

Contents

Section I: Invitation to subscribe.

Section II: Shareholders information document.

Section I: Invitation to subscribe

Invitation to Subscribe

If you are in any doubt as to the action you should take, it is recommended that you seek your own independent financial advice from your accountant or other appropriate independent financial advisor.

Invest Bank P.S.C. invitation to subscribe for 260,000,000,000 New Shares in the Rights Issue

Invest Bank P.S.C. (“**Invest Bank**” or “**Bank**”) hereby invites its Shareholders to subscribe to its capital increase shares, by way of a rights issue (“**Rights Issue**”), as approved by the general assembly (“**GA**”) of the bank on 27 April 2023 (the “**GA Meeting**”), the Central Bank of the United Arab Emirates (“**CBUAE**”) and the Securities and Commodities Authority (“**SCA**”).

Part 1 Background

- 1.1** The board of directors of Invest Bank (the “**Board of Directors**”) recommended in its resolution passed on 25 January 2023 to implement a turnaround plan to restructure Invest Bank in order to stabilize its capital position for the benefit of its stakeholders. In furtherance of the Bank’s objective to develop a strategy to address the current capital adequacy issues of the Bank, which aims to eliminate risks that, over recent years, have caused continuing pressure on the Bank’s balance sheet (the “**Restructuring Plan**”), the Board of Directors considered a number of matters to implement the Plan including: (i) the current losses of the Bank; (ii) the Government of Sharjah (“**GoS**”) expressing its willingness to provide a guarantee of AED3 billion in respect of the Bank’s assets and liabilities (the “**Guarantee**”) in exchange for a guarantee fee of AED2.6 billion (the “**Guarantee Fee**”); and (iii) the Bank’s ability to fund the Guarantee Fee, which would be entirely dependent on the Bank carrying out a capital increase by way of a Rights Issue with the proceeds from the Rights Issue to be used to fund the Guarantee Fee.
- 1.2** On 27 April 2023, the shareholders of the Bank approved decreasing the nominal value per share to become AED0.1894046876, and a further decrease of the nominal value per share (after completion of the Rights Issue) to become AED0.012168406 (see below).

Part 2 The Capital Solution Plan

- 2.1** The shareholders resolved during the GA Meeting and following receipt of all necessary regulatory approvals to: (i) approve the entry into the Guarantee Agreement with the GoS and authorise the CEO to execute it on behalf of Invest Bank; and (ii) approve the three-step capital solution plan which comprises of:
- 2.1.1** *reduction of the share capital of AED3,180,982,143 as at 30 June 2022 by AED2,578,489,214 by writing off Invest Bank’s accumulated losses of AED2,100,632,071 and the existing reserve amount of AED477,857,143 as at 30 June 2022, which shall be effected through reducing the nominal value of each share from AED1 to AED0.1894046876, resulting in a total share capital of AED602,492,929 (the “**First Reduction**”);*
- 2.1.2** *after effecting the First Reduction, increasing the share capital of Invest Bank by AED49,245,218,776 (the “**Capital Increase**”); by issuing 260,000,000,000 shares (the “**New Shares**”) at an Issue Price of AED0.01 (1 Fils) (the “**Issue Price**”), implying a discount of AED0.1794046876 on the Subscription Price of each share. This discount would result in a negative reserve on the ‘shareholders’ equity’ in an amount of AED46,645,218,776. The total share capital of the Bank will become AED49,847,711,705 distributed over 263,180,982,143 shares; and*
- 2.1.3** *after effecting the First Reduction and the Capital Increase, a further reduction in the share capital of Invest Bank by writing off an amount equal to the losses incurred by Invest Bank arising out of the negative reserve of AED46,645,218,776 referred to in the preceding Capital Increase step, resulting in a share capital of AED3,202,492,929 at a nominal value of AED 0.012168406 (the “**Second Reduction**”)*
- (the “**Capital Solution Plan**”).*
- 2.2** Pursuant to the Special Resolutions passed at the GA Meeting, the share capital of the Bank will be increased through the issuance of **260,000,000,000** new shares (the “**New Shares**”), representing **98.79** per cent of the total issued shares (after completion of the Capital Increase). The Capital Increase will be effected by way of Rights Issue. The Issue Price reflects a discount of **94.7%** per cent for each New Share compared to the nominal value of the shares following the First Reduction.
- 2.3** The Capital Increase will be effected by way of a Rights Issue, which will be conducted through the issuance of non-tradeable securities (referred to collectively as the “**Rights**” and each a “**Right**”) to shareholders listed in Invest Bank’s register of shareholders (referred to collectively as the “**Registered Shareholders**” and each a “**Registered Shareholder**”)

as at the close of business of the Abu Dhabi Securities Exchange (the “ADX”) on **Tuesday, August 29, 2023** (the “**Eligibility Date**” or “**Record Date**”) at the rate of **81.73576** Rights for every **1** Share held on such date, with such Rights being deposited into the clearing account or brokerage account of each such Registered Shareholder where his or her existing Shares are held within one day after the Eligibility Date. Each Right grants its holder the eligibility to subscribe for one New Share at the Issue Price.

Part 3 Summary of the Rights Issue

- 3.1 Recipients of this Invitation should read the entire Invitation before making a decision as to whether or not to participate in the Rights Issue.
- 3.2 Please ensure to access the following link which contains further information and details including the Capital Solution Plan and the Rights Issue process: <https://investbank.ae/investor-relations.html>

Nature of the offering Capital increase by way of a Rights Issue

Eligibility Date **Tuesday, August 29, 2023**

Registered Shareholder Each shareholder listed in Invest Bank’s register of shareholders as at the close of business of the ADX on the Eligibility Date.

Rights The Rights are securities giving their holders the eligibility to subscribe to the New Shares. Each Registered Shareholder on the Eligibility Date will receive **81.73576** Rights for every **1** Share held on such date. Each Right grants its holder eligibility to subscribe to one New Share at the Issue Price. Right entitlements will be rounded down to the nearest whole number of Rights.

Such Rights will be deposited into the clearing account or brokerage account of each such Registered Shareholder where his or her existing Shares are held within one day of the Eligibility Date. The Rights will appear in the accounts of each such Registered Shareholder under a new symbol “**INVESTBRI23**” specifying the Rights.

Registered Shareholders must ensure that their name is reflected in Invest Bank’s share register held by the ADX and that they have an investor number on the ADX or shareholder code in order to receive or exercise their Rights.

If the Registered Shareholders do not exercise their Rights to subscribe for the New Shares pursuant to the Rights Issue no later than the last date for submission of applications and payment of their full price as set out in this invitation, or if such Registered Shareholders fail to participate in the Rights Issue, their percentage of ownership and their voting rights in Invest Bank will be reduced and the percentage represented by their current shares in the share capital of Invest Bank will be reduced.

Eligible Persons Subject to the limitations set out in the Articles of Association and applicable UAE law, all holders of Rights as of the Eligibility Date.

Rights Eligibility The ADX will add the balance of the Shareholders’ Rights in the amount of approximately **81.73576** Rights for every **1** Share held on the Eligibility Date to their respective accounts maintained by the respective brokerage firms or CDS account with ADX, noting that the Rights will not be tradeable.

Registered Shareholders who do not exercise their Rights to subscribe for the New Shares during the Subscription Period will suffer an immediate dilution in their interest in Invest Bank, without prejudice to the number of shares registered for any of them.

Subscription Period During the period from 8.00 a.m. on **Friday, September 8, 2023**, until 2.00 p.m. on **Friday, September 15, 2023**, Eligible Persons may exercise their Rights to subscribe for the New Shares. Subscription forms will be accepted at the participating branches of First Abu Dhabi Bank during the normal business hours of each such branch in addition to First Abu Dhabi Bank electronic subscription channels. The subscription for the New Shares shall be approved, subject to the other terms and conditions of the Rights Issue, provided that such Eligible Persons hold sufficient Rights in their relevant account.

Allotment Policy

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

- **First**, to Eligible Persons who subscribe for New Shares in an amount equal to the number of New Shares for which they have applied, to the extent that such number is equal to or less than the number of Rights they hold.
- **Second**, to the extent that any New Shares remain unsubscribed thereafter, to Eligible Persons who subscribe for Additional New Shares in an amount equal to the number of Additional New Shares for which they have applied in excess of the number of Rights they respectively hold.
- The allocation of Additional New Shares to Eligible Persons who have subscribed for Additional New Shares will be allocated after allocations to Eligible Persons who have subscribed for a number of New Shares equal to or less than the number of Rights they hold will be on a pro rata basis, scaled back (if necessary) in accordance with the proportion that the number of Additional New Shares requested by the Eligible Person represents to the total number of Additional New Shares requested by all Eligible Persons who subscribed for Additional New Shares. There is, therefore, no guarantee that Eligible Persons applying for Additional New Shares will receive the number of Additional New Shares for which they applied. No Eligible Person will receive more New Shares than the number for which they subscribed during the Subscription Period.
- **Third**, the GoS has agreed with the Bank that it will subscribe into a number of New Shares which is equivalent to the total number of Rights which it is entitled to receive and that, if any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of such New Shares up to the total number of the Additional New Shares.

How to subscribe for New Shares

A. Subscription Applications

Subscription applications are available at the participating branches (see the **Participating Branches of First Abu Dhabi Bank** section below).

Each subscriber may submit a subscription application (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another subscriber, in which case the subscription application will be submitted in the name of such subscriber) or (ii) in the case of a subscription application by a corporate entity, in its corporate name.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to the Lead Receiving Bank together with the subscription amount during the Subscription Period.

The completed subscription application should be clear and fully legible. If it is not, the Lead Receiving Bank shall refuse to accept the subscription application from the subscriber until the latter satisfies all the required information or documentation before the close of the subscription.

Subscription for New Shares would deem the subscriber to have accepted the terms of this Invitation and Articles of Association of Invest Bank and comply with all the resolutions issued by the Invest Bank's GA meeting. Any conditions added to the subscription application shall be deemed null and void. The subscription application should only be fully completed after reviewing this Invitation and Invest Bank's Articles of Association. The subscription application then needs to be submitted to any of the Lead Receiving Bank's participating branches mentioned under **Participating Branches of First Abu Dhabi Bank** or through electronic channels.

Electronic subscription (E-subscription)

The Lead Receiving Bank may also have its own electronic channels (on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKtatab IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the terms and conditions on behalf of the subscriber and is the relevant Lead Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the account in favour of "**Invest Bank PSC - RI**" held at the Lead Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out

elsewhere in this Invitation will not apply to electronic applications under this section. Notification of the final allocation of New Shares and the refund of proceeds for unallocated New Shares (if any) and any profit thereon following the closing of the Subscription Period and prior to the listing of the shares shall be performed solely by, and processed through, the Lead Receiving Bank in which the electronic subscription application was submitted.

First Abu Dhabi Bank – E-subscription

1. Access <https://www.bankfab.com/en-ae/cib/iposubscription>.
2. Refer to the “how to subscribe page” and follow the instructions and submit subscriptions for the UAE retail tranche.
3. First Abu Dhabi Bank mobile banking application (for First Abu Dhabi Bank clients).

In case of any issues or support required, please contact First Abu Dhabi Bank call centre at +971 02 616 1800.

The subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the subscriber or his or her representative.

The Lead Receiving Bank may reject subscription applications submitted by any subscriber for any of the following reasons:

- a. If the subscriber details are not found in the final share register of Invest Bank as at the Eligibility Date;
- b. the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no offer participant takes responsibility for non-receipt of an allotment of New Shares if the address of the subscribers is not filled in correctly);
- c. the subscription application amount is paid using a method that is not a permitted method of payment;
- d. the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the New Shares;
- e. the completed subscription application form is not clear and fully legible;
- f. the manager’s cheque is returned for any reason;
- g. if the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Lead Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- h. if the NIN is not made available to ADX or if the NIN is incorrect;
- i. if the subscription application is otherwise found not to be in accordance with the terms of this Invitation;
- j. if the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another subscriber);
- k. a subscriber has not adhered to the rules applicable to the New Shares;
- l. if it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the CCL, the Articles of Association, this Invitation or the requirements of the SCA or the ADX; or
- m. if for any reason FTS/SWIFT/online/mobile subscription channels transfer fails or the required information in the special fields is not enough to process the application.

The Lead Receiving Bank may reject the application for any of the reasons listed above at any time until allocation of the New Shares and have no obligation to inform the subscribers before the notification of the allocation of New Shares to such rejected subscribers.

B. Documents accompanying subscription applications

Subscribers shall submit the following documents along with their subscription application forms:

1. For *individuals* who are UAE or GCC nationals or nationals of any other country:
 - The original passport or EID and a copy thereof.

- The original and copy of the special power of attorney legalized by the notary public, if the applicant is an agent of the shareholder along with a copy of the principal's ID.
 - NIN with ADX/ Shareholder code
2. For *corporate bodies* including banks, financial institutions, investment funds and other companies and establishments (i.e., juridical persons):
- The original and copy of the trade license. If the institution is a public one, a copy of the law, the decree or resolution approving its establishment must be attached.
 - A copy of signature authorization.
 - The ID of the authorized person.
 - National Investor Number with ADX.

C. Method of subscription and payment for the New Shares

The subscription application must be submitted by a subscriber to the Lead Receiving Bank participating branches listed in this Invitation and the NIN with ADX and the subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the New Shares, which is to be paid in one of the following ways:

- Certified bank cheque ("**Manager's Cheque**") drawn on a bank licensed and operating in the UAE, in favour of "**INVEST BANK PSC – RI**";
- Debiting a subscriber's account with the Lead Receiving Bank; or
- Electronic subscriptions (please refer to the section on electronic subscriptions below).

Details of the subscriber's bank account must be completed on the subscription application form even if the application amount will be paid by Manager's Cheque.

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

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

Please refer to **Participating Branches of First Abu Dhabi Bank** for the list of participating branches of the Lead Receiving Bank.

Commitment from GoS Invest Bank has obtained a letter from GoS confirming that the GoS has agreed with the Bank that it will subscribe into a number of New Shares which is equivalent to the total number of Rights which it is entitled to received and that, if any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of New Shares up to the total number of the Additional New Shares.

The GoS Termination Right The GoS shall have no ordinary termination right. However, the GoS shall be entitled to withdraw from the Guarantee Agreement in writing with immediate effect if the number of shares allocated to the GoS at the conclusion of the second subscription period of the rights issue in connection with the Capital Increase would result in the GoS's stake in Invest Bank being less than 75 per cent of Invest Bank's shares on a fully diluted basis immediately after the rights issue.

In this case, the Board of Directors will convene to issue a resolution as to the reversal and cancellation of the Rights Issue and the Capital Increase.

Guarantee Fee Payment Invest Bank shall pay to the GoS a fee of AED2,600,000,000 as consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement. Invest Bank's obligation to pay the Guarantee Fee shall be satisfied by (i) Invest Bank paying to the GoS a cash amount which is equal to the Guarantee Fee, (ii) Invest Bank offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase and which is equal to the Guarantee Fee, or (iii) Invest Bank paying to the GoS a cash amount and offsetting an amount which is due from the GoS to Invest

Bank under the Capital Increase, provided that the aggregate of such amounts shall be equal to the Guarantee Fee. The satisfaction of the Guarantee Fee shall be due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase.

Part 4 Important Dates

4.1 The times and dates set out in this expected timetable of principal events and mentioned below may be adjusted by Invest Bank, in which event details of the new times and/or dates will be notified to Eligible Persons in two UAE daily Arabic language newspapers and one UAE daily English language newspaper and in the English and Arabic languages on Invest Bank's website (www.investbank.ae).

Event	Date
Publication of the invitation to subscribe for New Shares and participate in the Rights Issue published in two daily newspapers in the UAE (one in Arabic and one in English)	Monday, August 14, 2023
Eligibility Date of Rights	Close of business of the ADX on Tuesday, August 29, 2023
Subscription opening date	Friday, September 8, 2023
Subscription closing date	Friday, September 15, 2023
Last day for subscription by cheques	Wednesday, September 13, 2023
Last day for online subscription	Thursday, September 14, 2023
Date of allocation of New Shares and SMS notification to allottees	Friday, September 22, 2023
Commencement of Refunds and dispatch of allotment letters to allottees	Monday, September 25, 2023
Listing of New Shares on the ADX ⁽¹⁾	On or around Thursday, September 28, 2023
Trading of Invest Bank's shares on the ADX ⁽²⁾	To be determined.

Notes:

(1) *subject to the regulatory approval of acceptance of subscriptions.*

(2) **Shareholders are to note that Invest Bank's shares (old and New Shares) will be traded upon submission of all relevant documents by Invest Bank to the ADX and the ADX lifting the suspension of trading of Invest Bank's shares.**

Part 5 Advisors

Legal Advisor:

Freshfields Bruckhaus Deringer LLP
ICD Brookfield Place, Level 13
Dubai International Financial Centre, Dubai
United Arab Emirates

Financial Advisor:

Barclays Bank PLC, acting through its Investment Bank
P.O. Box 506674

Dubai International Financial Centre, Dubai
United Arab Emirates

Lead Manager and Lead Receiving Bank:

First Abu Dhabi Bank

P.O. Box 6316

Khalifa Business Park, Al Qurm District

United Arab Emirates

Reporting Accountants:

PricewaterhouseCoopers (Dubai Branch)

P.O. Box 11987

Emaar Square Building 5

Dubai

United Arab Emirates

Part 6 Participating Branches of First Abu Dhabi Bank

S.No	Branch name	Branch Location-Area	Customer Timing	Subscription Timings	Branch Address
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
2	Jumeirah Branch	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Link International Building, Jumeirah Beach Road Umm Suqeim
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
3	Sharjah	Sharjah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah; PO BOX:1109
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

Section II: Shareholders information document

THIS SHAREHOLDER INFORMATION DOCUMENT DATED MONDAY 14 AUGUST 2023, IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, it is recommended that you seek your own independent financial advice from your accountant or other appropriate independent financial advisor.



Shareholder Information Document

regarding the Capital Increase by way of a Rights Issue and the issuance of 260,000,000,000 New Shares to be issued at an Issue Price of AED0.01 (1 Fils) per New Share (the “Shareholder Information Document”)

Unless the context otherwise requires, capitalized terms used in this document have the meanings given in Appendix I of this document. References to times and dates in this document are to United Arab Emirates (“UAE”) time and the Gregorian calendar, respectively, unless otherwise stated.

Invest Bank P.S.C. (hereinafter referred to as “**Invest Bank**” or “**Bank**”) was established in the Emirate of Sharjah by virtue of Emiri Decree No. 153/02/1975 and pursuant to commercial license no. 11146 dated 17 May 1997, issued by the Sharjah Department of Economic Development in accordance with Federal Law No. 2 of 1984 Concerning Commercial Companies and the laws amending the same. Invest Bank’s registered office is Sharjah Al Nad, P.O. Box 1885, Sharjah, UAE (telephone: +971 659805555). The current issued share capital of Invest Bank is AED3,180,982,143 divided into 3,180,982,143 ordinary shares, each with a fully paid-up nominal value of AED1.00 per share (the “**Shares**”) On 27 April 2023, the shareholders of the Bank have approved decreasing the nominal value per share to become AED0.1894046876, and a further decrease of the nominal value per share (after completion of the Rights Issue) to become AED0.012168406 (see below).

The Board of Directors of Invest Bank (the “**Board of Directors**”) recommended in its resolution passed on 25 January 2023 to implement a turnaround plan to restructure Invest Bank in order to stabilise its capital position for the benefit of its stakeholders. In furtherance of the Bank’s objective to develop a strategy to address the current capital adequacy issues of the Bank, which aims to eliminate risks that, over recent years, have caused continuing pressure on the Bank’s balance sheet (the “**Restructuring Plan**”), the Board of Directors considered a number of matters to implement the Plan including: (i) the current losses of the Bank; (ii) the Government of Sharjah (“**GoS**”) expressing its willingness to provide a guarantee of AED3 billion in respect of the Bank’s assets and liabilities (the “**Guarantee**”) in exchange for a guarantee fee of AED2.6 billion (the “**Guarantee Fee**”); and (iii) the Bank’s ability to fund the Guarantee Fee, which would be entirely dependent on the Bank carrying out a capital increase by way of a rights issuance (the “**Rights Issue**”) with the proceeds from the Rights Issue to be used to fund the Guarantee Fee.

