



Investor Presentation

Year End 2012

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DIB Overview

Financial Highlights

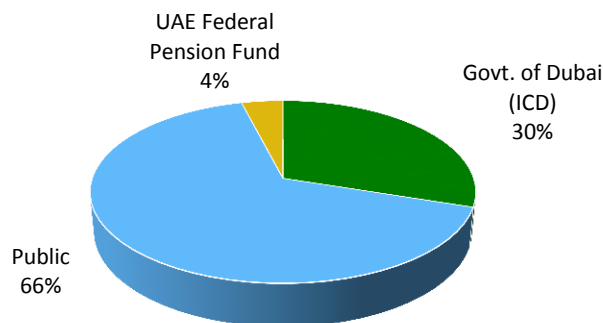
DIB Business Overview

DIB Overview

DIB Overview

- Dubai Islamic Bank (“DIB”) was established in 1975 as the **world’s first full service Islamic bank** by an Emiri Decree.
- DIB is the **third largest Islamic bank in the world and the largest in the UAE** by total assets.
- The Bank offers a **wide range of Sharia-compliant products and services** to consumer, wholesale and institutional clients.
 - **One of the largest consumer base in UAE** with over 1.4 million customers.
- 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 is rated (Baa1) by Moody’s and (A) by Fitch.**
- **Deliberate and consistent provisioning** from 2008-2012, amounting to USD 1.4 billion, has led to a **clean, strong and more robust balance sheet**

Ownership Structure



Note: USD/AED FX Rate = 3.6725

¹Financing Portfolio refers to (i) the sum of Gross Financing & Investing Assets and Investments in Bilateral Sukuk (in respect of 2012 and 2011), and (ii) Gross Financing and Investing Assets (in respect of 2010)

²NIM is calculated as Depositors’ share of profits subtracted from income from Islamic Financing and Investing Assets and income from International Murababah and Wakala and income from Investments in Islamic Sukuk divided by Average Earning Assets.

³Dividend Payout is calculated as total dividends paid divided by weighted average number of shares outstanding during the year

⁴Ratio calculated as sum of Net Financing and Investing Assets and Investments in Bilateral Sukuk divided by Customer Deposits

