



The better way to bank



Investor Presentation

For the period ended September 30th 2015



بنك دبي الإسلامي
Dubai Islamic Bank

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1. Overview of Dubai Islamic Bank

2. Strategic Intent

3. Financial Performance

4. Appendix

Dubai Islamic Bank at a Glance

A leading Islamic bank with a growing international footprint

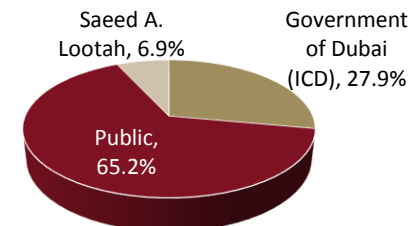
Snapshot of Dubai Islamic Bank

- Dubai Islamic Bank (“DIB” or the “Bank”) was established in 1975 as the **world’s first full service Islamic bank** by an Emiri Decree.
- DIB is the **4th largest Islamic bank¹ in the world** and the **largest Islamic bank in the UAE by total assets**.
- The Bank offers a wide range of *Sharia*-compliant products and services to consumer, wholesale and institutional clients.
- DIB’s principal strategy is to expand its core Islamic finance business and continue to maintain its position as the leading Islamic financial institution in the region as well as in other selected strategic markets.
- DIB enjoys a robust market position and strong brand recognition on the back of its focused strategy.

Geographic Presence



Ownership (as at 30 Sep 2015)










Long Term Rating	Outlook
Baa1	Stable
A	Stable

MOODY'S

FitchRatings

Significant Subsidiaries and Associates

 <p>91.9%</p>	<p>Tamweel is a provider of regional real estate financing and was established in 2000</p>	 <p>29.5%</p>	<p>DIB holds a strategic stake in Bank of Khartoum, one of the largest banks in Sudan by branches and ATMs</p>
 <p>60.0%</p>	<p>Dar Al Sharia is a <i>Sharia</i> legal and financial consultancy firm established in 2008</p>	 <p>20.8%</p>	<p>Jordan Dubai Islamic Bank provides banking services in Jordan</p>
 <p>100.0%</p>	<p>Dubai Islamic Bank Pakistan was established in 2006 as a banking service provider</p>	 <p>44.9%</p>	<p>Deyaar Development is a real estate development company established in 2002</p>
<p>24.9%</p>	<p>Approval received to enhance to 40% in Bank Panin Syariah, Indonesia</p>	 <p>27.3%</p>	<p>Bosna Bank International was established in 2000 as the first <i>Sharia</i>-compliant bank in Europe</p>

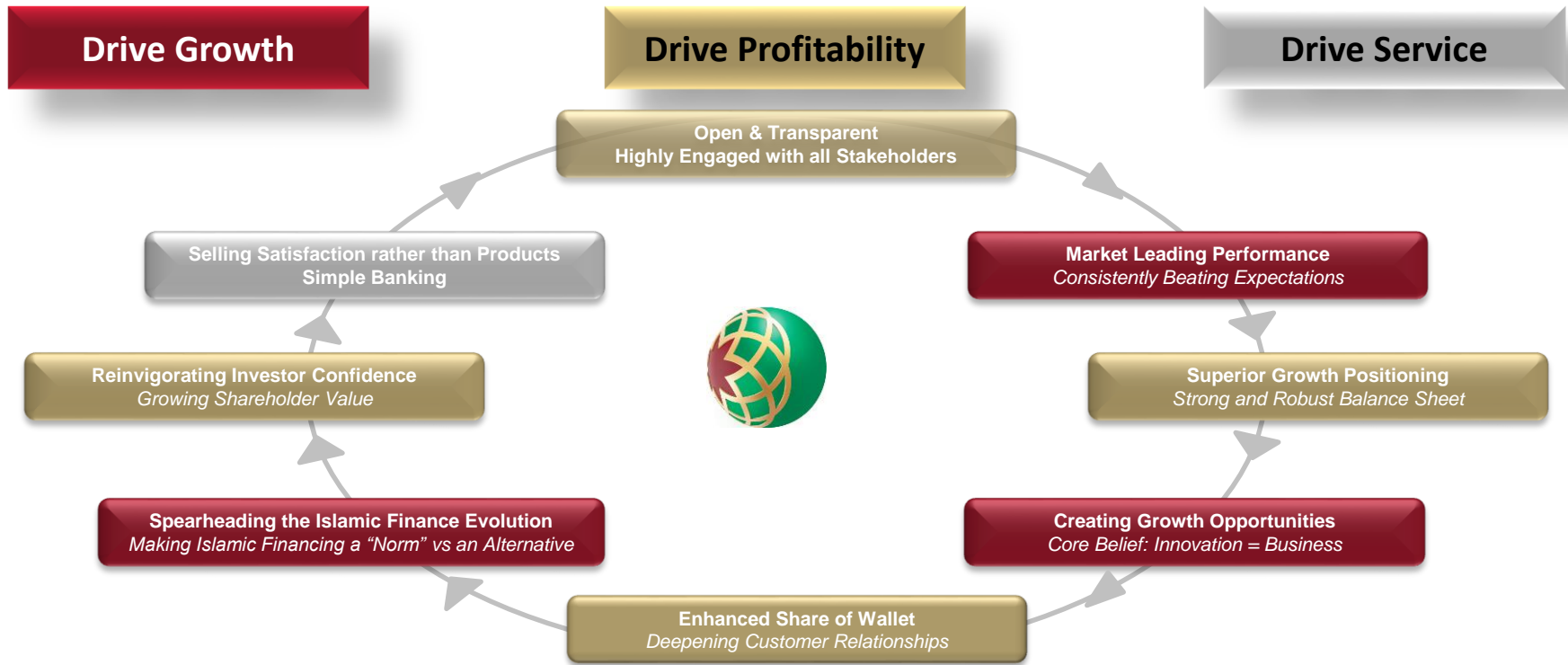
¹According to 2014 financial statements available for the largest Islamic banks in the world.