In light of the above, the Board of Directors resolved to invite the shareholders of Invest Bank to convene a general assembly (“**GA**”) meeting and recommend that, following receipt of all necessary regulatory approvals, the shareholders: (i) approve the entry into the Guarantee Agreement with the GoS and authorise the CEO to sign it on behalf of Invest Bank; and (ii) approve the three-step capital solution plan which comprises of:

(1) reduction of the share capital of AED3,180,982,143 as at 30 June 2022 by AED2,578,489,214 by writing off Invest Bank’s accumulated losses of AED2,100,632,071 and the existing negative reserve amount of AED477,857,143 as at 30 June 2022, which shall be effected through reducing the nominal value of each share from AED1 to AED0.1894046876, resulting in a total share capital of AED602,492,929 (the “**First Reduction**”);

(2) after effecting the First Reduction, increasing the share capital of Invest Bank by AED49,245,218,776 (the “**Capital Increase**”); by issuing 260,000,000,000 shares (the “**New Shares**”) at an Issue Price of AED0.01 (1 Fils) (the “**Issue Price**”), implying a discount of AED0.1794046876 on the Subscription Price of each share This discount would result in a negative reserve on the ‘shareholders’ equity’ in an amount of AED46,645,218,776. The total share capital of the Bank will become AED49,847,711,705 distributed over 263,180,982,143 shares; and

(3) after effecting the First Reduction and the Capital Increase, a further reduction in the share capital of Invest Bank by writing off an amount equal to the losses incurred by Invest Bank arising out of the negative reserve of AED46,645,218,776 referred to in the preceding Capital Increase step, resulting in a share capital of AED3,202,492,929 at a nominal value of AED0.012168406 (the “**Second Reduction**”)

(the “**Capital Solution Plan**”).

Invest Bank shareholders should note that, in the event the Capital Solution Plan is not successfully implemented, the financial position of Invest Bank will continue to deteriorate, which is likely to lead to Invest Bank not being able to meet its financial obligations and therefore may impend the continuation of Invest Bank’s operations and possibly lead to liquidation.

On 27 April 2023, the GA of Invest Bank approved, *inter alia*, the Capital Solution Plan. Pursuant to the Special Resolutions passed by the GA, the share capital of the Bank will be increased through the issuance of 260,000,000,000 new shares (the “New Shares”), representing 98.79 percent. of the total issued shares (after completion of the Capital Increase). The Capital Increase will be effected by way of a Rights Issue. The Issue Price reflects a discount of 94.7% percent. for each New Share compared to the nominal value of the shares following the First Reduction. Invest Bank will publish the invitation to the Registered Shareholders (as defined below) to subscribe for the New Shares on *Monday 14 August 2023*. Invest Bank intends to primarily use the issue proceeds to fund the Guarantee Fee as consideration for the Guarantee provided by the GoS pursuant to the Guarantee Agreement entered into between Invest Bank and the GoS (as more described in the “Guarantee Agreement Between Invest Bank and the Government of Sharjah

The GoS has decided to grant a guarantee to Invest Bank with respect to a portfolio of loans and other assets. The purpose of the Guarantee is to protect Invest Bank against losses in the net book value of the assets in the portfolio. For this purpose, a guarantee agreement governed by the laws of the United Arab Emirates is to be concluded between Invest Bank and the GoS. At the same time, Invest Bank intends to raise funds in 2023 through a Capital Increase by way of a Rights Issue. The funds raised shall (in part or in whole) be used by Invest Bank to satisfy the fee for the Guarantee. The parties’ obligations under the Guarantee shall be conditional upon the Capital Increase. This following summary comprises the main pillars and the mechanism of the Guarantee Agreement and does not represent all provisions.

Covered Portfolio and Compensation

The Guarantee shall cover a specified portfolio consisting of (i) items where Invest Bank has the right to request a payment, including credit engagements in the loan book (core & non-core) and certain foreign central bank balances (each a “**Reference Obligation**”) as well as (ii) other assets, including repossessed real estate (each a “**Reference Asset**”), each as held by Invest Bank as of 30 September 2021.

For Reference Obligations, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the initial net book value as of 30 September 2021 set out in the annex to the Guarantee Agreement (the “**Initial Net Book Value**”) of a Reference Obligation. This comprises (i) situations where Invest Bank takes the decision to write off (in full or in part) the Reference Obligation; (ii) situations where Invest Bank sells a Reference Obligation at a price below the Initial Net Book Value of the Reference Obligation; or (iii) any realization in connection with Invest Bank’s balances at the Central Bank of Lebanon (Banque du Liban) that is caused in compliance with Invest Bank’s internal policies and that, irrespective of the reason, is below the Initial Net Book Value shall be treated in the same way as a write-off, in cases where a write-off is not possible and there is no reasonable prospect of a future recovery. In case of a write-off, the amount to be replaced is the amount of the Initial Net Book Value that is written off and in case of a sale, the amount to be compensated is the amount by which the sale price falls short of the Initial Net Book Value. Furthermore, all external costs incurred by Invest Bank in connection with a write-off or a sale shall be compensated.

For Reference Assets, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the Initial Net Book Value of a Reference Asset plus all related external costs incurred by Invest Bank after 30 September 2021. Invest Bank’s claim to be compensated with regard to the Reference Assets under the Guarantee shall only become due at the time a loss is final because (i) the Reference Asset has left Invest Bank’s balance sheet or (ii) there is no reasonable prospect for a recovery of the net book value in the future. In addition, the GoS shall reimburse Invest Bank for all expenses necessary to maintain the value of the Reference Assets if such expenses for all Reference Assets in the aggregate exceed the aggregate ongoing income from all Reference Assets by 10 percent.(“**Excess Expenses**”).

Any recoveries with regard to the covered portfolio up to the Initial Net Book value of a Reference Obligation or Reference Asset will be taken into account in the calculation of the amount to be compensated and shall not result in a benefit for Invest Bank.

Regular payments under the Guarantee shall be made quarterly. For this purpose, Invest Bank shall send a notice to the GoS on a quarterly basis setting out the amount to be paid for the preceding quarter. The GoS has the right to review the requested compensation under the Guarantee.

Guarantee Fee

Invest Bank shall pay to the GoS a fee of AED2,600,000,000 as consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement. Invest Bank's obligation to pay the Guarantee Fee shall be satisfied by (i) Invest Bank paying to the GoS a cash amount which is equal to the Guarantee Fee, (ii) Invest Bank offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase and which is equal to the Guarantee Fee, or (iii) Invest Bank paying to the GoS a cash amount and offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase, provided that the aggregate of such amounts shall be equal to the Guarantee Fee. The satisfaction of the Guarantee Fee shall be due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase.

Right of First Refusal

Where Invest Bank has received a binding offer from a third party for the sale of a Reference Asset wholly owned by Invest Bank and with an Initial Net Book Value of more than AED10,000,000 and Invest Bank intends to sell the Reference Asset to such third party at the terms of such a binding offer, the GoS shall have a right of first refusal.

Termination and Final Settlement

The GoS shall have no ordinary termination right.

However, the GoS shall be entitled to withdraw from the Guarantee Agreement in writing with immediate effect if the number of shares allocated to the GoS at the conclusion of the second subscription period of the rights issue in connection with the Capital Increase would result in the GoS's stake in Invest Bank being less than 75 percent of Invest Bank's shares on a fully diluted basis immediately after the rights issue (the "**Extraordinary Termination Right**"). If the Extraordinary Termination Right is exercised, (i) all services and payments exchanged under the Guarantee Agreement up to this point shall be reversed (this applies in particular to the settlement of the Guarantee Fee, irrespective of whether it is made by means of a cash payment or by way of set-off) and (ii) Invest Bank shall take all actions to reverse and cancel the rights issue and the Capital Increase.

The Guarantee shall automatically terminate on the last day of the calendar quarter in which the fifth anniversary of the date on which the Guarantee became legally effective.

If and to the extent compensation under the Guarantee is still possible on the date of automatic termination, the Guarantee shall be settled by way of a final cash payment by the GoS to Invest Bank which shall be a compensation for all future amounts that would have been expected to be paid out by the GoS to Invest Bank under the Guarantee if the Guarantee had not been terminated. For each Reference Obligation and each Reference Asset the compensation shall consist of the amount by which the net book value at the termination date falls short of the Initial Net Book Value plus a reasonable estimate for external costs and the Excess Expenses.

Limitations

The aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account any recoveries and the final cash payment, shall not exceed an amount of AED3,000,000,000. For each individual calendar year, the coverage of Excess Expenses and external cost shall not exceed an amount of AED30,000,000 but the parties shall in good faith discuss any additional coverage of external cost and Excess Expenses by the GoS that is reasonably necessary to minimize any amounts to be compensated under the Guarantee or to enable any recoveries. Furthermore, for each individual calendar year aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account recoveries, shall not exceed an amount of AED800,000,000 (the "**Yearly Pay-Out Limit**"). However, if and to the extent the Yearly Pay-Out Limit would be exceeded in one calendar year, Invest Bank's right to claim payment under the Guarantee shall not be excluded but the payment shall be deferred to the next calendar year. The Yearly Pay-Out Limit does not apply to the final cash payment.

USE OF PROCEEDS" and "Summary of guarantee agreement" sections of this Shareholder Information Document).

The Capital Increase will be effected by way of a Rights Issue, which will be conducted through the issuance of non-tradeable securities (referred to collectively as the "**Rights**" and each a "**Right**") to shareholders listed in Invest Bank's register of shareholders (referred to collectively as the "**Registered Shareholders**" and each a "**Registered Shareholder**") as at the close of business of the Abu Dhabi Securities Exchange (the "**ADX**") on *Tuesday, August 29, 2023* (the "**Eligibility Date**" or "**Record Date**") at the rate of **81.73576** Rights for every **1** Share held on such date, with

such Rights being deposited into the clearing account or brokerage account of each such Registered Shareholder where his or her existing Shares are held within one day after the Eligibility Date. Each Right grants its holder the eligibility to subscribe for one New Share at the Issue Price.

Subscription for the New Shares will take place from 8.00 a.m. on *Friday, September 8, 2023*, until 2.00 p.m. on *Friday, September 15, 2023* (the “**Subscription Period**”). During that period, subject to the limitations contained in the articles of association of Invest Bank (the “**Articles of Association**”) and applicable UAE law, all holders of Rights (referred to collectively as the “**Eligible Persons**” and each an “**Eligible Person**”) will be allowed to exercise their Rights to subscribe for the New Shares. In addition to exercising their Rights to subscribe for one New Share at the Issue Price for each Right held, Eligible Persons will also be allowed to apply for additional New Shares at the Issue Price (“**Additional New Shares**”), which will be allocated in the event that unsubscribed shares remain, either as a result of the consolidation of the unallocated fractional entitlements to New Shares, or the failure by Eligible Persons to exercise their Rights to subscribe for New Shares in accordance with the terms and conditions of the Rights Issue set out in the “**SUMMARY OF THE RIGHTS ISSUE**” section of this Shareholder Information Document.

The Additional New Shares will be allocated, on a *pro rata* basis, to the Eligible Persons who subscribed for such Additional New Shares, based on the number of Additional New Shares requested by such Eligible Persons. The GoS has agreed with Invest Bank that it will subscribe into a number of New Shares which is equivalent to the total number of Rights which it is entitled to receive and that, if any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of such New Shares up to the total number of the Additional New Shares.

The directors of Invest Bank, whose names are set out in the “**DIRECTORS, MANAGEMENT AND EMPLOYEES**” section of this Shareholder Information Document, each accept responsibility for the information contained in this Shareholder Information Document, including any information incorporated by reference in this Shareholder Information Document as at the date hereof or hereafter. To the best of the knowledge and belief of Invest Bank and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Shareholder Information Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Shareholder Information Document has been prepared by the Board of Directors solely to provide Invest Bank’s shareholders with information regarding the Rights Issue and does not constitute a “Prospectus” approved by the SCA.

Registered Shareholders and other Eligible Persons should seek professional advice and read the whole of this Shareholder Information Document, particularly the “RISK FACTORS” section of this Shareholder Information Document which sets out a discussion of certain factors, risks and uncertainties that should be considered in deciding what action to take in relation to the Rights Issue and when considering whether or not to purchase the New Shares.

First Abu Dhabi Bank PJSC will act as the Lead Receiving bank for the Rights Issue (“**First Abu Dhabi Bank**” or the “**Lead Receiving Bank**”) and will oversee the subscription process. The Lead Receiving Bank shall refund any subscription monies paid in respect of any New Shares or Additional New Shares that are not allocated to the subscriber in accordance with applicable UAE law. Invest Bank has appointed Barclays Bank PLC, acting through its Investment Bank (“**Barclays**”), as the financial advisor (the “**Financial Advisor**”) to provide financial advice and related assistance in relation to the capital raising efforts and First Abu Dhabi Bank PJSC as the lead manager (the “**Lead Manager**”) to coordinate the Rights Issue and make listing arrangements of New Shares with the ADX.

The SCA and the ADX do not take any responsibility for the contents of this Shareholder Information Document, do not make any representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of it.

Legal Advisor

Financial Advisor

*Lead Manager and Lead
Receiving Bank*

Auditors

*Freshfields Bruckhaus
Deringer*

*Barclays Bank PLC,
acting through its
Investment Bank*

First Abu Dhabi Bank

*PricewaterhouseCoopers
(Dubai Branch)*



TABLE OF CONTENTS

SUMMARY OF THE RIGHTS ISSUE	1
TIMETABLE OF PRINCIPAL EVENTS ⁽¹⁾	2
TERMS AND CONDITIONS OF THE RIGHTS ISSUE.....	9
RISK FACTORS	10
SUMMARY OF GUARANTEE AGREEMENT	18
USE OF PROCEEDS	21
DIVIDEND POLICY.....	22
SELECTED FINANCIAL INFORMATION	23
DESCRIPTION OF INVEST BANK P.S.C.....	26
DIRECTORS, MANAGEMENT AND EMPLOYEES	31
TAXATION	39
GENERAL INFORMATION	42
APPENDIX 1: DEFINITIONS.....	44
PARTICIPATING BRANCHES OF FIRST ABU DHABI BANK.....	48
ANNEX 1: INVEST BANK ARTICLES OF ASSOCIATION	50
ANNEX 2: QUESTIONS AND ANSWERS REGARDING THE RIGHTS ISSUE.....	52

IMPORTANT NOTICES

This Shareholder Information Document has been prepared by the Board of Directors solely to provide Registered Shareholders and other Eligible Persons with information regarding the Rights Issue and the New Shares and does not constitute a “Prospectus” for the purposes of applicable UAE law.

Registered Shareholders and other Eligible Persons should review the “RISK FACTORS” section of this Shareholder Information Document for a discussion of certain factors, risks and uncertainties that should be considered in deciding what action to take in relation to the Rights Issue or considering whether or not to purchase New Shares.

Statements contained in this Shareholder Information Document are made as at the date of this Shareholder Information Document unless some other time is specified in relation to them and the publication of this Shareholder Information Document (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of Invest Bank since such date. Nothing contained in this Shareholder Information Document is intended to be, or shall be deemed to be, a forecast, projection or estimate of the current or future financial performance of Invest Bank and no statement in this Shareholder Information Document should be interpreted to mean that Invest Bank’s earnings per share for current or future financial periods will necessarily match or exceed that in respect of previous financial periods.

Barclays has been appointed by Invest Bank as Financial Advisor and First Abu Dhabi Bank has been appointed as the Lead Manager and Lead Receiving Bank. In this capacity, Barclays has agreed to provide financial advice and related assistance to Invest Bank in relation to their capital raising efforts. Barclays has not been requested to provide a fairness opinion or valuation report and therefore, no such opinion or report has been prepared or provided to the Board of Directors. Barclays is acting exclusively as Financial Advisor and First Abu Dhabi Bank is acting exclusively as the Lead Manager and Lead Receiving Bank for Invest Bank for the purposes of the Rights Issue and no one else in connection with the Rights Issue and will not be responsible to anyone other than Invest Bank for providing the protections afforded to clients of Barclays or First Abu Dhabi Bank nor for giving advice in relation to the Rights Issue or any matter or arrangement referred to in this Shareholder Information Document.

The Financial Advisor, Legal Advisor and Lead Manager and Lead Receiving Bank do not accept any responsibility whatsoever for the contents of this Shareholder Information Document, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf in connection with Invest Bank, the Rights Issue or the New Shares.

No person has been authorised to give any information or to make any representations other than those contained in this Shareholder Information Document and, if given or made, such information or representations must not be relied on as having been authorised by Invest Bank.

No person should construe or consider the contents of this Shareholder Information Document as legal, financial or tax advice. All persons should consult their own legal, financial, investment and tax advisors in connection with the matters contained in this Shareholder Information Document.

Save for the financial information incorporated by reference in this Shareholder Information Document (see the “SELECTED FINANCIAL INFORMATION” section of this Shareholder Information Document), neither the content of Invest Bank’s website or any other website, nor the content of any website accessible from hyperlinks on any of such websites, nor any website mentioned in this Shareholder Information Document, forms part of, or is incorporated into, this Shareholder Information Document, and neither Invest Bank nor any of its advisors bears or accepts any responsibility for the contents of such websites.

The New Shares or Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state or other

jurisdiction of the United States of America and accordingly may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States of America except pursuant to registration under the Securities Act or an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States of America. There will be no public offer of New Shares in the United States of America.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Shareholder Information Document may be deemed to be forward-looking statements. The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “targets”, “aims”, “seeks”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue”, “should” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Shareholder Information Document, including, without limitation, those regarding the financial position of Invest Bank, or the business strategy, management plans and objectives for future operations of Invest Bank, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Invest Bank’s actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding Invest Bank’s present, and future, business strategies and the environment in which Invest Bank expects to operate in the future. Important factors that could cause Invest Bank’s actual results, performance or achievements to differ materially from those in the forward-looking statements are discussed in this Shareholder Information Document, see the “RISK FACTORS” section of this Shareholder Information Document.

Forward-looking statements speak only as at the date of this Shareholder Information Document and, without prejudice to any requirements under applicable laws and regulations, Invest Bank expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Shareholder Information Document to reflect any change in the expectations of Invest Bank or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, Invest Bank cannot assure potential investors that projected results or events will be achieved and Invest Bank cautions potential investors not to place undue reliance on these statements.

PUBLICATION, DISTRIBUTION, ACCEPTANCE AND TRANSFER RESTRICTIONS

This Shareholder Information Document is not being published or distributed, and should not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE.

Invest Bank is not taking any action to permit an offering of New Shares or Rights in any jurisdiction outside the UAE. Neither this Shareholder Information Document nor any other document relating to the Rights Issue will be distributed in or into or to any jurisdiction outside the UAE.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The historical financial information referred to in this Shareholder Information Document is based on the audited consolidated financial statements of Invest Bank as at, and for the years ended, 31 December 2021 (together with the audit report thereon, the “**2021 Financial Statements**”) and 31 December 2020 (together with the audit report thereon, the “**2020 Financial Statements**”) and, the unaudited interim condensed consolidated financial statements of Invest Bank for the nine months period ended 30 September 2022 and 30 September 2021 (together with the review report thereon, the “**2022 Interim Financial Statements – September 2022**”) and six-month period ended 30 June 2022 (together with the review report thereon, the “**2022 Interim Financial Statements – June 2022**”). For further details on the financial information and financial statements of Invest Bank, please visit Invest Bank’s website: www.investbank.ae.

The Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards and have been audited in accordance with International Standards on Auditing by PricewaterhouseCoopers (“PWC”), as stated in their reports appearing in the Audited Financial Statements. The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting. Registered Shareholders and other Eligible

Persons should not rely on interim results as being indicative of results Invest Bank may expect for the full year. Invest Bank presents its Financial Statements in UAE Dirhams.

CERTAIN PUBLICLY AVAILABLE INFORMATION

Certain statistical data and other information appearing in this Shareholder Information Document have been extracted from public sources identified in this Shareholder Information Document. Neither the Financial Advisor, Legal Advisor and Lead Manager nor Invest Bank accept any responsibility for the factual correctness of any such statistics or information but Invest Bank accepts responsibility for accurately extracting and transcribing such statistics and information and believes, after due inquiry, that such statistics and information represent the most current publicly available statistics and information from such sources at and for the periods with respect to which they have been presented.

All references in this Shareholder Information Document to “US\$” and “\$” are to the lawful currency of the United States of America and references to “AED”, “Dirham” and “UAE Dirham” are to the lawful currency of the UAE. The UAE Dirham has been pegged to the US\$ since 22 November 1980. The mid-point between the official buying and selling rates for the UAE Dirham is at a fixed rate of AED3.6725 = US\$1.00.

Certain figures and percentages included in this Shareholder Information Document 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 this Shareholder Information Document. 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.

You are advised to read this Shareholder Information Document carefully.

SUMMARY OF THE RIGHTS ISSUE

Recipients of this Shareholder Information Document should read the entire Shareholder Information Document before making a decision as to whether or not to participate in the Rights Issue. This section is a summary of some of the information detailed in this Shareholder Information Document and does not contain all the information that prospective subscribers should carefully review before taking a decision to exercise some or all their Rights and subscribe for or purchase New Shares. Accordingly, any decision by a prospective subscriber to subscribe should be based on a consideration of this Shareholder Information Document as a whole. You should carefully read this entire Shareholder Information Document, particularly the information set forth under the headings “Risk Factors” and “Important Notices” and the Financial Statements and related notes, before making any investment decision.

<i>Nature of the offering</i>	<i>Capital increase by way of a Rights Issue</i>
Share capital before the First Reduction and the Capital Increase	AED3,180,982,143
Total number of Shares before the First Reduction the Capital Increase	3,180,982,143
Nominal value per New Share	AED0.1894046876
Issue discount per New Share	AED0.1794046876
Issue Price per New Share	AED0.01 (1 Fils)
Total number of New Shares	260,000,000,000
Percentage of New Shares to issued Shares after completion of the Capital Increase	98.79%
Total number of Shares after the capital increase	263,180,982,143
Share capital after the capital increase	AED49,847,711,705 – Shareholders to note that following completion of the Capital Increase the share capital will be further reduced to become AED3,202,492,929 pursuant to the Second Reduction.
Financial Advisor	Barclays Bank PLC, acting through its Investment Bank
Lead Manager	First Abu Dhabi Bank PJSC
Lead Receiving Bank	First Abu Dhabi Bank PJSC
Use of proceeds	The issuance of the New Shares pursuant to the Capital Increase and after the Second Reduction will allow Invest Bank to raise an amount of AED2.6 billion. Invest Bank intends to primarily use the

issue proceeds to fund the guarantee fee of AED2.6 billion as consideration to the guarantee provided by the GoS and pursuant to the Guarantee Agreement entered into between Invest Bank and the GoS, as more fully described in the “Guarantee Agreement Between Invest Bank and the Government of Sharjah

The GoS has decided to grant a guarantee to Invest Bank with respect to a portfolio of loans and other assets. The purpose of the Guarantee is to protect Invest Bank against losses in the net book value of the assets in the portfolio. For this purpose, a guarantee agreement governed by the laws of the United Arab Emirates is to be concluded between Invest Bank and the GoS. At the same time, Invest Bank intends to raise funds in 2023 through a Capital Increase by way of a Rights Issue. The funds raised shall (in part or in whole) be used by Invest Bank to satisfy the fee for the Guarantee. The parties’ obligations under the Guarantee shall be conditional upon the Capital Increase. This following summary comprises the main pillars and the mechanism of the Guarantee Agreement and does not represent all provisions.

Covered Portfolio and Compensation

The Guarantee shall cover a specified portfolio consisting of (i) items where Invest Bank has the right to request a payment, including credit engagements in the loan book (core & non-core) and certain foreign central bank balances (each a “**Reference Obligation**”) as well as (ii) other assets, including repossessed real estate (each a “**Reference Asset**”), each as held by Invest Bank as of 30 September 2021.

For Reference Obligations, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the initial net book value as of 30 September 2021 set out in the annex to the Guarantee Agreement (the “**Initial Net Book Value**”) of a Reference Obligation. This comprises (i) situations where Invest Bank takes the decision to write off (in full or in part) the Reference Obligation; (ii) situations where Invest Bank sells a Reference Obligation at a price below the Initial Net Book Value of the Reference Obligation; or (iii) any realization in connection with Invest Bank’s balances at the Central Bank of Lebanon (Banque du Liban) that is caused in compliance with Invest Bank’s internal policies and that, irrespective of the reason, is below the Initial Net Book Value shall be treated in the same way as a write-off, in cases where a write-off is not possible and there is no reasonable prospect of a future recovery. In case of a write-off, the amount to be replaced is the amount of the Initial Net Book Value that is written off and in case of a sale, the amount to be compensated is the amount by which the sale price falls short of the Initial Net Book Value. Furthermore, all external costs incurred by Invest Bank in connection with a write-off or a sale shall be compensated.

For Reference Assets, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the Initial Net Book Value of a Reference Asset plus all related external costs incurred by Invest Bank after 30 September 2021. Invest Bank’s claim to be

compensated with regard to the Reference Assets under the Guarantee shall only become due at the time a loss is final because (i) the Reference Asset has left Invest Bank's balance sheet or (ii) there is no reasonable prospect for a recovery of the net book value in the future. In addition, the GoS shall reimburse Invest Bank for all expenses necessary to maintain the value of the Reference Assets if such expenses for all Reference Assets in the aggregate exceed the aggregate ongoing income from all Reference Assets by 10 percent. ("**Excess Expenses**").

Any recoveries with regard to the covered portfolio up to the Initial Net Book value of a Reference Obligation or Reference Asset will be taken into account in the calculation of the amount to be compensated and shall not result in a benefit for Invest Bank.

Regular payments under the Guarantee shall be made quarterly. For this purpose, Invest Bank shall send a notice to the GoS on a quarterly basis setting out the amount to be paid for the preceding quarter. The GoS has the right to review the requested compensation under the Guarantee.

Guarantee Fee

Invest Bank shall pay to the GoS a fee of AED2,600,000,000 as consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement. Invest Bank's obligation to pay the Guarantee Fee shall be satisfied by (i) Invest Bank paying to the GoS a cash amount which is equal to the Guarantee Fee, (ii) Invest Bank offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase and which is equal to the Guarantee Fee, or (iii) Invest Bank paying to the GoS a cash amount and offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase, provided that the aggregate of such amounts shall be equal to the Guarantee Fee. The satisfaction of the Guarantee Fee shall be due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase.

Right of First Refusal

Where Invest Bank has received a binding offer from a third party for the sale of a Reference Asset wholly owned by Invest Bank and with an Initial Net Book Value of more than AED10,000,000 and Invest Bank intends to sell the Reference Asset to such third party at the terms of such a binding offer, the GoS shall have a right of first refusal.

Termination and Final Settlement

The GoS shall have no ordinary termination right.

However, the GoS shall be entitled to withdraw from the Guarantee Agreement in writing with immediate effect if the number of shares allocated to the GoS at the conclusion of the second subscription period of the rights issue in connection with the Capital Increase would result in the GoS's stake in Invest Bank being less than 75

percent of Invest Bank’s shares on a fully diluted basis immediately after the rights issue (the “**Extraordinary Termination Right**”). If the Extraordinary Termination Right is exercised, (i) all services and payments exchanged under the Guarantee Agreement up to this point shall be reversed (this applies in particular to the settlement of the Guarantee Fee, irrespective of whether it is made by means of a cash payment or by way of set-off) and (ii) Invest Bank shall take all actions to reverse and cancel the rights issue and the Capital Increase.

The Guarantee shall automatically terminate on the last day of the calendar quarter in which the fifth anniversary of the date on which the Guarantee became legally effective.

If and to the extent compensation under the Guarantee is still possible on the date of automatic termination, the Guarantee shall be settled by way of a final cash payment by the GoS to Invest Bank which shall be a compensation for all future amounts that would have been expected to be paid out by the GoS to Invest Bank under the Guarantee if the Guarantee had not been terminated. For each Reference Obligation and each Reference Asset the compensation shall consist of the amount by which the net book value at the termination date falls short of the Initial Net Book Value plus a reasonable estimate for external costs and the Excess Expenses.

Limitations

The aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account any recoveries and the final cash payment, shall not exceed an amount of AED3,000,000,000. For each individual calendar year, the coverage of Excess Expenses and external cost shall not exceed an amount of AED30,000,000 but the parties shall in good faith discuss any additional coverage of external cost and Excess Expenses by the GoS that is reasonably necessary to minimize any amounts to be compensated under the Guarantee or to enable any recoveries. Furthermore, for each individual calendar year aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account recoveries, shall not exceed an amount of AED800,000,000 (the “**Yearly Pay-Out Limit**”). However, if and to the extent the Yearly Pay-Out Limit would be exceeded in one calendar year, Invest Bank’s right to claim payment under the Guarantee shall not be excluded but the payment shall be deferred to the next calendar year. The Yearly Pay-Out Limit does not apply to the final cash payment.

USE OF PROCEEDS” and “Summary of guarantee agreement” sections of this Shareholder Information Document.

Eligibility Date	Tuesday, August 29, 2023
Registered Shareholder	Each shareholder listed in Invest Bank’s register of shareholders as at the close of business of the ADX on the Eligibility Date.
Rights	The Rights are securities giving their holders the eligibility to subscribe to the New Shares. Each Registered Shareholder on the

Eligibility Date will receive **81.73576** Rights for every **1** Share held on such date. Each Right grants its holder eligibility to subscribe to one New Share at the Issue Price. Right entitlements will be rounded down to the nearest whole number of Rights.

Such Rights will be deposited into the clearing account or brokerage account of each such Registered Shareholder where his or her existing Shares are held within one day of the Eligibility Date. The Rights will appear in the accounts of each such Registered Shareholder under a new symbol “**INVESTBRI23**” specifying the Rights.

Registered Shareholders must ensure that their name is reflected in Invest Bank’s share register held by the ADX and that they have an investor number on the ADX or shareholder code in order to receive or exercise their Rights.

If the Registered Shareholders do not exercise their Rights to subscribe for the New Shares pursuant to the Rights Issue no later than the last date for submission of applications and payment of their full price as set out in this invitation, or if such Registered Shareholders fail to participate in the Rights Issue, their percentage of ownership and their voting rights in Invest Bank will be reduced and the percentage represented by their current shares in the share capital of Invest Bank will be reduced.

Total number of Rights	260,000,000,000 rights.
Eligible Persons	Subject to the limitations set out in the Articles of Association and applicable UAE law, all holders of Rights as of the Eligibility Date.
Rights Eligibility	<p>The ADX will add the balance of the Shareholders’ Rights in the amount of approximately 81.73576 Rights for every 1 Share held on the Eligibility Date to their respective accounts maintained by the respective brokerage firms or CDS account with ADX, noting that the Rights will not be tradeable.</p> <p>Registered Shareholders who do not exercise their Rights to subscribe for the New Shares during the Subscription Period will suffer an immediate dilution in their interest in Invest Bank, without prejudice to the number of shares registered for any of them.</p>
Subscription Period	During the period from 8.00 a.m. on <i>Friday, September 8, 2023</i> , until 2.00 p.m. on <i>Friday, September 15, 2023</i> , Eligible Persons may exercise their Rights to subscribe for the New Shares. Subscription forms will be accepted at the participating branches of First Abu Dhabi Bank during the normal business hours of each such branch in addition to First Abu Dhabi Bank electronic subscription channels. The subscription for the New Shares shall be approved, subject to the other terms and conditions of the Rights Issue, provided that such Eligible Persons hold sufficient Rights in their relevant account.
Allotment Policy	<p>The allotment of the New Shares will be as stated, and in the same order of priority, below:</p> <ul style="list-style-type: none">- First, to Eligible Persons who subscribe for New Shares in an amount equal to the number of New Shares for which they have

applied, to the extent that such number is equal to or less than the number of Rights they hold.

- **Second**, to the extent that any New Shares remain unsubscribed thereafter, to Eligible Persons who subscribe for Additional New Shares in an amount equal to the number of Additional New Shares for which they have applied in excess of the number of Rights they respectively hold.
- The allocation of Additional New Shares to Eligible Persons who have subscribed for Additional New Shares will be allocated after allocations to Eligible Persons who have subscribed for a number of New Shares equal to or less than the number of Rights they hold will be on a pro rata basis, scaled back (if necessary) in accordance with the proportion that the number of Additional New Shares requested by the Eligible Person represents to the total number of Additional New Shares requested by all Eligible Persons who subscribed for Additional New Shares. There is, therefore, no guarantee that Eligible Persons applying for Additional New Shares will receive the number of Additional New Shares for which they applied. No Eligible Person will receive more New Shares than the number for which they subscribed during the Subscription Period.
- **Third**, the GoS has agreed with the Bank that it will subscribe to a number of New Shares which is equivalent to the total number of Rights that it is entitled to receive and that, if any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of such New Shares up to the total number of the Additional New Shares.

How to subscribe for New Shares

D. Subscription Applications

Subscription applications are available at the participating branches (see the “PARTICIPATING BRANCHES OF FIRST ABU DHABI BANK ” section of this Shareholder Information Document).

Each subscriber may submit a subscription application (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another subscriber, in which case the subscription application will be submitted in the name of such subscriber) or (ii) in the case of a subscription application by a corporate entity, in its corporate name.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to the Lead Receiving Bank together with the subscription amount during the Subscription Period.

The completed subscription application should be clear and fully legible. If it is not, the Lead Receiving Bank shall refuse to accept the subscription application from the subscriber until the latter satisfies all the required information or documentation before the close of the subscription.

Subscription for New Shares would deem the subscriber to have accepted the terms of this Shareholder Information Document and Articles of Association of Invest Bank and complied with all the resolutions issued by the Invest Bank’s GA meeting. Any conditions

added to the subscription application shall be deemed null and void. The subscription application should only be fully completed after reviewing this Shareholder Information Document and Invest Bank's Articles of Association. The subscription application then needs to be submitted to any of the Lead Receiving Bank's participating branches mentioned under PARTICIPATING BRANCHES OF FIRST ABU DHABI BANK or through electronic channels.

Electronic subscription (E-subscription)

The Lead Receiving Bank may also have its own electronic channels (on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKteta IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the terms and conditions on behalf of the subscriber and is the relevant Lead Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the account in favour of "**Invest Bank PSC - RI**" held at the Lead Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Shareholder Information Document will not apply to electronic applications under this section. Notification of the final allocation of New Shares and the refund of proceeds for unallocated New Shares (if any) and any profit thereon following the closing of the Subscription Period and prior to the listing of the shares shall be performed solely by, and processed through, the Lead Receiving Bank in which the electronic subscription application was submitted.

First Abu Dhabi Bank – E-subscription

4. Access <https://www.bankfab.com/en-ae/cib/iposubscription>.
5. Refer to the "how to subscribe page" and follow the instructions and submit subscriptions for the UAE retail tranche.
6. First Abu Dhabi Bank mobile banking application (for First Abu Dhabi Bank clients).

In case of any issues or support required, please contact First Abu Dhabi Bank call centre at +971 02 616 1800.

The subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the subscriber or his or her representative.

The Lead Receiving Bank may reject subscription applications submitted by any subscriber for any of the following reasons:

- n. If the subscriber details are not found in the final share register of Invest Bank as at the Eligibility Date;
- o. The subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no offer participant takes responsibility for non-receipt of

- an allotment of New Shares if the address of the subscribers is not filled in correctly);
- p. The subscription application amount is paid using a method that is not a permitted method of payment;
 - q. The subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the New Shares;
 - r. The completed subscription application form is not clear and fully legible;
 - s. the manager's cheque is returned for any reason;
 - t. If the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Lead Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
 - u. If the NIN is not made available to ADX or if the NIN is incorrect;
 - v. if the subscription application is otherwise found not to be in accordance with the terms of this Shareholder Information Document;
 - w. If the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another subscriber);
 - x. a subscriber has not adhered to the rules applicable to the New Shares;
 - y. If it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the CCL, the Articles of Association, this Shareholder Information Document or the requirements of the SCA or the ADX; or
 - z. if for any reason, or
 - aa. FTS/SWIFT/online/mobile subscription channels transfer fails or the required information in the special fields is not enough to process the application.

The Lead Receiving Bank may reject the application for any of the reasons listed above at any time until the allocation of the New Shares and have no obligation to inform the subscribers before the notification of the allocation of New Shares to such rejected subscribers.

E. Documents accompanying subscription applications

Subscribers shall submit the following documents along with their subscription application forms:

3. For *individuals* who are UAE or GCC nationals or nationals of any other country:
 - The original passport or EID and a copy thereof.
 - The original and copy of the special power of attorney legalized by the notary public, if the applicant is an agent of the shareholder along with a copy of the principal's ID.
 - NIN with ADX/ Shareholder code

4. For *corporate bodies* including banks, financial institutions, investment funds and other companies and establishments (i.e., juridical persons):
- The original and copy of the trade license. If the institution is a public one, a copy of the law, the decree or resolution approving its establishment must be attached.
 - A copy of signature authorization.
 - The ID of the authorized person.
 - National Investor Number with ADX.

F. Method of subscription and payment for the New Shares

The subscription application must be submitted by a subscriber to the Lead Receiving Bank listed in this Shareholder Information Document and the NIN with ADX and the subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the New Shares, which is to be paid in one of the following ways:

- Certified bank cheque (“**Manager’s Cheque**”) drawn on a bank licensed and operating in the UAE, in favour of “**INVEST BANK PSC – RI**”;
- Debiting a subscriber's account with the Lead Receiving Bank; or
- Electronic subscriptions (please refer to the section on electronic subscriptions below).

Details of the subscriber's bank account must be completed on the subscription application form even if the application amount will be paid by Manager's Cheque.

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

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

Please refer to PARTICIPATING BRANCHES OF FIRST ABU DHABI BANK for the list of participating branches of the Lead Receiving Bank.

Commitment from GoS

Invest Bank has obtained a letter from GoS confirming that the GoS has agreed with the Bank that it will subscribe into a number of New Shares which is equivalent to the total number of Rights which it is entitled to received and that, if any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of New Shares up to the total number of the Additional New Shares.

Guarantee Fee Payment

Invest Bank shall pay to the GoS a fee of AED2,600,000,000 as consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement. Invest Bank's obligation to pay the Guarantee Fee shall be satisfied by (i) Invest Bank paying to the GoS a cash amount which is equal to the Guarantee Fee, (ii) Invest Bank offsetting an amount which is due from the GoS to Invest Bank

under the Capital Increase and which is equal to the Guarantee Fee, or (iii) Invest Bank paying to the GoS a cash amount and offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase, provided that the aggregate of such amounts shall be equal to the Guarantee Fee. The satisfaction of the Guarantee Fee shall be due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase.

Risk factors

There are certain risks related to investing in the Rights and the New Shares. These risks must be carefully considered prior to any decision to subscribe for the New Shares. Prospective subscribers should carefully read this entire Shareholder Information Document, particularly the information set forth under the headings “*Risk factors*” and “*Important notices*” and the Financial Statements, before making any investment decision.

TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾

The times and dates set out in this expected timetable of principal events and mentioned throughout the Shareholder Information Document may be adjusted by Invest Bank, in which event details of the new times and/or dates will be notified to Eligible Persons in two UAE daily Arabic language newspapers and one UAE daily English language newspaper and in the English and Arabic languages on Invest Bank's website (www.investbank.ae).

<u>Event</u>	<u>Date</u>
Invest Bank GA meeting.....	<i>Thursday, April 27, 2023</i>
Announcement of results of the GA meeting.....	<i>Thursday, April 27, 2023</i>
Publication of the invitation to subscribe for New Shares and participate in the Rights Issue published in two daily newspapers in the UAE (one in Arabic and one in English)	<i>Monday, August 14, 2023</i>
Eligibility Date of Rights	<i>Close of business of the ADX on Tuesday, August 29, 2023</i>
Subscription opening date.....	<i>Friday, September 8, 2023</i>
Subscription closing date	<i>Friday, September 15, 2023</i>
Last day for subscription by cheques.....	<i>Wednesday, September 13, 2023</i>
Last day for online subscription.....	<i>Thursday, September 14, 2023</i>
Date of allocation of New Shares and SMS notification to allottees	<i>Friday, September 22, 2023</i>
Commencement of Refunds and dispatch of allotment letters to allottees	<i>Monday, September 25, 2023</i>
Listing of New Shares on the ADX	<i>On or around Thursday, September 28, 2023</i> ⁽²⁾
Trading of Invest Bank's shares on the ADX	<i>To be determined.</i> ⁽³⁾

Notes:

(1) The dates for the Rights Issue set out above are indicative only and are subject to change, including if any date falls on an official public holiday in the UAE. In such circumstances, details of the new dates will be notified to shareholders in two daily newspapers in the UAE (one in English and one in Arabic) and on Invest Bank's website: www.investbank.ae.

(2) Subject to the regulatory approval of acceptance of subscriptions.

(3) Shareholders are to note that Invest Bank's shares (old and New Shares) will be traded upon submission of all relevant documents by Invest Bank to the ADX and the ADX lifting the suspension of trading of Invest Bank's shares.

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

All Eligible Persons must carefully read the following terms and conditions of the Rights Issue prior to completing the subscription form. The signing of the subscription form and the delivery of it to the Lead Receiving Bank or the completion of the subscription form electronically constitutes acceptance of, and agreement to, these terms and conditions of the Rights Issue and, once accepted by Invest Bank, is considered a binding agreement between Invest Bank and the Eligible Person.

Introduction

The Board of Directors recommended in its resolution passed on 25 January 2023 that Invest Bank's issued capital, following the implementation of the Capital Solution Plan, be increased from AED 3,180,982,143 to AED3,202,492,929 after obtaining the necessary regulatory approvals and approval of the shareholders of Invest Bank. On 27 April 2023, the GA authorised the increase in Invest Bank's share capital by way of the Rights Issue. The Rights Issue will be in respect of 260,000,000,000 New Shares, to be issued at an Issue Price of AED0.01 (1 Fils) per New Share, reflecting the nominal value of AED0.1894046876 per New Share and a share discount of AED0.1794046876 per New Share.

The issuance of the New Shares pursuant to the Rights Issue and following the Capital Increase will increase Invest Bank's issued share capital to AED49,847,711,705 divided into 263,180,982,143 ordinary shares, each with a nominal value of AED0.1894046876 per share and an Issue Price of AED0.01 (1 Fils). Following the Second Reduction, Invest Bank's issued share capital will be reduced to AED3,202,492,929 divided into 263,180,982,143 shares, each with a nominal value of AED0.012168406. Invest Bank intends to use the issue proceeds to fund the guarantee fee of AED2.6 billion as consideration to the guarantee provided by the GoS and pursuant to the Guarantee Agreement entered into between Invest Bank and the GoS, as more fully described in the "Guarantee Agreement Between Invest Bank and the Government of Sharjah

The GoS has decided to grant a guarantee to Invest Bank with respect to a portfolio of loans and other assets. The purpose of the Guarantee is to protect Invest Bank against losses in the net book value of the assets in the portfolio. For this purpose, a guarantee agreement governed by the laws of the United Arab Emirates is to be concluded between Invest Bank and the GoS. At the same time, Invest Bank intends to raise funds in 2023 through a Capital Increase by way of a Rights Issue. The funds raised shall (in part or in whole) be used by Invest Bank to satisfy the fee for the Guarantee. The parties' obligations under the Guarantee shall be conditional upon the Capital Increase. This following summary comprises the main pillars and the mechanism of the Guarantee Agreement and does not represent all provisions.

Covered Portfolio and Compensation

The Guarantee shall cover a specified portfolio consisting of (i) items where Invest Bank has the right to request a payment, including credit engagements in the loan book (core & non-core) and certain foreign central bank balances (each a "**Reference Obligation**") as well as (ii) other assets, including repossessed real estate (each a "**Reference Asset**"), each as held by Invest Bank as of 30 September 2021.

For Reference Obligations, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the initial net book value as of 30 September 2021 set out in the annex to the Guarantee Agreement (the "**Initial Net Book Value**") of a Reference Obligation. This comprises (i) situations where Invest Bank takes the decision to write off (in full or in part) the Reference Obligation; (ii) situations where Invest Bank sells a Reference Obligation at a price below the Initial Net Book Value of the Reference Obligation; or (iii) any realization in connection with Invest Bank's balances at the Central Bank of Lebanon (Banque du Liban) that is caused in compliance with Invest Bank's internal policies and that, irrespective of the reason, is below the Initial Net Book Value shall be treated

in the same way as a write-off, in cases where a write-off is not possible and there is no reasonable prospect of a future recovery. In case of a write-off, the amount to be replaced is the amount of the Initial Net Book Value that is written off and in case of a sale, the amount to be compensated is the amount by which the sale price falls short of the Initial Net Book Value. Furthermore, all external costs incurred by Invest Bank in connection with a write-off or a sale shall be compensated.

For Reference Assets, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the Initial Net Book Value of a Reference Asset plus all related external costs incurred by Invest Bank after 30 September 2021. Invest Bank's claim to be compensated with regard to the Reference Assets under the Guarantee shall only become due at the time a loss is final because (i) the Reference Asset has left Invest Bank's balance sheet or (ii) there is no reasonable prospect for a recovery of the net book value in the future. In addition, the GoS shall reimburse Invest Bank for all expenses necessary to maintain the value of the Reference Assets if such expenses for all Reference Assets in the aggregate exceed the aggregate ongoing income from all Reference Assets by 10 percent. ("**Excess Expenses**").

Any recoveries with regard to the covered portfolio up to the Initial Net Book value of a Reference Obligation or Reference Asset will be taken into account in the calculation of the amount to be compensated and shall not result in a benefit for Invest Bank.

Regular payments under the Guarantee shall be made quarterly. For this purpose, Invest Bank shall send a notice to the GoS on a quarterly basis setting out the amount to be paid for the preceding quarter. The GoS has the right to review the requested compensation under the Guarantee.

Guarantee Fee

Invest Bank shall pay to the GoS a fee of AED2,600,000,000 as consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement. Invest Bank's obligation to pay the Guarantee Fee shall be satisfied by (i) Invest Bank paying to the GoS a cash amount which is equal to the Guarantee Fee, (ii) Invest Bank offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase and which is equal to the Guarantee Fee, or (iii) Invest Bank paying to the GoS a cash amount and offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase, provided that the aggregate of such amounts shall be equal to the Guarantee Fee. The satisfaction of the Guarantee Fee shall be due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase.

Right of First Refusal

Where Invest Bank has received a binding offer from a third party for the sale of a Reference Asset wholly owned by Invest Bank and with an Initial Net Book Value of more than AED10,000,000 and Invest Bank intends to sell the Reference Asset to such third party at the terms of such a binding offer, the GoS shall have a right of first refusal.

Termination and Final Settlement

The GoS shall have no ordinary termination right.

However, the GoS shall be entitled to withdraw from the Guarantee Agreement in writing with immediate effect if the number of shares allocated to the GoS at the conclusion of the second subscription period of the rights issue in connection with the Capital Increase would result in the GoS's stake in Invest Bank being less than 75 percent of Invest Bank's shares on a fully diluted basis immediately after the rights issue (the "**Extraordinary Termination Right**"). If the Extraordinary Termination Right is exercised, (i) all services and payments exchanged under the Guarantee Agreement up to this point shall be reversed (this applies in particular to the settlement of the Guarantee

Fee, irrespective of whether it is made by means of a cash payment or by way of set-off) and (ii) Invest Bank shall take all actions to reverse and cancel the rights issue and the Capital Increase.

The Guarantee shall automatically terminate on the last day of the calendar quarter in which the fifth anniversary of the date on which the Guarantee became legally effective.

If and to the extent compensation under the Guarantee is still possible on the date of automatic termination, the Guarantee shall be settled by way of a final cash payment by the GoS to Invest Bank which shall be a compensation for all future amounts that would have been expected to be paid out by the GoS to Invest Bank under the Guarantee if the Guarantee had not been terminated. For each Reference Obligation and each Reference Asset the compensation shall consist of the amount by which the net book value at the termination date falls short of the Initial Net Book Value plus a reasonable estimate for external costs and the Excess Expenses.

Limitations

The aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account any recoveries and the final cash payment, shall not exceed an amount of AED3,000,000,000. For each individual calendar year, the coverage of Excess Expenses and external cost shall not exceed an amount of AED30,000,000 but the parties shall in good faith discuss any additional coverage of external cost and Excess Expenses by the GoS that is reasonably necessary to minimize any amounts to be compensated under the Guarantee or to enable any recoveries. Furthermore, for each individual calendar year aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account recoveries, shall not exceed an amount of AED800,000,000 (the “**Yearly Pay-Out Limit**”). However, if and to the extent the Yearly Pay-Out Limit would be exceeded in one calendar year, Invest Bank’s right to claim payment under the Guarantee shall not be excluded but the payment shall be deferred to the next calendar year. The Yearly Pay-Out Limit does not apply to the final cash payment.

USE OF PROCEEDS” and “Summary of guarantee agreement” sections of this Shareholder Information Document.

Receipt of Rights

The Rights Issue will be conducted through the issue of Rights to the Registered Shareholders of Invest Bank as at the close of business of the ADX on the Eligibility Date in the amount of **81.73576** Rights for every **1** Share held on such date, with such Rights being deposited into the clearing account or brokerage account of each such Registered Shareholder where his or her existing Shares are held within one day of the Eligibility Date. Right entitlements will be rounded down to the nearest whole number of Rights and Registered Shareholders will not receive a Right in respect of the fraction of any Rights.

Registered Shareholders must ensure that their name is reflected in Invest Bank’s share register held by the ADX and that they have an investor number on the ADX in order to receive or exercise their Rights. If a Registered Shareholder has not received their Rights but believes that he or she should have received such Rights, he or she should contact their ADX broker or the ADX directly on 800-ADX (800-239).

The GoS Undertaking

The GoS has agreed with Invest Bank that it will subscribe to a number of New Shares which is equivalent to the total number of Rights which it is entitled to receive and that, if any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of such New Shares up to the total number of the Additional New Shares.

In accordance with the Central Bank Law and Central Bank National Shareholding in Banks Regulation, 60 percent of the Shares must be owned by UAE nationals.

Please refer to the “ANNEX 1: INVEST BANK ARTICLES OF ASSOCIATION*Error! Reference source not found.*” section of this Shareholder Information Document for further information.

RISK FACTORS

Any investment in the Rights or the New Shares is subject to a number of risks and uncertainties. Before deciding whether or not to invest in the New Shares pursuant to the Rights Issue, Registered Shareholders, investors and other Eligible Persons should carefully consider the following risks, together with all other information contained in, or incorporated by reference into, this Shareholder Information Document. The following risks address the existing and future material risks to Invest Bank's business. The risks and uncertainties described below are not the only ones faced by Invest Bank. Additional risks and uncertainties not presently known to Invest Bank, or which Invest Bank currently considers to be immaterial, may also have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects. In such a case, the market price of the shares of Invest Bank may decline and shareholders of Invest Bank may lose all or part of their investment in the New Shares.

Risks relating to Invest Bank

In the course of its business activities, Invest Bank is exposed to a variety of risks, including those set out below. Whilst Invest Bank believes it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to adequately control these risks or predict unexpected market events that are beyond the control of Invest Bank, could be greater than anticipated and could result in a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Credit risk

Credit risk arising from adverse changes in the credit quality and recoverability of financings, advances and amounts due from counterparties is inherent in a wide range of Invest Bank's businesses. Credit risk could arise from a deterioration in the credit quality of specific counterparties of Invest Bank, from a general deterioration in local or global economic conditions or from systemic risks with the financial systems, all of which could affect the recoverability and value of Invest Bank's assets and require an increase in Invest Bank's provisions for the impairment of its assets and other credit exposures which could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

To control credit risk, Invest Bank maintains documented risk management policies, process, procedures and controls and monitors credit exposures across a number of customer segments and limits exposures by geographic region and industry sector by requiring approval by the Risk Management Department (the "**RMD**"), the Board of Directors and its respective Board subcommittee and the regulatory authorities when exposures exceed a set limit or term to avoid undue concentration of risk with individuals or Invest Banks of customers, and by obtaining security when appropriate. In this regard it should be noted that Invest Bank's related party exposure, as reported in the Audited Financial Statements, and any other exposures that from time to time exceed regulatory large exposure limits are submitted for approval to the Central Bank of the UAE (the "**Central Bank**"). Furthermore, Invest Bank maintains a monitoring process over all its risk portfolios that is designed to encourage early notification of changes in creditworthiness and timely escalation of any such changes to the RMD, the Board Audit Committee, the Board Credit Committee, and/or the Board of Directors, in accordance with a predetermined approval authority framework and delegation of authority. There can be no assurance, however, that these controls and procedures will be successful in eliminating such credit risk.

Real estate exposure and investment risk

A significant portion of Invest Bank's credit risk is related to real estate and contracting exposure risk, which is the credit risk associated with providing financing to customers for the purpose of acquiring real estate, either for their own personal use or for investment purposes, where financing to the client is secured by real estate as collateral. Any downturn in the real estate market or default of Invest Bank's

main real estate related clients could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects. While Invest Bank 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 such policies and procedures will be successful, or that any collateral will be readily recoverable in the event of a default.

Asset concentration risk

Due to concentrations in the financing and deposit portfolio, Invest Bank is subject to the risk of default by its larger customers either from exposure to particular sectors of the UAE economy that may underperform or from withdrawal of large deposits. The financing and receivables portfolio of Invest Bank shows country, industry and customer concentrations.

Invest Bank's financial assets are heavily concentrated, geographically, in the UAE. See "*Risks relating to Invest Bank – Political, economic and related risk*" for the risks associated with the global financial crises. In addition, the composition of Invest Bank's financing and deposit portfolio will change from time to time, and in some circumstances the portfolio may contain a concentration of exposure to particular industries or sectors, governmental entities, government-related entities, companies or individuals.

As at **30 June 2022**, Invest Bank had AED11.9 billion of gross financing (as defined in the "SELECTED FINANCIAL INFORMATION" section of this Shareholder Information Document) located in the UAE, representing 98 percent. of its total Gross Financing.

As a result of the concentration of Invest Bank's financing assets in the UAE, any deterioration in general economic conditions in the UAE or any failure of Invest Bank to effectively manage its risk concentrations could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Although Invest Bank considers that it has adequate access to sources of funding, the withdrawal of a significant portion of deposits may have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects, as well as its ability to meet the Central Bank target stable resources ratio. In terms of deposit concentrations, Invest Bank's 20 largest depositors accounted for 66 percent. of Invest Bank's total customer deposits as at 30 September 2022.

COVID-19 Recovery

The outbreak of COVID-19 on a global scale led to a number of precautionary measures across the globe and resulted in temporary closure of many businesses. The curfews and lockdown measures and slower economic activity in the UAE had a significant adverse impact on the banking sector, including on Invest Bank. Lower transaction volumes resulted in lower fees and commission income while the impact of non-oil gross domestic product (GDP) contraction, lower oil prices and lockdown measures increased the level of uncertainty around cash flows for certain customers of Invest Bank, which led to further deterioration in the loan book and caused delays in finalization of a capital remediation plan.

Liquidity risk

Liquidity risk is the risk that Invest Bank does not have sufficient funds available at all times to meet its contractual obligations. Invest Bank manages this risk by holding a stock of highly liquid assets which can be readily realised for cash and by actively managing the liquidity profile of its assets and liabilities. However, Invest Bank's liquidity may be adversely affected by a number of factors, including significant unforeseen changes in interest rates, rating downgrades, higher than anticipated losses on investments and disruptions in the financial markets generally. Invest Bank's inability to access funds or markets from which it raises funds may put Invest Bank's access to liquidity at risk, which could affect its ability to finance operations adequately. A dislocated credit environment creates the risk that

Invest Bank will not be able to access funds on favourable terms. These and other factors could also lead creditors to form a negative view of Invest Bank's liquidity, which could result in less favourable credit ratings, higher funding costs and less accessible funds.

Furthermore, in circumstances where financial institutions generally have ongoing limitations on their access to other sources of funding such as wholesale market derived funding, Invest Bank's access to funds and its cost of funding (interest paid or expected to be paid) may be adversely affected. All of these factors related to liquidity risk could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Market risk

Changes in exchange rates, interest rates and market prices could adversely affect the market value of Invest Bank's portfolios and positions in financial instruments, which could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects. The RMD, Board and Board respective committee approves market risk limits based on defined risk appetite and allocated capital, and the treasury function manages Invest Bank's market risk within this framework. Invest Bank's chief risk officer oversees an independent risk governance function with the aim of making the market risk profile transparent to senior management, the Board of Directors and regulators. However, there can be no assurance that such policies will be successful in eliminating or reducing market risk and should any of these measures fail to operate as intended, Invest Bank's business, reputation, financial condition, results of operations and prospects may be adversely affected.

Regional risk

Investors should note that Invest Bank is incorporated in the UAE and has the majority of its operations and assets located in the UAE. 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. 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. As a result of prevailing financial and economic crisis in Lebanon, the Bank has obtained the Central Bank of Lebanon's approval to liquidate the branch. Invest Bank's management is assessing whether to proceed with the process of liquidation or not.

Operational risk

Operational risk and losses can result from inadequate or failed internal processes, decisions and/or actions of people, systems failures and external events. Operational risk and losses are categorised as follows: (i) fraud; (ii) employment practices and workplace safety; (iii) clients, products, and business practice; (iv) damage to physical assets; (v) business disruption and systems failures; and (vi) execution, delivery, and process management.

Although Invest Bank has established a detailed operational risk management framework embedded across Invest Bank, devotes substantial resources to manage operational risk and maintains appropriate insurances against certain operational losses, it is not possible to entirely eliminate operational risks and subsequent impacts. As such, there are no assurances that such measures will continue to mitigate operational risk and should any of these measures fail to operate as intended, Invest Bank's business, reputation, financial condition, results of operations and prospects may be adversely affected.

Technology risk

Banks, including Invest Bank, rely on technology. External attacks on banks' information technology systems, and those of their clients, have become increasingly common in the Gulf Cooperation Council

(“GCC”) and worldwide. The introduction of digital channels, automated and interactive teller machines and other technology-based utility services has increased technology risk – for example, the risk that Invest Bank’s data centres may become subject to failures in systems and/or infrastructure such as networks, firewalls, storage, servers and telecommunications services (which failures could result from, for example, limited capacity, out-of-support technology, service-provider quality and natural disasters). Invest Bank continues to invest in strengthening the cyber security, business continuity, recovery planning and related resources in order to mitigate such risks; however, there remains the possibility of, amongst other things, a data leak, a successful cyber or similar attack and/or failure of a new or existing system or gaps in user acceptance tests. As such, there are no assurances that Invest Bank’s preventative measures will continue to mitigate technology risk. Should any of these measures fail to operate as intended, Invest Bank’s business, reputation, financial condition, results of operations and prospects may be adversely affected.

