above for DIB's capital adequacy ratios as at 30 September 2019, 31 December 2018, 31 December 2017 and 31 December 2016.

The Central Bank has also introduced capital buffers which must be maintained in addition to the minimum CET1 requirement of 7 per cent.: (i) DIB is currently required to maintain a capital conservation buffer (**CCB**) of 1.875 per cent. of risk weighted assets and a domestic systemically important bank buffer (**D-SIBB**) of 0.375 per cent. of risk weighted assets, which following transitional arrangements, from 2019, will increase to 2.5 per cent. and 0.5 per cent., respectively; and (ii) a countercyclical capital buffer (**CCCB**), which following transitional arrangements, must be maintained at a level determined by the Central Bank

between 0 – 2.5 per cent. of risk weighted assets. The CCCB is not yet in effect and was not required to be maintained for 30 September 2019. Therefore, the combined buffer requirement applicable to DIB as at the date of this Base Prospectus comprises only the CCB and the D-SIBB. As at 30 September 2019, DIB fulfilled its capital conservation buffer requirement with a margin of 3.10 per cent.

Liquidity

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 set out in the Liquidity Notice (as defined herein) issued by the Central Bank. Pursuant to the qualitative requirements of the Liquidity Notice, DIB has been compliant with LCR (as defined herein) since June 2018, whilst however, the NSFR (as defined herein) came into effect in January 2018, but only applies to UAE banks which have moved to assessment under the LCR (see further “*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Liquidity*”). DIB is also compliant with both ELAR and ASRR (each as defined herein). As at the date of this Base Prospectus, DIB submits LCR, ELAR and ASRR information to the Central Bank.

Recent developments

In June 2018, the Central Bank published “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 regulations and standards are: (i) the risk management function; (ii) risk measurement and use of models; (iii) stress testing; (iv) information systems; (v) strategic and operational decisions; (vi) group risk management; (vii) disclosures; and (viii) Islamic banking.

DIB conducted a self-assessment against these regulations and standards and concluded that its policies and procedures are largely compliant. DIB identified certain areas where further enhancements may be required: their existing framework is to be updated to include more detail on the responsibilities of DIB’s Board of Directors and senior management and the reporting and group structures are expected to be improved, in each case, with a view to complying with the requirements by the Central Bank’s expected timeline.

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, as the case may be, 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 such related parties.

The tables below set out the amounts outstanding as at 30 September 2019 and as at 31 December 2018, 31 December 2017 and 31 December 2016 in respect of transactions entered into by DIB with related parties:

	30	31 December		
	September	2018	2017	2016
	2019	<i>(AED millions)</i>		
Islamic financing and investing assets	1,687	1,538	1,748	2,182
Investment in Islamic Sukuk	558	1,498	1,581	918
Customer deposits	2,887	4,410	7,770	7,157
Contingent liabilities and commitments	1	-	-	-

The tables below set out the income statement for the nine month periods ended 30 September 2019 and 30 September 2018 along with the income statement for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 in respect of transactions entered into by DIB with related parties:

	Period ended 30		Year ended 31 December		
	September		2018	2017	2016
	2019	2018			
	<i>(AED millions)</i>				
Income Statement Highlights					
Income from Islamic financing and investing.....	50	57	74	80	76
Income from investment in Islamic sukuk	22	45	58	65	32
Depositors' share of profits	78	99	136	100	132

Information Technology

DIB recognises the importance of IT in assisting it in reaching its objectives of growth, expansion and competitive market positioning. There is strong alignment between DIB's business plans and its IT plans. DIB's IT plans aim to ensure the continuation of DIB's business through tested disaster recovery protocols.

DIB's existing technology set-up is based upon a stable core banking solution system which is integrated with local and global regulatory and transactional systems. This technology set-up is used with a view to ensuring availability and reliability of business services to customers and also to allow DIB to leverage and continually enhance Islamic financing applications. DIB is also committed to the introduction of specific technology management systems, including Treasury, Asset and Liability and HR management systems which will help it meet growing competition and market pressures. In 2019, the DIB's IT department focussed on developing DIB's IT infrastructure and providing responsive IT support by continuing to implement new IT systems in DIB's business.

Compliance

DIB has a compliance function in place, which is headed by a dedicated compliance officer (the **Compliance Officer**). The Compliance Officer reports to the Group CEO of DIB, has direct access to the Board of Directors of DIB through the Board Risk Management Committee and also has access to the board committees, as and when required. The Compliance Officer is responsible for coordinating and overseeing the effective implementation of DIB's compliance programme and policies.

DIB's compliance policies have been devised to prevent exposure to various risks (e.g. money laundering, terrorist financing and sanctions). These policies are also aimed at ensuring compliance with sanction programmes including but not limited to the UAE, the USA, the United Nations and the EU. Moreover, they focus on meeting the requirements of applicable laws and regulations, and adopting international best practices on various compliance controls.

As per applicable laws and regulations and international best practices, DIB follows a risk-based approach and conducts risk-based assessments in respect of all its activities and provides advice to all of its UAE-based branches and financial subsidiaries on the adequacy of the relevant controls in place to ensure compliance with the applicable laws and regulations. DIB requires that its Anti-Money Laundering (**AML**), Counter Financing of Terrorism (**CFT**), Client Acceptance, FATCA and Common Reporting Standard (**CRS**) policies and practices are adopted by all its UAE-based branches and financial subsidiaries.

DIB 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 again at the time of KYC renewals of existing customers. DIB also monitors transaction activity for customer transactions that are deemed as unusual.

DIB has a monitoring programme to prevent, detect and report suspicious and dubious transactions, which includes advanced AML/CFT monitoring systems to monitor transactions and respond appropriately. DIB also monitors its customer transaction profiles based upon pre-determined thresholds and scenarios.

DIB’s compliance policies and practices are subject to periodical review and assessment for effectiveness and adequacy by the internal audit function of DIB, as well as by the Central Bank.

Internal Audit

Risk management processes throughout DIB are audited periodically by its internal audit function which examines both the adequacy of DIB’s risk management procedures and DIB’s compliance with them. Members of the Internal Audit department discuss the results of their assessments with DIB’s management and report their findings and recommendations to the Audit Committee.

Business Continuity Planning and Disaster Recovery

DIB has implemented business continuity planning (BCP) and disaster recovery (DR) systems to prepare for unexpected business disruption events. Business continuity testing is carried out on an annual basis for all of DIB’s critical systems. In addition, each year a plan is put in place to perform disaster recovery drills for such critical systems. DIB reviews its BCP and DR capabilities on an ongoing basis and updates them to include the latest technologies and handle any new threats to DIB’s business.

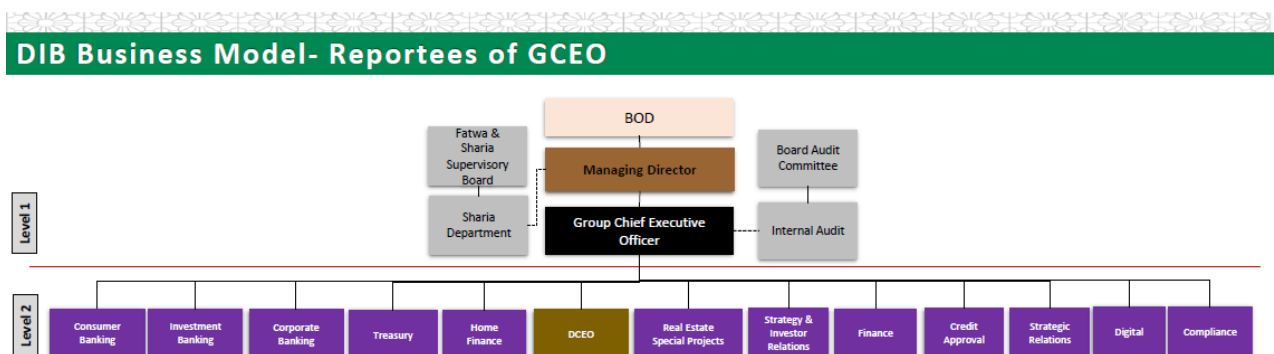
DIB’s BCP policy is derived from a number of BCP best practices, including the UAE local standard, ISO 22301 and the British standard. DIB has also adopted the BCP guidelines of the Central Bank.

DIB has set-up dedicated business continuity sites at a number of different locations within the UAE. DIB’s DR site is also kept separate and distant from its primary IT systems site. DIB also complies with the UAE’s local emergency management practices.

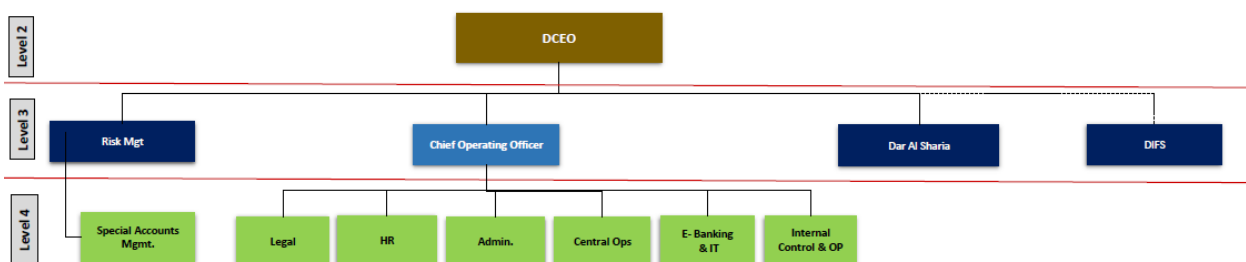
DIB’s crisis management committee is responsible for managing BCP and DR within DIB. The committee also oversees handling of any cyber incidents within the Bank.

Management and Employees

The following chart summarises the principal features of the organisational structure within DIB:



DIB Business Model- Reportees of DCEO



Board of Directors

The Board of Directors is elected by shareholders at a general meeting. DIB requires the majority of its Board of Directors 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 of Directors 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	Board Member
Mr. Abdulla Ali Obaid Al Hamli	Board Member / Managing Director
Mr. Hamad Abdulla Rashed Al Shamsi	Board Member
Mr. Ahmad Mohammad Bin Humaidan	Board Member
Mr. Abdulaziz Ahmed Rahma Al Mheiri	Board Member
Mr. Hamad Mubarak Buamim	Board Member
Mr. Abdulla Hamad Rahma Al Shamsi	Board Member
Mr. Javier Marin Romano	Board Member

The address of each member of the Board of Directors 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 DIB. Each member of DIB's Board of Directors (except the managing director) is an independent and nonexecutive director of DIB.

Detailed below is brief biographical information on the members of DIB's Board of Directors.

H.E. Mohammad Ibrahim Al Shaibani

H.E. Mohammed Ibrahim 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 CEO and Executive Director of the ICD, the principal investment arm of the Government of Dubai.

H.E. Al Shaibani also serves as Vice Chairman of the Supreme Fiscal Committee of Dubai, which oversees Dubai's fiscal policies. He 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, the upcoming universal fair to be held in Dubai.

H.E. Al Shaibani is Chairman of the Board of Directors of DIB. He is also a member of the board at government-related organizations including Dubai World, and Dubai Aerospace Enterprise Limited. In

2009, he played a pivotal role in restructuring Dubai's debt.

Mr. Hamad Abdulla Rashed Al Shamsi

Mr. Al Shamsi serves as a member of DIB's Board of Directors.

Mr. Hamad Abdulla Al Shamsi has a wealth of experience that spans more than two decades, having overseen several businesses across multiple disciplines; including financial services and investments. He is currently the CEO of Private Investment Company, which specialises in investments and large-scale real estate development projects. Mr. Al Shamsi also served on the board of Abu Dhabi Securities Exchange (ADX), prior to moving to the Private Office of His Highness the late Sheikh Zayed bin Sultan Al Nahyan. Mr. Al Shamsi also serves as the Chairman of the Board of Directors of Amanat Holding and is a member of the Board of Directors of, amongst others, Etihad Airways Group and Kuwait Food.

Mr. Al Shamsi holds a Bachelor's degree in Business Administration from UAE University and an MBA majoring in Finance and Banking from the USA.

Mr. Abdulla Ali Obaid Al Hamli

Mr. Al Hamli served as CEO of DIB from 2008, and is also a member of DIB's Board of Directors. Mr Al Hamli joined DIB in 1999. Before assuming the role of CEO, he served as DIB's Chief Information Officer where he directed the IT & Operations team and oversaw the upgrade of DIB's IT infrastructure. Mr Al Hamli is currently Chairman of Tamweel following his appointment to this position in November 2010. Mr Al Hamli was appointed as Managing Director of DIB in mid-2013.

Mr. Al Hamli also serves as Chairman of the property developer, Deyaar Development. He holds a degree in Economics and Mathematics from Al Ain University, UAE.

Mr. Ahmad Mohammad Bin Humaidan

Mr. Bin Humaidan serves as a member of DIB's Board of Directors.

Mr. Bin Humaidan has over 28 years' experience in strategic thinking, strategic planning, projects management, leading improvements 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 DIB's Board of Directors. 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.

Mr. Abdulla Hamad Rahma Al Shamsi

Mr. Al Shamsi has served as the Chairman of Dubai Properties Group (May 2012 until 2015) and has also been a Member of the Board of Directors for Emirates Integrated Telecommunications Co. (March 2007 until March 2018). He was also the General Manager for United Arab Shipping Agencies Co. until 2014.

Previously, Mr. Al Shamsi served as the Chairman for Middle East Container Repair until 2013 and was a founding member and treasurer for the UAE Tennis Association until 2010.

Mr. Al Shamsi obtained a Bachelor of Science degree, Business and Public Administration with a major in Finance and Economics from New York University in 1981.