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DOING MORE OF THE SAME

2015 – Target Metrics							
Loan Growth	15%-20%	NPLs	6%	Real Estate Concentration	Mid 20s	Return on Assets	2.5%
NIMs	3.6%	Coverage	85%	Cost Income Ratio	35%	Return on Equity	18%-19%

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Overall Financial Performance (as at 30 September 2015)

Strong Financial Performance on the Back of Intense Focus on Growth

Balance Sheet Items

AED million	2014	Q3 2015	Change
Net Financing assets	73,977	92,303	25%
Sukuk investments	16,119	19,016	18%
Total assets	123,887	147,472	19%
Customers' deposits	92,345	109,303	18%
Sukuk Financing Instruments	2,847	5,602	97%
Interbank borrowing	3,940	3,181	(19%)
Other liabilities ¹	7,049	7,299	4%
Equity	17,706	22,088	25%
Total liabilities and equity	123,887	147,472	19%

Income Statement Items

AED million	Q3 2014	Q3 2015	Change
Total Income	4,614	5,526	20%
Net Revenue	4,009	4,788	19%
Operating expenses	(1,395)	(1,634)	17%
Profit before net impairment charges and taxation	2,615	3,154	21%
Impairment losses	(538)	(341)	(37%)
Income tax	(17)	(12)	(30%)
Group net profit	2,060	2,801	36%

Financial Highlights

Key Ratios	2013	2014	Q3 2015
Net Financing to Deposit Ratio ²	71%	80%	84%
Common Equity Tier 1 Ratio	18.2%	14.7%	16.2%
Capital Adequacy Ratio	18.2%	14.9%	16.5%
Non-performing Asset Ratio	11.1%	8.0%	5.9%
Net Profit Margin ("NPM")	3.34%	3.57%	3.72%
Dividend Per Share (in %)	25.0%	40%	-
ROE	13.8%	17.9%	20.2%
ROA	1.6%	2.3%	2.75%

Highlights

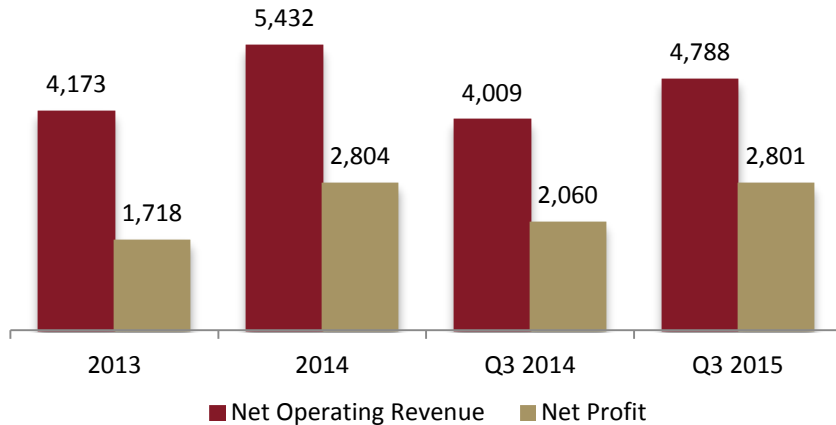
- Strong growth in financing assets up by 25% stemming from core business and in line with growth & penetration.
- Robust net revenue growth of 19% due to consistent growth in core banking assets across all business segments.
- Strong capitalization and liquidity position with CAR at 16.5%.

¹Other liabilities is calculated as the sum of Zakat Payable and Payables and Other Liabilities.

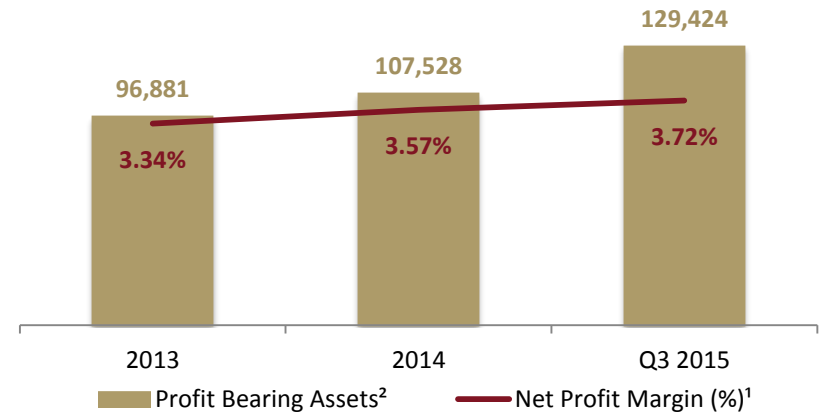
²Net Financing to Deposit Ratio excludes Bilateral Sukuk