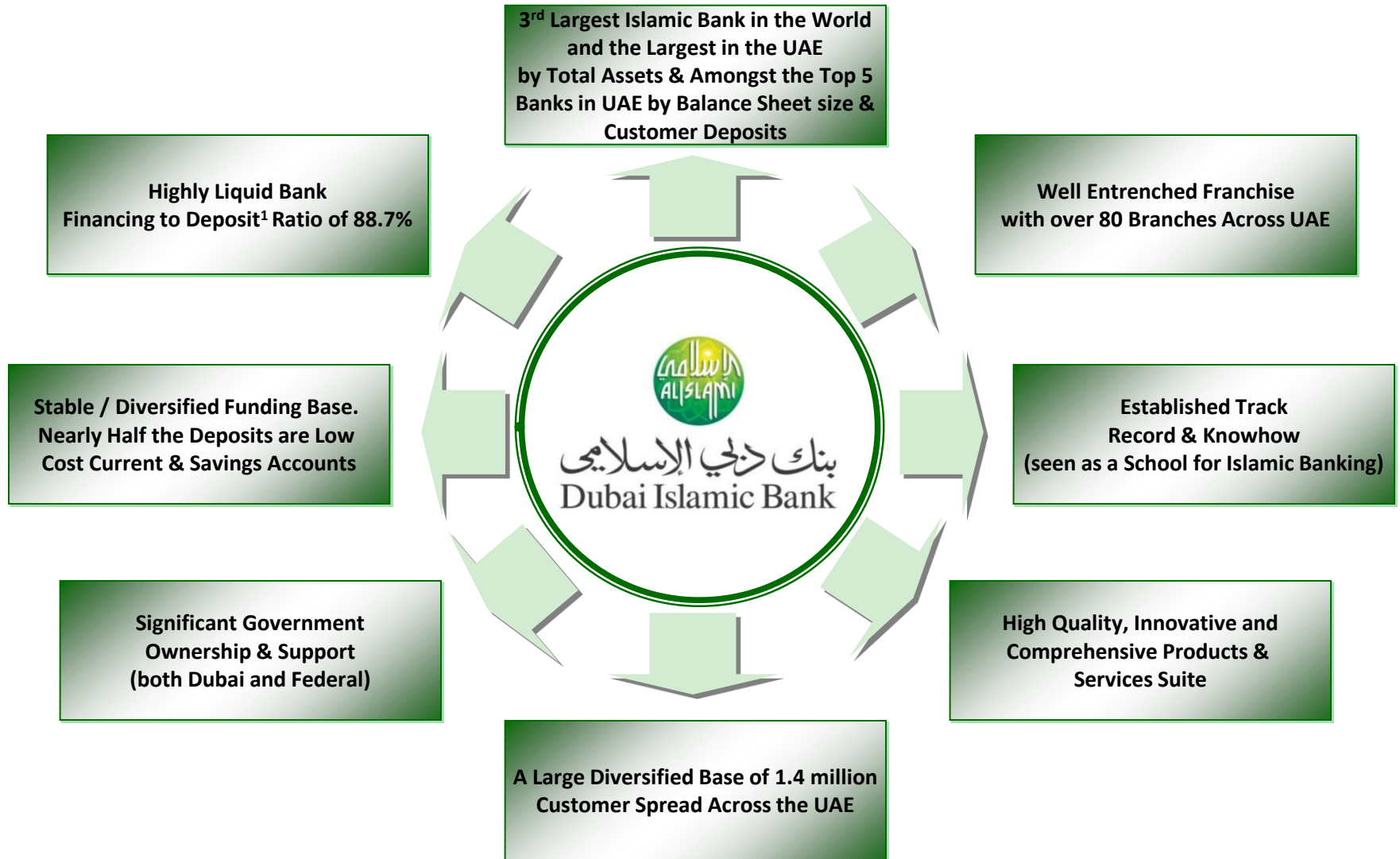
Financial Snapshot

USD million	2012	2011	2010
Financing portfolio ¹	17,136	15,981	16,373
Sukuk Investment	2,019	2,455	2,252
Total Assets	25,967	24,667	24,475
Customer Deposits	18,189	17,680	17,276
Sukuk & Term Borrowings	2,294	2,158	2,159
Total Equity	2,875	2,770	2,797
Net Operating Revenue	1,010	985	891
Provisions for Impairment	(284)	(296)	(235)
Profit for the year	325	288	152

Key Ratios:

Net Financing / Customer Deposits⁴	88.7%	85.0%	90.1%
Common Equity Tier 1 Ratio	13.9%	13.6%	12.7%
Capital Adequacy Ratio	17.4%	18.2%	17.8%
Non Performing Asset Ratio	12.9%	13.8%	12.2%
NIM ²	3.3%	3.5%	3.2%
Dividend Payout ³	15.0%	12.5%	10.0%

Key Strengths



¹Ratio calculated as sum of Net Financing and Investing Assets and Investments in Bilateral Sukuk divided by Customer Deposits

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Overall Performance Overview

Strong 2012 Financial Performance on the Back of an Robust Strategy

USD million	2012	2011	% Change
Total Assets	25,967	24,667	 5%
Financing Portfolio ¹	17,136	15,981	 7%
Customer Deposits	18,189	17,680	 3%
Impaired Financing	1,666	1,854	 10%
Impaired Financing Ratio	9.7%	11.6%	 1.9%
NPA ratio	12.9%	13.8%	 0.9%
Total Equity	2,875	2,770	 4%
Net Operating Revenue	1,010	985	 3%
Net Profit	325	288	 13%

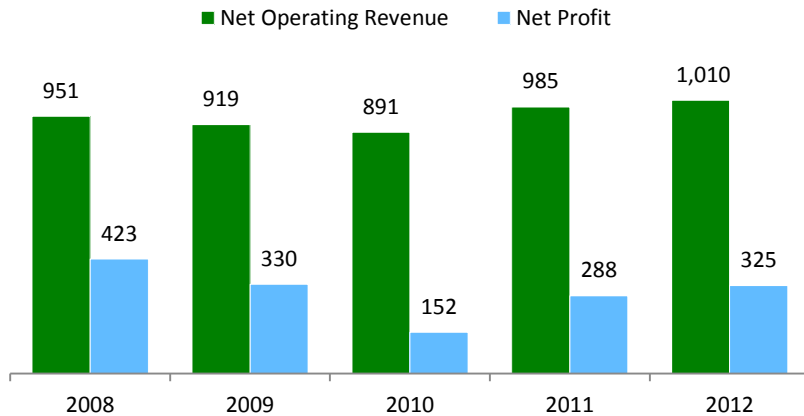
- Renewed growth in Balance Sheet driven by a rebound in the Financing and Investing asset base
- Continued growth in Customer Deposits with Financing to Deposits ratio under 88.7%
- Decrease in Impaired Financing and Investing Assets on the back of an effective risk management framework
- Continued growth in operating revenues and profitability