Mr. Hamad Mubarak Buamim

Holding his current position since 2006, Mr. Hamad Buamim is the President & CEO of Dubai Chamber of Commerce & Industry. He is also the Chairman of the World Chambers Federation - ICC in Paris.

In addition to his role on the DIB Board, Buamim also serves as the Managing Director of Dubai World, as the Chairman of the National General Insurance PJSC and a Board Member of Dubai International Financial Centre.

In previous roles, Mr. Buamim served as Chairman of Emirates Financial Services and Emirates NBD Capital as well as a Board Member of Emirates NBD and Network International.

Mr. Buamim holds a Master of Business Administration (MBA) with honors in Finance from the University of Missouri, Kansas City, United States. He also obtained a Bachelor of Science with Magna Cum Laude in Electrical Engineering from the University of Southern California, Los Angeles.

Mr. Yahya Saeed Ahmad Lootah

Mr. Lootah serves as a member of DIB's Board of Directors. 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 CEO 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 is 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. Javier Marin Romano

Mr. Marin was appointed to DIB's Board of Directors in April 2016. 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. Marin 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 in different Banks, insurance companies and asset managers in several countries in Europe (affiliates of Banco Santander).

Mr. Marin holds a degree in Law and a diploma in Business Administration from the Universidad Pontificia de Comillas in Madrid (Spain). He also obtained his masters in European law in Luxembourg, in banking administration from the Institute International d'Etudes Bancaires (La Joya, California), taxes from the Universidad Pontificia de Comillas (Madrid) and the advanced program of Singularity University (California).

Key Senior Management

The following table sets out the names of the current senior management of DIB:

Name	Position
Mr. Abdulla Ali Obaid Al Hamli	Managing Director
Dr. Adnan Chilwan	Group Chief Executive Officer
Mr. Mohamed Abdulla Al Nahdi	Deputy CEO
Mr. Obaid Al Shamsi	Chief Operating Officer
Mr. Nasser Abdulla Al Awadhi	Chief of Consumer Banking
Mr. Naveed Ali.....	Chief of Corporate Banking
Mr. Mohammed Saleem.....	Chief of Treasury
Mr. Nagaraj Ramakrishnan	Chief Credit Officer
Mr. Anil Kumar Parimoo	Chief Risk Officer
Mr. Salman Liaqat.....	Chief of Strategy & Investor Relations
Mr. Sanjay Malhotra	Chief Digital & Innovation Officer
Mr. John Macedo	Chief Financial Officer

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.

Mr. Abdulla Ali Obaid Al Hamli

Please see biographical information provided above for Mr. Al Hamli (“— **Board of Directors**”).

Dr. Adnan Chilwan

Dr. Chilwan currently serves as the Group CEO of DIB.

Dr. Chilwan has an extensive career spanning nearly two decades with reputed conventional and Islamic banks in the region including DIB, Dubai Bank, Commercial Bank of Qatar, Mashreq Bank, Abu Dhabi Islamic Bank and HSBC. Dr. Chilwan represents DIB on the boards of various strategic investments, subsidiaries and associates. He holds the position of President Commissioner at PT Bank Panin Dubai Syariah TBK whilst also serving as the Chairman of DIB Bank Kenya. He is also currently a member of the board of each of Tamweel, Deyaar Development, Liquidity Management Centre Bahrain and Dar Al Sharia.

In 2019, Dr. Chilwan was ranked number 1 by Forbes Middle East in their list of “Top Indian Leaders Making An Impact In The Middle East” for 2019. Dr. Chilwan also received the “CEO Leadership Achievement Award 2019” from The Asian Banker. AsiaOne Magazine awarded him ‘Global Indian of the Year 2018’ in the Global Leadership Category (2017-2018) of the Pride of the Nation Series Awards and Business Summit in India.

Dr. Chilwan has a PhD and an MBA in Marketing. He is a Certified Islamic Banker (CeIB), a post graduate in Islamic Banking and Insurance and an Associate Fellow Member in the Islamic Finance Professionals Board.

Mr. Mohamed Abdulla Al Nahdi

Mr. Al Nahdi has served as Deputy CEO of DIB since July 2008, overseeing the critical support functions of DIB.

Mr. Al Nahdi has over 26 years of leadership experience gained in the banking sector. Before joining DIB, Mr. Al Nahdi was Chief Retail Banking Officer at Dubai Bank. He began his career with HSBC, holding various positions within the personal banking, corporate banking, branches, trade finance, operations and remittances departments of that bank.

Mr. Al Nahdi also serves as a board member of each of Deyaar Development, BoK, Al Tanmyah Services Co. and DIB Bank Kenya. He also serves as Vice Chairman of Tamweel and Chairman of Dubai Islamic Financial Services.

He holds a degree in Accountancy and Administration from Baghdad University, Iraq.

Mr. Obaid Al Shamsi

Mr. Al Shamsi has served as the Chief Operating Officer at DIB since May 2019.

Mr. Al Shamsi has over 21 years of 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, Tamweel, BoK, Al Tanmyah Services and DIB Pakistan.

He holds Master of Business Administration (MBA) degree from Middlesex University, United Kingdom.

Mr. Nasser Abdulla Al Awadhi

Mr. Al Awadhi has served as the Chief of Consumer Banking at DIB since March 2018.

Mr. Al Awadhi has over 24 years of multi-functional experience within DIB and its subsidiaries. Prior to his appointment as the Chief of Consumer Banking, Mr. Al Awadhi was the head of the Strategic Relations department at DIB. He has previously also held the roles of Chief Business Officer at Tamweel and Chief Executive Officer at Dubai Islamic Financial Services, a DIB subsidiary.

Mr. Al Awadhi is a UAE national and graduated from Al Ain University, UAE, with a BSc (Hons) in Public Administration and Accounting.

Mr. Naveed Ali

Mr. Ali has served as Chief of Corporate Banking at DIB since June 2003.

Mr. Ali has over 24 years of banking experience with both conventional and Islamic banks. Before joining DIB, Mr. Ali was Vice President of the Commercial Banking Group at Mashreq Bank (UAE). He began his career with Habib Credit & Exchange Bank (Pakistan).

Mr. Ali holds a degree in Science from the University of Karachi, Pakistan.

Mr. Mohammed Saleem

Mr. Saleem has served as Chief of Treasury at DIB since July 2006.

Mr. Saleem has over 35 years of banking experience with both conventional and Islamic banks, including Standard Chartered Bank (Pakistan and UAE), Société Générale (Bangladesh and Pakistan) and Union National Bank (UAE). Before joining DIB, Mr. Saleem was Treasurer at Standard Chartered Bank (Pakistan).

Mr. Saleem also serves as a board member and Deputy Chairman on the Board of DIB Pakistan.

Mr. Saleem holds a degree in Commerce.

Mr. Nagaraj Ramakrishnan

Mr. Ramakrishnan has served as Chief Credit Officer at DIB since April 2019.

Mr. Ramakrishnan has over 25 years of 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. Anil Kumar Parimoo

Mr. Parimoo currently serves as the Chief Risk Officer of DIB with overall responsibility for enterprise risk management for DIB. He joined DIB in January 2015.

Mr. Parimoo has 24 years of experience in the banking sector having started his career with the State Bank of India. He has also worked with ABN AMRO Bank, Bank Danamon in Indonesia and more recently with Techcombank in Vietnam as its Group Chief Risk Officer responsible for managing enterprise-wide risks of the bank and its subsidiaries.

Mr. Parimoo has a degree in Science from the University of Kashmir, India. He is a certified associate from the Indian Institute of Bankers and also has risk management certification from the Global Association of Risk Professionals.

Mr. Salman Liaqat

Mr. Liaqat serves as Chief of Strategy and Investor Relations since January 2016.

Mr. Liaqat worked with Standard Chartered Bank in their Regional Office for Middle East and South Asia based in the UAE and Standard Chartered Pakistan, holding senior positions including Head of Finance for Pakistan. Prior to his appointment as Chief of Strategy and Investor Relations in January 2016, Mr. Liaqat served as Head of Finance at DIB since September 2012 and Senior Vice President Finance prior to that. Mr. Liaqat has over 30 years of banking experience with both conventional and Islamic banks. Mr. Liaqat holds a Bachelor's degree in Commerce, is a qualified Chartered Accountant and Fellow Member of Institute of Chartered Accountants of Pakistan.

Mr. Liaqat serves as a board member of DIB Pakistan.

Mr. Sanjay Malhotra

Mr. Malhotra serves as the Chief Digital & Innovation Officer since March 2018. Prior to this role, he was Chief of Consumer Banking for DIB from February 2015 to February 2018.

Mr. Malhotra holds a Master of Management, an integrated MBA (Finance) & Engineering Degree Program from Birla Institute of Technology & Science, BITS Pilani. He has a wealth of experience spanning over 26 years in consumer banking, having worked with reputed local and international banks such as a Citibank (India), ANZ Grindlays Bank (India), UNB (Abu Dhabi), Arab Bank (Jordan and Dubai), NBK (Kuwait) and National Bank of Oman.

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 21 years of experience in the area of finance and audit.

Fatwa and Sharia Supervisory Board (the Sharia Board)

The Sharia Board comprises scholars of high repute with extensive experience of and exposure to law, economics and banking systems in various jurisdictions. The Sharia Board 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 DIB through Dar Al Sharia, ensuring through internal Sharia auditors that the transactions of DIB are carried out in compliance with the Fatwas issued by the Sharia Board, and providing guidance on any matter referred to it by DIB's management. The Sharia Board is supported by the Sharia Executive Committee (comprised of the Chairman of the Sharia Board and one other member of the Sharia Board). The Sharia Executive Committee has been mandated to provide Sharia approvals for DIB's new products and financing and investment transactions on behalf of the full Sharia Board. The Sharia Executive Committee meets on a weekly basis (or earlier in case of urgent matters) to provide timely advice or approvals. All such matters are subsequently ratified by the full Sharia Board in its periodical meetings.

The Sharia Board works closely with Dar Al Sharia (a DIB subsidiary established in 2007 and engaged in providing Islamic finance consultancy to the industry) which is responsible for developing new Sharia compliant products (including their structure, process and documentation), review structure and documentation for sukuk, syndication and fund transactions, and obtaining ongoing guidance and approval from the Sharia Board. Dar Al Sharia is comprised of a number of highly qualified and experienced lawyers, bankers and Sharia scholars with expertise in Islamic banking and finance.

The Sharia Board submits an annual report to the General Assembly of DIB's shareholders and the Board of Directors summarising issues, if any, which have been referred to it, as well as its opinion on DIB's overall functioning during the fiscal year under review. The Sharia Board's annual report is included in DIB's annual audited financial statements.

The following table sets out the names of the current Sharia Board:

Name	Position
Professor Dr. Hussain Hamid Hassan	Chairman
Dr. Mohamed Abdul Hakim Zoeir	Secretary General
Dr. Muhammad Qaseem	Member
Dr. Muhammad Abdulrahim Sultan Al Olama	Member
Dr. Youssif Abdullah Saleh Al Shubaily	Member

Detailed below is brief biographical information on the members of the Fatwa and Sharia Supervisory Board.

Professor Dr. Hussain Hamid Hassan

Dr. Hussain completed his PhD in the Faculty of Sharia from Al Azhar University, Egypt, Master's degree in Comparative Jurisprudence from the University of New York, USA and graduated in Law and Economics from the University of Cairo, Egypt.

Dr. Hussain is a prominent scholar and teacher, having established Islamic universities and Islamic faculties in various parts of the world including Makkah, Islamabad, Kazakhstan and Libya.

For over 50 years, he has been adviser to the Presidents and leaders of various Islamic Republics, including acting as an adviser to Presidents of the Islamic Republic of Pakistan and to the Prime Minister of the Republic of Kyrgyzstan. He is also the President of the United States Muslim Jurists Association.

Besides DIB, Dr. Hussain is the Chairman of the Sharia supervisory boards of several Islamic financial Institutions including Islamic Development Bank, Ajman Bank, Amlak Finance, Deutsche Bank, Liquidity Management Centre, Dubai Financial Markets, AMAN Takaful Company, Methaq Takaful Insurance Company-Abu Dhabi, Jordan Dubai Islamic Bank, Abu Dhabi Islamic Bank Egypt, Dubai Islamic Bank Pakistan, Bank Al Salam-Bahrain, Bank Sohar-Oman and various other financial institutions. He is also a member of the Sharia Board of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), the Islamic Financial Services Board, the Fiqh Academy of Muslim World League and the International Fiqh Academy of the Organisation of Islamic Countries.

Dr. Hussain is the author of 21 books and over 400 articles on Islamic *Fiqh*, jurisprudence, Islamic banking and insurance, and frequently presides over Islamic academic and financial conferences, seminars and workshops in different parts of the world. He has supervised the translation of the Holy Quran into Russian and the translation of 200 Islamic books into various languages.

Dr. Mohamed Abdul Hakim Zoeir

Dr. Zoeir holds a PhD in Islamic Economics and is a member of the Sharia boards of many Islamic banks across the Middle East and Africa. He is the author of a number of research papers and studies in the field of Islamic finance and banking.

Dr Zoeir is also Chief Editor of Islamic Economics magazine.

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.

Dr. Muhammad Abdulrahim Sultan Al Olama

Dr. Al Olama holds a PhD in Islamic jurisprudence, is an assistant professor at various universities and is a member of numerous academic committees. He has published a number of articles and reports, in addition to his contributions to seminars and conferences in the Islamic finance arena held around the world.

Dr. Youssif Abdullah Saleh Al Shubaily

Dr. Al Shubaily holds a PhD in comparative Fiqh and is a professor in Saudi Arabia. He has contributed and presented numerous courses and training sessions to judges in Saudi Arabia. Dr. Al Shubaily has worked in the Islamic Institution in Washington, served as a member of the Sharia boards of many other institutions and has more than 17 published reports and research papers.