Operating Performance and Profitability

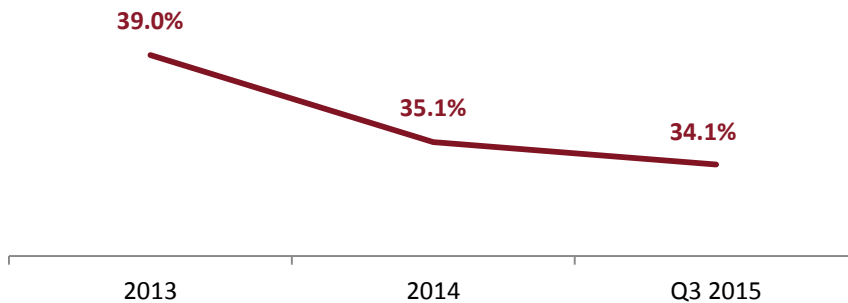
Robust & Growing Profitability (AED million)



Sustained Strong Margins (AED million)



Cost to Income Ratio³ (%)



Highlights

- Group Net Profit increased to AED 2,801 million, up 36% compared with AED 2,060 million for the same period of 2014.
- Operating expenses increased by 17% to AED 1,634 million compared with AED 1,395 million for the same period of 2014. The rise is largely attributed to variable operating costs in line with increase in business volumes.
- Cost to income ratio improved to 34.1% and is better than guidance for the year.

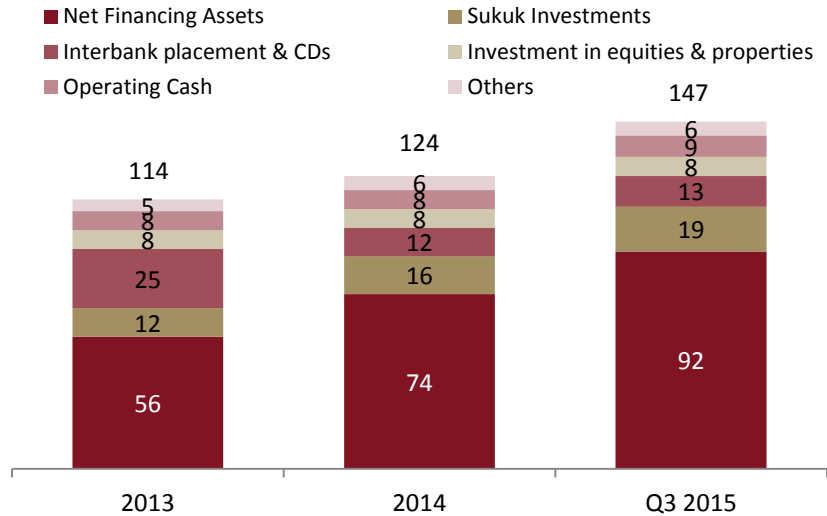
¹Net Profit Margin is calculated as Depositors' share of profits subtracted from income from Islamic Financing and Investing Assets and income from International Murababat and Wakala and income from Investments in Islamic Sukuk divided by Average Earning Assets.

²Profit Bearing Assets are calculated as the sum of International Murababat with UAE Central Bank, Investment in Islamic Sukuk and Gross Islamic Financing and Investing Assets and Due from Banks and Financial Institutions.

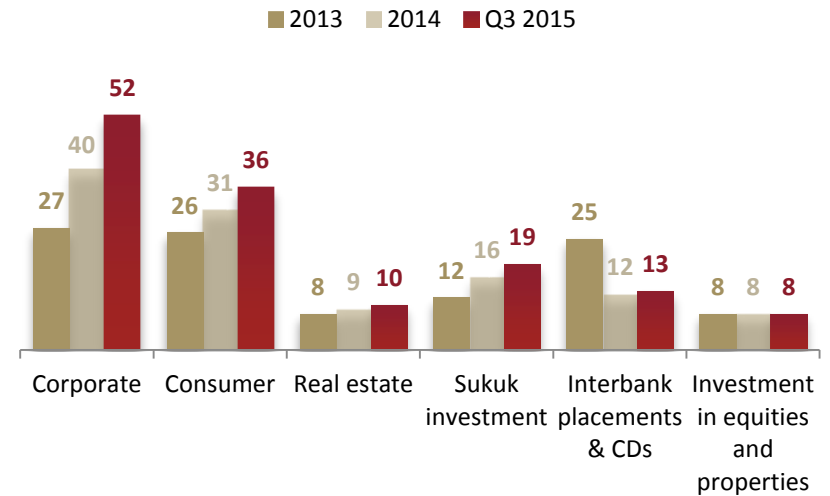
³Cost to income ratio calculated as operating expenses divided by operating income.

Overview of Deployment of Funds / Financings

Deployed Funds Composition (AED bn)

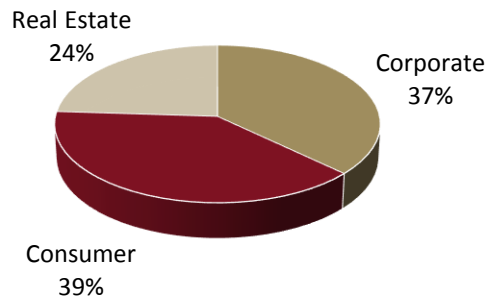


Deployment by Segment (AED bn)

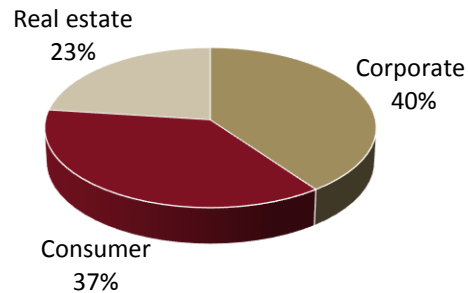


Breakdown of Financing Portfolio by Sector (%)