Legal risk

Legal risk is the risk of losses occurring due to legal or regulatory action that invalidates or otherwise precludes performance by Invest Bank or any of its counterparties under the terms of its contractual agreements. Additionally, Invest Bank may face certain legal risks from private actions brought against it. Invest Bank aims to mitigate these risks through properly reviewed documentation and by seeking appropriate legal advice when necessary. However, generally, as a participant in the regulated financial services industry, it is likely that Invest Bank may experience, from time to time, a level of litigation and regulatory scrutiny related to its businesses and operations which may, if adversely determined, have an impact on Invest Bank’s business, reputation, financial condition, results of operations and prospects.

Key personnel dependency risk

Revenues of Invest Bank will depend, in part, on Invest Bank’s ability to continue to attract, retain and motivate qualified and skilled personnel. Invest Bank relies on its senior management for the implementation of its strategy and its day-to-day operations. There is competition in the UAE for hiring skilled personnel, especially at the senior management level, due to a disproportionately low number of available qualified and/or experienced individuals compared to current demand. If Invest Bank were unable to retain key members of its senior management and/or hire new qualified personnel in a timely manner, this could have a material adverse effect on the operations of Invest Bank. The loss of any member of the senior management team may result in: (i) a loss of organisational focus; (ii) poor execution of operations; and (iii) an inability to identify and execute potential strategic initiatives. These adverse results could, among other things, reduce potential revenue, which could adversely affect Invest Bank’s business, reputation, financial condition, results of operations and prospects.

Expansion and acquisition risk

Invest Bank’s growth strategy is predicated on organic growth opportunities with predominate focus on UAE business. Notwithstanding the fact that the majority of Invest Bank’s operations and assets are located in the UAE, Invest Bank continues to look for opportunities to expand its business domestically. In addition to the normal business and related risks associated with organic expansion, Invest Bank may, when suitable opportunities present themselves, seek to mitigate these risks by completing a detailed opportunity analysis and due diligence. A failure on Invest Bank’s part to manage its future growth efficiently and effectively could have a material adverse effect on Invest Bank’s business, reputation, financial condition, results of operations and prospects.

Principal shareholders risk

As set out in the “DESCRIPTION OF INVEST BANK P.S.C.” section of this Shareholder Information Document, as at the date of this Shareholder Information Document, Invest Bank’s principal beneficial shareholder is GoS which holds approximately 50.07% percent. of Invest Bank’s issued share capital.

This percentage is likely to be further, significantly, increased following completion of the Capital Increase. The remaining shares are held by over **300** UAE nationals and UAE companies. As a strategic investor holding approximately **50.07** percent. of the share capital of Invest Bank, GoS have the ability to influence Invest Bank's business significantly through their ability to control actions that require shareholder approval. If circumstances were to arise where the interests of the major shareholders conflict with the interests of other shareholders, these shareholders could be disadvantaged by any such conflict.

Invest Bank reliance on the GoS in the implementation of the Capital Solution Plan exposes it to potential financial risks

Invest Bank has a significant financial and legal relationship with the GoS, on which it materially relies to execute the Capital Solution Plan. In particular, the GoS is guarantor under the Guarantee Agreement, and is responsible for providing the Guarantee. Therefore, Invest Bank is dependent on the GoS honouring its obligations under the Guarantee Agreement, which would Invest Bank to release significant part of the regulatory provisions which it has to book on its balance sheet. The GoS could undertake a number of legal and contractual actions that could threaten the smooth implementation of the Guarantee Agreement, including for example, seeking to terminate the Guarantee Agreement under its terms or to invalidate it through a judicial action, in each such case the performance of the Capital Solution Plan will be threatened and the delivery by Invest Bank of the expected benefits of the plan will not be feasible. For more information, see "Summary of guarantee agreement".

Risk of failure to implement the Capital Solution Plan

The implementation of the Capital Solution Plan is dependent on a number of factors which are outside Invest Bank's control. Those factors include smooth regulatory processes, continuation of the current management plan, fulfilment by the GoS of its obligations under the Guarantee Agreement, etc. If Invest Bank fails to implement the Capital Solution Plan effectively and successfully, Invest Bank may not attain the benefits of the Capital Solution Plan. In the event that the Capital Solution Plan is not implemented, the financial position of Invest Bank will continue to deteriorate, which is likely to lead to Invest Bank not being able to meet its financial obligations and therefore may threaten the existence of Invest Bank and possibly lead to liquidation.

Political, economic and related risk

While the UAE has seen significant economic growth and relative political stability, there is no assurance that such growth or stability will continue. Moreover, while the 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 economy, and economic development can therefore be impacted by the general level of oil and gas prices.

No assurance can be given that the UAE government will not implement regulations, fiscal or monetary policies, including policies, regulations, or new legal interpretations of existing regulations, relating to or affecting taxation, financing rates or exchange controls, or otherwise take actions which could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Although the UAE itself is generally regarded as a politically stable and secure jurisdiction, the wider MENA region within which the UAE is situated is subject to a wide range of political, military and socio-economic risks and uncertainties. These include, without limitation, risks related to:

- (i) Terrorism and insurgency generally; and

- (ii) Ongoing political instability, civil disorder and military conflict in a number of countries in the wider MENA region.

It is a feature of the MENA region that regional and domestic conflicts can be highly complex and unpredictable and new conflicts can evolve or emerge from time to time. The effect of conflicts in the MENA region can influence a number of factors relevant to Invest Bank's investments, including:

- (i) The price of oil and gas and items derived therefrom;
- (ii) The strength of regional and global economies; and
- (iii) The perceived attractiveness of investment in the UAE to international investors.

Such impacts could occur through a decrease in foreign direct investment into the region, capital outflows or increased volatility in the global and regional financial markets. Although the UAE has not been directly affected by the unrest in the broader region and has enjoyed economic growth and relative political stability, it remains unclear what long-term impact this unrest may have on the UAE. There can be no assurance that such growth or stability will continue, or that potential investors will not be deterred from investing in the UAE due to the political environment in or around the UAE.

It is not possible to predict the occurrence of events or circumstances such as or similar to a war or the impact of such occurrences and no assurance can be given that Invest Bank would be able to sustain its current profit levels if such events or circumstances were to expand or occur. Therefore, a downturn or any sustained deterioration in the economy of the UAE, instability in certain sectors of the UAE or regional economy or material deterioration of political conditions therein could have an adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Prospective investors should also note that Invest Bank's business and financial performance could be adversely affected by political, economic and related developments both within and outside the countries in which Invest Bank operates, because of the inter-relationships within global financial markets.

General economic risk

Adverse changes in global economic conditions, or arising from systemic risks in the financial systems, could affect the recovery and value of Invest Bank's assets and require an increase in Invest Bank's provisions. Invest Bank may use different hedging strategies to minimise risk, including securities and collateral that reduce the credit risk level to be within Invest Bank's strategy and acceptable risk levels. However, there can be no guarantee that such measures will eliminate or reduce such risks.

Regulatory risk

Invest Bank is subject to the laws, regulations, administrative actions and policies of the UAE and the other markets in which Invest Bank operates (see the "DESCRIPTION OF INVEST BANK P.S.C." section of this Shareholder Information Document). These regulations may limit Invest Bank's activities and changes in supervision and regulation, particularly within the UAE, could materially adversely affect Invest Bank's business, the products or services offered, the value of its assets and its financial condition. Although Invest Bank works closely with its regulators and continually monitors all relevant legal and regulatory developments, future changes in regulation, fiscal or other policies cannot be predicted and are beyond the control of Invest Bank. Any such changes could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Furthermore, Invest Bank is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements applicable to it. A

shortage of available capital might also restrict Invest Bank's opportunities for expansion. Under the Basel III regulatory capital framework developed and issued by the Basel Committee on Banking Supervision, capital requirements are inherently more sensitive to market movements than under previous regimes and capital requirements will increase if economic conditions or negative trends in the financial markets worsen.

Foreign exchange risk

Invest Bank maintains its accounts and reports its results in UAE Dirham. The UAE Dirham has been pegged to the US dollar at a fixed exchange rate since 22 November 1980. However, there can be no assurance that the Government will not re-peg or de-peg the UAE Dirham in the future and expose Invest Bank to the potential impact of any alteration to or abolition of this foreign exchange peg which could adversely affect Invest Bank's business, reputation, financial condition, results of operations and prospects.

Furthermore, as Invest Bank expands its business internationally, it will increasingly deploy capital and receive income in foreign and non-pegged currencies. Invest Bank's ability to both predict and mitigate against revaluation or devaluation is limited and, if an adverse event occurs, a revaluation or devaluation could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Competition risk

Invest Bank faces competition in all of its business areas from domestic and foreign banks operating in the UAE. Invest Bank faces competition from both Islamic banks and conventional banks.

The banking 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, it is likely to lead to a more competitive environment for Invest Bank and other domestic financial institutions. This could have a material adverse effect on Invest Bank's business, reputation, financial condition, results of operations and prospects.

Risks relating to the Rights Issue and the New Shares

There will be no trading of rights.

The price of the shares of Invest Bank, and therefore the New Shares, may fluctuate

Registered Shareholders and other Eligible Persons should be aware that the value of an investment in the New Shares may go down as well as up. The market price of the New Shares could be volatile and subject to significant fluctuations due to many factors that relate to one another in complex ways, including a change in sentiment in the market regarding the New Shares. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for securities, and which may be unrelated to Invest Bank's performance or prospects. Furthermore, Invest Bank's operating results and prospects from time to time may be below the expectation of market analysts and the market generally. Any of these events could result in a decline in the market price of the New Shares.

Invest Bank can give no assurance that the market price of the New Shares will not decline below the Issue Price and there can be no assurance that, following the take up of their New Shares, Registered Shareholders and other Eligible Persons will be able to sell the New Shares at a price equal to or greater than the Issue Price. There is no guarantee that the value of the New Shares will increase after they are listed on the ADX or that an active trading market for the shares of Invest Bank will continue or be

sustained after the Rights Issue. If an active trading market is not maintained, the trading liquidity or price of the shares of Invest Bank, and therefore the New Shares, could be adversely affected.

Registered Shareholders who do not subscribe for New Shares in the Rights Issue will experience dilution in their ownership of Invest Bank

If the Registered Shareholders do not exercise their Rights to subscribe for New Shares under the Rights Issue by the latest date for applications and payments in full that are set out in this Shareholder Information Document or if such Registered Shareholders are unable to participate in the Rights Issue, their proportionate ownership and voting interest in Invest Bank will be reduced and the percentage that their existing Shares represents of the share capital of Invest Bank will be reduced accordingly.

Invest Bank may offer additional shares in the future which may adversely affect the market price of the New Shares

Invest Bank may decide to offer further additional shares in the future. An additional offering of shares by Invest Bank in the future may have a dilutive effect on the holdings of Invest Bank shareholders which could have an adverse effect on the market price of the existing Invest Bank shares at the time of the additional offering. The public perception of an additional offering in the future may also have an adverse effect on the market price of the existing Invest Bank shares as at that time, however unless an additional offering occurs, it will not have a dilutive effect on the holdings of Registered Shareholders or other Eligible Persons.

Trading of the Invest Bank shares has been suspended since 10 November 2020 and therefore there is no assurance that the New Shares will be tradeable upon admission

The ADX ordered on 15 November 2020, through its resolution number 229 of 2020, the temporary suspension of the trading of Invest Bank shares due to the delay in the submission of its financial statements. The trading of the Invest Bank shares has not been resumed since that date. To this effect, there is no assurance that there will be sufficient demand for the Rights once they are allocated, or to the New Shares after they are subscribed. Furthermore, there is no assurance that the suspension of trading of the Invest Bank shares will be lifted after the New Shares are admitted for trading. As such, it is possible that Eligible Persons may not be able to recover the value of their investment in the New Shares or Additional New Shares.

SUMMARY OF GUARANTEE AGREEMENT

Guarantee Agreement Between Invest Bank and the Government of Sharjah

The GoS has decided to grant a guarantee to Invest Bank with respect to a portfolio of loans and other assets. The purpose of the Guarantee is to protect Invest Bank against losses in the net book value of the assets in the portfolio. For this purpose, a guarantee agreement governed by the laws of the United Arab Emirates is to be concluded between Invest Bank and the GoS. At the same time, Invest Bank intends to raise funds in 2023 through a Capital Increase by way of a Rights Issue. The funds raised shall (in part or in whole) be used by Invest Bank to satisfy the fee for the Guarantee. The parties' obligations under the Guarantee shall be conditional upon the Capital Increase. This following summary comprises the main pillars and the mechanism of the Guarantee Agreement and does not represent all provisions.

Covered Portfolio and Compensation

The Guarantee shall cover a specified portfolio consisting of (i) items where Invest Bank has the right to request a payment, including credit engagements in the loan book (core & non-core) and certain foreign central bank balances (each a "**Reference Obligation**") as well as (ii) other assets, including repossessed real estate (each a "**Reference Asset**"), each as held by Invest Bank as of 30 September 2021.

For Reference Obligations, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the initial net book value as of 30 September 2021 set out in the annex to the Guarantee Agreement (the "**Initial Net Book Value**") of a Reference Obligation. This comprises (i) situations where Invest Bank takes the decision to write off (in full or in part) the Reference Obligation; (ii) situations where Invest Bank sells a Reference Obligation at a price below the Initial Net Book Value of the Reference Obligation; or (iii) any realization in connection with Invest Bank's balances at the Central Bank of Lebanon (Banque du Liban) that is caused in compliance with Invest Bank's internal policies and that, irrespective of the reason, is below the Initial Net Book Value shall be treated in the same way as a write-off, in cases where a write-off is not possible and there is no reasonable prospect of a future recovery. In case of a write-off, the amount to be replaced is the amount of the Initial Net Book Value that is written off and in case of a sale, the amount to be compensated is the amount by which the sale price falls short of the Initial Net Book Value. Furthermore, all external costs incurred by Invest Bank in connection with a write-off or a sale shall be compensated.

For Reference Assets, the GoS shall compensate to Invest Bank all balance sheet relevant losses in relation to the Initial Net Book Value of a Reference Asset plus all related external costs incurred by Invest Bank after 30 September 2021. Invest Bank's claim to be compensated with regard to the Reference Assets under the Guarantee shall only become due at the time a loss is final because (i) the Reference Asset has left Invest Bank's balance sheet or (ii) there is no reasonable prospect for a recovery of the net book value in the future. In addition, the GoS shall reimburse Invest Bank for all expenses necessary to maintain the value of the Reference Assets if such expenses for all Reference Assets in the aggregate exceed the aggregate ongoing income from all Reference Assets by 10 percent. ("**Excess Expenses**").

Any recoveries with regard to the covered portfolio up to the Initial Net Book value of a Reference Obligation or Reference Asset will be taken into account in the calculation of the amount to be compensated and shall not result in a benefit for Invest Bank.

Regular payments under the Guarantee shall be made quarterly. For this purpose, Invest Bank shall send a notice to the GoS on a quarterly basis setting out the amount to be paid for the preceding quarter. The GoS has the right to review the requested compensation under the Guarantee.

Guarantee Fee

Invest Bank shall pay to the GoS a fee of AED2,600,000,000 as consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement. Invest Bank's obligation to pay the Guarantee Fee shall be satisfied by (i) Invest Bank paying to the GoS a cash amount which is equal to the Guarantee Fee, (ii) Invest Bank offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase and which is equal to the Guarantee Fee, or (iii) Invest Bank paying to the GoS a cash amount and offsetting an amount which is due from the GoS to Invest Bank under the Capital Increase, provided that the aggregate of such amounts shall be equal to the Guarantee Fee. The satisfaction of the Guarantee Fee shall be due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase.

Right of First Refusal

Where Invest Bank has received a binding offer from a third party for the sale of a Reference Asset wholly owned by Invest Bank and with an Initial Net Book Value of more than AED10,000,000 and Invest Bank intends to sell the Reference Asset to such third party at the terms of such a binding offer, the GoS shall have a right of first refusal.

Termination and Final Settlement

The GoS shall have no ordinary termination right.

However, the GoS shall be entitled to withdraw from the Guarantee Agreement in writing with immediate effect if the number of shares allocated to the GoS at the conclusion of the second subscription period of the rights issue in connection with the Capital Increase would result in the GoS's stake in Invest Bank being less than 75 percent of Invest Bank's shares on a fully diluted basis immediately after the rights issue (the "**Extraordinary Termination Right**"). If the Extraordinary Termination Right is exercised, (i) all services and payments exchanged under the Guarantee Agreement up to this point shall be reversed (this applies in particular to the settlement of the Guarantee Fee, irrespective of whether it is made by means of a cash payment or by way of set-off) and (ii) Invest Bank shall take all actions to reverse and cancel the rights issue and the Capital Increase.

The Guarantee shall automatically terminate on the last day of the calendar quarter in which the fifth anniversary of the date on which the Guarantee became legally effective.

If and to the extent compensation under the Guarantee is still possible on the date of automatic termination, the Guarantee shall be settled by way of a final cash payment by the GoS to Invest Bank which shall be a compensation for all future amounts that would have been expected to be paid out by the GoS to Invest Bank under the Guarantee if the Guarantee had not been terminated. For each Reference Obligation and each Reference Asset the compensation shall consist of the amount by which the net book value at the termination date falls short of the Initial Net Book Value plus a reasonable estimate for external costs and the Excess Expenses.

Limitations

The aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account any recoveries and the final cash payment, shall not exceed an amount of AED3,000,000,000. For each individual calendar year, the coverage of Excess Expenses and external cost shall not exceed an amount of AED30,000,000 but the parties shall in good faith discuss any additional coverage of external cost and Excess Expenses by the GoS that is reasonably necessary to minimize any amounts to be compensated under the Guarantee or to enable any recoveries. Furthermore, for each individual calendar year aggregate payments by the GoS to Invest Bank under the Guarantee, taking into account recoveries, shall not exceed an amount of AED800,000,000 (the "**Yearly Pay-Out Limit**"). However, if and to the extent the Yearly Pay-Out Limit would be exceeded in one calendar year, Invest Bank's right to

claim payment under the Guarantee shall not be excluded but the payment shall be deferred to the next calendar year. The Yearly Pay-Out Limit does not apply to the final cash payment.

USE OF PROCEEDS

The issuance of the New Shares pursuant to the Rights Issue will allow Invest Bank's to raise an amount equal to AED 2.6 billion. Invest Bank intends to primarily use the issue proceeds to satisfy its obligation to pay the Guarantee Fee of AED2.6 billion to the GoS in consideration for the Guarantee provided by the GoS pursuant to the Guarantee Agreement entered into between Invest Bank and the GoS.

The satisfaction of the Guarantee Fee has become due on the first Banking Day following the issuance of the GA resolution approving the Capital Increase. For the purposes of this Shareholder Information Document, Banking Day shall mean any day on which local banks are open for their customers in the UAE.

Following the Rights Issue and Capital Increase immediately, Invest Bank will carry out the Second Reduction whereby there will be a further reduction in the share capital of Invest Bank by writing off an amount equal to the losses incurred by Invest Bank arising out of the negative reserve of AED46.62 billion that was created pursuant to the Capital increase, thus resulting in a share capital of AED3.2 billion.

DIVIDEND POLICY

The Board of Directors of Invest Bank does not expect there to be any dividends to be paid to shareholders in the foreseen future (due to the current financial situation of Invest Bank and the lack of distributable reserves to allow payment of such dividend).

SELECTED FINANCIAL INFORMATION

The following information has been extracted from, should be read in conjunction with and is qualified in its entirety by reference to, the consolidated financial statements of Invest Bank and the other information contained in this Shareholder Information Document. The annual consolidated financial statements of Invest Bank have been prepared in accordance with the International Financial Reporting Standards and the unaudited interim condensed consolidated financial statements of Invest Bank have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Investors should not rely on interim results as being indicative of results Invest Bank may expect for the full year.