Employees (excludes outsourced staff)

As at 30 September 2019, DIB had 1,719 employees compared to 1,763 employees as at 31 December 2018 and 1,891 employees as at 31 December 2017. As at 30 September 2019, DIB had an Emiratisation level of 38.5 per cent. compared to 39.3 per cent. as at 31 December 2018 and 44.46 per cent. as at 31 December 2017. DIB's Emiratisation level is in line with the UAE federal government's minimum threshold for Emirati employees as set out in the new UAE federal policy on Emiratisation, promulgated by UAE Cabinet Decree number 3/10/267 of 2015, dated 25 October 2015. DIB had a staff turnover of 8 per cent. for the nine month period between 30 September 2019 and 31 December 2018 and a staff turnover of 11 per cent. for the twelve month period between 31 December 2018 and 31 December 2017.

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 6.4 per cent. of real GDP in 2016, according to preliminary estimates published by the Federal Competitiveness and Statistics Authority.

While UAE banks continue to be profitable, they have been affected by the liquidity issues that have been experienced by banks globally since the second half of 2008. According to the Central Bank, the aggregate loans and advances extended to residents and non-residents of the UAE at 30 June 2019 were AED 1,693 billion (preliminary data) compared to AED 1,656 billion at 31 December 2018, AED 1,580 billion at 31 December 2017, AED 1,554 billion at 31 December 2016.

The table below provides a statistical analysis of the UAE banking sector as at 31 December 2017, 31 December 2018 and 30 June 2019.

	2017	2018	30 June 2019 ⁽⁵⁾
Total number of banks	49	49	49
Total number of branches ⁽¹⁾	853	823	793
Total number of employees ⁽²⁾	36,367	36,629	36,311
Total credit facilities ⁽³⁾ (AED billion).....	1,580	1,656	1,693
Total deposits ⁽⁴⁾ (AED billion)	1,627	1,756	1,774
Total assets (AED billion).....	2,695	2,869	2,959

Notes:

- (1) Excluding pay offices and electronic banking service units.
- (2) Excluding auxiliary staff.
- (3) Net of provisions and interest expense.
- (4) Excluding inter-bank deposits.
- (5) The information for 30 June 2019 is preliminary.

Source: Central Bank

Supervision of Banks

Banking and financial institutions established or operating in the UAE are subject to supervision and regulation by the competent federal authorities, principally the Central Bank and the SCA, as well as the competent local authority in the Emirate in which they are established or operate. The Central Bank was established under Union Law No. (10) of 1980 Concerning the Central Bank, the Monetary System and Organisation of Banking (the **Union Law**), and the SCA was established by UAE Federal Law No. 4 of 2000.

While the responsibility for regulating and exercising oversight of banks and financial institutions in the UAE has historically rested primarily with the Central Bank, the UAE has begun to transition towards a dual regulatory model, with the Central Bank and SCA discharging different responsibilities. Under this model, the Central Bank will continue to be responsible for monetary policy, macro-economic stability, systemic risk management and the licensing of local banks and branches of foreign banks operating in the UAE. In particular, the Central Bank will remain the principal authority responsible for setting and supervising bank capital adequacy requirements. The Central Bank will also retain oversight for overseeing anti-money laundering and anti-terrorism compliance by banks and financial institutions, which is currently handled through its Anti-Money Laundering and Suspicious Cases Unit which has issued a number of detailed regulatory instructions in pursuit of anti-money laundering policies and procedures. The UAE has also established a National Anti-Money Laundering Committee, which is responsible for co-ordinating anti-money laundering policy, and a National Anti-Terror Committee (the **NATC**), which serves as a UAE inter-agency liaison.

The Central Bank does not act as a lender of last resort, a role which tends to fall on the individual Emirates. However, the introduction by the Central Bank in 2014 of the Interim Marginal Lending Facility (IMLF) was expected to enable non-Islamic UAE banks to use certain rated or UAE federal government entity issued assets as collateral to access Central Bank liquidity overnight in order to help their liquidity management.

The SCA, whose role has historically been limited to being the UAE's federal securities regulator, is expected to become increasingly active in more commercial and consumer-oriented areas previously regulated by the Central Bank, including exercising oversight over financial markets and consumer protection in financial services generally, including banking services and the establishment and marketing of investment products in the UAE. The SCA also has responsibility for oversight of certain day-to-day corporate law matters affecting public joint stock companies (including DIB) incorporated in the UAE, such as the conduct of general assembly meetings and the passing of shareholder resolutions.

Monitoring by the Central Bank is undertaken by way of regular inspections of banks and their records and the requirement for regular submission to the Central Bank of data, including, but not limited to, funds on deposit, loans and mortgages, liquidity status and anti-money laundering measures. DIB submits monthly, quarterly and annual reports to the Banking Supervision and Examination Department of the Central Bank. In addition, DIB's Memorandum and Articles of Association and any amendments thereto, its audited financial statements, its distribution of dividends and certain other documents are all submitted for approval by the Central Bank.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the Central Bank to issue government debt. However, the Central Bank does issue certificates of deposit (CDs) to the banks, denominated in both U.S. dollars and UAE dirhams, in order to absorb excess liquidity rather than to meet a specific funding need. There is presently no active secondary market in these securities, but they can be redeemed at face value at the Central Bank at any time. In 2007, the Central Bank introduced an auction system and allowed U.S. dollar drawings against AED-denominated CD holdings.

Structure of the Banking System

Banking institutions in the UAE fall into a number of categories, as defined by the Union Law. Domestic commercial banks, also known as local banks, of which there were 22 as at 30 June 2018 (according to the Central Bank), are required to be public shareholding companies with a minimum share capital of AED 40 million.

Licensed foreign commercial banks, of which there were 27 as at 30 June 2018 (according to the Central Bank), need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. The Union Law also licenses financial institutions (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), investment banks (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head office or other banks and the financial markets) and financial and monetary intermediaries (money and stock brokers).

Characteristics of the Banking System

Limited Progress towards Consolidation

The UAE may be, and has historically been, seen as being over-banked with 49 different banks (comprising 22 locally incorporated banks and 27 foreign banks) licensed to operate inside the UAE as at 30 June 2019 (source: the Central Bank), serving a population estimated to be in the region of approximately 8.3 million people at the end of 2017 (source: Statistical Yearbook 2018 edition, United Nations Department of Economic and Social Affairs, Statistics Division). Traditionally there has been little impetus for consolidation. However, mergers in the past have tended to come as a result of banks facing financial difficulties. 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. However, in October 2007, the UAE's second and fourth largest banks at the time, Emirates Bank International P.J.S.C. and National Bank of Dubai P.J.S.C., merged. In July 2016, the board of directors of each of National Bank of Abu Dhabi P.J.S.C. and First Gulf Bank P.J.S.C. voted unanimously to recommend to the relevant shareholders of each institution a merger of the two Abu Dhabi-listed banks. This recommendation was approved by the shareholders of each of the banks in December 2016 and the merger became effective in March 2017. On 29 January 2019, the board of directors of each of Abu Dhabi Commercial Bank PJSC and Union National Bank P.J.S.C. voted unanimously to recommend to their respective shareholders a merger of the two banks and for the combined entity to acquire Al Hilal Bank P.J.S.C. This was approved by the shareholders of both banks on 21 March 2019 and the combination of all three banks was completed on 1 May 2019.

In addition, in May 2011, Dubai Bank P.J.S.C. (**Dubai Bank**) was taken over by the Government of Dubai. The objective of this was to ensure the preservation of all of Dubai Bank's depositors' interests and the takeover was designed to ensure that Dubai Bank's business continued uninterrupted while options for the bank's future, whether to be run on a standalone basis or to be potentially merged with another Government of Dubai-owned bank, were assessed. In December 2012, Emirates Islamic (**EI**), a subsidiary of ENBD, completed its acquisition of Dubai Bank, and Dubai Bank is now a fully-owned subsidiary of EI.

The relatively small size of most UAE banks has sometimes hindered them from competing for large financing deals in the region. It also means that they have comparatively small franchises with which to absorb capital costs, such as information technology system development. The advent of WTO liberalisation should allow greater competition from foreign banks, both from new entrants to the market and from existing players expanding their operations, which may eventually result in more mergers, possibly even creating banks with pan-Gulf franchises.

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. With a large number of players competing for a limited number of wholesale lending opportunities, most banks have turned to retail banking, a previously untapped market. However, increasing competition in this area is gradually eroding margins and encouraging a relaxation of lending criteria. As the market has been tested only to a limited extent under adverse conditions, it is difficult to predict the future likelihood of asset quality problems.

Expansion of retail operations has required heavy investment in distribution channels, particularly ATM networks, kiosks and telephone and Internet banking services. As a consequence, IT and premises costs have been a prominent feature of many banks' expenses in addition to employee costs.

Limited Foreign Ownership

In 1987, the 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. However, three banks of GCC state origin, National Bank of Kuwait, SAMBA and Doha Bank, were awarded licences by the Central Bank following an agreement to allow market access to banks of GCC state origin in line with continuing efforts in regional integration. The opening of the DIFC has enabled international banks to establish a presence and compete in the wholesale banking market and this has seen new entities entering the market place.

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. Gradually, however, private non-oil sectors are gaining ground and the UAE economy is becoming less susceptible to oil price movements.

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, EI, Noor Bank, Al Hilal Bank, Sharjah Islamic Bank, Ajman Bank, Dubai Islamic Insurance & Reinsurance Company (AMAN), Islamic Arab Insurance Co. (P.S.C.) (Salama), Tamweel and Amlak Finance. 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. In addition, conventional financial institutions often offer Sharia compliant products.

Legal Environment

There are three primary sources of law in the UAE: federal laws and decrees, local laws and *Sharia* (Islamic) 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 his 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 Dubai Financial Market 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.

During 2002, the Government of Dubai issued a decree establishing the DIFC. The DIFC, located in Dubai, is a free trade zone and financial services centre focusing on private banking, asset management, investment banking, re-insurance activities, Islamic finance, securities trading and back office operations. The DIFC has its own civil and commercial laws and has been granted authority to self-legislate in civil and commercial cases. Nasdaq Dubai (formerly known as the Dubai International Financial Exchange) 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 Dubai Financial Services Authority with effect from 1 October 2011.

The DFM and ADX were upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which could lead to an increase in interest and investment from international institutional investors in the Emirate of Dubai.

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 is 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, with expatriates making up approximately 81 per cent. of the workforce according to estimates published by Statistics Centre – Abu Dhabi in mid-2017. 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, the high level of expatriates in the country has been an increasing concern for the Federal Government and, as part of a policy of Emiratisation, banks were instructed, in 1999, to increase the percentage of UAE nationals on their payroll to 40 per cent. by 2009. Generally, banks have been moving closer to, or have met, this target, providing better training and compensation for UAE nationals.

Accounting Standards

Since 1 January 1999, all UAE banks have been required to prepare their financial statements in accordance with IFRS (formerly International Accounting Standards (IAS)). Pursuant to Central Bank Circular No. 162/2018 dated 28 August 2018 all UAE banks are also required to prepare their financial statements in accordance with the instructions of the Central Bank. Although this has led to a substantial improvement in disclosure standards, there remains some variability in the quality and depth of disclosure across the banking sector.

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 through on demand or time based customer deposits made by private individuals or private sector companies. Together, these deposits constituted approximately 71.6 per cent. of total deposits of the UAE banking sector as at 30 June 2019, excluding interbank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements. The UAE federal government and the public sector constituted approximately 29.8 per cent. of total deposits within the UAE banking sector as at 30 June 2019. Non-resident sources contributed approximately 11.1 per cent. as at the same date (source: Central Bank Banking & Monetary Statistics Bulletin September 2019).

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 October 2008, in response to the global financial crisis, the UAE federal government announced that it intended to guarantee the deposits of all UAE banks and foreign banks with core operations in the UAE. Thereafter, in May 2009, the Federal National Council approved a draft law guaranteeing federal deposits, although the law is awaiting the approval of the President of the UAE and is therefore yet to be enacted. There can be no assurance that any draft law will subsequently be passed. As such, until such time as the law is passed, there is no guaranteed governmental support of deposits with banks.

In response to the global financial crisis, the Central Bank announced a number of measures aimed at ensuring that adequate liquidity is available to banks operating in the UAE. In September 2008, the Central Bank established an AED 50.0 billion liquidity facility which banks can draw upon subject to posting eligible debt securities or Sharia compliant securities as collateral. The liquidity facility is available only for the purpose of funding existing commitments. New lending is required to be based on growth in the customer deposit base. The Central Bank also established a CD repo facility (which also includes an Islamic-compliant version) under which banks can use CDs as collateral for dirham or U.S. dollar funding from the Central Bank.

In addition to these measures, the UAE federal government also provided AED 50.0 billion in deposits to UAE banks (as part of a larger AED 70.0 billion package) which, at the option of the banks, can be converted into Tier 2 capital in order to enhance capital adequacy ratios. A number of banks in the UAE (including DIB) have converted the UAE federal government deposits made with them into Tier 2 capital.

During 2008, Abu Dhabi government-owned institutions assisted certain Abu Dhabi banks in strengthening their capital base through the subscription of mandatory convertible securities and, in February 2009, the Abu Dhabi Government (acting through the Department of Finance) subscribed, in aggregate, a sum of AED 16.0 billion in subordinated Tier 1 capital securities issued by the then five largest Abu Dhabi banks: National Bank of Abu Dhabi (now First Abu Dhabi Bank following its merger with First Gulf Bank), Abu Dhabi Commercial Bank, First Gulf Bank (now First Abu Dhabi Bank following its merger with the National Bank of Abu Dhabi), Union National Bank and Abu Dhabi Islamic Bank.