2014



Q3 2015



Highlights:

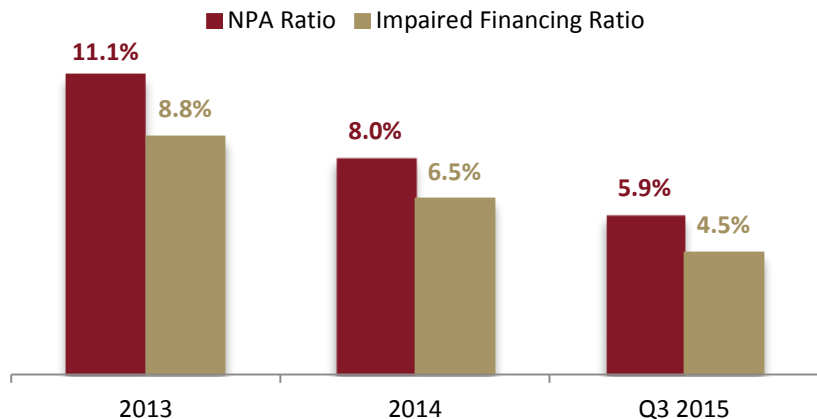
Gross financing assets up by 23%.

- Consumer increased by 16% (AED 35.5bn).
- Corporate by over 31% (AED 52.0bn).
- Commercial Real Estate financing selective.

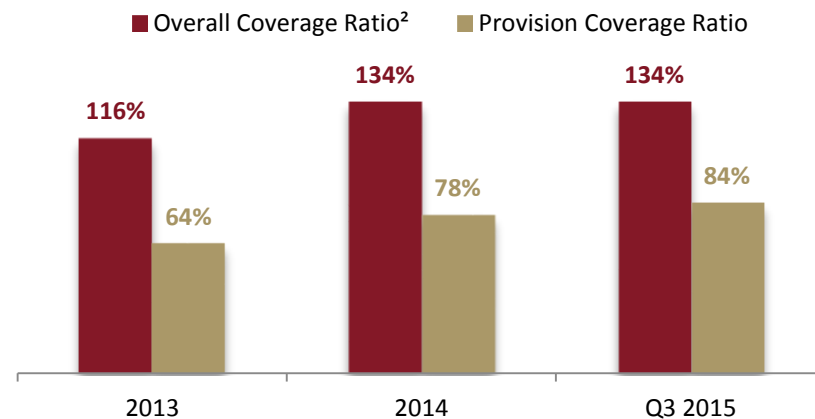
Sukuk investments increased by 18% to AED 19 billion. Deliberate strategy to deploy excess liquidity in higher earning assets.

Financing to deposit ratio is at 84.4%, one of the strongest in the market.

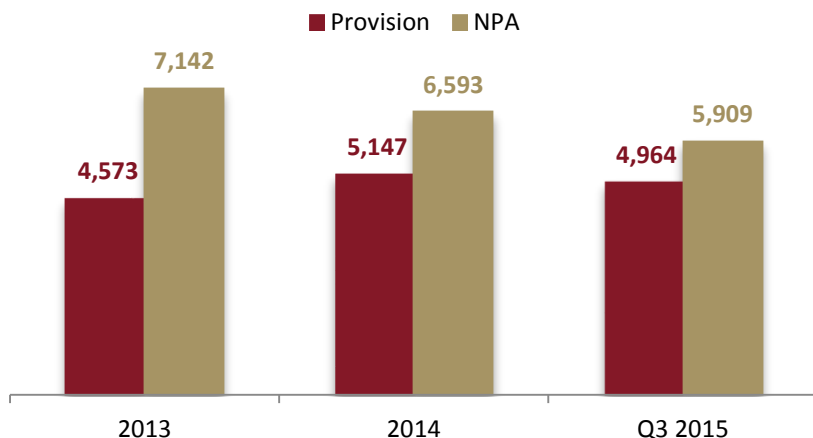
Non-Performing Assets ("NPA")¹



Financing Provisions and Coverage Ratios



Cumulative Provisioning (AED million)



Highlights

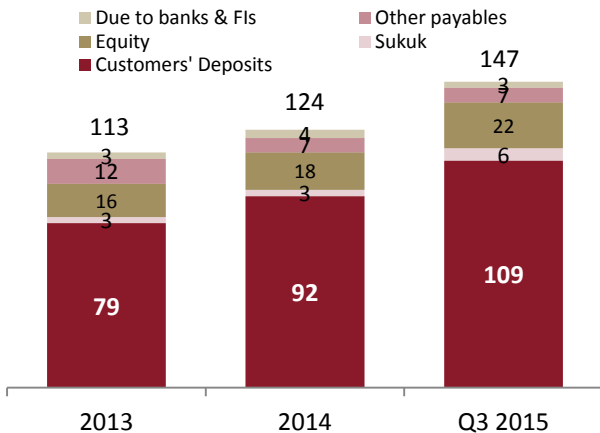
- NPLs on a consistent decline with NPL ratio improving to 5.9%, compared to 8.0% at the end of 2014.
- Impaired financing ratio also improved to 4.5%, from 6.5% at the end of 2014. This is mainly due to reduction in absolute NPLs on account of settlement and recovery.
- With continued provisions, provision coverage improved to 84% compared with 78% at end of 2014.