The following table sets forth selected financial information for Invest Bank as at, and for the nine-month period ended, 30 September 2022 and 30 September 2021, six-month period ended 30 June 2022, and the years ended 31 December 2021, 31 December 2020 and 31 December 2019, in accordance with the methodology set out in the “*Presentation of financial and other information*” section of this Shareholder Information Document.

The income statement data and statement of financial position data appearing below have been presented in AED and, for convenience only, in United States of America dollars using an exchange rate of US\$1.00 = AED3.6725.

	<i>As at, and for the period/year ended</i>					
	<i>30</i>		<i>30</i>			
	<i>September</i>	<i>30 June</i>	<i>September</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2022</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Income Statement Data						
<i>(in AED thousands)</i>						
Total Operating Income	109,790	83,418	143,934	172,558	187,213	304,837
Total Operating Expenses	(124,821)	(89,782)	(108,999)	(165,821)	(180,451)	(250,114)
Net Loss ⁽¹⁾	(127,147)	(59,019)	(183,189)	(287,832)	(356,312)	(579,362)
Statement of Financial Position						
<i>(in AED thousands)</i>						
Total Assets	8,176,958	8,716,575	10,804,290	10,059,974	8,733,817	11,704,517
Total Liabilities	7,856,812	8,324,462	10,077,906	9,439,450	7,824,000	10,418,530
Equity attributable to ordinary shareholders ⁽²⁾	320,146	392,113	726,384	620,524	909,817	1,285,987
Income Statement Data						
<i>(in USD thousands)</i>						
Total Operating Income	29,895	22,714	39,192	46,987	50,977	83,005
Total Operating Expenses	(33,988)	(24,447)	(29,680)	(45,152)	(49,136)	(68,105)
Net Loss ⁽¹⁾	(34,621)	(16,071)	(49,881)	(78,375)	(97,022)	(157,757)
Statement of Financial Position						
<i>(in USD thousands)</i>						
Total Assets	2,226,537	2,373,472	2,941,944	2,739,271	2,378,167	3,187,071
Total Liabilities	2,139,363	2,266,702	2,744,154	2,570,306	2,130,429	2,836,904
Equity attributable to ordinary shareholders ⁽²⁾	87,174	106,770	197,790	168,965	247,738	350,167

As at, and for the period/year ended

	<i>30 September 2022</i>	<i>30 June 2022</i>	<i>30 September 2021</i>	<i>31 December 2021</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Profitability						
Return on Average assets (%) ⁽³⁾	-1.3%	-0.6%	-1.8%	-3.1%	-3.5%	-4.5%
Return on Average equity attributable to ordinary shareholders (%) ⁽⁴⁾	-27%	-12%	-22%	-38%	-32%	-57%
Basic and diluted earnings Per Share (in AED)	(0.04)	(0.02)	(0.06)	(0.09)	(0.11)	(0.18)
Capital						
Equity attributable to ordinary shareholders to Total Assets (%)	4%	4%	7%	6%	10%	11%
Tier 1 capital expressed as a percentage of total risk weighted assets	4.93%	5.93%	8.95%	8.15%	9.12%	11.18%
Capital Adequacy Ratio	6.11%	7.09%	10.13%	9.29%	10.24%	12.31%
Liquidity and Business Indicators						
Eligible Liquid Assets Ratio (ELAR) ⁽⁵⁾	11%	10%	19%	19%	1%	15%
Financing ⁽⁶⁾ /Total Deposits ⁽⁷⁾	63%	64%	65%	64%	96%	84%
Depositors' accounts/Total Deposits	100%	98%	87%	92%	95%	100%
Non-performing Loans (NPL) ⁽⁸⁾ / Gross Loans ⁽⁹⁾	76%	74%	65%	68%	58%	49%
Provision for financing assets ⁽¹⁰⁾ /NPA	75%	74%	72%	74%	70%	72%
Financing/Depositors' accounts	63%	65%	74%	70%	101%	84%

1. "Net Loss" means loss for the period or loss for the year, as applicable.
2. "Equity attributable to ordinary shareholders" comprises the sum of equity attributable to the equity holders of Invest Bank.
3. The Return on Average Assets (%) figures determined for the nine-month periods ended 30 September 2022, 30 September 2021 and the six-month period ended 30 June 2022 are not annualised figures. The Return on Average Assets (%) figures are determined by dividing Net Loss for the period by average assets for the period. For the years ended 31 December 2021, 2020, and 2019, average assets are determined by adding the Total Assets at the beginning and at the end of the year and dividing by two which amounted to AED9,396,896 thousands in 2021, AED10,219,167 thousands in 2020 and AED12,865,293 thousands in 2019. For the nine-month periods ended 30 September 2022, 30 September 2021 and for the six-month period ended 30 June 2022, average assets are determined by adding total assets at the beginning and at the end of the period and dividing by two which amounted to AED9,118,466 thousand for the nine-month period ended 30 September 2022, AED9,769,054 thousand for the nine-month period ended 30 September 2021 and 9,388,274 thousands for the six-month period ended 30 June 2022.

4. The Return on Average equity attributed to equity shareholders (%) figures determined for the nine-month periods ended 30 September 2022 and September 2021 and six-month period ended 30 June 2022 are not annualised figures. The Return on Average equity attributable to ordinary shareholders figures are determined by dividing Net Profit for the period by average equity attributable to ordinary shareholders for the period. For the years ended 31 December 2021, 2020, and 2019, average equity attributable to ordinary shareholders is determined by adding total equity attributable to ordinary shareholders at the beginning and at the end of the year and dividing by two which amounted to AED765,171 thousands in 2022, AED1,097,902 thousands in 2020 and AED1,016,586 thousands in 2019. For the nine-month period ended 30 September 2022 and 30 September 2021 and for the six-month period ended 30 June 2022, average equity attributed to equity shareholders is determined by adding equity attributed to equity shareholders at the beginning and at the end of the period and dividing by two which amounted to AED470,335 thousands for the nine-month period ended 30 September 2022 and AED818,101 thousands for the nine-month period ended 30 September 2021 and AED506,319 thousands for the six-month period ended 30 June 2022.
5. “Eligible Liquid Asset Ratio (ELAR)” computed in accordance with CBUAE guidelines.
6. “Financing” comprises loans and advances to customers.
7. “Total Deposits” comprises the sum of depositors’ accounts and due to financial institutions.
8. “Non-performing Loans” comprises individually impaired financing assets.
9. “Gross Loans” are determined by adding back provision for impairment against financing to the financing portfolio.
10. “Provision for financing assets” comprises the sum of total provision for impairment on loans and advances.

DESCRIPTION OF INVEST BANK P.S.C.

Invest Bank was established in the Emirate of Sharjah by virtue of Amiri Decree issued by His Highness the Ruler of Sharjah No. 153/02/197 and pursuant to commercial license no. 11146, dated 17 May 1975 issued by the Sharjah Department of Economic Development in accordance with Federal Law No. 2 of 1984 Concerning Commercial Companies and the laws amending the same. Invest Bank's registered office is Sharjah Al Nad , P.O. Box 1885, Sharjah, United Arab Emirates (telephone: +971 65980555). Invest Bank's existing Shares are traded on the ADX.

Invest Bank was established by the Government of Sharjah for the purpose of providing a range of financial products and services to corporate and retail customers in Sharjah and the United Arab Emirates.

Invest Bank was listed on the ADX on 27 March 2005 and, as at 30 September 2022, the issued and fully paid share capital of Invest Bank was AED3,180,982,143 (corresponding to US\$866,162,599). As at close of trading on 10 November 2020, Invest Bank's market capitalisation was AED1,431,441,964.35.

As at 30 September 2022, Invest Bank had total assets of AED8,176,958 thousands and total equity of AED320,146 thousands. For the purposes of reporting its regulatory capital ratios, Invest Bank had common equity tier 1 capital of AED350,146 thousands; total tier 2 capital of AED83,502 thousands and total regulatory capital of AED 433,648 thousands. During the period ended 30 September 2022, Invest Bank had total operating income of AED109,790 thousands.

Invest Bank is licensed by the CBUAE to carry out banking activities and is principally engaged in the business of wholesale and retail banking through its network of branches located in the Emirate of Sharjah, Dubai and Abu Dhabi. Invest Bank also carries out banking activities through its branch in Beirut, Lebanon, which is licensed by the CBL. As a result of prevailing financial and economic crisis in Lebanon, Invest Bank decided to liquidate its branch in Lebanon after obtaining required approvals from the CBL.

In addition to the above, Invest Bank has also established a subsidiary, ALFA Financial Services with limited liability status in Sharjah Airport Free Zone. The company is under liquidation as at the time of the publication of this Shareholder Information Document.

See "*Subsidiaries*" subsection below for a full description of Invest Bank's subsidiaries, associates and joint ventures.

Share capital and shareholding structure

As at 30 September 2022, the authorised share capital of Invest Bank was AED 6,300,000,000 (corresponding to US\$1,715,452,689) and the issued and fully paid share capital of Invest Bank was 3,180,982,143 shares of AED1 each amounting to AED3,180,982,143 (corresponding to US\$866,162,599). Since incorporation, the share capital of Invest Bank has undergone the following changes:

- On 10th April 2019, the GA authorised an increase in Invest Bank's issued share capital from AED1,588,125,000 to AED3,180,982,143 with the issuance of 1,592,857,143 New Shares, to be issued at an Issue Price of AED0.7 per New Share, reflecting a nominal value of AED1.00 per New Share and a share discount of AED0.3 per New Share; and
- As at 30 September 2022, the shareholding structure of Invest Bank was as follows:

Investor name	No. of Shares	Percentage of total share capital
Government of Sharjah	1,592,857,143	50.07%

International Private Group LLC	246,678,557	7.75%
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- There are no shareholders holding above 5% of the shares in Invest Bank other than as shown in the above.
- The remaining Shares, amounting to approximately 1,341,446,443 shares (representing approximately 42.18 percent. of the share capital of Invest Bank), were held by over 345 UAE nationals and UAE companies.

The rights of the shareholders of Invest Bank are contained in the Articles of Association. Invest Bank is managed in accordance with the Articles of Association and the relevant provisions of UAE law. Please refer to ANNEX 1: INVEST BANK ARTICLES OF ASSOCIATION for more information.

Objective and strategy - Background / Key Events Summary

In 2018, the Bank's problems became apparent with losses accumulating from its loan book resulting in deteriorating equity. The CBUAE examination report identified accounts and balances to be provided for.

The financial position was aggravated by economic slowdown and later by the COVID-19 pandemic which impacted the already troubled bank customers, rendering the bank into a state of inertia and reduced commercial activities to a very low level with capital eroding.

The GoS through the Sharjah Finance Department took immediate steps in 2019 to recapitalize the bank by injecting fresh capital of AED1.1 billion in exchange for a 50.07% ownership. This action supported the Bank's vital ratios and helped it to focus on planning the major transformation steps. These included investments in governance structure covering risk, credit control and compliance while the Bank continued on cost rationalization and review of current operations which resulted in reducing branches from 15 to only 4 branches and considerable savings in unnecessary expenditure. A special assets unit was set up with enhanced legal and litigation capabilities to focus on restructuring / recovery of impaired legacy loans.

Also, to enhance liquidity, the GoS issued a one-year AED2 billion Sukuk (under Sharjah Liquidity Support Mechanism program) to Invest Bank in 2021 which the CBUAE accepted for discounting under the MLF scheme to provide a liquidity line of AED1.6 billion and committed more funds should the need arise. The arrangement has been extended till March 2024.

In early 2022, the Board of Directors appointed a new CEO for the bank whose main focus has remained to build up a structure which can help the Bank to implement and optimally utilize the Capital Solution.

The strategy has the following pillars:

- De-risking the Bank's balance sheet through the Capital Solution Plan. The Guarantee would cover the legacy loan book, repossessed real estate assets, other assets and receivables and certain overseas assets.
- Work out the legacy problem loans with a view of maximum recovery within the Guarantee period. Specialized Special Assets Unit with enhanced governance and capabilities for restructuring, recovery and litigation with qualified staff. Enhanced risk management framework for detection and warning mechanism and quantifying the likely impact and early resolution.
- Increase the paid-up capital and pay the Guarantee Fee to enhance the capital structure and allow booking of earning assets and meeting regulatory requirements.

- A new strategic direction for Invest Bank to transform it into a leading bank facilitated by company-wide digital transformation creating an integrated and scalable cross-asset platform with comprehensive servicing model focusing on leveraging technology with operational efficiency. A robust retail proposition is also being developed in parallel to maintaining existing key corporate relations and enhanced wholesale banking and financial institution relationships. Superior approach to acquisition, distribution and underwriting and offer simple personal investment products.
- Have closer ties with GoS, government related entities, subcontractors and GoS employees. A robust retail proposition is also being developed in parallel to maintain key corporate relations and enhanced wholesale banking and financial institutional relationships.
- A digital challenger bank offering both traditional as well as advanced digital banking with Artificial Intelligence (“AI”) based engine for underwriting and monitoring, augmented by human support. The state-of-the-art core banking solution with advance capabilities and functionalities allows ecosystem integration with various FinTech partners.
- Invest Bank with unique greenfield opportunity to expanding our corporate / commercial banking capabilities and building our retail and select small-medium enterprise customers with focus on hyper-personalization for target segments via digital first products offering, service model and underbanked sectors.

Subsidiaries

Invest Bank has established one subsidiary to provide support services to the Bank:

<i>Entity</i>	<i>Principal activity</i>	<i>Place of incorporation</i>	<i>Proportion of ownership interest</i>
ALFA Financial Services FZE	Support services to Invest Bank	Emirate of Sharjah, UAE	100%

The company is under liquidation as at the time of the publication of this Shareholder Information Document.

Investments in associates and joint ventures

As of the date of this Shareholder Information Document, Invest Bank does not have any investments in associates and/or joint ventures.

Operating performance and financial position

The rights of the shareholders of Invest Bank are contained in the Articles of Association. Invest Bank is managed in accordance with the Articles of Association and the relevant provisions of UAE law. Please refer to “ANNEX 1: INVEST BANK ARTICLES OF ASSOCIATION” for more information.

For details on financial information and the financial statements of Invest Bank, please refer to Invest Bank’s website: www.investbank.ae.

Operations and technology

The Operations and Technology team acts as an enabler for the Group in pursuit of achieving Invest Bank’s strategic objective for its customers, shareholders and employees (see the “DESCRIPTION OF INVEST BANK P.S.C..” section of this Shareholder Information Document).

The Operations and Technology team provides consistent operational support to the Group and enacts strong governance and control mechanisms across the business lines, with a focus on delivering lower operational costs, building digital capabilities and increasing efficiency, automation and customer-centric processes to deliver an enhanced customer experience.

The operations and technology team establishes, develops and implements technology refresh programmes to upgrade Invest Bank's systems and technologies and enable its digital transformation. Recent initiatives include: Implementation of a state-of-the-art core banking system on cloud environment within UAE and establishment of online and mobile banking platform.

Property

As at 30 September 2022, Invest Bank's property and equipment including assets acquired in settlement of debts had a total net book value of AED0.5 billion.

Industry regulation and supervision

Invest Bank is licensed and regulated by the Central Bank, which is the principal source of banking regulation in the UAE. The Central Bank provides prudential supervision to each bank's capital adequacy, liquidity and anti-money laundering measures. Monitoring by the Central Bank is undertaken by way of regular inspections of banks, its transactions and various records. In addition to regular audits and inspections, the Central Bank also requires regular submission of data related to various aspects of the Bank in order to ensure continuous monitoring. It is the Bank's utmost priority that, while we move towards growth and digital innovation, all regulatory and financial crime risks are adequately managed with full compliance with the UAE's laws and regulations.

As a public stock company listed on the ADX, Invest Bank is subject to the rules and regulations of the ADX including the disclosure requirements of both SCA and the ADX.

Regulatory compliance

The Bank is committed to building and maintaining a culture of ethical and responsible behaviour, corporate governance and regulatory compliance. The Bank's chief compliance officer, who reports to the CEO and the Board Risk Committee, manages the compliance function of the bank to identify, assess and monitor compliance risks faced by the Bank. The compliance function comprises a team of qualified professionals who ensure the preservation of the reputation and integrity of the Bank through compliance with applicable laws, regulations and ethical standards of the country.

Anti-money laundering policies

Please refer to Invest Bank's website for Invest Bank's anti-money laundering and countering financial terrorism policies at the following link:

https://investbank.ae/dist/pdf/AML_CFT_Policy_Statement.pdf

Internal audit

Internal Audit (the "IA") comprises a team of qualified auditors who is responsible to perform internal audits of all of the branches and departments of Invest Bank and is an independent appraisal function. It advises the Board of Directors, the Board Audit Committee and the management team. IA has a direct reporting line to the Board Audit Committee.

The IA adopts the Internal Audit Standards requirements, including the risk-based approach in line with the best practices in the financial industry.

Ratings

Rating issuer: Capital Intelligence

Current Bank Ratings

International Issuer Credit Ratings

Long-Term Foreign Currency (LT FCR)

Short-Term Foreign Currency (ST FCR)

LT FCR Outlook

BBB-
A3
Stable

DIRECTORS, MANAGEMENT AND EMPLOYEES

In accordance with applicable federal UAE and Abu Dhabi laws and Invest Bank's by-laws, Invest Bank's executive management is currently comprised of a Board of Directors and a number of appointed committees.

Board of Directors

The Board of Directors derives its authority to act from the Articles of Association and the laws governing companies and banks in the UAE. Its responsibilities include:

- The management of the business affairs of Invest Bank; and
- Setting regulations of Invest Bank relating to the administrative and financial affairs, personnel and their financial transaction.

The Board of Directors is comprised of a chairman, vice chairman and five other members (each a "Director" and together the "Directors"). The majority of the Directors are UAE nationals (as required by the UAE Federal Law No. 32 of 2021 on Commercial Companies and the Articles of Association).

The Board of Directors is appointed for three-year renewable terms and is required to meet at least six times per annum.

The details of the current Directors, elected or re-elected by the Annual GA on 19 May 2022, are set out below.

<u>Name</u>	<u>Positions</u>	<u>Appointment</u>
HH Sheikh Sultan bin Ahmed bin Sultan bin Saqr Al Qasimi	Chairman of the Board of Directors since April 2019.	Appointed by the Board of Directors and appointment confirmed by a general assembly.
Mr. Omran Abdulla Omran Taryam	Vice Chairman of the Board of Directors and elected as member since 2003.	Appointed by the Board of Directors and appointment confirmed by a general assembly.
Mr. Faris Hmaid Trais Saeed Al Mazrouei	Member of the Board since March 2019.	Elected by a general assembly.
Mr. Ummer Said Mohamed Beeran Ummer	Member of the Board since April 2019.	Elected by a general assembly.
Mr. Abdalla Ibrahim Abdalla Deaifis Almheiri	Member of the Board since CBUAE approval dated 14 June 2022	Elected by a general assembly.
Mr. Edris Mohammad Rafi Mohammad Saeed AlRafi	Member of the Board since CBUAE approval dated 14 June 2022	Elected by a general assembly.
Ms. Halima Humaid Ali AlOwais	Member of the Board since CBUAE approval dated 14 June 2022	Elected by a general assembly.

Board Committees

As part of Invest Bank's corporate governance programme, the Board of Directors has appointed five committees, which have specific mandates, consisting of certain Directors, as follows:

- (i) Board Nominations and Compensation Committee;
- (ii) Board Audit Committee;
- (iii) Board Risk Committee;
- (iv) Board Credit Committee; and
- (v) Strategy and Transformation Committee,

(together, the "**Board Committees**").

The purpose of the Board Committees and their members are set out below.