A press statement issued by the Department of Finance of the Government of Dubai on 25 February 2009 announced that it had established a U.S.\$20.0 billion funding programme and that the first tranche, valued at U.S.\$10.0 billion with a five-year tenure and paying a coupon rate of 4 per cent. per annum, had been issued in its entirety to the Central Bank. In November 2009, the Department of Finance of the Government of Dubai announced that a second U.S.\$5.0 billion tranche was fully subscribed equally by National Bank of Abu Dhabi and Al Hilal Bank.

The Central Bank issued guidelines on the implementation of the Basel III reforms entitled “Liquidity Regulations at Banks” in July 2012 to increase regulations on how banks in the UAE manage liquidity. The Central Bank has since issued Central Bank Notice No. 33/2015 on liquidity requirements on 27 May 2015, which entered into force in the UAE on 1 July 2015 (replacing Central Bank Notice No. 30/2012) (the **Liquidity Notice**). The Liquidity Notice includes a set of qualitative, quantitative and reporting requirements for UAE banks on liquidity risk management. 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 Basel Committee recommendations and international best practices. These requirements include the following:

Responsibilities of the Board of Directors:

- to bear ultimate responsibility for liquidity risk management within the relevant UAE bank;
- to be familiar with liquidity risk management with at least one board member having detailed understanding of liquidity risk management; and
- to ensure the clear articulation of liquidity risk tolerance in line with the relevant UAE bank’s objectives, strategy and risk appetite.

Responsibilities of Senior Management:

- to develop strategies, policies and practices to manage liquidity risk in accordance with the liquidity risk tolerance set by the Board of Directors;
- to review the UAE bank’s strategy and to report to the Board of Directors on regulatory compliance on a regular basis; and
- to manage liquidity risk in a prudent manner using all available liquidity risk management tools.

Liquidity risk framework:

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). In particular, the requirements include two interim ratios which were intended to apply until the Basel III LCR and NSFR (each as defined below) come into effect. These include the following:

	Ratio	Applicability Period
Interim ratios:	Eligible Liquid Assets Ratio (ELAR \geq 10%)	1 July 2015 until LCR implementation for approved banks
	Advances to Stable Resources Ratio (ASRR $<$ 100%)	30 September 1986 until NSFR implementation for approved banks
Basel III ratios:	Liquidity Coverage Ratio (LCR $>$ 100%)	Effective transition from 1 January 2016 for approved banks
	Net Stable Funding Ratio (NSFR $<$ 100%)	Effective January 2018 for approved banks

The Central Bank's eligible liquid assets ratio (**ELAR**) is an interim ratio which was designed to apply pending the liquidity coverage ratio (**LCR**) becoming effective (as described below). Under the ELAR, UAE banks are required to hold an amount equivalent to at least 10 per cent. of their liabilities in high quality liquid assets (including cash held with the Central Bank, the Central Bank CDs and certain UAE local government and public sector entity publicly traded instruments).

The Liquidity Notice also includes the option for UAE banks to apply to the Central Bank to move to assessment of bank liquidity as against the LCR (and away from assessment against the interim ELAR), with effect from 1 January 2016. Any UAE banks taking up this option were required to comply with the ELAR until 1 January 2016, after which date they are required to move to compliance with the LCR (subject to receipt of Central Bank approval).

Under ELAR, banks must hold an amount equivalent of at least 10 per cent. (or some other percentage as set by the Central Bank) of their total on balance sheet liabilities at all times in eligible assets (listed below). This ratio will be subject to upward revision from time to time either as a result of Central Bank policy or as a result of a recalibration exercise when assessing the impact of the LCR.

Eligible assets under ELAR include:

- account balances at the Central Bank;
- physical cash at the bank;
- Central Bank CDs;
- UAE federal government bonds and sukuk;
- reserve requirements;
- UAE local government and public sector entities' publicly traded debt securities that are assigned a 0 per cent. credit risk weighting under the Basel II standardised approach (limited to a maximum of 20 per cent. of eligible liquid assets); and
- foreign, sovereign debt instruments or instruments issued by their central banks or multilateral development banks, all of which receive a 0 per cent. credit risk weighting under the Basel II standardised approach (limited to a maximum of 15 per cent. of eligible liquid assets).

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 eligible liquid assets at the minimum LCR determined by the Central Bank. The Basel III accord requires that this minimum is 100 per cent. The Liquidity Notice describes in detail eligible liquid assets for this purpose.

As part of the Central Bank's gradual implementation of the Basel III reforms in the UAE, the Central Bank has introduced LCR in a phased manner, setting an initial benchmark of 60 per cent. upon commencement of LCR compliance, increasing to 100 per cent. by 2019. This graduated approach was designed to ensure that the LCR could be introduced without disruption to the orderly strengthening of banking systems or the ongoing financing of economic activity in the UAE.

The Advances to Stable Resources Ratio (**ASRR**) is an interim ratio which applies to UAE banks until they become subject to the NSFR (as described below). The ASRR recognises both the actual uses as well as the likely uses of funds in terms of contractual maturity and behavioural profile of the sources of funds available to the bank, in order to ensure that there are limited maturity mismatches and cliff effects.

The Net Stable Funding Ratio (**NSFR**) is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It came into effect in January 2018, but only applies to UAE banks which have moved to assessment under the LCR. The NSFR also requires an amount of stable funding to cover a portion of the relevant UAE banks contingent liabilities. The NSFR mirrors the Basel III NSFR standard. 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 ASF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III NSFR standard.

Interim Marginal Lending Facility

On 15 April 2014, the Central Bank introduced the IMLF which allows non-Islamic UAE banks to use certain rated or UAE federal government entity-issued assets to access Central Bank liquidity overnight in order to help their liquidity management during times of market stress.

The IMLF lets lenders use certain assets as collateral to obtain one-day overnight loans from the Central Bank. Eligible assets that can be used as collateral must be tradeable and include bonds, sukuk and securities issued by the UAE federal government or government-related entities in individual Emirates, as well as by UAE banks and corporations. Securities issued by foreign governments, banks, corporates and supranational

agencies can also be used as collateral, but must carry a minimum ‘A’ credit rating from one of the three main international rating agencies. Banks accessing the IMLF must borrow a minimum of AED 10 million and will be charged 100 basis points over the official UAE “Repo Rate”.

Capital Adequacy

All UAE banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. Basel II was introduced effective 17 November 2009 by way of Central Bank Circular No. 27/2009. Since 1993, the Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the Central Bank announced amendments to its capital adequacy requirements stating that UAE banks were required to have a total capital adequacy ratio of at least 11 per cent., with a Tier 1 ratio of not less than 7 per cent., by 30 September 2009. Furthermore, the Central Bank required banks operating in the UAE to increase their Tier 1 capital adequacy ratio to at least 8 per cent., with a minimum total capital adequacy ratio of at least 12 per cent. by 30 June 2010. The circular stated that the new requirements, which were effective on 31 August 2009, apply to national and foreign banks. Thereafter, through its circular dated 17 November 2009 introducing Basel II, the Central Bank stated that it was expected that the main banks in the UAE would move to the Foundation Internal Rating Based approach under Basel II in due course. Through this circular, the Central Bank reiterated that all banks operating in the UAE were required to maintain a minimum capital adequacy ratio of 11 per cent. at all times, increasing to 12 per cent. by 30 June 2010 and also laid out its expectations in relation to Pillar II and Pillar III of the Basel II framework. Profits for the current period, goodwill, other intangibles, unrealised gains on investments and any shortfall in loan loss provisions are deducted from regulatory capital.

Whilst the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines, claims on or guaranteed by GCC central governments and central banks are risk-weighted at zero per cent.; claims on GCC government non-commercial public sector entities are risk-weighted at 50 per cent.; and GCC sovereign debt is risk-weighted at zero per cent.

All dividends paid by UAE banks have to be authorised in advance by the Central Bank. Under the Union Law, banks are required to transfer 10 per cent. of profit each year into a statutory reserve until this reaches 50 per cent. of capital. Dividends cannot be paid from this reserve, except in special legally defined circumstances. In addition, under the UAE Federal Law No. 14 of 2018, the Central Bank may not approve proposed dividends by a UAE bank, if such bank has failed to maintain its capital adequacy ratio requirements at such time.

The Basel Committee put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and on 13 January 2011, the Basel Committee issued the Basel III reforms, constituting guidance on the eligibility criteria for Tier I and Tier II capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. The implementation of the Basel III reforms began on 1 January 2013. However, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. The Basel Committee’s press release dated 13 January 2011 entitled “Minimum requirements to ensure loss absorbency at the point of non-viability” (the **January 2011 Press Release**) included an additional Basel III requirement (the **Non-Viability Requirement**) as follows:

“The terms and conditions of all non-common Tier I and Tier II instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

- (i) the governing jurisdiction of the bank has in place laws that:
 - (a) require such Tier I and Tier II instruments to be written off upon such event; or
 - (b) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;
- (ii) a peer group review confirms that the jurisdiction conforms with clause (i); and

- (iii) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (i).

The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority.”

The January 2011 Press Release states that instruments issued after 1 January 2013 must meet the Non-Viability Requirement in order to be recognised as Tier I or Tier II instruments for regulatory capital purposes. The recognition of instruments issued before 1 January 2013 which do not meet these requirements will be phased out from 1 January 2013.

The Basel III Regulations and the Accompanying Standards (each as defined below) confirm that the Non-Viability Requirement is a pre-requisite for any capital instruments issued by UAE banks to achieve Regulatory Capital classification from the Central Bank. The Non-Viability Requirement must be provided for contractually in the absence of a statutory loss absorption framework in the UAE as at the date of this Base Prospectus.

In May 2016, the Central Bank published a draft consultation document entitled “Capital Adequacy Regulation” (the **Consultation Document**), detailing the Basel III requirements expected to be followed by banks operating in the UAE, once the applicable legislation has been implemented in the UAE. In particular, the Consultation Document outlines the general quantitative requirements expected to be followed by UAE banks, with regards to Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (together, **Regulatory Capital**). It also outlines, amongst other things, the Regulatory Capital ratios that UAE banks will be expected to follow and adhere to, the individual UAE bank minimum capital conservation standards and the required disclosure standards expected to be made available by UAE banks with respect to Regulatory Capital.

On 23 February 2017, UAE Central Bank published the “Regulations re Capital Adequacy” (the **Basel III Regulations**) in the Official Gazette issue 612, which were effective from 1 February 2017. The February 2017 Regulations are intended to ensure that the capital adequacy of all banks operating in the UAE is in line with the Basel III requirements, whilst implementing the measures contained in the Consultation Document. The Basel III Regulations are supported by the accompanying standards which were published by the Central Bank on 17 January 2018 in the Circular No. 28/2018 entitled “Standard re Capital Supply” (the **Accompanying Standards**). The Accompanying Standards elaborate on the supervisory expectations of the Central Bank with respect to the relevant Basel III capital adequacy requirements. Banks which are classified as domestic systemically important banks by the Central Bank will be required to hold additional capital buffers as notified to it by the Central Bank. In addition, a bank may also be subject to additional capital add-on requirements following a supervisory review and evaluation process of the Central Bank.

The Central Bank’s Standard Re Tier Capital Instruments dated 29 March 2018 (the **TCI Standard**) requires that a periodic distribution on an additional tier 1 instrument should be cancelled if the relevant UAE bank does not have sufficient “Distributable Items” on the relevant date for payment of (i) such periodic distribution and (ii) certain other payment obligations.

Reserve Requirements

Reserve requirements are used by the Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements are 1 per cent. for term deposits and 14 per cent. for all other customer deposits.

Large Exposures

Banks are required 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.

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 defines large exposures as any funded or unfunded on-or-off balance sheet exposure to a single borrower or group of related borrowers exceeding prescribed limits. Exposures above these limits are subject to Central Bank approval.

On 17 November 2013, the Central Bank published a circular (the **2013 Large Exposures Limits Circular**) amending certain large exposure limits. Large exposures are defined as a percentage of the bank's capital base calculated under Basel II. The 2013 Large Exposure Limits Circular was effective as of the date that was one month from the date of its publication in the official gazette. UAE banks were required to implement the 2013 Large Exposures Limits Circular within five years of its effective date. UAE banks were also required to submit a comprehensive plan to comply with the 2013 Large Exposure Limits Circular within three months of its publication. Set out below is a table showing a summary of the changes introduced by the 2013 Large Exposure Limits Circular:

	New Limit		Old Limit	
	Individual	Aggregate	Individual	Aggregate
	<i>(percentage)</i>			
UAE Federal Government and their non-commercial entities	N/A	N/A	Exempt	Exempt
UAE local Government	N/A	100	Exempt	Exempt
UAE local Government non-commercial entities.....	25	100	Exempt	Exempt
Commercial entities of federal government and UAE local governments	25	100	25	None
Single borrowers or a group of related borrowers	25	N/A	7	N/A
Shareholders who own 5 per cent. or more of the bank's capital and related entities	20	50	7	None
Exposure to bank's subsidiaries and affiliates.....	10	25	20	60
Board members	5	25	5	25

In addition, the Central Bank lending limits also require that:

- no commercial bank can hold shares or bonds issued by commercial companies in excess of 25 per cent. of the bank's shareholders' funds; and
- no bank is permitted to grant loans or advances for the purpose of funding commercial or residential real estate construction in an amount exceeding 20 per cent. of its total deposits, unless it has prior authorisation from the Central Bank as an institution specialising in this type of business.

In February 2011, the Central Bank issued regulations in relation to the retail banking sector, aimed at controlling lending activities and excessive charges by banks, whilst also protecting banks by regulating lending and encouraging banks to carry out proper due diligence on potential borrowers. In addition, regulations governing personal loans and financing advances were brought into effect on 1 May 2011. These regulations cap personal loans and financing advances at 20 times a borrower's monthly salary and stipulate repayment of such personal financing within 48 months.