Note: USD/AED FX Rate = 3.6725

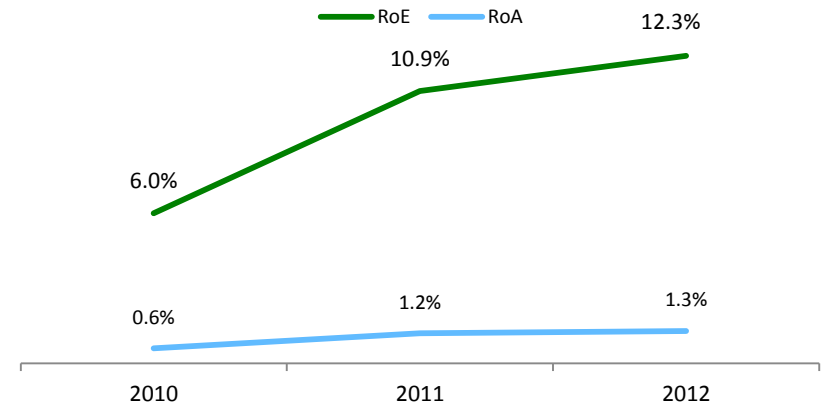
¹Financing Portfolio refers to (i) the sum of Gross Financing & Investing Assets and Investments in Bilateral Sukuk (in respect of 2012 and 2011), and (ii) Gross Financing and Investing Assets (in respect of 2010)

Profitability & Key Ratios

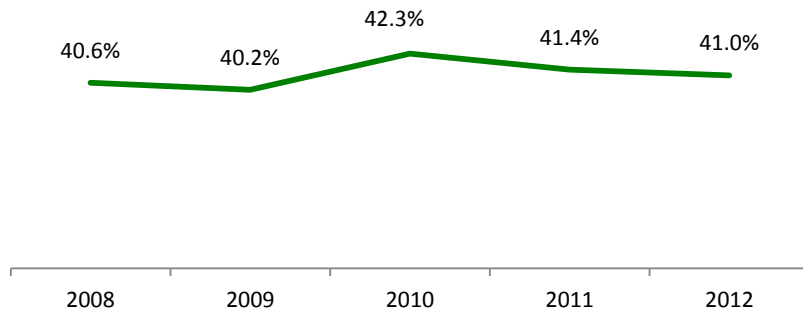
Resilient Profitability (USD mn)



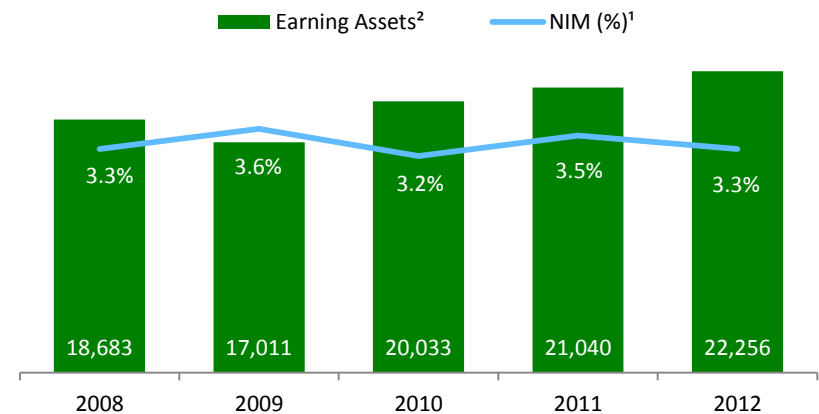
ROA and ROE



Stable Cost to Income Ratio (%)



Earning Assets (USD mn) and NIM %



Note: USD/AED FX Rate = 3.6725

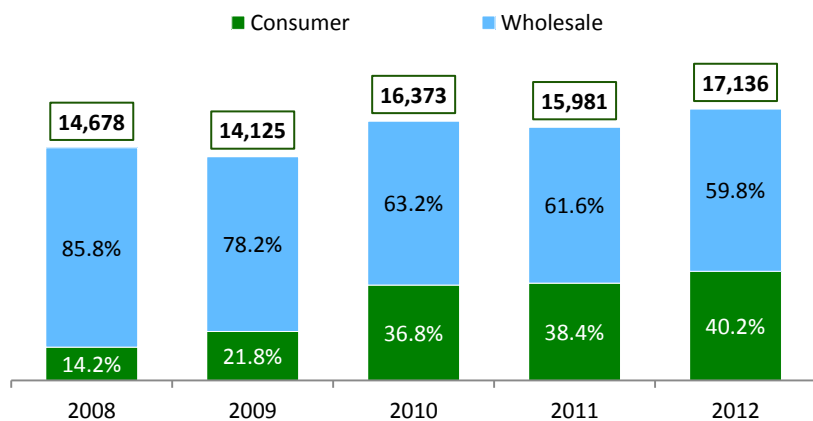
Source: Company financial statements

¹NIM 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.

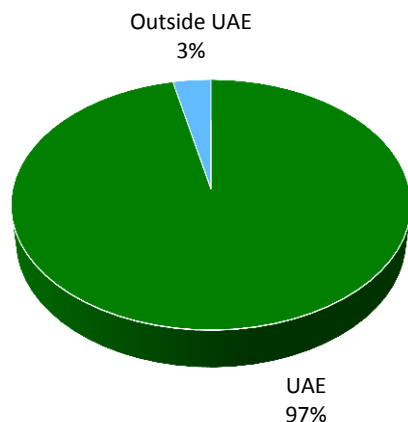
²Earning Assets are calculated as the sum of International Murababat with UAE CB, Investment in Islamic Sukuk and Islamic Financing and Investing Assets & Due from Banks and Financial Institutions.