¹Non-Performing Assets includes bilateral sukuk and are calculated as the sum of individually impaired and 90-day overdue Financing Assets.

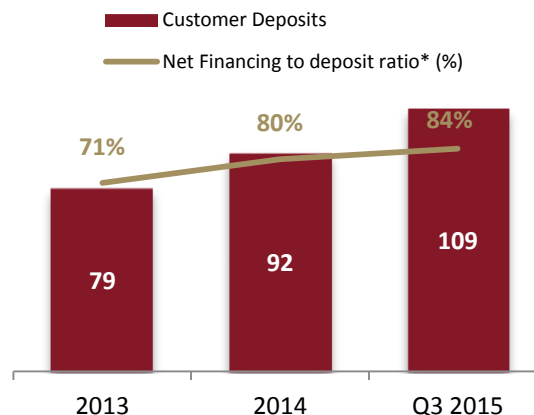
²Overall Coverage Ratio calculated as the sum of provisions held and collateral held relating to facilities individually determined to be impaired divided by non-performing assets.

Funding Sources and Liquidity

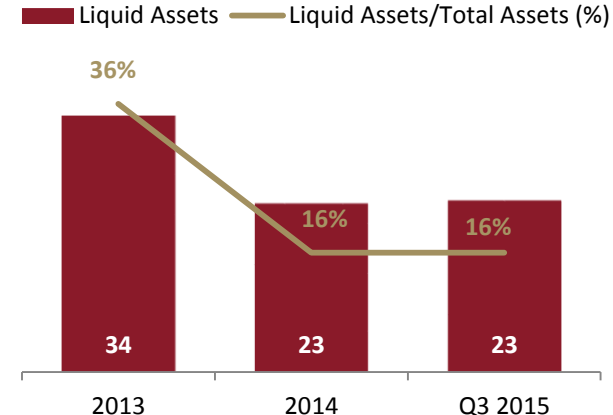
Funding Sources (AED bn)



Customers' Deposits (AED bn)

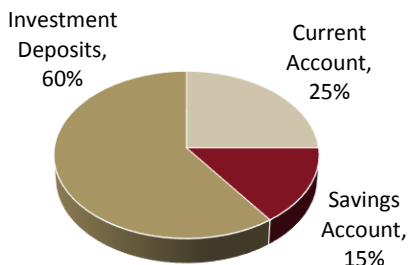


Liquidity Position (AED bn)

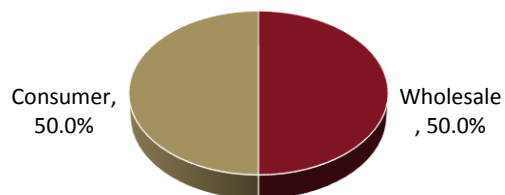


Customer Deposits (AED 109 bn, as at 30 September 2015)

By Type



By Business



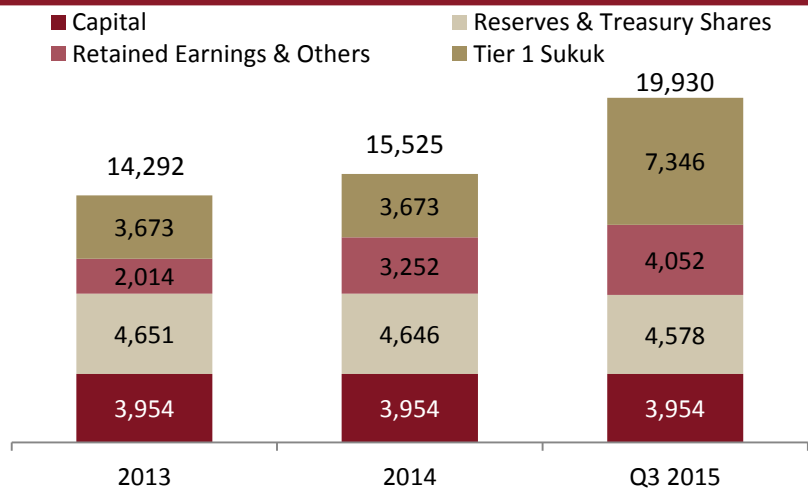
Highlights

- Customer deposits at AED 109 billion compared to AED 92 billion at the end of 2014, up by 18%.
- CASA continues to be a significant portion comprising 40% of total deposits, primary reason for the low cost of funds that the bank enjoys.
- The increase in customer deposits of 18% is in line with overall business growth and focused customer acquisition strategy.

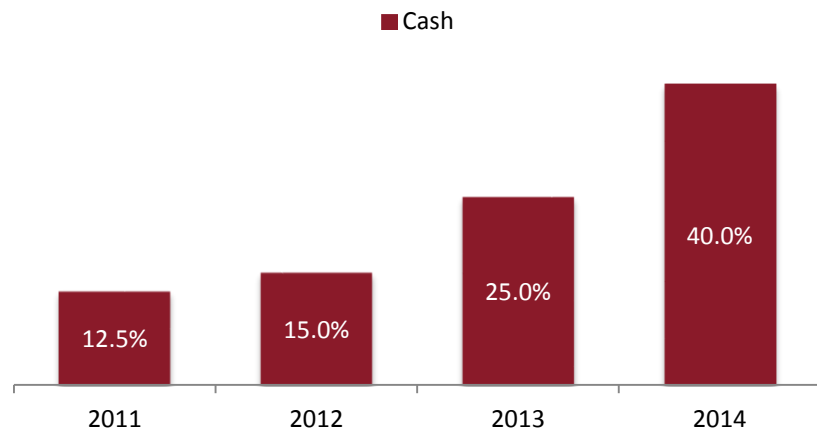
* Net Financing to Deposit Ratio excludes Bilateral Sukuk