Mortgage Cap

Central Bank notice no. 31/2013 was published in the UAE official gazette on 28 November 2013 and entered into force on 28 December 2013. Notice no. 31/2013 (which supersedes Central Bank notice no. 3871/2012) specifies that the amount of mortgage loans for non-UAE nationals should not exceed 75 per cent. of the property value for the purchase of a first home with a value of less than or equal to AED 5 million and, for the purchase of a first home with a value greater than AED 5 million, the amount of mortgage loans should not exceed 65 per cent. of the property value. For purchases of second and

subsequent homes, the limit for non-UAE nationals is set at 60 per cent. of the property value (irrespective of the value of the property in question). The corresponding limits for UAE nationals are set at 80 per cent. in respect of the purchase of a first home with a value less than or equal to AED 5 million, 70 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 home purchase (irrespective of the value of the property).

Provisions for Loan Losses

Since 2009, a number of UAE banks have announced exposures to well-known GCC-based companies which have become insolvent or have been or are being restructured. These include the Saad and Alghosaibi groups of the Kingdom of Saudi Arabia and Tabreed and the Dubai World Group in the UAE. As a result of declining economic conditions since late 2008 and the increasing number of insolvencies and restructurings, the amount of non-performing loans in the UAE banking system has increased steadily, with the Central Bank, in its September 2012 Financial Stability Review, estimating non-performing loans of approximately AED 50 billion at 31 December 2009, approximately AED 65 billion at 31 December 2010 and approximately 82 billion at 31 December 2011. According to the Financial Stability Review, the total specific provisions and interest in suspense of banks in the UAE amounted to approximately AED 55 billion at 31 December 2011, giving rise to a specific provision coverage ratio at that date of approximately 67 per cent.

The Central Bank stipulates that non-performing credits should be classified as either substandard, doubtful or loss depending on the likelihood of recovery, with provisions charged at a minimum of 25 per cent., 50 per cent. and 100 per cent., respectively, for retail accounts between 90 and 180 days past due and for corporate accounts after the exercising of mature judgment. Any loans with either interest or principal in arrears by more than 90 days must be placed on a non-accrual basis and classified as non-performing. In practice, several banks operate more stringent policies and place loans on a non-accrual basis as soon as their recovery is in doubt.

In November 2010, the Central Bank published a set of rules making it mandatory for banks and financial institutions to make provisions for their impaired loans on a quarterly basis (banks had previously written-off non-performing/impaired loans from their books after all legal options for recovery have been exhausted). The new guidelines also prescribe specific provisions for three categories of impaired loans and stipulate that lenders should build up general provisions equal to 1.5 per cent. of customer credit risk-weighted assets over a period of four years through to December 2014 and are intended to improve transparency within the banking industry in accordance with Basel Committee standards.

Banks in the UAE generally do not write-off non-performing loans from their books until all legal avenues of recovery have been exhausted. This factor tends to inflate the level of impaired loans carried on the balance sheets of UAE banks when compared to banks operating in other economies.

In this context, the beginning of the year saw the formal adoption in the UAE of IFRS 9 for reporting periods commencing on 1 January 2018. IFRS 9 replaces the IAS 39 “incurred loss” model and introduced an “expected credit loss” model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. As at 1 January 2018, the initial transitional impact from IAS 39 to IFRS 9 was assessed by each UAE bank. Banks elected to record the initial transitional impact in the consolidated statement of changes in equity, following which the impact has been and will be recorded to each bank’s consolidated income statement. Whilst the Central Bank requires banks to assess specific and collective expected credit losses under IFRS 9, it also requires banks to recognise any shortfall in collective and specific provisions, respectively, when compared with 1.5 per cent. of credit risk weighted assets to be appropriated from retained earnings and transferred to non-distributable regulatory credit risk reserves.

Establishing a Credit Bureau in the UAE

Al Etihad Credit Bureau (**AECB**) is a federal government organisation that collects credit data, information and financial commitments from banks and financial institutions to provide accurate credit reports to individuals, financial institutions and companies in the UAE. AECB was established by the UAE federal

government in February 2012. 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 in 2014. 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.

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, please see the "*Description of Dubai Islamic Bank PJSC – Risk Management – Recent developments*" section of this Base Prospectus.

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 at the offices of the Principal Paying Agent (as defined in the Conditions).

Purchase Agreement

The Master Purchase Agreement will be entered into on 7 November 2019 between DIB Sukuk Limited (in its capacities as Trustee and as Purchaser) and DIB (in its capacity as Seller) and will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Purchase Contract (together with the Master Purchase Agreement, each a **Purchase Agreement**) between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Pursuant to the Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will purchase from the Seller, (i) (on the issue date of the first Tranche of a Series) the relevant Initial Portfolio together with the transfer and assignment by the Seller to the Purchaser of all of the Seller's rights, title, interests, benefits and entitlements in, to and under the Assets which comprise the relevant Initial Portfolio and (ii) (on each date on which any additional Certificates are issued) the relevant Additional Portfolio together with the transfer and assignment by the Seller to the Purchaser of all of the Seller's rights, title, interests, benefits and entitlements in, to and under the Assets which comprise the relevant Additional Portfolio.

Service Agency Agreement

The Service Agency Agreement will be entered into on 7 November 2019 between DIB Sukuk Limited (in its capacity Trustee) and DIB (as Service Agent of each Portfolio) and will be governed by English law.

Services

Pursuant to the Service Agency Agreement, the Trustee will appoint the Service Agent to service the Portfolio applicable to each Series. In particular, the Service Agent will, in relation to each Series, perform, amongst other things, the following services (the **Services**) as agent of the Trustee:

- (a) it will service the Portfolio in accordance with the investment plan set out in the Schedule to the Service Agency Agreement (a copy of which will be scheduled to the relevant Supplemental Purchase Contract, which includes the annual amount of expected Portfolio Income Revenues (as defined below) of the Portfolio (the **Expected Portfolio Income Revenues Amount**), which shall be completed at the time of issue of the first Tranche of the relevant Series upon receipt from the Trustee of the relevant Supplemental Purchase Contract and shall be updated from time to time upon the issue of any further Tranche of the same Series;
- (b) it will ensure that, on the Issue Date of each Tranche of a Series at least 51 per cent. of the Value of the Initial Portfolio, or the Additional Portfolio, as the case may be, is derived from Tangible Assets;
- (c) it will use all reasonable endeavours to procure that, at all times following the Issue Date of the first Tranche of a Series, at least 51 per cent. of the Portfolio Value is derived from Tangible Assets and in the event that, at any time, the aggregate Value of the Tangible Assets comprised within the Portfolio should fall below 51 per cent. of the Portfolio Value, the Service Agent will use all reasonable endeavours to acquire as soon as reasonably practicable thereafter sufficient Tangible Assets to raise such percentage to a level that is equal to or greater than 51 per cent. of the Portfolio Value at such time (whether through the substitution, or procuring the substitution by DIB pursuant to the Sale Undertaking, of Tangible Assets for Intangible Assets or the acquisition for and on behalf of the Trustee pursuant to paragraph (e) below, of further Tangible Assets through the reinvestment of Portfolio Principal Revenues). A breach of this requirement will not, however, constitute a DIB Event;

- (d) it will at no time substitute any Asset(s) for any Asset(s) of a Value less than the Value of the Asset(s) so substituted;
- (e) it will, on behalf of the Trustee, ensure that arrangements are in place for the sale of any Salam Asset (as defined in the Master Purchase Agreement) to a third party purchaser following its delivery by the seller of the Salam Asset for an amount equal to the purchase price paid for such Salam Asset together with an amount of profit thereon;
- (f) it will use its best endeavours promptly to place (for and on behalf of the Trustee) all Portfolio Principal Revenues in acquiring, for and on behalf of the Trustee, further Tangible Assets and, to the extent insufficient Tangible Assets are available, to invest the cash sums representing such Portfolio Principal Revenues in Sharia Compliant Investments (being an investment product which is structured to comply with Sharia principles, including investment deposit with a Sharia compliant financial institution) until it can, using its best endeavours, place those sums in further Tangible Assets and such sums and Sharia Compliant Investments shall form part of the relevant Portfolio until they can be so placed;
- (g) it will do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers (and without the need for the consent of the Trustee) reasonably necessary to ensure the assumption of, and compliance by each Asset Obligor with its covenants, undertakings or other obligations under the Asset Contract to which it is a party in accordance with applicable law and the terms of the Asset Contract, in each case in respect of the Assets;
- (h) it will discharge or procure the discharge of all obligations to be discharged by DIB (in whatever capacity) in respect of any of the Assets under all Asset Contracts, it being acknowledged that the Service Agent may appoint one or more agents to discharge these obligations on its behalf;
- (i) it will pay on behalf of the Trustee any actual costs, expenses, losses and Taxes (as defined in the Service Agency Agreement) which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Portfolio, such actual costs, expenses, losses and Taxes will be reimbursed in accordance with the Service Agency Agreement;
- (j) it will use all reasonable endeavours to ensure the timely receipt of all Portfolio Revenues, the delivery and subsequent sale of Salam Assets, investigate non-payment of Portfolio Revenues and non-delivery of Salam Assets and generally make all reasonable efforts to collect or enforce the collection of such Portfolio Revenues under all Asset Contracts as and when the same shall become due;
- (k) it will ensure that all Portfolio Income Revenues are received free and clear of, and without withholding or deduction for, Taxes (as defined therein);
- (l) it will use all reasonable endeavours to ensure that the Portfolio Income Revenues are at least equal to the Expected Portfolio Income Revenues Amount;
- (m) it will maintain the Collection Accounts as described further under “– *Collection Accounts*” below;
- (n) it will obtain all necessary authorisations in connection with any of the Assets and its obligations under or in connection with the Service Agency Agreement;
- (o) it will use its best endeavours to maintain the Portfolio Value at least equal to the outstanding face amount of the relevant Certificates; and
- (p) it shall use its reasonable endeavours to ensure that all Asset Obligors in respect of Tangible Assets maintain industry standard insurances and fulfil all structural repair and major maintenance obligations in respect of the relevant Tangible Assets (each in accordance with the terms of the relevant Asset Contracts relating to the Tangible Assets).

For the purposes of the Service Agency Agreement, **Value** means, in respect of any Asset, the amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the spot rate of exchange (as defined in the Service Agency Agreement)) determined by DIB on the relevant date as being equal to: (i) in the case of Tangible Assets which are leased on an *ijara muntahiah bittamleek* (financial lease) basis, the aggregate of all outstanding fixed rental instalment amounts payable by the lessee or other equivalent fixed instalment amounts payable by the obligor, in each case in the nature of capital or principal payments in respect of the relevant asset, (ii) in the case of Tangible Assets which are not leased on an *ijara muntahiah bittamleek* (financial lease) basis, the initial agreed value or the outstanding base amounts or other equivalent of aggregate fixed instalment amounts payable by the obligor or any other amounts in the nature of capital or principal payments in respect of the relevant asset, (iii) in the case of Other Tangible Assets, the outstanding capital or investment amounts, (iv) in the case of *ijara mousoofah fizzimmah* (forward *ijara*) real estate and non-real estate assets, the base amounts or aggregate of outstanding fixed rentals, (v) in the case of *murabaha* receivables under a *murabaha* (sale of commodities or goods on a cost plus basis) contract, the outstanding payment amount, and (vi) in the case of Salam Assets, the extent of the sale price corresponding to the outstanding deliverable assets, in each case determined by DIB as being equal to the value of that Asset on each day on which it remains part of the relevant Portfolio, and **Portfolio Value** means the sum of (a) the Value of each Asset comprised in the Portfolio at the relevant time and (b) any Portfolio Principal Revenues held by the Service Agent at the relevant time.

Records and documents

The Service Agent will undertake, in relation to each Series, that it will keep and maintain (and provide to the Trustee within 90 days of receiving a request in writing) all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due in respect of the Assets and all amounts credited to the Collection Accounts.

- (a) The Service Agent will agree in the Service Agency Agreement:
- (b) to provide the Services in accordance with all applicable laws and regulations;
- (c) to provide the Services with the degree of skill and care that it would exercise in respect of its own assets; and
- (d) to service the Assets in accordance with Sharia principles as laid down by its Fatwa and Sharia Supervisory Board.

Service Agency Liabilities Amounts and Fees

The Trustee and the Service Agent will agree that any Service Agency Liabilities Amounts incurred by the Service Agent in providing the Services in relation to a Series shall be paid by the Trustee by way of the application of amounts standing to the credit of the Income Collection Account by the Service Agent on the Trustee's behalf in payment of such amounts (as described below) or otherwise on the final Dissolution Date. For these purposes, **Service Agency Liabilities Amounts** means, in relation to each Series, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Service Agent or other payments made by the Service Agent on behalf of the Trustee in each case in providing the Services during a **Distribution Period** (being a period that corresponds with the relevant Return Accumulation Period under the Certificates), but does not include amounts in respect of Liquidity Facilities.

DIB shall be entitled to receive a fixed fee of U.S.\$100 for acting as Service Agent under the Service Agency Agreement. In addition, following payment of all amounts due and payable under the Certificates of each Series on the final Dissolution Date, the Service Agent will be entitled to retain any amounts that remain standing to the credit of the Income Reserve Collection Account for its own account as an incentive payment for acting as Service Agent.