Board Nominations and Compensation Committee ("BNCC")

The Board Nominations and Compensation Committee is comprised of the following members:

- Mr. Ummer Said Mohamed Beeran Ummer (Chairman of BNCC)
- Mr. Abdalla Ibrahim Abdalla Deaifis Al Mheiri (Member)
- Ms. Halima Humaid Ali AlOwais (Member)

The Board Nominations and Compensation Committee's mandate is to enable the Board to fulfil its responsibilities in relation to the oversight of:

- Appropriate composition of the Board;
- Nomination of appropriate directors to the Board and Committees;
- Assessment of the performance of the Board and of individual directors and senior management;
- Succession plans for Board Members and Senior Management;
- Bank's public reporting on remuneration matters; and
- Bank's HR strategy (including Emiratization),

Board Audit Committee ("BAC")

The Board Audit Committee is comprised of the following members:

- Mr. Faris Hmaid Trais Saeed Al Mazrouei (Chairman of BAC)
- Mr. Edris Mohammad Rafi Mohammad Saeed AlRafi (Member)
- Ms. Halima Humaid Ali AlOwais (Member)

The Board Audit Committee's mandate is to enable the Board to fulfil its responsibilities in relation to oversight of:

- Integrity of the Bank's financial statements;
- Qualifications, independence and performance of the Bank's external auditors;
- Qualifications, independence and performance of the Bank's internal audit department; and
- Bank's internal controls, including internal controls over financial reporting and disclosure.

Board Risk Committee (“BRC”)

The Board Risk Committee is comprised of the following members:

- Mr. Edris Mohammad Rafi Mohammad Saeed AlRafi (Chairman of BRC)
- Mr. Faris Hmaid Trais Saeed Al Mazrouei (Member)
- Mr. Abdalla Ibrahim Abdalla Deaifis Al Mheiri (Member)

The Board Risk Committee’s mandate is to be responsible for monitoring and managing all aspects of enterprise risk management; implementing necessary control measures across the Bank, including the review of the bank-wide policies, in an aim to mitigate all inherent risks while limiting the impact of residual risks across the Bank.

Board Credit Committee (“BCC”)

The Board Credit Committee is comprised of the following members:

- Mr. Omran Abdulla Omran Taryam (Chairman of BCC)
- Mr. Ummer Said Mohamed Beeran Ummer (Member)
- Mr. Edris Mohammad Rafi Mohammad Saeed AlRafi (Member)

The Board Credit Committee’s mandate is to enable the Board to fulfil its responsibilities in relation to:

- Reviewing and approval of credit commitments within the limits set in the DOA and recommending credit commitments above its authority to the Board for approval;
- Reviewing and approval of debt restructuring and debt settlement requests within the limits set in the DOA and recommending requests above its authority to the Board for approval;
- Reviewing and approval of requests for write-off/write-down as per DOA;
- Overseeing the credit risk and credit risk associated with lending portfolio, interbank placements and lending, markets and money market operations. Lending includes funded and non-funded facilities;
- Setting the credit strategy, monitoring asset quality, ensuring the approvals are as per the Bank’s appetite and in the industry segment of interest;
- Reviewing the material non-performing debts/asset and ensuring these are recognised and classified with appropriate provision held, as required by the regulations in force;
- Reviewing business opportunities that may be present in the market;
- Reviewing and approving Bank’s Credit policies; and
- Reviewing and approving the lines of credit for Corporates, Individuals, Sovereigns, FIs, correspondence banks, syndicated loans or any other Borrower of the Bank.

Strategy and Transformation Committee (“STC”)

The Strategy and Transformation Committee is comprised of the following members:

- Mr. Edris Mohammad Rafi Mohammad Saeed AlRafi (Chairman of STC)
- Mr. Ummer Said Mohamed Beeran Ummer (Member)
- Mr. Abdalla Ibrahim Abdalla Deaifis Al Mheiri (Member)

The Committee has been established by the Board as a standing Board Committee

The Strategy and Transformation Committee’s mandate is to:

- Primarily, assist the Bank’s Board of Directors to oversee the Bank’s strategy formulation, approval, implementation, review, and reporting in concert with the Executive Management;

- Bring focus, independent judgement, and transparency to the Bank’s consideration of strategic plan; and
- Review proposals, aligning, and approving recommendations ahead of final and full Board approval.

Senior management

Invest Bank’s senior management structure comprises senior members heading different divisions and departments within Invest Bank. With the exception of Invest Bank’s Chief Compliance Officer and Head of Internal Audit, who report to Invest the Audit and Compliance Committee, and the Chief Risk Officer who reports to the Board Risk Committee and the Board Executive Credit Committee, Invest Bank’s senior management all report to the CEO who in turn reports to the Board of Directors. The senior managers and their positions are as follows:

Name	Position	Qualification
Ahmad Abu Eideh	Chief Executive Officer	Bachelor of Economics
Shahab Ayub	Chief Compliance Officer	Bachelor of Science
Jamil El Halabi	Chief Financial Officer	Master of Business Administration
Alexander Thomas	Chief Risk Officer	Master of Arts
Devid Jegerson	Chief Operating Officer	Master of Business Administration
Abdulahkim Kanan	Chief Internal Auditor	Bachelor of Commerce
Rehab Khalaf	Chief Human Capital	Master of Business Administration
Helmi Abdullah	Head of Wholesale Banking	Master of Business Administration
Maha Al Banna	Acting Head of Retail Banking	Bachelor of Business Administration in Management
Ismail Sanad	Head of Legal	Bachelor of Law
Tony Crasta	Chief Credit Officer	Master of Business Administration
Yousef Nawres	Head of Financial Markets	Master in International Financial Analysis

The address of each of the Directors and the members of senior management named above is P.O. Box 1885, Sharjah, UAE.

As at the date of this Shareholder Information Document, none of the Directors, the CEO, or any member of senior management stated above has any actual or potential conflict of interest between his duties to Invest Bank and his private interest or other duties.

The registered office of Invest Bank is Sharjah Al Nad P.O. Box 1885, Sharjah, UAE (telephone: +971 659805555). Invest Bank’s headquarters are currently located at Sharjah Al Nad P.O. Box 1885, Sharjah, United Arab Emirates (telephone: +971 659805555).

Below is a brief summary of the qualifications and experience of Invest Bank’s key senior management:

Chief Executive Officer - Ahmad Abu Eideh

Mr. Abu Eideh, Chief Executive Officer at Invest Bank. A financial services veteran with 31 years of experience in leadership roles in the banking industry. In the course of his tenure in the banking industry, Mr. Abu Eideh has a wealth of local, regional and international experience, especially in Corporate/Investment Banking. In addition to corporate turnarounds and digital transformation. Previously, Mr. Abu Eideh was Chief Executive Officer of Standard Chartered Bank Middle East (Jordan, Egypt, Iraq and Lebanon) and held other senior positions in several banks including, HSBC

and ABN AMRO. His last role before joining Invest Bank was the CEO for United Arab Bank. He holds a Bachelor degree in Economics and minor degree in finance and banking from Yarmouk University in Jordan.

Chief Operating Officer - Devid Jegerson

Mr. Jegerson is a highly accomplished senior professional, with a track record full of ground-breaking industry firsts. Prior to joining our family, he held various management positions with institutions such as UBI Banca, IW Bank, and the National Bank of Fujairah. In addition, he is credited with visionary projects in the areas of eCommerce, Payment Gateways and Digital Wallets, with game-changing pioneers such as PayPal, Fastweb and most recently as one of the founders of Noon.com. He holds a Bachelor of Economics and Business degree, a Master's degree in Strategy from Università Cattolica del Sacro Cuore and an MBA from MIP Business School of Management (Politecnico di Milano).

Chief Compliance Offer - Shahab Ayub

Mr. Ayub is a highly accomplished senior professional with 40 years of banking experience in the Compliance field covering various regions including North America, APAC & MENA. Previously, he had held various management positions at ABN AMRO Bank, Barclays Bank Singapore and United Arab Bank. He Holds a Bachelor of Science degree from University of Karachi Pakistan and holds professional qualifications in Compliance and Financial Crime.

Chief Financial Officer – Jamil El Halabi

Mr. El Halabi is a seasoned financial expert with 37 years of experience in the banking industry and in finance. Previously, Mr. El Halabi had held various management positions at National Bank of Abu Dhabi, KPMG, Emirates Inst. Of Banking & Finance and Bank of Beirut and Arab Countries. He holds a Bachelor and Master's of Business Administration degree from the American University of Beirut.

Chief Risk Officer – Alexander Thomas

Mr. Thomas is a highly accomplished senior professional with 29 years of banking experience in the Risk field. Previously, he had held various management positions at Arab National Bank, Commercial Bank International, Commercial Bank of Abu Dhabi, Emirates Islamic Bank, First Abu Dhabi Bank and United Arab Bank. He holds a Bachelor and Master's of Economics degree from University of Calicut, India and holds an MBA in Banking and Finance degree from International University, USA.

Chief Internal Auditor – Abdulhakim Kanan

The UAE Internal Audit Association has announced Mr. Kanan as the winners of Time Life Achievements Award for his significant contributions of modern internal Auditing to the Banks he previously worked for. He holds a Bachelor of Commerce degree and holds professional qualifications in Public Accounting (CPA), Internal Auditing (CIA), Risk Management and IT Governance.

Chief Human Capital – Rehab Khalaf

Mrs. Rehab Khalaf is a highly accomplished senior professional with 16 years of banking experience in the Human Resources field. Previously, she had held various management positions at Emirates NBD, National Bank of Abu Dhabi, Jumeirah Group and United Arab Bank. She holds a Bachelor of Business Administration degree from University of Sharjah and Holds an MBA from Emirates Academy of Hospitality Management. Additionally, she earned a Diploma in Human Resources Practice.

Head of Wholesale Banking – Helmi Abdullah

Mr. Abdullah is a highly accomplished senior professional with 28 years of banking experience in the Corporate Banking field. Previously, he had held various management positions at Arab Bank P.L.C., International Bank of Qatar and United Arab Bank. He holds a Bachelor of Accounting and Economics degree from University of Jordan and holds an MBA in Finance from University of Manchester. Additionally, he earned professional qualifications in Corporate Banking.

Acting Head of Retail Banking – Maha Al Banna

Mrs. Maha al Banna is a highly accomplished senior professional with 25 years of banking experience in the Retail Banking field. Previously, she had held various management positions at Sharjah Islamic Bank, National Bank of Abu Dhabi, and United Arab Bank. She holds a Bachelor of Business Administration degree from International University, Missouri.

Head of Legal - Ismail Sanad

Mr. Sanad is a highly accomplished senior professional with over 20 years of banking experience in the Legal field. Previously, he had held various management positions at Emirates NBD and United Arab Bank. He holds a Bachelor of Law degree and earned a Diploma in General Law from Cairo University in Egypt.

Chief Credit Officer – Tony Crasta

Mr. Crasta is a highly accomplished senior professional with over 31 years of banking experience in the Credit Management field. Previously, he had held various management positions at Mashreq Bank and HSBC Middle East. He holds a Bachelor of Physics degree from Bombay University and holds a Master's degree in Business Administration from Warwick University.

Head of Financial Markets – Yousef Nawres

Mr. Nawres is a highly accomplished senior professional with 18 years of banking experience in the Financial Markets field. Previously, he had held various management positions at Abu Dhabi Islamic Bank, Commercial Bank of Dubai, and Standard Chartered UAE and UK. He holds a Bachelor of Finance degree from Yarmouk University in Jordan, and holds a Master's degree in International Financial Analysis from Lille University in France.

Litigation Statement about Directors and Senior Management

As of the date of this Shareholder Information Document, none of the current Board of Directors or members of senior management of Invest Bank:

- Has any convictions in relation to fraudulent offences;
- Has been a director or senior manager of any company at the time of any bankruptcy, receivership or liquidation of such company; or
- Has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

Noting that, Invest Bank launched legal proceedings against those responsible for the financial violations before the respective judicial bodies, as per the disclosure addressed to SCA and ADX dated 8 November 2022.

None of the current Board of Directors and current members of the senior management are involved in such proceeds.

Human resources

Invest Bank's Human Resources department is in the practice of recruiting, hiring, deploying and managing an organization's employees. Invest Bank's human resources department is responsible for creating, putting into effect and overseeing policies governing bank employees and the relationship of the bank with its employees. Invest Bank's human resources department is employee management with an emphasis on those employees as assets of the business. In this context, employees are sometimes referred to as human capital. As with other business assets, the goal is to make effective use of employees, reducing risk and maximizing return on investment. The role of Invest Bank's Human Resources department's practices are to manage the employees within the bank to achieve the Bank's mission and reinforce the culture. When done effectively, human resources can help recruit new professionals who have skills necessary to further the Bank's goals as well as aid with the training and development of current employees to meet objectives.

Performance and reward

The Invest bank's Performance Management relies on the performance measurements indicated in the approved job descriptions provided to each employee at Invest Bank. The goal of the Invest Bank is to:

- Implement a market practice approach to reward outstanding achievements and results;
- Improve employees' performance through a periodic evaluation reflecting the bank overall key objectives; and
- Encourage continuous learning and development.

The Invest Bank's reward approach is performance-based, market-aware and aligned with business strategy and stakeholder interests. It encourages a culture that is driven by merit and differentiates the rewards excellent performance, both in the short and long term. Invest Bank's principles are:

- Pay for performance, based on balanced risk taking and good business conduct as measured on a performance appraisal rating process;
- Attract, retain top performers, talent and business critical resources and motivate all employees to achieve results with integrity and fairness;
- Monitor compensation trends and practices in the relevant markets; and
- Apply strong corporate governance and comply with regulatory requirements.

Pension scheme

All UAE national employees (holding UAE Passport & Family Book) are automatically enrolled in the Statutory Pension Scheme. The provisions of this plan meet legal requirements for retirement pensions and of service benefits for UAE national employees.

UAE national employees contribute 5% of their monthly gross salary and the Bank contributes a further 12.5%. Both contributions are paid to the Pension & Social Security Authority, with a further contribution of 2.5% made by the government.

UAE national employees not holding Family Book are paid end-of-service benefits similar to the Bank's expatriate employees.

All GCC national employees (holding GCC Passport) are automatically enrolled in the Statutory Pension Scheme. The provisions of this plan meet legal requirements for retirement pensions and of service benefits for GCC national employees.

GCC national employees contribute a percentage of their monthly gross salary, and the bank contributes a further percentage based on their country pension schemes. Both contributions are paid to the Pension & Social Security Authority or transferred to the concerned authority as per the regulation guideline in this regard.

Employees who are not UAE or GCC nationals are covered by a fully funded end-of-service benefits scheme that is accrued on the basis of 21 days' basic salary for each year for the first five years of continuous service and 30 days' basic salary for each year of service thereafter.

Emiratization

Invest Bank has adopted an "Emiratization" strategy in the UAE which is intended to attract talented UAE national candidates' at all professional levels. Although Invest Bank provides equal employment opportunities to all nationalities, it is required to achieve certain UAE national recruitment targets set by the Central Bank, UAE and these are incorporated into an annual strategic plan.

Invest Bank is on target in terms of the Central Bank's current Emiratization points system. Invest Bank's Human Resources department manages the Emiratization process and priorities the hiring of UAE nationals. The Emiratization plan is prepared in conjunction with the annual plan after the staffing requirements for all divisions have been determined.

In addition to hiring experienced UAE national staff for all positions in Invest Bank, there is also a focus on hiring graduate candidates for relevant positions. Invest Bank has relationships with a number of universities and educational institutions in an ongoing effort to recruit local graduates.

TAXATION

The following comments are general in character and are based on the current applicable tax regime in the UAE and the current practice of the UAE authorities as at the date of this Shareholder Information Document. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. If you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

On 9 December 2022, the Federal Tax Authority of the UAE issued Federal Decree Law No. 47 of 2022 on Taxation of Corporations and Business (the “**CT Law**”). A consultation document was published in April 2022 by the UAE government which highlights the key points of the CT Law which is due to take effect and come into force on 1 June 2023. The CT Law will be applicable on all businesses and individuals that conduct their business and hold a commercial license in the UAE.

Income tax legislation related to foreign oil companies and branches of foreign banks in some Emirates will remain enacted and in force. The CT Law will not apply to government entities, government-controlled entities, public benefit entities, and businesses engaged in natural resource activities.

The CT Law will be applicable to juridical persons, foreign entities that have a permanent establishment or a place of management in the UAE. It will also apply to individuals earning income from business activities that require a license from the licensing authority. However, income earned from employment, personal investment and real estate investment is not subject to taxation in the UAE.

Dividends and other profit distributions earned from UAE juridical persons are exempt from the UAE corporate tax, regardless of the level of ownership in the UAE juridical person that is paying the dividend or profit share. Capital gains would typically be treated as ordinary income and subject to corporate tax in the UAE. However, an exemption is available under the participation exemption regime.

In accordance with the CT Law, Invest Bank will, in principle, be subject to the provisions of the CT Law.

Completion of the Rights Issue is likely to be characterised for UAE tax purposes as a purchase of shares by the Registered Shareholders or other Eligible Persons who accept all or part of their allocation of New Shares in the Rights Issue. If a Registered Shareholder or other Eligible Person is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Rights Issue may be characterised differently and may be subject to tax in that other jurisdiction.

Based on the CT Law, the purchase of the New Shares should not result in any tax liabilities for Registered Shareholders or other Eligible Persons who are individuals' tax resident in, or corporations incorporated in, the UAE provided they are not subject to taxation in jurisdictions outside the UAE.

Registered Shareholders or other Eligible Persons who are tax resident in jurisdictions outside the UAE, as well as Registered Shareholders or other Eligible Persons resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual) should consult their own tax advisors as to the tax implications of the purchase of New Shares under the relevant applicable local laws in those jurisdictions.

Based on the same principles as outlined above, UAE-resident Registered Shareholders or other Eligible Persons who are not subject to tax in the UAE or jurisdictions outside the UAE (both corporate and individual) should not currently be taxed on the receipt of dividend income and gains on the future sale of the New Shares.

Registered Shareholders or other Eligible Persons who are subject to tax in the UAE by virtue of being tax residents in jurisdictions outside the UAE, as well as Registered Shareholders or other Eligible Persons that are tax residents in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should consult their own tax advisors as to the taxation of dividend income and gains on the future sale of the New Shares under the relevant applicable local laws in those jurisdictions.

Furthermore, any dividend payments made by Invest Bank should be made free of UAE withholding tax unless the applicable tax regime in the UAE changes.

Value Added Tax

The UAE has announced the adoption of VAT effective 1 January 2018. On 23 August 2017, the government published Federal Decree-Law No. (8) of 2017 on VAT (the “**VAT Law**”). On 26 September 2022, the government issued Federal Decree-Law No 18 of 2022 amending certain provisions of the Federal Decree-Law No. 8 of 2017 on VAT. The amendments will take effect from 1 January 2023.

On 28 November 2017, the UAE Federal Tax Authority released Cabinet Decision No. (52) of 2017 on the Executive Regulation of Federal Decree-Law No. (8) of 2017 on VAT (the “**Executive Regulations**”). The Executive Regulations set out detailed rules in accordance with the VAT Law. On November 17, 2022, the VAT Executive Regulations was amended under Cabinet Decision No. 99 of 2022 with effectivity date of 1 January 2023.

VAT is applied on the supply of goods and services in the UAE against consideration and on imports into the UAE. Unless a supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT, VAT is applied at the standard rate of 5 percent. No VAT applies on supplies of goods or services taking place outside the UAE.

The supply of goods or services by a VAT registered businesses is subject to VAT at the standard rate of 5 percent or the zero rate. Businesses are entitled to claim a credit for the VAT paid on their purchases if they can be attributed to an outgoing supply of goods or services that is standard rated or zero-rated. Moreover, the credit can be claimed if the expenses are not among the input taxes blocked for recovery as mentioned in article 53 of the Executive Regulations and is supported by proper documentation. However, any VAT incurred in connection with an outgoing supply that is exempt from VAT cannot be reclaimed (unless the recipient of the supply is outside the UAE).

On 1 January 2023, VAT has been implemented in the UAE for five years. During the last five years, the UAE Federal Tax Authority has continually published VAT Guides, Public Clarifications on VAT, and amendments to the VAT Laws and Executive Regulations to clarify matters of interest for taxpayers.