Financing Portfolio¹

Financing Portfolio¹ (USD mn)

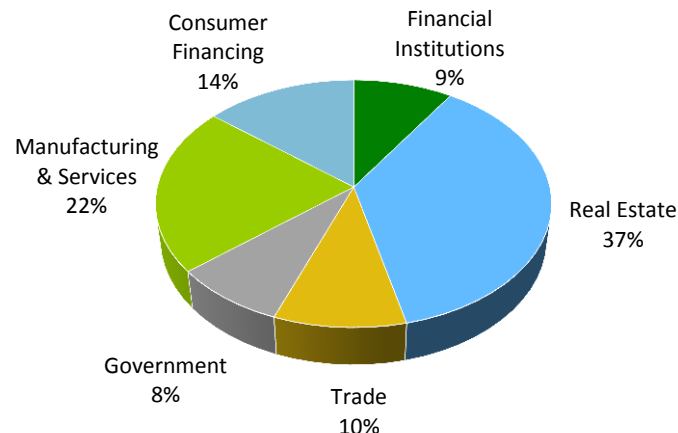


Financing Portfolio¹ by Geography (2012)

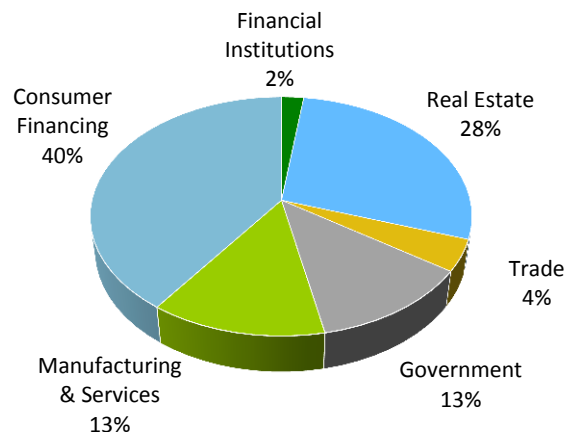


Financing Portfolio¹ by Sector

2008



2012



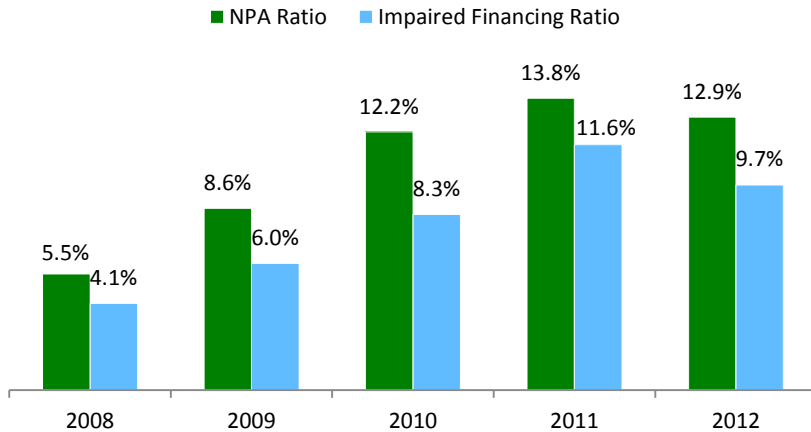
Note: USD/AED FX Rate = 3.6725

Source: Company financial statements

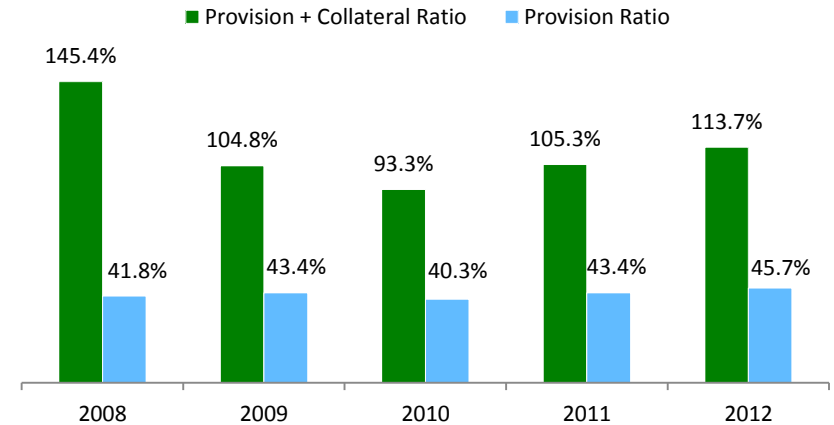
¹Financing Portfolio refers to (i) the sum of Gross Financing & Investing Assets and Investments in Bilateral Sukuk (in respect of 2012 and 2011), and (ii) Gross Financing and Investing Assets (in respect of 2010, 2009 and 2008)