Asset Substitutions

In the Service Agency Agreement the Trustee and the Service Agent will agree that, in relation to each Series and provided no Dissolution Event has occurred and is continuing, DIB may at any time exercise its

rights under the Sale Undertaking to substitute (and, upon any Asset ceasing to be an Eligible Asset, the Service Agent will procure that DIB uses all reasonable endeavours to so substitute) any one or more of the Assets as DIB may select (subject to any such Substituted Asset(s) being the Asset(s) ceasing to be Eligible Asset(s), if applicable) in accordance with the Sale Undertaking. The new Asset(s) for these purposes will be Eligible Assets (as defined in the Master Purchase Agreement) of a Value not less than the Value of the Substituted Asset(s) and any such substitution shall otherwise be undertaken on the terms and subject to the conditions of the Service Agency Agreement and the Sale Undertaking.

Collection Accounts

In relation to each Series, the Service Agent will maintain three ledger accounts (such accounts being the **Principal Collection Account**, the **Income Collection Account** and the **Income Reserve Collection Account**) in its books (each of which shall be denominated in the Specified Currency) in which all revenues from the Assets (the **Portfolio Revenues**) will be recorded. The Portfolio Revenues include all rental and other amounts payable by the relevant Asset Obligor under the terms of the relevant Asset Contract, and all sale proceeds or consideration, damages, insurance proceeds, compensation or other sums received by the Service Agent or DIB in whatever currency in respect of or otherwise in connection with the relevant Assets. All Portfolio Revenues in relation to each Series will be recorded:

- (a) to the extent that any such amounts comprise amounts in the nature of sale, capital or principal payments, expressed, whenever applicable, as an amount in the Specified Currency (following conversion, if necessary, of any relevant amounts at the spot rate of exchange determined by DIB) (**Portfolio Principal Revenues**) in the Principal Collection Account; and
- (b) to the extent that any such amounts comprise amounts other than Portfolio Principal Revenues (**Portfolio Income Revenues**), in the Income Collection Account.

Amounts standing to the credit of the Income Collection Account relating to each Series will be applied by the Service Agent on each **Distribution Determination Date** (being the Business Day immediately prior to the relevant Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

- (a) *first*, in repayment of any amounts advanced by way of a Liquidity Facility;
- (b) *second*, in payment of any Service Agency Liabilities Amounts for the Distribution Period ending immediately before the immediately following **Distribution Date** (being the date which corresponds with the relevant Periodic Distribution Date under the Certificates of the relevant Series);
- (c) *third*, the Service Agent will pay into the relevant Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Income Collection Account; and
- (d) any amounts still standing to the credit of the Income Collection Account immediately following payment of all of the above amounts shall be debited from the Income Collection Account and credited to the Income Reserve Collection Account.

For the purposes of the Service Agency Agreement, the **Required Amount** will mean an amount equal to the aggregate of the Periodic Distribution Amounts and any other amounts payable by the Trustee in respect of the relevant Certificates on each relevant Periodic Distribution Date.

The Service Agent will be entitled to deduct amounts standing to the credit of the Income Reserve Collection Account at any time and use such amounts for its own account, provided that such amounts shall be repaid by it if so required to fund a Shortfall (as defined and described below).

Shortfalls and Liquidity Facilities

If on a Distribution Determination Date (after (i) payment of the relevant amounts standing to the credit of the Income Collection Account into the relevant Transaction Account in accordance with paragraph (c) under “– *Collection Accounts*” above and (ii) taking into account any other payments made or to be made

into the relevant Transaction Account pursuant to any other Transaction Document) there is a shortfall (each a **Shortfall**) between:

- (a) the amounts standing to the credit of the relevant Transaction Account; and
- (b) the Required Amount payable on the immediately following Periodic Distribution Date,

the Service Agent will pay into the relevant Transaction Account on that Distribution Determination Date from the amounts standing to the credit of the Income Reserve Collection Account (if any) an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Income Reserve Collection Account). If any Shortfall still remains after payment to the relevant Transaction Account of the amounts credited to the Income Reserve Collection Account (as described in this paragraph) and after payment to the relevant Transaction Account of all other amounts payable pursuant to any other Transaction Document, the Service Agent may either (A) provide Sharia compliant funding itself or (B) procure Sharia compliant funding from a third party, in each case, to the extent necessary, by payment of the same into the relevant Transaction Account, on terms that such funding is repayable (i) from Portfolio Income Revenues in accordance with the Service Agency Agreement or (ii) on the date on which the Certificates of the relevant Series are redeemed in full, to ensure that the Trustee receives on each Distribution Determination Date the Required Amount payable by it in accordance with the Conditions of the relevant Series on the immediately following Periodic Distribution Date (such funding in relation to a Series, a **Liquidity Facility**).

Payments under the Service Agency Agreement

The Service Agent will agree in the Service Agency Agreement that all payments by it under the Service Agency Agreement will be made without any withholding or deduction for or on account of tax unless required by law and (save as set out therein and without prejudice to paragraph (I) under “– Services” above) without set-off or counterclaim of any kind and, in the event that there is any withholding or deduction, the Service Agent shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such withholding or deduction had been made. The payment obligations of the Service Agent under the Service Agency Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of the Purchase Undertaking) unsecured obligations of the Service Agent which rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of DIB save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on 7 November 2019 by DIB in favour of DIB Sukuk Limited (in its capacity as Trustee) and the Delegate, and will be governed by English law.

DIB will, in relation to each Series, irrevocably undertake in favour of the Trustee and the Delegate to purchase all of the Trustee’s rights, benefits and entitlements in and to the relevant Portfolio on the relevant Scheduled Dissolution Date or any earlier Dissolution Date in connection with the occurrence of a Dissolution Event for the relevant Series at the **Portfolio Exercise Price**, which shall be an amount in the Specified Currency equal to the aggregate of:

- (a) the aggregate outstanding face amount of the Certificates of the relevant Series on the relevant Dissolution Date;
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates of the relevant Series; and
- (c) an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility and (ii) any Service Agency Liabilities Amounts.

The Trustee will also be entitled to exercise the Purchase Undertaking following any exercise by the Certificateholders of any relevant Series of their right to require the Trustee to redeem their Certificates on a Certificateholder Put Option Date, in which case DIB will be required to purchase a portion of the relevant

Portfolio (such portion to comprise the **Certificateholder Put Option Assets**) with an aggregate Value no greater than the aggregate face amount of the Certificates to be redeemed. The exercise price (the **Certificateholder Put Option Exercise Price** and, together with the Portfolio Exercise Price, each an **Exercise Price**) payable for the Certificateholder Put Option Assets will be an amount in the Specified Currency equal to the aggregate of:

- (a) the product of (i) the aggregate face amount of the relevant Certificateholder Put Option Certificates and (ii) the Optional Dissolution Amount (Certificateholder Put) Percentage specified in the applicable Final Terms;
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificateholder Put Option Certificates; and
- (c) (only where no Certificate of the relevant Series remains outstanding following the exercise of the Certificateholder Put Option) an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility and (ii) any Service Agency Liability Amounts.

If the Delegate exercises any of the options described above, an exercise notice will be required to be delivered by the Delegate under the Purchase Undertaking.

If DIB fails to pay all or part of any Exercise Price that is due in accordance with the Purchase Undertaking and provided that no sale agreement has been entered into, then DIB will agree in the Purchase Undertaking that it will irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Service Agent for the provision of the Services in respect of the relevant Portfolio on the terms and conditions, *mutatis mutandis*, of the Service Agreement.

DIB will expressly declare in the Purchase Undertaking that:

- (a) the relevant Exercise Price represents a fair price for the purchase of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the relevant Portfolio or the relevant Certificateholder Put Option Assets, as the case may be; and
- (b) it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in the relevant Portfolio or the relevant Certificateholder Put Option Assets, as the case may be, and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in any way.

DIB will further undertake to the Trustee in the Purchase Undertaking that if the Portfolio Exercise Price is not paid in accordance with the provisions of the Purchase Undertaking, whether as a result of a dispute or challenge in relation to the rights, benefits and entitlements of the Trustee in, to and under the Portfolio or any of the assets comprising the Portfolio, or for any other reason, DIB shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates and, accordingly, the amount payable under any such indemnity claim will equal the Portfolio Exercise Price.

In the Purchase Undertaking, DIB will undertake that, so long as any Certificate is outstanding it shall not, and shall ensure that none of its Principal Subsidiaries will, create, or have outstanding, any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto creating and according to the Certificates the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Certificateholders.

DIB has agreed that each of the following events will constitute a DIB Event:

- (a) if default is made in the payment of: (A) any Portfolio Income Revenues (as defined in the Service Agency Agreement) to be paid into the Transaction Account by the Service Agent in accordance with the terms of the Service Agency Agreement and such default continues for a period of seven

days; or (B) any Exercise Price to be paid by DIB under the Purchase Undertaking or Sale Undertaking, as the case may be, and such default continues for a period of seven days; or

- (b) DIB defaults in the performance or observance of any of its other material obligations under or in respect of the Transaction Documents to which it is a party, unless, in the opinion of the Delegate, the default is capable of remedy and is remedied within 30 days after written notice thereof, addressed to DIB by the Delegate, has been delivered to DIB; provided, however, that the failure by DIB (acting in its capacity as Service Agent) to perform or observe the obligations set out in Clause 3.1(c) of the Service Agency Agreement will not constitute a DIB Event; or
- (c) at any time (following the expiry of any grace period permitted by applicable law) it becomes unlawful for DIB to perform or comply with any or all of its material obligations under the Transaction Documents to which it is a party; or
- (d) if DIB for any reason declares a moratorium on the payment of any Indebtedness or in respect of any guarantee of any Indebtedness given by it; or
- (e) any Indebtedness of DIB or any of its Principal Subsidiaries following valid demand or claim becomes due and payable prior to the stated maturity thereof (other than at the option of the debtor) or DIB or any of its Principal Subsidiaries fail to make any payment under any guarantee of any Indebtedness which is due and payable at the expiration of any grace period applicable thereto, provided that each such event shall not constitute a DIB Event unless the aggregate amount of all such Indebtedness, either alone or when aggregated with all other Indebtedness in respect of which such an event shall have occurred and be continuing, shall be more than US\$50,000,000 (or its equivalent in any other currency or currencies); or
- (f) any action, condition or thing at any time required to be taken, fulfilled or done in order (A) to enable DIB lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Transaction Documents to which it is a party or (B) to ensure that those obligations are binding is not taken, fulfilled or done within 28 days of the Delegate giving notice in writing to DIB; or
- (g) (A) DIB becomes insolvent or is unable to pay its debts as they fall due, (B) an administrator, receiver, or liquidator of DIB or the whole or any part of the undertaking, assets and revenues of DIB is appointed, unless set aside within 28 days of such appointment, (C) DIB takes any action or commences any negotiations or proceedings with a view to (i) any adjustment of a material proportion of the whole or a specified class or category of Indebtedness, or (ii) making a general assignment or an arrangement or composition with or for the benefit of its creditors, or (D) DIB ceases or threatens to cease to carry on all or any substantial part of its business provided always that this sub-paragraph (g)(C) or (D) shall not apply to 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
- (h) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of DIB, provided always that this paragraph (h) shall not apply to 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
- (i) any event occurs which has an analogous effect to any of the events referred to in paragraphs (g) and (h) inclusive above; or
- (j) any execution is levied against, or an encumbrancer takes possession of, the whole or 15 per cent. or more of the property, undertaking or assets of DIB and its Subsidiaries taken as a whole (calculated by reference to the Accounts of DIB) or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, unless such enforcement proceedings are frivolous or vexatious or are being actively contested in good faith by DIB or the relevant Subsidiary; or

- (k) DIB fails to comply with or pay any sum which amount shall not, in aggregate, be less than U.S.\$50,000,000 (or the equivalent thereof in any other currency or currencies) due from it under any one or more final non-appealable judgments or any one or more final non-appealable orders made or given by any court of competent jurisdiction and such failure continues for a period of 30 days next following service by the Delegate on DIB of notice requiring the same to be paid/remedied; provided, however, that if the execution of any such judgment or order is stayed within that period of 30 days its value shall not count towards the U.S.\$50,000,000 threshold amount described in this paragraph (k),

provided that, in the case of paragraph (b) and, in respect of a Principal Subsidiary only, paragraph (e), such events shall only be a DIB Event if the Delegate has certified that, in its opinion, such event is materially prejudicial to the interests of the Certificateholders.

For the purposes of the negative pledge to be given by DIB and the DIB Events:

Accounts means (in the case of DIB) its then latest audited consolidated financial statements and (in the case of the relevant Subsidiary) its then latest audited consolidated (if available) or non-consolidated financial statements, provided that if audited financial statements for any Subsidiary have not been prepared in respect of any relevant period, Accounts shall, in relation to that Subsidiary, mean its management accounts for the relevant period;

Indebtedness means any present or future indebtedness of any person for or in respect of any money borrowed or raised including (without limitation) any liability arising under sukuk or other securities or any moneys raised under any transaction having the commercial effect of borrowing or raising money;

Limited Indebtedness means any Indebtedness, the aggregate outstanding principal amount of which does not, at any time, exceed ten per cent. (10 per cent.) of the aggregate share capital and reserves of DIB as shown in its most recent audited consolidated financial statements prepared in accordance with International Financial Reporting Standards;

Non-recourse Project Financing Indebtedness means any Indebtedness incurred in connection with any financing of all or part of the costs of the acquisition, construction or development of any project, provided that (a) any Security Interest given by DIB or the relevant Principal Subsidiary, as the case may be, is limited solely to assets of the project, (b) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the monies advanced, and (c) there is no other recourse to DIB or the relevant Principal Subsidiary, as the case may be, in respect of any default by any person under the financing;

Permitted Indebtedness means the Non-recourse Project Financing Indebtedness, the Securitisation Indebtedness and the Limited Indebtedness;

Principal Subsidiary means:

- (a) a Subsidiary of DIB whose revenues or assets represent not less than ten per cent. (10 per cent.) of the consolidated revenues or consolidated assets of DIB, as calculated by reference to the Accounts; or
- (b) to which is transferred all or substantially all of the undertaking or assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall immediately become a Principal Subsidiary, but shall cease to be a Principal Subsidiary under this paragraph (b) (but without prejudice to paragraph (a) above) upon publication of DIB's next Accounts.