Capitalization Overview

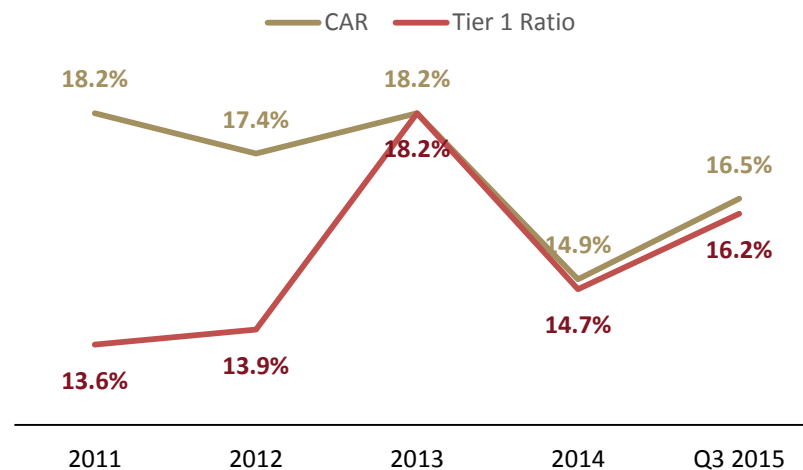
Total Equity¹ Breakdown (AED million)



Dividend Payout History²



Capital Ratios*



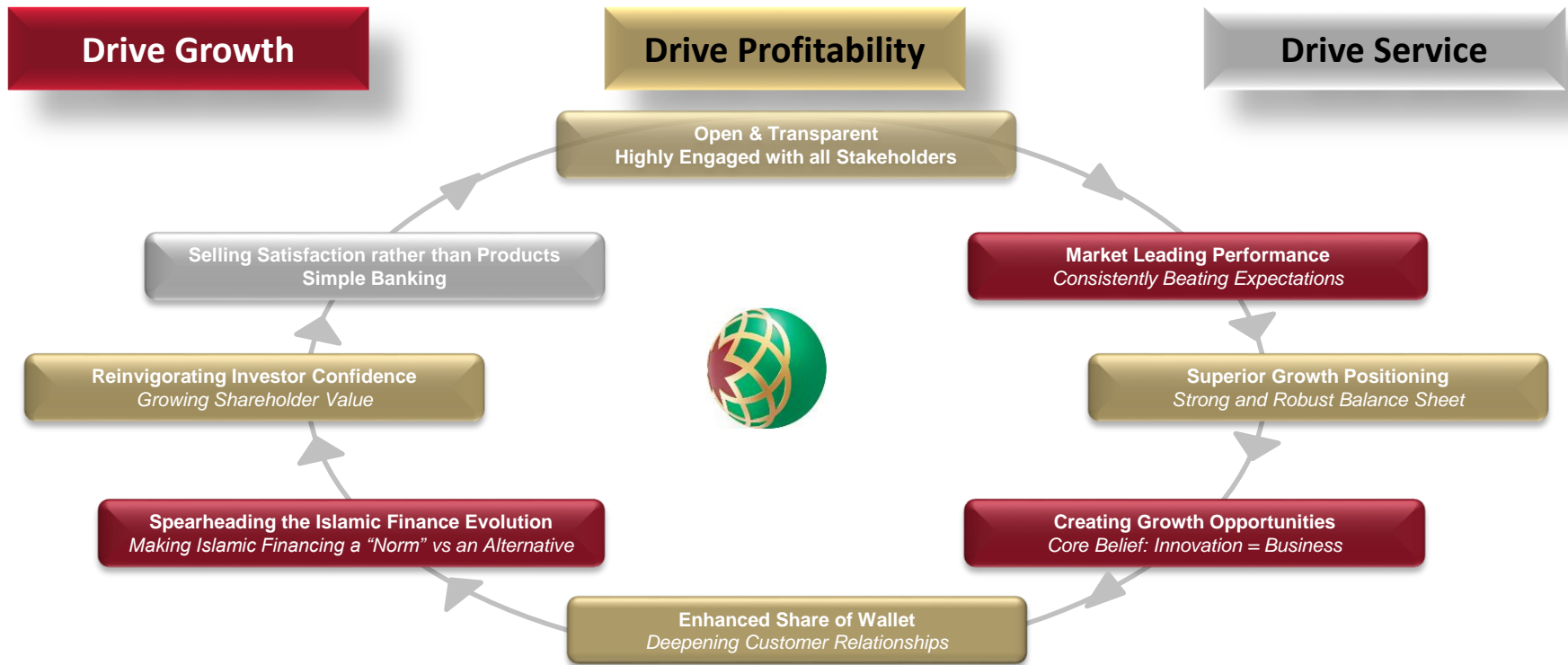
Highlights

- Capital adequacy ratio stands at 16.5% as of September 30, 2015.
- T1 ratio at 16.2%.
- Both ratios are well above regulatory level.
- ROA 2.75% & ROE 20.2% in line with guidance metrics.

¹ Refers to Equity Attributable to Equity Holders of the Parent.