Asset Quality

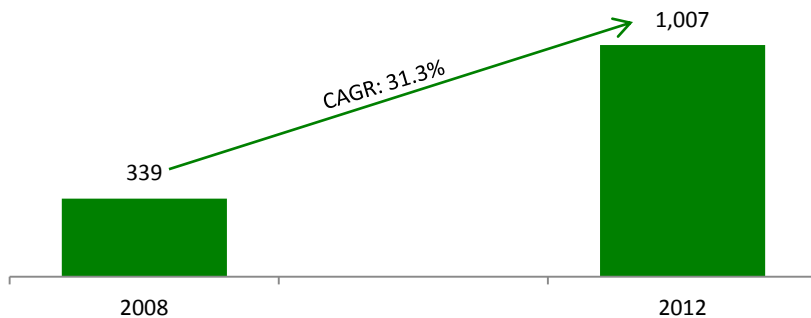
Non-Performing Assets¹



Financing Provisions and NPA



Provisioning (USD mn)



Highlights

- Deliberate policy of building provisions during the global economic downturn to strengthen balance sheet
- Focused strategy to arrest the growth in NPLs has been executed successfully
- NPL ratio now on a downward trend with significant visibility on the existing non-performing portfolio
- Strong emphasis on diversifying risk and conservatism has resulted in growing portfolio of performing assets

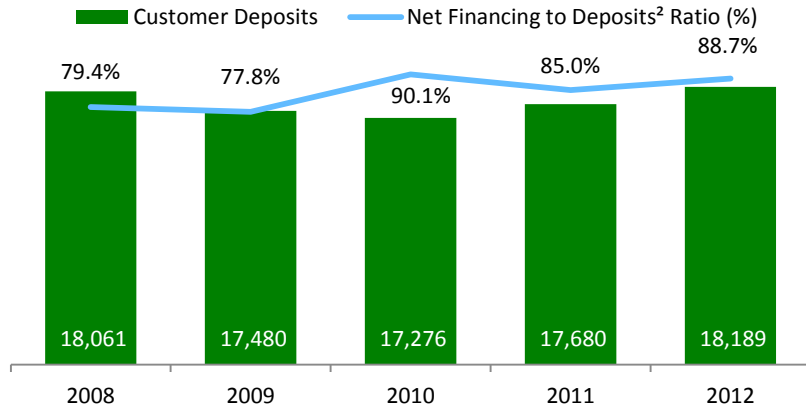
Note: USD/AED FX Rate = 3.6725

Source: Company's financial statements

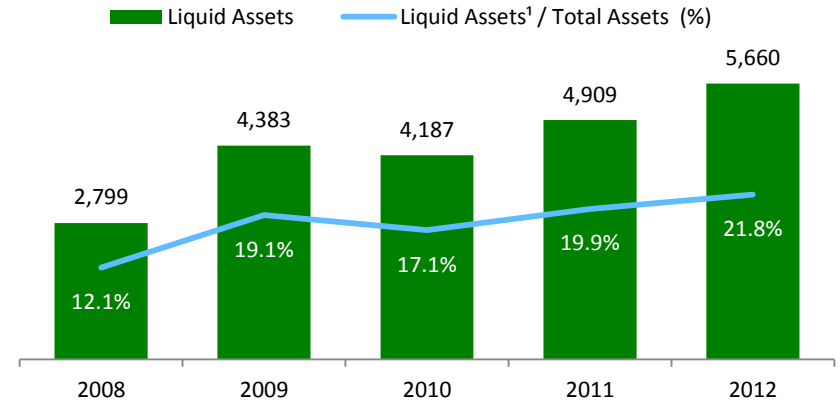
¹Non-Performing Assets are calculated as the sum of Individually impaired and 90-day overdue Financing Portfolio

Funding Profile

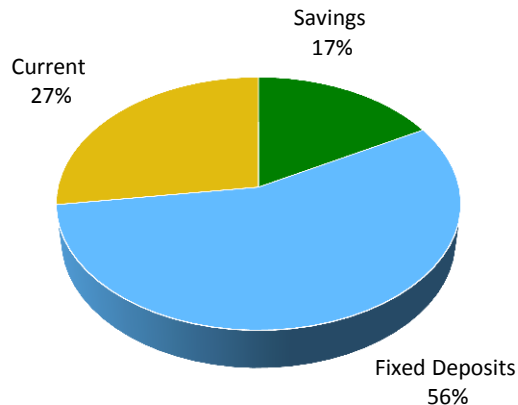
Customers' Deposits (USD mn)