A report by the Head of Finance (or any person who at any time carries out the equivalent function of such person (regardless of such person's title)) of DIB that in his opinion a Subsidiary of DIB is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

Relevant Indebtedness means any Indebtedness other than Permitted Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, sukuk certificates or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

Securitisation Indebtedness means any Indebtedness incurred in connection with any securitisation of existing or future asset and/or revenues, provided that: (i) any Security Interest given by DIB or any of its Subsidiaries in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each party participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised; and (iii) there is no other recourse to DIB or any of its Subsidiaries in respect of any default by any person under the securitisation;

Security Interest means any mortgage, charge, lien or other security securing any obligation of any party; and

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

DIB will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made free and clear of, and without any withholding or deduction for or on account of any Taxes (as defined therein) unless required by law and (save as set out therein) without set off or counterclaim of any kind and, in the event that there is any withholding or deduction, DIB shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such withholding or deduction had been made. The payment obligations of DIB under the Purchase Undertaking will be direct, unconditional, unsubordinated and (subject to the provisions described above) unsecured obligations of DIB which rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of DIB save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Sale Undertaking

The Sale Undertaking will be executed as a deed on 7 November 2019 by DIB Sukuk Limited (in its capacity as Trustee) in favour of DIB and will be governed by English law.

Pursuant to the Sale Undertaking and subject to the Trustee being entitled to redeem the Certificates of the relevant Series for tax reasons in accordance with Condition 10.2, DIB will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee not less than 15 days plus the minimum period of notice and not more than 15 days plus the maximum period of notice specified in the applicable Final Terms prior to the Tax Dissolution Date, provided that no exercise notice may be given earlier than 75 days prior to the earliest date on which the Trustee or DIB, as the case may be, would be obliged to pay additional amounts referred to in the definition of Tax Event if a payment in respect of the Certificates (in the case of the Trustee) or to the Trustee pursuant to the relevant Transaction Documents (in the case of DIB) then due, be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the relevant Portfolio at the relevant Exercise Price. In addition, if the Optional Dissolution Right (Call) is specified in the applicable Final Terms as being applicable, DIB will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee not less than 15 days plus the minimum period of notice and not more than 15 days plus the maximum period of notice specified in the applicable Final Terms prior to the relevant Optional Dissolution Date, be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the relevant Portfolio at the relevant Exercise Price.

For these purposes, the **Exercise Price** will be an amount equal to the aggregate of:

- (a) (where the Certificates of the relevant Series are to be redeemed for tax reasons in accordance with Condition 10.2) the aggregate outstanding face amount of the Certificates of the relevant Series on the relevant Dissolution Date or (where the Certificates of the relevant Series are to be redeemed in accordance with Condition 10.3) the product of (i) the aggregate outstanding face amount of the

Certificates of the relevant Series on the relevant Dissolution Date and (ii) the Optional Dissolution Amount (Call) Percentage specified in the applicable Final Terms;

- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; and
- (c) an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility and (ii) any Service Agency Liabilities Amounts.

DIB will be able to exercise its rights under the Sale Undertaking to effect the in kind substitution of Assets, subject to any substitute Assets being Eligible Assets of a Value not less than the Value of the Substituted Assets. DIB will also be able to exercise its rights under the Sale Undertaking (following any purchase of Certificates by DIB or any Subsidiary of DIB pursuant to Condition 13) to provide for the transfer, assignment and conveyance to it of an undivided ownership interest (the **Cancellation Interest**) in the relevant Portfolio calculated as the ratio, expressed as a percentage, of the aggregate face amount of the relevant Certificates to be cancelled (the **Cancellation Certificates**) to the aggregate face amount of the Certificates of the relevant Series immediately prior to the cancellation of such Cancellation Certificates, all as more particularly described in the Sale Undertaking. The Cancellation Interest will be specified in a cancellation notice and will have a Value no greater than the aggregate face amount of the Certificates of the relevant Series so purchased. Transfer of the Cancellation Interest will occur against cancellation of such Certificates by the Principal Paying Agent pursuant to the Conditions.

Trust Deed

The Master Trust Deed will be entered into on 7 November 2019 between DIB, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by English law.

Upon issue of the Global Certificate initially representing the first Tranche of any Series, the Master Trust Deed and the relevant Supplemental Trust Deed shall together constitute the Trust declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series comprise (unless otherwise specified in the relevant Supplemental Trust Deed), *inter alia*, the Trustee's rights, title, interest and benefit, present and future, in, to and under the relevant Portfolio, its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than (i) in relation to any representations given to the Trustee by DIB pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to Clause 13.1 of the Master Trust Deed) and any amounts standing to the credit of the relevant Transaction Account.

Each Trust Deed will specify that, on or after the relevant Scheduled Dissolution Date or, as the case may be, Dissolution Date of a Series, the rights of recourse in respect of the relevant Certificates shall be limited to the amounts from time to time available and comprising the Trust Assets of that Series, subject to the priority of payments set out in the Trust Deed, the relevant Certificates and the Conditions. The Certificateholders have no claim or recourse against DIB Sukuk Limited in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Trust Deed, the Trustee will, in relation to each Series, *inter alia*:

- (a) hold the relevant Trust Assets on trust absolutely for the relative Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder; and
- (b) act as trustee in respect of the relevant Trust Assets, distribute the income from the relevant Trust Assets and perform its duties in accordance with the provisions of the Trust Deed.

In the Master Trust Deed, the Trustee by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders will irrevocably and unconditionally appoint the Delegate to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to

exercise all the present and future duties, powers, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-delegate and the power to make any determinations to be made under each Trust Deed) vested in the Trustee by each Trust Deed that the Delegate may consider to be necessary or desirable in order upon the occurrence of a Dissolution Event or a Potential Dissolution Event, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction to perform the present and future duties, powers, authorities and discretions vested in the Trustee by the relevant provisions of each Trust Deed and any of the other Transaction Documents (provided that no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Trust Deed or any other Transaction Document will be imposed on the Delegate by virtue of such delegation). The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and will not affect the Trustee's continuing role and obligations as trustee.

The Delegate will undertake in the Master Trust Deed that, following it becoming aware of the occurrence of a Dissolution Event in respect of any Series and subject to Condition 14 it shall (a) promptly notify the relevant Certificateholders of the occurrence of such Dissolution Event. Subject to the Delegate being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing, the Delegate may take all such steps as are necessary to enforce the obligations of DIB (in whatever capacity it is acting) under the relevant Trust Deed and any other Transaction Document to which DIB (in whatever capacity) is a party.

Pursuant to the relevant Trust Deed, DIB will also undertake to the Trustee that if the Portfolio Exercise Price is not paid in accordance with the provisions of the Purchase Undertaking, whether as a result of a dispute or challenge in relation to the rights, benefits and entitlements of the Trustee in, to and under the Portfolio or any of the assets comprising the Portfolio, or for any other reason, DIB shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates and, accordingly, the amount payable under any such indemnity claim will equal the Portfolio Exercise Price.

If and to the extent the Trustee has exercised its rights under Condition 20 to issue additional Certificates in respect of a Series, on the date of issue of such additional Certificates, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such additional Certificates so issued, declaring that the assets comprising the relevant Additional Portfolio transferred to the Trustee (in respect of the issuance of the additional Certificates) and the Assets comprising the Portfolio immediately prior to the acquisition of the Additional Portfolio (in respect of the relevant Series as in existence immediately prior to the issue of such additional Certificates) are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such additional Certificates as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Master Trust Deed.

The Master Trust Deed specifies, *inter alia*, that in relation to each Series:

- (i) following enforcing or realising the relevant Trust Asset and distributing the net proceeds of the Trust Assets in respect of the relevant Series to the Certificateholders in accordance with the Conditions and the relevant Trust Deed the obligations of the Trustee in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished and neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the relevant Certificateholders may not take any action against the Trustee, the Delegate or any other person to recover any such sum or asset in respect of the relevant Certificates or the relevant Trust Assets;
- (ii) no Certificateholder shall be entitled to proceed directly against the Trustee and/or DIB, or provide instructions (not otherwise permitted by the Trust Deed) to the Delegate to proceed against the Trustee and/or DIB under any Transaction Document 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 authority to do so, and such failure or inability is continuing. Under no circumstances shall the Delegate or any Certificateholders have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than pursuant to 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;

- (iii) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the relevant Trust Assets or take any action against the Trustee and/or DIB under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least one-fifth of the then aggregate outstanding face amount of the Certificates of the relevant Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing provided that the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders; and
- (iv) after enforcing or realising the relevant Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with the terms of the relevant Trust Deed, the obligations of the Trustee and the Delegate in respect of the Series shall be satisfied and no Certificateholder may take any further steps against the Trustee and the Delegate to recover any further sums in respect of the relevant Series and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Certificates of the relevant Series shall be entitled in respect thereof to petition or to take any other steps for the winding-up of DIB Sukuk Limited.

Sharia Compliance

Each Transaction Document to which it is a party provides that each of DIB Sukuk Limited and Dubai Islamic Bank PJSC agrees that it has accepted the Sharia compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of Sharia;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the Sharia compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party 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 to which it is a party are not compliant with the principles of Sharia.

TAXATION

The following is a general description of certain tax considerations relating to Certificates issued under the Programme. It does not purport to be a complete analysis of all tax considerations relating to the Certificates. Prospective purchasers of any 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 the relevant Certificates and receiving payments under those Certificates. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

United Arab Emirates

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Certificates is based on the taxation law in force at the date of this Base 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.

There is currently in force in the Emirate of Dubai legislation establishing a general corporate taxation regime (the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Dubai taxation in respect of payments of profit and principal to any holder of the Certificates or any payments to be made by DIB to the Trustee pursuant to the Transaction Documents to which it is a party. If any such withholding or deduction is required to be made in respect of payment(s) due by DIB under any Transaction Document to which it is a party, DIB has undertaken to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Trustee under the Certificates, (i) the Trustee has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions) and (ii) DIB has undertaken to pay such additional amounts to the Trustee to enable it to discharge such obligation.

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

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

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in Certificates to be issued under the Programme. 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 Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments of principal or profit to any holder of Certificates, nor will gains derived from the disposal of 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 or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Certificates. However, an instrument transferring title to any Certificates, if brought to or executed in 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 capital. At current rates, this annual registration fee is approximately

U.S.\$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

FATCA Disclosure

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** (as defined by FATCA) 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 Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the UAE) 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 Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as 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 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 filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Certificates (as described under “*Terms and Conditions of the Certificates—Further Issues*”) that are not distinguishable from previously issued Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Certificates.

The Proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common 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 any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Certificates are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 7 November 2019, agreed with the Trustee and DIB a basis upon which they or any of them may from time to time agree to purchase Certificates. Any such agreement will extend to those matters stated under “*Terms and Conditions of the Certificates*”. In the Programme Agreement, each of the Trustee and DIB has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue, offer and sale of Certificates under the Programme.

SELLING RESTRICTIONS

United States

The Certificates have not been and will not be registered under the Securities Act, as amended, or the securities laws 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, except in certain transactions exempt from, or 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 Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Certificates (i) as part of their distribution at any time or (ii) otherwise until expiration of 40 days after the completion of the distribution of all Certificates of the Tranche of which such Certificates are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of a Tranche of Certificates sold to or through more than one Dealer, by each of such Dealers with respect to Certificates of a Tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act, and it will have sent to each Dealer to which it sells 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. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Certificates are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until the expiration of 40 days after the commencement of the offering of any Tranche of Certificates, an offer or sale of Certificates within the United States by any dealer (whether or not participating in the offering of such Tranche of Certificates) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Trustee and DIB for use in connection with the offer and sale of the Certificates outside the United States. The Trustee, DIB and the Dealers reserve the right to reject any offer to purchase the Certificates, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Trustee of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Certificates referred to above shall require the Trustee, DIB or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Certificates to the public** in relation to any Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Certificates which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;
- (b) 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 any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or DIB; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation or offer, whether directly or indirectly, to subscribe for the Certificates has been or will be made to the public in the Cayman Islands.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Certificates, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949 as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of,

and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates to be issued under the Programme 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.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to be issued under the Programme 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 (the **DFSA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the 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 9 or Article 10 of the “Rules on the Offer of Securities and Continuing Obligations” as issued by the Board of the Capital Market Authority (the **CMA**) resolution number 3-123-2017 dated 27 December 2017, as amended by CMA resolution number 1-104-2019 dated 30 September 2019 (the **KSA Regulations**), made through an authorised person licensed by the CMA to carry out arranging activities by the CMA and following a notification to the CMA under Article 11 of 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 “Sophisticated Investors” under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates by it to a Saudi Investor will be made in compliance with Articles 9 or 10 of the KSA Regulations.

Each 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 Article 15 of the KSA Regulations. Any Saudi Investor who has acquired Certificates pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the CMA and: (a) the Certificates are offered or sold to a Sophisticated Investor (as defined in Article 9 of the KSA Regulations); (b) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyals 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 15 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Certificates, except on a private placement basis to persons in Bahrain who are “accredited investors”.

For this purpose, an **accredited investor** means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more 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).

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Certificates will 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 the Certificates.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused such 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 Base 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 a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures Act (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 (i) 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 (ii) 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(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO); 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, 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 in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any 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.

Malaysia

This Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase any Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed 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) and Part I of Schedule 7 or Section 230(1)(b) read together with Schedule 8 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Certificates in, the PRC (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) or to residents of the PRC unless such offer and sale is made in compliance with all applicable laws and regulations of the PRC.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers any Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, DIB, the Delegate and any other Dealer shall have any responsibility therefor.