² Dividend Payout is calculated as total dividends paid divided by weighted average number of shares outstanding during the year.

* Regulatory Capital Requirements CAR at 12% and Tier 1 at 8%



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Loan Growth	15%-20%	NPLs	6%	Real Estate Concentration	Mid 20s	Return on Assets	2.5%
NIMs	3.6%	Coverage	85%	Cost Income Ratio	35%	Return on Equity	18%-19%

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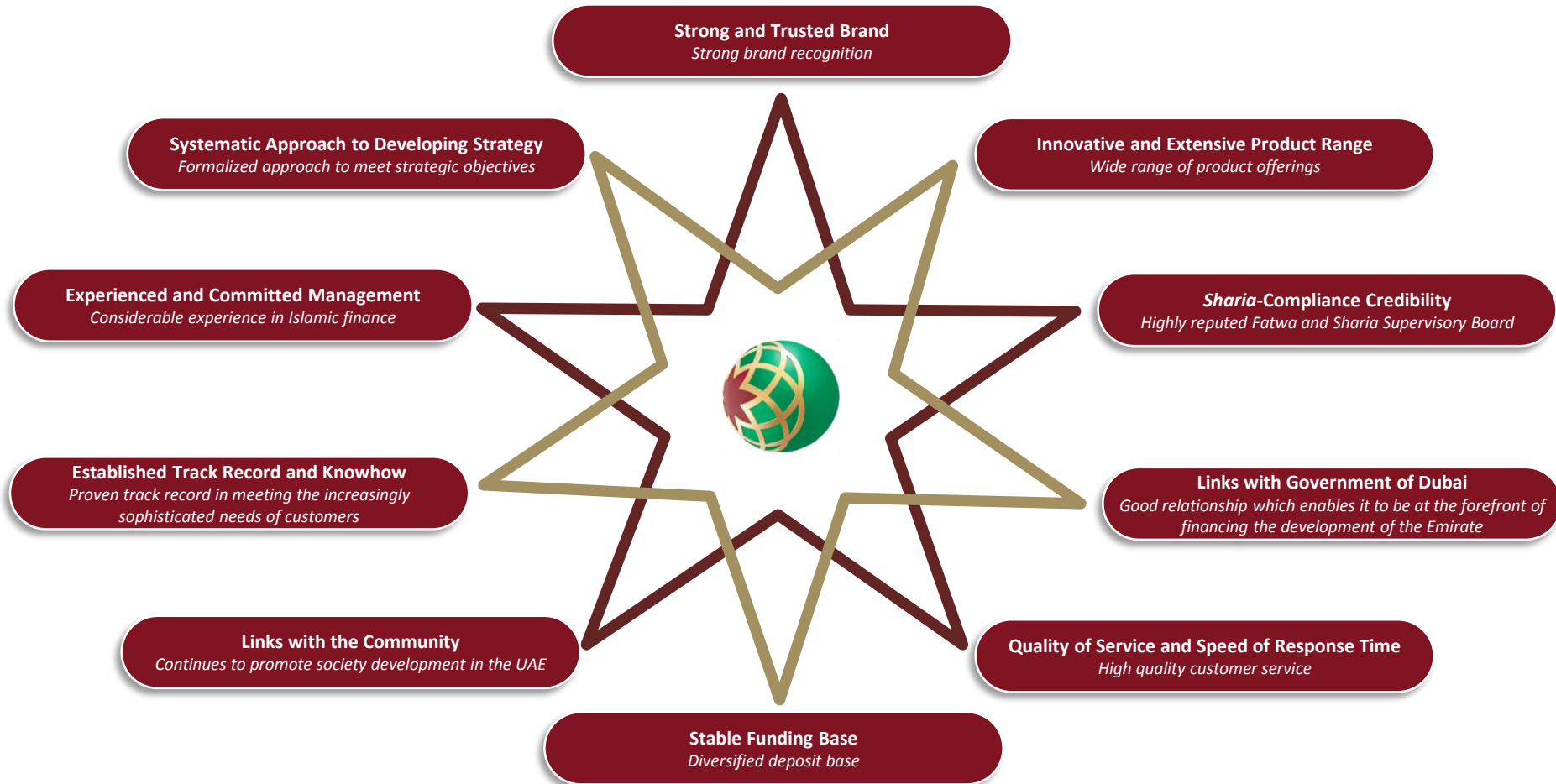
2. Strategic Intent

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Key Strengths

What Differentiates DIB?









DIB's Key Business Lines

Core Business Profiles

The principal activities of DIB are focused around five core business areas: (i) Retail & Business Banking; (ii) Corporate Banking ("CBG"); (iii) Real Estate & Contracting Finance; (iv) Investment Banking; and (v) Treasury.