Implication on financial services

Article 46 of the VAT Law and Article 42 of the Executive Regulations define the financial services to be exempt from VAT.

Article 42(1) of the Executive Regulations provide the definition of equity security as follows:

“any interest in or right to a share in the capital of a body corporate, or any option to acquire any such interest or right.”

Article 42 (3)(b) of the Executive Regulations states that the issue, allotment, or transfer of ownership of an equity security is exempted from VAT. Based on the above provisions, the trading of shares shall be treated as a VAT exempt financial service. Moreover, dividend income for shareholders is considered as outside the scope of VAT as confirmed by the UAE Federal Tax Authority in VAT Public Clarification VATP010.

Consequently, from the perspective of the shareholders, there should not be any VAT charged on the buying and selling of shares and receipt of dividend.

GENERAL INFORMATION

Significant or material change

There has been no significant change in the financial or trading position of Invest bank and its subsidiaries and there has been no material adverse change in the prospects of Invest bank and its subsidiaries, in each case since 30 September 2022, except for Invest Bank's decision to liquidate its subsidiary ALFA Financial Services FZE; closure of a branch in Al Ain, UAE; and to close the branch in Lebanon. Closure of ALFA Financial Services FZE and Al Ain Branch will not result in any material financial impacts as the subsidiary was only used to provide support services to Invest Bank and the Al Ain branch assets and liabilities and customers will be serviced by the branch in Abu Dhabi, however, closure of Lebanon branch may lead to realization of any losses arising from delays in collections of receivables with customers and CBL. Adequate provisions have been taken in books to reflect the potential losses.

Litigation

The Bank is party to legal proceedings and regulatory matters arising out of its normal business operations. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, the Bank's management continuously estimates and recognizes provision required on these matters and is reflected in the latest financial information presented under "SELECTED FINANCIAL INFORMATION" section of this document and in the financial statements for the nine-month period ended, 30 September 2022. The recognition of provisions is determined in accordance with the International Financial Reporting Standards which is based on the probability (more likely than not) of outflow of economic resources and reliability of estimating such outflow. Such matters are subject to many judgements and uncertainties and the outcome of individual matters are not predictable with assurance.

The Bank would like to emphasise that such provisions recognised do not constitute an admission of legal liability rather it is based on prudence. Other than already disclosed in the Bank's latest available Financial Statements, no material impact is expected to arise on the financial position of the Bank from legal claims as at 30 September 2022.

Auditors

The Audited Financial Statements have been audited in accordance with International Standards on Auditing by PWC, as stated in their reports attached thereto. PWC has no material interest in Invest Bank. PWC are independent auditors regulated by, and registered to practice as auditors with, the SCA in the UAE.

Information incorporated by reference

The documents set out below are incorporated by reference in this Shareholder Information Document, so as to ensure that shareholders as at the Eligibility Date are aware of all information which is necessary to enable them to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of Invest Bank, and of the rights attaching to the New Shares. The following documents are available on Invest bank's website (www.investbank.ae):

- The 2022 Interim Financial Statements – Sep 2022;
- The 2022 Interim Financial Statements – Jun 2022;
- The 2021 Interim Financial Statements;

- The 2021 Financial Statements;
- The 2020 Financial Statements; and
- The 2019 Financial Statements.

To the extent any information in any document incorporated by reference in this Shareholder Information Document is inconsistent or contradicts any information contained in this Shareholder Information Document, the information contained in the document incorporated by reference shall prevail and supersede any information contained in this Shareholder Information Document.

APPENDIX 1: DEFINITIONS

In this Shareholder Information Document, unless the context otherwise requires, capitalized terms have the meanings defined below:

- “**Additional New Shares**” means, in relation to an Eligible Person, any New Shares applied for in addition to the New Shares subscribed for pursuant to each Right held, as defined on the cover page of this Shareholder Information Document;
- “**ADX**” means the Abu Dhabi Securities Exchange;
- “**AED**” means United Arab Emirates Dirham, the lawful currency of the UAE, and “**Dirham**” and “**UAE Dirham**” have the same meaning;
- “**Articles of Association**” means the articles of association of Invest Bank, as amended by the GA on 29 February 2016 to be in line with the then applicable Companies Law No. 2 / 2015 and further amended by the GA on 10 April 2019 whereby Article No. 5 (Regarding the Capital) and Article No. 26, were amended, as set out under “ANNEX 1: INVEST BANK ARTICLES OF ASSOCIATION” of this Shareholder Information Document. The Articles of Association of the Bank are under review for further amendments to align with the Federal Decree-Law no. (32) of 2021 on Commercial Companies;¹
- “**ATM**” means automated teller machine;
- “**Audited Financial Statements**” means the 2021 Financial Statements, the 2020 Financial Statements and the 2019 Financial Statements, as defined in the “*Presentation of financial and other information*” section of this Shareholder Information Document;
- “**Banking Day**” means any day on which local banks are open for their customers in the UAE;
- “**Basel Committee**” means the Basel Committee on Banking Supervision;
- “**Basel II**” means the Basel II Accord, as defined in the “DESCRIPTION OF INVEST BANK P.S.C..” section of this Shareholder Information Document;
- “**Basel III Regulations**” means the Basel III capital adequacy regulations, as defined in the “DESCRIPTION OF INVEST BANK P.S.C..” section of this Shareholder Information Document;
- “**Board Committees**” means the committees set out under “DIRECTORS, MANAGEMENT AND EMPLOYEES” section of this Shareholder Information Document;
- “**Board of Directors**” means the board of directors of Invest Bank, as defined on the cover page of this Shareholder Information Document;
- “**CBL**” means the Banque Du Liban (i.e. the Central Bank of Lebanon)
- “**Central Bank or CBUAE**” means the Central Bank of the UAE;
- “**Central Bank Law**” means the Decree approving Federal Law No. 14 of 2018 regarding the Central Bank of UAE and Regulation of Financial Institutions and Activities;
- “**Central Bank National Shareholding in Banks Regulation**” means the Central Bank’s National Shareholding in Banks Regulation, Circular No. 18/2021, issued on 15/11/2021;

¹ Note: the Articles of Association will be amended pursuant to the resolution of the GA on 27 April 2023.

- “**CEO**” means Mr. Ahmad Abu Eideh, in his capacity as the Chief Executive Officer of Invest Bank;
- “**CCL**” means the Federal Decree Law No. 32 of 2021 on Commercial Companies;
- “**CRM**” means the Credit Risk Management team, as defined in the “RISK FACTORS” section of this Shareholder Information Document;
- “**CT Law**” means the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Business, issued by the Federal Tax Authority of the UAE on 9 December 2022;
- “**Directors**” means the directors of Invest Bank, whose names are set out in the “DIRECTORS, MANAGEMENT AND EMPLOYEES” section of this Shareholder Information Document;
- “**EID**” means the Emirates ID which is the UAE government-issued identity card for UAE citizens and residents;
- “**Eligibility Date**” means *Tuesday, August 29, 2023*, as defined on the cover page of this Shareholder Information Document;
- “**Eligible Persons**” means all holders of Rights, as of the Eligibility Date, as defined on the cover page of this Shareholder Information Document, and “**Eligible Person**” means any one of them;
- “**Executive Regulations**” means Cabinet Decision No. (52) of 2017 on the Executive Regulation of Federal Decree-Law No. (8) of 2017 on Value Added Tax;
- “**Financial Advisor**” means Barclays Bank PLC, acting through its Investment Bank, in its capacity as the financial advisor, as defined on the cover page of this Shareholder Information Document;
- “**FTS**” means the Financial Tracking Service;
- “**Lead Manager**” means First Abu Dhabi Bank PJSC, in its capacity as the lead manager, as defined on the cover page of this Shareholder Information Document;
- “**Financial Statements**” - means the Audited Financial Statements and the Interim Financial Statements, as defined in the “Presentation of financial and other information” section of this Shareholder Information Document;
- “**GA**” means the General Assembly of Invest Bank;
- “**GCC**” means the Gulf Cooperation Council;
- “**GoS**” or “**Government**” means the Government of Sharjah, as defined on the cover page of this Shareholder Information Document;
- “**Group**” means Invest Bank together with its consolidated subsidiaries, as well as their respective predecessor companies or entities, as applicable;
- “**Guarantee**” means the guarantee granted by the GoS to Invest Bank with respect to a portfolio of loans and other assets pursuant to the Guarantee Agreement, as defined on the cover page of this Shareholder Information Document;
- “**Guarantee Agreement**” means the agreement that the GoS and Invest Bank, dated 10 May 2023, entered into through which the GoS provides Invest Bank the Guarantee in accordance with the terms set therein;

- **“Guarantee Fee”** means the fee due by Invest Bank to the GoS in consideration for the provision of the Guarantee pursuant to the terms of the Guarantee Agreement, as defined on the cover page of this Shareholder Information Document;
- **“Interim Financial Statements”** - means the 2022 Interim Financial Statements and the 2021 Interim Financial Statements, as defined in the “Presentation of financial and other information” section of this Shareholder Information Document;
- **“Invest Bank”** means Invest Bank P.S.C., as defined on the cover page of this Shareholder Information Document;
- **“Issue Price”** means the issue price per New Share, as defined on the cover page of this Shareholder Information Document;
- **“Lead Receiving Bank”** means First Abu Dhabi Bank PJSC in its capacity as the receiving bank for the Rights Issue, as defined on the cover page of this Shareholder Information Document;
- **“MENA”** means Middle East and North Africa;
- **“New Shares”** means the 260,000,000,000 new shares issued pursuant to the Rights Issue and the resolutions passed at the General Assembly meeting, as defined on the cover page of this Shareholder Information Document;
- **“NIN”** means the National Investor Number;
- **“PricewaterhouseCoopers or PWC”** means PricewaterhouseCoopers (Dubai branch);
- **“Registered Shareholder”** means each shareholder listed in Invest Bank’s register of shareholders as at the close of business of the ADX on the Eligibility Date, as defined on the cover page of this Shareholder Information Document;
- **“Rights”** means the securities issued to Registered Shareholders pursuant to the Rights Issue, as defined on the cover page of this Shareholder Information Document, and **“Right”** means any one of them;
- **“Rights Issue”** means the increase in Invest Bank’s issued share capital by way of a rights issue authorised by the General Assembly, as defined on the cover page of this Shareholder Information Document;
- **“RMU”** means the risk management unit;
- **“SCA”** means the Securities and Commodities Authority;
- **“Securities Act”** means the United States Securities Act of 1933, as amended;
- **“SME”** means small and medium enterprises, which are businesses with an annual turnover below AED 100 million;
- **“Shares”** means the current share capital of Invest Bank, as defined on the cover page of this Shareholder Information Document;
- **“Special Resolution”** means a resolution issued by the majority votes of shareholders holding at least 75 percent. of the shares represented at the General Assembly meeting;
- **“Subscription Period”** means the period during which subscription for the New Shares will take place, as defined on the cover page of this Shareholder Information Document;

- **“SWIFT”** means the Society for Worldwide Interbank Financial Telecommunications;
- **“UAE”** means the United Arab Emirates;
- **“UAE FTS”** means the UAE Central Bank Fund Transfer System, as defined on the cover page of this Shareholder Information Document;
- **“US\$ or USD”** means the lawful currency of the United States of America, and **“\$”** has the same meaning;
- **“VAT”** means value added tax; and
- **“VAT Law”** means Federal Decree-Law No. (8) of 2017 on Value Added Tax.

PARTICIPATING BRANCHES OF FIRST ABU DHABI BANK

S.No	Branch name	Branch Location-Area	Customer Timing	Subscription Timings	Branch Address
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
2	Jumeirah Branch	Dubai	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Link International Building, Jumeirah Beach Road Umm Suqeim
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
3	Sharjah	Sharjah	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah; PO BOX:1109
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

LEGAL ADVISORS

Freshfields Bruckhaus Deringer LLP
ICD Brookfield Place, Level 13
Dubai International Financial Centre, Dubai
United Arab Emirates

FINANCIAL ADVISOR

Barclays Bank PLC, acting through its Investment Bank
P.O. Box 506674
Dubai International Financial Centre, Dubai
United Arab Emirates

LEAD MANAGER & LEAD RECEIVING BANK

First Abu Dhabi Bank
P.O. Box 6316
Khalifa Business Park, Al Qurm District
United Arab Emirates

REPORTING ACCOUNTANTS

PricewaterhouseCoopers (Dubai Branch)
P.O. Box 11987
Emaar Square Building 5
Dubai
United Arab Emirates

ANNEX 1: INVEST BANK ARTICLES OF ASSOCIATION

You can access a copy of Invest Bank's AoA's by following the below links:

For English: https://investbank.ae/dist/pdf/Invest_Bank_Articles_of_Association_ENG.pdf

For Arabic: https://investbank.ae/dist/pdf/Invest_Bank_Articles_of_Association_AR.pdf

ANNEX 2: QUESTIONS AND ANSWERS REGARDING THE RIGHTS ISSUE

The questions and answers set out below are intended to be in general terms only and, as such, you should read the terms and conditions of the Rights Issue set out in the “SUMMARY OF THE RIGHTS ISSUE and TERMS AND CONDITIONS OF THE RIGHTS ISSUE” sections of this Shareholder Information Document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to immediately seek your own legal, financial, investment and tax advice.

1. What is a rights issue?

The Rights Issue is an offer by Invest Bank to its existing shareholders to subscribe for New Shares to be issued at an Issue Price of AED0.01 (1 Fils) per New Share.

The Rights to be issued to Registered Shareholders are securities making their holders eligible to subscribe for the New Shares. Each Right grants its holder the eligibility to subscribe for one New Share at the Issue Price.

The New Shares will have the same rights as the existing Shares. The existing Shares are (and the New Shares will be) indivisible. Each existing Share (and each New Share will) give its holder equal rights in Invest Bank’s assets at the time of liquidation and a share of profits as well as the right to attend general assemblies and vote on any proposed resolutions.

The New Shares will rank *pari passu* with the existing Shares including the right to all future dividends and other distributions declared, made or paid after the Eligibility Date.

2. Who is granted Rights?

Rights are granted to all Registered Shareholders of Invest Bank as at the close of business of the ADX on the Eligibility Date. Shareholders must ensure that their name is reflected in Invest Bank’s share register held by the ADX and that they have an investor number on the ADX in order to receive or exercise their Rights.

3. When are the Rights deposited to the accounts of the Registered Shareholders’?

The Rights will be deposited in the clearing account or brokerage account of each Registered Shareholder where his or her Shares are held within one day after the Eligibility Date.

4. Under what name/symbol will these Rights be added to the Registered Shareholders’ accounts?

The Rights will appear in the accounts of the Registered Shareholders under a new symbol “INVESTBRI23” that designates these Rights.

5. How are Registered Shareholders notified of the deposit of Rights in their accounts?

Registered Shareholders will be notified that the Rights have been deposited into their accounts through an announcement on the website of the ADX. If a shareholder of Invest Bank has not received Rights but believes that he or she should have received such Rights, they should contact their broker or the ADX call centre directly on 800-ADX (800-239).

6. How many Rights will the Registered Shareholders receive?

Each Registered Shareholder on the Eligibility Date will receive **81.73576** Rights for every **1** Share held on such date. Each Right grants its holder the eligibility to subscribe for one New Share at the Issue

Price. Right entitlements will be rounded down to the nearest whole number of Rights and Registered Shareholders will not receive a Right in respect of the fraction of any Rights.

7. Are these Rights tradable?

No. Shareholders can only exercise their right to subscribe to the new shares in the Bank.

8. Can Eligible Persons subscribe for Additional New Shares?

Yes. Eligible Persons may subscribe for New Shares in an amount equal to the number of Rights to which they are entitled on the Eligibility Date. In addition, all Eligible Persons are entitled to subscribe for Additional New Shares, in excess of the number of Rights they respectively hold, which will be allocated to the Eligible Persons who subscribed for Additional New Shares in the event that unsubscribed shares remain after the first allotment for the Eligible Persons. These shares will be allocated on a *pro rata* basis, scaled back (if necessary) in accordance with the proportion that the number of Additional New Shares requested by the subscriber represents to the total number of Additional New Shares requested by all Eligible Persons who subscribed for such Additional New Shares. There is, therefore, no guarantee that the Eligible Persons applying for Additional New Shares will receive the number of Additional New Shares applied for, and no Eligible Person will receive more New Shares than they have subscribed for during the Subscription Period.

9. How is subscription completed?

Subscription can be done by way of visiting one of First Abu Dhabi Bank's participating branches (see PARTICIPATING BRANCHES OF FIRST ABU DHABI BANK) or through First Abu Dhabi Bank's electronic channels.

10. What happens to Rights that are not exercised at the end of the Subscription Period?

If the subscription is not done for the New Shares against the Rights, it will automatically be cancelled and the Eligible Persons holding in the Bank will be diluted. If any New Shares remain unsubscribed after the Subscription Period, the GoS shall subscribe for a number of such New Shares up to the total number of the Additional New Shares.

11. If I buy Shares after the Eligibility Date, will I be eligible to participate in the Rights Issue?

No, Shares purchased after the Eligibility Date will not entitle for the Rights.

12. If I exercise my Rights, when will my New Shares be admitted to trading?

If you exercise your Rights under the Rights Issue, the New Shares are expected to be admitted at the ADX. Trading of shares would commence only upon Invest Bank submitting all relevant documents and the ADX lifting the suspension of trading of shares of Invest Bank.

13. What should I do if I think my holding of Shares is incorrect?

Please contact your broker or the ADX directly on 800-ADX (800-239).

14. What if the number of Rights to which I am entitled is not a whole number; am I entitled to fractions of Rights?

Your entitlement to Rights will be calculated as at the close of business of the ADX on the Eligibility Date. If the result of this calculation is not a whole number, your entitlement will be rounded down to the nearest whole number of Rights and you will not receive a Right in respect of the fraction of any Rights. The New Shares representing the aggregated fractions not allotted as a result of the rounding

exercise will be allocated first to those Eligible Persons who have subscribed for Additional New Shares, and then to the extent that any New Shares remain unsubscribed thereafter.

15. Can I apply for less than my entitlement under the Rights Issue?

Yes, you can apply for less than your entitlement under the Rights Issue. However, if you do not exercise your Rights to subscribe for New Shares under the Rights Issue (or you exercise fewer Rights than your entitlement under the Rights Issue) your proportionate ownership and voting interest in Invest Bank will be reduced.

16. Will I receive a refund if I do not receive the number of Additional New Shares that I have applied for?

Yes, you will receive a refund of the oversubscribed amount.

17. What if I want to sell the New Shares for which I have paid?

After the commencement of trading of New Shares at ADX, you can sell.

18. Can I change my decision to exercise my Rights?

Subscription to the Rights Issue is irrevocable and you cannot withdraw your subscription application after submission.

19. What should I do if I live outside the UAE?

Invest Bank is not taking any action to permit any offering of the New Shares in any jurisdiction outside the UAE.

Neither this Shareholder Information Document nor any other document relating to the Rights Issue will be distributed in or into or to any jurisdiction outside the UAE. Eligible Persons will need to subscribe through the UAE FTS or submit a subscription application through one of the participating branches of First Abu Dhabi Bank.

If you do not exercise your Rights, the New Shares to which you are entitled will be allocated first to those Eligible Persons who have subscribed for Additional New Shares, and then, to the extent that any New Shares remain unsubscribed thereafter, to GoS in its capacity as the strategic shareholder of Invest Bank.

Further assistance

If you have any other questions, please contact First Abu Dhabi Bank's call centre at: +971 02 616 1800 or Invest Bank's investor relations officer by emailing Invest Bank's designated email address: investorsrelations@investbank.ae.

Please note that Invest Bank will only be able to provide information contained in this Shareholder Information Document and information relating to Invest Bank's register of members and will not be able to give advice on the merits of the Rights Issue or to provide legal, financial, tax or investment advice.