None of the Trustee, DIB, the Delegate and any of the Dealers represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of Certificates.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Certificates have been duly authorised by a resolution of the Board of Directors of the Trustee dated 10 May 2012. The update of the Programme and the issue of Certificates thereunder has been duly authorised by a resolution of the Board of Directors of the Trustee dated 5 November 2019. The Trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of Certificates to be issued under the Programme and the execution and performance of the Transaction Documents to which it is a party. The entry into of the Transaction Documents to which it is a party has been duly authorised by resolutions of the Board of Directors of DIB dated 29 April 2012 and 15 October 2019.

Listing

The admission of Certificates to the Official List will be expressed as a percentage of their nominal amount (excluding any due but unpaid Periodic Distribution Amounts). It is expected that each Tranche of Certificates which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Certificate initially representing the Certificates of such Tranche.

Application has been made to Euronext Dublin for Certificates issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing on the Official List and admitted to trading on the Euronext Dublin Regulated Market.

Application has also been made to the DFSA for Certificates issued under the Programme to be admitted to the DFSA Official List. An application may be made for any Tranche of Certificates to be admitted to trading on Nasdaq Dubai.

However, Certificates may be issued pursuant to the Programme which will not be listed on Euronext Dublin or any other stock exchange or which will be listed on such stock exchange as the Trustee and the relevant Dealer may agree.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Trustee in relation Certificates issued under the Programme and is not itself seeking admission of such Certificates to the Official List or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

Documents Available

For the period of 12 months following the date of this Base Prospectus, physical copies (and English translations where the documents in question are not in English) of the following documents will, when published, be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Trustee and the specified office of the Principal Paying Agent:

- (a) the Transaction Documents including each Supplemental Trust Deed and each Supplemental Purchase Contract in relation to each Series (save that any such documents relating to a Series which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificates and identity);
- (b) the Memorandum and Articles of Association of the Trustee and the constitutional documents (with an English translation thereof) of DIB;

- (c) the Financial Statements;
- (d) the most recently published unaudited condensed consolidated interim financial statements (if any) of DIB, together with any review reports prepared in connection therewith;
- (e) this Base Prospectus; and
- (f) any future offering circulars, prospectuses, information memoranda and supplements and Final Terms (save that a Final Terms relating to a Certificate which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus will be available for viewing on (i) the website of Euronext Dublin (<http://www.ise.ie>) and (ii) the website of Nasdaq Dubai (<http://www.nasdaqdubai.com>). The Trust Deed, the Agency Agreement, the Memorandum and Articles of Association of the Trustee and the constitutional documents (with an English translation thereof) of DIB will be available for viewing at <https://www.dib.ae>.

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 appropriate Common Code and ISIN for each Tranche will be specified in the applicable Final Terms.

If the Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

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 S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

Other than in connection with the Certificates issued thus far under the Programme, 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 September 2019 and there has been no material adverse change in the prospects of DIB and its subsidiaries since 31 December 2018.

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) in the 12 months preceding the date of this document 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 5 and 6 of this Base Prospectus in “*Risk Factors – C. Legal Risks – 9/11 Litigation*”, 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 DIB is aware) in the 12 months preceding the date of the Base 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 previous auditors of DIB are KPMG Lower Gulf Limited (**KPMG**) of P.O. Box 3800, Dubai, UAE. KPMG are independent auditors regulated by and registered to practice as auditors with the Ministry of Economy in the UAE. There is no professional institute of auditors in the UAE and, accordingly, KPMG are not a member of a professional body in the UAE. All of KPMG's partners are members of the institutes from which they received their professional qualification.

The Audited Financial Statements have been audited by KPMG in accordance with International Standards on Auditing as stated in their audit reports incorporated by reference into this Base Prospectus.

The current auditors of DIB are Deloitte & Touche (M.E.) (**Deloitte**) of P.O. Box 4254, 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 2019 Interim Financial Statements have been reviewed by Deloitte in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" (ISRE 2410), as stated in their review report incorporated by reference into this Base Prospectus.

Dealers Transacting with DIB

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, DIB (and its affiliates) in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Trustee, DIB and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Trustee, DIB and their affiliates routinely hedge their credit exposure to the Trustee, DIB and their affiliates consistent with their customary risk management policies. Typically, such Dealers 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 short positions in securities, including potentially any Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers 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 hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Cayman Islands Data Protection

The Cayman Islands Government enacted the Data Protection Law, 2017 of the Cayman Islands (the **DPL**) on 18 May 2017 which was brought into force on 30 September 2019. The DPL introduces legal requirements for the Trustee 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 DPL. 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 DPL 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 DPL is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPL by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Sharia Approvals

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by each of the Fatwa and Sharia Supervisory Board of DIB and the Sharia Committee of Dar al Sharia Islamic Finance Consultancy LLC, First Abu Dhabi Bank Shariah Supervisory Board, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Shariah Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on any of the approvals referred to above in deciding whether to make an investment in the Certificates and should consult their own Sharia advisers as to whether the proposed transaction is in compliance with Sharia principles.

Description of the members of the Fatwa and Sharia Supervisory Board of DIB, First Abu Dhabi Bank Shariah Supervisory Board, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Shariah Supervisory Committee of Standard Chartered Bank

Fatwa and Sharia Supervisory Board of DIB

Professor Dr. Hussain Hamid Hassan

Dr. Hussain completed his PhD in the Faculty of Sharia from Al Azhar University, Egypt, Master's degree in Comparative Jurisprudence from the University of New York, USA and graduated in Law and Economics from the University of Cairo, Egypt.

Dr. Hussain is a prominent scholar and teacher, having established Islamic universities and Islamic faculties in various parts of the world including Makkah, Islamabad, Kazakhstan and Libya.

For over 50 years, he has been adviser to the Presidents and leaders of various Islamic Republics, including acting as an adviser to Presidents of the Islamic Republic of Pakistan and to the Prime Minister of the Republic of Kyrgyzstan. He is also the President of the United States Muslim Jurists Association.

Besides DIB, Dr. Hussain is the Chairman of the Sharia supervisory boards of several Islamic financial Institutions including Islamic Development Bank, Ajman Bank, Amlak Finance, Deutsche Bank, Liquidity Management Centre, Dubai Financial Markets, AMAN Takaful Company, Methaq Takaful Insurance Company-Abu Dhabi, Jordan Dubai Islamic Bank, Abu Dhabi Islamic Bank Egypt, Dubai Islamic Bank Pakistan, Bank Al Salam-Bahrain, Bank Sohar-Oman and various other financial institutions. He is also a member of the Sharia Board of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), the Islamic Financial Services Board, the Fiqh Academy of Muslim World League and the International Fiqh Academy of the Organisation of Islamic Countries.

Dr. Hussain is the author of 21 books and over 400 articles on Islamic *Fiqh*, jurisprudence, Islamic banking and insurance, and frequently presides over Islamic academic and financial conferences, seminars and workshops in different parts of the world. He has supervised the translation of the Holy Quran into Russian and the translation of 200 Islamic books into various languages.

Dr. Mohamed Abdul Hakim Zoeir

Dr. Zoeir holds a PhD in Islamic Economics and is a member of the Sharia boards of many Islamic banks across the Middle East and Africa. He is the author of a number of research papers and studies in the field of Islamic finance and banking.

Dr. Zoeir is also Chief Editor of Islamic Economics magazine.

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.

Dr. Muhammad Abdulrahim Sultan Al Olama

Dr. Al Olama holds a PhD in Islamic jurisprudence, is an assistant professor at various universities and is a member of numerous academic committees. He has published a number of articles and reports, in addition to his contributions to seminars and conferences in the Islamic finance arena held around the world.

Dr. Youssif Abdullah Saleh Al Shubaily

Dr. Al Shubaily holds a PhD in comparative *Fiqh* and is a professor in Saudi Arabia. He has contributed and presented numerous courses and training sessions to judges in Saudi Arabia. Dr. Al Shubaily has worked in the Islamic Institution in Washington, served as a member of the Sharia board of many other institutions and has more than 17 published reports and research papers.

First Abu Dhabi Bank Shariah Supervisory Board

Dr. Mohd Daud Bakar

Dr. Bakar was previously the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he went on to complete his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made numerous presentations at conferences both locally and overseas.

Dr. Bakar is currently the chairman of the Shariah Advisory Council of the Central Bank of Malaysia, the SACSC and the Shariah Supervisory Council of Labuan Financial Services Authority. He is also a member of the Sharia board of Dow Jones Islamic Market Index (New York), Oasis Asset Management (Cape Town, South Africa), The National Bank of Oman, Financial Guidance (USA), BNP Paribas (Bahrain), Morgan Stanley (Dubai), Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia), Bank of London and Middle East (London), Noor Bank (Dubai), Islamic Bank of Asia (Singapore), and in other financial institutions both locally and abroad. Dr. Bakar also actively advises on capital markets product structuring such as sukuk.

Dr. Mohamed Ali Elgari

Dr. Elgari is a former Professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia and a former Director of the Center for Research in Islamic Economics, in the same university. He serves as an expert at the Islamic jurisprudence academy of the Organisation of Islamic Cooperation and the Islamic Jurisprudence Academy of the Islamic World League and a member of the Shariah Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He is a member of 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), the Journal of Islamic Economic Studies (IDB), the Journal of Islamic Economic (IAIE, London), and the advisory board of Harvard Series in Islamic Law, Harvard Law School.

Dr. Elgari is a member of numerous Shariah boards of Islamic banks and takaful companies internationally. He authored several books in Islamic finance and published numerous articles on the subject both in Arabic

and English. Dr. Elgari is also a frequent speaker at conferences worldwide. Dr. Elgari holds a PhD in Economics from the University of California.

Professor Dr. Abdul Aziz Al Qassar

Professor Dr. Abdul Aziz Al Qassar is a Professor of Comparative Jurisprudence at the Faculty of Sharia and Islamic Studies at Kuwait University. He received a doctorate degree in Comparative Jurisprudence from the Faculty of Sharia and Law, Al-Azhar University, Cairo, Arab Republic of Egypt in 1997.

He has been a faculty member at the Faculty of Sharia and Islamic Studies at Kuwait University since 1997, and has served as Associate Dean for Academic Affairs and Graduate Studies and Research at the Faculty of Sharia and Islamic Studies at Kuwait University from 2001 to 2005. He has also served as a member of the Fatwa and Sharia boards in many institutions and Islamic banks in Kuwait and abroad, a lecturer in Islamic finance and has produced various research and religious studies regarding Islamic jurisprudence and contemporary financial transactions.

Internal Shariah Supervision Committee of HSBC Bank Middle East Limited

Sheikh Nizam Yaquby

Sheikh Nizam Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in economics and comparative religions from McGill University, Canada. He has served in Bahrain Mosques from 1981 to 1990 where he taught Tafsir, Hadith and Fiqh in Bahrain since 1976. In addition to advising Citi Islamic Investment Bank E.C. and other Islamic finance institutions and funds, Sheikh Nizam Yaquby is a member of the Islamic Fiqh Academy and Auditing and Accounting Organisation for Islamic Financial Institutions. He has published several articles and books on various Islamic subjects including banking and finance.

Dr. Mohamed Ali Elgari

See the description of Dr. Elgari set out above.

Dr. Aznan Hasan

Dr. Aznan Hasan is an Associate Professor in Islamic Law at Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia and has taught Islamic law there since 2003. He is also President of the Association of Shariah Advisors in Islamic Finance and has been Deputy Chairman of the Shariah Advisory Council, Securities Commission of Malaysia since July 2010. He was a member of the Shariah Advisory Council, Bank Negara Malaysia (from November 2006 to August 2008 and from November 2010 to October 2013). He is also the Chairman of the Shariah Supervisory Board, Shariah Advisory Committee, Barclays DIFC (April 2011 to present). He is Shariah adviser to Maybank Islamic in Malaysia and has been advising ABSA Islamic Banking, South Africa since July 2010.

Shariah Supervisory Committee of Standard Chartered Bank

Dr. Mohamed Ali Elgari

See the description of Dr. Elgari set out above.

Sheikh Nizam Yaquby

See the description of Sheikh Yaquby set out above.

Dr. Aznan Hasan

See the description of Dr. Hasan set out above.

TRUSTEE

DIB Sukuk Limited
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

DIB

Dubai Islamic Bank PJSC
P.O. Box 1080
Dubai
United Arab Emirates

DELEGATE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

REGISTRAR AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

AUDITORS TO DIB

From 1 January 2019

Deloitte & Touche (M.E.)
P.O. Box 4254
Dubai
United Arab Emirates

Prior to 1 January 2019

KPMG Lower Gulf Limited
P.O. Box 3800
Dubai
United Arab Emirates

SHARIA ADVISERS TO DIB

Dar Al Sharia Islamic Finance Consultancy LLC
P.O. Box 12988
Dubai
United Arab Emirates

LEGAL ADVISERS

To the Trustee as to Cayman Islands law

Maples and Calder (Dubai) LLP

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Happiness Street
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Dubai
United Arab Emirates

To DIB as to English, DIFC and UAE law

Allen & Overy LLP

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Dubai
United Arab Emirates

To the Dealers as to English, DIFC and UAE law

Clifford Chance LLP

Level 15
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Dubai International Financial Centre
P.O. Box 9380
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

10 Earlsfort Terrace
Dublin 2
Ireland

ARRANGER

Dubai Islamic Bank PJSC

P.O. Box 1080
Dubai
United Arab Emirates

DEALERS

Dubai Islamic Bank PJSC

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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

Standard Chartered Bank

P.O. Box 999
Dubai
United Arab Emirates