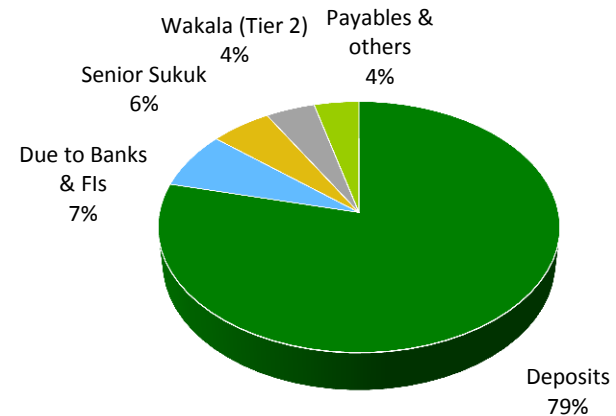
Liquidity Position (USD mn)



Customer Deposits by Type 2012 – USD 18.2 bn



Composition of Liabilities 2012 – USD 23.1 bn



Note: USD/AED FX Rate = 3.6725

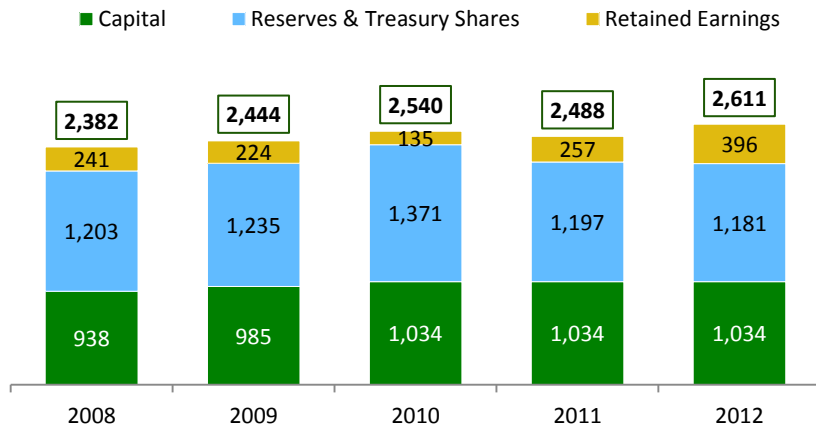
Source: Company's financial statements

¹Total Funding is calculated as sum of Total Liabilities and Total Equity

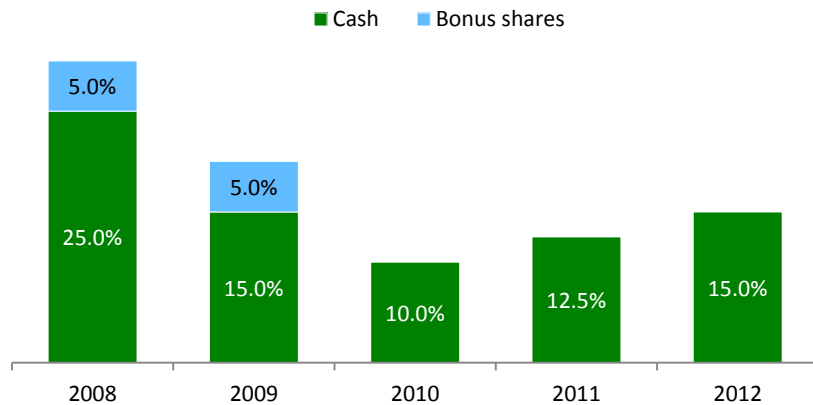
²Ratio calculated as sum of (i) Net Financing and Investing Assets and Investments in Bilateral Sukuk divided by Customer Deposits Sukuk (in respect of 2012 and 2011), and (ii) Net Financing and Investing Assets (in respect of 2010, 2009 and 2008)

Capitalization & Dividend Overview

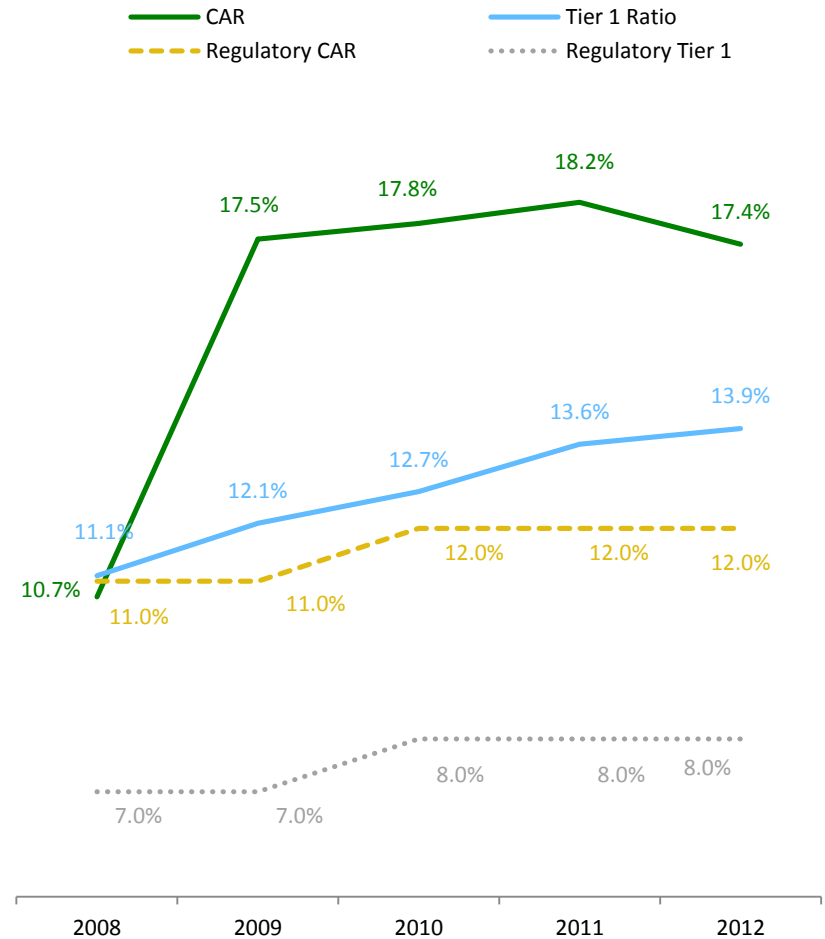
Total Equity² Breakdown (USD mn)