Consumer Banking	Corporate Banking	Real Estate & Contracting Finance	Investment Banking	Treasury
<ul style="list-style-type: none"> The largest business activity group within DIB. Offers its retail and business banking services through a network of 90+ branches spread across all of the Emirates. Broad range of retail products and services that include: Auto Finance; <i>Sharia</i>-compliant Cards; Personal Finance; Mortgages and SME Solutions. Serving more than 1.4 million customers. 	<ul style="list-style-type: none"> CBG offers a range of <i>Sharia</i>-compliant solutions to its corporate clients in the UAE, the GCC and in other niche markets. CBG has sector-specific focus units which target clients across both private and public sectors. CBG manages around 880 relationships, leveraging its client relationships to cross-sell other products offered including investment banking and treasury services. 	<p>Real Estate Finance</p> <ul style="list-style-type: none"> DIB plays a significant role in supporting corporate real estate developments, including the construction of commercial property and residential estates. <p>Contracting Finance</p> <ul style="list-style-type: none"> DIB provides financing to contractors executing building, electrical and mechanical infrastructure works across sectors such as the oil, gas, power and water sectors. 	<ul style="list-style-type: none"> DIB's Investment Banking business group is primarily responsible for management of DIB's proprietary investment portfolios, strategic stakes and international operations and expansion. The business group provides advisory and related services to DIB's corporate clients across both the UAE and internationally. 	<ul style="list-style-type: none"> The Treasury Group offers a comprehensive range of products backed by DIB's expert understanding of local and international markets. Its principal customers are corporate clients, financial institutions, high net worth individuals, SME companies and similar businesses. It is responsible for managing DIB's liquidity requirements, investment portfolio and capital markets funding.

Select Recent Awards & Accolades

 <ul style="list-style-type: none"> ✓ Islamic Bank of the Year UAE ✓ Most Established Bank Of the Year 	 <ul style="list-style-type: none"> ✓ Best Islamic Card ✓ Best GCC Equity Fund 	 <ul style="list-style-type: none"> ✓ Best Islamic Bank ✓ Best Islamic Retail Bank ✓ Best Investment Bank ✓ Best Premium Bank UAE ✓ Best Sukuk Arranger 	 <ul style="list-style-type: none"> ✓ Ijarah Deal of the Year ✓ Pakistan Deal of the Year ✓ Mudarabah Deal of the Year 	 <p>Dr. Adnan Chilwan – Forbes 2015 Top 50 Indian Leaders in the Arab World</p>  <p>10th Annual Bank Benchmark Index Awards 2014</p> <p>Most Overall Improved Bank in Customer Experience</p>
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Consolidated Income Statement

<i>AED million</i>	30 Sep 2015	30 Sep 2014	2014	2013	
Net Revenue	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	
<i>Income from Islamic financing and investing transactions</i>	4,043	3,237	4,444	4,030	
<i>Commission</i>	975	780	1,189	799	
<i>Income / (loss) from other investment</i>	36	31	39	22	
<i>Income from investment properties</i>	172	201	83	61	
<i>Income from properties held for sale</i>	93	65	215	233	
<i>Other Income</i>	56	251	262	66	
<i>Share of profit from associates and joint ventures</i>	152	50	135	78	
Total Income	5,526	4,614	6,368	5,288	
<i>Depositors' and sukuk holders' share of profit</i>	(738)	(604)	(799)	(1,054)	
Net Income	4,788	4,009	5,569	4,235	
Operating Expense					
<i>Personnel expenses</i>	(1,093)	(899)	(1,331)	(1,051)	
<i>General and administrative expenses</i>	(433)	(395)	(576)	(502)	
<i>Depreciation of investment properties</i>	(22)	(28)	(35)	(36)	
<i>Depreciation of property, plant and equipment</i>	(86)	(73)	(102)	(99)	
Total Operating Expenses	(1,634)	(1,395)	(2,044)	(1,689)	
Profit before net impairment charges and income tax expense	3,154	2,615	3,525	2,546	
<i>Impairment charge for the period, net</i>	(341)	(338)	(703)	(824)	
Profit for the period before income tax expense	2,813	2,077	2,822	1,722	
<i>Income tax expense</i>	(12)	(17)	(18)	(4)	
Net Profit for the period	2,801	2,060	2,804	1,718	
	Attributable to				
	<i>Non-Controlling Interests</i>	110	106	143	107
	<i>Owners of the Bank</i>	2,691	1,954	2,661	1,611

Balance Sheet

<i>AED million</i>	As on		
	30 Sep 15	31 Dec 2014	31 Dec 13
Assets	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
Cash and balances with central banks	17,096	16,317	22,713
Due from banks and financial institutions	5,532	4,316	9,606
Islamic financing and investing assets, net	92,303	73,977	56,071
Investments in Islamic Sukuk measured at amortised cost	19,016	16,119	11,643
Other investments at fair value	1,884	2,037	2,030
Investments in associates and joint ventures	1,932	1,873	1,878
Properties held for sale	1,535	1,512	1,841
Investment properties	2,336	2,042	2,013
Receivables and other assets	5,155	5,114	4,957
Property, plant and equipment	684	581	537
Total Assets	147,472	123,887	113,288
Liabilities and Equity			
Liabilities			
Customers' deposits	109,303	92,345	79,061
Due to banks and financial institutions	3,181	3,940	2,630
Sukuk financing instruments	5,602	2,847	2,808
Payables and other liabilities	7,300	6,854	12,283
Zakat payable	-	194	166
Total Liabilities	125,385	106,181	96,946
Equity			
Share Capital	3,954	3,954	3,954
Tier 1 Sukuk	7,346	3,673	3,673
Other Reserve and Treasury Shares	5,494	5,494	5,496
Investment Fair Value Reserve	(604)	(568)	(564)
Exchange Transaction Reserve	(312)	(280)	(281)
Retained Earning	4,052	3,252	2,014
Equity Attributable to owners of the banks	22,086	15,525	14,292
Non-Controlling Interest	2,156	2,181	2,051
Total Equity	22,086	17,706	16,342
Total Liabilities and Equity	147,472	123,887	113,288