Dividend Payout History³



Capital Ratios vs. Regulatory Capital Requirements (%)



Note: USD/AED FX Rate = 3.6725

Source: Company's financial statements

¹Liquid Assets calculated as the sum of Cash and Balances with Central banks, due from Banks and Financial Institutions and Other Investments

²Refers to Equity Attributable to Equity Holders of the Parent

³Dividend Payout is calculated as total dividends paid divided by weighted average number of shares outstanding during the year

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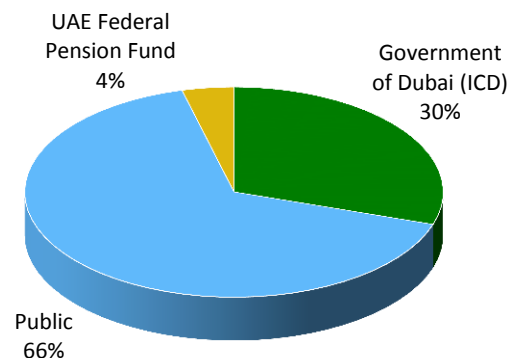
Financial Highlights

DIB Business Overview

DIB's Group Structure

DIB's Ownership & Capital Structure

- The Government of Dubai has been DIB's largest stakeholder since 1998 with a 30% stake. The UAE Federal Pension fund has a 4% ownership; while the remaining 66% is open to public ownership.
- Of the public shareholding, the only other significant ownership is 7.2%, which is held by the Lootah family.
- DIB's articles of association provide that no single shareholder other than the Government of Dubai is entitled to own more than 10% of the share capital of DIB.
- The articles of association also state that non-UAE nationals can, in aggregate, own up to maximum of 15% of total share capital of DIB.



Subsidiaries



95.5%

DIB Capital Limited was established in 2006 and is the investment banking arm for DIB.



58.3%

Tamweel¹ is a provider of regional real estate financing firm established in 2004.



60.0%

Dar Al Sharia is a Sharia legal and financial consultancy firm established in 2004.



100.0%

Dubai Islamic Bank Pakistan was established in 2006 as a banking service provider

Associates



28.4%

DIB has held a strategic stake in Bank of Khartoum, one of the largest banks² in Sudan, since 2005.



20.8%

Jordan Dubai Islamic Bank provides banking services in Jordan.



45.0%

Deyaar Development is a real estate development firm established in 2002.

¹DIB has obtained all necessary approvals to make a Tender Offer to fully acquire Tamweel.

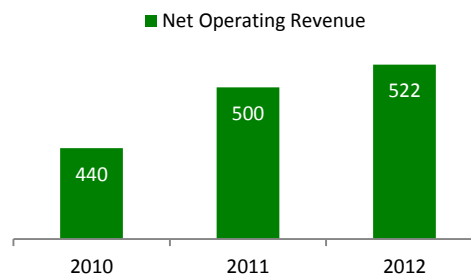
²Bank of Khartoum is one of the largest banks in Sudan by number of branches and ATMs

Business Overview

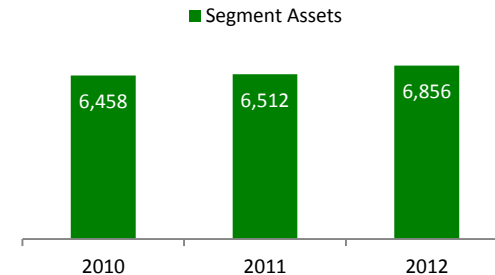
Consumer Banking

- Largest business activity and core focus
- Full range of customer and business services through 81 branches across the UAE as of 31 December 2012.
- One of the largest customer deposit bases in the UAE
- Offers its Sharia compliant products and services under its "Al Islami" brand.

Revenue Trends (USD mn)



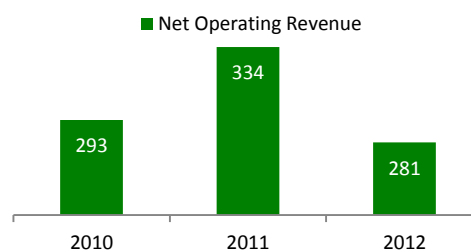
Balance Sheet Trends (USD mn)



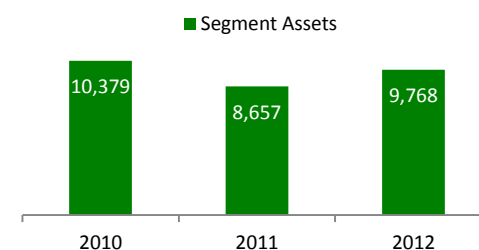
Corporate Banking

- Principally reflects the corporate banking, commercial real estate financing and contracting finance business lines
- Provides transaction banking services and financing for manufacturing and infrastructure
- Strong capital market and investment banking expertise in the region

Revenue Trends (USD mn)



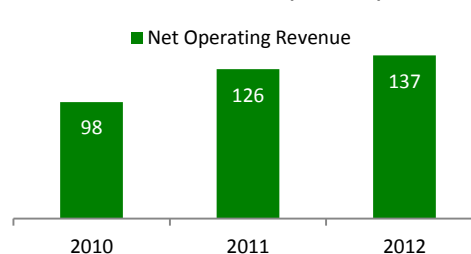
Balance Sheet Trends (USD mn)



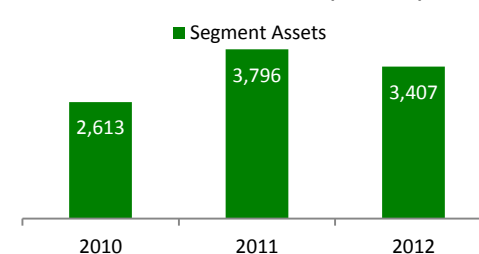
Treasury

- Offers comprehensive range of products such as currency contracts, profit-enhanced products and other Islamic compliant financial solutions
- Manages the Bank's liquidity
- Manages Fixed Income Book

Revenue Trends (USD mn)



Balance Sheet Trends (USD mn)



DIB's 2012 Awards



Best Islamic Bank in the Region



Best Islamic Bank, UAE



Best Islamic Bank in the UAE



Ranked One of the World's Top 100 Companies



**Best Distance Banking Service
(Electronic Banking Services)**



Best Private Bank



Best Sukuk Arranger



Salik One Financing named Deal of the Year

DIB's Strategy

Maintain position as the leading and the most progressive Islamic financial institution in the region as well as in other selected strategic markets

Key Strategic Goals & Initiatives

DIB defines its strategic objectives within a three year rolling period, which currently comprises the years 2012 to 2014 (inclusive). The current strategy aims to maintain DIB's position as largest Islamic Bank in the UAE and as a leading bank in markets where it has presence.

Expand Core Islamic Finance Business

- DIB intends to enhance its retail banking products and services through particularly enhancing services provided to the upper mass segment while expanding and standardising services to the middle and mass segments
- Enhancing the product and services suites across all key business areas of consumer, corporate and treasury
- DIB attempts to maximise opportunities for cross-selling with a target or enhancing its cross-sell ratio by a minimum of 10% per annum for the next three years across businesses (consumer, corporate and treasury)
- DIB plans to position Tamweel as the specialist mortgage financing institution for the group

Reduce Exposure to Corporate Real Estate

- Currently, DIB is running-off its existing commercial real estate finance portfolio and is not entering into new financing arrangements

Track Suitable International Growth Opportunities

- Any opportunity that may arise to attain geographical diversification in GCC and select Islamic markets through acquisitions or organic growth.

Diversify Income Streams

- Increasing fee income through greater focus on retail financing and enhanced cash management offerings can achieve diversification
- Enhance capital market business as well as focus on trade and f/x to support fee income growth

Growth within Corporate Banking

- DIB is enhancing its investment banking capabilities further.
- The Bank intends to develop bank assurance as a separate business line.
- Further enhance presence and penetration within key UAE markets and segments of Abu Dhabi, Free zones, Middle market

Develop a Culture of Excellence

- Developing a culture of excellence will pave the way for DIB to become the best-in-class service provider in the banking sector.

Manage Risk

- DIB continues to enhance its risk management across all of its core businesses.

Risk Management Structure

- The Board of Directors is ultimately responsible for **identifying and controlling risks within DIB**. However, there are separate independent bodies responsible for managing and monitoring risks.
- The Board of Directors is responsible for DIB's overall risk management approach and for approving its risk strategies and principles.



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